
Principal®
Principal Indexed Universal Life Accumulation II℠
Put a little life in your retirement.
BB12315-03

With a little planning and determination, you can turn your financial goals into reality.

Indexed universal life (IUL) insurance offers these benefits:

- Most importantly, it provides financial support to loved ones in a time of need.
- It also helps you save money by building cash value.
- And it offers tax-free access[1] to cash value for the important things you want to accomplish.

Help protect your family or business.

Build more for retirement.

Get access to funds when you need it.

In this brochure:

First, we'll look at how IUL insurance can help you protect your family or business and build more for retirement.

Next, we'll look at a hypothetical story and how a family used IUL insurance to achieve its financial goals.

Then we'll review some policy details, including how you can take income and how you can customize your policy to help meet unique needs.



Help protect your family or business.

Like all life insurance, the death benefit[2] provides reassurance that when you pass away, the people who depend on you will have a plan for financial security. As long as you make regular payments to keep the policy active, it will provide protection for your lifetime.

The death benefit paid to beneficiaries is generally free of income and estate taxes. This gives them tax-advantaged financial support to help:

- Maintain their lifestyle.
- Enable a family business to continue in your absence.
- Pay final expenses and any remaining debts.

Choice and flexibility

Key benefits of your Principal Indexed Universal Life Accumulation II (IUL Accumulation II) policy are the many choices and flexibility it offers. You'll start out by deciding how much you want to pay into the policy. Then if your financial situation changes, you may increase or decrease your payments within certain limits.

Working with your financial professional, you'll also determine the amount of insurance coverage that's right for you, as well as an appropriate death benefit option. We offer three options, and the one you choose determines what your beneficiaries will receive and the cost of your policy.[3]

Death benefit

OPTION 1: The face amount (the initial amount of your coverage)

OPTION 2: The face amount plus any accumulated cash value

OPTION 3: The face amount plus premiums you've paid less withdrawals you've taken

Should the need arise later, you can raise or lower your death benefit amount.[4]

Build more for the future and your retirement.

When you make a payment to your policy, a portion of it goes to the life insurance benefit that helps protect your family or business. Any remaining amount goes toward building cash value that you can use to help meet financial goals. Your policy value grows tax-deferred, so it accumulates faster than if earnings were taxed each year. As your cash value grows, it can help you:

Send children to college.





Position yourself to care for elderly family members.

Build your nest egg for a more comfortable retirement.





Protect your business.

To learn more about how IUL insurance works, ask your financial professional for the **Introduction to Indexed Universal Life Insurance** brochure.

Growth potential and downside protection

An IUL insurance policy differs from other types of cash-value life insurance in how it earns interest. Earnings are based in part on upward movement of an underlying stock market index.

This can be a beneficial advantage for accumulating cash value and also helps you diversify from fixed interest rate accounts you may have.

There are times when the market index has a down year, and potentially multiple down years in a row. But unlike assets that invest directly in the market, IUL Accumulation II is guaranteed to never earn an interest rate less than 0%.[5]

IUL Accumulation II is not an investment in the stock market and does not participate in any index fund or equity investment. The index is strictly a measurement tool for interest.

Choose how the policy earns cash value.

Cash value growth is driven by the interest-earning account(s) you direct your policy payments to. You can allocate money to one or more of the accounts—the choice is yours.



Index-Linked Accounts. Interest is earned in part based on the movement of the linked stock market index. We offer three index-linked account options.

S&P 500® Price Return Index (excludes dividends). During a 12-month period, the beginning index value is compared to the ending index value, and the percentage change (subject to a cap and floor) is credited to your policy.

S&P 500® Price Return High Cap Index (excludes dividends). During a 12-month period, the beginning index value is compared to the ending index value, and the percentage change (subject to a cap and floor) is credited to your policy. A stated percentage is also deducted from your account value at the beginning of each 12-month period. In exchange for the charge, this account offers a higher cap than the S&P 500 Price Return index-linked account.

S&P 500® Total Return Index (includes the value of reinvested dividends). During a 12-month period, the beginning index value is compared to the average of the ensuing 12 monthly index values, and the percentage change (subject to a cap and floor) is credited to your policy.

Consider indexed-linked accounts if you:

- Want more growth potential than a fixed rate provides.
- Are okay with an interest rate that may vary more than a fixed rate.

