

# Group Life Conversion Application Instructions/Rate Sheet

Administered by  
**Principal Life Insurance Company**  
**Attn: Group Life and Disability Claims Department**  
Des Moines, Iowa 50392-0002  
Toll free Nationwide 800-245-1522  
Toll free fax 800-255-6609  
Email: [SBDClaims@principal.com](mailto:SBDClaims@principal.com)



## Available Option

Individual Purchase Rights (conversion) allows qualifying individuals previously covered by employer-sponsored group life insurance to buy individual life insurance coverage without proof of good health. Coverage is provided through an Individual Life Insurance policy issued by Principal Life Insurance Company, a member of the Principal Financial Group®.

You may choose coverage from a

- minimum face amount of \$1,000 to a
- maximum face amount of insurance you lost under your employer's policy. (In some situations, depending on the terms of the employer's group policy, the maximum amount may be reduced.)

## Eligibility and Effective Dates

You are eligible to buy conversion life insurance if you were insured as an employee under your employer's life insurance or were covered as a dependent under that insurance prior to the date coverage terminated or reduced and meet qualification requirements outlined in that insurance.

Coverage takes effect on the 32<sup>nd</sup> day following the date your coverage ended or reduced under the employer's life insurance, provided your application and premium are properly submitted within the time frame shown below.

## How, When, and Where to Apply

To obtain coverage, you must submit:

- a completed application; and
- your first premium payment - a minimum of one quarter's premium is required.

within 31 days following the date your life insurance coverage terminated. Proof of good health is not required.

## Important Note:

In light of recent changes in anti-money laundering laws and regulations, we can no longer accept money orders, third party checks, starter checks, or cash. Please submit a personal check or cashier's check.

Your annual premium exceeds the policy's No-Lapse Guarantee Premium and will provide coverage for at least 10 years according to the policy's No Lapse Guarantee provision. The No-Lapse Guarantee Premium is the premium amount that keeps your policy in force during the first 10 policy years on a guaranteed basis, even if your accumulated value is less than what's needed to cover policy costs. After the first 10 policy years, when your No-Lapse Guarantee terminates, it may be necessary for you to pay premiums significantly higher than the No-Lapse Guarantee Premium in order to continue guaranteed coverage under the policy. While the No-Lapse Guarantee Premium keeps your policy in force for a limited time, ongoing premiums at this amount may not allow you to take full advantage of the potential cash value accumulation.

If you pay the minimum No-Lapse Guarantee Premium, your policy will remain in force for the first 10 policy years provided no loans, partial surrenders, or policy changes occur. Guarantees are based on the claims paying ability of Principal Life Insurance Company.

Your annual premium does not provide guaranteed lifetime coverage. After policy acceptance, you may pay a lower or higher premium based on how long you need coverage to stay in force.

## Mail your completed application and premium to:

**Principal Life Insurance Company**  
**Group Life Conversions**  
**Des Moines, IA 50392-2992**  
**800-986-3343**  
**select Directory Assistance**  
**enter ext 76398**

## How To Calculate Your Premium

1. Decide how much insurance you wish to convert.
2. Determine your age (See Note 1 below) and tobacco status (See Note 2 below) as of the 32<sup>nd</sup> day following the termination date of the insurance you are converting.
3. Using the Premium Rate Table included with these materials, identify the column into which your selected insurance amount falls. This tells you the cost per \$1,000 (unit) of insurance.
4. Divide your insurance amount by 1,000 to determine the number of units to be converted. (Round fractional units up for 0.5 or greater.)
5. Multiply the unit number determined in Step 4 by the cost per unit found in Step 3.
6. Add an annual administration charge (see table below) to your premium to determine the amount that needs to be submitted. A minimum of one quarter's premium is required.
7. If you select a Premium Mode other than annual, use the Premium Mode computation table below.

**Note 1:** For the purpose of this application and your insurance policy, issue age refers to your age nearest birthday. Determine the date of the 32<sup>nd</sup> day following the termination date of the insurance you are converting. If that date is closer to your last birthday, use your current age. If that date is closer to your next birthday, use the age you will be on that next birthday.

