

Principal Term life insurance

Affordable protection to help grow sales

Product & sales guide



Term insurance offers many advantages

Target market

Term insurance is ideal for individuals who need:

- To provide money for their loved ones or business partner so they can help meet cash and income replacement needs.
- Life insurance coverage for a limited amount of time (proof of credit, business start-up, buy-sell agreement funding, key person).
- The highest death benefit protection for affordable rates.
- To preserve their insurability now, with conversion options to permanent policies in the future (no new underwriting as long as the face amount remains the same).

Competitive sweet spots

Our Term policy is known to be most competitive for:

- Ages 35-55
- Non-Tobacco rates
- \$1 million or greater death benefit

We're also competitive for clients who are:

- Qualified at Standard and Super Standard rates
- Ages 65-75 for 10- and 15-year contracts
- Looking for \$2 million or greater death benefit



Get rates 24/7 on the go

Principal Term quotes are available anytime, anywhere on your mobile device using Principal Life Quote Edge^{SM,1}



Benefit from the speed and convenience of Principal Accelerated UnderwritingSM

- Streamlined underwriting provides decisions in as little as 48 hours
- Use with Preferred and Super Preferred classes
- Eliminates lab testing and paramed exams²
- Policies paid and issued in 10 days or less



Key features

- Affordable protection that can meet current business owner and individual insurance needs.
- Two conversion options for changing short- and long-term needs.
- Fast and easy underwriting programs, including Principal Accelerated Underwriting, Healthy Lifestyle Credits and more.
- Flexible policy riders,³ including Accelerated Benefit, Children's Term, Conversion Extension and Waiver of Premium.

Basics

Products available	10-, 15-, 20- and 30-Year Term		
Issue ages/ underwriting classes		Non-Tobacco	Tobacco
	10-Year Term	20-80	20-75
	15-Year Term	20-75	20-70
	20-Year Term	20-65	
	30-Year Term	20-55	20-50
	Non-commissionable, \$75 annual policy fee		
Minimum face amount	\$200,000		
Policy bands	<ul style="list-style-type: none"> • Mid-band = \$200,000 to \$999,999 • High band = \$1,000,000 and up 		
Risk classes	<ul style="list-style-type: none"> • Super Preferred Non-Tobacco • Preferred Non-Tobacco/Tobacco • Super Standard Non-Tobacco • Standard Non-Tobacco/Tobacco 		
Principal UnderRightSM	<ul style="list-style-type: none"> • Principal Accelerated Underwriting • Healthy Lifestyle Credits (HLCs) 		
Available riders	<ul style="list-style-type: none"> • Accelerated Benefit • Children's Term • Conversion Extension • Waiver of Premium 		

Two outstanding conversion options

The need

Term insurance can be the first step in helping your clients protect their financial futures. Offering protection they can afford today locks in their insurability, allowing them to potentially convert to a permanent policy in the future.

This is beneficial because once they purchase a Term policy, their health may change (e.g., hypertension, heart disease, cancer, diabetes). Even 10 or 20 years later, they can still qualify for a Standard or better rate without additional underwriting requirements. If the insured is rated (up to table 6 on Term), the rating will carry over to the permanent policy.

How it works

Standard Policy Conversion Privilege — Allows the insured to convert to a permanent policy based on the earlier of the conversion period (10YT: first seven policy years; 15YT: first 12 policy years; 20YT: first 15 policy years; 30YT: first 20 policy years) or the policy anniversary nearest insured's age 70.⁴

Conversion Extension Rider — Allows the conversion option to extend to the earlier of the full level premium period and the policy anniversary nearest insured's age 70. Issue ages for the rider are: 10YT: 20-62; 15YT: 20-57; 20YT: 20-54; 30YT: 20-49. The rider is only available at issue, and there is a charge to purchase it.

Minimum policy amounts at the time of conversion apply.

- The underwriting class of the permanent policy will be issued at the same or most comparable risk class of the original Term policy.
- Partial Term conversions are allowed, provided the remaining Term policy and the new policy both meet their respective minimum face amount guidelines.
- Two Term policies can be converted to one Survivorship Universal Life (SUL) policy.⁵
- The Chronic Illness Death Benefit Acceleration Rider⁶ is available on several of our permanent policies and may be added at time of conversion. Additional underwriting is required.

Policy riders

The following riders may not all be available in all states, and the terms of each rider may differ by state. Please refer to state-specific rider form.

