



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 Principal Term coverage on a Guaranteed Issue basis.

Product highlights

- Provides face increase flexibility with the Salary Increase Rider or contractually through a job level change.
- A standard and preferred risk class is available.
- 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 Guaranteed Issue basis—eliminating the hassle and uncertainty of medical underwriting.
- Policies can be converted in the future to permanent insurance with no proof of insurability—see conversion requirements below.
- Comprehensive plan and policy administration services through Business Market Administration.
- Direct access to a team of professionals experienced in business solutions sales, case design, and underwriting—and can help you through each step of the sales process.

Who can benefit?

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

- Key person insurance 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.
- Executive carve-out coverage to supplement company-sponsored group life insurance.

Product details¹

Case requirements²	<ul style="list-style-type: none"> • 10 lives minimum • Business-use only (business-owned or sponsored) 				
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+ 				
Guaranteed Issue requirements	Participants	Employer-owned	Participation rate	Employee-owned	Participation rate
	10-19	\$50,000 x no. of lives	100%	\$30,000 x no. of lives	100%
	20-49	\$60,000 x no. of lives	100%	\$40,000 x no. of lives	85%
	50+	\$75,000 x no. of lives	100%	\$50,000 x no. of lives	75%
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 				
Issue amounts (per policy)	<ul style="list-style-type: none"> • Minimum—\$200,000 • Maximum—\$5 million • \$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 Guaranteed Issue-priced permanent products available at the time of conversion. 				

¹ Guaranteed Issue Term II (ICC22 SN 170/SN 170) is available in all states except California, Florida, New York, North Dakota, South Dakota, and South Carolina.

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

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 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 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 is 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.

Case enrollment process for employee-owned policies

Our streamlined process makes it easy for you and your employer clients to get their employees enrolled in the plan. It provides many benefits, including easier application completion, that leads to more being received in good order, as well as a faster timeline from the purchase decision to policies being in force.

Here's how the process works after underwriting preapproval is received and the decision to make the purchase is made:



Financial professional collects census information

- Principal provides you with the census template to have the employer complete for eligible employees.
- You return the completed census to Principal.



Financial professional completes declaration form³

- Declaration form allows your signature to be added to applications without having to sign each one.



Principal creates applications and emails to employees

- Census information is used to pre-populate applications.
- All the needed forms are included.
- Any state variations are handled appropriately.



Employees review and eSign application

- Easy navigation directs employees where to enter information and sign.
- Principal sends a daily email reminder until review and signing are complete.



Principal completes final underwriter and case management review, then issues and eDelivers policies for eSignature (follows the normal Term eDelivery process)

- The policies are sent to applicable employees to eSign.
- Any forms requiring signature of the financial professional are sent to you.
- The Field Office Contact (FOC) receives copy of policy package with all signatures.



Let's connect

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

³ Declaration form not allowed for policies written in Louisiana. Financial professional will review completed applications and eSign.



principal.com

Insurance products issued by Principal National Life Insurance Company (except in NY), Principal Life Insurance Company®, and the companies available through the Preferred Product Network, Inc. Plan administrative services offered by Principal Life. Referenced companies are members of the Principal Financial Group®, Des Moines, IA 50392.

Guarantees are based on the claims-paying ability of Principal Life Insurance Company. For financial professional use only. Not for distribution to the public.

Not FDIC or NCUA insured

**May lose value • Not a deposit • No bank or credit union guarantee
Not insured by any Federal government agency**

Principal®, Principal Financial Group®, and Principal and the logomark design are registered trademarks of Principal Financial Services, Inc., a Principal Financial Group company, in the United States and are trademarks and service marks of Principal Financial Services, Inc., in various countries around the world.