

Variable universal life insurance



More security today.
More potential savings
tomorrow.



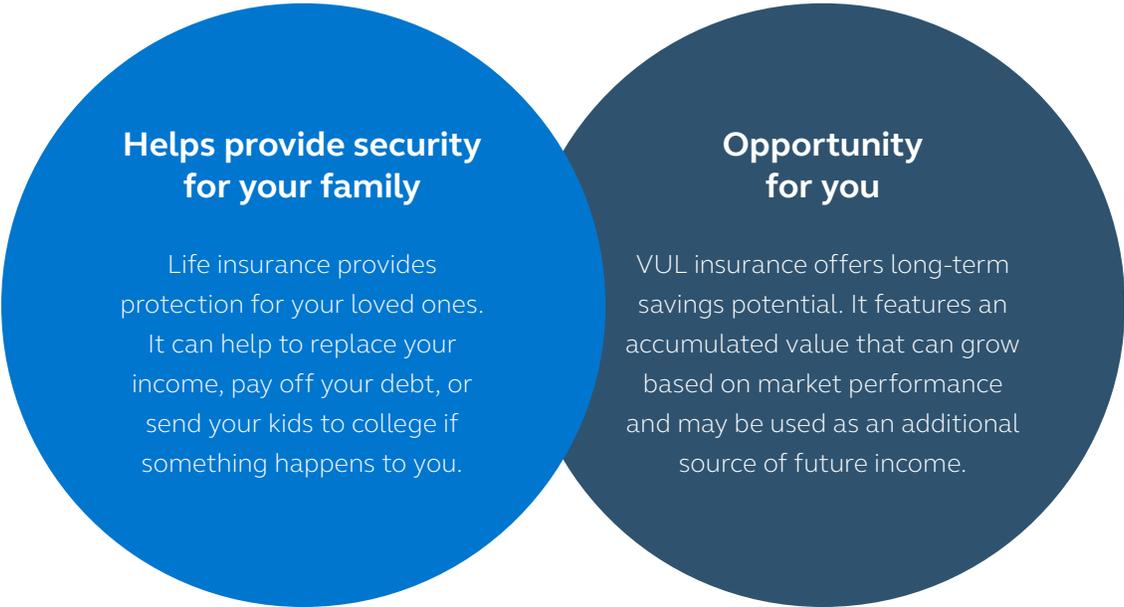
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Decisions, decisions ... help provide security for your family today, or build more savings for the future?

Don't worry—you don't have to decide between the two. Life insurance can help you do both!

Let's take a look at variable universal life (VUL) insurance. It offers both the opportunity for security of life insurance protection¹ and the opportunity for greater savings potential.

Variable universal life insurance



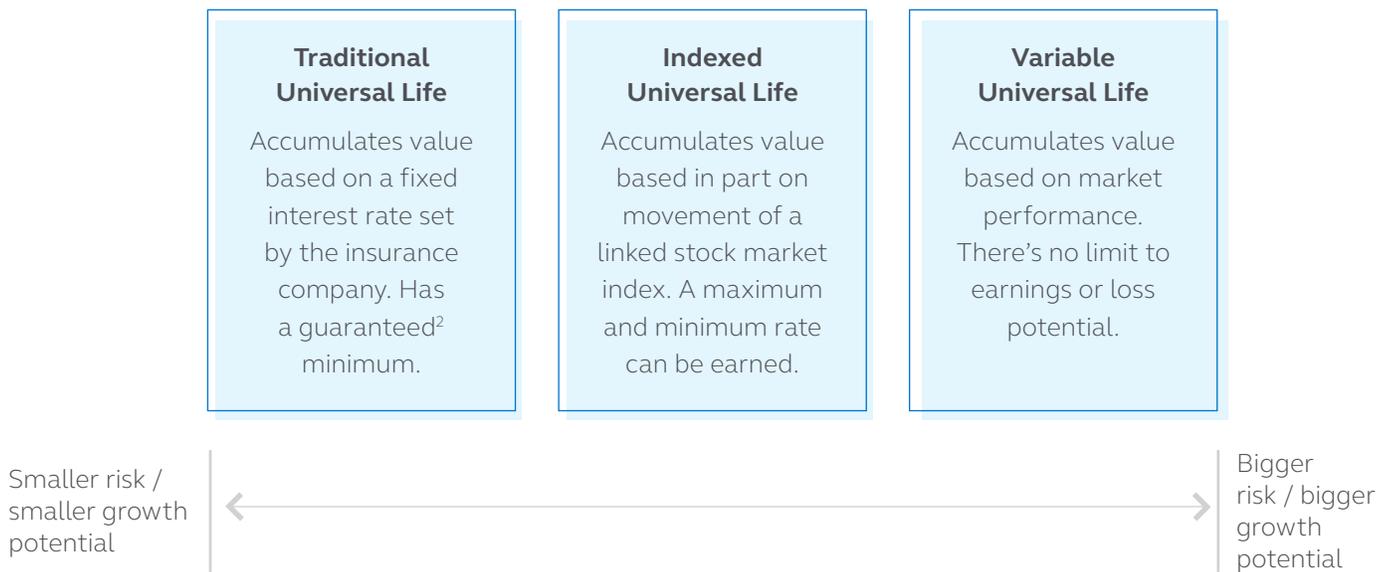
→ **This guide** will examine what VUL insurance is, how it works, and the benefits for you.

¹ In exchange for the death benefit, life insurance products charge fees such as mortality and expense risk charges and surrender fees.

Is VUL insurance right for you?

