



Principal®
Guaranteed Issue
Term II

Protecting
your
business
clients just
got easier.



Are you looking for a way to make the underwriting process easier for your business clients?

You've come to the right place. Principal® offers an innovative product that's a simple funding option designed to meet a variety of business needs. It allows up to \$5 million of individual Term coverage on a Guaranteed Issue (GI) basis.¹

Product highlights

- Each insured is covered by an individual term life policy with guaranteed level term premiums for 10 or 20 years (depending on plan design).
- Policies are issued on a GI basis—eliminating the hassle and uncertainty of medical underwriting.
- Standard and preferred risk classes are available. (Preferred is not available for groups of 5-9 lives).
- Policies can be converted in the future to permanent insurance with no proof of insurability—see conversion requirements in product details section.
- Face increase flexibility is available with the Salary Increase Rider, or contractually through a job level change.
- Comprehensive plan and policy administration services are provided through Business Market Administration.
- Direct access to a team of professionals experienced in business solutions sales, case design, and underwriting is available to help you through each step of the sales process.

Who can benefit?

Businesses in industries like law, architecture, engineering, healthcare, financial services, and manufacturing could benefit from the following common needs:

- Coverage for key employees as part of a benefit restoration plan
- Key person coverage to help the business recover costs associated with the loss of key executives
- Buy-sell strategies to help facilitate ownership transitions
- Supplemental coverage for participants of a nonqualified deferred compensation plan

¹ GI Term II is not available for organizations based in New York or for participants residing in New York.

Program eligibility

- Employees must be in an executive, owner, white collar, or management position working full-time (at least 30 hours per week) and earning a minimum of \$75,000 W-2 compensation annually.
- External directors and board members are eligible as long as they represent no more than one-third of the total coverage or number of participants. External directors and board members must be actively at work on a non-self-employed, full-time basis.
- Employees must be U.S. citizens working in the U.S. or in an approved city/country. Non-U.S. citizens working in the U.S. can be considered.
- Issue ages must be between 20-70 with a weighted average age less than or equal to age 55.
- Premiums must be employer-paid.

Product details

Case requirements	<ul style="list-style-type: none"> • 10 lives minimum (Will consider groups between 5-9 lives if they have Principal group term life/voluntary term life or GSI individual disability insurance) • Organization-owned or sponsored plan 		
Level premium durations	<ul style="list-style-type: none"> • 10-Year Term—level premiums for 10 years, increasing in years 11+ • 20-Year Term—level premiums for 20 years, increasing in years 21+ 		
Eligibility	Number of participants ²	Maximum face amount	Participation rate
	5-9 ³	\$500,000	100%
	10-19	\$60,000 x number of lives	100%
	20+	\$75,000 x number of lives	85%
Issue ages (age nearest birthday)	<ul style="list-style-type: none"> • 100% 10YT case—ages 20-70 Non-Tobacco and Tobacco • 100% 20YT case—ages 20-54 Non-Tobacco and Tobacco • Mix of 10YT & 20YT case: <ul style="list-style-type: none"> › 10YT—ages 55-70 Non-Tobacco and Tobacco › 20YT—ages 20-54 Non-Tobacco and Tobacco 		
Risk classes (case-level)	<ul style="list-style-type: none"> • Standard • Preferred (available for groups of 10 or more) 		
Issue amounts (per policy)	<ul style="list-style-type: none"> • Minimum—\$200,000 • Maximum—\$5 million (\$500,000 for groups of less than 10) • Face amounts must be formula-driven based on salary, position, liability, etc. • \$75 policy fee (non-commissionable) 		
Conversion privilege	<ul style="list-style-type: none"> • Earlier of the first 5 policy years or the policy anniversary nearest the insured's attained age 70. Provision applies to both 10- and 20-year Term. • Convertible to GI-priced permanent products available at the time of conversion. 		

² We'll determine GI Term group eligibility based on a calculated group risk score involving a de-identified prescription check.

³ Will consider groups between 5-9 lives if they have Principal group term life/voluntary term life or GSI individual disability insurance.

Rider details

Availability and terms of each rider may vary by state. Please refer to state-specific rider forms.

Accelerated Benefits Rider (SN 3)

Issue ages	20–80
Expiry age	Maturity
Cost	There's 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 specific 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% 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.

