

## Life insurance sales with 1980 CSO products end in 2008

07/30/2008

Due to state and federal regulation changes, life insurance products using the 1980 CSO Table will no longer be available for sale effective **Nov. 24, 2008**. Please read carefully as this impacts your year-end business.

### Universal Life Insurance

| Old  | 2001 CSO Replacement (if applicable)                    |
|--|---|
| Principal Universal Life 3                         | Principal Universal Life Flex <sup>SM</sup> (Fall 2008) |
| Principal Universal Life Accumulator <sup>SM</sup> | Not being replaced                                      |

### Variable Universal Life Insurance\*

| Old  | 2001 CSO Replacement (if applicable)              |
|--|---|
| Principal Variable Universal Life (VUL) Income <sup>SM</sup> and Principal VUL Income Plus <sup>SM</sup> | Principal VUL Income II <sup>SM</sup> (July 2008) |
| Principal VUL Accumulator II   | Not being replaced                                |
| Principal Survivorship Variable Universal Life   | Not being replaced                                |

\*Executive Variable Universal Life and Benefit Variable Universal Life transition guidelines will be issued separately.

### Term insurance

Annually Renewable Term, though 2001 CSO-compliant, is being removed from the portfolio with this transition.

### Underwriting

To guarantee a 1980 CSO product, the following must occur:

- l All final underwriting and administrative requirements, including premium, must be received on or before Nov. 24.
- l The contract must be ready to issue and be placed in-force with initial premium on Nov. 24.
- l If any of these requirements are not met, a 2001 CSO-compliant product will be issued.

**NOTE: Underwriting requirements include Attending Physician Statements. Principal Life Insurance Company strongly advises you to submit any application no later than Oct. 1 to ensure all underwriting requirements are known and secured.**

### Illustrations

Old CSO products will no longer be illustrated after **Nov. 1, 2008**. Any application that meets the deadline dates above, which needs a revised illustration for issuance, will be provided by your New Business team.

### 1035 exchanges

If 1035 proceeds are not received prior to Nov. 24, initial premium will be required by Nov. 24

to guarantee the 1980 CSO-compliant product. The 1035 exchange may continue, but once the proceeds are received, they will be added to the contract as of the current date. Reissues to include all proceeds as of policy date will not be allowed.

### **Trust cases**

A new trust application must be received by Nov. 24 to guarantee the issue of a 1980 CSO product.

### **Backdating**

Backdating to obtain a 1980 CSO product will not be allowed.

### **Change of insured**

We will no longer allow the addition of the Change of Insured Rider to Single Premium Whole Life, Adjustable Life and contracts dated pre Jan. 1, 1985.

### **Loss of grandfathering – Section 7702**

As outlined in Section 7702 of the 2001 CSO Table, any Change of Insured transaction on a pre-Defra contract processed after Jan. 1, 2009, will lose its grandfathering.

**NOTE: All Principal Life policies that were NOT issued on the 2001 CSO Mortality Tables will allow transactions as long as those transactions are allowed in the policy contract.**

**For more information:** Your Principal Life underwriter

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