

Case In Point:

Key Person – Distribution Company

Background

An equipment distribution company wanted to protect a key sales manager in the event he suffered a disabling illness or injury. The employer already had key person disability insurance through another carrier, but was dissatisfied.

Solution

With Principal Life's introduction of KPR insurance, the producer had a great reason to visit the owner. The policy is simpler, offers guaranteed premiums and provides a more comprehensive definition of disability. The employer cancelled the previous coverage and purchased a Principal Life policy with a 180-day Elimination Period and a lump sum benefit of \$420,000.

Compensation

This case generated \$1,785 in first-year commissions², \$714 in renewals² and additional sales opportunities for other key employees. The company is considering switching their group disability coverage to Principal Life and offering Individual Disability Income insurance to employees.

¹ Principal Life's Key Person Replacement insurance is subject to state approval. Go here for more information.

² Series 700 compensation; 50% first year commission, 100% Persistency and 0% annual increase options. Renewals are based on a 5-year projection.

Please remember to abide by the company's policy on disclosure of compensation. You can obtain more information, as well as a disclosure form, at www.principal.com.