

Life insurance

# A simplified program to help protect key employees

Multi-Life Business Underwriting Guide



For producer and registered representative information only. Not for use in sales situations.



## Get an underwriting advantage for your business cases

Do your clients want a more effective solution for protecting their key employees? Our Multi-Life Underwriting Program is designed to deliver. Here's how:

- We offer this program on a very competitive basis, and we're one of few carriers offering business underwriting on our secondary guarantee universal life product.
- Guaranteed Issue is available for cases with a minimum of 10 lives (25 lives for Term). If there are fewer than the minimum number of lives or if higher face amounts are desired, Simplified Issue may be a viable option (not available for Term).
- This program is only one facet of our complete business solutions platform. Our underwriters understand the business market and work closely with our Business and Advanced Solutions and Business Market Administration teams to help you provide the best solutions to your clients.
- Full underwriting is also available for your multi-life cases, including our Principal Accelerated Underwriting<sup>SM</sup> Program.

# Program eligibility

- An employer/employee relationship must exist.
- 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 (\$100,000 W-2 compensation for Principal Executive Variable Universal Life III<sup>SM</sup> (Executive VUL III)).
- 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 18 and 70 with a weighted average age less than or equal to age 55. At ages 66-70, face amounts are limited to one-half the stated maximums, for Executive VUL III.
- Premiums must be employer-paid; however, additional employee contributions are allowed on products listed excluding Term.

# Three-step review and offer process

(Approval and written offer are required before applications can be submitted.)

## 1 You submit your request.

- › Complete the Guaranteed Issue/Simplified Issue Underwriting Inquiry (DD 9072) including census.
- › Send completed documents to your National Sales Desk consultant.

## 2 We review your request.\*

- › The Multi-Life Case Design Group will determine if additional information is needed. Copies of client presentation material including illustrations or further discussion with the producer may be requested. We reserve the right to assess the financial strength of a company when determining whether an offer will be made.
- › The Multi-Life Case Design Group is comprised of advanced markets and multi-life professionals and can be a valuable tool in providing case design consultative support.

## 3 We determine an offer.

- › If approved, a customized written offer will be provided stating a summary of the case, maximum face amounts available and any required stipulations.
- › An offer will be valid for 60 days. We reserve the right to reconsider our offer if the case design is modified in any way.

\* If (1) information provided is in good order (2) no exceptions are requested, and (3) case fits within our business platform, the Multi-Life Director may quickly approve without additional review.

# Program guidelines

- Face amounts must be formula-driven based on salary, position, liability, etc.
- No individual face amount can be more than 5 times the average face amount of the group.
- Total individual coverage with all carriers issued on a Guaranteed Issue basis can be no more than 3 times our multiples.
- Maximum face amount is \$5 million (\$6 million for Executive VUL III). Minimum face amount is \$100,000 (\$200,000 for Term).
- Face amount increases are subject to policy/rider provisions and face amount maximum stated in the written offer.

## Guaranteed Issue

Applicants will be asked about the following:

- Whether they're actively at work on a full-time basis
- Absenteeism in the last 90 days
- Tobacco usage

	Participants	Employer-owned	Participation rate	Employee-owned	Participation rate
Term: 10- and 20-Year	25-49	\$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%
UL, IUL, VUL	10-19	\$50,000 x no. of lives	100%	\$30,000 x no. of lives	100%
	20-49	\$60,000x no. of lives	100%	\$40,000 x no. of lives	85%
	50+	\$75,000x no. of lives	100%	\$50,000 x no. of lives	75%
EVUL III	10-19	\$60,000 x no. of lives	85%	\$40,000 x no. of lives	85%
	20-49	\$75,000 x no. of lives	75%	\$50,000 x no. of lives	75%
	50+	\$100,000x no. of lives	75%	\$60,000 x no. of lives	75%

## Simplified Issue – Standard Decline up to Table 3

Simplified application with MIB, Rx, MVR, and APS for cause.

	Participants	Employer/employee-owned: 75% participation	Employer/employee-owned: 75% participation
UL, IUL, VUL	5+	\$100,000 x no. of lives	\$100,000 x no. of lives
EVUL III	5+	\$100,000 x no. of lives	\$100,000x no. of lives

- ▶ For business cases that do not qualify for our business underwriting programs above, we can provide specialized underwriting solutions.

# Program conditions

## Multi-Life Underwriting Program exclusions:

- Premium-financed cases
- Third-party investment programs
- Groups formed to obtain insurance only
- Investment bank-owned life insurance (BOLI)
- Individuals within a group with a known impairment\*
- Contractors, consultants, associations, charities, churches, foundations, fraternal organizations, government entities, unions, or professional sports teams
- Modified Endowment Contract (MEC) policies
- Single-premium funding
- Survivorship product

## Large cases with 300+ lives:

- Coordination between the client, producer, and home office is required.
- An acknowledgment letter will be provided to the client outlining all onboarding, enrollment, and ongoing administration requirements.
- The Salary Increase Rider and Change of Insured Rider aren't available.

## Reinsurance review requirements:

- Any request that does not fit within our current multi-life guidelines
- Any request where the concentration of risk per ZIP code exceeds our retention limit
- All Manhattan business

## Enrollment:

- A 60-day enrollment period is provided for new cases resulting in all policies with the same policy date. Applications received outside this period are subject to full underwriting.
- Subsequent enrollment periods may be required to coincide with the anniversary date of the original policies. A 30-day enrollment period is provided for new policies to existing cases resulting in the same monthly anniversary date. Applications received outside this period are subject to full underwriting.

## Products and risk classes:

- Our Multi-Life Business Underwriting Program is approved for use with Principal Term (10- and 20-Year), Principal Universal Life Flex III<sup>SM</sup>, Principal Universal Life Provider Edge II<sup>SM</sup>, Principal Indexed Universal Life Accumulation II<sup>SM</sup>, Principal Indexed Universal Life Flex II<sup>SM</sup>, Principal Variable Universal Life Income IV<sup>SM</sup>, and Principal Executive Variable Universal Life III.
- Available riders are subject to plan design and our approval.
- Separate and distinct Guaranteed Issue and Simplified Issue cost-of-insurance rates (Non-Tobacco and Tobacco) apply. Simplified Issue cost-of-insurance rates are less than Guaranteed Issue rates.

\* We have the right to decline insurance coverage if through a previous underwriting review with any carrier, the insured was deemed uninsurable or highly rated.



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Accelerated Underwriting is an expedited underwriting program offered by Principal Life Insurance Company. Applicants may qualify based on age, face amount, and personal history.

Business underwriting programs from The Principal are subject to change without notice. Current guidelines/conditions may be modified solely at our discretion based on the individual characteristics of each case.

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