

## Strategic Review FAQs (last updated Aug. 10, 2021)

### **Q: Which products will be available?**

A: In U.S. life insurance, our product portfolio remains largely the same as a result of this announcement. As we normally do, we will continually review our product offering for market fit and competitive positioning, and we will now review products with a focus on how they fit in the business market. We also anticipate a survivorship product late this year/early next year.

### **Q: What constitutes a business case?**

A: We will define business cases as we have for the last several years. The following makes up more than 50% of our individual life sales:

- Life insurance supporting our Business Solutions (i.e., Buy Sell, Key person, executive bonus plans, GI term, etc.)
- Any life insurance plans administered on our Business Markets Administration (BMA) platform
- Trust-owned business that involves planning for a business owner or key employee
- Affiliated business, which includes personal insurance on the business owner and key employees of the business
- Nonqualified deferred compensation (Executive VUL/COLI)
- Farms and ranches (including family-owned)
- Related to specific solutions we have received questions about, this **does** include: Life Insurance Retirement Plans (LIRPs) if on the business owner or a key employee; and split-funded defined benefit sales with life insurance.

### **Q: Will you still do all the administration of and servicing for your existing block?**

A: We did announce we would pursue strategic transactions for the in-force universal life with secondary guarantee (ULSG) block, as well as other related in-force blocks. At this time, we are focused on the ULSG block and it is too early to say what the administrative and servicing provisions will be in any such transactions. It is conceivable we could end up retaining the customer service responsibility. Putting the customer first is one of our core values and will be a guiding principle in any discussions. Please understand we are likely months away from being able to say more about any transactions.

### **Q: Will Term conversion privileges be honored? Will you have products for non-business conversions?**

A: Our product portfolio remains largely the same as a result of this announcement and is available for conversions. This includes keeping conversion options that are listed, including child rider conversion 3x multiplier, which was specifically asked about. As we normally do, we will continually review our product offering for market fit, competitive positioning, and product features like conversion options.



**Q: Do we have a date for final application submissions?**

A: Yes. We need to receive any applications/Drop Tickets for retail business in the home office by Sept. 30, 2021. Once received, we'll work with you to get these cases underwritten and placed inforce in a timely matter. In most instances, this will be by year-end. However, as long as an application is received by Sept. 30, there isn't a specific cutoff date to have policies inforce as long as normal requirement receipt dates are met.

**Q: Do accelerated underwriting and drop ticket remain intact for business cases?**

A: Yes. Customers will continue to benefit from the efficiency and time-savings of our investments in digital processing.

**Q: Will face amount increases on inforce policies still be allowed?**

A: Yes.

**Q: Are there any client-facing communications planned?**

A: At this time and until we know more about any possible transactions, we will not do any client communications. Financial professionals can still use the template provided at the time of the announcement as a response to client questions, but should not create their own materials.

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