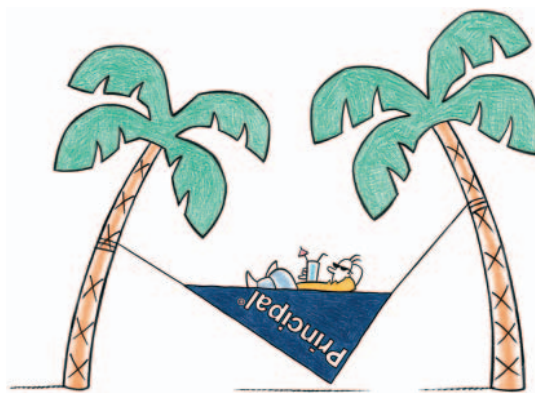


Product Description

Principal Guaranteed Fixed Annuity



Principal Guaranteed Fixed Annuity

Choose from one-, three- or five-year guaranteed interest rate periods

The Principal Guaranteed Fixed Annuity helps you save, whether you are in or near retirement. It offers a fixed rate of return, strong guarantee* features and a surrender charge period of only five years. You can also take advantage of three guaranteed interest rate periods as well as withdrawal features to help you meet your retirement needs.

- **Contribution (Premium) Limits** — The minimum initial premium payment is \$5,000 for qualified or non-qualified money. The maximum without home office approval is \$1,000,000.¹
 - **One-year guarantee period** — Accepts single premium payments only.
 - **Three- or five-year guarantee period** — Accepts additional premium payments in the first contract year only (\$2,000 minimum).
- **Maximum Issue Age – 90 (85 in OK)** — The contract matures at the later of age 95 or 10 years after it is issued.
- **Guaranteed Interest Rates²**

One-Year Guarantee Period

Your initial premium earns an interest rate that is guaranteed for one year. The renewal rate for the second contract year is guaranteed to be no less than the initial base rate.

Then, on each following anniversary, you receive a renewal interest rate until the next anniversary.** Interest rates credited will change over time but are guaranteed not to be less than the guaranteed minimum interest rate stated in your contract.

Three- or Five-Year Guarantee Period

If you make one premium payment only, the initial premium payment will earn the initial interest rate, guaranteed for three or five years. On each contract anniversary after the initial guarantee period, we will set a renewal interest rate that is guaranteed until the next contract anniversary.

If you make additional premium payments during the first contract year, each additional premium will earn interest at the rate in effect on the date we receive the premium until the first contract anniversary. On the first contract anniversary, the interest rate will be the dollar-weighted average of the first year base interest rates. This interest rate will then be guaranteed until the end of the initial guarantee period (three or five years). At the end of the initial guarantee period and each contract anniversary after, we will set a renewal interest rate that is guaranteed until the next contract anniversary.* Interest rates credited will change over time but are guaranteed not to be less than the guaranteed minimum interest rate stated in your contract.

- **Guaranteed Minimum Interest Rate (NAIC Model Index Method)** — For the Principal Guaranteed Fixed Annuity, Principal Life sets the guaranteed minimum interest rate determined by a formula, with general parameters established by state law. It will never be less than one percent and no greater than three percent.³

The guaranteed minimum interest rate is set at contract issue and will not change for the life of the contract. In other words, the guaranteed minimum interest rate, once set, will never change.

*Guarantees are based on the claims-paying ability of the Principal Life Insurance Company.

**The company determines all interest rates at its sole discretion.

Not FDIC or NCUA insured

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

- **Premium Credit** — Each time you make a premium payment while a Premium Credit is applicable, we will add a Premium Credit to your contract’s accumulated value. Your Premium Credit percentage is set at issue by Principal Life Insurance Company and is determined by the amount of the premium payment applied on the issue date.⁴

You may be eligible for a higher Premium Credit percentage if your initial premium payment is \$100,000 or higher. The Premium Credit may not be available with all guarantee periods.

- **Guaranteed Return of Principal** — You are assured a return of premiums you’ve paid at full surrender (less previous withdrawals). Based on the claims-paying ability of Principal Life Insurance Company.
- **Annual Charges** — There are no annual or up-front charges.
- **Surrender Charge** — There are no surrender charges for amounts used to purchase an annuity income or for single-sum payments made at death. For other surrenders, the charges are as follows:

Contract Year	1	2	3	4	5	6+
Surrender Charge (%)	7	7	7	6	5	0

Surrender charge period does not start over for new premium contributions. Surrender charges are based on the contract issue date.

- **Waiver of Surrender Charge⁵** — Access your money when you need it most with our Waiver of Surrender Charge rider. With this no-cost rider, you may receive all or a portion of your accumulated value without any surrender charge if one year after the effective date you:
 - Are diagnosed as terminally ill, with a life expectancy of less than 12 months
 - Are under the age of 65 and become totally and permanently disabled, and are eligible to receive Social Security disability benefits
 - Enter a medical care facility and are confined there for 60 consecutive days or more
- **Interest Rate Bail-Out⁵** — Available with the one-year guaranteed period only. We will waive surrender charges if at time of full surrender your current contract year’s renewal interest rate is less than the Bail-Out Rate stated in your contract. The Bail-Out Rate is set when the contract is issued and does not change for the life of the contract. The benefit of this rider will only apply if the entire accumulated value of your account is surrendered.
- **Free Surrender Amount** — Each year you can withdraw up to the greater of 10 percent of the contract year’s beginning account value, plus 10 percent of any additional premium payments made during the contract year or the minimum distribution required by the IRS for qualified plans, without paying a surrender charge. Any withdrawals exceeding this amount are subject to a surrender charge. The minimum contract value, at all times, must be at least \$5,000. Values withdrawn prior to age 59½ may be subject to a 10 percent IRS penalty tax.
- **Flexible Withdrawal Option (FWO)** — For no additional fee, you can receive scheduled partial surrenders on an annual, semiannual, quarterly or monthly basis.⁵ Withdraw (without surrender charge) any amount up to your free surrender amount. Withdrawals may be paid directly to another account (checking, savings, mutual fund, etc.) of your choice.
- **Benefits** — A wide range of life, joint life and fixed-period income options is available.
- **Reporting** — Annual statements are provided at the beginning of each new contract year that include a summary of the past year’s activities, values of the contract and guaranteed interest rates.

- ¹ The Principal Financial Group reserves the right to limit or prohibit the acceptance of any premiums if the interest rate in effect on the date we receive any premium is equal to the guaranteed minimum interest rate.
- ² All guaranteed interest rate periods may not be available in all states.
- ³ Principal Life reserves the right to set the actual guaranteed minimum interest rate at a level higher than the NAIC Model Index Method calculation. State variation may apply.
- ⁴ If you apply the entire accumulated value to a benefit option in the first three contract years, any Premium Credits previously applied through that date will be subtracted from the amount applied to the benefit option.
- ⁵ Not available in all states and state variations may apply.

Tax-qualified retirement arrangements, such as IRAs, SEPs, and SIMPLE-IRAs are tax-deferred. You derive no additional benefit from the tax deferral feature of the annuity. Consequently, an annuity should be used to fund an IRA, or other tax qualified retirement arrangement, to benefit from the annuity's features other than tax deferral. These features may include guaranteed lifetime income, guaranteed minimum interest rates, and death benefits without surrender charges.

Guarantees are based on the claims-paying ability of Principal Life Insurance Company.

Contract rider descriptions are not intended to cover all restrictions, conditions or limitations. Refer to rider for full detail.



WE'LL GIVE YOU AN EDGE®

Annuities are issued by Principal Life Insurance Company, a member of the Principal Financial Group®, Des Moines, IA 50392. principal.com