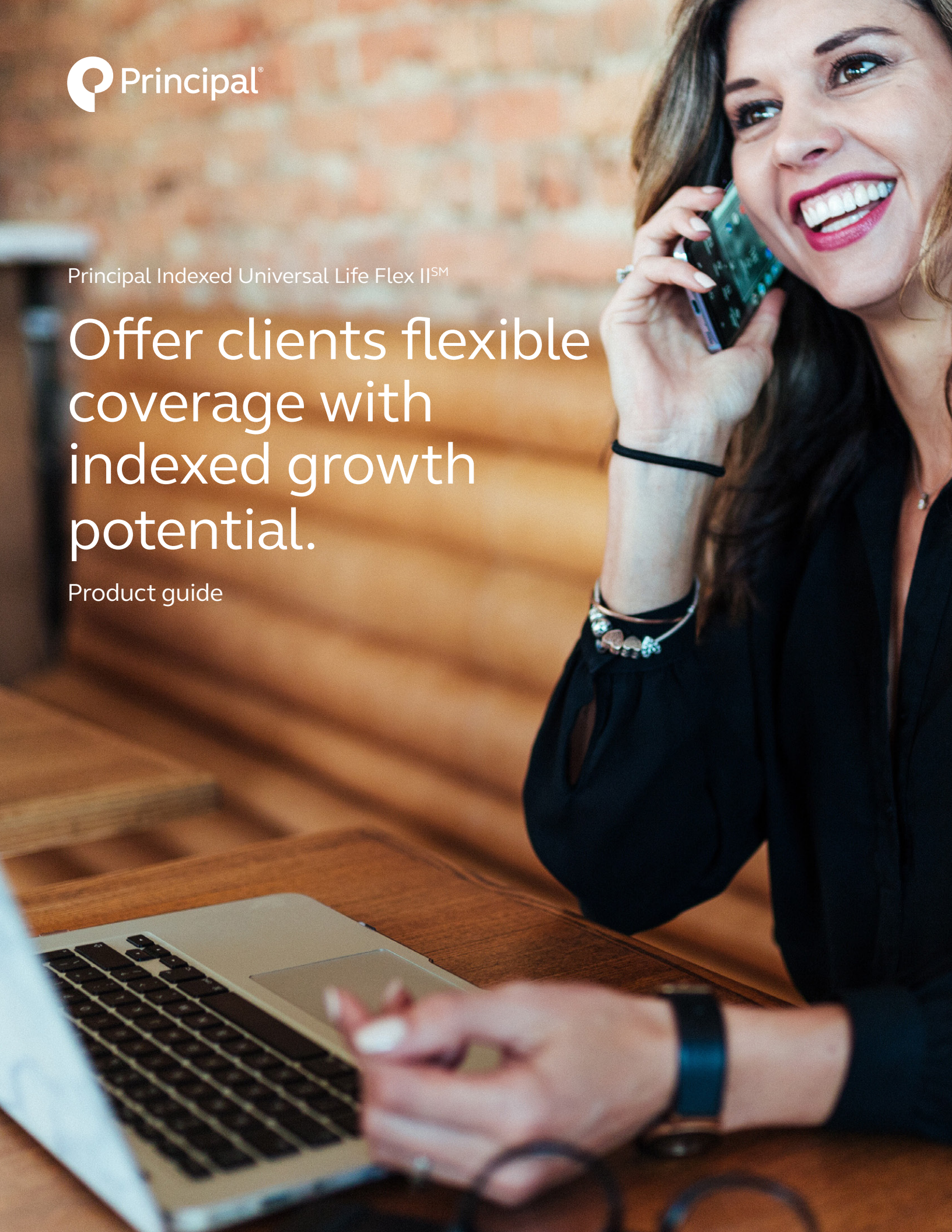




Principal Indexed Universal Life Flex IISM

Offer clients flexible
coverage with
indexed growth
potential.

Product guide



Help clients turn their financial goals into reality!

Principal Indexed Universal Life Flex IISM (IUL Flex II) offers individuals and business owners cost-effective death benefit protection with the opportunity for financial growth to help them plan for the unexpected.

Clients get:

- Greater growth potential than fixed universal life insurance provides and without the market risk of variable universal life insurance
- Attractive features that offer choice and convenience

You get:

- Bigger sales opportunities in a growing IUL market
- A flexible solution for clients who want to diversify their coverage

In this guide

Ideal prospects	3
Top strategies	3
What sets IUL apart from other products?	3
An opportunity for tax-deferred growth	4
Index-linked interest crediting examples	5
Understanding how IUL Flex II works	7
Moving money between accounts	8
Accessing account values	9
The value of no-lapse guarantees	10

General policy information	11
Principal UnderRight SM	16
Death benefit options (DBO)	16
DBO changes	17
Face amount adjustments	18
Grace period	18
Reinstatement	18
Policy and surrender charges	19
Policy riders	20
Iowa CE requirement	24
Glossary of terms	25

Let's connect

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



Ideal prospects

- Ages 35-65
- Intend to fund the policy at a moderate level
- Like the flexibility and guarantees of universal life insurance, but are interested in the potential for higher crediting rates than traditional universal life offers

Top strategies

- Executive benefits for key employees
- Key person protection
- Buy-sell strategies

What sets IUL insurance apart from other products?

