

Principal® Deferred Compensation – Selective Executive Retirement Plan (SERP)

Key assumptions

Your company

Your corporate structure is a C corporation
35% business tax bracket (Federal & State)

Plan

\$25,000 of employer contributions each year
20-year horizon until retirement
4.0% annual earnings rate compounded annually
Benefit payments to key employees are made over 10 years

Corporate-owned life insurance

6.96% long-term net investment earnings rate
The insured person is age 45
Initial death benefit is \$525,000

Employer cash flow

Employer liability and tax benefit

Column 1 – **Employer contributions** – The assumed annual employer contributions made to the key employee’s plan balance. These contribution credits are at the employer’s discretion as outlined in the plan document.

Column 2 – **Payment to key employee** – Employer makes benefit payments to the key employee. The start and duration of the annual payment(s) are outlined in the plan document and the adoption agreement.

Column 3 – **Account balance at 4.0% interest** – The account balance is based on the annual employer contributions (Column 1) less benefit payments to the key employee (Column 2) accumulated at an assumed growth rate of 4.0% annually. **Note:** The actual account balance will be measured by the fixed interest rate compounded daily (which will be higher than compounded annually) or another hypothetical account as selected by the employer at implementation.

Column 4 – **Current tax benefit** – Employer receives a tax deduction and resulting tax savings when benefits are paid to the key employee.

Life insurance values using current (non-guaranteed) rates

Column 5 – **Net policy outlay** – Employer contributes cash into an employer-owned life insurance policy with the intent of accumulating funds to informally finance future benefit payments to the key employee. Distributions from the employer-owned life insurance (i.e. partial surrenders or policy loans) may provide cash for making the benefit payments to the key employee. Generally, the amount withdrawn from the policy is net of the difference between the benefit payment and the current tax benefit.

Column 6 – **Net surrender value** – The total net surrender value of the insurance policy (refer to life insurance illustration). Surrender charges vary based on the life insurance product. This amount is generally recorded as the value of the life insurance on the balance sheet.

Column 7 – **Net policy/accumulated value** – The total accumulated value of the insurance policy disregarding surrender charges (refer to life insurance illustration).

Column 8 – **Employer net death benefit** – The net life insurance death benefit received by the employer in the event of the key employee/insured’s death. This will be the entire policy death benefit unless an endorsement split dollar agreement is implemented as part of the plan. Life insurance death benefits aren’t subject to income tax if rules regarding selection of insureds and consent requirements are followed.

Employer assets

Column 9 – **Future tax benefit** – The future tax benefit is determined by multiplying the account balance (column 3) by the employer/owner’s tax bracket. The future benefit payment(s) is deductible by the employer when paid to the key employee. **Note:** Since the benefit payment is deductible when paid (e.g. in the future) a deferred tax asset is recognized for C corporations. However, there is no deferred tax asset account for flow through type entities (S corporations, LLCs and partnerships).

Column 10 – **Total value** – The sum of the future tax benefit (Column 9) and net surrender value (column 6).

Key employee benefit analysis

Deferred comp - SERP benefit

Column 1 – **Employer contributions** – The assumed annual employer contributions made to the key employee’s plan balance. These contribution credits are at the employer’s discretion as outlined in the plan document.

Column 2 – **Account balance at 4.0% interest** – The account balance is based on the annual employer contributions (Column 1) less taxable SERP benefit payment to the key employee (Column 3) accumulated at an assumed growth rate of 4.0% annually. **Note:** The actual account balance will be measured by the fixed interest rate compounded daily (which will be higher than compounded annually) or another hypothetical account as selected by the employer at implementation.

Column 3 – **Taxable SERP benefit payment** – Employer makes benefit payments to the key employee. The start and duration of the annual payment(s) are outlined in the plan document and the adoption agreement. This amount is included in the key employee’s income at the time it is paid.

Endorsement Split Dollar (if applicable)

Column 4 – **Reportable economic benefit** – The reportable economic benefit is based on the pure insurance protection that would be paid to the key employee’s beneficiary at death, if applicable. This amount must be reported annually as income to the key employee.

Column 5 – **Key employee cost** – This amount is determined by multiplying the reportable economic benefit (column 4) by the key employee’s tax bracket.

Column 6 – **Key employee net death benefit** – The life insurance policy is owned by the employer. If an endorsement split dollar agreement is in place, it will specify the portion of the income tax -free death benefit endorsed to the key employee.

To be used only with accompanying deferred comp - SERP proposal.

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Deferred Compensation - SERP Employer Cash Flow

February 4, 2019

Sample
Male, Age 45, Preferred Nontobacco

Life Insurance: Indexed Universal Life Accumulation
Initial Death Benefit: \$525,000
Initial Annual Premium: \$25,000.00

		1	2	3	4	5	6	7	8	9	10
		Employer Liability and Tax Benefit				Values Using Current (Non Guaranteed) Rates				Employer Assets	
Year	End of Year Age	Employer Contributions	Payment to Key Employee	Account Balance at 4% Interest	Current Tax Benefit	Net Policy Outlay	Net Surrender Value	Net Accumulated Value	Employer Net Death Benefit	Future Tax Benefit	Total Value
1	46	25,000	0	26,000	0	25,000	6,804	20,590	545,590	9,100	15,904
2	47	25,000	0	53,040	0	25,000	28,783	42,570	567,570	18,564	47,347
3	48	25,000	0	81,162	0	25,000	52,247	66,033	591,033	28,407	80,654
4	49	25,000	0	110,408	0	25,000	77,292	91,078	616,078	38,643	115,935
5	50	25,000	0	140,824	0	25,000	104,024	117,810	642,810	49,289	153,313
6	51	25,000	0	172,457	0	25,000	133,249	146,346	671,346	60,360	193,609
7	52	25,000	0	205,356	0	25,000	165,682	176,808	701,808	71,874	237,556
8	53	25,000	0	239,570	0	25,000	205,629	213,970	738,970	83,849	289,478
9	54	25,000	0	275,153	0	25,000	248,230	253,648	778,648	96,303	344,533
10	55	25,000	0	312,159	0	25,000	292,760	296,014	821,014	109,256	402,016
11	56	25,000	0	350,645	0	25,000	341,939	341,939	866,939	122,726	464,665
12	57	25,000	0	390,671	0	25,000	390,940	390,940	915,940	136,735	527,675
13	58	25,000	0	432,298	0	25,000	443,239	443,239	968,239	151,304	594,543
14	59	25,000	0	475,590	0	25,000	499,076	499,076	1,024,076	166,456	665,532
15	60	25,000	0	520,613	0	25,000	558,704	558,704	1,083,704	182,215	740,919
16	61	25,000	0	567,438	0	25,000	622,802	622,802	1,147,802	198,603	821,405
17	62	25,000	0	616,135	0	25,000	691,289	691,289	1,216,289	215,647	906,936
18	63	25,000	0	666,781	0	25,000	764,484	764,484	1,289,484	233,373	997,857
19	64	25,000	0	719,452	0	25,000	842,726	842,726	1,367,726	251,808	1,094,534
20	65	25,000	0	774,230	0	25,000	926,380	926,380	1,451,380	270,981	1,197,361
21	66	0	91,784	709,744	-32,124	-59,660	926,003	926,003	1,389,410	248,410	1,174,413
22	67	0	91,784	642,678	-32,124	-59,660	925,756	925,756	1,329,750	224,937	1,150,693
23	68	0	91,784	572,929	-32,124	-59,660	925,705	925,705	1,270,090	200,525	1,126,230
24	69	0	91,784	500,391	-32,124	-59,660	925,922	925,922	1,210,430	175,137	1,101,059
25	70	0	91,784	424,951	-32,124	-59,660	926,483	926,483	1,150,770	148,733	1,075,216
26	71	0	91,784	346,494	-32,124	-59,660	927,383	927,383	1,091,110	121,273	1,048,656
27	72	0	91,784	264,898	-32,124	-59,660	928,754	928,754	1,049,492	92,714	1,021,468
28	73	0	91,784	180,038	-32,124	-59,660	930,741	930,741	1,033,122	63,013	993,754
29	74	0	91,784	91,784	-32,124	-59,660	933,033	933,033	1,020,430	32,124	965,157
30	75	0	91,784	0	-32,124	-59,660	935,594	935,594	1,008,130	0	935,594
31	76	0	0	0	0	0	1,002,421	1,002,421	1,057,725	0	1,002,421
32	77	0	0	0	0	0	1,073,932	1,073,932	1,132,967	0	1,073,932
33	78	0	0	0	0	0	1,150,440	1,150,440	1,213,460	0	1,150,440
34	79	0	0	0	0	0	1,232,267	1,232,267	1,299,543	0	1,232,267
35	80	0	0	0	0	0	1,319,749	1,319,749	1,391,570	0	1,319,749
		500,000	917,842								

Principal National Life Insurance Company. Valid for presentation in Iowa provided the Indexed Universal Life Accumulation illustration is included. Illustrated values are not guaranteed and are based on assumptions that are subject to change by the insurer at any time. Actual results may be more or less favorable. This proposal is based on a 35% employer tax rate. The employer's tax counsel is responsible for determining actual tax consequences.

All guarantees are subject to the claims paying ability of Principal National Life Insurance Company.

Deferred Compensation - SERP Employer Cash Flow

February 4, 2019

Sample
Male, Age 45, Preferred Nontobacco

Life Insurance: Indexed Universal Life Accumulation
Initial Death Benefit: \$525,000
Initial Annual Premium: \$25,000.00

