



Principal Variable Universal Life  
Income IV<sup>SM</sup>

Take control  
of your  
financial  
future.

# Get empowered to turn your financial goals into reality.

There's a lot to consider when planning for your financial future. Did you know that life insurance can play a big part?

Variable Universal Life Income IV (VUL Income IV) insurance delivers a variety of financial benefits, including:

- Support for loved ones in a time of need with an income tax-free death benefit.
- A tax-friendly way to save more money.
- Tax-free access to cash value for the important things you want to accomplish in the future.

Protect your  
family or  
business

Build  
more for  
retirement

Get access to  
funds when  
you need it

## In this brochure:

**First**, we'll look at how VUL Income IV insurance can help you protect your family or business and build more for retirement.

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**Next**, we'll walk you through how your policy can provide additional income, plus share a story of how a family used VUL insurance to achieve its financial goals.

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**Finally**, we'll look at some details, including how you can customize your policy to meet unique needs.

# Help protect your family or business.

The death benefit provided through life insurance offers reassurance that when you pass away, the people who depend on you will still have plans for financial security. As long as you make sufficient payments to keep the policy active, it will help provide protection for your lifetime.

Any benefit paid to beneficiaries is generally free of income tax and potentially estate tax, as well. This gives them tax-advantaged financial support to help:

Ensure a more comfortable  
**retirement**



Enable a **family business** to continue in your absence



Pay for  
**college**



Pay **final expenses** and any remaining debts







## Build more for your retirement.

As you save for retirement, do you envision a future in which you have the financial freedom to do what you choose? That's a worthy goal. But sometimes traditional retirement savings plans aren't enough to make this possible.

VUL Income IV can help. It offers the potential to accumulate cash and access it later in a tax-friendly way.

When you make a payment to your policy, a portion of it goes to the life insurance benefit that protects your family or business. Any remaining amount goes toward building policy value.

Your policy value grows tax-deferred, so it accumulates faster than if earnings were taxed each year. And when you make a withdrawal later, it's received income tax-free. This can help diversify your retirement income from taxable sources and allow you to draw down your assets in a tax-efficient manner.

Plus, there's no penalty for withdrawals prior to age 59½.

# Enjoy potential for growth.

The cash value of your policy will be determined by market performance. And guess what: You can decide how your premium dollars are invested.

Do you prefer to leave important investment decisions to experts? Or are you confident in making these choices yourself? Your policy offers options.

## OPTION 1: **Personalized**

By selecting a personalized strategy, you create a portfolio based on your investment objectives. There's no limit to the number of investment options you choose. And you have the flexibility to move money among your investments when you want.

## OPTION 2: **Guided**

If you want a little more help, consider the guided strategy. We've partnered with an industry expert to create fixed asset allocation models that best align with your risk profile and objectives. The investment profile questionnaire will help you choose the model or portfolio that best meets your risk tolerance.

**Asset allocation** is the process of combining stocks, bonds, and cash into an investment portfolio to diversify the risk. While asset allocation and diversification don't guarantee a gain or eliminate the possibility of investment loss, they can help you reduce risk and enhance the potential of reaching your investment goals.

## OPTION 3: **Thematic**

With a thematic allocation strategy, you invest based on either a target retirement age or a target risk profile. This strategy provides you with two different allocation approaches, each with a mix of stocks, bonds, and other investment options. Investments are actively managed, which means the underlying investments are constantly monitored and reallocated.

Your investment options cover a variety of asset classes, including:

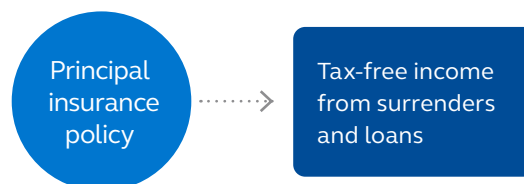
- Short-term fixed income
- Fixed income
- Balanced/asset allocation
- Small/mid-cap U.S. equity
- Large-cap U.S. equity
- International equity
- Specialty

Work with your financial professional and complete the **Investor Guide (BB12366)** to determine which variable investments might be appropriate for your circumstances.

# Get access to funds when you need it.

From caring for an elderly family member to funding your kids' college tuition, your insurance can help you meet a variety of needs that may come up.

The values in your policy are available to you using partial surrenders and/or policy loans. These withdrawals are generally received free of income tax, so you keep more of what you've earned.



## Benefit from a built-in loan safety net.

If you take a loan from your policy, interest for the loan is charged. This loan interest accumulates over time if it's not paid and could cause your policy to terminate. Not only would there no longer be a death benefit for the beneficiary, there would also be income tax due on any income received from your loan. The Life Paid-Up Rider<sup>1</sup> is a built-in safety net to protect against this. It activates when certain conditions are met to help keep your policy from lapsing and prevent the money you've received from being taxable. There is a charge if the rider is used.

## Easy access for your convenience

If receiving regular income payments is one of your objectives, these three steps make it easy to get started and keep payments going:

- 1 | Decide** how often you'd like to receive payments.
- 2 | Complete** one short form and send it to us.
- 3 | Forget about it** because your work is done. Payments continue until either you tell us to stop or you've received all policy value available for distribution.