It's the growth potential and downside protection provided.

IUL insurance offers many of the same benefits as traditional universal life insurance with one primary difference—the way interest is credited to the cash value of the policy. Earnings are based in part on upward movement of an underlying stock market index.

This can be a valuable advantage for accumulating cash value and also helps clients diversify from fixed interest rate accounts they may have.

There are times, though, when the market index has a down year, potentially for multiple years in a row. But unlike assets that invest directly in the market, IUL Flex is guaranteed to never earn an interest rate less than 0%.¹

WHAT IUL INSURANCE IS

- A flexible premium adjustable benefit life insurance policy.
- A policy that accumulates cash value based on the opportunity to allocate to two index-linked account options. A traditional declared rate Fixed Account is also available.
- A policy that provides protection today while allowing clients to save for tomorrow.
- A policy that offers flexibility and is designed to meet a variety of personal and business needs.

WHAT IUL INSURANCE IS NOT

- An investment in the stock market and does not participate in any index fund, stock, or equity investment. The indexes referenced are simply measuring tools, used in part, to determine the amount of interest the company will credit to the policy.
- Variable life insurance.

¹ Guarantees are based on the claims-paying ability of the issuing insurance company. In an interest crediting period where the reference index performance is negative, 0 percent would be credited to a policy; however, the policy's accumulated value could decrease as policy charges are still deducted.

An opportunity for tax-deferred growth

Cash value growth is driven by the interest-earning account(s) clients direct their policy payments to. They can allocate money to one or more of the accounts—the choice is theirs.

Index-linked accounts

Interest is earned in part based on the movement of the linked stock market index. We offer two index-linked account options.

- **S&P 500® Price Return Index** (excludes dividends). During a 12-month period, the beginning index value is compared to the ending index value, and the percentage change (subject to a cap and floor) is credited to the policy. This account can produce strong interest in many types of positive index movements.
- **S&P 500® Total Return Index** (includes the value of reinvested dividends). During a 12-month period, the beginning index value is compared to the average of the ensuing 12 monthly index values, and the percentage change (subject to a cap and floor) is credited to the policy. This account can help smooth the impact of index volatility through monthly averaging combined with the value of reinvested dividends.

Potential reasons for considering indexed-linked accounts:

- Want the opportunity for more growth than a fixed rate provides
- Are okay with an interest rate that will likely vary more than a fixed rate

Fixed Account

Values held in this account earn a fixed rate of interest set by Principal®. This rate can change occasionally but is guaranteed to never go below a minimum level.

Clients should consider the Fixed Account if they like the security of having some portion of their cash value in an account earning a consistent, predictable rate of return.

Index-linked interest crediting examples

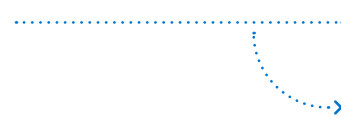
As premium is paid to an IUL Flex II policy, it has the potential to accumulate cash value. Index linked interest is calculated and credited at the segment maturity date.

The hypothetical examples on the following page show how index-linked interest would be credited in different market environments. Index-linked interest is calculated and credited at the segment maturity date.

Note: Values and rates used in the following examples are hypothetical and do not attempt to predict or reflect actual figures. They are used for illustrative purposes only. The participation rate and cap rate used in the examples may be more or less than the actual rates for any given index segment.

ACCOUNT DETAILS	Reference index	S&P 500® Price Return (S&P 500 PR)	S&P 500® Total Return (S&P 500 TR)
	Crediting methodology	Point-to-point	Monthly average
	Segment duration	1 year	1 year
Segment modifiers and adjusted segment balance	Cap rate	8.5%	11%
	Participation rate	100%	100%
	Floor rate	0%	0%
	Segment charge rate	N/A	N/A
	Assumed adjusted segment balance (ASB)	\$1,000	\$1,000

See how indexed-linked interest would be credited in three different scenarios.



Index-linked interest crediting examples

Here are some hypothetical examples to show how index-linked interest would be credited in different market environments.

