



Principal® Term

New rates for level term products

Transition guidelines for Principal Term March 2020 reprice

We're excited to announce we'll be **introducing new premium rates for Principal 10-, 15-, 20-, and 30-Year Term** on March 30. Note: This rate change does not apply to Principal® One-Year Term or Principal® GI Term.

This term reprice includes the following updates:

- Level term rates are lower at many ages and risk classes.
- Monthly EFT modal factor has been lowered to 0.0860 (applies to new-issue policies with the new reprice rates only).
- Conversion Extension Rider rates are increased.

For purposes of these guidelines, current Term 2020 rates are referred to as “**original rates**” and the new, repriced Term 2020 rates are referred to as “**03/20 rates**.”

March 30, 2020

- New term **03/20 rates** are available to quote and sell.
- We'll accept applications for **original rates** until May 1, 2020.
- Term 2020 applications in underwriting will be issued at rates applied for unless **03/20 rates** are requested.
 - Note the request on a cover letter/transmittal. A new application is not required.

To get Term 2020 **original rates**, an application must be received in our home office by May 1, 2020.

May 2, 2020

- All applications received in the home office on or after this date will be issued with **03/20 rates**.

Policies within the examination period (COD, Offer, or Shortage)

- If **03/20 rates** are desired:
 - If the policy was delivered via eDelivery, the Field Office contact will reject the policy with **original rates** and indicate in the “Rejection Comments” box that “Term rates – 03/20” are desired. The policy will then be reissued and delivered via eDelivery.
 - If the physical policy was mailed from Principal, simply indicate “Term rates – 03/20” with the delivery requirement and submit the correct premium amount. New data pages will then be mailed to the customer.

Backdating

- Backdating is allowed in order to save age. Normal backdating rules apply.

State approvals

- Approved in all states.



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