Accelerated Benefits Rider (SN 3)

Issue ages	20-80
Expiry age	Maturity
Cost	There is no cost to have the rider on the policy. A one-time administrative charge of up to \$150 may be assessed when the rider is exercised.
Availability	All policies are eligible. There are no special underwriting requirements, and it may be added at any time.
Benefit provided	<p>Pays an accelerated benefit when the insured is diagnosed with a terminal illness. The benefit received is the lesser of the accelerated benefits cap shown on the policy data pages or 75 percent of the eligible face amount not to exceed \$1 million.</p> <ul style="list-style-type: none">• The accelerated benefit is considered a lien against the policy and accrues with interest.• The minimum payment amount is \$500.• At the time of death, the beneficiary receives the policy death benefit less the benefit advance and applicable interest.

Conversion Extension Rider (ICC17 SN 105/SF 976NY)

Issue ages	10-year Term Age at issue must be 20-62. 15-year Term Age at issue must be 20-57. 20-year Term Age at issue must be 20-54. 30-year Term Age at issue must be 20-49.
Expiry	End of the full level premium period or the insured's attained age 70, whichever occurs first.
Cost	There is a charge for the rider.
Availability	At issue
Benefit provided	The Conversion Extension Rider extends the standard conversion option, allowing a longer period of time in which the insured may convert their Term policy to a permanent policy.
How the conversion provisions work	<ul style="list-style-type: none">• Minimum policy amounts at the time of conversion apply.• The underwriting class of the permanent policy will be issued at the same or most comparable risk class of the original Term policy. If the insured is rated (up to table 6 on Term), the rating will carry over to the permanent policy.• Partial Term conversions are allowed, provided the remaining Term policy and the new policy both meet their respective minimum face amount guidelines.• Two Term policies can be converted to one Survivorship Universal Life (SUL) policy.⁵• If the Chronic Illness Death Benefit Acceleration Rider is desired at the time of conversion, it may be added with additional underwriting. This rider is not available on some permanent products.

Children Term Insurance Rider (SN 42/SF 880 NY)

Issue ages	Base insured ages 20-55. Available for children aged 14 days to 18 years, with coverage provided for a maximum duration of the policy anniversary following the insured child's 25th birthday.
Expiry age	Earliest of: termination of the policy, policy anniversary nearest insured's age 65 or receipt of the owner's notice to cancel the rider.
Cost	There is a premium charge for the rider. An additional charge applies if the Waiver of Premium Rider is also present.
Availability	At issue
Insured child	<ul style="list-style-type: none">• Any child, stepchild or legally adopted child of the insured who is less than 18 years of age on the date of the application for the rider; or• Any child of the insured born after the date of the application for this rider; or• Any child less than 18 years of age legally adopted by the insured after the date of the application for the rider.
Benefit provided	<p>Provides death benefit protection for any child who meets the definition of an insured child.</p> <ul style="list-style-type: none">• Death benefit is offered in units, with one unit equal to \$1,000.• The minimum death benefit amount is \$5,000 with a maximum of \$25,000.
Conversion provision	<p>Coverage on each insured child may be converted as follows:</p> <ul style="list-style-type: none">• Coverage on each insured child may be converted to any type of life policy (except Term) available under our underwriting guidelines then in effect. The new policy will be issued at the Standard risk class published at the time of the conversion.• No evidence of insurability is required, provided:<ul style="list-style-type: none">– The face amount is not less than \$1,000 per unit and is not more than \$3,000 per unit of this rider.– The conversion is applied for no earlier than 60 days before, and no later than 31 days after, the date the conversion can be made as described below.• The rider can be converted on the first of:<ul style="list-style-type: none">– Policy anniversary following the insured child's 25th birthday.– The policy anniversary nearest insured's age 65.– The death of the insured.

Waiver of Premium Rider (SN 2/SF 807 NY)

Issue ages	20-59
Expiry age	Age 65 (unless on waiver claim)
Cost	There is a charge to have this rider on the policy.
Availability	At issue
Benefit provided	<p>If the insured becomes totally disabled as described in the rider, the monthly premium will be waived.</p> <ul style="list-style-type: none">• If total disability begins prior to the policy anniversary nearest insured's age 60 and continues uninterrupted to the policy anniversary nearest insured's age 65, the waiver period will continue until the earlier of the policy expiration date (insured's attained age 95) or death of the insured.• Benefits are limited for disability occurring on or after the insured's policy anniversary nearest insured's age 60.