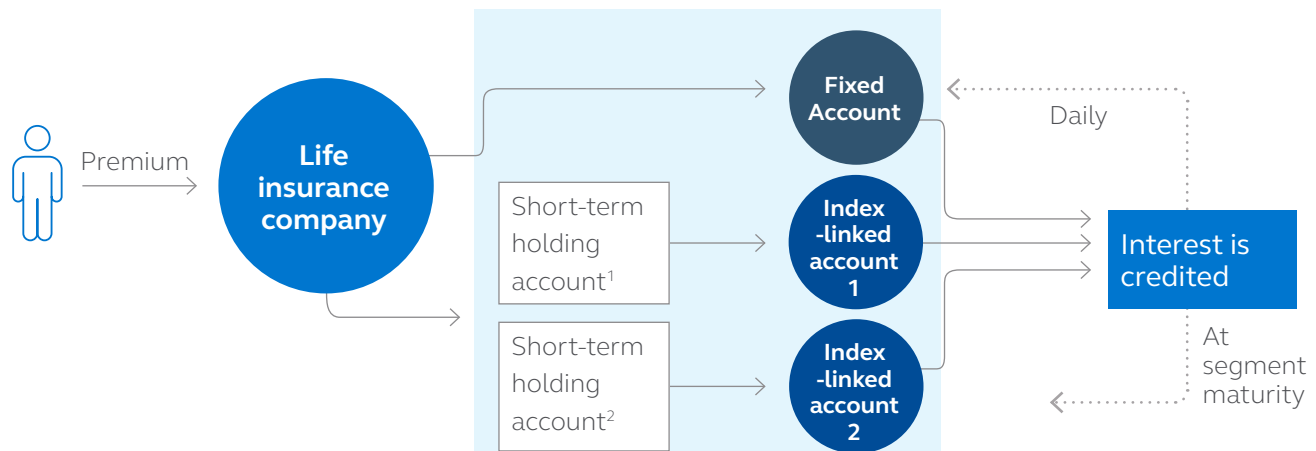
Note: Values and rates used in the following examples are hypothetical and do not attempt to predict or reflect actual figures. They are used for illustrative purposes only. The participation rate and cap rate used in the examples may be more or less than the actual rates for any given index segment. In all of the following examples, if the calculated rate is between 0 percent and the cap rate, policy owners will receive that rate.

Three indexed-linked interest crediting scenarios

Scenario 1: Index growth exceeds cap (Actual index values for 2/12/16 – 2/12/17 used)		Beginning index value	Avg. of 12 month values	Ending index value	Reference index return rate	Reference index return x par rate	Index- linked interest rate	Ending segment value
	S&P 500 PR	\$1,864.8	N/A	\$2,316.1	24.2%	24.2%	8.5%	\$1,085
	S&P 500 TR	\$3,496.3	\$4,093.2	\$4,093.2	17.1%	18.8%	11%	\$1,110
Scenario 2: Index growth is between floor and cap (Actual index values for 12/12/14 – 12/12/15 used)	S&P 500 PR	\$2,002.3	N/A	\$2,012.4	0.5%	0.5%	0.5%	\$1,005
	S&P 500 TR	\$3,663.1	\$3,803.4	\$3,803.4	3.8%	4.2%	4.2%	\$1,042
Scenario 3: Index growth is below floor (Actual index values for 5/12/15 – 5/12/16 used)	S&P 500 PR	\$2,099.1	N/A	\$2,064.1	-0.6%	-0.6%	0%	\$1,000
	S&P 500 TR	\$3,870.7	\$3,770.4	\$3,770.4	-2.6%	-2.8%	0%	\$1,000

Understanding how IUL Flex II works

When a policy is purchased, the policy owner selects the account(s) for premium allocation. The premium allocation then takes place as outlined below.



1 | When a premium payment is made, if the allocation is to one or both of the index-linked accounts, the net premium first goes into a short-term holding account(s). If a portion of or the entire premium is allocated to the Fixed Account, funds are deposited directly into that account and begin earning the current credited rate, guaranteed to never be less than 1%.

2 | Once per month, on the sweep date (12th of the month), funds are moved from the short-term holding account(s) to the applicable index-linked account(s) per policy owner direction. This creates a new one-year segment. Over time, a policy may contain multiple segments.

3 | At the end of each one-year segment, the segment matures and interest is credited according to the applicable index-linked crediting method. The value in that segment then creates a new segment in the same index-linked account, unless instructions are received to do otherwise.

Moving money between accounts

Policy owners can move money between these accounts as follows:

- From the Fixed Account to an index-linked account(s)—at the next available sweep date
- From an index-linked account(s) to another index-linked account—only at segment maturity
- From an index-linked account(s) to the Fixed Account—only at segment maturity

Scheduled transfers

These provide a convenient, automated method to move money from one account to another. Scheduled transfers can be elected at any time to occur on an annual, semi-annual, quarterly, or monthly basis. Scheduled transfers occur on the sweep date.

Tip: In a situation where a large lump sum of money is being paid into a policy (a 1035 Exchange, for example), consider using scheduled transfers to create multiple segments within an index-linked account(s) rather than allocating the full lump sum to a single segment. Moving a portion of the money at fixed intervals over time creates multiple segments that can help moderate interest rate volatility.

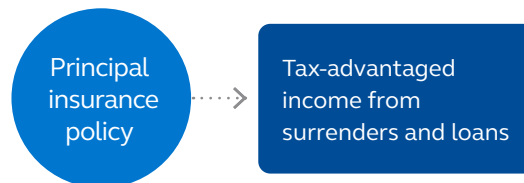
Unscheduled transfers

These are non-recurring, one-time requests. Either a written request or a request via principal.com must be received in the home office each time the policy owner wishes to make a transfer.

Accessing account values

Your clients may have a one-time cash need, or maybe they want to receive income on a regular basis in retirement.

They can receive money from their policy using partial surrenders and/or policy loans. Withdrawals are generally received free of income tax, so they keep more of what they've earned.² Plus, unlike other types of tax-deferred assets, there's no penalty for withdrawals prior to age 59½.³



Easy access for convenience

If receiving regular income payments is a client objective, these three steps make it easy for them to get started and keep payments going:

- 1 | **Decide** how often to receive payments.
- 2 | **Complete** one short form and send it to us.
- 3 | **Forget about it.** Payments continue until either they tell us to stop or they have received all available policy value.

