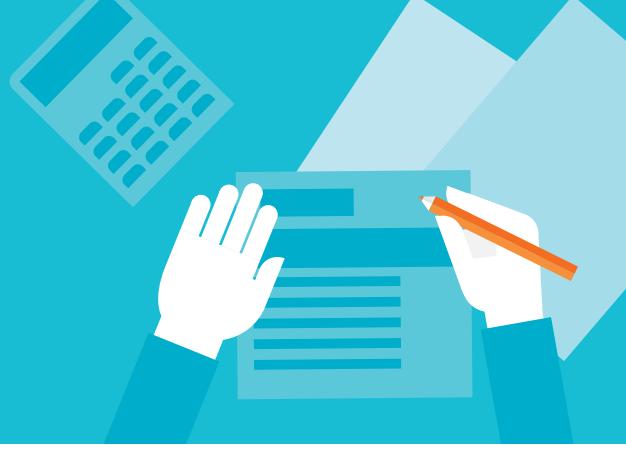




## Sales idea | Principal Term conversion provisions



### Leverage Term for protection today and tomorrow

Help your clients get the best of both worlds with protection for short- and long-term needs. A Term policy can provide your clients with affordable life insurance coverage today, which they may qualify for based on their current health. But fast forward 10 or 20 years, and your clients' health and insurance needs might have changed. That's where our Term insurance conversion provisions come in.

Term insurance from Principal® locks in a client's insurability, so when it comes time to convert, they can do so at the same underwriting class and without additional underwriting requirements.<sup>1</sup>

#### Evolving needs = more opportunity for you

Once your client has a Term policy in place, check in with them periodically to see if the coverage is still meeting their needs. Talk to them about their goals and do a review of their current policy. Discuss their future and plans for retirement. This will help you continue to grow the relationship.

#### Converting to a permanent policy is easy

Our Term products can be converted to a variety of permanent products without additional evidence of insurability.<sup>2</sup> Here's how:

##### Conversion Extension Rider

The Conversion Extension Rider allows the conversion option to extend to the earlier of the full level premium period and the insured's attained age 70. Issue ages for the rider are: 10YT: 20-62; 15YT: 20-57; 20YT: 20-54; 30YT: 20-49. The rider is only available at issue, and there is a charge to purchase it.

##### Standard Policy Conversion Privilege

The Standard Policy Conversion Privilege allows the insured to convert the policy from Term to a permanent policy based on the earlier of the conversion period (10YT: first seven policy years; 15YT: first 12 policy years; 20YT: first 15 policy years; 30YT: first 20 policy years) or attained age 70.<sup>1</sup>

## How the conversion provisions work

- Minimum policy amounts at the time of conversion apply.
- The underwriting class of the permanent policy will be issued at the same or most comparable risk class of the original Term policy.
- Partial Term conversions are allowed, provided the remaining Term policy and the new policy both meet their respective minimum face amount guidelines.
- Two Term policies can be converted to one Survivorship Universal Life (SUL) policy.<sup>3</sup>



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Principal National Life Insurance Company Policy Form: ICC17 SN 104/SN 104, Rider  
Forms: SN 2, SN 3, SN 4, SN 5, SN 42 and ICC17 SN 105/SN 105

Principal Life Insurance Company Policy Form: SF 975 NY and SF 975 NY U, Rider Forms:  
SF 686 NY, SF 807 NY, SF 880 NY and SF 976 NY

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<sup>1</sup> Conversion is available up to the earlier of the end of the policy conversion period or attained age 70. The Conversion Extension Rider is available to add to the policy to extend the conversion period. The state of New York allows for a conversion period of at least two years from when the policy is issued, regardless of the insured's attained age.

<sup>2</sup> Policy rider descriptions are not intended to cover all restrictions, conditions or limitations. See policy for full rider details. Product and riders are subject to state availability. Additional costs may apply to some riders.

<sup>3</sup> We currently offer the conversion of two Term policies to one SUL policy. Conversion is allowed up to twice the face amount of the smaller of the two Term policies. Conversion is subject to normal SUL face amount limits at the time of conversion.