See how we stack up against the competition

10-Year Term | Super Standard Non-Tobacco/\$1 million face amount

Company	Male age 55	Company	Female age 55
Principal®	\$2,291	Principal	\$1,804
Banner Life	\$2,292	American General	\$1,804
John Hancock	\$2,442	Banner Life	\$1,805
Pruco Life	\$2,475	Pruco Life	\$1,875
Transamerica	\$2,480	American National	\$1,910
American General	\$2,484	John Hancock	\$1,913

15-Year Term | Super Standard Non-Tobacco/\$1 million face amount

Company	Male age 50	Company	Female age 50
Principal	\$1,960	Principal	\$1,545
Banner Life	\$1,961	Banner Life	\$1,546
Transamerica	\$1,990	Transamerica	\$1,560
John Hancock	\$2,090	American National	\$1,630
American National	\$2,140	AXA Equitable	\$1,665
Pacific Life	\$2,155	Pacific Life	\$1,715

20-Year Term | Super Preferred Non-Tobacco/\$1 million face amount

Company	Male age 45	Company	Female age 45
Principal	\$1,064	Principal	\$818
AXA Equitable	\$1,065	American General	\$824
Lincoln National	\$1,072	Protective	\$824
Banner Life	\$1,073	Nationwide	\$835
American General	\$1,074	Banner Life	\$864
Nationwide	\$1,085	Brighthouse Life	\$869

30-Year Term | Preferred Non-Tobacco/\$1 million face amount

Company	Male age 35	Company	Female age 35
Principal	\$934	Principal	\$783
Pruco Life	\$935	American General	\$784
Protective	\$965	Lincoln National	\$784
American National	\$1,000	Pruco Life	\$805
Pacific Life	\$1,005	American National	\$810
United of Omaha	\$1,023	Protective	\$811

Information is current as of October 2018.

Principal Term is competitive at the mid-band rates, too

10-Year Term | Super Preferred Non-Tobacco/\$500,000 face amount

Company	Male age 50	Company	Female age 50
Principal	\$497	Principal	\$415
Nationwide	\$505	Lincoln National	\$420
John Hancock	\$515	Nationwide	\$420
AXA Equitable	\$525	John Hancock	\$428
American National	\$525	American General	\$429
United of Omaha	\$538	United of Omaha	\$433

15-Year Term | Super Standard Non-Tobacco/\$500,000 face amount

Company	Male age 55	Company	Female age 55
Principal	\$1,678	Principal	\$1,268
American General	\$1,679	American General	\$1,274
Transamerica	\$1,690	AXA Equitable	\$1,305
American National	\$1,790	American National	\$1,320
John Hancock	\$1,815	Transamerica	\$1,340
Pruco Life	\$1,840	John Hancock	\$1,352

20-Year Term | Preferred Non-Tobacco/\$500,000 face amount

Company	Male age 45	Company	Female age 45
Principal	\$688	Principal	\$534
Banner Life	\$689	Nationwide	\$535
Nationwide	\$695	Protective	\$540
Protective	\$700	Lincoln National	\$540
Lincoln National	\$700	United of Omaha	\$573
Pacific Life	\$720	American National	\$600

30-Year Term | Super Preferred Non-Tobacco/\$500,000 face amount

Company	Male age 35	Company	Female age 35
Principal	\$438	Principal	\$368
American General	\$439	American General	\$369
Protective	\$450	Protective	\$382
Pruco Life	\$450	American National	\$385
Pacific Life	\$460	Pruco Life	\$385
American National	\$460	United of Omaha	\$393

Information is current as of October 2018.

Solutions designed to sell

What does a policy from Principal offer your clients? See how it can be an ideal fit for personal and business protection needs in the following scenarios.

Helping protect future insurability

Objective: Help provide financial security today while helping ensure coverage for the future.

Challenge: Find affordable coverage today with the flexibility to adjust to changing client needs in the future — without the worry of insurability.

Why term insurance? It can be the first step in helping your clients and their families secure their financial future.

- Provides a death benefit to help meet their current needs.
- Allows them to qualify for life insurance based on their current health (before any health changes occur as they age).
- Gives your client future flexibility so that they can convert the Term policy to a permanent policy in the future without requiring insurability.

Take action: Find the Principal Term life insurance policy that's right for your client. We offer face amounts as low as \$200,000 and guaranteed periods of 10, 15, 20 and 30 years.

