The primary reason to have life insurance is for the death benefit that can protect your family financially if you pass away. Wouldn’t it be nice if this benefit were guaranteed? That’s what the lapse protection feature is all about.

What is lapse protection and how does it work?
Principal Universal Life Protector IV and Principal Survivorship Universal Life Protector II policies provide a guaranteed death benefit at a reasonable cost. As long as you make your planned periodic premium payments at the specified frequency, don’t make unplanned changes to the policy, and take any loans and surrenders exactly as shown on the policy quotation, your policy won’t lapse during the lapse protection guarantee period.

Is it important premiums be paid on time?
Yes, timely payment is needed to maintain your desired guarantee. Payments received less than 20 days prior to your payment due date or within 27 days following the payment due date will maintain the lapse protection guarantee period. Payments received outside of this window can reduce your lapse protection guarantee period. If you pay premiums through Electronic Funds Transfer (EFT) from a savings institution, your payment will be automatically deducted on the date due.

What can affect the guarantee period?
The length of your lapse protection guarantee period may change (shorten or lengthen) if policy changes occur that weren’t part of the original policy quotation:
• You change the amount and/or frequency of your premium payments.
• You take a loan or partial surrender of cash value from the policy.
• You change the death benefit option.
• You increase the face amount of your policy (including any increases resulting from riders on your policy).
• You decrease the face amount of your policy.
• You add or delete a rider that has a premium charge.
• Your underwriting risk classification changes.
What can I do if the lapse protection period changes?

If any policy changes result in a shorter lapse protection guarantee period, you can get your policy back to the original guarantee period by paying additional premium into the policy (“catching up”).

It’s important to know that catching up gets costlier the longer you wait. There can be instances in which the cost to catch up becomes prohibitive. It’s also possible the amount needed to restore the lapse protection guarantee period to its original duration can be greater than what regulatory limits will allow you to pay to your policy.

Also, if an additional one-time payment is made to your policy, for example by transferring proceeds from another life insurance policy (1035 Exchange), this may affect your desired lapse protection guarantee. In this case, you may have to adjust your premium and/or coverage amounts to maintain your desired guarantee.

Let’s connect
We’re here to help. For more information on the lapse protection feature, contact your financial professional or call us at 800.247.9988.