The **S&P 500® Index** is widely considered one of the leading indicators of the U.S. stock market. It comprises many of the largest and well-respected companies in the U.S.



Fixed Account. Values held in this account earn a fixed rate of interest set by Principal. This rate can change occasionally but is guaranteed to never go below a minimum level.

Consider the Fixed Account if you like the security of having some portion of your cash value in an account earning a consistent, predictable rate of return.

Accumulated Value Enhancement[6]

This is an additional interest percentage over and above any earnings from your selected indexed and/or Fixed Account options. Beginning in the 11th policy year, a rate of 0.25% is guaranteed to be credited to your policy's cash value each year as long as the Fixed Account is crediting more than the 1% guaranteed minimum rate.



A young family's story

A husband and wife in their early 40s have three children. He's an engineer, while she runs the household and works part-time. They've made good progress toward their financial goals, but they still have concerns.

GOALS	CONCERNS
They want to provide for their family if something happens to either of them.	He has term life insurance through work that expires if he leaves his employer or when he reaches a certain age. She also has term insurance.
They want to help the kids with some of the costs of college.	The fixed interest rate assets they have are taxable and potentially count against qualification for college financial aid.
They want to save for the retirement they've dreamed of—lots of travel and time with family.	• Despite contributing the maximum to their employer-sponsored 401(k) plans, they may not be able to save enough because of contribution limits based on their income. • Market volatility can affect their 401(k) plans and personal investments, particularly during payout. • At retirement, taxes on income from the 401(k) plans can erode gains and leave them with less.

A solution

They consult with their financial professional and agree that an IUL Accumulation II policy can help them build on what they've already put in place.

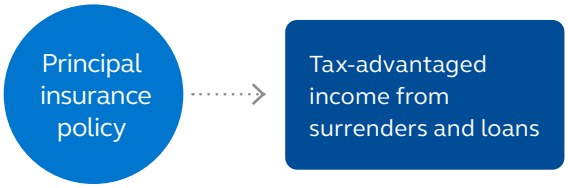
THEY GET ...	AND THE BENEFIT IS ...
Permanent life insurance	As long as they pay sufficient premium, coverage won't expire.
An additional savings source through permanent insurance that offers portfolio diversification	• A tax-free income stream they can use to supplement their taxable qualified assets • Positive growth potential without being directly invested in the market • No penalty on withdrawals prior to age 59½ or limits to how much they can pay in to their policy based on income

This is a hypothetical example only to demonstrate how IUL Accumulation II can work in practical situations. The example is for educational purposes and is not intended to be taken as a recommendation.

Benefit from easy access to policy values.

You may have a one-time cash need, or maybe you want to receive income on a regular basis in retirement.

You can receive money from your policy using partial surrenders and/or policy loans.[7] Withdrawals are generally received free of income tax, so you keep more of what you've earned. Plus, unlike other types of tax-deferred assets, there's no penalty for withdrawals prior to age 59½.



Easy access for your convenience

If receiving regular income payments is one of your objectives, these three steps make it easy to get started and keep payments going:

1 | **Decide** how often you'd like to receive payments.

2 | **Complete** one short form and send it to us.

3 | **Forget about it** because your work is done. Payments continue until either you tell us to stop or you have received all policy value available for distribution.

Note: Taking loans from your policy and not repaying them may result in your policy terminating by lapse. This would end your coverage and could result in a tax liability. Consult your personal tax advisor prior to requesting a loan.

Loan options to fit your needs

When you receive a loan, interest is charged on the loan amount. Your cash value continues to earn interest while the loan is outstanding, potentially offsetting some or all of the loan interest charges. Two types of loans are available, and you can choose the one you want when you request the loan.

Standard loan. The rate charged and the rate credited are both fixed rates set by the company.

Alternate loan. The rate charged is a fixed rate you know in advance of taking the loan. The credited rate will fluctuate based on rates applied to your accumulated value.

Note: An alternate policy loan carries more risk to the policy's performance due to the potential for a more expensive loan. Consider comparing loan types to see the effects an underperforming loan may have by requesting additional policy illustrations from your financial professional.

Benefit from a built-in loan safety net.

