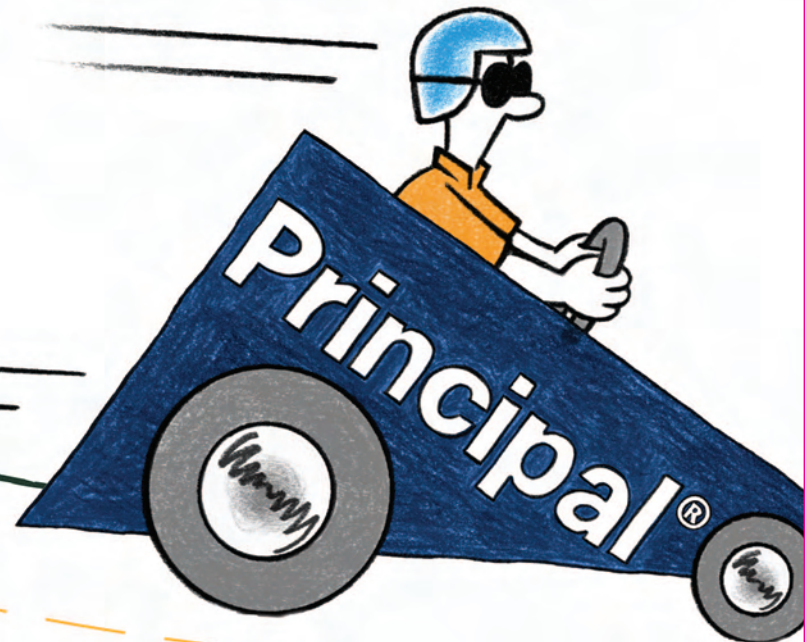
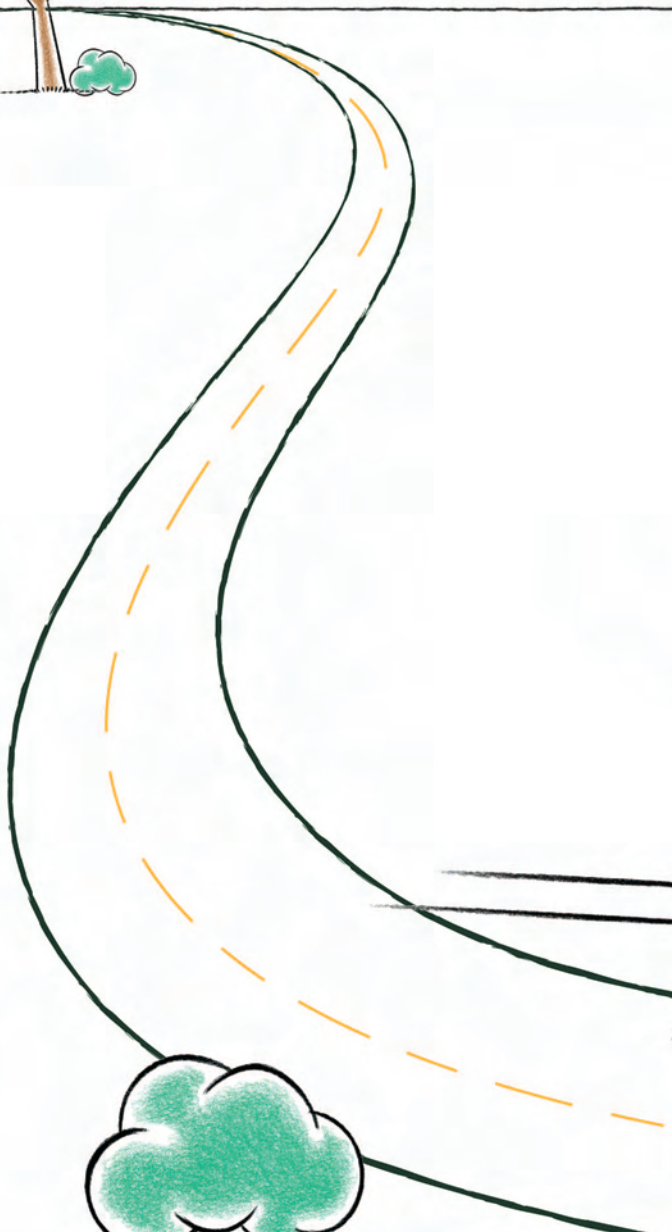


The Principal Financial Group®

# Life Underwriting Guide





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# The right partner. The right services.

The Principal Financial Group® leads the industry with a remarkably fast underwriting and issue process.

