



Principal Life Insurance Company

P.O. Box 10431

Des Moines, IA 50306-0431

**Absolute Assignment
to Effect a Section
1035(a) Exchange**

("Company" means Principal Life Insurance Company. "Current Contract(s)" means contract(s) to be exchanged. "Assignment" means absolute assignment. "Principal Life Contract" means the new Principal Life Insurance Company contract.)

If you are exchanging Current Contract(s) from more than one company, complete a separate Assignment for each company. If you are exchanging Current Contract(s) from the same company, please include all contracts on this Assignment. **NOTE:** The insured and owner of the Principal Life Contract **must match** the insured and owner of the Current Contract(s) being exchanged.

Current Insurance Company	Insured's Name
Owner's Name (If Company or Trust, provide Company/Trust Name and Date of Trust)	
Owner's SSN/TIN	

A. Current Contract(s) (List policy numbers)	B. Type of Contract(s)	C. Is There a Loan on Existing Policy?	D. Will Loan Amount Be Carried Over? *	E. Current Outstanding Loan Amount *	F. Policy Lost or Destroyed?
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No

* If column **D** is answered Yes, complete column **E**. Loans can be carried over to a new Principal Life Contract. Loans cannot be carried over to an existing in force policy issued by Principal Life Insurance Company.

Will the accrued loan interest be included in the loan(s)? ☐ Yes ☐ No

Will the initial premium be paid from 1035 proceeds? ☐ Yes ☐ No

Is the exchanged contract a Modified Endowment Contract (MEC)? ☐ Yes ☐ No

Does the exchanged contract have a gain? ☐ Yes ☐ No

ABSOLUTE ASSIGNMENT OF CURRENT CONTRACT(S)

I hereby absolutely assign and transfer all rights, title and interest of every nature and character in and to the Current Contract(s) described above to the Company. I hereby intend this Assignment to be part of an exchange qualifying under Internal Revenue Code Section 1035(a). I understand that upon the acceptance of this Assignment, the Company, at their discretion, will present this Assignment to the current insurer for surrender of the Current Contract(s) and any funds received will be applied to the Principal Life Contract. I understand the Company will be given the right and power to do all things authorized by this Assignment, including but not limited to: a) surrendering the Current Contract(s); b) obtaining information on the Current Contract(s); c) receiving death proceeds for the Current Contract(s); d) naming/appointing a beneficiary entitled to the Current Contract(s) proceeds. As assignor and beneficiary of the Current Contract(s), the Company can retain any amount received, even if it exceeds the minimum premium due for the Principal Life Contract.

CARRYING EXISTING LOAN FROM CURRENT CONTRACT(S)

I understand that outstanding loans which are extinguished or forgiven upon an exchange may be reportable as taxable income to the extent of any gain within the Current Contract(s). I further understand that, at my request, the Company will carry over a loan to the new Principal Life Contract and maintain an existing loan as allowed by applicable provisions of the Internal Revenue Code, and in accordance with the Principal Life Contract provisions. If the exchanged contract has a loan being carried over with a gain, any partial surrender processed in years 2 thru 15 to pay off the loan **may** be taxable. I instruct the Company to transfer the existing outstanding loan balance of each Current Contract(s) I have so designated to the Principal Life Contract, subject to minimum and maximum guidelines set by the Company. **I have consulted with my tax advisor before contemplating an exchange with an outstanding loan or I have waived my right to do so.**

WAIVER OF RIGHTS ON CURRENT CONTRACT(S)

I understand that by executing this Assignment, I irrevocably waive all rights, claims and demands under the Current Contract(s). I hereby revoke all previous beneficiary designations and designate the Company as the sole beneficiary of the Current Contract(s). No insurance will come into force solely as a result of completing this Assignment (except as may be provided under the terms of a conditional receipt that may have been executed as part of the application for the Principal Life Contract).

OWNERSHIP OF CURRENT CONTRACT(S)

I further represent that the Current Contract(s) referenced on page 1 are not subject to any absolute or collateral assignment, any irrevocable beneficiary designation, any federal tax levy, or any instituted or pending proceeding in bankruptcy, collection, unpaid assessments, or any other legal or equitable actions of any nature. In addition, no Current Contract(s) listed on page 1 are subject to any of the following: divorce or separation agreement, legal action, attachment, tax lien, and any solvency proceedings.

