Principal Universal Life Provider Edge II℠

Deliver valuable coverage at an affordable cost

Sales guide

Principal Universal Life Provider Edge II (UL Provider Edge II) is a current assumption universal life product designed to help individuals and businesses meet their long-term protection needs. This product can be a smart alternative to guaranteed universal life insurance and other protection-focused products and features:

- Affordable premium levels that fit most budgets.
- Dependable coverage with optional extended no-lapse guarantees to age 100.
- Accessible policy values that can be used to provide financial resources in the event of a chronic illness.

Who can benefit?

Customer profile:

- Seeks affordable life insurance protection with a desire to maximize coverage length
- Desires flexibility to meet changing needs in the future
- Appreciates guarantees that extend beyond life expectancy

Potential needs satisfied:

- Providing money for loved ones to meet income replacement needs
- Creating estate liquidity and efficiently transferring wealth to loved ones
- Financing business solutions such as key person and buy-sell

Coverage you can have confidence in

UL Provider Edge II has a transparent "what you see is what you get" design that allows it to perform well, even when real life deviates from illustrated assumptions—like lower than expected crediting rates or missed premium payments. Your clients get a policy with the following:

- Tested principles and assumptions that aren't dependent on elevated crediting rates or large bonuses
- Simple, consistent additional interest[1] that rewards long-term policy ownership beginning in year 16
- Optional extended no-lapse guarantees that provide additional coverage certainty without extra cost

Tip | When comparing products, run illustrations at both the current and a lower interest rate. Some products rely on higher assumed rates and can have a marked decrease in performance at lower than projected rates. Also, illustrating a skipped premium payment can show how a policy will perform when things don't go exactly as expected.

Triple the protection

Your clients benefit from three levels of protection.

1 Death benefit guarantees[2] for coverage longevity

A 10-year No-Lapse Guarantee (NLG) is automatically provided for policies with issue ages 20-75. The NLG duration grades down to five years at issue ages 80+. For clients who want more certainty, the Extended No-Lapse Guarantee (ENLG) rider[1] provides guaranteed protection to age 100.

When determining the death benefit guarantee that's right for your clients, consider the following:

- Do clients have a family history of longevity? The ENLG rider provides guarantees beyond life expectancy and might be appropriate for those more likely to exceed it.
- If clients have expectations that interest rates will rise over the long-term, they may be comfortable that the policy will provide the long-term protection they need without the ENLG rider. Often, a policy funded to provide coverage to age 121 on a current basis will be sufficient.
- Adding the ENLG rider has some impact to the cost of coverage. See the examples below.

	Annual premium		Death benefit guarantee age		Life expectancy
	With ENLG	Without ENLG	With ENLG	Without ENLG	
Male/Age 45	$8,476	$7,939	100	55	83
Male/Age 65	$23,288	$21,414	100	75	85
Female/Age 45	$7,046	$6,607	100	55	85
Female/Age 65	$19,113	$18,316	100	77	87

Assumptions: $1 million face amount, Preferred Non-Tobacco, solve for $1 of cash value at age 121, continuous-pay premiums in all years

2 Low-risk cash value provides enhanced flexibility

Policies that earn cash value provide flexibility that guaranteed universal life products can't offer. The policy cash value available with UL Provider Edge II offers the following:

- Consistent growth that's non-correlated to the market
- Premium improvement potential if interest rates improve over time—a lower premium may be required for coverage to a specific age or a greater cash value may be reached.
- An exit strategy for changing needs by allowing clients to transition to a different type of coverage or realize cost recovery if the policy is no longer needed

3 Access to benefits for unexpected health changes

The Chronic Illness Death Benefit Advance rider[1] is automatically added to qualifying policies and allows insureds to access a portion of their death benefit in advance when diagnosed with a chronic illness. Use of accelerated benefits can be a helpful alternative to accessing funds earmarked for other needs, such as retirement savings.

Client benefits:

No additional premium

No receipts required

No restrictions on use of benefits

Tip | You can help your clients get a better understanding of what potential benefit payments could be in various scenarios by using the rider illustration feature in the illustration system.

Coverage that can grow with the value of a business

The innovative Business Value Increaser rider can be a beneficial option for business owners who want coverage that increases as their business grows in value. The rider works in three-year cycles:

1. The business is valued before the policy is issued.
2. After years one and two, the face amount is automatically increased by 5%, for a total increase of 10% over two years.[2]
3. After the third year, the business is valued again. Any increase in value above the previous two years of automatic increases results in a matching increase in coverage.[2]
4. This three-year cycle repeats over the life of the policy.

Here's a hypothetical example to show how the rider works. In both scenarios, the initial policy face amount is $1 million, and the business value before policy issue is also $1 million:

	Scenario 1: 30% business value increase at the end of year three	**Scenario 2: 8%** business value increase at the end of year three
Face amount at the end of year 1 (automatic 5% increase)	$1,050,000	$1,050,000
Face amount at the end of year 2 (automatic 5% increase	$1,100,000	$1,100,000
Business value at the end of year 3	$1,300,000	$1,080,000
Face amount at the end of year 3 (calculated increase)	$1,300,000	$1,100,000

In scenario 1, the business value increased 30%. So, at the end of year three, the policy face amount was increased an additional 20%—on top of the two automatic 5% increases. The business valuation in scenario 2 increased 8%. Since this didn't exceed the automatic 10% increases already applied, the face amount at the end of year three remained the same as it was at the end of year 2.

Getting an informal business valuation is easy

It's easy to get your clients the business valuation they need for the Business Value Increase rider when you use our complimentary informal business valuation service. Simply complete the Business Planning Services Fact Finder and provide three full years of the most recent financial documentation, and we'll provide you and your client an informal business valuation that will help you determine an appropriate amount for risk protection purposes. Good candidates for the service, and the rider, include profitable, growing businesses with gross revenues of $500,000 and above.

Keep in mind, there are a few industries that aren't a good fit for our informal business valuation services including farms/ranches, real estate holding companies, small real estate agencies, businesses with commission as the primary source of revenue, companies engaging in criminal activity, rental properties, and properties such as B&Bs, and hotels.

Tip | Informal business valuations are prepared by our Business and Advanced Solutions team comprised of experienced attorneys, certified public accountants (CPAs), and senior consultants. You have direct access to this team to discuss recommendations included in the report or any questions you may have. Call the Business Solutions hotline at 833-803-8345.

When your clients need long-term coverage that's affordable, dependable, and accessible, offer them UL Provider Edge II.

Let's connect

Contact your RVP or the National Sales Desk at 800-654-4278.

Visit us at **advisors.principal.com**.

Guarantees based on the claims-paying ability of the issuing insurance company.

[1] May not be available in all states.

[2] Subject to the minimums and maximums defined in the policy. A decrease in business value does not result in a decrease in policy face amount.

advisors.principal.com

Principal National Life Insurance Company and Principal Life Insurance Company, Des Moines, Iowa 50392-0002

Insurance products issued by Principal National Life Insurance Co. (except in NY) and Principal Life Insurance Co. Plan administrative services offered by Principal Life. Principal National and Principal Life are members of the Principal Financial Group®, Des Moines, IA 50392.

For financial professional information 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 and symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group .

BB12510 | 01/2021 | 1469200-012021 | ©2021 Principal Financial Services, Inc.