Note: Taking loans from the policy and not repaying them may result in the policy terminating by lapse. This would end coverage and could result in a tax liability. Clients should consult their personal tax advisor prior to requesting a loan.

² Distributions are generally tax-free as long as cost basis is withdrawn first, and then loans are taken and the policy is in force at death.

³ As long as the policy is not a modified endowment contract (MEC).

The value of no-lapse guarantees⁴

Two levels of no-lapse guarantee coverage are available based on the client's needs. There is a base level of protection automatically provided, or an optional rider that replaces the base level protection and provides a guarantee for an extended duration.

No-Lapse Guarantee provision. This policy contains a No-Lapse Guarantee provision that guarantees the policy will not lapse for a specified number of years, depending on the insured's issue age, as long as the No-Lapse Guarantee premium requirement is met each month, even if the accumulated cash value is less than needed to cover policy costs. The No-Lapse Guarantee terminates at the end of the No-Lapse Guarantee period.

Extended No-Lapse Guarantee Rider. If a longer duration of No-Lapse Guarantee protection is desired, the Extended No-Lapse Guarantee Rider may provide it. This optional rider guarantees the policy will not enter a grace period on any monthly date prior to the lesser of 25 years or age 90 as long as the rider is in force and the Extended No-Lapse Guarantee is in effect. If elected, the Extended No-Lapse Guarantee Rider replaces the No-Lapse Guarantee provision. There is no additional cost for this rider; however, if elected, accumulated values will be impacted. This rider is available only at policy issue. Once elected, the rider may not be terminated.

Note: Electing this rider results in an increased monthly policy issue charge. As a result, accumulated cash values will be impacted. After the No-Lapse Guarantee period, it may be necessary to pay much higher premiums to keep the policy in force. If only the minimum No-Lapse Guarantee premium is paid, the policy may terminate after the desired Extended No-Lapse Guarantee period ends. Whether the policy remains in force beyond the desired guarantee period is determined by the presence of adequate net surrender value to cover monthly policy charges.

Policy changes can affect the length or existence of the Extended No-Lapse Guarantee protection period. These include the following:

- Amount, frequency, duration, and/or timing of premium payment
- Any planned unscheduled premium within the first policy year
- Receiving a loan or partial surrender
- Making changes in face amount, death benefit option, or risk class
- Adding, deleting, or modifying a rider with a cost
- Exercising the right(s) under any rider
- Termination and/or reinstatement of the policy

⁴ Guarantees are based on the claims-paying ability of the issuing insurance company.

General policy information

This is a summary of policy terms only. Please refer to the policy for actual terms and conditions.

Issue ages	Age nearest birthday (ANB) rates. Principal reserves the right to change the issue ages at any time in the future. • 20-85—Standard & Preferred Tobacco, and Standard, Super Standard, & Preferred Non-Tobacco • 20-80—Super Preferred Non-Tobacco • 20-70—Special underwriting programs—Standard Non-Tobacco and Tobacco Note: Age 75 is the maximum issue age when the ENLG Rider is present.	
Maturity age	Insured's attained age 121: • Premiums payable to age 121 are allowed and may be required to show lifetime coverage. • Charges continue to be deducted to attained age 121. • The maturity age is extended to the date of death with the maturity date extension provision.	
Surrender charge duration	19 years for issue ages 20-60 18 years for issue age 61 17 years for issue age 62 16 years for issue age 63 15 years for issue age 64 14 years for issue ages 65 and older	
No-lapse guarantee	For policies issued 1/1/22 and later: Issue ages 20-75: 10 years Issue age 76: 9 years Issue age 77: 8 years Issue age 78: 7 years Issue age 79: 6 years Issue ages 80-85: 5 years	For policies issued prior to 1/1/22: 10 years
Fixed policy loans	For policies issued 1/1/22 and later: • Current and guaranteed loan charge rates – Policy years 1-10: 2.5% – Policy years 11+: 1.5% • Current and guaranteed loan crediting rate – 1% in all years	For policies issued prior to 1/1/22: • Current and guaranteed loan charge rates – Policy years 1-10: 3.5% – Policy years 11+: 2.5% • Current and guaranteed loan crediting rate – 2% in all years

1035 Exchanges with outstanding loans	• Loans are assumed at the net interest rate applicable to regular policy loans taken in years 1-10. • No compensation is paid on assumed loans. • Loans are accepted up to 80% of the net 1035, plus any cash with application amount; however, it must be a percentage that can be illustrated.
Unscheduled partial surrenders	• Available after the first policy anniversary. • \$500 minimum. • Up to two unscheduled partial surrenders are allowed per year. • The sum of the two partial surrenders is limited to 75% of the net surrender value as of the date of the first partial surrender.
Preferred partial surrenders	• In policy years 2-15, preferred partial surrenders offer the ability to withdraw 10% of the net surrender value as of the end of the previous policy year without a subsequent decrease in face amount. Ten percent of the net surrender value as of the end of the previous policy year is the total amount available for a preferred partial surrender in any one policy year. Any excess amount withdrawn (which includes the transaction fee, if applicable) will be treated as a non-preferred partial surrender and will cause a reduction in the face amount for the excess amount. • These are only available for Death Benefit Option 1. • The 10% does not carry over or accumulate if it is not used in any given year. • Preferred partial surrenders in any given year may not exceed \$100,000. • Maximum lifetime preferred partial surrenders = \$250,000. • A preferred partial surrender from an open segment triggers a 12-month sweep restriction period on new money for a new segment; however, any remaining segments can renew to new segments. Any value in a short-term holding account moves to the Fixed Account, and all premiums during this period go to the Fixed Account. • If a preferred partial surrender is taken from an open segment, any scheduled transfer to an index-linked account stops for 12 months. • Any subsequent preferred partial surrender taken from an open segment triggers a reset of the 12-month sweep restriction period.

