

Principal Secure Choice Indexed Annuity<sup>SM</sup>

# Growth potential and safety The best of both worlds



## We get it.

Financial matters can be challenging. But we're here to help you create that sweet spot in retirement savings.

That's why we created Principal Secure Choice Indexed Annuity<sup>SM</sup> (Principal Secure Choice).

You'll make a one-time deposit into one of the available contract periods, with the assurance that your premium is protected from market losses. You also benefit from potential growth based in part on the performance of the S&P 500<sup>®</sup> Index (excluding dividends). Any index credits applied to your account are tax-deferred until you make a withdrawal.



## Premiums

The premium is the amount of money (qualified or nonqualified) you use to purchase your annuity. If you use multiple sources of money to fund your premium contribution, Principal Life will not issue a contract until all funds are received.

- > Minimum amount needed: \$10,000
- > Maximum amount allowed: \$2 million



## Index crediting methods

This is what provides the growth potential for your annuity, and you have two options. Both are based in part on the S&P 500<sup>®</sup> Index (the S&P Index does not reflect dividends paid on the stocks underlying the index).

- > Choose either the Annual Point-to-Point or Performance Trigger crediting method.
- > You can only choose one crediting method at a time.
- > You can switch crediting methods at each contract anniversary. You'll have a 30-day window prior to your contract anniversary to make the change.

An index credit will never be negative, and your accumulated value will never be reduced due to poor performance of the S&P 500<sup>®</sup> Index.

Not FDIC or NCUA insured

May lose value • Not a deposit • No bank or credit union guarantee  
Not insured by any Federal government agency



## Annual point-to-point crediting method

### Index credit amount

This crediting method measures the annual difference between the S&P 500® Index value at the beginning and the end of your contract year. If the percentage change is positive, this will be credited to your accumulated value up to your cap amount. If it's negative or flat, you won't receive an index credit that year, but your accumulated value won't decrease.

- > Index credits are applied annually on your contract anniversary and are calculated by multiplying your accumulated value by the lesser of the index change or your index cap, then multiplied by the participation rate.

### Index cap

A cap is the highest percentage that may be credited to your accumulated value in a given contract year.

- > Your initial index cap is set when you purchase your annuity, and is adjusted annually on your contract anniversary.
- > A minimum cap is also set, ensuring you will never receive less than the minimum stated in your contract. Additionally, a new minimum index cap is set for each subsequent surrender charge period if you renew your annuity.
- > If renewing extends your contract beyond your 95th birthday, you will be issued an annual minimum cap until you annuitize your contract.

### Participation rate

- > This is set upon purchase and will not change for the life of the contract.



## Performance trigger crediting method

### Index credit amount

Performance for this crediting method is measured by determining the difference between the S&P 500® Index value at the beginning and the end of your contract year. If the percentage change is either flat or positive, your account is credited with your trigger percentage. If it's negative, you won't receive an index credit that year, but your accumulated value won't decrease.

- > Credits are applied annually on your contract anniversary by multiplying your accumulated value by the trigger percentage.

### Trigger percentage

The trigger percentage is the percentage credited to your annuity if the S&P 500 Index® is flat or positive.

- > Your trigger percentage is set when you purchase your annuity, and is adjusted annually on your contract anniversary.
- > A minimum trigger percentage is also set, ensuring you will never receive less than the minimum stated in your contract. Additionally, a new minimum trigger percentage is set for each subsequent surrender charge period if you renew your annuity.
- > If renewing extends your contract beyond your 95th birthday, you will receive an annual minimum trigger percentage until you annuitize your contract.

## Surrender charges

A surrender charge period is the length of time charges will apply if you withdraw more from your annuity than the free surrender amount. Annuities are intended to be long-term investments, and surrender charges may be applied if you withdraw the money early.

- > Surrender charges are not applied if you use money from your annuity to purchase an income option, or to payments made to your beneficiaries upon your death.
- > You can choose one of four different surrender charge periods. This chart shows the surrender charges for our different options.

Period	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
4 year	9%	9%	8%	7%	—	—	—
5 year	9%	9%	8%	7%	6%	—	—
6 year	9%	9%	8%	7%	6%	5%	—
7 year	9%	9%	8%	7%	6%	5%	4%

## Premium credit

If a premium credit is offered when you purchase your annuity contract, it will be set at purchase and will not change for the duration of your surrender charge period.

- > The premium credit is a percentage of your total premium.
- > You may qualify for a higher percentage if you increase your premium.
- > It may not be available for all surrender charge periods.

## Automatic renewal window feature

During the last 30 days of your surrender charge period, you'll be able to automatically renew into a new surrender charge period. You may also withdraw your accumulated value during this renewal window without paying any surrender charges.

- > You'll automatically renew into the same surrender charge period unless you select a different one.
- > Surrender charges will reset.
- > Depending on which index crediting method you choose, you'll receive either the best index cap or trigger percentage available at the beginning or at the end of the renewal window.
- > The renewal feature is not available in Florida or Delaware. In those states, when your original guarantee period ends, your contract will renew into a one-year guarantee period and surrender charges will not restart.

## Guaranteed minimum surrender value

If you decide to surrender your contract before your renewal period, you are guaranteed 90% of your original premium, plus a 1% annual interest rate for each year your premium remained in the contract.

- > Withdrawals will be subtracted from that total.
- > The 1% interest rate is subject to change if you renew your contract.
- > While this guarantee can be beneficial to clients who decide to fully surrender the contract after a long period of negative market growth, it is not a guaranteed minimum interest rate.
- > Guarantees are based on the claims-paying ability of Principal Life Insurance Company.

### NOTE:

If you decide to surrender your contract, and the accumulated value of your annuity minus your surrender charge is worth more than the guaranteed minimum, you will receive the higher value.

## Free surrender amount

You can withdraw a portion of your accumulated value at any time without facing surrender charges. The free surrender amount is 10% of your accumulated value (calculated at the beginning of the contract year in which you make your withdrawal).

- > If your required minimum distribution (RMD) is higher than 10% of your accumulated value, then your RMD will qualify as your free surrender amount.
- > At all times, your accumulated value must be at least \$5,000 after any withdrawals.

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## Income benefits

- > A full range of life, joint life and fixed period income options are available. Surrender charges are not applied if you use money from your annuity to purchase an income option.

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## Waiver of surrender charge rider

**Surrender charges may be waived if one year after the effective date you:**

- > Are diagnosed as terminally ill, with a life expectancy of less than 12 months.
- > Become totally and permanently disabled.
- > Enter a medical care facility and are confined there for 60 consecutive days or more.

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## Death benefits

- > Your beneficiary will receive the greater of the accumulated value or the guaranteed minimum surrender value as of the date Principal Life receives receipt of notice, proof of death and necessary payout information.

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## Issue age & contract maturity

- > You must be between the ages of 0-85.
- > The annuity contract will mature at age 95.

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## Contract issue dates

- > Contracts are issued on the 2<sup>nd</sup>, 9<sup>th</sup>, 16<sup>th</sup> and 23<sup>rd</sup> of each month.

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## Annual charges and reporting

- > There are no annual or up-front charges.
- > Statements are provided at each new contract year.



[principal.com](http://principal.com)

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Purchasing an indexed annuity does not provide a direct investment into the stock market and guarantees are based on the claims-paying ability of Principal Life Insurance Company. They are a long-term non-security (fixed) annuity product that provide an opportunity to earn an interest rate based partially on a specific index without the risk of loss of premium due to market downturns. Indexed annuities may not be suitable for all individuals.

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