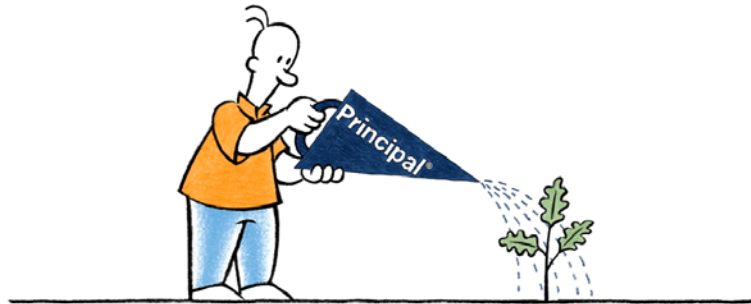


Association Marketing

Growing your disability sales

Strength In Numbers. Power of Protection.



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How important is disability insurance coverage?

1 in 10 Americans between the ages of 18 and 64 have a disability¹

Applications for Social Security Disability Benefits increased by 21% in 2009²

Today, over 5% of the U.S. workforce receives hard-to-qualify-for Social Security Disability Insurance payments³

Roughly 70% of the U.S. workforce or 100 million Americans are not protected by private disability insurance⁴

¹ U.S. Census Bureau, Selected Characteristics in the United States: 2009

² Social Security Administration, Office of Disability and Income Security Programs

³ Social Security Administration, Office of Disability and Income Security Programs

⁴ Social Security Administration, Fact Sheet, Jan. 31, 2007



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Financial strategy foundation



Who is a likely prospect?

Almost everyone in the working population, but specifically:

- Are ages 30 to 50
- Earn minimum income of \$50,000/year
- Have other risk and/or protection products
- Are interested in protecting their most important asset – their ability to work and earn an income
- White collar individuals, such as professionals, business owners and executives

Associations are a great way to grow your Individual DI sales with ideal prospects!

Association Guidelines

- **Pre-approval required** from Principal Life
- To qualify, **association must:**
 - Be a dues-paying local, county, state, professional or trade association with members of homogenous occupations
 - Have been in existence for at least two years, and formed for the purpose of promoting the interests of the profession
 - Have a constitution or by-laws, regardless of whether incorporated
 - Have 100+ eligible lives (preferred)
 - Have members with 3A or above occupation class



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Association Guidelines

- **10% Association Discount available** for:
 - Disability Income (DI)
 - Overhead Expense (OE)
 - Disability Buy-Out
 - DI Retirement Security
- **Sex distinct rates** (except for unisex in Montana)
- **Additional discounts stackable** with 10% Association:
 - 10% Select Occupation
 - Up 10% MNSA for DI policies (typically required for association business)



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About the available solutions

Product/Solution	Benefits
Individual Disability Income	Protects income, provides for family, helps maintain lifestyle, provides peace of mind
DI Retirement Security	Protects retirement dreams, continues retirement savings, compliments income protection plan
Overhead Expense	Insures business value so owner can return to a financially sound business or sell the business for its value; covers business-related loan obligation
Disability Buy-Out	Provides funding solution to purchase disabled owner's interest in the business, benefits received income tax-free



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Types of ideal occupations

Accountants/CPAs	Opticians
Advertising Executives	Optometrists
Architects	Legal Professionals
Funeral Directors	Pharmacists
Graphic Designers	Public Relations Consultants
Hospital Administrators	Sales/Marketing Executives
Manufacturing Reps	Veterinarians

10% Select Occupation Discount available for select occupations



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Why is an association offering beneficial?

Association Executives

- A **valuable benefit** for existing members at a discount
- **An incentive** for enticing new members
- **No cost** to the association
- **No administrative work** required
- Materials and **marketing support** to promote program



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Why is an association offering beneficial?

Association Members

- **Quality coverage** at a discount
- **Financial needs analysis**
- **Excellent customer service and claims handling** provided by Principal Life
- Access to **educational materials**

Satisfied Claimants

- **97%** were satisfied with services.
- **99%** were satisfied with receiving benefits.
- **98%** were satisfied with the accuracy of the benefit payments



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Why is an association offering beneficial?

