



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. (Preferred is not available for groups of 5-9 lives).
- 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 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.

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.
- 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.
- Will consider groups between 5-9 lives for employers with Principal Group Term Life, Voluntary Term Life (VTL), or Guaranteed Standard Issue (GSI) Individual Disability Insurance (IDI).

Product details

Case requirements¹	<ul style="list-style-type: none"> • 10 lives minimum (Will consider groups between 5-9 lives if they have Principal Group Term Life/VTL or GSI IDI.) • 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	Number of participants	Employer-owned and Employee-owned maximum face amount	Participation rate
	5-9	\$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 Guaranteed Issue-priced permanent products available at the time of conversion. 		

¹ 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.



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