



Principal®, like many financial institutions, is required by federal law to “know our customer” by obtaining and maintaining information about the identity of those who open or hold an account with us. This process provides important information to help prevent the use of financial products in illegal activities, such as funding terrorism and money laundering.

We’re introducing a new Know Your Customer Questionnaire for use with any organization/entity that’s party to a new individual disability insurance or individual life insurance policy, or a nonqualified deferred compensation plan. The questionnaire asks for information needed to help us better understand who we’re doing business with.

## What this means for you

### Disability and life insurance policies

Beginning April 1, 2021, the **Know Your Customer Questionnaire** will be required with all new applications for disability insurance or life insurance, where an organization/entity will be either the owner or paying the premiums.

Additional things to know:

- The questionnaire will be required prior to policy issue. If the form isn’t received with the application, a pending requirement for it will appear on your pending business report.
- The form will be available in paper application packages beginning April 1. For disability, the electronic application packages will also include the form. For life, the form will be available as part of electronic application packages at a later date.
- You only need to provide the completed questionnaire for a specific organization/entity one time. We won’t need a new one, for example, when a new participant is being added to an existing plan, unless there has been a significant change in ownership.

When you submit an application, be sure to indicate that the questionnaire was previously provided.

- For life insurance applications where the owner will be a trust, a new **Trust Certification and Indemnification form** should be used instead of the Know Your Customer Questionnaire.

### **Nonqualified deferred compensation plans**

Beginning April 1, 2021, the **Know Your Customer Questionnaire** will be required for all new plans being implemented (regardless of financing option being used). You only need to provide the completed questionnaire for a specific organization/entity one time. We won't need a new one when a new participant is being added to an existing plan unless there has been a significant change in ownership of the organization/entity.

### **Need more information?**

We appreciate your efforts in obtaining this important information. If you have questions, contact your new business team or your deferred comp onboarding manager.

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## **Update to electronic payment authorization**

The form used by clients to authorize electronic payment (either initial premium payment or ongoing EFT) for disability insurance and life insurance policies is being updated. The changes are in accordance with recent guideline changes from the National Automated Clearing House Association – the organization that manages the electronic system that facilitates the movement of money in the U.S.

Effective March 29, 2021, the updated form must be used for all new electronic withdrawal requests. You'll be able to access the new authorization form beginning March 29, using your normal process for form retrieval.

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