

Life insurance

Life is full of choices

Universal life or whole life?

Give your family a more secure financial future

Consider life insurance

Life insurance creates financial security for your loved ones by paying an income tax-free benefit in a time of need. Plus, it enables you to achieve other financial goals, such as:

- Passing on assets you've accumulated to your heirs or a favorite charity.
- Building long-term savings available for tax-free withdrawal.¹
- Diversifying assets within your financial portfolio.

Universal life or whole life?

Two common types of life insurance are universal life insurance² and whole life insurance. Both will pay a financial benefit to your beneficiary when you die, but each works a little differently. To keep a comparison simple, let's focus on four key considerations:

Cost – How much do you need to pay to acquire the amount of coverage you need?

Flexibility – When your financial situation changes—things like kids going to college or taking time off to stay home with an aging parent—what options do you have for adjusting your policy?

Cash value – What determines the potential for growth?

Guarantees – What level of guarantees for death benefit and cash value do you require?

	Universal life insurance	Whole life insurance
Cost	Lower payment amount required relative to whole life insurance.	Higher premium amount required relative to universal life insurance.
Flexibility	<ul style="list-style-type: none">• May skip or reduce a payment³, or use cash value to cover policy expenses.• Coverage amount can remain level or be raised or lowered as needed.⁴	<ul style="list-style-type: none">• Cannot deviate from the specified payment amount or timing.• Coverage amount generally remains level for the duration of the policy.
Cash value	<ul style="list-style-type: none">• Grows based on either a current interest rate set by the insurance company, or on a rate determined by the movement of an outside stock market index. (The credited rate may go up and down, but will never go below a minimum.)	<ul style="list-style-type: none">• Grows at a guaranteed rate set when the policy is issued and will not change.• May earn non-guaranteed dividends, which can increase cash value and/or death benefit amount.
Guarantees	Varying levels of death benefit guarantees are available. ⁵	Death benefit and cash value amounts are guaranteed to not change.

Note: All life insurance has underwriting requirements and associated costs. We do not generally recommend replacing any existing life insurance policy. If you currently own life insurance, replacing it could have an adverse effect. Please speak to your financial professional about a review of your life insurance.



So what does it all mean? In summary, universal life insurance generally costs less, offers greater flexibility and earns interest at a current rate. But it has fewer guarantees.

What's important to you?

Universal life insurance offers flexibility to meet your evolving needs, while whole life insurance provides strong guarantees, which can also be important in certain situations. Generally, though, the more guarantees a policy has, the more expensive it is.

If you consider both types at the same coverage amount, **whole life insurance is typically more expensive. Universal life insurance also offers benefits that whole life insurance doesn't:**

- The ability to adjust the premium level and death benefit amount
- Choice of cash value growth (depending on product) based either on a fixed interest rate or a rate earned from the movement of an outside stock market index
- Selection of death benefit options – one that remains level and one that will increase based either on cash value growth or premiums paid
- The opportunity to take withdrawals from your policy to provide income
- Access to accumulated cash value to help pay for the costs of your policy

If you want permanent life insurance coverage with affordable, flexible payments, adjustable coverage and cash value growth, universal life insurance might be right for you.



How to get started

After reviewing this guide, if you believe that universal life insurance makes sense for you and your family, taking the next step toward financial security is easy. Your financial professional will help you by explaining the process and answering your questions, and together you'll:

- Figure out how much insurance coverage you need and what you can pay.
- Determine which life insurance product best fits your situation.
- Fill out forms to apply for insurance.



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Contact your local representative.



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- ¹ Surrender charges and other policy charges may apply to distributions taken from the policy. Policy loans and withdrawals may decrease the amount of death benefit and cash accumulation value. If the policy is a modified endowment contract (MEC), policy distributions in excess of the policy's principal may be subject to current income taxes.
- ² In exchange for the death benefit, universal life insurance products charge fees such as mortality and expense risk charges and surrender fees.
- ³ Within certain guidelines.
- ⁴ After policy issue, face amount increases may be subject to additional underwriting and surrender charges.
- ⁵ Guarantees are based on the claims-paying ability of the issuing life insurance company.