## Competitive turnaround times

- Top-tier industry time service
- 1035 unit to proactively expedite transfer of proceeds

## Easy to work with

- Applications accepted electronically or by fax (1035 paperwork needs wet signature).  
Toll-free fax: 1-866-542-1359
- Dedicated home office case managers plus access to your underwriter when you need it.  
Toll-free phone: 1-800-654-4278
- Quick Quotes System for submitting informal inquiries

## TeleApp

Streamline the underwriting process and eliminate requirements:

- Eliminates redundant paramed questions
- Fewer Attending Physician Statements (APS) required
- Eliminates inspections through \$5 million

## On-line services

- *Principal.com/underright* – Underwriting, new business and product information on the Web
- Virtual Supply for ordering reference material
- Create-An-App
- E-mail forms and illustrations
- Pending Business Report
- Transaction status



## Unique survivorship features

### Reconsideration

- Available for rated or uninsurable risks
- Underwriting for second insured not required

### Seven classes of uninsurable

- U1 (our most favorable uninsurable risk class) through U7 (life expectancy of less than one year)
- No minimum life expectancy

### Opt-out underwriting

- For U7 risks with life expectancy less than one year
- Routine requirements waived

## Business case advantage

### Flexible, partnership approach – collaborate for creative solutions

- Understand concept and key issues
- Work with Advanced Solutions when needed

### Multi-life underwriting

- Available for employer-sponsored plans
- Four underwriting programs available
- Home office pre-approval required

### Nonqualified executive benefits – aggregate funding on COLI

- Liberalized financial underwriting limits
  - 30 times income to age 55
  - 15 times income age 56 and over
- Streamlined underwriting requirements
  - Physical measurements + ECG + Labs + APS
  - No paramed or MD exams required
  - No inspections required
  - Employer census provides financial information
- Preliminary underwriting and selection of participants using TeleApp
- Added level of service – we order all requirements and APS reports for you
- Pre-completed application forms provided for formal signatures



## Impairments

The impairment information on the following pages has been provided to help give you a general idea of potential underwriting outcomes based on medical and non-medical life insurance underwriting. By initially obtaining specific, detailed information, your underwriter will be able to provide the right quote quickly and easily.

Descriptions of possible underwriting outcomes represent tentative, non-binding assessments based on hypothetical parameters using our underwriting guidelines at the time of publication. Actual underwriting outcomes may possibly be more favorable than illustrated using available Healthy Lifestyle Credit and our Automatic Standard Approval Program (ASAP). We reserve the right to apply individual consideration to any case. All cases are subject to full underwriting, and assessments are subject to change based on actual file review. For more information, contact your home office underwriter.

The impairments table is set up as follows:

- **Impairment** – The name of the impairment, including a short description. Conditions are listed alphabetically
- **Risk Factors** – The criteria the underwriter uses to classify the risk
- **Typical Requirements** – Medical requirements the underwriter is likely to request in addition to the routine age and amount medical requirements
  - **For Faster Decision** – These are the specific details to include in your application package to enable the underwriter to quickly and easily provide the right quote. This information may be used to determine appropriate APS acquisition, thereby expediting the underwriting process and limiting the need for subsequent requirement requests.
- **Likely Underwriting Decision** – The risk classification or rating necessary for the impairment based on the factors and requirements presented. Many impairments outline a best-case scenario, typical case and worst-case rating.

# Impairments | MEDICAL

ALCOHOL ABUSE (Includes alcoholism and problem drinking)		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Amount of past and present alcohol consumption declared</li> <li>• Any diagnosis of abuse or dependence</li> <li>• Past history of treatment</li> <li>• Results of all investigations, including liver enzymes and alcohol markers</li> <li>• How long abstinent or consuming in moderation</li> <li>• Any relapses</li> <li>• Member of a self-help group such as Alcoholics Anonymous</li> <li>• Treatment with medication</li> <li>• Any co-morbid conditions, including any history of other substance abuse, driving offenses or participation in hazardous sports</li> <li>• Any history of marital or job instability</li> <li>• Any medical complications</li> </ul>	<p><b>Requirements:</b> APS, medical exam, MVR, blood test, alcohol questionnaire, inspection report selectively</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Provide details of medical treatment.</li> <li>• Document any residential care/ treatment including dates and length of treatment.</li> <li>• Outline any favorable aspects such as continued employment, attendance in Alcoholics Anonymous or similar body, etc.</li> </ul>	<p>Ratings depend primarily on applicant's age, time since last use and any co-morbid factors.</p> <p><b>Alcoholism:</b> <b>Best Case:</b> Standard (over age 30 and &gt; five years since last consumption) <b>Worst Case:</b> Decline</p> <p><b>Problem Drinking:</b> <b>Best Case:</b> Table 2-4 (over age 30 and mild) <b>Worst Case:</b> Decline</p>
ALZHEIMER'S DISEASE		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Age at onset of symptoms</li> <li>• Treatment, including any medications</li> <li>• Activities of daily living</li> <li>• Living independently</li> <li>• Type of assistance, if required</li> <li>• Judgment intact</li> <li>• Stable course</li> </ul>	<p><b>Requirements:</b> APS, Inspection Report selectively</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Any neuropsychiatric testing such as cognitive or memory testing</li> <li>• Activity levels</li> <li>• ADLs affected</li> <li>• IADLs affected</li> </ul>	<p>All cases: Decline</p>
ANEMIA		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Type of anemia</li> <li>• Severity/degree of anemia</li> <li>• Cause of anemia, if known</li> <li>• Treatment</li> <li>• Blood test results</li> <li>• Details of testing done and referrals to specialists/hematologists (include dates, names of tests and doctors seen)</li> <li>• Medications</li> <li>• Any concurrent impairment</li> </ul>	<p><b>Requirements:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Results of all investigations and testing to include cause and/or source of bleeding</li> <li>• Details of treatment</li> <li>• Details of ongoing surveillance of the condition, including recent complete blood count (CBC)</li> </ul>	<p>Ratings depend on type of anemia and assume anemia is fully investigated and stable. Decisions can range from Preferred to Decline.</p> <p><b>Iron deficiency anemia:</b> Preferred possible for best-case scenario</p> <p><b>Hemolytic anemia:</b> Preferred possible for best-case scenario</p>