PREMIUM PAYMENT ON CURRENT CONTRACT(S)

I will continue to pay the premiums necessary to keep the Current Contract(s) in force until the 1035 exchange proceeds are released from the current insurer. The Company bears no responsibility for payment of any premiums. Failure to pay premiums on the Current Contract(s) prior to surrender may create a loan, reduce coverage, impact surrender proceeds, or create a potential lapse in coverage, as well as affect the value that can be transferred to the Principal Life Contract.

ISSUE OF NEW PRINCIPAL LIFE CONTRACT

I understand and agree that when the application for the Principal Life Contract has been approved and the health of the insured has been verified, if required, the Company will forward this Assignment to the current insurer, who will surrender the Current Contract(s) to be exchanged for cash.

I understand that upon surrender by the current insurer, the Current Contract(s) will no longer be in force or in effect. Any surrender proceeds released from the Current Contract(s) will be applied to the Principal Life Contract. I understand that the surrender proceeds and the minimum premium required for the Principal Life Contract may differ from any prior illustration(s)/quotation(s) shown to me. I understand that a revised illustration/quotation will be provided to me at policy delivery.

The Company shall issue the Principal Life Contract upon receipt of any outstanding requirements and: a) minimum premium due as determined by the Company; or b) the surrender proceeds from the current insurer (if those proceeds are sufficient to pay the minimum premium due as determined by the Company). Should the Insured die before policy coverage begins on the Principal Life Contract, death benefits, if any, will be paid to the beneficiary designated under the Principal Life application and subject to the terms of the Life Insurance 1035 Conditional Receipt only.

In the event I exercise my right to cancel the Principal Life Contract up to and within the free look period specified by the Principal Life Contract provisions, the Company shall return to me all previous payments made with respect to the Principal Life Contract. I understand if an outstanding loan exists on the Principal Life Contract at the time of cancellation, any amounts returned to me will be adjusted to pay off the loan. Further, I understand that cancellation of a policy with an outstanding loan may create tax consequences and I have consulted with my tax advisor before contemplating an exchange with an outstanding loan or I have waived my right to do so. Upon surrender of the Current Contract(s), the Company will return any adjusted amount to me and the Company shall be released from all obligations under this Assignment.

I acknowledge and agree that the Company is participating in this transaction at my specific request and as an accommodation to me. I acknowledge and agree that the Company has made no representations concerning my tax treatment under Internal Revenue Code Section 1035(a) or otherwise.

I understand and acknowledge that in exchange for executing this Assignment, I have received the Life Insurance 1035 Conditional Receipt. If I have submitted cash in addition to this Assignment, I am entitled to and have also received the Life Insurance Conditional Receipt.

Signature and Title of Owner (If owned by a Trust, all Trustees must sign and include 'Trustee' as title.)	State	Date
X		
X		
Signature of Joint Owner (If applicable)		
X		
Signature of Spouse		
X		
Signature of Assignee		
X		

FOR PRINCIPAL LIFE HOME OFFICE USE ONLY:

Principal Life Insurance Company hereby accepts the assignment of the Current Contract(s) on this date: _____

Signature of Authorized Officer	Printed Name	Title
X		



In this Receipt, “we”, “us”, “our”, or “the Company” is Principal Life Insurance Company and “Absolute Assignment” is our Absolute Assignment to Effect a Section 1035(a) Exchange form.

Name of Proposed Insured(s)	Date of Application:
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AUTHORITY:

The licensed agent, broker, or representative has **NO AUTHORITY** to accept an Absolute Assignment or to issue this Receipt if it is apparent that any **Condition Precedent** to insurance is not or cannot be satisfied.

No licensed agent, broker, representative, medical examiner, or telephone interviewer may accept risks, determine insurability or agree to insure any person. No licensed agent, broker, representative, or telephone interviewer may waive or change any terms of the Receipt, or of the insurance applied for, or any other rights of the Company.

This Receipt does not apply to any policy coverage already in effect, any non-underwritten coverage applied for, any guaranteed conversion privilege, guaranteed purchase or increase option, a request for reinstatement or request for a change of insured, and the licensed agent, broker, or representative has **NO AUTHORITY** to issue this Receipt in such cases.