## Important policy and loan information

- Distributions from your policy are generally received income tax-free. If the policy is a Modified Endowment Contract (MEC), however, distributions may be subject to current income taxes. A life insurance policy is classified as a Modified Endowment Contract (MEC) if total policy premiums exceed specified IRS limits. Partial surrenders, policy loans, assignments, pledges, and other forms of cash distributions from MEC policies may be subject to adverse tax consequences. Consult your tax advisor to determine actual tax consequences.
- In exchange for the death benefit, life insurance products charge fees such as mortality and expense risk charges and surrender fees.
- If the policy is a MEC, distributions taken prior to age 59½ may be subject to a 10% penalty.
- Partial surrenders and loans may decrease the amount of death benefit and policy value. Surrender charges and other policy charges may apply to distributions taken from the policy. The death benefit paid to your beneficiary would be reduced by any partial withdrawals and policy loans taken.
- Increasing the face amount after policy issue may be subject to additional underwriting and surrender charges.
- Policy loans, partial surrenders or policy charges, including rider additions/deletions, can negatively impact this guarantee.
- If the cash value declines to the extent that it no longer supports the policy, additional premiums will be required.



## A young family's story

A husband and wife in their early 40s have two children. Both of them work full-time, and they've made progress toward their financial goals. However, they still have concerns.

### GOALS

**They want to provide for their family if something happens to either of them.**

**They want to help the kids with the costs of college.**

**They want to save for the retirement they've dreamed of—lots of travel and time with family.**

### CONCERNS

They both have term life insurance through work that expires if they leave their employers or when they reach a certain age.

The fixed interest rate assets they have are taxable, have limited growth potential, and may count against qualification for college financial aid.

Despite contributing the maximum to their employer-sponsored 401(k) plans, they may not be able to save enough because of contribution limits based on their income.

At retirement, taxes on income from the 401(k) plans can erode gains and leave them with less.

## A solution

They consult with their financial professional and agree that a VUL Income IV policy can help them meet their goals.

### THEY GET ...

**Permanent life insurance**

**An additional savings source through permanent insurance**

### AND THE BENEFIT IS ...

As long as they pay sufficient premium, coverage won't expire.

- An income tax-free asset they can use to supplement their taxable qualified assets.
- Attractive growth potential tied to market performance.
- No penalty on withdrawals prior to age 59½ or limits to how much they can pay in to their policy based on income.

Hypothetical example only to demonstrate how VUL Income IV can work in practical situations. The example is for educational purposes and is not intended to be taken as a recommendation.

# Additional ways you can benefit from your policy

## Get even more growth potential with these features:

- **Account Value Enhancement.**<sup>2</sup> Additional interest is credited to your policy value beginning after the 11th policy year.

Note: the Account Value Enhancement isn't guaranteed and the rates are subject to change.

- **Fixed Dollar Cost Averaging Accounts.** These are designed to help you take advantage of the principle of Dollar Cost Averaging (DCA) by transferring money each month, for either six or 12 months, from the Fixed DCA Account to one or more variable investments or the Fixed Account.

**DCA** is a fundamental investment strategy based on the idea of investing smaller amounts of money at regular intervals rather than investing in one lump sum. This approach allows you to acquire shares at many different prices rather than at a single price.

DCA doesn't guarantee profits or prevent losses in a declining market. Since a DCA plan involves continuous investments regardless of price levels, you should consider your ability to continue purchases through periods of low price levels.

## Get the right level of coverage for you.

Working with your financial professional, you'll determine the amount of insurance coverage that's right for you, how much you want to pay into the policy, and the death benefit option appropriate for your situation.

### Death benefit

We offer three options, and the one you choose determines what your beneficiaries will receive and the cost of your policy.

**OPTION 1:** The face amount (the initial amount of your coverage)

**OPTION 2:** The face amount plus any policy value

**OPTION 3:** The face amount plus premiums you've paid less withdrawals you've taken

Should the need arise later, you can raise or lower your death benefit amount and also increase or decrease your payments within certain limits.

## Ensure your coverage is there when you need it.

While your policy's variable investments will fluctuate according to market performance, your policy also offers guarantees to protect it:

- A No-Lapse Guarantee<sup>3</sup> period is automatically added.
- If you'd like a longer guarantee period, the Death Benefit Guarantee Rider<sup>1,3</sup> may be added.



# Customize your policy.

A rider is a benefit added to the policy to enhance your coverage. Some come standard and others are optional.<sup>4</sup> Your financial professional can help you identify what's right for your needs.

**BASE RIDERS:** Automatically included on the policy, subject to state availability and qualification requirements, at no additional charge unless used.

**Change of Insured Rider.** Permits you to replace the current insured with a new insured in a business situation.

**Chronic Illness Death Benefit Advance Rider.**<sup>2</sup> For details, see the Chronic Illness Death Benefit Advance Rider brochure (BB10935; BB10935CA in California).

**Cost of Living Increase Rider.** Helps you keep pace with inflation by allowing you to increase your insurance coverage with no additional underwriting.