		1	2	3	4	5	6	7	8	9	10
		Employer Liability and Tax Benefit				Values Using Current (Non Guaranteed) Rates				Employer Assets	
Year	End of Year Age	Employer Contributions	Payment to Key Employee	Account Balance at 4% Interest	Current Tax Benefit	Net Policy Outlay	Net Surrender Value	Net Accumulated Value	Employer Net Death Benefit	Future Tax Benefit	Total Value
37	82	0	0	0	0	0	1,513,088	1,513,088	1,594,931	0	1,513,088
38	83	0	0	0	0	0	1,619,672	1,619,672	1,707,030	0	1,619,672
39	84	0	0	0	0	0	1,733,371	1,733,371	1,826,605	0	1,733,371
40	85	0	0	0	0	0	1,854,570	1,854,570	1,954,061	0	1,854,570
41	86	0	0	0	0	0	1,983,676	1,983,676	2,089,825	0	1,983,676
42	87	0	0	0	0	0	2,121,102	2,121,102	2,234,331	0	2,121,102
43	88	0	0	0	0	0	2,267,269	2,267,269	2,388,022	0	2,267,269
44	89	0	0	0	0	0	2,422,646	2,422,646	2,551,390	0	2,422,646
45	90	0	0	0	0	0	2,587,681	2,587,681	2,724,904	0	2,587,681
46	91	0	0	0	0	0	2,762,947	2,762,947	2,909,169	0	2,762,947
47	92	0	0	0	0	0	2,951,431	2,951,431	3,076,142	0	2,951,431
48	93	0	0	0	0	0	3,154,770	3,154,770	3,254,553	0	3,154,770
49	94	0	0	0	0	0	3,375,020	3,375,020	3,446,050	0	3,375,020
50	95	0	0	0	0	0	3,614,680	3,614,680	3,652,644	0	3,614,680
51	96	0	0	0	0	0	3,870,820	3,870,820	3,911,401	0	3,870,820
52	97	0	0	0	0	0	4,144,468	4,144,468	4,187,841	0	4,144,468
53	98	0	0	0	0	0	4,436,697	4,436,697	4,483,050	0	4,436,697
54	99	0	0	0	0	0	4,748,635	4,748,635	4,798,168	0	4,748,635
55	100	0	0	0	0	0	5,081,466	5,081,466	5,134,388	0	5,081,466
56	101	0	0	0	0	0	5,436,527	5,436,527	5,493,063	0	5,436,527
57	102	0	0	0	0	0	5,815,144	5,815,144	5,875,531	0	5,815,144
58	103	0	0	0	0	0	6,218,762	6,218,762	6,283,252	0	6,218,762
59	104	0	0	0	0	0	6,648,846	6,648,846	6,717,706	0	6,648,846
60	105	0	0	0	0	0	7,106,773	7,106,773	7,180,283	0	7,106,773
61	106	0	0	0	0	0	7,594,162	7,594,162	7,672,620	0	7,594,162
62	107	0	0	0	0	0	8,113,248	8,113,248	8,196,972	0	8,113,248
63	108	0	0	0	0	0	8,665,990	8,665,990	8,755,320	0	8,665,990
64	109	0	0	0	0	0	9,254,540	9,254,540	9,349,835	0	9,254,540
65	110	0	0	0	0	0	9,881,827	9,881,827	9,983,477	0	9,881,827
66	111	0	0	0	0	0	10,550,546	10,550,546	10,658,968	0	10,550,546
67	112	0	0	0	0	0	11,263,392	11,263,392	11,379,031	0	11,263,392
68	113	0	0	0	0	0	12,023,401	12,023,401	12,146,729	0	12,023,401
69	114	0	0	0	0	0	12,833,846	12,833,846	12,965,372	0	12,833,846
70	115	0	0	0	0	0	13,698,078	13,698,078	13,838,341	0	13,698,078
		500,000	917,842								

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All guarantees are subject to the claims paying ability of Principal National Life Insurance Company.

Deferred Compensation - SERP Employer Cash Flow

February 4, 2019

Sample
Male, Age 45, Preferred Nontobacco

Life Insurance: Indexed Universal Life Accumulation
Initial Death Benefit: \$525,000
Initial Annual Premium: \$25,000.00

		1	2	3	4	5	6	7	8	9	10
		Employer Liability and Tax Benefit				Values Using Current (Non Guaranteed) Rates				Employer Assets	
End of Year	Age	Employer Contributions	Payment to Key Employee	Account Balance at 4% Interest	Current Tax Benefit	Net Policy Outlay	Net Surrender Value	Net Accumulated Value	Employer Net Death Benefit	Future Tax Benefit	Total Value
71	116	0	0	0	0	0	14,619,946	14,619,946	14,769,526	0	14,619,946
72	117	0	0	0	0	0	15,603,480	15,603,480	15,762,998	0	15,603,480
73	118	0	0	0	0	0	16,652,869	16,652,869	16,822,985	0	16,652,869
74	119	0	0	0	0	0	17,772,609	17,772,609	17,954,030	0	17,772,609
75	120	0	0	0	0	0	18,967,307	18,967,307	19,160,786	0	18,967,307
76	121	0	0	0	0	0	20,170,907	20,170,907	20,376,536	0	20,170,907
		500,000	917,842								

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All guarantees are subject to the claims paying ability of Principal National Life Insurance Company.

Deferred Compensation - SERP Key Employee Benefit Analysis

February 4, 2019

Sample
Male, Age 45, Preferred Nontobacco

Life Insurance: Indexed Universal Life Accumulation
Initial Death Benefit: \$525,000
Initial Annual Premium: \$25,000.00

		1	2	3	4	5	6
		Deferred Compensation - SERP Benefit			Endorsement Split Dollar		
End of Year	Age	Employer Contributions	Account Balance at 4% Interest	Taxable SERP Benefit Payment	Reportable Economic Benefit	Key Employee Cost	Key Employee Net Death Benefit
1	46	25,000	26,000	0	0	0	0
2	47	25,000	53,040	0	0	0	0
3	48	25,000	81,162	0	0	0	0
4	49	25,000	110,408	0	0	0	0
5	50	25,000	140,824	0	0	0	0
6	51	25,000	172,457	0	0	0	0
7	52	25,000	205,356	0	0	0	0
8	53	25,000	239,570	0	0	0	0
9	54	25,000	275,153	0	0	0	0
10	55	25,000	312,159	0	0	0	0
11	56	25,000	350,645	0	0	0	0
12	57	25,000	390,671	0	0	0	0
13	58	25,000	432,298	0	0	0	0
14	59	25,000	475,590	0	0	0	0
15	60	25,000	520,613	0	0	0	0
16	61	25,000	567,438	0	0	0	0
17	62	25,000	616,135	0	0	0	0
18	63	25,000	666,781	0	0	0	0
19	64	25,000	719,452	0	0	0	0
20	65	25,000	774,230	0	0	0	0
21	66	0	709,744	91,784	0	0	0
22	67	0	642,678	91,784	0	0	0
23	68	0	572,929	91,784	0	0	0
24	69	0	500,391	91,784	0	0	0
25	70	0	424,951	91,784	0	0	0
26	71	0	346,494	91,784	0	0	0
27	72	0	264,898	91,784	0	0	0
28	73	0	180,038	91,784	0	0	0
29	74	0	91,784	91,784	0	0	0
30	75	0	0	91,784	0	0	0
31	76	0	0	0	0	0	0
32	77	0	0	0	0	0	0
33	78	0	0	0	0	0	0
34	79	0	0	0	0	0	0
35	80	0	0	0	0	0	0
		500,000		917,842	0	0	

Principal National Life Insurance Company. Valid for presentation in Iowa provided the Indexed Universal Life Accumulation illustration is included. Illustrated values are not guaranteed and are based on assumptions that are subject to change by the insurer at any time. Actual results may be more or less favorable. This proposal is based on a 35% employee tax rate. The employee's tax counsel is responsible for determining actual tax consequences.

All guarantees are subject to the claims paying ability of Principal National Life Insurance Company.

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

This illustration demonstrates how Indexed Universal Life Accumulation works using varying assumptions. Actual performance may be more or less favorable than shown here. You should monitor the performance of your policy periodically to determine if any adjustments might be needed.

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Ready To Serve You

When you work with Principal®, you can rest easier knowing we've been around for more than 135 years serving customers just like you.

Financial Ratings

Year after year we receive strong financial ratings from the four major rating agencies. As of 02/01/2019:

Rating Agency	Financial Strength	Meaning of Category
A.M. Best & Company	A+(2nd highest of 13)	Superior
Fitch	AA-(4th highest of 19)	Very Strong
Standard & Poor's	A+(5th highest of 20)	Strong
Moody's	A1(5th highest of 21)	Good

The ratings reflect each rating agency's opinion of our life insurance companies' financial strength, operating performance and ability to meet our obligations to policyholders and are not evaluations directed toward the protection of investors. The ratings are neither a rating of securities nor a recommendation to buy, hold or sell any security, including our common stock. A high rating by a particular ratings firm does not constitute an endorsement of the rated insurer by the ratings firm. Visit our Investor Relations site on principal.com for our most current ratings and financial information.

Principal National Life Insurance Company

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This document is not a recommendation and is not intended to be taken as a recommendation that you purchase this product.



LIFE INSURANCE POLICY ILLUSTRATION

SUMMARY OF BENEFITS

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

This page is intended to give you a snapshot of the initial coverage being illustrated. For an explanation of the product features listed on this page, please refer to the Features and Benefits section of this illustration.

Representative

Principal Financial Group
 Insurance Producer
 711 High Street
 Des Moines, IA 50392

Summary of Initial Benefit

Insured	Age	Sex	Class	Initial Death Benefit	Initial Annualized Premium
Sample	45	Male	Preferred Nontobacco	\$ 525,000	

Additional Insurance Benefits

Cost of Living	
Chronic Illness Death Benefit Advance Rider	
Terminal Illness Death Benefit Advance Rider	
Life Paid-Up Rider	
(See Features and Benefits for a detailed explanation of Riders)	
Total Annualized Premium	\$ 25,000.00

Assumptions

This illustration may reflect future policy changes you are considering. But, Principal will not automatically make these policy or premium changes, or provide a premium notice, based on changes noted here. Actual changes to your policy require your written request. Changes in any of the illustrated benefits, premium, or assumptions will result in different illustrated values.

- ◆ Starting in policy year 11, at the end of each policy year we will credit an Accumulated Value Enhancement to your policy, provided that the declared interest rate on the fixed account at the end of the policy year exceeds the guaranteed minimum credited interest rate. The Accumulated Value Enhancement percentage is guaranteed to be 0.25% and will be multiplied by your net accumulated value.
- ◆ Premium allocation table for Guaranteed, Current Non-Guaranteed, and any Assumed values are as follows:

Account(s)	Allocation%	Start Year	End Year

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 711 High Street Des Moines, Iowa 50392-0290
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SUMMARY OF BENEFITS

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Fixed Account	0%	1	76
S & P 500 Price Return Index-Linked Account	100%	1	76
S & P 500 Total Return Index-Linked Account	0%	1	76

- ◆ Premiums are applied to your policy when received in our home office. If requested changes to your policy or the premium amounts submitted, differs from this illustration, the No Lapse Guarantee will be impacted.
- ◆ Illustrated Interest Rates table for any Fixed Account and/or Index-Linked Account(s) are as follows*:

Account(s)	Current Non Guaranteed	Start Year	End Year
Fixed Account	N/A	N/A	N/A
S & P 500 Price Return Index-Linked Account	6.96%	1	76
S & P 500 Total Return Index-Linked Account	N/A	N/A	N/A

*In years where Alternate Policy Loans are illustrated, the illustrated interest rate applied to loaned values is limited to no more than one percent (100 basis points) greater than the loan charge (see Alternate Policy Loan details in the Loans section in Features & Benefits report).

- ◆ Your current Planned Premium Duration is 20 years from the Policy Date (or the policy lapse year, whichever is less).
- ◆ Age 65, Death Benefit Option changed to Face Amount.

Assuming applicable 1035 exchanges and/or Planned Unscheduled Premium in the first policy year, and/or planned periodic premium and no future adjustments;

- ◆ The Issue Premium is \$25,000.00.
 - ◆ May include 1035, unscheduled premium, loan and initial premium received prior to or on delivery.
- ◆ The Planned Unscheduled Premium is \$0.00.