Salary Increase Rider (ICC 22 SN 171/SN 171)

Issue ages	20-64
Expiry age	<p>Earliest of:</p> <ul style="list-style-type: none">• The end of the Initial Level Premium Period• Termination of policy• Insured's attained age 65• Rejection of an increase• Any decrease in insurance which causes the face amount to be less than the (insured's salary multiplied by the SIR Multiplier) less other employer purchased insurance• Insured's leaving the employment of the employer• Failure to provide updated salary information as required
Cost	There's a charge for the rider if the policy is rated or the rider benefit amount exceeds \$50,000.
Maximum annual	\$50,000 (may be increased to \$150,000 for an additional monthly policy charge)
Maximum lifetime	\$1.5 million
Benefit provided	<p>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.</p> <ul style="list-style-type: none">• 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.



Quote and offer process

To get a GI Term II quote for a case you're working on, follow this simple three-step process.

1 | You send a request.

- › Contact your dedicated Internal Wholesaler. They'll ask you a few questions about the organization and what type of plan(s) they're interested in.
- › Then, they'll email you a census template to complete—to ensure we have all the employee details needed.

2 | We review the opportunity and census.

- › We'll review the census and run a de-identified prescription check on the employee group.⁴

3 | We make an offer⁵ and quote plan designs.

- › We'll develop a customized offer and quotes that will include available face amounts and approval guidelines.
- › The offer will be valid for 60 days.

⁴ Individual prescription check results are anonymous.

⁵ A very small percentage of groups may not qualify for GI Term II based on the group risk score. In this situation, a modified offer may be made, or we may offer individually underwritten coverage for the group.

Plan implementation

Once your client picks the plan design that works best for them and says yes to the Principal offer, our streamlined process makes plan implementation quick and easy. Use the following information to understand how we'll work with you and your clients.

Steps for plans with employee-owned policies

	You (financial professional)	Employer	Principal
Initialization	<ul style="list-style-type: none"> • Confirm sold case plan design and verify/finalize census. • Assist employer in completing required forms. 		<ul style="list-style-type: none"> • Introduce dedicated Onboarding Specialist. • Schedule and facilitate implementation call.
Plan onboarding	<ul style="list-style-type: none"> • Ensure proper licensing to sell life insurance in participating employees' resident state(s). • Complete declaration form allowing your signature to be affixed to each application without having to sign each one.⁶ • Sign additional required forms. 	<ul style="list-style-type: none"> • Complete and sign required forms. • Choose enrollment date for Principal to send emails to employees. • Notify employees of upcoming enrollment (they'll receive an email from Principal to answer a few questions and sign their application). 	<ul style="list-style-type: none"> • Add census information to applications to streamline process for employees.
Enrollment	Follow up with employer and/or employees to ensure timely application completion.		<ul style="list-style-type: none"> • Email link to application, send follow up reminders, and email link to eSign the application. • Review completed applications once all have been submitted. • Request initial premium payment.
Finalization	<ul style="list-style-type: none"> • Collect delivery requirements, if applicable, upon policy delivery. • Complete any policy forms requiring signature. 	Pay bill so policies can be issued.	<ul style="list-style-type: none"> • Send policies to policy owners. • Introduce the dedicated Business Market Administrator.

⁶ Not available for policies written in Louisiana. Financial professional will review completed applications and eSign.

Steps for plans with employer-owned policies

	You (financial professional)	Employer	Principal
Initialization	Confirm sold case plan design and verify/finalize census.	Choose the plan effective date.	<ul style="list-style-type: none"> • Introduce dedicated Onboarding Specialist. • Schedule and facilitate implementation call.
Plan onboarding	<ul style="list-style-type: none"> • Complete and sign master application and required forms. • Assist employer in completing required forms. • Ensure employees complete Consent for Employer to Purchase Individual Life Insurance forms. 	Complete and sign master application and required forms.	<ul style="list-style-type: none"> • Prepare the Consent for Employer to Purchase Individual Life Insurance form for each covered employee to complete. • Send master application and required forms for financial professional and employer to complete and sign. • Request initial premium payment.
Finalize	<ul style="list-style-type: none"> • Provide policies to the employer. • Work with employer to obtain signature on policy ownership forms. • Return signed forms to Principal. 	<ul style="list-style-type: none"> • Sign policy ownership forms. • Pay bill so policies can be issued. 	<ul style="list-style-type: none"> • Mail policies so they can be provided to the employer. • Process signed forms and complete implementation. • Introduce the dedicated Business Market Administrator.



Call the National Sales Desk today at 800-654-4278.
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principal.com

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