



Principal Universal Life Flex III<sup>SM</sup>

Help protect  
tomorrow—  
and embrace  
today



# Help protect your family or business

The death benefit<sup>1</sup> provided through life insurance can provide reassurance that when you pass away, the people who depend on you will still have plans for financial security. As long as you make sufficient payments to keep the policy active, it will provide protection for your lifetime.

Any benefit paid to beneficiaries is generally free of income tax and potential estate taxes, as well. This provides tax-advantaged financial support to help them:

Remain in their current home where they're most comfortable.

Pay off debts that could create a financial burden.

Maintain their day-to-day lifestyle.

Get the care they deserve if they're unable to care for themselves.

# Discover a solution that can evolve along with your needs

We know life is full of changes—some you may see coming, such as children going to college or retirement, and some you don't. And as your life evolves, so do your financial needs.

The good news? **Principal Universal Life Flex III** (UL Flex III) can keep pace with these changes, offering benefits such as:

- **Flexible coverage.** Your policy features an adjustable death benefit and flexible premium payments.
- **Access to cash.** You can withdraw money from your policy if you need it.
- **Customizable features.** You can tailor your policy to meet your changing needs using a variety of add-on features.



## A young family's story

Rachel and her husband have three children. Both of their employers provide life insurance, and they have coverage of two times their salaries. But Rachel knows this isn't enough.

Rachel's financial professional reviews her company-sponsored term policy with her. The policy provides affordable short-term coverage, but the protection will increase in cost as she gets older, eventually expire, and doesn't build cash value.

Rachel knows she doesn't have enough coverage to take care of her family, and she wants to reduce her policy payments as she nears retirement, if possible. While she likes the idea of a policy that grows in cash value, she's uncomfortable with solutions that are tied to stock market fluctuations.

Rachel's financial professional explains that UL Flex III can provide cost-effective protection for her family, and steady cash-value growth may allow her to reduce her payments in the future.

Hypothetical example only to demonstrate how UL Flex III can work in practical situations. The example is for educational purposes and is not intended to be taken as a recommendation.

# Get the flexibility to deal with life's uncertainties

Principal UL Flex III insurance is an affordable solution that can adapt to changes in your life. There are just a few decisions you'll work through with your financial professional when you purchase your policy, including:

- The amount of insurance that's right for you.
- The amount and frequency of your payments.
- Whether you want the death benefit to remain level or increase over time.
- We offer three death benefit options. The one you choose determines what your beneficiary will receive<sup>2</sup> and the cost of your policy.

### Death benefit

<p><b>Option 1</b> The face amount (the initial amount of your coverage)</p>	<p><b>Option 2</b> The face amount plus any accumulated cash value</p>	<p><b>Option 3</b> The face amount plus premiums you've paid less withdrawals you've taken</p>
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If your situation changes over time, you'll have the flexibility to raise or lower your death benefit amount<sup>3</sup> or premium payment amounts, within limits.

# Safeguard your policy with an optional feature

Your policy is designed to provide protection for as long as you need it and will remain in effect as long as there's enough value to cover the cost of the coverage. If you want to protect against the policy lapsing for any reason, you can add the **Extended No-Lapse Guarantee Rider**<sup>4</sup> to your policy. As long as you make sufficient payments, your coverage is guaranteed to remain in effect for a specified period of time regardless of the policy's performance.



## Receive benefits when needed

Have a one-time cash need, like that kitchen upgrade you've been planning? Or perhaps you could use another source of funds for your kids' college tuition. Your insurance can help.

The accumulated funds in your policy—which earns a fixed interest rate—are available to you using partial surrenders and/or policy loans.<sup>5</sup> And withdrawals are generally received free of income tax, so you keep more of what you've earned.

Your policy can help you deal with unexpected challenges, too. The **Chronic Illness Death Benefit Advance Rider**<sup>4,6</sup> allows you, under certain conditions, to take an advance against your policy's death benefit (an accelerated benefit) and use it for your own needs. There's nothing extra you have to do to get the rider. It's automatically added to your policy as long as you qualify.

**About 6 in 10**  
have one chronic  
disease.

Chronic diseases in America,  
National Center for Chronic  
Disease Prevention and Health  
Promotion, Jan 12, 2021

### What you should know about before taking accelerated benefits

- Each accelerated benefit payment reduces your policy's death benefit by the amount requested. An administrative fee is also applied.
- The accumulated value and policy surrender charges are reduced proportionately.
- Any outstanding loan is proportionately repaid from the proceeds of the accelerated benefit payment.
- Taking an accelerated benefit could be taxable, so consult with your personal tax advisor before making a claim.

# Customize your policy

A package of base riders is automatically included on the policy, as well as some optional ones.<sup>4</sup> A rider is an additional benefit added to the policy to expand or enhance your coverage. Your financial professional can help you identify the right mix for your unique needs.

**BASE RIDERS:** Automatically included on the policy, subject to state availability and qualification requirements, at no additional charge unless used.

