



Principal® Guaranteed Issue Term

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 program that's a simple and affordable funding option to meet a variety of business needs. This program allows up to \$5 million of individual Principal Term coverage on a Guaranteed Issue basis.

Key program highlights

- 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 that 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 details¹

Case requirements	<ul style="list-style-type: none"> • 25 lives minimum • Business-use only (business-owned or sponsored) 				
Available products	<ul style="list-style-type: none"> • Principal 10-Year Term—level premiums for 10 years, increasing in years 11+ • Principal 20-Year Term—level premiums for 20 years, increasing in years 21+ 				
Guaranteed Issue requirements	Participants	Employer-owned	Participation rate	Employee-owned	Participation rate
	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%
Issue ages² (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 				
Issue amounts (per policy)	<ul style="list-style-type: none"> • Minimum—\$200,000 • Maximum—\$5 million 				
Policy banding (face amount)	<ul style="list-style-type: none"> • \$200,000-999,999 • \$1 million and up • \$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. • Conversion Extension rider is not available. • Convertible to Guaranteed Issue-priced permanent products available at the time of conversion. 				

¹ Guaranteed Issue Term is available in all states except New York.

² State variations may apply.

Case enrollment process for employee-owned policies

Our streamlined process makes it easy for you and your employer clients to get their employees enrolled in the plan. It provides many benefits, including easier application completion, that leads to more being received in good order, as well as a faster timeline from the purchase decision to policies being in force.

Here's how the process works after underwriting preapproval is received and the decision to make the purchase is made:



Financial professional collects census information

- Principal provides you with the census template to have the employer complete for eligible employees.
- You return the completed census to Principal.



Principal creates applications and emails to employees

- Census information is used to pre-populate applications.
- All the needed forms are included.
- Any state variations are handled appropriately.



Employees review and eSign application

- Easy navigation directs employees where to enter information and sign.
- Principal sends a daily email reminder until review and signing are complete.



Financial professional reviews completed applications and eSigns

- Principal sends a daily email reminder until review and signing are complete for each application.



Principal completes final underwriter and case management review, then issues and eDelivers policies for eSignature (follows the normal Term eDelivery process)

- The Field Office Contact (FOC) reviews and approves each policy.
- After FOC approval, the policies are sent to applicable employees to eSign.
- Any forms requiring signature of the financial professional are sent to you.

 Let's connect

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Visit us at advisors.principal.com.



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