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SUMMARY OF BENEFITS

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

- ♦ May include 1035, or unscheduled premium in months 2 through 12.
- ♦ The Planned Periodic Premium of \$25,000.00 paid to Attained Age 65 (or policy lapse age, whichever is less).

Changes in any of the illustrated benefits, premiums, or assumptions will result in different illustrated values.

Premium Payment Options

You have several premium payment options to choose from: electronic funds transfer (EFT) monthly, quarterly, semi-annual or annual. The premium amount required for the illustrated policy values is sensitive to the timing of any premium payments. The illustration should reflect the correct premium payment option you intend to follow.

Principal National Life Insurance Company
711 High Street Des Moines, Iowa 50392-0290

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February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

What is Indexed Universal Life?

Indexed Universal Life is a flexible premium, adjustable benefit life insurance policy. The policy accumulates cash value based on the opportunity to allocate between a Fixed Account and Index-Linked Accounts. It provides protection today while allowing you to save for tomorrow. The policy offers great flexibility and is designed to meet a variety of personal and business needs. Even though values of the policy may be determined, in part by reference to an external index, the policy does not directly participate in any stock or equity investments.

How can the coverage be adjusted?

As the need arises, you can:

- ◆ Increase the death benefit (subject to underwriting)
- ◆ Decrease the death benefit (after the first policy year)
- ◆ Change the premium amount and change when premiums are paid. Unlike traditional life insurance policies that require a regular premium payment, Universal Life does not. Policy cash accumulation values may be used to pay the cost of insurance and administrative charges as long as there is sufficient Net Surrender Value in the policy to do so. Additional out-of-pocket premium payments may be required in the future, any applicable changes to your policy affects guarantees.

Summary of account types

Fixed Account - Net Premiums and loan repayment that are not designated to receive potential Index-Linked Interest will be placed in the Fixed Account.

Short-Term Holding Account(s)(STHA)- Net Premiums and loan repayments that are designated to receive potential Index-Linked Interest will be placed in a STHA until the next Sweep Date(see definition on next page), if all conditions contained in the Policy are met.

The Fixed Account and STHA earn interest at the current interest rate, which is declared by us. The current interest rate may change at the company's discretion, but will never be less than the guaranteed minimum interest crediting rate equal to 2.00%.

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Index Segment Definitions

Index-Linked Account(s) - An account(s) for which interest is credited based, in part, on the performance of a Reference Index. Each Index-Linked Account is part of the Accumulated Value and consists of one or more Segments.

Reference Index - The external index associated with each Index-Linked Account.

Sweep Date - The date a Segment(s) is created. This illustration assumes that the date premiums are paid will coincide with the Sweep Date which means this illustration assumes premium amounts intended for the Index-Linked accounts are first deposited in the STHA, applicable charges are deducted and then any remaining amounts are transferred into the Segment on the same day. Therefore, this illustration does not reflect any interest credited for the time premiums are in the STHA.

Segment - The portion of an Index-Linked Account created by the allocation of Net Premium, transfer of Segment Maturity Value and/or transfer of amounts from the Fixed Account and Short Term Holding Account(s) on a Sweep Date.

Segment Duration - The length of time that a segment exists.

Segment Begin Date - The Sweep Date at the start of a Segment.

Segment Maturity Date - The last day of a Segment Duration.

Open Segment - Any Segment that has not reached the Segment Maturity Date.

Reference Index Return Rate - A rate derived by a comparison of Closing Index Values as defined for each Index-Linked Account.

Index-Linked Crediting Method - The method used to determine the Reference Index Return Rate.

Closing Index Value - The Reference Index value as of the New York Stock Exchange close of business. If no Reference Index value is published for a given day, the company will use the Reference Index value for the prior Business Day for which a Reference Index was published.

Close of Business - Generally 4:00 p.m. (Eastern time zone) on a business day.

Business Day - Any day that Principal is open for business.

Adjusted Segment Balance - On the Segment Maturity Date, the value of the segment on the Segment Begin Date less amounts deducted during the Segment Duration for all Monthly Policy Charges, partial surrenders, Standard Policy Loans, and any other deductions. If the result of this calculation equals an amount less than zero, the company will consider it to be zero. For purposes of this calculation, each deduction is first multiplied by the ratio of the number of days remaining in the Segment Duration after the date of the deduction divided by the number of days in the entire

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Segment Duration. The Adjusted Segment Balance is a reference value only. It is not part of the Accumulated Value provided by the policy.

Index-Linked Interest - Interest credited to the Segment on the Segment Maturity Date by taking the Index-Linked Rate times the Adjusted Segment Balance.

Segment Maturity Value - The value of a Segment as of the Segment Maturity Date after applicable Index-Linked Interest is credited.

Segment Floor Interest - Interest credited to a Segment at the Floor Rate on a daily basis.

Prorated Basis - An allocation method based on the proportion of the Accumulated Value in the applicable accounts.

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Segment Modifiers

The following are modifiers that we will apply to the Reference Index Return Rate for each Segment to derive the Index-Linked Rate on the Segment Maturity Date.

Index-Linked Rate - A rate derived by applying any applicable Segment Modifiers to the Reference Index Return Rate. The formula used to calculate the Index-Linked Return is [the lesser of (A) x (B) and (C)] - (D), with the result never being less than zero, where;

- A=Reference Index Return Rate
- B=Participation Rate
- C=Cap Rate
- D=Floor Rate

Participation (Par) Rate - The percentage of the Reference Index Return Rate used in determining the Index-Linked Rate for any segment of an Index-Linked Account. Each individual Segment will have its own Par Rate, determined by the company, which will not change for each Segment Duration. Each of the up to 12 Segments within an Index-Linked Account could have different Par Rates.

Cap Rate - The maximum Reference Index Rate used in determining the Index-Linked Rate for any segment of an Index-Linked Account. Each individual segment will have its own Cap Rate, determined by the company, which will not change for each Segment Duration. Each of the up to 12 Segments within an Index Account could have different Cap Rates.

Floor Rate - The minimum Reference Index Rate used in determining the Index-Linked Rate for any segment of an Index-Linked Account. Each individual segment will have its own Floor Rate, determined by the company, which will not change for each Segment Duration. Each of the up to 12 segments within an Index Account could have different Floor Rates.

Index-Linked Account(s)	Segment Duration	Reference Index	Index-Linked Crediting Method	Participation Rate	Cap Rate	Floor Rate
S&P 500 Price Return Index-Linked Account	One Year	S&P Price Return	Point-to-Point	100% (current and guaranteed)	12% (current, 3% guaranteed)	0% (current and guaranteed)
S&P 500 Total Return Index-Linked Account	One Year	S&P Total Return	Monthly Average	110% (current) 100% (guaranteed)	18% (current, 3% guaranteed)	0% (current and guaranteed)

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Reference Indexes

The following Reference Indexes are available. Please note that, while each Reference Index Rate relies on the performance of an index, it is not possible to invest directly in the index.

S&P 500 Price Return Index - The Standard & Poor's 500 Price Return Index is a stock-market index based on the stocks of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's. The S&P 500 Price Return Index is commonly used for indexed universal life insurance and does not reflect dividends paid on the stocks underlying the index.

S&P 500 Total Return Index - The Standard & Poor's 500 Total Return Index is a stock market index based on the stocks of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's. In addition to tracking the underlying stock prices movements, the S&P 500 Total Return Index reflects any cash distributions, such as dividends, reinvested back into the index.

S&P[®] and S&P 500[®] and S&P 500[®] Total Return are registered trademarks of Standard & Poor's Financial Services LLC and have been licensed for use by S&P Dow Jones Indices LLC and sublicensed for certain purposes by The Company. The S&P 500[®] and S&P 500[®] Total Return is a product of S&P Dow Jones Indices LLC and has been licensed for use by The Company. The Company's policy is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC or its affiliates and none of S&P Dow Jones Indices LLC or its affiliates make any representation or warranty regarding the advisability of investing in such product(s).

Calculation of Segment Maturity Value

On the Segment Maturity Date we will calculate the Index-Linked Rate by applying the Segment Modifiers listed above to the Reference Index Return Rate. The Index-Linked Rate will then be applied to the Adjusted Segment Balance (which gives partial credit for monthly deductions as well as partial surrenders and Standard Policy Loans removed from the Open Segment) and the result is the Segment Maturity Value.

Before the Close of Business on the Segment Maturity Date you may provide instructions to transfer all or a portion of the Segment Maturity Value to the unloaned portion of the Fixed Account or to a different Index-Linked Account. If you do not provide transfer instructions before the Close of Business on the Segment Maturity Date, we will transfer the entire Segment Maturity Value to start a new Segment.

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Index-Linked Crediting Methods

Below are the two Index-Linked Crediting Methods we make available depending on the Index-Linked Account you select.

Point-to-Point Crediting Method - Provides a Reference Index Return Rate equal to the percentage change in the Reference Index using two values. The Reference Index Return Rate can be calculated by dividing the Closing Index Value on the Segment Maturity Date by the Closing Index Value on the Segment Begin Date, then subtracting 1. For example:

Closing Index Value on the Segment Begin Date = 1,000
Closing Index Value on the Segment Maturity Date = 1,050
Reference Index Return Rate = $(1,050/1,000)-1 = 5.00\%$

Monthly Average Crediting Method - Provides a Reference Index Return Rate equal to the percentage change in the Reference Index using two values. The Reference Index Return Rate can be calculated by dividing the average of the Closing Index Values on the 12th day of each calendar month during the Segment Duration, including the first Segment Maturity Date by the Closing Index Value on the Segment Begin Date, then subtracting 1. For example:

Closing Index Value at the Segment Begin date = 1,000
Average of the Closing Index Values on the 12th day of each calendar month during the Segment Duration, including the Segment Maturity Date = 1,050*
Reference Index Return Rate = $(1,050/1,000)-1 = 5.00\%$

*It is not likely that the Closing Index Value on the Segment Maturity Date for Point-to-Point Crediting Method will be the same as the average of the Closing Index Values for the Monthly Average Crediting Method.

With the Point-to-Point Crediting Method, the Reference Index Return Rate for each Segment can appear volatile due to the use of only one Closing Index Value on the Segment Maturity Date. It's possible for one Segment to have a Reference Index Return Rate at the Floor Rate, while on the next Segment Maturity Date the Reference Index Return Rate is at the Cap Rate or somewhere in between. The Monthly Average Index Crediting Method will help to smooth out volatile returns experienced with the Point-to-Point Crediting Method due to the use of twelve Closing Index Values in the calculation of the average Closing Index Value on the Segment Maturity Date.

Maximum Illustrated Rates

We calculate the maximum illustrated rate using an industry-standard methodology. This methodology uses values spanning a 65-year history for the Benchmark Index Account, S&P 500 Price Return Reference Index, through December 31st of the previous calendar year.

To derive our maximum illustrated rate we first calculate the annual one-year returns (using our current Segment Modifiers) for each trading day over a 65-year period. We then use those annual returns for each 25-year rolling period and compute level compound annual rates that would yield equivalent total returns over each 25-year period. We then find the average of all 25-year compound annual rates. The resulting average return is set as our maximum illustrated rate for each Index-Linked Account.

