

Offer businesses coverage with growth potential.

Principal[®] Term offers simple, cost-effective coverage for a variety of business needs. It's even more valuable when you add the innovative **Business Value Increase Rider** or **Salary Increase Rider**. These enable clients to get ongoing face amount increases as their needs grow, with no evidence of insurability. And each face increase means a new first-year commission for you.

Business Value Increase Rider

WHAT IT IS. Coverage can be increased based on business value growth.

KEY USE. Growing businesses with a buy-sell funding need.

QUICK TIP. Principal offers complimentary informal business valuations and buy-sell reviews.

HOW IT WORKS

Policy face amount increases work in three-year policy cycles.

- **Start of year 1:** The business is valued.
- **End of years 1 and 2:** The face amount is automatically increased 5% (10% total).
- **End of year 3:** The business is valued again and any increase above 10% results in a matching percentage increase in face amount, subject to maximums⁽¹⁾.
- Premium increases as face amount increases. A first-year commission is paid on the increase.

Example	SCENARIO 1: 20% business value increase at end of 3-year cycle		SCENARIO 2: 8% business value increase at the end of 3-year cycle	
	Face amount	Additional commissionable premium	Face amount	Additional commissionable premium
Beginning of year 1	\$3,000,000		\$3,000,000	
Beginning of year 2 (automatic 5% increase)	\$3,150,000	\$460	\$3,150,000	\$460
Beginning of year 3 (automatic 5% increase)	\$3,300,000	\$551	\$3,300,000	\$551
Beginning of year 4 (calculated increase)	\$3,600,000	\$889	\$3,300,000	\$0

Assumptions: Business valued at \$3 million at beginning of 3-year cycle and a \$3 million Principal[®] 20-Year Term with \$3,426 annual premium⁽²⁾ provides protection.

Hypothetical example for illustrative purposes only.

Salary Increase Rider

WHAT IT IS. Offers face amount increases when insured gets a raise.

KEY USE. Clients with a need for key person insurance.

QUICK TIP. Our [Key Person Calculator](#) provides life and disability insurance key person quotes.

HOW IT WORKS

- Increases are available annually if insured is actively at work, receives a salary increase during the year, and Principal is notified.
- The increase amount is a function of the insured's salary, subject to maximums⁽³⁾.
- There is a cost for the rider when the policy benefit exceeds \$50,000.
- Premium increases as face amount increases. A first-year commission is paid on the increase.

	Face amount	Additional commissionable premium
Beginning of year 1	\$2,000,000	
Beginning of year 2 (5% salary increase)	\$2,100,000	\$360
Beginning of year 3 (5% salary increase)	\$2,205,000	\$375
Beginning of year 4 (5% salary increase)	\$2,315,250	\$463

Assumptions: Key employee with \$200,000 annual salary at policy issue and \$2 million Principal® 20-Year Term with \$2,309 annual premium⁽⁴⁾.

Hypothetical example for illustrative purposes only.



Contact the National Sales Desk at 800-654-4278.

All guarantees are backed by the claims-paying ability of the issuing insurance company.

Contract rider descriptions are not intended to cover all restrictions, conditions, or limitations. Refer to rider for full details.

This information is intended to help clients understand the details of the riders. The primary purpose of life insurance is the death benefit and clients must have a need for the death benefit to purchase a life insurance policy.

⁽¹⁾ Automatic annual face amount increase/maximum amount: 5%/ \$250,000; maximum calculated face amount increase for 3-year cycle: lesser of 35%/ \$750,000; maximum lifetime cumulative face amount increase: lesser of 300% of initial face amount/ \$7.5 million.

⁽²⁾ Full assumptions: Policy at beginning of year 1, Principal® 20-Year Term, non-convertible; 45-year old male; Preferred non-smoker; \$3 million face amount; \$3,426 annual premium.

⁽³⁾ Maximum face amount increases: annual—\$150,000; lifetime—\$1.5 million.

⁽⁴⁾ Full assumptions: Policy at beginning of year 1, Principal® 20-Year Term, non-convertible; 45-year old male; Preferred non-smoker; \$2 million face amount; \$2,309 annual premium.

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