You

- **Access to multiple prospects**
- **Credibility afforded** by an association's endorsement
- Invaluable **networking and relationship building** potential
- Opportunities for **new business and cross-sales**
 ➡ **Many turn into multi-life sales**
- **Compensation offering** from Principal Life



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You can build a steady stream of income with one policy a month

Year	First Year Premiums	First Year Commission (FYCs)	Renewals	Quality Business Bonus (QBB)	Quality Producer Bonus (QPB)	Total Payments
1	\$25,000	\$12,500	\$0	\$0	\$1,250	\$13,750
2	\$25,000	\$12,500	\$3,000	\$1,250	\$1,250	\$18,000
5	\$25,000	\$12,500	\$12,000	\$5,000	\$1,250	\$30,750
10	\$25,000	\$12,500	\$24,500	\$11,250	\$1,250	\$49,500
Sub-Total	\$250,000	\$125,000	\$127,500	\$56,250	\$12,500	\$321,250

*Assumptions: \$25,000 annual premium, 100% persistency over 10 years, 50% commissions, Series 700

Marketing tips

Association Executives

- **First do your research on the association and get pre-approval from Principal Life**
- **Approach association executives** and ask these types of questions:
 - Would you be interested in offering your members a discount on a valuable benefit that would help protect their financial stability if they became too sick or hurt to work?
 - Are you looking for a program that would strengthen your overall association offering to assist in new member recruitment?
- Make sure they understand the **partnership** between the association and YOU.



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Marketing tips

Association Members

- **Once approved, announce offering** through all available channels (web site, e-mails, newsletters, seminars, meetings, etc.)
- Ask to **present to members** on the importance of income protection.
- **Arrange individual appointments.**
- **Continue ongoing promotion.**
- **Ask for referrals** to other members (or other ideal clients).
- Use the **Simplified Sales Programs** streamline the sales process.



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Types of questions to ask members

Sell the need

- What is important to you?
- How valuable is your income?
- How do you really spend your money? What are your typical monthly expenses?
- Could you afford to live without your income for a period of time ... 2 months, 6 months, to age 65?
- How would you continue saving for retirement without an income?

Keep it simple and tie the conversation back to everyday experiences and what they know and understand.



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About Simplified Sales Programs

- Full commissions are paid.
- All riders are available, including our competitive Benefit Update rider.
- No routine medical requirements (blood, urine, EKGs or APSs)
- No financial verification (for annual incomes under \$150,000)
- Benefit amounts up to:
 - \$3,000/month benefit for Simplified DI.
 - \$10,000/month benefit for Simplified OE.
 - \$360,000 aggregate benefit for Simplified DBO.
- 48-hour turn around time once the application and TeleApp interviews are completed and received.


Additional guidelines and documentation may apply.

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Simplified DI: mortgage protection

A Harvard University report reveals that **62 percent of all personal bankruptcies** filed in the U.S. in 2007 were due to an inability to pay for medical expenses.¹



1 – June 4, 2009, *The American Journal of Medicine*.

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Sample monthly premiums

10% Association Discount

Age	Male rates	Female rates
30	\$25.33	\$39.96
40	\$39.03	\$54.80
50	\$59.00	\$70.46

Assumptions: Colorado resident, non-smoker, 90 Day Elimination Period, To Age 65 Your Occupation and Benefit Period, Residual Disability and Recovery Benefit rider, 4A occupation class, \$1,000 monthly benefit, 10% Association Discount.

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Don't leave a sale on the table ... ask.



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Ask for the sale

Recent survey* results indicate:

- **45% feel unknowledgeable** about disability insurance
- **14% own** an individual disability income (DI) insurance policy
- **7% of have spouses that own** an individual DI insurance policy

An educated consumer is a buying consumer.

*The Principal Financial Well-Being Index, First Quarter 2009



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Questions?



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