VUL insurance offers many of the same benefits as other types of universal life insurance, including helping to protect your family’s future when you pass away. The big difference is how the cash value grows.

Universal life insurance



VUL insurance might be your best option if you fit the following profile:

- Need life insurance coverage
- Want to take advantage of the long-term growth potential of the stock market
- Accept investment risk associated with the product, including possible loss of principal

Sound like you? Read on!

² Guarantees are based on the claims-paying ability of the issuing insurance company.



Here's how it works.

Determine benefit and payment amounts.

You choose the death benefit amount your beneficiary will receive and how much premium you wish to pay. If you want to change one or both later, you may (within certain limits).

Let policy value grow.

With each payment you make to your policy, a portion goes to cover fees and expenses³ for the coverage. The remaining amount is allocated to investment options, or sub-accounts, which build accumulated value. The policy's value will increase or decrease based on the performance of your sub-accounts.

Take distributions.

Many people choose to make payments during their working years, stop when they reach retirement age, and then take distributions. Regularly scheduled distributions may be made using partial surrenders and policy loans.⁴

Next, we'll look at a hypothetical example that shows how partial surrenders and policy loans can be used to provide a tax-free income stream.

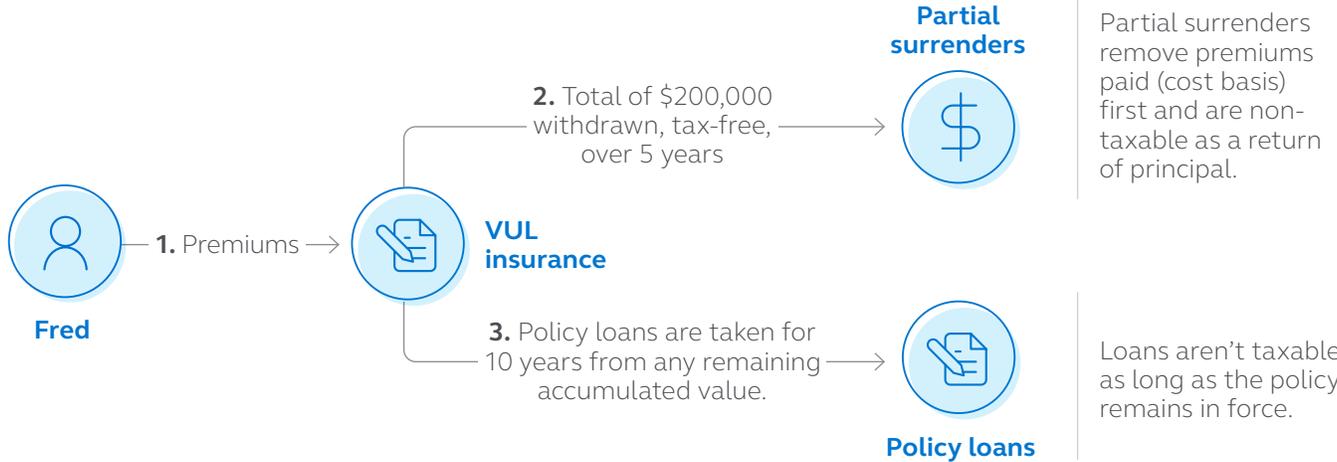
³ Fees and expenses for the Principal VUL insurance product you're considering are detailed in the prospectus.

⁴ Surrender charges and other policy charges may apply to distribution taken from the policy. Distributions may reduce the policy's value and/or face amount.

See how your insurance policy can boost retirement income.

Fred, age 45, purchases a VUL insurance policy with a death benefit amount appropriate to protect his family. Later, he uses his policy's accumulated value to supplement his retirement income.

- 1 | He pays premiums of \$10,000 per year for 20 years, then stops.
- 2 | At age 66, he takes partial surrenders of \$40,000 per year for five years.
- 3 | At age 70, having withdrawn all cost basis, he begins taking policy loans from any remaining accumulated value.



Note: Taking partial surrenders and/or policy loans will reduce the amount of death benefit available to your beneficiary.

We take care of the work for you.

Not sure how you'll know when to switch from partial surrenders to policy loans? We have your back. If you decide you'd like to receive ongoing income payments, we automate the entire process for you. All you have to do is tell us how much you want, and how often you want it. Then relax—we'll take care of the rest.

Get empowered to do more.

To review, VUL insurance can help you meet a variety of financial goals, including:

- **Make your family's future brighter.** Your beneficiary receives an income tax-free death benefit when you pass away. This can help them stay in the home they love, worry less about day-to-day expenses, and set them up for long-term financial security. And in many cases, the benefit is received free of estate tax.
- **Live better in retirement.** You can use any accumulated value your policy builds to supplement other retirement assets, so you have the income you need to live the way you want. Plus, life insurance has the following advantages:
 - › Zero taxes on the growth of your policy's accumulated value.
 - › No funding limits based on income. You can pay in as much as you like, which isn't the case with some qualified retirement plans that have annual limits.
- **Pay fewer taxes.** This is a goal for everyone, right? Income from your policy is generally received income tax-free⁵, so you keep more of what you've worked so hard to build. Its tax-free status helps offset what you'll pay on other taxable assets in retirement. And unlike qualified retirement plans, there's no penalty if you take withdrawals prior to age 59½.

Want to see how a policy might perform for you?

Your financial professional can provide you with a personalized policy illustration.

⁵ If the policy is a Modified Endowment Contract (MEC), policy distributions may be subject to current income taxes.

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 help make your financial progress possible.





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