

Individual Disability Income insurance

Tips for better underwriting

You play a big part in the Individual Disability Income (DI) insurance underwriting process at Principal®. When submitting a case for underwriting, share as much information as you can with us. Focus on these **three key areas**:

1
Occupation

2
Income/financial
background

3
Medical
impairments

1 Occupation

The **occupation class determines the premium amount** as well as the maximum benefit amount for your client. Job duties are key in occupation classification.

Examples of each of our occupation classes include:

- A – Shipping and receiving clerk, press worker
- 2A – Building inspector, medical assistant
- 3A – Administrative assistant, bookkeeper
- 4A – Computer programmer earning less than \$70,000/year, executive earning between \$40,000 and \$60,000/year for the last two years
- 5A – Small animal veterinarian, executive earning over \$60,000/year for the last two years
- 6A¹ – CPA, attorney

Tip: If your client falls between two occupation classes, make the sale based on the lower occupation. After review, if you can offer a higher occupation class, you'll be in a better position to close the sale

2 Income/financial background

Individual DI insurance is intended to replace a portion of lost income, while providing motivation to return to work. Because of that, reviewing financial documentation is necessary. The financial section of the application and federal tax returns are the best source of income documentation.

3 Medical impairments

Medical history is critical to underwriting. An understanding of basic conditions can help you set expectations. To help determine if a medical rating or exclusion may arise, ask your clients the questions at the end of Part A on the application.

Some conditions can trigger a decline of coverage, a modification to the policy or an additional premium charge.

Conditions that may result in a decline of coverage

- Bipolar
- Cancer
- Chronic fatigue
- Cirrhosis
- Emphysema
- Fibromyalgia
- Heart attack
- Hepatitis C
- Type 1 diabetes
- Kidney disease
- Medical marijuana use
- Multiple sclerosis
- Pancreatitis
- Rheumatoid arthritis
- Self-prescribing physicians
- Severe sleep apnea (if diagnosed within 2 years)
- Stroke
- Systemic lupus

Conditions that may result in a policy modification

- Adult onset diabetes
- Anxiety/stress or other mental/nervous conditions
- Back strain/sprain or other back-related conditions
- Carpal tunnel syndrome
- Crohn's disease
- Epilepsy
- Excess weight
- Hepatitis A or B
- Mild to moderate sleep apnea (if diagnosed within 2 years)
- Psoriasis
- Restless leg syndrome
- Ulcerative colitis

To help streamline medical underwriting, use the TeleApp interview process. A trained Principal professional calls clients and asks the medical insurability questions found in Part B of the application. **Tip:** Schedule a TeleApp appointment by calling 888-TeleApp (888-835-3277).



Let's connect.

Contact your local representative.



[principal.com](https://www.principal.com)

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¹ The 6A occupation class is for Individual DI insurance in approved states; not available in California. For a complete list of state approvals, visit www.principal.com/distateapprovals.