Scheduled surrenders and loans

- Scheduled surrenders and loans need only be requested once by the policy owner. They are available beginning in the second policy year.
- Frequency payout options include monthly, quarterly, semi-annual, and annual.
- Periodic amounts are determined on the policy anniversary. Options include:
 - Percentage of net surrender value as of the most recent anniversary (current or last)
 - Fixed amount with option to designate an annual percent increase each year
 - Maximum amount (requires) an illustration projection
- Partial surrenders are taken first until the cost basis of the policy has reached zero at which time scheduled loans will automatically begin.
- Scheduled surrenders and loans do not trigger a sweep restriction period.

Internal Revenue Code (IRC) Section 7702 testing

- Cash Value Accumulation Test (CVAT)
- Guideline Premium Test (GPT)

Index-linked account information

	S&P 500 Price Return Index Account	S&P 500 Total Return Index Account
Reference index	S&P 500 Price Return Index (excluding dividends)	S&P 500 Total Return Index (including the value of reinvested dividends)
Crediting method	Point-to-point	Monthly average
Segment duration	1 year	1 year
Sweep date	12th of each month	12th of each month
Segment modifiers		
Guaranteed minimum participation rate	100%	100%
Guaranteed minimum cap rate	3%	3%
Guaranteed minimum floor rate	0%	0%

**Key underwriting
and policy issue
information***

Minimum fully underwritten issue amounts

Issue age	Underwriting class	Minimum face amount
20-85	Preferred/Standard Tobacco & Preferred/ Super Standard/ Standard Non-Tobacco	\$100,000
20-80	Super Preferred Non-Tobacco	\$100,000

- Gender-distinct and unisex rates are available.
- Term Conversions: \$100,000

**Minimum business underwritten issue amount:
\$100,000 for all programs***

Issue age	Business underwriting program	Minimum # of lives
20-70	Simplified Issue	5
20-70	Guaranteed Issue	10

* Business underwriting programs do not have surcharges. Cost of Insurance rates will reflect the full mortality for a case. There will not be any compensation reductions associated with business underwriting programs. All business underwriting programs require pre-approval.

Substandard ratings from Tables 2-16

Table 2 thru Table 16 percentage ratings apply only to Standard class, not Super Preferred or Preferred.

Issue age	Substandard rating available
20-75	Table 2-16, plus flat extras
76-80	Table 2-6, plus flat extras
81-85	Table 2-3, plus flat extras

* COVID underwriting restrictions may impact product availability. Check with your underwriter for current guidelines.

Policy dating

- Follows underwriting approval in the home office.
- Issue date range: 1st-28th; if received on the 29th, 30th, or 31st, then date on the first of the following month.
- Backdating is allowed for up to six months before the application date or the exam date, whichever is later. Fixed interest will be applied to backdated premium (indexed-linked interest is not retroactive). Policies may not be backdated beyond the state approval date. State variations apply.
- Cash upon delivery allowed.

Planned premium frequency options

- Annual
- Semi-annual
- Quarterly
- Monthly pre-authorized withdrawal. The draw date is the same as the policy date. Flex draws are not available.

Principal UnderRightSM

Our underwriters live by a simple philosophy—underwrite and over-perform.

We combine experience, service, and accessibility to help you deliver results that make a difference in your clients' lives every day:

- Competitive turnaround times and top-tier service
- Better insurance solutions for key employees with the Multi-Life Business Underwriting Program
- Faster and easier policy issue through Principal Accelerated Underwriting, with no lab testing or exams for the 45-55% of applicants who qualify⁵
- Ready access to your underwriter plus dedicated case managers
- Reduction or elimination of ratings for healthy applicants through Healthy Lifestyle Credits⁶
- Business Solutions Enhanced Underwriting that offers streamlined underwriting for qualifying cases up to \$50 million
- Risk Upgrade Program that potentially allows ratings of Table 2 or a Flat Extra of \$2.50 per \$1,000 to Standard on select impairments and non-medical risks

Death benefit options (DBO)

	Death benefit option 1	Death benefit option 2	Death benefit option 3
Death benefit paid	Face amount	Face amount + accumulated value	Face amount + cumulative premiums paid – surrenders
Description	• The accumulated value increases while the amount of pure insurance will decrease, keeping the death benefit level. • The death benefit will never be less than the accumulated value multiplied by the percentage the Internal Revenue Code (IRC) specifies as necessary to qualify the policy as life insurance.	• The variable death benefit increases or decreases as accumulated value changes. • The death benefit will never be less than the face amount. • The death benefit will be adjusted upward as necessary to comply with IRC requirements to qualify the policy as life insurance.	• The variable death benefit increases as premiums are paid, and decreases as partial surrenders are taken.

