



## Principal Accelerated Underwriting<sup>SM</sup>

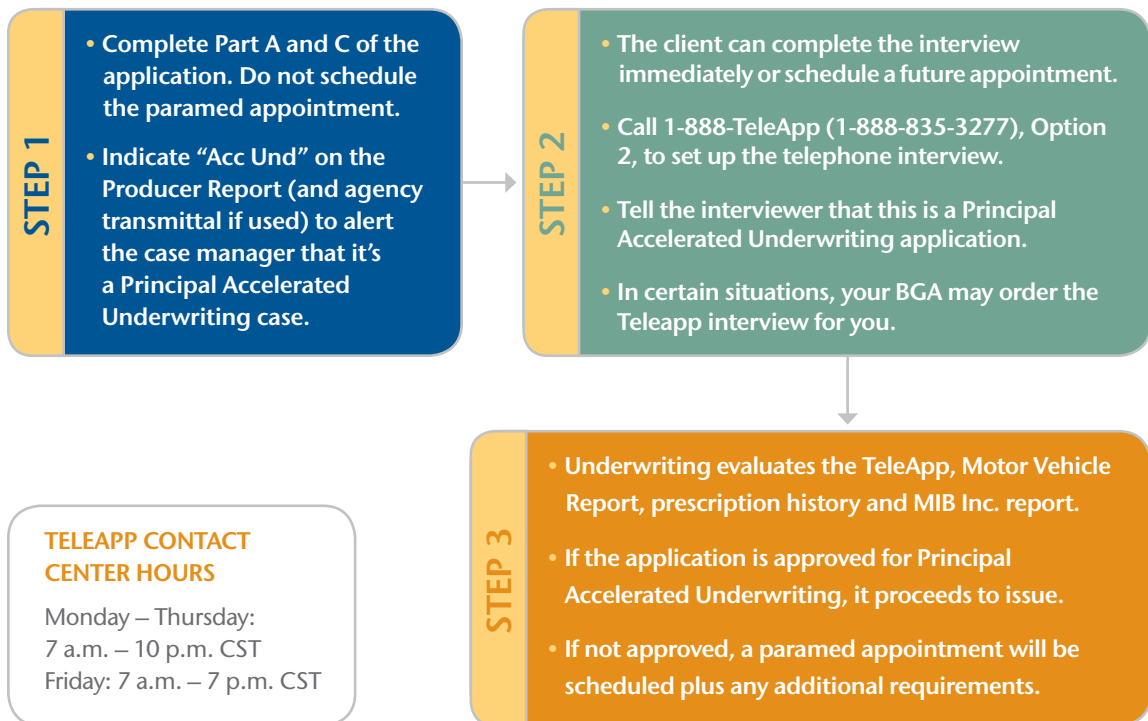
# Program Overview

Accelerated underwriting from the Principal Financial Group® provides you with a streamlined approach that improves the underwriting process through:

- Faster underwriting decisions within 48 hours
- Elimination of lab testing and paramed exams for 50-60 percent of applicants who qualify\*

This can significantly improve the underwriting process for both producers and clients.

### THREE EASY STEPS



\* based on age and face amount requirements



## Questions and Answers

### Q: What types of data are used?

**A:** We use MIB Inc., Motor Vehicle Reports (MVRs), prescription records and information collected during the TeleApp interview. We do not use information from companies who collect data for marketing purposes.

### Q: What happens if clients are not approved for Principal Accelerated Underwriting?

**A:** They simply revert back to the traditional underwriting process and requirements. To ensure no delays, we can schedule the paramed appointment for you from Exam One, Portamedic or APPS. During the TeleApp scheduling, please let us know if you would like us to order exams and which paramed you prefer.

### Q: If The Principal® orders the labs and exams, how do I follow the status?

**A:** When the decision is made that we need a paramed appointment, we'll send you a message and then place an order with the paramed firm. Please make sure your client understands that an exam may be required. Our case coordinators will manage the status on your behalf and notify you if there are any delays. We provide a detailed update at least once a week.

### Q: Will some clients get a worse risk class than if they had gone through full underwriting?

**A:** No. We use exactly the same underwriting guidelines as we do for full underwriting.

### Q: Is there a chance the labs and exams might result in a worse underwriting class?

**A:** In most cases, your client's risk class won't change based on the labs/exams. But if the results are abnormal (e.g., high blood pressure, high cholesterol, liver function tests) the underwriter will re-evaluate the risk class based on the new information.