**Note 2:** For the purpose of this application you will be classified:

- as a tobacco user, if you currently use or have a past use of any tobacco including cigarettes, cigars, pipes, chew, marijuana or have used the nicotine patch or nicotine gum within the last 12 months (3 years at ages 71-85).
- as a non-tobacco user, if you have had no tobacco use in any form within the prior 12 months (3 years for ages 71-85).

Example: The applicant has \$25,000 of life insurance coverage and wishes to convert it. Her last birthday was November 19, 2016. At that time she was 39 years old. Her current coverage terminates on April 25, 2017. The 32<sup>nd</sup> day after coverage termination is May 26, 2017. May 26, 2017 is closer to her next birthday so for our purposes, her age is 40. She is a non-tobacco user. She will use the column for "Non-Tobacco" to determine her base rate per \$1,000 of insurance. She will divide \$25,000 by 1,000 to determine the number of units. Then she will multiply the number of units by the base rate per unit to calculate her base premium. She will then add the annual admin charge to calculate her annual premium.

\$25,000 divided by 1,000 equals 25 units

25	X	\$11.35	=	\$283.75	+	\$180	=	\$463.75
Number of Units		Base Rate for Age & Tobacco Status		Base Premium		Annual Admin Charge		Annual Premium

Your calculation:

\$ \_\_\_\_\_ divided by 1,000 equals \_\_\_\_\_ units

	X	\$	=	\$	+	(\$90 or \$180)	=	\$
Number of Units		Base Rate for Age & Tobacco Status		Base Premium		Annual Admin Charge		Annual Premium

### Premium Mode

You may pay your premium annually, semi-annually, or quarterly. If you wish to pay annually, submit the Annual Premium you have computed with our application. Otherwise, multiply your Annual Premium by the factor from the following table:

Semi-annual	0.5
Quarterly	0.25

## Group Conversion Premiums (Annual Base Rate per Unit of Insurance)

**Rate Table** for UL Flex III policies issued effective October 28, 2019 and later.

Rates do not provide Guaranteed life time coverage.

Multiply the rate below by the units of insurance, then add Annual Admin Charge.

Low Band \$0-\$99,000; Mid Band \$100,000-\$999,000; High Band \$1,000,000 and above

Non-Tobacco Rates			
Annual Admin Charge	\$180	\$90	\$90
Issue Age	Low Band	Mid Band	High Band
0-20	4.98	4.91	4.88
21	5.15	5.08	5.05
22	5.33	5.26	5.23
23	5.52	5.45	5.42
24	5.72	5.65	5.62
25	5.93	5.86	5.83
26	6.17	6.10	6.06
27	6.42	6.35	6.31
28	6.68	6.61	6.58
29	6.97	6.90	6.85
30	7.26	7.19	7.14
31	7.58	7.50	7.45
32	7.91	7.83	7.77
33	8.26	8.17	8.11
34	8.61	8.52	8.47
35	8.99	8.89	8.83
36	9.43	9.32	9.25
37	9.88	9.76	9.68
38	10.36	10.22	10.12
39	10.84	10.69	10.59
40	11.35	11.18	11.07
41	11.89	11.71	11.59
42	12.45	12.25	12.12
43	13.04	12.82	12.68
44	13.66	13.42	13.27
45	14.30	14.05	13.89
46	15.17	14.87	14.67
47	16.08	15.72	15.49
48	17.03	16.62	16.35
49	18.04	17.56	17.26
50	19.09	18.56	18.21