Note: Partial surrenders and policy loans decrease the accumulated value and death benefit.

⁵ Based on age and face amount requirements.

⁶ Earn up to two tables of credit that offset table ratings that have been assessed. Ratings for cardiovascular disease, diabetes, and flat extras are excluded from the HLC program. There are no limitations due to age, plan, or face amount. To improve cases that are Standard risk or better, they must have only one knockout for build, blood pressure, or cholesterol and have enough favorable factors for improvement.

DBO changes

- Changes are allowed on or after the first policy anniversary.
- DBO 3 can only be elected at the time of issue. Changes to DBO 3 are not permitted.
- Changes are limited to two per policy year.
- Changes will result in a face amount adjustment so that the net amount at risk is the same immediately before and after the change.
- The face amount after any reduction must be at least the minimum face amount as shown on the current policy data pages.
- A change in DBO requires new data pages to be provided to the client.
- Changes may require proof of insurability that satisfies us, subject to current underwriting guidelines.
- Changes after the maximum issue age are available subject to current underwriting guidelines.

Death benefit option	Resulting face amount adjustment
DBO 1 to DBO 2	The face amount decrease will equal the accumulated value on the effective date of the change.
DBO 1 to DBO 3	Not permitted.
DBO 2 to DBO 1	The face amount increase will equal the accumulated value on the effective date of the change.
DBO 2 to DBO 3	Not permitted.
DBO 3 to DBO 1	The face amount increase will equal the amount by which the total premiums paid exceed partial surrenders up to the date of the change.
DBO 3 to DBO 2	The face amount will be adjusted by an amount determined by subtracting the accumulated value from the greater of, a) total premiums paid less partial surrenders, and b) zero.

Note: A DBO change is subject to the limits as defined in IRC Section 7702 as amended. An additional increase in face amount may be required to maintain compliance with the limits.

Face amount adjustments

Face amount increases are approved at a risk class determined by Principal and are allowed based on the following:

- Insured is alive.
- Attained age is 85 or less (age 70 for business underwriting programs and DBO changes that result in a face increase).
- The increase meets minimum face amount increase requirements shown on current data pages:
 - Non-Guaranteed Issue minimum face amount increase = \$50,000.
 - Guaranteed Issue, Batch, and Simplified Issue minimum face amount increase = \$10,000.
- Evidence of insurability is provided by client and approved by our underwriting team, subject to underwriting guidelines then in effect.

Face amount decreases:

- Allowed on or after the first policy anniversary.
- Limited in years 2-5 to a cumulative 35% of original face amount at issue.
 - The 35% limitation does not apply to DBO changes that reduce the face amount, or face amount increases resulting from partial surrenders.
- May not cause the face amount to fall below the required minimum face amount at issue.

Grace period

If planned periodic premiums or additional premium payments are not made, and the net accumulated value is insufficient to cover the monthly policy charge, the policy will enter the grace period. The grace period is 61 days and begins when a Notice of Impending Policy Termination is mailed to the policy owner. If sufficient payment is not received by the end of the grace period, the policy terminates.

Reinstatement

See the policy for reinstatement requirements.

Policy and surrender charge

Premium expense charge	• Current: 10% up to premium threshold* and 12% in excess of premium threshold in all years • Guaranteed: 15% on all premium in all years * Premium threshold = 2 x target premium	
Cost of insurance rates	2017 CSO Smoker/Non-Smoker distinct, age nearest birthday Current: • Mid band: \$100,001 - \$1 million • High band: \$1,000,001 or greater	
Monthly administration charges	Mid- and high-band: • Current: \$7.50 per month in all years • Guaranteed: \$10 per month in all years	
Monthly policy issue charge	Current: • Per \$1000 of face amount; varies by face amount band, age, gender, risk class, tobacco status, and existence or not of ENLG in all years Guaranteed: • 125% of the current charge in all years	
Rider charges	• Waiver of Monthly Policy Charge • Life Paid-Up • Salary Increase	
Surrender charges	• 19 years for issue ages 20-60; grades down to 14 years for issue ages 65 and older. • Applied to accumulated value upon full surrender or policy termination as described in the policy's grace period provision. • No surrender charge is deducted from death or maturity proceeds. • Table of maximum surrender charges is listed per policy year in the policy data pages.	• Surrender charges vary based on face amount, age at issue or adjustment, smoking status, and gender. • Any face amount increase carries its own surrender charge and surrender charge period. • No interest is credited to any open segment at the time of surrender.

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 sample rider forms.