Loan interest that isn't paid could cause the policy to terminate. Not only would there no longer be a death benefit for the beneficiary, but income tax would also be due on any income received from your loan. The **Life Paid-Up Rider**[8] is a built-in safety net to protect against this. It activates when certain conditions are met to help keep your policy from lapsing and prevent an unwelcome taxable event.

Gain access to resources in a time of uncertainty.

Your policy offers benefits to help you deal with some of the curveballs life throws at us.

Americans are living longer than ever before, but with this comes an increase in the chances of a chronic medical condition. While none of us like thinking about the possibility, being unprepared could cause financial hardship for you and your family.

Your policy can help offset the financial impact of a chronic illness through the **Chronic Illness Death Benefit Advance Rider**.[8,9] This benefit 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.

Most Americans turning **age 65** will need long-term care services at some point in their lives.

Source: LongTermCare.gov, The Basics: Who Needs Care?, as of May 2022

What you should know about the Chronic Illness Death Benefit Advance Rider

- 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 riders.[8] 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 and 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.[10]

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

Alternate Surrender Value Rider. This rider offers higher early cash surrender values for business-owned/sponsored policies that can provide a positive impact to the firm's balance sheet. There's an additional charge to have the rider.

Salary Increase Rider. Provides you with 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.



A quick review

This type of insurance product may be a good fit if you:

- Need life insurance protection.
- Desire a long-term savings source with upside growth potential and downside interest rate protection to help you achieve your personal or business needs.
- Desire tax-advantaged income to help supplement existing retirement income assets.

What happens next if I decide to purchase?

If IUL Accumulation II 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 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℠, which means we gather less information from you and the process is usually quicker.
- After you've been approved and we receive 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.

Let's connect

Contact your financial professional today to learn more about IUL Accumulation II.

About Principal®

Principal helps people and companies around the world build, protect, and advance their financial well-being through retirement, insurance, and asset management solutions that fit their lives. Our employees are passionate about helping clients of all income and portfolio sizes achieve their goals—offering innovative ideas, investment experience, and real-life solutions to make financial progress possible. To find out more, visit us at principal.com.



All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Policy guarantees and benefits are not obligations of, nor backed by, the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

[1] Policy distributions are generally received income tax-free. If the policy is considered a Modified Endowment Contract (MEC), distributions may be subject to current income taxes.

[2] In exchange for the death benefit, life insurance products charge fees such as mortality and expense risk charges and surrender fees.

[3] The death benefit paid to your beneficiary is reduced by any partial surrenders, policy loans, or accelerated benefits you take.

[4] Increasing the face amount after the policy is issued may require additional underwriting.

[5] Policy charges are still assessed so your policy value can decrease.

[6] May not be available in all states.

[7] Partial surrenders 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.

[8] The policy rider description is not intended to cover all restrictions, conditions or limitations that may apply. See the rider for full details. Riders are subject to state variations. Some riders may not be available in all states. Some riders may require additional premium. The Chronic Illness Death Benefit Advance Rider and Terminal Illness Death Advance Rider are not available in Massachusetts. Riders issued by Principal Life Insurance Company are available in New York only.

[9] **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).**

[10] 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.

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Not for use in California.

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Policy guarantees and benefits are not obligations of, nor backed by, the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Principal National Life Insurance Company and Principal Life Insurance Company®, Des Moines, Iowa 50392.

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It's important to note that indexed life insurance contracts commonly allow the insurance company to change the participation rate, cap, and/or margin/spread/ on a periodic—such as annual—basis. Such changes could adversely affect your return. No single index crediting method will provide the highest interest credit in all market scenarios. The guaranteed minimum cap rate/maximum spread rate are established when the life insurance is purchased and disclosed in the life insurance contract. Read your contract carefully to determine what changes the insurance company may make to these features.

The subject matter in this communication is educational only and provided with the understanding that Principal® is not rendering legal, accounting, investment, or tax advice. You should consult with appropriate counsel, financial professionals, and other advisors on all matters pertaining to legal, tax, investment, or accounting obligations and requirements..

Principal National Life Insurance Company Policy Form: ICC21 SN 159/SN 159; Rider Forms: ICC14 SN 92/SN 92, ICC14 SN 93/SN 93, ICC19 SN 123/SN 123, SN 8, SN 10, SN 11, SN 25, SN 38, SN 54

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