Breaking it down in simple terms
When you apply for life insurance, we use a process called underwriting to help determine how much you'll pay for your coverage. But what does that mean?

We'll look at your:
- Current health
- Lifestyle
- Risk factors

Then our underwriters will compare your information against a statistical norm, based on a standard healthy person. The amount that you pay depends on how close you are to the norm, or standard rates.

The process is simpler than you might think
Here's what you can expect:

1. Review your options.
Your financial professional will review your needs and provide you with an illustration to help see how your policy might perform in different hypothetical scenarios based on the payment you’re comfortable with.

2. Complete an application.
The process kicks off with the quick and easy online Part B. This can also be completed over the phone if a telephone interview better suits your needs. After the application has been completed, the underwriter will review the information and determine if additional medical requirements are needed.

3. Receive details about your policy issuance.
It will include your approval rating and how much your payment will be.
Underwriting in action: An example

Meet a young family with two children who need life insurance protection. The father decides to apply for a $250,000, 10-year Term policy to help protect their current needs.

$250,000 
10-year term policy
Age 30
No major health problems
Check-ups Regularly with his doctor

He qualifies for an expedited process\(^2\) with no medical exams due to good health.

And he’s approved in just 24 hours with our best Super Preferred rates.

What if the father had a health issue?

If it was under control and being treated or monitored, we'd be able to give him credit for those positive behaviors, rewarding him for taking care of his health. This could even improve his underwriting rating, therefore reducing the cost of his coverage. In some cases, though, his health issues could result in higher rates and possibly a decline of the requested coverage. It’s all dependent on what the health issue is and how it is being treated.

Learn more

Watch a brief video at principal.com/whatisunderwriting. Your financial professional can answer any questions you may have.

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\(^1\) You may be able to access your medical exam results, if applicable.

\(^2\) Principal Accelerated Underwriting\(^{SM}\) is an expedited underwriting program offered by Principal Life Insurance Company that eliminates paramed exams and lab tests for 45-55% of applicants. Applicants may qualify based on age, product, face amount and personal history, and must be approved at a Standard or better underwriting classification without the use of any other special underwriting programs or reinsurance. To monitor quality and ensure solid mortality results, a small, random sample of applicants who qualify for Accelerated Underwriting will go through full, traditional underwriting.