Chronic Illness Death Benefit Advance Rider (ICC14 SN 92/SN 92)

Issue ages	20-75
Expiry age	Earliest of: • Termination of policy • Receiving terminal benefits • Requested face amount decrease after benefits have been received • Exercising the Life Paid-Up Rider • Receipt of notification to cancel the rider
Cost	There's no cost for this rider at issue. If the rider is exercised, a reduction factor is applied to the requested accelerated benefit amount. A \$150 administrative fee per claim is also applied.
Availability	Automatically added at issue for fully underwritten cases with issue ages 20-75. Not allowed on Table ratings 4 and higher, or permanent/temporary flat extras of \$7.51 or higher per \$1,000. A maximum of two Chronic Illness Death Benefit Advance riders are allowed per insured.
Benefit provided	Pays an accelerated death benefit upon the insured showing proof of chronic illness defined as either being unable to perform at least two of six Activities of Daily Living or having a cognitive impairment. Each accelerated benefit reduces the policy's death benefit by the amount of the benefit. Each of the following is reduced proportionately, as applicable: accumulated value, surrender charge, loan balance, no-lapse guarantee.
Lifetime maximum accelerated benefit	Lesser of 75% of the death benefit on initial election, or \$2 million.
Annual maximum accelerated benefit	Lesser of 25% of the death benefit on initial election, or the annualized per diem acceleration as defined in the rider divided by the accelerated benefit reduction factor.
Annual minimum accelerated benefit	Lesser of 10% of the death benefit on initial election, or \$10,000.
Minimum residual death benefit	Greater of 25% of the death benefit on initial election, or \$10,000 face amount or death benefit.

Cost of Living Increase Rider (SN 38)

Issue ages	20-52
Expiry age	Earliest of age 55, any decrease in face amount, failure to accept an increase, or policy termination. No cost of living increase offers will be made after age 55.
Cost	There's no cost to have this rider on the policy. However, when an increase is exercised, the monthly policy charge and surrender charge will be increased to cover the costs of the charges for any increase in face amount made under the rider.
Availability	At issue, with increases offered in three-year increments from the policy date.
Benefit provided	Provides an opportunity to increase the face amount without evidence of insurability based on increases in the Consumer Price Index for All Urban Consumers (CPI). The amount of the increase will be the lesser of the calculated increase determined from the CPI or the maximum cost of living increase shown on current data pages (30% of base plan face or \$100,000) less the sum of any face amount increases made during the previous year at a Standard or better risk class. An increase in premium will be necessary after accepting a cost of living increase offer to maintain the no-lapse guarantee period. Acceptance of a cost of living increase offer will have a direct effect on the cost and benefits of any attached Waiver of Monthly Policy Charge Rider.

Extended No-Lapse Guarantee Rider (ICC14 SN 94/SN 94)

Issue ages	20-75
Expiry age	This rider terminates on the first of: 1. Exercising the Life Paid-Up Rider (overloan protection); or 2. Termination of the policy; or 3. The maximum Extended No-Lapse Guarantee date.
Cost	There's no explicit charge for this rider; however, adding it will impact accumulated values.
Availability	At issue only. Once added it cannot be removed.
Benefit provided	The Extended No-Lapse Guarantee (ENLG) Rider guarantees the policy will not enter a grace period on any monthly date prior to the lesser of 25 years or age 90 as long as the rider is in force and the ENLG is in effect. This rider is optional. If the policy owner desires long-term guarantees, it may be elected. If the policy owner is more focused on the cash accumulation potential than long-term guarantees, he or she may elect to not add the rider. If elected on a policy, the ENLG Rider replaces the NLG provision.

Life Paid-Up Rider (over-loan protection) (SN 25)

Issue ages	20-85
Expiry age	Maturity (age 121)
Cost	If activated, there is a one-time charge (with GPT: 5.5% current and 7.5% guaranteed; with CVAT: 9.5% current and 13.5% guaranteed) of the policy's value.
Availability	Added automatically at issue.
Benefit provided	By making the policy paid up, this rider prevents the policy from lapsing due to a large loan. See policy data pages for current and guaranteed loan indebtedness percentages applicable to activate the rider. In addition, for the rider to be activated, the insured must be age 75 or older, the policy must be in force for at least 15 years, and cumulative partial surrenders must equal or exceed total premiums paid. Note that at time of activation, any outstanding alternate policy loan value is changed to a standard policy loan.

Salary Increase Rider (SN 50/SF 893)

Issue ages	20-64
Expiry age	Earliest of termination of the owner's policy, insured's attained age 65, or receipt of the owner's notice to cancel the rider.
Cost	There's a charge for the rider if the policy is rated or the rider benefit amount exceeds \$30,000.
Availability	Business cases only
Maximum annual	\$30,000 (may be increased to \$100,000 for an additional monthly policy charge)
Maximum lifetime	\$1 million
Benefit provided	Allows the purchase of additional insurance without evidence of insurability as long as the policy and rider are in force and not in the grace period. Increases are available annually while the insured is actively at work according to the rider terms. Increases are only offered if the insured's salary has increased during the policy year. The amount of the increase is a function of the insured's salary subject to the rider's maximum increase.

Terminal Illness Death Benefit Advance Rider (ICC14 SN 93/SN 93)

Issue ages	20-85
Expiry age	Maturity (age 121)
Cost	There's no cost to have this rider on the policy. A one-time administrative charge of up to \$150 may be imposed when the rider is exercised.
Availability	It's available to all policy owners and covers the insured. There are no special underwriting requirements. It may be added at any time.
Benefit provided	Pays an accelerated benefit upon insured showing proof of a terminal illness as defined in the policy rider form. The accelerated benefit that may be received is the lesser of the Accelerated Benefits Cap shown on the current data pages, or 75% of the eligible face amount minus any outstanding policy loans, unpaid loan interest, and previously paid accelerated benefit, not to exceed \$1 million. The accelerated benefit is considered a lien against the policy and accrues with interest. At the time of death, the beneficiary receives the policy death benefit minus the benefit advance and applicable interest. The minimum amount of any payment is \$500.