ANEURYSM		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>Precise diagnosis</li> <li>Type or location of aneurysm</li> <li>Date of diagnosis</li> <li>Cause</li> <li>Size and stability of aneurysm</li> <li>Currently present</li> <li>Treatment</li> <li>Smoking history</li> <li>Presence of associated coronary artery disease, hypertension, cerebrovascular, other peripheral vascular or renal disease, or COPD</li> <li>Blood pressure control</li> </ul>	<p><b>Requirements:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>All tests and details of ongoing surveillance</li> <li>Details of any lifestyle modifications</li> <li>Details of blood pressure and lipid control</li> <li>Presence of associated coronary artery disease, hypertension, cerebrovascular, other peripheral vascular or renal disease, or COPD</li> <li>Smoking history</li> <li>Presence or absence of symptoms</li> </ul>	<p>Can consider on a rated basis 6 to 12 months post-op depending on the type of aneurysm.</p> <p><b>Abdominal:</b> <b>No surgery:</b> Best case is Table 6 provided diameter &lt;5 cm, with no increase in size within last three years or since diagnosis <b>If diameter &gt;5 cm:</b> Decline <b>With surgery:</b> Individual consideration</p> <p><b>Cerebral:</b> <b>No surgery:</b> \$7.50 per \$1,000 if small, stable and no complications <b>Large:</b> Decline <b>With surgery:</b> Standard after two years</p> <p><b>Thoracic:</b> <b>No Surgery:</b> Decline <b>With Surgery:</b> Table 4 after two years</p>
ANGINA PECTORIS		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to Coronary Artery Disease.		
ANGIOPLASTY		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to Coronary Artery Disease.		
APNEA/SLEEP APNEA		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>Current age</li> <li>Type of apnea (obstructive, central or mixed)</li> <li>Severity</li> <li>Treatment (CPAP or surgery)</li> <li>Compliance with treatment</li> <li>Date of last sleep study</li> <li>Current height/weight</li> <li>Presence of cardiovascular disease and/or risk factors including hypertension, arrhythmias</li> <li>Any associated overweight or obesity</li> <li>Smoking history</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>Type, frequency, severity, and duration of symptoms</li> <li>Results of sleep study including, apnea index and degree of oxygen desaturation</li> <li>Treatment and compliance with treatment</li> <li>Any associated impairments</li> <li>History of motor vehicle or industrial accidents attributed to sleepiness</li> </ul>	<p><b>Mild disease and no complications:</b> Preferred or Super Preferred possible</p> <p><b>Moderate disease untreated and no complications:</b> Table 2-3</p> <p><b>Moderate disease treated and compliant with therapy:</b> Preferred possible</p> <p><b>Severe disease untreated and no complications:</b> Decline</p> <p><b>Severe disease treated and compliant with therapy:</b> Standard</p>
ARTERIOSCLEROSIS		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to Coronary Artery Disease.		