Non-Tobacco Rates, Cont.			
Annual Admin Charge	\$180	\$90	\$90
Issue Age	Low Band	Mid Band	High Band
51	20.20	19.60	19.22
52	21.36	20.70	20.28
53	22.58	21.86	21.40
54	23.87	23.08	22.57
55	25.22	24.36	23.81
56	26.58	25.67	25.08
57	28.02	27.05	26.42
58	29.55	28.52	27.85
59	31.18	30.09	29.38
60	32.91	31.76	31.01
61	34.77	33.54	32.74
62	36.73	35.44	34.59
63	38.83	37.45	36.57
64	41.05	39.61	38.68
65	43.43	41.91	40.92
66	45.71	44.16	43.15
67	48.15	46.57	45.55
68	50.79	49.17	48.14
69	53.63	51.99	50.94
70	56.70	55.03	53.96
71	60.02	58.32	57.23
72	63.62	61.89	60.79
73	67.51	65.74	64.62
74	71.69	69.91	68.78
75	76.23	74.43	73.28
76	81.42	79.54	78.34
77	87.03	85.08	83.84
78	93.14	91.11	89.82
79	99.80	97.70	96.37
80	107.08	104.91	103.54
81	115.04	112.81	111.40
82	123.75	121.46	120.00
83	133.32	130.97	129.47
84	143.84	141.44	139.91
85+	155.42	152.96	151.39

## Group Conversion Premiums (Annual Base Rate per Unit of Insurance)

**Rate Table** for UL Flex III policies issued effective October 28, 2019 and later.

Rates do not provide Guaranteed life time coverage.

Multiply the rate below by the units of insurance, then add Annual Admin Charge.

Low Band \$0-\$99,000; Mid Band \$100,000-\$999,000; High Band \$1,000,000 and above

Tobacco Rates			
Annual Admin Charge	\$180	\$90	\$90
Issue Age	Low Band	Mid Band	High Band
0-20	7.50	7.24	6.98
21	7.75	7.49	7.24
22	8.02	7.76	7.50
23	8.30	8.04	7.78
24	8.59	8.33	8.07
25	8.90	8.63	8.37
26	9.30	9.01	8.73
27	9.71	9.41	9.11
28	10.15	9.83	9.51
29	10.61	10.27	9.93
30	11.09	10.73	10.37
31	11.59	11.22	10.83
32	12.12	11.73	11.32
33	12.67	12.26	11.83
34	13.24	12.82	12.37
35	13.85	13.40	12.93
36	14.59	14.10	13.59
37	15.36	14.82	14.28
38	16.15	15.58	15.00
39	16.99	16.37	15.76
40	17.85	17.19	16.54
41	18.76	18.04	17.36
42	19.69	18.94	18.21
43	20.67	19.87	19.10
44	21.69	20.84	20.04
45	22.77	21.86	21.02
46	23.83	22.88	22.00
47	24.94	23.96	23.04
48	26.12	25.10	24.13
49	27.35	26.29	25.29
50	28.67	27.56	26.52

Tobacco Rates, Cont.			
Annual Admin Charge	\$180	\$90	\$90
Issue Age	Low Band	Mid Band	High Band
51	30.05	28.90	27.82
52	31.51	30.33	29.19
53	33.06	31.83	30.65
54	34.69	33.42	32.19
55	36.43	35.10	33.83
56	38.28	36.90	35.59
57	40.24	38.80	37.46
58	42.31	40.83	39.43
59	44.50	42.96	41.52
60	46.82	45.23	43.75
61	49.27	47.62	46.10
62	51.86	50.15	48.59
63	54.60	52.82	51.22
64	57.47	55.65	53.99
65	60.51	58.62	56.92
66	63.69	61.74	60.04
67	67.04	65.04	63.35
68	70.59	68.52	66.83
69	74.35	72.22	70.53
70	78.33	76.14	74.46
71	82.55	80.30	78.62
72	86.99	84.68	83.01
73	91.67	89.30	87.64
74	96.58	94.15	92.51
75	101.74	99.26	97.64
76	107.42	104.84	103.14
77	113.44	110.77	109.01
78	119.90	117.13	115.30
79	126.88	124.02	122.13
80	134.48	131.53	129.58
81	142.80	139.76	137.75
82	151.91	148.79	146.73
83	162.02	158.83	156.71
84	172.94	169.67	167.51
85+	184.72	181.38	179.17