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Benchmark Index Account			
	Minimum	Average	Maximum
25-Year compound annual rate	4.39%	6.96%	8.91%

The historical performance of the Reference Index is not intended to predict future performance and is not guaranteed. We recommend that you review additional variations of illustrated rates to better understand how different illustrated rates can affect your policy.

In years where Alternate Policy Loans are illustrated, the illustrated interest rate applied to loaned values is limited to no more than one percent (100 basis points) greater than the loan charge (see Alternate Policy Loan details in the Loans section in Features and Benefits report).

The maximum illustrated annual crediting rate for the Fixed Account is the current non-guaranteed crediting rate which is 4.50%.

This illustration reflects all policy charges and expenses. At any time, the company can change the charges and expenses up to the guaranteed maximum stated in the contract. The following deductions are subtracted from the policy:

- ◆ Monthly Cost of Insurance (COI) Charge - Rates are based on sex, attained age, and premium class of the insured.
- ◆ Premium Expense Charge - Sales charge deducted from premiums when received.
- ◆ Monthly Administration Charge
- ◆ Monthly Policy Issue Charge - A monthly charge per \$1,000 of face amount applied in all years from policy issue or from an increase in the policy face amount, to cover expenses associated with issue and underwriting.

Monthly deductions are deducted on a Prorated Basis from the Fixed Account, Short-Term Holding Account(s), Segment Maturity Value(s) and from all Open Segment(s).

Indexed Universal Life guarantees a minimum interest rate, maximum cost of insurance rates and maximum expense charges. The guaranteed values shown in this illustration are based on these guaranteed interest rates, costs and expense charges.

This policy offers a no-lapse guarantee of ten years if the No Lapse Guarantee (NLG) premium is paid. As long as the premium paid each year (net of withdrawals and loans) is equal to or greater than the NLG premium, the policy will not lapse in the first ten policy years. Assuming no policy adjustments, the annual NLG premium is \$ 4,772.25. Based on the illustrated premiums, the NLG

What expenses are deducted from my policy?

Sequencing rules for monthly deductions

Is the coverage guaranteed?

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premium test is met through policy year 10. If the NLG premium is not met during the NLG period, additional premiums may be paid on an inforce policy to restore the guarantees provided by the NLG provision.

Can I access my money?

As your Indexed Universal Life premiums are applied and accumulate, you may access all or some of your net surrender value at any time.

- ◆ You may surrender your accumulated values - similar to a withdrawal - or take a loan from your policy.
- ◆ You may make partial surrenders only after the first policy anniversary.

If you choose to surrender, be aware of these considerations:

- ◆ Loans or Partial Surrenders will have a negative impact on your cash value and death benefit.
- ◆ Loan interest charges will apply.
- ◆ Surrender charges will limit the amount of policy value available for any loans, partial surrenders, or full policy surrenders made during the surrender charge period. Any Face Amount Increase will have its own surrender charge and surrender charge period. See Partial Surrenders and Loans below.

In general, amounts withdrawn (not including loans) from a contract which is not a modified endowment contract, are not taxable until the amount withdrawn exceeds the total of the premiums paid (investment). Once the amount of the withdrawal exceeds the investment, further withdrawals are taxable. However, if there is a withdrawal accompanied by the death benefit decrease within the first fifteen years of the policy, a portion of the withdrawn amount may be taxable even if the amount withdrawn does not exceed premiums paid. For complete information on how actual policy changes and withdrawals could affect your personal tax situation, always consult your personal tax advisor.

What happens at policy maturity?

The Maturity Date Extension provision extends the death benefit coverage beyond Attained Age 121 and the new maturity date will be the date of the insured's death. The policy must be in force at Attained Age 121 in order for coverage to be extended. The policy net death benefit at Attained Age 121 will continue in force, subject to reduction for any increase in outstanding loan indebtedness or partial surrenders in the extended coverage period. No further premium payments will be allowed except loan repayments. Any Index-Linked Account Values and Short Term Holding Account Values will be transferred to the Fixed Account. Interest will continue to be credited and all insurance-related charges will be zero. Any outstanding Alternate Policy Loan(s) will become a Standard Policy Loan and interest on any outstanding loans will continue to be charged.

Rider Descriptions

The following descriptions are summaries only. Please refer to the riders themselves for complete information. There may be options available that are not illustrated in your proposal. For additional information about these or any other options and what they can do for you, ask your Principal representative. Riders may require an additional premium and are subject to variation and availability by state and may have additional costs.

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Cost of Living

Allows for guaranteed coverage increases every three years to age 55 without evidence of insurability. If you choose to accept a death benefit increase under this rider, it likely will require a premium increase in order to support the new death benefit and policy values. If the additional premium is not paid, your policy may lapse.

Chronic Illness Death Benefit Advance Rider

This rider provides the option of receiving a portion of the death benefit subject to terms and conditions including minimum and maximum amounts paid before death if the insured becomes chronically ill. Refer to the policy for details.

The death benefit, reduction factor, accumulated value, any loan amount and administrative fee are factors in determining the amount payable to the policy owner. The death benefit is reduced by the total of accelerated benefits. This rider is available on no more than two policies per insured.

Terminal Illness Death Benefit Advance Rider

This rider provides the option of receiving a portion of the death benefit subject to terms and conditions including minimum and maximum amounts paid before death if the insured becomes terminally ill. Refer to the policy for details.

The death benefit advance is considered a lien against the policy and is charged interest. There is a one-time administrative fee. At the time of the insured's death, the death benefit is reduced by any death benefit advance plus any accrued interest charges.

Life Paid-Up Rider

Under certain circumstances, the Life Paid-Up rider can prevent the policy from lapsing when there is a large policy loan(s) outstanding.

- ◆ If certain conditions are met, the policy will become paid-up on the monthly date where the loan balance is at least 92% of the surrender value.
- ◆ The paid-up face amount will be 105% of the policy value.
- ◆ There is a one-time policy charge, dependent upon the loan value, taken from the policy value on the date the rider is exercised.
- ◆ Adjustments or changes to the policy are not allowed once the policy becomes paid-up.
- ◆ At the time the rider is exercised, all Index-Linked Account and Short Term Holding Account values will be transferred to the Fixed Account and any Loan Indebtedness will be transferred to a Standard Policy Loan.

This rider was not illustrated due to required conditions not being met.

Additional Information

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**Modified
Endowment
Contract (MEC)**

A life insurance policy is classified as a Modified Endowment Contract (MEC) if total policy premiums exceed specified IRS limits. Partial surrenders, policy loans, assignments, pledges, and other forms of cash distributions from MEC policies may be subject to adverse tax consequences.

The illustrated premium in the first policy year does not exceed the MEC limit of \$25,201.49. Policy adjustments can cause this MEC premium to change. The policy as illustrated does not exceed the MEC limits in future years based on current assumptions.

This analysis of the MEC status is based on our understanding of current tax law. Consult your tax advisor to determine actual tax consequences.

Guideline Premium

Per the Internal Revenue Code, premiums must not exceed Guideline Premium Limitations, if the policy is to be considered life insurance. There are two guideline premiums for the illustrated policy:

The current single premium limit for the illustrated policy is \$ 127,091.33

The current annual premium limit for the illustrated policy is \$ 26,269.42

Policy adjustments can cause the guideline premiums to change. **A force out of past premium may be required at the time of the policy adjustment or in the future. Withdrawals, due to force out of past premium, may be taxable.** The illustrated premium amounts in Guaranteed Values match those illustrated in Current Values. The illustrated premium amounts may have been adjusted to maintain the life insurance status. Any premium overpayment will be refunded.

If this illustration shows a death benefit option change, then the premium amounts shown in Guaranteed Values may be greater than the premium amounts we actually would allow you to pay. Premiums must not exceed Guideline Premium limitations if the policy is to be considered life insurance.

**Sequencing rules
for partial
surrenders
and Standard Policy
Loans**

Partial Surrenders and Standard Policy Loans will first be deducted from the Fixed Account if sufficient value exists. If there is not sufficient value to cover the entire deduction, the remaining deduction will be taken on a Prorated Basis from any Short Term Holding Account value(s), then on a Prorated Basis from Segment Maturity Value(s), then on a Prorated Basis from Open Segment(s) until the remaining Partial Surrender or Standard Policy Loan amount is fulfilled.

**Sweep Restriction
Period**

A Sweep Restriction Period will begin any time there is a deduction from Open Segment(s) as a result of an unscheduled partial surrender or unscheduled Standard Policy Loan. A Sweep Restriction Period is a twelve-month duration in which no transfers from the Short Term Holding Account(s) or Fixed Account to the Index-Linked Account(s) will be allowed. If during a Sweep Restriction Period another unscheduled partial surrender or unscheduled Standard Policy Loan is taken from Open Segment(s), a new Sweep Restriction Period is created with a new twelve-month duration. Any value in the Short Term Holding Account(s) during a Sweep Restriction Period will immediately be transferred to the Fixed Account.

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Partial Surrenders

A partial surrender allows you to remove a portion of your policy's cash values, subject to the policy's provisions, and still keep the policy in force. Unless you provide evidence of insurability, the face amount will be reduced by the amount of the partial surrender. A partial surrender will impact your policy's protection period, applicable guarantees, your potential cash value growth, and may require additional premiums to keep the policy in force so it doesn't lapse.

This illustration assumes that loans/surrenders are distributed in annual payments each year, beginning on the policy anniversary of the year which loans/surrenders begin.

Loans

The policyowner may borrow against the net surrender value of the policy. Loan interest that accrues will increase the unpaid balance of the policy loan. A loan will impact your policy's protection period, potential cash value growth and death benefit. A loan may also require additional premiums to keep the policy in force so it doesn't lapse.

At death, total policy surrender or maturity, the loan balance is subtracted from the proceeds payable before a claim is paid. Outstanding loans can create adverse tax consequences if the policy matures, is surrendered or lapses. Please consult your tax advisor regarding the use of loans inside a life insurance policy.

This policy may offer two types of loans; Standard Policy Loans and Alternate Policy Loans. Only one type of policy loan is permitted to be outstanding at any time. You may request a change in policy loan type by sending us notice requesting a change in the type of the loan. A change of policy loan type is permitted only once per policy year and will occur on the first sweep date following the next policy anniversary.

A **Standard Policy Loan** is a type of loan secured by a loan account. Both loan interest charged and loan interest credited is based on a rate we declare. Loans of this type are available in all policy years.

Standard Policy Loans in policy years 1 – 10 are charged at an annual rate of 4.5% (4.5% guaranteed). Standard Policy Loans in policy years 11+ are charged at 3.0% (4.5% guaranteed). In all policy years, interest is credited on the loaned amount at 3.0% (2.0% guaranteed).