TERMS AND CONDITIONS:

The Company will provide a limited amount of insurance for a limited period of time subject to the terms and conditions set out below:

1. CONDITIONS PRECEDENT

All the following conditions must be fulfilled exactly before any insurance becomes effective:

- a) On the Start Date, all Proposed Insureds must be living and insurable, as determined by our underwriters under our underwriting guidelines. If a condition affecting such insurability existed in fact on the Start Date, it shall be considered in the determination of insurability.
- b) Any advance proceeds applied as premium deposit must be at least one full month's premium for each policy applied for.
- c) This Receipt must be issued at the same time the Absolute Assignment is completed and signed.
- d) The Absolute Assignment must be received in our Home Office and must be honored by the Current Insurer(s) on first presentment for payment.

2. AMOUNT OF INSURANCE

The amount of insurance provided by this Receipt will be the **lesser** of:

- a) The amount of all death benefits applied for in the Application, including any accidental or supplemental death benefits, if applicable, or
- b) The amount of death proceeds paid to the Company under the Absolute Assignment. If the Company receives proceeds in excess of the amount applied for, the excess proceeds will be paid to the beneficiary(ies) named in the Application (or named in the policy being adjusted if an Adjustment Application).

This total death benefit limit applies to all insurance applied for under this and any current Applications to the Company and any other Conditional Receipts that may be in effect with us.

3. DATE COVERAGE BEGINS

If all of the **Conditions Precedent** set forth in this Receipt are fulfilled exactly, insurance under the terms of the policy, subject to the **Limitations** set forth in this Receipt and in the policy, takes effect on the **Start Date**. The Start Date is the date the Current Insurer(s) receive(s) and honor(s) the Absolute Assignment on first presentment.

4. DATE COVERAGE ENDS

Any insurance provided by this Receipt ends on the **Stop Date**, which is the **earliest** of:

- a) the date we mail the proposed owner the voided Absolute Assignment and a notice that we will not consider the Application on a prepaid basis;
- b) the date we mail the proposed owner the voided Absolute Assignment and a notice that the Absolute Assignment was not honored;
- c) the date any policy (or policy adjustment) is issued and effective;
- d) the date a policy is presented to the proposed owner (whether or not accepted by the proposed owner).

5. HEALTH AND INSURABILITY

This Receipt does not commit us to issue any policy (or policy adjustment). However, in determining whether to issue this policy (or policy adjustment) and on what terms, we will consider no changes in a Proposed Insured's health or insurability occurring between the Start Date and the Stop Date. We have until the date any policy (or policy adjustment) is issued and effective to make this determination.

6. LIMITATIONS

- a) **Our Liability:** Except as limited by this Receipt, our liability is governed by the terms of the policy applied for (or policy being adjusted if an Adjustment Application).
- b) **Suicide:** No insurance is provided by this Receipt and this Receipt is void if the Proposed Insured dies by suicide while sane or insane. In such case, our sole liability shall be to pay the premium we received to the named beneficiary(ies).
- c) **Misrepresentation:** No insurance is provided by this Receipt and this Receipt is void if there is any incorrect, untrue, incomplete, or omitted statement of material fact in Part A, B, or C of the Application, any supplemental form, or medical questionnaire that becomes a part of the policy. No knowledge of any fact on the part of any licensed agent, broker, representative, medical examiner, telephone interviewer or other person shall be considered knowledge of the Company unless such fact is stated in the Application.
- d) **Survivorship:** For Survivorship Life insurance, no death benefit will be paid unless both Proposed Insureds have died.
- e) **Other:** If any provision of this Receipt is unenforceable under state law, all other terms and conditions shall continue in full force and effect.

7. DEATH PROCEEDS

If an event giving rise to a claim occurs at any time before the Stop Date of this Receipt, benefits payable for such claim are subject to all of the Terms and Conditions set forth in this Receipt even if a policy (or policy adjustment) is issued. If an event giving rise to a claim occurs at any time after the Stop Date of this Receipt but before any policy (or policy adjustment) is issued and effective, then the Company shall incur no liability.

8. PREMIUMS

If a policy (or policy adjustment) is issued from the Application bearing the same date listed on this Receipt and is accepted by the proposed owner, we will apply any and all advance proceeds including 1035(a) exchange proceeds to the first premium due for such policy (or policy adjustment). If a death benefit is paid under this Receipt, then the premium deposit shall be the 1035(a) exchange proceeds. If no policy (or policy adjustment) is put into force and no benefit is paid under this Receipt, then any advance proceeds will be refunded.