

Principal's NEW Indexed Life Accumulator

OVERVIEW ANALYSIS

On Monday, August 15th, 2016, Principal released Indexed Universal Life Accumulator. With the launch, Principal embarks on its first entry into the maximum distribution arena of indexed universal life; however doing so without a splash.

Built for accumulation strategies focusing on distribution solves, Indexed Universal Life Accumulator leaves little to be desired. From a competitive position, it sits well into the bottom quartile among its competitors, during which at no time does its cash buildup stand out.

Historically, Principal has focused on death benefit protection-oriented product solutions. They were an early adopter of extending primary guarantees on current assumption products. So, it shouldn't come as a surprise that they have taken a conservative approach when entering the income accumulation space, placing less emphasis on the performance (best-looking) aspect of the illustration. Along these lines, the product does not allow only loans to be illustrated, suggesting that withdrawals switching to loans is the more practical scenario, even if a loan results in a better-illustrated spread. These values were still included in LifeTrends "loans only" scenarios.

Targets rank poorly overall but see some bright spots with older clients.

Rates were made available on the LifeTrends website on Tuesday, August 16, 2016.