An **Alternate Policy Loan** is a type of loan for which no loan account is created as collateral for any loan indebtedness. For this type of loan, interest credited on the part of the accumulated value that reflects loan indebtedness is based on the rate(s) applied to your accumulated value, while loan interest charged is based on a rate that we declare. Loans of this type are available after the Alternate Policy Loan Availability Date, as shown on your data pages. Please note: an Alternate Policy Loan carries significantly more risk to the policy's performance due to the potential for a larger net cost for the loan. You should request an illustration from your representative to compare the loan types and show the effects of an underperforming policy.

To determine if an alternate loan is the right choice for you, consider the impact to the policy if;

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- ♦ interest credited is lower than the loan charge rate;
- ♦ the policy under performs due to a market downturn;
- ♦ the Index-Linked Cap rate(s) are lowered; or
- ♦ actual performance fluctuates instead of assuming a level illustrated rate.

Important reminder: A change of policy loan type is only permitted once per policy year and must be requested by you.

Alternate Policy Loans are charged at an annual rate of 5.25% (8.00% Guaranteed).

Contingent Compensation Disclosure

As a result of this sale, your Principal representative (or his/her firm) may receive compensation (cash or otherwise) that is based in part on factors such as total deposits, assets or premium volume and persistency or profitability of the business he/she sells. The cost of this compensation may be directly or indirectly reflected in the premium or fee for this product. The representative may receive this compensation from the insurer and/or entities through which he/she places business. Please contact your Principal representative if you have any questions about this compensation.

Employer-Sponsored Plan Disclosure

If this policy is part of an employer-sponsored plan, policy-related information may be released to your employer as part of our consolidated list billing and reporting services.

If tax rules regarding selection of insured and consent requirements are not met, then death proceeds in excess of cost basis from employer-owned life insurance contracts may be taxable as ordinary income.

Additional Disclosures

All guarantees are subject to the claims paying ability of the issuing insurance company.

Insurance products issued by Principal National Life Insurance Co (except in NY) and Principal Life Insurance Co. Plan administrative services offered by Principal Life. Principal National and Principal Life are members of the Principal Financial Group®, Des Moines, IA 50392.

Not FDIC or NCUA insured. May lose value, no bank or credit union guarantee. Not a deposit. Not insured by any federal government entity.

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PLAN SUMMARY

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Annualized Premium Outlay

Sum of the premiums due during the policy year.

Net Surrender Value

The net accumulated value less surrender charges and policy loans. Amount of cash you would receive if you were to surrender the policy.

Net Accumulated Value

The sum of all premiums and credited interest less expenses, cost of insurance, withdrawals, loans and loan interest.

Net Death Benefit

The amount paid to the policyowner's beneficiary upon the death of the insured.

Guaranteed Values

Values are based on a guaranteed minimum annualized interest rate of 0.00%, maximum cost of insurance rates, and guaranteed maximum expense charges.

Current (Non Guaranteed)

Values are based on the current annualized interest rate*, current cost of insurance rates, and current expense charges.

Midpoint Values (Non Guaranteed)

Values assume an interest rate, cost of insurance, and expense charges that are halfway between current and guaranteed. (Shown only on this page)

Partial Surrenders and Loans

Any partial surrenders, loans, and loan repayments. (see Policy Illustration)

Net Outlay

Your total annual out-of-pocket expense. (see Policy Illustration)

*The Non Guaranteed values illustrated in this report are based on interest rate & allocation tables (see Summary of Benefits report)

	Guaranteed Values	Non Guaranteed Midpoint Values	Current Values
Year 5, Age 50			
Annualized Premium Outlay	25,000.00	25,000.00	25,000.00
Net Surrender Value	61,982	81,542	104,024
Net Accumulated Value	75,768	95,328	117,810
Net Death Benefit	600,768	620,328	642,810
Year 10, Age 55			
Annualized Premium Outlay	25,000.00	25,000.00	25,000.00
Net Surrender Value	144,523	209,476	292,760
Net Accumulated Value	147,777	212,729	296,014
Net Death Benefit	672,777	737,729	821,014
Year 20, Age 65			
Annualized Premium Outlay	25,000.00	25,000.00	25,000.00
Net Surrender Value	263,006	510,382	926,380
Net Accumulated Value	263,006	510,382	926,380
Net Death Benefit	788,006	1,035,382	1,451,380
Year 30, Age 75			
Annualized Premium Outlay	0.00	0.00	0.00
Net Surrender Value	0	0	935,594
Net Accumulated Value	0	0	935,594
Net Death Benefit	0	0	1,008,130

Acknowledgements

- ♦ I have received a copy of the illustration and understand the illustration is not a contract and does not project actual future values or investment results. The marketing representative has told me any non guaranteed elements illustrated are not guaranteed, are subject to change, and could be either higher or lower.
- ♦ If this illustration does not match the application, I understand an illustration matching the policy as issued will be provided to me no later than policy delivery.
- ♦ I understand if I terminate this policy, there may be a cost (surrender charge) incurred that reduces the amount of money, if any, I receive by giving up my life insurance protection.

Signature of ALL Owners/Applicants

Date

I certify this illustration was presented to the applicant and I have explained that any non guaranteed elements illustrated are subject to change. I made no statements inconsistent with the illustration.

Signature of Marketing Representative

Date

Principal National Life Insurance Company

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Actual results may be more or less favorable.

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Guaranteed at 0.00%							
Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/ Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
1	46	25,000.00	0	25,000.00	1,613	15,400	540,400
2	47	25,000.00	0	25,000.00	16,882	30,669	555,669
3	48	25,000.00	0	25,000.00	32,005	45,791	570,791
4	49	25,000.00	0	25,000.00	47,043	60,830	585,830
5	50	25,000.00	0	25,000.00	61,982	75,768	600,768
		<u>125,000.00</u>		<u>125,000.00</u>			
6	51	25,000.00	0	25,000.00	77,485	90,582	615,582
7	52	25,000.00	0	25,000.00	94,112	105,238	630,238
8	53	25,000.00	0	25,000.00	111,339	119,679	644,679
9	54	25,000.00	0	25,000.00	128,462	133,880	658,880
10	55	25,000.00	0	25,000.00	144,523	147,777	672,777
		<u>250,000.00</u>		<u>250,000.00</u>			
11	56	25,000.00	0	25,000.00	161,323	161,323	686,323
12	57	25,000.00	0	25,000.00	174,492	174,492	699,492
13	58	25,000.00	0	25,000.00	187,263	187,263	712,263
14	59	25,000.00	0	25,000.00	199,699	199,699	724,699
15	60	25,000.00	0	25,000.00	211,758	211,758	736,758
		<u>375,000.00</u>		<u>375,000.00</u>			
16	61	25,000.00	0	25,000.00	223,356	223,356	748,356
17	62	25,000.00	0	25,000.00	234,379	234,379	759,379
18	63	25,000.00	0	25,000.00	244,710	244,710	769,710
19	64	25,000.00	0	25,000.00	254,266	254,266	779,266
20	65	25,000.00	0	25,000.00	263,006	263,006	788,006
		<u>500,000.00</u>		<u>500,000.00</u>			
21	66	0.00	59,660	-59,660.00	189,251	189,251	728,346
22	67	0.00	59,660	-59,660.00	114,987	114,987	668,686
23	68	0.00	59,660	-59,660.00	40,156	40,156	609,026
24	69	0.00	0	0.00	0	0	0
25	70	0.00	0	0.00	0	0	0
		<u>500,000.00</u>		<u>321,020.00</u>			
26	71	0.00	0	0.00	0	0	0
27	72	0.00	0	0.00	0	0	0
28	73	0.00	0	0.00	0	0	0
29	74	0.00	0	0.00	0	0	0
30	75	0.00	0	0.00	0	0	0
		<u>500,000.00</u>		<u>321,020.00</u>			
31	76	0.00	0	0.00	0	0	0
32	77	0.00	0	0.00	0	0	0
33	78	0.00	0	0.00	0	0	0
34	79	0.00	0	0.00	0	0	0
35	80	0.00	0	0.00	0	0	0
		<u>500,000.00</u>		<u>321,020.00</u>			

Principal National Life Insurance Company

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Guaranteed at 0.00%							
Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/ Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
36	81	0.00	0	0.00	0	0	0
37	82	0.00	0	0.00	0	0	0
38	83	0.00	0	0.00	0	0	0
39	84	0.00	0	0.00	0	0	0
40	85	0.00	0	0.00	0	0	0
		500,000.00		321,020.00			
41	86	0.00	0	0.00	0	0	0
42	87	0.00	0	0.00	0	0	0
43	88	0.00	0	0.00	0	0	0
44	89	0.00	0	0.00	0	0	0
45	90	0.00	0	0.00	0	0	0
		500,000.00		321,020.00			
46	91	0.00	0	0.00	0	0	0
47	92	0.00	0	0.00	0	0	0
48	93	0.00	0	0.00	0	0	0
49	94	0.00	0	0.00	0	0	0
50	95	0.00	0	0.00	0	0	0
		500,000.00		321,020.00			
51	96	0.00	0	0.00	0	0	0
52	97	0.00	0	0.00	0	0	0
53	98	0.00	0	0.00	0	0	0
54	99	0.00	0	0.00	0	0	0
55	100	0.00	0	0.00	0	0	0
		500,000.00		321,020.00			
56	101	0.00	0	0.00	0	0	0
57	102	0.00	0	0.00	0	0	0
58	103	0.00	0	0.00	0	0	0
59	104	0.00	0	0.00	0	0	0
60	105	0.00	0	0.00	0	0	0
		500,000.00		321,020.00			
61	106	0.00	0	0.00	0	0	0
62	107	0.00	0	0.00	0	0	0
63	108	0.00	0	0.00	0	0	0
64	109	0.00	0	0.00	0	0	0
65	110	0.00	0	0.00	0	0	0
		500,000.00		321,020.00			
66	111	0.00	0	0.00	0	0	0
67	112	0.00	0	0.00	0	0	0
68	113	0.00	0	0.00	0	0	0
69	114	0.00	0	0.00	0	0	0
70	115	0.00	0	0.00	0	0	0
		500,000.00		321,020.00			

Principal National Life Insurance Company

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Guaranteed at 0.00%							
Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/ Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
71	116	0.00	0	0.00	0	0	0
72	117	0.00	0	0.00	0	0	0
73	118	0.00	0	0.00	0	0	0
74	119	0.00	0	0.00	0	0	0
75	120	0.00	0	0.00	0	0	0
		<u>500,000.00</u>		<u>321,020.00</u>			
76	121	0.00	0	0.00	0	0	0
		<u>500,000.00</u>		<u>321,020.00</u>			

Principal National Life Insurance Company

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Alternate Scale (Non Guaranteed)
at a rate of 4.50%

Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
1	46	25,000.00	0	25,000.00	6,282	20,069	545,069
2	47	25,000.00	0	25,000.00	27,210	40,997	565,997
3	48	25,000.00	0	25,000.00	49,036	62,822	587,822
4	49	25,000.00	0	25,000.00	71,792	85,578	610,578
5	50	25,000.00	0	25,000.00	95,517	109,303	634,303
		<u>125,000.00</u>		<u>125,000.00</u>			
6	51	25,000.00	0	25,000.00	120,942	134,039	659,039
7	52	25,000.00	0	25,000.00	148,704	159,830	684,830
8	53	25,000.00	0	25,000.00	182,960	191,301	716,301
9	54	25,000.00	0	25,000.00	218,701	224,119	749,119
10	55	25,000.00	0	25,000.00	255,088	258,341	783,341
		<u>250,000.00</u>		<u>250,000.00</u>			
11	56	25,000.00	0	25,000.00	294,599	294,599	819,599
12	57	25,000.00	0	25,000.00	332,343	332,343	857,343
13	58	25,000.00	0	25,000.00	371,643	371,643	896,643
14	59	25,000.00	0	25,000.00	412,575	412,575	937,575
15	60	25,000.00	0	25,000.00	455,216	455,216	980,216
		<u>375,000.00</u>		<u>375,000.00</u>			
16	61	25,000.00	0	25,000.00	500,040	500,040	1,025,040
17	62	25,000.00	0	25,000.00	546,759	546,759	1,071,759
18	63	25,000.00	0	25,000.00	595,462	595,462	1,120,462
19	64	25,000.00	0	25,000.00	646,244	646,244	1,171,244
20	65	25,000.00	0	25,000.00	699,205	699,205	1,224,205
		<u>500,000.00</u>		<u>500,000.00</u>			
21	66	0.00	59,660	-59,660.00	666,755	666,755	1,162,801
22	67	0.00	59,660	-59,660.00	632,702	632,702	1,103,141
23	68	0.00	59,660	-59,660.00	596,983	596,983	1,043,481
24	69	0.00	59,660	-59,660.00	559,528	559,528	983,821
25	70	0.00	59,660	-59,660.00	520,262	520,262	924,161
		<u>500,000.00</u>		<u>201,700.00</u>			
26	71	0.00	59,660	-59,660.00	478,946	478,946	864,501
27	72	0.00	59,660	-59,660.00	435,496	435,496	804,841
28	73	0.00	59,660	-59,660.00	389,816	389,816	745,181
29	74	0.00	60,768	-59,660.00	341,807	341,807	684,413
30	75	0.00	62,591	-59,660.00	291,370	291,370	621,822
		<u>500,000.00</u>		<u>-96,600.00</u>			

Principal National Life Insurance Company

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*The values illustrated in this report are based initially on the current interest crediting rate stated above (if applicable) or on the premium allocation and interest rate tables (see Summary of Benefits Report). The illustrated rate can vary in future years due to current assumptions regarding changing policy expenses or due to policy adjustments.

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Alternate Scale (Non Guaranteed)
at a rate of 4.50%

Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
31	76	0.00	3,019	0.00	300,591	300,591	618,802
32	77	0.00	3,110	0.00	309,856	309,856	615,693
33	78	0.00	3,203	0.00	319,174	319,174	612,490
34	79	0.00	3,299	0.00	328,508	328,508	609,190
35	80	0.00	3,398	0.00	337,817	337,817	605,792
		<u>500,000.00</u>		<u>-96,600.00</u>			
36	81	0.00	3,500	0.00	347,053	347,053	602,292
37	82	0.00	3,605	0.00	356,160	356,160	598,687
38	83	0.00	3,713	0.00	365,091	365,091	594,974
39	84	0.00	3,825	0.00	373,806	373,806	591,149
40	85	0.00	3,939	0.00	382,264	382,264	587,210
		<u>500,000.00</u>		<u>-96,600.00</u>			
41	86	0.00	4,058	0.00	390,472	390,472	583,152
42	87	0.00	4,179	0.00	398,447	398,447	578,973
43	88	0.00	4,305	0.00	406,224	406,224	574,669
44	89	0.00	4,434	0.00	413,922	413,922	570,235
45	90	0.00	4,567	0.00	421,642	421,642	565,668
		<u>500,000.00</u>		<u>-96,600.00</u>			
46	91	0.00	4,704	0.00	429,649	429,649	560,964
47	92	0.00	4,845	0.00	437,770	437,770	556,119
48	93	0.00	4,990	0.00	446,161	446,161	551,129
49	94	0.00	5,140	0.00	455,124	455,124	545,989
50	95	0.00	5,294	0.00	465,053	465,053	540,695
		<u>500,000.00</u>		<u>-96,600.00</u>			
51	96	0.00	5,453	0.00	476,521	476,521	535,242
52	97	0.00	5,617	0.00	490,409	490,409	529,625
53	98	0.00	5,785	0.00	508,083	508,083	523,840
54	99	0.00	5,959	0.00	530,467	530,467	537,818
55	100	0.00	6,137	0.00	554,115	554,115	561,764
		<u>500,000.00</u>		<u>-96,600.00</u>			
56	101	0.00	6,321	0.00	578,664	578,664	586,621
57	102	0.00	6,511	0.00	604,130	604,130	612,407
58	103	0.00	6,706	0.00	630,536	630,536	639,144
59	104	0.00	6,908	0.00	657,895	657,895	666,846
60	105	0.00	7,115	0.00	686,202	686,202	695,507
		<u>500,000.00</u>		<u>-96,600.00</u>			

Principal National Life Insurance Company

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Alternate Scale (Non Guaranteed) at a rate of 4.50%							
Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
61	106	0.00	7,328	0.00	715,472	715,472	725,142
62	107	0.00	7,548	0.00	745,785	745,785	755,834
63	108	0.00	7,775	0.00	777,172	777,172	787,613
64	109	0.00	8,008	0.00	809,673	809,673	820,519
65	110	0.00	8,248	0.00	843,403	843,403	854,668
		500,000.00		-96,600.00			
66	111	0.00	8,496	0.00	878,428	878,428	890,129
67	112	0.00	8,750	0.00	914,798	914,798	926,950
68	113	0.00	9,013	0.00	952,580	952,580	965,200
69	114	0.00	9,283	0.00	991,849	991,849	1,004,955
70	115	0.00	9,562	0.00	1,032,665	1,032,665	1,046,275
		500,000.00		-96,600.00			
71	116	0.00	9,849	0.00	1,075,121	1,075,121	1,089,253
72	117	0.00	10,144	0.00	1,119,301	1,119,301	1,133,977
73	118	0.00	10,448	0.00	1,165,283	1,165,283	1,180,523
74	119	0.00	10,762	0.00	1,213,149	1,213,149	1,228,975
75	120	0.00	11,085	0.00	1,262,968	1,262,968	1,279,404
		500,000.00		-96,600.00			
76	121	0.00	11,417	0.00	1,308,754	1,308,754	1,325,761
		500,000.00		-96,600.00			

No one can predict with certainty how the Reference Index will perform over time. You should consider illustrations at index-linked rates lower than the maximum illustrated rate we have set. This supplemental illustration assumes 100% allocation to the fixed account with the level current non-guaranteed crediting rate specified. Any Alternate Policy Loans assume a loan credited rate equal to the loan charged rate (see Features & Benefits report).

Principal National Life Insurance Company

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Current (Non Guaranteed)							
Based on premium allocation and interest rate tables							
Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/ Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
1	46	25,000.00	0	25,000.00	6,804	20,590	545,590
2	47	25,000.00	0	25,000.00	28,783	42,570	567,570
3	48	25,000.00	0	25,000.00	52,247	66,033	591,033
4	49	25,000.00	0	25,000.00	77,292	91,078	616,078
5	50	25,000.00	0	25,000.00	104,024	117,810	642,810
		<u>125,000.00</u>		<u>125,000.00</u>			
6	51	25,000.00	0	25,000.00	133,249	146,346	671,346
7	52	25,000.00	0	25,000.00	165,682	176,808	701,808
8	53	25,000.00	0	25,000.00	205,629	213,970	738,970
9	54	25,000.00	0	25,000.00	248,230	253,648	778,648
10	55	25,000.00	0	25,000.00	292,760	296,014	821,014
		<u>250,000.00</u>		<u>250,000.00</u>			
11	56	25,000.00	0	25,000.00	341,939	341,939	866,939
12	57	25,000.00	0	25,000.00	390,940	390,940	915,940
13	58	25,000.00	0	25,000.00	443,239	443,239	968,239
14	59	25,000.00	0	25,000.00	499,076	499,076	1,024,076
15	60	25,000.00	0	25,000.00	558,704	558,704	1,083,704
		<u>375,000.00</u>		<u>375,000.00</u>			
16	61	25,000.00	0	25,000.00	622,802	622,802	1,147,802
17	62	25,000.00	0	25,000.00	691,289	691,289	1,216,289
18	63	25,000.00	0	25,000.00	764,484	764,484	1,289,484
19	64	25,000.00	0	25,000.00	842,726	842,726	1,367,726
20	65	25,000.00	0	25,000.00	926,380	926,380	1,451,380
		<u>500,000.00</u>		<u>500,000.00</u>			
21	66	0.00	59,660	-59,660.00	926,003	926,003	1,389,410
22	67	0.00	59,660	-59,660.00	925,756	925,756	1,329,750
23	68	0.00	59,660	-59,660.00	925,705	925,705	1,270,090
24	69	0.00	59,660	-59,660.00	925,922	925,922	1,210,430
25	70	0.00	59,660	-59,660.00	926,483	926,483	1,150,770
		<u>500,000.00</u>		<u>201,700.00</u>			
26	71	0.00	59,660	-59,660.00	927,383	927,383	1,091,110
27	72	0.00	59,660	-59,660.00	928,754	928,754	1,049,492
28	73	0.00	59,660	-59,660.00	930,741	930,741	1,033,122
29	74	0.00	60,768	-59,660.00	933,033	933,033	1,020,430
30	75	0.00	62,591	-59,660.00	935,594	935,594	1,008,130
		<u>500,000.00</u>		<u>-96,600.00</u>			

Principal National Life Insurance Company

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*The values illustrated in this report are based initially on the current interest crediting rate stated above (if applicable) or on the premium allocation and interest rate tables (see Summary of Benefits Report). The illustrated rate can vary in future years due to current assumptions regarding changing policy expenses or due to policy adjustments.