**Life Paid-Up Rider.** Protects your policy from lapsing if you have a large policy loan, subject to the conditions of the policy.

**Terminal Illness Death Benefit Advance Rider.**<sup>2</sup> Provides the option of receiving an advance of a portion of the death benefit if you're diagnosed with a terminal illness.

**OPTIONAL RIDERS:** May be added to your policy, subject to state availability, at a cost.

**Death Benefit Guarantee Rider.** Guarantees your policy won't lapse before age 65 as long as the cumulative Death Benefit Guarantee premium amount is met.

**Salary Increase Rider.**<sup>2</sup> Provides you with the option to increase your insurance coverage to keep up with your rising salary. It's only available for business situations.

**Surrender Value Enhancement Rider.** Waives a portion of the cash surrender charges if the policy is terminated. It's only available for business situations.

**Waiver of Monthly Policy Charge Rider.** Waives the monthly charges for your policy (not the full premium amount) if you become disabled.

**Waiver of Specified Premium Rider.** Pays the greater of the monthly specified premium or the monthly policy charges if you become disabled.



# A quick review

## **This type of policy may be a good fit if you:**

- Need life insurance coverage.
- Want a long-term savings source with growth potential.
- Are comfortable with how market fluctuations will impact your policy's cash value.
- Desire tax-advantaged income to help supplement future retirement income sources.

## What happens next if I decide to purchase?

If this policy is the right choice for you, your financial professional will work with you to get started. Below is what you can expect next.

- You'll review an illustration to see how your policy might perform in different hypothetical scenarios based on the level of premium payment you're comfortable with.
- You'll complete an application and make your investment allocation choices.
- You'll begin the underwriting process. It may sound intimidating, but it's really not.
  - It's simply a way to determine an appropriate risk class for you based on factors such as your age, gender, current physical condition and medical history, financial background, personal habits, occupation, and relevant hobbies (such as aviation or scuba diving). Your risk class determines the cost of your insurance.
  - Depending on your personal situation, you may qualify for a faster underwriting process known as Principal Accelerated Underwriting<sup>SM</sup>, which means we gather less information from you and the process is usually quicker.<sup>5</sup>
- After you've been approved and we receive your initial payment, you'll receive your policy. It contains all the detailed information—kind of like the owner's manual for your car. Keep it somewhere safe.
- As a courtesy at the end of each policy year, you'll receive an annual statement.



Contact your financial professional today  
to learn more about VUL Income IV.



# Your goals, our purpose

No matter what's important to you, Principal® is here to help you identify and implement solutions that are right for your needs. We help people protect and achieve their financial dreams through solutions that can help them live their best lives.

We work with people like you every day and make it a priority to understand where you want to be and how you plan to get there. This means you'll get expertise and innovative ideas when you need them to make your financial progress possible. To find out more, visit us at [principal.com](http://principal.com).





**Investing involves risk, including possible loss of principal.**

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Policy guarantees and benefits are not backed by the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

<sup>1</sup> Availability varies by state.

<sup>2</sup> Not available in New York.

<sup>3</sup> The No-Lapse Guarantee period is a duration beginning with 10 years for ages 0-75, 9 years for age 76, 8 years for age 77, 7 years for age 78, 6 years for age 79, and ending with 5 years for ages 80+. With both the No-Lapse Guarantee and the Death Benefit Guarantee Rider, when the guarantee expires, it may be necessary for you to pay higher premiums in order to maintain your policy. Also, if you pay only the amount of premium needed to maintain the guarantee, you will have less policy value growth potential than if you paid a higher premium.

<sup>4</sup> The policy rider descriptions are not intended to cover all restrictions, conditions, or limitations that may apply. Certain riders have additional costs, and may reduce the death benefit, cash surrender value, and other policy values. See the rider for full details, state variations, and availability. The Death Benefit Guarantee Rider and all guarantees are subject to the claims-paying ability of the issuing insurance company.

<sup>5</sup> Applicants may qualify for Principal Accelerated Underwriting<sup>SM</sup> based on age, product, face amount, and personal history.



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All guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker-dealer and/or insurance agency selling the policy, or any affiliates of those entities other than the issuing company affiliates, and none makes any representations or guarantees regarding the claims-paying ability of the issuer.

**Before investing, carefully consider the investment option objectives, risks, charges, and expenses. Contact a financial professional or visit [principal.com](https://principal.com) for a prospectus or, if available, a summary prospectus containing this and other information. Please read it carefully before investing.**

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Principal National Life Insurance Company Policy Form: ICC21 SN 161/SN 161; Rider Forms: SN 10, SN 11, SN 58, SN 59, SN 60, SN 63, SN 65, SN 67, SN 68, ICC14 SN 93/SN 93, ICC19 SN 119/SN 119, and ICC19 SN 120/SN 120

Principal Life Insurance Company Policy Form: SF 992 NY/SF 992 NY U; Rider Forms: SF 612 NY, SF 852 NY/SF 852 NY U, SF 853 NY, SF 854 NY, SF 857 NY A, SF 858 NY A, SF 934 NY, and SF 993 NY

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Not insured by any Federal government agency**

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