Waiver Of Monthly Policy Charge Rider (SN 54/SF 898)

Issue ages	20-59
Expiry age	Age 65 (unless on waiver claim)
Cost	There's a charge to have this rider on the policy. The cost of the rider is deducted on each monthly date.
Availability	It's available at issue or as an underwritten adjustment. The policy must be rated Table 6 or better. The rider is not allowed if flat extras per \$1,000 equal or exceed \$5 for more than two years. A separate rating may additionally apply to the rider.
Benefit provided	If the insured is disabled as stated in the rider policy form, monthly policy charges for the policy benefits will be waived (or credited to the accumulated value if already deducted). Benefits are limited for disability occurring after age 59. Note that a policy loan has the potential to lapse a policy during the waiver period even when monthly policy charges are being waived.

Underwriting riders

- Aviation Exclusion (SN 10 / SF 612)
- Hazardous Sports Exclusion (SN 11)

Attention – producers licensed in Iowa:

Iowa Insurance Division Administrative Rule 191-15.80 - 87 requires all producers selling or soliciting indexed life products in Iowa to obtain four continuing education (CE) credits by an approved vendor offering an indexed product course prior to selling indexed life products. This is a one-time requirement.

Only those courses approved for indexed products and listed by the Division's vendor of CE courses, Pearson VUE, will be accepted as a qualified course. The Pearson VUE website address is: www.pearsonvue.com.

Glossary of terms

Adjusted segment balance. On the segment maturity date, the value of the segment on the segment begin date less amounts deducted during the segment duration for all monthly policy charges, partial surrenders, policy loans, and any other deductions. For purposes of this calculation, each deduction is first multiplied by the ratio of the number of days remaining in the segment duration after the date of the deduction divided by the number of days in the entire segment duration.

Cap rate. The maximum rate, or “cap” on an index-linked interest rate. For example, if the index-linked crediting method has an 8% cap rate, and the change in the index during the index-linked segment is 12%, 8% will be credited, not 12%. The cap rate will never be less than the guaranteed minimum of 3% for either of the IUL Flex II index-linked accounts.

Closing index value. The reference index value as of the New York stock exchange close of business. If no reference index value is published for a given day, the reference index value for the prior business day for which a reference index value was published will be used.

Floor rate. The lowest interest rate that will be credited to an index segment and protects the policy owner against negative returns of the reference index. The floor rate for each of the IUL Flex II index-linked accounts is 0 percent.

Index-linked account(s). An account(s) for which interest is credited, based in part, on the performance of a reference index.

Index-linked crediting method. The method used to determine the reference index return rate.

Index-linked interest. Interest credited to a segment on the segment maturity date for the number of days in the segment duration by applying the index-linked rate to the adjusted segment balance.

Index-linked rate. A rate derived by applying any applicable segment modifiers to the reference index return rate. This is an effective annual rate.

Open segment. Any segment that has not reached the segment maturity date.

Participation rate. A rate that determines how much of the increase in the reference index’s value applies to an IUL Flex II policy. The participation rate will never be less than the guaranteed minimum of 100%.

Reference index. The external index associated with each index-linked account. In the case of IUL Flex II, these are the S&P 500 Price Return Index and the S&P 500 Total Return Index.

Segment. The portion of an index-linked account created by the allocation of net premium, transfer of segment maturity value, and/or transfer of amounts from the Fixed Account and short-term holding account(s) on a sweep date.

Segment begin date. The sweep date at the start of a segment.

Segment activity cut-off date. The business day by which policy owner transaction requests (including but not limited to premium payments, premium allocations, transfers, and loan repayments) must be received by us in order to have any effect on new segments. The segment activity cut-off date is the 12th of each month. We reserve the right to change the segment activity cut-off date after providing policy owners with written notice.

Segment duration. The length of time that a segment exists. The segment duration for each of our index-linked accounts is one year.

Segment maturity date. The last day of a segment's duration.

Segment modifiers. Any modifier associated with a segment. The segment modifiers we use with each of our index-linked accounts is a participation rate, cap rate, and floor rate.

Short-term holding account(s). An account that temporarily holds amounts allocated to index-linked account(s) prior to transferring to a segment on a segment begin date. Interest accrues for the length of time funds are in the short-term holding account(s). The current and guaranteed minimum crediting rates for the short-term holding account(s) are the same as those rates applicable to the Fixed Account.

Sweep date. The date a segment(s) is created. Our sweep date is the 12th of each month.

Sweep restriction period. A 12-month period of time during which no transfers from the Fixed Account and short-term holding account(s) to the index-linked account(s) will be allowed. A sweep restriction period will begin any time there is a deduction from an open segment as a result of an unscheduled partial surrender or unscheduled loan. Any amounts in the short-term holding account(s) will be transferred to the Fixed Account at the beginning of the sweep restriction period. Any net premiums we receive during a sweep restriction period will be allocated to the Fixed Account.



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