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Current (Non Guaranteed)							
Based on premium allocation and interest rate tables							
Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
31	76	0.00	3,019	0.00	1,002,421	1,002,421	1,057,725
32	77	0.00	3,110	0.00	1,073,932	1,073,932	1,132,967
33	78	0.00	3,203	0.00	1,150,440	1,150,440	1,213,460
34	79	0.00	3,299	0.00	1,232,267	1,232,267	1,299,543
35	80	0.00	3,398	0.00	1,319,749	1,319,749	1,391,570
		500,000.00		-96,600.00			
36	81	0.00	3,500	0.00	1,413,237	1,413,237	1,489,907
37	82	0.00	3,605	0.00	1,513,088	1,513,088	1,594,931
38	83	0.00	3,713	0.00	1,619,672	1,619,672	1,707,030
39	84	0.00	3,825	0.00	1,733,371	1,733,371	1,826,605
40	85	0.00	3,939	0.00	1,854,570	1,854,570	1,954,061
		500,000.00		-96,600.00			
41	86	0.00	4,058	0.00	1,983,676	1,983,676	2,089,825
42	87	0.00	4,179	0.00	2,121,102	2,121,102	2,234,331
43	88	0.00	4,305	0.00	2,267,269	2,267,269	2,388,022
44	89	0.00	4,434	0.00	2,422,646	2,422,646	2,551,390
45	90	0.00	4,567	0.00	2,587,681	2,587,681	2,724,904
		500,000.00		-96,600.00			
46	91	0.00	4,704	0.00	2,762,947	2,762,947	2,909,169
47	92	0.00	4,845	0.00	2,951,431	2,951,431	3,076,142
48	93	0.00	4,990	0.00	3,154,770	3,154,770	3,254,553
49	94	0.00	5,140	0.00	3,375,020	3,375,020	3,446,050
50	95	0.00	5,294	0.00	3,614,680	3,614,680	3,652,644
		500,000.00		-96,600.00			
51	96	0.00	5,453	0.00	3,870,820	3,870,820	3,911,401
52	97	0.00	5,617	0.00	4,144,468	4,144,468	4,187,841
53	98	0.00	5,785	0.00	4,436,697	4,436,697	4,483,050
54	99	0.00	5,959	0.00	4,748,635	4,748,635	4,798,168
55	100	0.00	6,137	0.00	5,081,466	5,081,466	5,134,388
		500,000.00		-96,600.00			
56	101	0.00	6,321	0.00	5,436,527	5,436,527	5,493,063
57	102	0.00	6,511	0.00	5,815,144	5,815,144	5,875,531
58	103	0.00	6,706	0.00	6,218,762	6,218,762	6,283,252
59	104	0.00	6,908	0.00	6,648,846	6,648,846	6,717,706
60	105	0.00	7,115	0.00	7,106,773	7,106,773	7,180,283
		500,000.00		-96,600.00			

Principal National Life Insurance Company

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POLICY ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Current (Non Guaranteed)							
Based on premium allocation and interest rate tables							
Year	End of Year Age	Annualized Premium Outlay	Partial Surrenders/Loans	Net Outlay	Net Surrender Value	Net Accumulated Value	Net Death Benefit
61	106	0.00	7,328	0.00	7,594,162	7,594,162	7,672,620
62	107	0.00	7,548	0.00	8,113,248	8,113,248	8,196,972
63	108	0.00	7,775	0.00	8,665,990	8,665,990	8,755,320
64	109	0.00	8,008	0.00	9,254,540	9,254,540	9,349,835
65	110	0.00	8,248	0.00	9,881,827	9,881,827	9,983,477
		500,000.00		-96,600.00			
66	111	0.00	8,496	0.00	10,550,546	10,550,546	10,658,968
67	112	0.00	8,750	0.00	11,263,392	11,263,392	11,379,031
68	113	0.00	9,013	0.00	12,023,401	12,023,401	12,146,729
69	114	0.00	9,283	0.00	12,833,846	12,833,846	12,965,372
70	115	0.00	9,562	0.00	13,698,078	13,698,078	13,838,341
		500,000.00		-96,600.00			
71	116	0.00	9,849	0.00	14,619,946	14,619,946	14,769,526
72	117	0.00	10,144	0.00	15,603,480	15,603,480	15,762,998
73	118	0.00	10,448	0.00	16,652,869	16,652,869	16,822,985
74	119	0.00	10,762	0.00	17,772,609	17,772,609	17,954,030
75	120	0.00	11,085	0.00	18,967,307	18,967,307	19,160,786
		500,000.00		-96,600.00			
76	121	0.00	11,417	0.00	20,170,907	20,170,907	20,376,536
		500,000.00		-96,600.00			

Principal National Life Insurance Company

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Hypothetical Loan Impact Report

Indexed Universal Life Accumulation

February 4, 2019

Initial Death Benefit: \$ 525,000

Initial Annual Premium: \$ 25,000.00

Initial Death Benefit Option: 2 (Face + Accumulated Value)

Sample

Male, Age: 45 Preferred Nontobacco

State of Issue: Iowa

Below are hypothetical examples of the net loan cost (or gain) associated with taking a Standard Policy Loan or an Alternate Policy Loan.

- Example 1 assumes the use of a Standard Policy Loan, which is fully secured by the Loan Account. The Standard Policy Loan Interest Credited Rate is 3.00% and the Standard Policy Loan Interest Charged Rate is 3.00%.
- Examples 2 and 3 assume the use of an Alternate Loan, which is fully secured by the Policy's Accumulated Value. The Alternate Policy Loan Interest Charged Rate is 5.25%.

All three examples assume an Accumulated Value(AV) equal to \$100,000 at the beginning of the loan period with a \$10,000 loan, taken annually at the beginning of each year. In order to display the loan option's impact on values within the policy, no policy charges or surrender charges are assumed. Any assumed rates used may not be current - Please refer to the Features & Benefits section of your illustration for actual Standard/Alternate Policy Loan Charged/Credited rates.

Example 1: Standard Policy Loans (with an assumed 6.00% rate applied to the unloaned (net) AV)

Assumed rate applied to the policy's unloaned (net) accumulated value	6.00%
Assumed Standard Policy Loan Interest Credited Rate (yrs 11+)	3.00%
Assumed Standard Policy Loan Charged Rate (yrs 11+)	3.00%
Net Loan Cost	0.00%

Policy Year	Annual Loan Requested	Annual Loan Amount	Loan Credit	Loan Interest	Cumulative Net Loan Cost	Net Surrender Value
11	(10,000)	10,000	300	300	-	95,700
12	(10,000)	10,300	609	609	-	91,133
13	(10,000)	10,609	927	927	-	86,283
14	(10,000)	10,927	1,255	1,255	-	81,132
20	(10,000)	13,048	3,439	3,439	-	42,808

Under Current assumptions, the rate of interest credited to the policy's Loan Account equals the rate of interest charged for the loan after Policy Year 10.

Therefore, in this example the net cost of the Standard Loan is zero.

NOTE: The loan interest charged in years 1-10 will be greater than the loan interest credited.

Example 2: Alternate Policy Loans (with an assumed 3.00% rate applied to the AV)

Assumed rate applied to the policy's accumulated value	3.00%
Assumed Loan Interest Credited Rate	N/A
Assumed Alternate Policy Loan Charged Rate	5.25%
Net Loan Cost	2.25%

Policy Year	Annual Loan Requested	Annual Loan Amount	Loan Credit	Loan Interest	Cumulative Net Loan Cost	Net Surrender Value
11	(10,000)	10,000	300	525	225	93,000
12	(10,000)	10,525	616	1,078	687	85,565
13	(10,000)	11,078	948	1,659	1,398	77,670
14	(10,000)	11,659	1,298	2,271	2,371	69,289
20	(10,000)	15,849	3,818	6,681	14,545	7,135

With an Alternate Policy Loan, when the rate of interest charged for that loan exceeds the rate of interest credited to the policy's AV, the net cost of holding that loan can be substantial.

You should consider the potential impact that each type of loan can have on your policy before taking a loan.

An alternate policy loan carries significantly more risk to the policy's performance due to the potential for a larger net cost for the loan. You should request an illustration from your representative to compare the loan types and show the effects of an underperforming policy. To determine if an alternate loan is the right choice for you, consider the impact to the policy if:

- The rate applied to the policy's accumulated value is lower than the Alternate Policy Loan Interest Charged Rate;
- The policy underperforms due to a market downturn;
- The Segment Modifiers are lowered; or
- Actual performance fluctuates instead of assuming a level illustrated rate.

Important reminder: A change of policy loan type is only permitted once per policy year and must be requested by you.

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Hypothetical Loan Impact Report

Indexed Universal Life Accumulation

February 4, 2019

Initial Death Benefit: \$ 525,000

Initial Annual Premium: \$ 25,000.00

Initial Death Benefit Option: 2 (Face + Accumulated Value)

Sample

Male, Age: 45 Preferred Nontobacco

State of Issue: Iowa

Example 3: Alternate Policy Loans (with an assumed 6.00% rate applied to the AV)

Assumed rate applied to the policy's accumulated value	6.00%
Assumed Loan Interest Credited Rate	N/A
Assumed Alternate Policy Loan Charged Rate	5.25%
Net Loan Gain	0.75%

Policy Year	Annual Loan Requested	Annual Loan Amount	Loan Credit	Loan Interest	Cumulative Net Loan Gain	Net Surrender Value
11	(10,000)	10,000	600	525	75	96,000
12	(10,000)	10,525	1,232	1,078	229	91,835
13	(10,000)	11,078	1,896	1,659	466	87,499
14	(10,000)	11,659	2,596	2,271	790	82,986
20	(10,000)	15,849	7,635	6,681	4,848	51,828

With an Alternate Policy Loan, when the rate of interest credited to the policy's AV exceeds the rate of interest charged for that loan, the result would be a net loan gain to the policy.

You should consider the potential impact that each type of loan can have on your policy before taking a loan.

An alternate policy loan carries significantly more risk to the policy's performance due to the potential for a larger net cost for the loan. You should request an illustration from your representative to compare the loan types and show the effects of an underperforming policy. To determine if an alternate loan is the right choice for you, consider the impact to the policy if:

- ◆ The rate applied to the policy's accumulated value is lower than the Alternate Policy Loan Interest Charged Rate;
- ◆ The policy underperforms due to a market downturn;
- ◆ The Segment Modifiers are lowered; or
- ◆ Actual performance fluctuates instead of assuming a level illustrated rate.

Important reminder: A change of policy loan type is only permitted once per policy year and must be requested by you.

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February 4, 2019

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

For informational purposes only, we have provided a table with historical S&P 500 Price Return Reference Index Rates and corresponding hypothetical historical Index-Linked Rates over the last 20 years.

We used historical Reference Index values as of the end of the month from January 1998 through December 2017. Values assume 100% allocation to the S&P 500 Price Return Index-Linked Account with an illustrated Cap Rate of 12%, Participation Rate of 100%, and a Floor Rate of 0%. This table assumes at the start of each year \$1,000 placed into the Index-Linked Account and throughout each year no charges are deducted and no partial surrenders or loans are taken.

Past results should not be considered representative of expected future performance. Future performance of the S&P 500 Price Return and S&P 500 Total Return could be higher or lower than the performance shown in this chart. The Indexed Universal Life Accumulation was not available until 2016 and the below information applies a current cap rate, floor rate and participation rate to past performance. Actual cap rate and participation rates might have been higher or lower than assumed and would have been impacted by market conditions and different policy guarantees.