### Q: What kind of factors might result in my client not being approved?

**A:** Our program is based on a statistical model. We studied applicants who have been approved for Super Preferred or Preferred in the past to understand what factors they have in common.

50-60 percent of applicants tend to have a high number of favorable factors, and we're able to approve them quickly without labs and exams. Other clients may have some favorable factors, but not enough to qualify for the streamlined process.

Our process is designed to select the best candidates for Principal Accelerated Underwriting. Sometimes, a client may be in perfect health and will ultimately be issued at Super Preferred or Preferred. However, the client may not have had enough positive health factors to qualify for this approval without an exam.

### Q: Can I complete Part A of the application using your e-application?

**A:** Yes. If you are a subscriber to iGO/iPipeline®, we highly encourage use of our e-application for universal life and term cases. It highlights required fields in yellow. As you complete the application, sections of the form are shown or purposely hidden based on answers.

### Q: Will Principal Accelerated Underwriting work on replacement business?

**A:** Yes. Make sure you submit the appropriate replacement forms for your state.

**Q: What should I tell my client about this process?**

**A:** In discussions with sales representatives, we have found two strategies that work:

**1. Under-promise and over-deliver**

Once the client agrees to the purchase, complete the application and explain the next steps for underwriting just as you always have, including that someone will contact him or her to schedule a paramed appointment.

If the application is approved for Principal Accelerated Underwriting, share the good news. Tell the client, “Underwriting was able to approve you as Super Preferred/ Preferred without requiring a paramed appointment.”

If the applicant is not approved for Principal Accelerated Underwriting, he or she simply completes the traditional underwriting process, and no follow-up with the client is required.

**2. Place all the cards on the table**

Once the client agrees to the purchase, complete the application and explain the next steps for underwriting. If you feel the client may qualify for Principal Accelerated Underwriting, explain the underwriting process and discuss the possibility of underwriting without the need for paramed exams. Let the client know that the underwriter will review the application and contact you if a paramed appointment will be required.

If the application is approved for Principal Accelerated Underwriting, share the good news. Tell the client, “Underwriting was able to approve you as Super Preferred/ Preferred without requiring a paramed appointment.”

If the applicant is not approved, the client simply completes the traditional underwriting process, and the paramed firm contacts the client to schedule the exam.

**Q: If my client is not approved, how much will the underwriter be able to share with me?**

**A:** There are four reasons why a client may not be approved for Principal Accelerated Underwriting:

1. The client didn't meet one of the basic program parameters such as age, amount, product, etc.
2. The underwriter found additional information on the TeleApp or other underwriting requirements that requires a paramed exam (e.g., MIB Inc. code, medication on prescription check, etc.).
3. The Principal Accelerated Underwriting model score was not high enough to qualify for immediate approval. This simply means the client did not have enough positive risk factors to qualify for immediate approval. They still may be issued at Preferred or Super Preferred rates, but we need an exam/blood profile to complete the evaluation.
4. The case was chosen as part of our random hold-out group. The underwriter can explain the reasons when he or she notifies you it has not been approved.

**Q: Is there anything else I need to know?**

**A:** To monitor quality and ensure solid mortality results, a small, random sample of applicants who qualify for Principal Accelerated Underwriting will go through full, traditional underwriting. We're very pleased to offer this innovative underwriting program that will allow us to streamline the underwriting process for many clients. The random sample is designed to ensure we are able to meet our mortality results and continue to offer this program for many years.

Our maximum issue age is 60, but approval rates tend to be better for younger clients. Older clients often take medications and may be more likely to have health history that will require a paramed exam, lab or APS. In our early tests, we found that a higher percentage of applicants qualified at ages 18-50 versus 51-60. But we still expect at least 25 percent of applicants aged 51-60 to qualify.

**Q: Is there a special application for Principal Accelerated Underwriting?**

**A:** No. Please use the same application you would for any life insurance request.

**Q: Why is the TeleApp interview required for Principal Accelerated Underwriting?**

**A:** Our program is designed so we can issue in the shortest amount of time and is dependent on data, specifically the data we obtain through our in-house TeleApp interview. Completing the interview immediately eliminates delays.

