

Questions your financial professionals may have:

1. Is Principal still servicing clients? Will service levels be maintained?

- Yes, as of today, there are no changes for these customers – they will continue to receive the same products and services without disruption. Principal will determine next steps and share any changes with our impacted customers, doing everything we can to make it a smooth transition for them.

2. How does this impact business I have in motion?

- Pending applications or contracts will still be processed and honored. This announcement does not halt anything that is currently in flight.

Annuities

3. Why is Principal stopping sales for new retail fixed annuities?

- Principal's U.S. fixed retail annuities sales have been challenged. It is difficult to see a long-term path where they can differentiate in an increasingly commoditized marketplace and achieve their long-term financial targets in a challenging interest rate environment.

4. Why is Principal still selling variable annuities, but not retail fixed annuities?

- Income solutions remain a core component of Principal's retirement strategy and supports their worksite approach.
- Variable annuities are an important way Principal offers guaranteed income as part of their suite of complete retirement solutions.

5. How does this impact my compensation relative to annuities I've sold for Principal?

- As of today, there are no changes to Principal's compensation programs. They will not know more until they identify the right partner and align on an agreement. Principal will continue to share information with you as soon as they're able.

Life Insurance

6. Why is Principal still selling retail individual disability and not retail individual life?

- Decisions had to be prioritized.
- Life insurance is more capital-intensive than individual disability insurance, and the returns have been more pressured due to lower interest rates and presence of secondary rate guarantees on some life products. Decisions related to that business were prioritized.
- About 60% of Principal's disability sales are to the business market, which supports their small to medium business focused strategy.
- Principal will continue to evaluate how to optimize the capital usage and returns of their products. If/when future decisions are made, they'll communicate those as timely as they can.

7. How is Principal defining the business market in individual life?

- Business market insurance includes: life insurance supporting their Business Owners Executive Solutions (BOES) (i.e. Buy Sell, Key person, Executive Bonus, GI term, etc.), any life insurance plans administered on their BMA platform, trust-owned business if the trustee is a business entity, and affiliated business which includes personal insurance on the business owner and key employees of the business. EVUL/COLI business is included in Principal's business market production as well.
- This is consistent with how Principal has defined this in the past. This has averaged 50-60% of total individual life insurance sales for the last five to 10 years.

Questions your financial professional's Annuity and Life Insurance customers may have:

8. What happens to my existing individual life insurance policy?

- There's no change as a result of these decisions. Your existing policy and agreement remain with Principal, and you'll contact Principal in the same ways you do today.
- Principal will determine next steps and share any changes with you, doing everything they can to make it a smooth transition.

9. What happens to my existing retail fixed annuity product with Principal?

- Your existing annuity with Principal remains the same – you'll receive your income payments the same as you do today, and you'll contact Principal in the same ways.
- As Principal considers and executes potential transactions, they'll do all they can to ensure a smooth transition and communicate any changes that may impact you.

10. What about policies/annuities that were recently purchased and aren't in-force yet?

- Pending applications or contracts will still be processed. This announcement will not halt activity that is currently in-flight, and you will receive information on your product(s) as they are processed.

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