Most recent 20-year period

Policy year	Value applied at the beginning of the year	S&P 500 price return reference index rate	Hypothetical Historical Index-Linked Rate Cap = 12% Floor = 0.00% Participation = 100%	End-of-year Index-linked Interest	End-of-year value
1998	\$1,000	26.67%	12.00%	\$120	\$1,120
1999	\$1,000	19.53%	12.00%	\$254	\$2,374
2000	\$1,000	-10.14%	0.00%	\$0	\$3,374
2001	\$1,000	-13.04%	0.00%	\$0	\$4,374
2002	\$1,000	-23.37%	0.00%	\$0	\$5,374
2003	\$1,000	26.38%	12.00%	\$765	\$7,139
2004	\$1,000	8.99%	8.99%	\$732	\$8,871
2005	\$1,000	3.00%	3.00%	\$296	\$10,168
2006	\$1,000	13.62%	12.00%	\$1,340	\$12,508
2007	\$1,000	3.53%	3.53%	\$477	\$13,984
2008	\$1,000	-38.49%	0.00%	\$0	\$14,984
2009	\$1,000	23.45%	12.00%	\$1,918	\$17,903
2010	\$1,000	12.78%	12.00%	\$2,268	\$21,171
2011	\$1,000	0.00%	0.00%	\$0	\$22,171
2012	\$1,000	13.41%	12.00%	\$2,781	\$25,951
2013	\$1,000	29.60%	12.00%	\$3,234	\$30,186
2014	\$1,000	11.39%	11.39%	\$3,552	\$34,738
2015	\$1,000	-0.73%	0.00%	\$0	\$35,738
2016	\$1,000	9.54%	9.54%	\$3,503	\$40,241
2017	\$1,000	19.42%	12.00%	\$4,949	\$46,190

Indexed Universal Life Accumulation was first issued by Principal National Life Insurance Company in 2016. This supplemental report is designed to show hypothetical rates of return at different points in time that predate Indexed UL Accumulation's inception. The table assumes a current cap rate, floor rate and participation rate, and applies them to past performance. Index values are based on historical data, and past performance is not considered representative of future results. Future performance of the S&P 500 Price Return Reference Index and S&P Total Return Reference Index could be higher or lower than the performance shown in the table. Further, actual cap rates and participation rates might have been higher or lower in the past than assumed in this table and would have been impacted by market conditions and different policy guarantees. Finally the tables do not reflect the deduction of fees and charges. If all fees and charges had been deducted, performance would have been lower.

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February 4, 2019

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

For informational purposes only, we have provided a table with historical S&P 500 Total Return Reference Index Rates and corresponding hypothetical historical Index-Linked Rates over the last 20 years.

We used historical Reference Index values as of the end of the month from January 1998 through December 2017. Values assume 100% allocation to the S&P 500 Total Return Index-Linked Account with an illustrated Cap Rate of 18%, Participation Rate of 110%, and a Floor Rate of 0%. This table assumes at the start of each year \$1,000 placed into the Index-Linked Account and throughout each year no charges are deducted and no partial surrenders or loans are taken.

Past results should not be considered representative of expected future performance. Future performance of the S&P 500 Price Return and S&P 500 Total Return could be higher or lower than the performance shown in this chart. The Indexed Universal Life Accumulation was not available until 2016 and the below information applies a current cap rate, floor rate and participation rate to past performance. Actual cap rate and participation rates might have been higher or lower than assumed and would have been impacted by market conditions and different policy guarantees.

Most recent 20-year period

Policy year	Value applied at the beginning of the year	S&P 500 total return reference index rate	Hypothetical Historical Index-Linked Rate Cap = 18% Floor = 0.00% Participation = 110%	End-of-year Index-linked Interest	End-of-year value
1998	\$1,000	13.02%	14.32%	\$143	\$1,143
1999	\$1,000	9.00%	9.90%	\$212	\$2,355
2000	\$1,000	-2.77%	0.00%	\$0	\$3,355
2001	\$1,000	-9.59%	0.00%	\$0	\$4,355
2002	\$1,000	-13.22%	0.00%	\$0	\$5,355
2003	\$1,000	11.14%	12.25%	\$779	\$7,134
2004	\$1,000	2.91%	3.20%	\$260	\$8,394
2005	\$1,000	0.64%	0.71%	\$66	\$9,461
2006	\$1,000	6.70%	7.37%	\$771	\$11,231
2007	\$1,000	5.25%	5.78%	\$707	\$12,938
2008	\$1,000	-16.34%	0.00%	\$0	\$13,938
2009	\$1,000	6.57%	7.22%	\$1,079	\$16,017
2010	\$1,000	2.50%	2.75%	\$468	\$17,485
2011	\$1,000	2.91%	3.21%	\$593	\$19,077
2012	\$1,000	11.57%	12.72%	\$2,555	\$22,632
2013	\$1,000	17.22%	18.00%	\$4,254	\$27,886
2014	\$1,000	6.38%	7.01%	\$2,026	\$30,912
2015	\$1,000	0.76%	0.84%	\$269	\$32,180
2016	\$1,000	4.28%	4.71%	\$1,563	\$34,743
2017	\$1,000	11.34%	12.47%	\$4,458	\$40,201

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February 4, 2019

Indexed Universal Life Accumulation

Sample

Male, Age: 45 Preferred Nontobacco

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Initial Death Benefit: \$ 525,000

Initial Annual Premium: \$ 25,000.00

Initial Death Benefit Option: 2 (Face + Accumulated Value)

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Principal National Life Insurance Company

711 High Street

Des Moines, Iowa 50392-0290

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SUPPLEMENTAL ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Analysis of Surrenders and Loans Using Current (Non Guaranteed) Rates							
Year	End of Year Age	Partial Surrenders	Loans	Loan Repayment	Loan Interest	Cumulative Loan	Loan Credit
1	46	0	0	0	0	0	0
2	47	0	0	0	0	0	0
3	48	0	0	0	0	0	0
4	49	0	0	0	0	0	0
5	50	0	0	0	0	0	0
		<u>0</u>	<u>0</u>				
6	51	0	0	0	0	0	0
7	52	0	0	0	0	0	0
8	53	0	0	0	0	0	0
9	54	0	0	0	0	0	0
10	55	0	0	0	0	0	0
		<u>0</u>	<u>0</u>				
11	56	0	0	0	0	0	0
12	57	0	0	0	0	0	0
13	58	0	0	0	0	0	0
14	59	0	0	0	0	0	0
15	60	0	0	0	0	0	0
		<u>0</u>	<u>0</u>				
16	61	0	0	0	0	0	0
17	62	0	0	0	0	0	0
18	63	0	0	0	0	0	0
19	64	0	0	0	0	0	0
20	65	0	0	0	0	0	0
		<u>0</u>	<u>0</u>				
21	66	59,660	0	0	0	0	0
22	67	59,660	0	0	0	0	0
23	68	59,660	0	0	0	0	0
24	69	59,660	0	0	0	0	0
25	70	59,660	0	0	0	0	0
		<u>298,300</u>	<u>0</u>				
26	71	59,660	0	0	0	0	0
27	72	59,660	0	0	0	0	0
28	73	59,660	0	0	0	0	0
29	74	22,720	36,940	0	1,108	38,048	1,108
30	75	0	59,660	0	2,931	100,639	2,931
		<u>500,000</u>	<u>96,600</u>				
31	76	0	0	0	3,019	103,659	3,019
32	77	0	0	0	3,110	106,768	3,110
33	78	0	0	0	3,203	109,971	3,203
34	79	0	0	0	3,299	113,271	3,299
35	80	0	0	0	3,398	116,669	3,398
		<u>500,000</u>	<u>96,600</u>				

Principal National Life Insurance Company

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SUPPLEMENTAL ILLUSTRATION

February 4, 2019

Indexed Universal Life Accumulation

Sample
Male, Age: 45 Preferred Nontobacco
State of Issue: Iowa

Initial Death Benefit: \$ 525,000
Initial Annual Premium: \$ 25,000.00
Initial Death Benefit Option: 2 (Face + Accumulated Value)

Analysis of Surrenders and Loans Using Current (Non Guaranteed) Rates							
Year	End of Year Age	Partial Surrenders	Loans	Loan Repayment	Loan Interest	Cumulative Loan	Loan Credit
36	81	0	0	0	3,500	120,169	3,500
37	82	0	0	0	3,605	123,774	3,605
38	83	0	0	0	3,713	127,487	3,713
39	84	0	0	0	3,825	131,312	3,825
40	85	0	0	0	3,939	135,251	3,939
		<u>500,000</u>	<u>96,600</u>				
41	86	0	0	0	4,058	139,309	4,058
42	87	0	0	0	4,179	143,488	4,179
43	88	0	0	0	4,305	147,792	4,305
44	89	0	0	0	4,434	152,226	4,434
45	90	0	0	0	4,567	156,793	4,567
		<u>500,000</u>	<u>96,600</u>				
46	91	0	0	0	4,704	161,497	4,704
47	92	0	0	0	4,845	166,342	4,845
48	93	0	0	0	4,990	171,332	4,990
49	94	0	0	0	5,140	176,472	5,140
50	95	0	0	0	5,294	181,766	5,294
		<u>500,000</u>	<u>96,600</u>				
51	96	0	0	0	5,453	187,219	5,453
52	97	0	0	0	5,617	192,836	5,617
53	98	0	0	0	5,785	198,621	5,785
54	99	0	0	0	5,959	204,579	5,959
55	100	0	0	0	6,137	210,717	6,137
		<u>500,000</u>	<u>96,600</u>				
56	101	0	0	0	6,321	217,038	6,321
57	102	0	0	0	6,511	223,549	6,511
58	103	0	0	0	6,706	230,256	6,706
59	104	0	0	0	6,908	237,163	6,908
60	105	0	0	0	7,115	244,278	7,115
		<u>500,000</u>	<u>96,600</u>				
61	106	0	0	0	7,328	251,607	7,328
62	107	0	0	0	7,548	259,155	7,548
63	108	0	0	0	7,775	266,929	7,775
64	109	0	0	0	8,008	274,937	8,008
65	110	0	0	0	8,248	283,185	8,248
		<u>500,000</u>	<u>96,600</u>				
66	111	0	0	0	8,496	291,681	8,496
67	112	0	0	0	8,750	300,431	8,750
68	113	0	0	0	9,013	309,444	9,013
69	114	0	0	0	9,283	318,728	9,283
70	115	0	0	0	9,562	328,289	9,562
		<u>500,000</u>	<u>96,600</u>				

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Analysis of Surrenders and Loans Using Current (Non Guaranteed) Rates							
Year	End of Year Age	Partial Surrenders	Loans	Loan Repayment	Loan Interest	Cumulative Loan	Loan Credit
71	116	0	0	0	9,849	338,138	9,849
72	117	0	0	0	10,144	348,282	10,144
73	118	0	0	0	10,448	358,731	10,448
74	119	0	0	0	10,762	369,493	10,762
75	120	0	0	0	11,085	380,577	11,085
		<u>500,000</u>	<u>96,600</u>				
76	121	0	0	0	11,417	391,995	11,417
		<u>500,000</u>	<u>96,600</u>				

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