

Questions and Answers

What is it?

Principal Accelerated Underwriting is a streamlined underwriting program that provides high-quality life insurance products to your customers with a faster and simpler underwriting experience. This innovative program uses data that can easily be obtained within 48 hours to eliminate the need for paramedical exams and lab testing for 40 to 50 percent of eligible applicants.

Which clients qualify?

- Ages 18-60
- Up to \$1 million in face amount
- No significant medical or non-medical conditions

What types of data are used?

The Principal Financial Group® uses MIB Inc., Motor Vehicle Reports (MVRs), prescription records and information collected during the TeleApp interview. The Principal® does not use information from companies who collect data for marketing purposes.

What are the advantages of this program?

- Faster underwriting approval (from TeleApp completion to decision) in as little as 48 hours
- Improved customer experience
- High-quality products and full commissions
- Super Preferred and Preferred risk classes (Standard for ages 18-19)

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

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

If The Principal orders the labs and exams, how do I follow the status?

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.

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

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

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

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.

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

- 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.
- 40 to 50 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 as Super Preferred or Preferred. However, the client didn't have enough positive health factors to qualify for approval without an exam. Here are some factors we consider:
 - Family history
 - Build
 - Past medical history/medications
 - Driving, travel, hazardous sports, etc.
 - Tobacco history

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

Yes. 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. Carrier-specific rules are also embedded, preventing any data entry mistakes that could cost you valuable time.

Will Principal Accelerated Underwriting work on replacement business?

Yes. Just make sure you submit the appropriate replacement forms for your state.

What should I tell my client about this process?

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 them 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. All the cards on the table:

- Once the client agrees to the purchase, complete the application and explain the next steps for underwriting. Explain that The Principal has a new underwriting process that allows select clients to be approved without a paramed appointment. We submit the application to underwriting and complete the TeleApp interview. Then the underwriter reviews and lets us know if we need 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, the client simply completes the traditional underwriting process, and the paramed firm contacts the client to schedule the exam.

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

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

- The client didn't meet one of the basic program parameters such as age, amount, product, etc.
 - 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.).
 - 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.
 - 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.

Is there anything else I need to know?

- 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 exciting new 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.

Is there a special application for Principal Accelerated Underwriting?

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

Which team will process Principal Accelerated Underwriting applications?

We're using our Express team because they are positioned for speed, which is important for the program's success.

Why is the TeleApp interview required for Principal Accelerated Underwriting?

- Our new program is dependent on data, specifically the data we obtain through our in-house TeleApp interview.
- The Principal was one of the first companies to develop TeleApp in 1997. All of our interviewers are housed in our Des Moines, Iowa headquarters. You can feel comfortable that your clients will experience a professionally conducted interview.

Can you tell me about the **immediate** TeleApp process?

Principal Accelerated Underwriting is designed so we can issue in the shortest amount of time. Completing the interview immediately eliminates delays. The TeleApp counselor will ask the sales representative a few questions including whether they have a preferred paramed. If an exam is required, this allows us to immediately order it, which helps eliminate possible delays. At this point, you can hand the phone to the client, and we'll take it from there.

How do I order a TeleApp interview?

Schedule by phone:

- Call 1-888-Teleapp (1-888-835-3277), Option 3, 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. (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 does not qualify for Principal Accelerated Underwriting.

FOR MORE INFORMATION

CPS Insurance Services
(800) 326-5433, ext. 244

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