**Q: How do I order a TeleApp interview?**

**A:** The BGA may schedule the TeleApp interview for the financial representative. If you prefer to order it yourself, please follow the instructions below:

**Schedule by phone**

- Call 1-888-TeleApp (1-888-835-3277), Option 2, to set up the telephone interview for your client.
- You can have the client complete an interview immediately, or you can schedule a future appointment. Make sure you tell the interviewer that this is a Principal Accelerated Underwriting application.
- Provide basic information such as client name, face amount, etc.
- The interviewer will ask if you would like us to order the exam for you and your preferred paramed company (Exam One, APPS, Portamedic).
- At this point, we can complete the interview with the client immediately. This is the best way to guarantee fast turnaround. Either hand the phone to the client, or ask the interviewer to call the client back on his or her phone.
- If an immediate interview doesn't work for the client, please schedule a specific appointment that is more convenient.

**Web Scheduler**

- Access the Web Scheduler.
- Choose the TeleApp Web Scheduler link.
- Sign in using your Principal eFinancial Professional<sup>SM</sup> login. (If you need to obtain a user id and password, please contact us at 1-800-851-3343, Option 5.)
- Answer "yes" to the question that asks whether this is a Principal Accelerated Underwriting case.
- Indicate how you would like lab ordering handled if the case doesn't qualify for Principal Accelerated Underwriting.

# Qualifications

- Ages: 18 -60
- Face amount: \$50,000 - \$1 million
- Products available: Term (10-, 15-, 20-, and 30-year), UL, IUL, VUL, SL, or Benefit VUL II (NY only)
- Build must be within the recommended weight limits. See checklist (BB10941).
- No major medical condition(s) from list below.
- If previously underwritten by The Principal, coverage was approved at Preferred or Super Preferred.
- Applicant is a U.S. citizen or permanent resident with no travel to hazardous locations.
- Stated blood pressure – less than 140/85.
- Total cholesterol is less than 220, and cholesterol/HDL ratio is less than 5.0.
- If age 50 or greater, applicant has a primary care physician and evidence of routine physicals.
- For Non-Tobacco Preferred, no tobacco use within the past 24 months.
- No parent or sibling death from cardiovascular disease, stroke or diabetes prior to age 60.
- No parent or sibling death from breast, colon, ovarian or prostate cancer prior to age 60.\*
- No history of bankruptcy in the past five years.
- No history of DUI or reckless driving within five years, or more than two moving violations in the past three years.
- No history of felony conviction in the past five years.
- No life, health or disability insurance has been rated, ridered or declined.
- No prior informal request to The Principal within the last 24 months.
- No labs have been ordered or completed within the last 12 months for life or disability insurance.
- TeleApp interview has been completed by client.

\* Disregard cancer of opposite sex except for colon cancer. Disregard cancer if it pertains to only one family member, and insured has regular check-ups targeted at early diagnosis.

## Major Medical Condition List

- Alcohol abuse and/or treatment
- Atrial Fibrillation
- Barrett's Esophagus
- Bipolar Disorder
- Cancer (Exceptions: Basal Cell and Squamous Cell Carcinomas)
- Chronic Obstructive Pulmonary Disease (COPD)/Emphysema
- Crohn's Disease
- Diabetes/Gestational Diabetes
- Drug abuse and/or treatment
- Epilepsy/Seizure
- Gastric Bypass/Lap Band
- Heart Disease/Heart Surgery – All forms
- Hepatitis
- Hypertension (diagnosed within six months)
- Kidney Disease
- Lupus
- Melanoma
- Multiple Sclerosis (MS)
- Parkinson's Disease
- Peripheral Artery Disease (PAD)
- Peripheral Vascular Disease (PVD)
- Rheumatoid Arthritis (RA)
- Sleep Apnea
- Stroke/Transient
- Ischemic Attack (TIA)
- Ulcerative Colitis (UC)

NOTE: Advanced diagnostic testing, biopsies and cardiac testing may require an attending physician's statement and traditional underwriting. Other medical history may also require traditional underwriting.

Principal UnderRight<sup>SM</sup>

*Fast. Easy. Just Right.*

**FOR MORE INFORMATION**

Contact your home office underwriter  
or call 800-654-4278.



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