The Fixed Account

A stable option for uncertain times

Now that your organization has settled on using corporate-owned life insurance to informally finance its nonqualified deferred compensation plan, it’s time to talk details.

Principal Executive Variable Universal Life II\(^1\) insurance provides a death benefit and cash value potential. Premium payments can be invested in more than 100 sub-accounts. How these underlying investments perform determines the policy’s cash-value growth.

In addition to the non-guaranteed investment accounts, there’s an option that provides some protection in a down market: the Fixed Account. When this investment option is chosen, premiums allocated to the account earn a rate of interest set by us. This can provide more certainty — even in turbulent times.

What you get with the Fixed Account

**Certainty.**
Get a guaranteed minimum interest rate with the potential for a higher current rate.

**Availability.**
Transfer assets in and out to meet your needs, with some restrictions.

How the Fixed Account earns interest

1. Fixed Account assets are held in the General Account of Principal Life Insurance Company.

2. The Fixed Account crediting rate is based on a portfolio of investments (portfolio rate) held in the General Account.

3. When the portfolio rate changes, current account values receive this rate and any new money subsequently added to the account is credited with the new rate.

4. New premiums added to the account also earn the new rate.
Fixed Account requirements

<table>
<thead>
<tr>
<th>Payments/transfers to the account</th>
<th>Transfers from the account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum amount</td>
<td>None</td>
</tr>
<tr>
<td>Maximum amount</td>
<td>None</td>
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- $5 million per calendar year for all policies with the same owner/sponsor
- The account balance for all policies with the same owner/sponsor may not exceed $20 million

In each calendar year, transfers cannot exceed:

- Account value as of December 31 of the prior year — if $5,000 or less;
- $5,000 — if account value as of December 31 of the prior year is more than $5,000 but less than $20,000; or
- 25% of the account value as of December 31 of the prior year — if the account value is more than $20,000.

Other

- No scheduled transfers are permitted from an investment option to the Fixed Account
- One transfer per policy may be made in the first month following a quarter-end — i.e., January, April, July or October — of each calendar year
- A scheduled and an unscheduled transfer may not both be made in the same calendar year.
- A policy’s total Fixed Account value may be transferred to one or more investment options over a consecutive four-year period.

Refer to the prospectus for all terms, conditions and limitations regarding the Fixed Account.

Discover the features of the Fixed Account for yourself.

Let’s connect | Contact your financial representative if you have any questions about your plan.