Layering diversification strategy

Objective: Manage the cost of insurance while adding flexibility to match the product to the total death benefit needed.

Challenge: Diversify clients' insurance portfolios by using a combination of products to layer permanent policies with term insurance. Also, help offset costs while tailoring coverage to the clients' specific death benefit needs.

Why term insurance? Affordable premium outlay provides cost-effective funding and offers the following benefits:

- Flexibility to choose term period coverage based on current, more short-term needs.
- Cash-value accumulation potential with the permanent policy.
- Conversion privileges if needs change and additional death benefit coverage is needed beyond initial term period.⁵

Take action: Review the [Term and UL Flex III combination sales idea \(BB12105\)](#).



Key person

Objective: Help protect businesses if a key person/employee were to leave or pass away, allowing the company to continue operating despite possible loss of revenue and increased expenses from recruiting and training new employees.

Challenge: Obtaining a policy that can provide affordable death benefit protection and provide peace of mind to the business owner.

Why term insurance? Can effectively cover loss of revenue and increased expenses with an affordable, tax-free death benefit.

- Allows the business owner to tailor the length of coverage based on the employee's estimated employment time.
- Offers an affordable insurance solution for situations that may and will change in the future.
- Provides streamlined underwriting and a higher level of convenience to all.

Take action: Find what you need to help you turn this idea into results at principal.com/keyperson. Or review the [Term key person sales idea \(BB11997\)](#).



Agriculture business coverage

Objective: Plan for the future of the family farm or ranch and help ensure the continuation of the business.

Challenge: Farmers and ranchers put a tremendous amount of planning into every aspect of their operations, but many fail to plan for their own financial future.

Why term insurance? It can play a critical role in the smooth transition of a farm or ranch, helping clients:

- Gain immediate coverage to not only help protect their families, but to cover short- and long-term debts.
- Solidify their estate plan and enjoy the peace of mind of knowing they can convert to a permanent policy to better meet their long-term estate needs.

Take action: Help your agribusiness clients find coverage to fit their needs today with Principal Term.

Customer service

We make it easy for policy owners to manage their policies.



Communications we send to policy owners include:

- Annual statements
- Premium notices



Online access

Policy owners have access to their policy information at **principal.com**. Using a personal login, they can:

- Update their mailing address
- Verify their policy face amount

A Personal Identification Number (PIN) is required to log on. A PIN may be obtained by calling 800-247-9988.



Telephone access

Policy information is also available to policy owners using our automated telephone system. They may call 800-247-9988 between 7 a.m. and midnight (Central Time) Sunday through Friday and 7 a.m. to 9 p.m. on Saturday to gain access.



Call the National Sales Desk today at 800-654-4278, or your Life RVP.
Visit us at **advisors.principal.com**.



advisors.principal.com

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The data shown in product comparisons is taken from various company illustrations. Competitor information is current and accurate to the best of our knowledge as of February 2018. The comparisons in this communication are of different products which vary in fees, expenses, features and benefits.

The comparisons cannot be used with the public.

Principal National Life Insurance Company Policy Form: ICC17 SN 104, Rider Forms: SN 2, SN 3, SN 4, SN 5, SN 42, SN 105 and ICC14 SN 92/SN 92

Principal Life Insurance Company Policy Form: SF 975 NY/SF 975 NY U and SF 946 NY/SF 946 NY U, Rider Forms: SF 686 NY, SF 807 NY, SF 880 NY and SF 976 NY

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¹ This tool does not provide a full policy quotation and is only intended to be used to show an initial quote. It is only available for quoting Principal Term products.

² For 40-50% of applicants who qualify. Based on age, product, face amount and personal history.

³ Policy rider descriptions are not intended to cover all restrictions, conditions or limitations. See policy for full rider details. Product and riders are subject to state availability. Additional costs may apply to some riders.

⁴ The state of New York allows for a conversion period of at least two years from when the policy is issued, regardless of the insured's attained age.

⁵ We currently offer the conversion of two Term policies to one SUL policy. Conversion is allowed up to twice the face amount of the smaller of the two term policies. This conversion option to a SUL is only valid provided Principal offers an SUL at the time of conversion.

⁶ The Chronic Illness Death Benefit Advance Rider is an additional coverage option that allows you to access part of your policy's death benefit if you're diagnosed with a chronic illness. The policy has specific details for the rider. There is no premium charge for the rider. The maximum lifetime accelerated death benefit amount is the lesser of 75% of the Initial Eligible Amount or \$2 million.