**Chronic Illness Death Benefit Advance Rider.** Allows you to receive some of the death benefit early if diagnosed with a chronic illness.

**Cost of Living Increase Rider.** Helps you keep pace with inflation by allowing you to increase your insurance coverage with no additional underwriting.

**Life Paid-Up Rider.** Helps protect your policy from lapsing if you have a large policy loan, subject to the conditions of the policy.

**Terminal Illness Death Benefit Advance Rider.** Allows you to receive some of the death benefit early if diagnosed with a terminal illness.<sup>7</sup>

**OPTIONAL RIDERS:** May be added to your policy, subject to state availability, at a cost.

**Extended No-Lapse Guarantee Rider.**

Ensures your policy will stay in effect for a certain time period, as long as sufficient premiums are paid. There's no explicit charge for this rider, but electing it results in increased policy charges to compensate for a longer guaranteed coverage period.

**Salary Increase Rider.** Provides the option to increase your insurance coverage to keep up with your rising salary. It's only available for business cases.

**Waiver of Monthly Policy Charge Rider.**

Waives the monthly charges for your policy (not the full premium amount) if you become disabled.

*What you should know about the Extended No-Lapse Guarantee Rider*

The following policy changes can affect the length or existence of the extended no-lapse protection period:

- Changing the frequency, duration, and/or timing of payment
- Any planned unscheduled payment (known as Planned Additional Premium in Massachusetts) within the first policy year
- Receiving a loan or taking a partial surrender
- An outstanding loan exceeding accumulated value on any monthly date
- Making changes in face amount, death benefit option, or risk class
- Adding, deleting, or modifying a rider with a cost
- Exercising the right(s) under any rider
- Termination and/or reinstatement of the policy

Prior to making a payment or policy change, contact your financial professional.

# A quick review

**Principal UL Flex III may be a good fit if you value the following:**

- ▶ Cost-effective life insurance with a balance of protection and cash value growth
- ▶ A back-up plan to help with additional expenses in the event of a permanent medical condition.
- ▶ The predictable growth of a policy with a fixed interest rate to the potential volatility of an account that's linked to a stock market index
- ▶ A policy that allows you to vary premium payment amounts or adjust the level of coverage, within limits, to adapt to changes in your financial

## What happens next if I decide to purchase?

If this policy is the right choice for you, your financial professional will work with you to get started. Below is what you can expect next.

- You'll review an illustration to see how your policy might perform in different hypothetical scenarios based on the level of premium payment you're comfortable with.
- You'll complete an application.
- You'll begin the underwriting process. It may sound scary, but it's really not.
  - › It's simply a way to determine an appropriate risk class for you based on factors such as your age, gender, current physical condition and medical history, financial background, personal habits, occupation, and relevant hobbies (such as aviation or scuba diving). Your risk class determines the cost of your insurance.
  - › Depending on your personal situation, you may qualify for a faster underwriting process known as Principal Accelerated Underwriting<sup>SM</sup>, which means we gather less information from you and the process is usually quicker.<sup>8</sup>
- After you've been approved and we've received your initial payment, you'll receive your policy. It contains all the detailed information—kind of like the owner's manual for your car. Keep it somewhere safe.
- As a courtesy at the end of each policy year, you'll receive an annual statement.



Contact your financial professional today to learn more about Principal UL Flex III<sup>SM</sup>.

<sup>1</sup> In exchange for the death benefit, life insurance products charge fees such as mortality and expense risk charges and surrender fees.

<sup>2</sup> The death benefit paid to your beneficiary would be reduced by any partial withdrawals, policy loans, or accelerated benefits taken.

<sup>3</sup> Increasing the face amount after policy issue may be subject to additional underwriting and surrender charges.

<sup>4</sup> Riders are subject to state variations. Some riders may not be available in all states. Some riders may require additional premium. Riders issued by Principal Life Insurance Company are available in New York only.

<sup>5</sup> Withdrawals and loans may decrease the amount of death benefit and cash accumulation value. Surrender charges and other policy charges may apply to distributions taken from the policy.

<sup>6</sup> **This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy does not provide long-term care insurance subject to California long-term care insurance law. This policy is not a California Partnership for Long-Term Care program policy. This policy or certificate is not a Medicare supplement (policy).**

<sup>7</sup> There is no charge to have the rider. However, the benefit is considered a lien against the policy and accrues interest, which will reduce the amount of death benefit paid to your beneficiary.

<sup>8</sup> Accelerated Underwriting is an expedited underwriting program offered by Principal Life Insurance Company. Applicants may qualify based on age, product, face amount, and personal history.



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Principal National Life Insurance Company Policy Form: ICC21 SN 166/SN 166; Rider Forms: SN 10, SN 11, SN 25, SN 38, SN 50, SN 54, ICC17 SN 109/SN 109, ICC14 SN 92/SN 92, ICC14 SN 93/SN 93

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