ASTHMA		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis</li> <li>• Current symptoms</li> <li>• Frequency and severity of asthma attacks</li> <li>• Type of medication and frequency of use</li> <li>• Compliant with medications</li> <li>• Hospitalizations or ER visits</li> <li>• Limitations to activities</li> <li>• Smoking history</li> <li>• Occupational or environmental exposure</li> <li>• Concurrent impairments such as COPD, psychiatric disorder, alcohol abuse, CAD</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Results of investigations including pulmonary function tests</li> <li>• Frequency of symptoms</li> <li>• Duration and intensity of exacerbations</li> <li>• Treatment and response to treatment</li> <li>• Frequency of night-time symptoms</li> <li>• Smoking history</li> <li>• Time off work</li> <li>• Level of activity</li> </ul>	<p><b>Minimal or mild asthma:</b> Preferred or Super Preferred</p> <p><b>Moderate:</b> Standard to Table 2</p> <p><b>Severe:</b> Table 6 to Decline</p>
ATRIAL FIBRILLATION		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Date of diagnosis and age at onset</li> <li>• Age of applicant</li> <li>• Frequency of attacks</li> <li>• Associated symptoms and complications</li> <li>• Risk factors for stroke</li> <li>• Exercise tolerance</li> <li>• Underlying cardiac and non-cardiac disease</li> <li>• Full cardiac evaluation</li> <li>• Paroxysmal vs. Chronic</li> <li>• Treatment including use of anticoagulant medication</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Type of atrial fibrillation</li> <li>• Details of treatment</li> <li>• Copies of all cardiac Investigations</li> <li>• Current level of activity</li> </ul>	<p><b>Found on examination, no investigation:</b> Postpone</p> <p><b>Paroxysmal Atrial Fibrillation (PAF) with infrequent attacks:</b> Standard</p> <p><b>Chronic Atrial Fibrillation:</b> Table 2-6</p> <p>Less favorable outcome for co-morbid complications</p>
GASTRIC SURGERY FOR OBESITY		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Pre-operative weight</li> <li>• Current weight</li> <li>• Any co-morbid conditions (such as diabetes, hypertension, coronary disease)</li> <li>• Date of surgery</li> <li>• Type of surgery</li> <li>• Any surgical complications</li> <li>• Outcome of surgery (weight loss, improvement of risk factors)</li> </ul>	<p><b>Requirements:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Supply all medical reports relating to the surgical procedure and follow-up</li> <li>• Current weight</li> </ul>	<p>Unable to consider until 6 months after surgery.</p> <p><b>Restrictive surgery (gastric banding or gastroplasty):</b></p> <p><b>6 months to 3 years:</b> Table 3</p> <p><b>&gt;3 years:</b> Standard to Table 2</p> <p><b>Malabsorptive surgery/bypass:</b></p> <p><b>&lt;1 year:</b> Postpone</p> <p><b>1-5 years:</b> Table 4</p> <p><b>&gt;5 years:</b> Standard to Table 2</p>

BARRETT'S ESOPHAGUS		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Ongoing risk factors</li> <li>• Results of all investigations including biopsy</li> <li>• Stable course</li> <li>• Medication/treatment</li> <li>• Response to medication treatment</li> <li>• Compliant with medical treatment and surveillance</li> <li>• Complications (e.g., hemorrhage, perforation)</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Results of all investigations including biopsy</li> <li>• Details of ongoing follow-up (e.g., endoscopy)</li> <li>• Details of lifestyle modification (stop smoking and alcohol use)</li> </ul>	<p><b>Best case:</b> Preferred or Super Preferred if no dysplasia and good follow-up done on a regular basis</p> <p><b>Typical case:</b> Standard to Table 2</p> <p><b>Worst case:</b> Decline</p>
BLOOD PRESSURE		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to Hypertension.		
BYPASS SURGERY		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to Coronary Artery Disease.		
CANCER		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to specific organ or type of cancer.		<p><b>For all forms of cancer:</b> Consideration for insurance begins once treatment has been completed, assuming the client is well followed.</p>
CANCER: BASAL CELL CARCINOMA/SQUAMOUS CELL CARCINOMA		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Date of diagnosis</li> <li>• Pathology reports including confirmation of basal cell carcinoma</li> <li>• Type of treatment</li> <li>• Date treatment completed</li> <li>• Confirmation that tumor has been removed completely</li> <li>• Family history of atypical/dysplastic nevi or dysplastic nevus syndrome</li> <li>• Details of regular full body surface skin examinations</li> <li>• Any recurrence or spread</li> <li>• Ongoing risk factors such as multiple dysplastic nevi and a propensity to develop other skin cancers</li> <li>• Any serious complications from treatment</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology report including post-operative</li> <li>• Details of ongoing follow-up</li> <li>• Details of lifestyle modification (sun screen, stop smoking)</li> </ul>	<p><b>Complete excision:</b> Possible Preferred or Super Preferred</p>

CANCER: BREAST		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Date of diagnosis</li> <li>• Type and stage of cancer</li> <li>• Size of tumor</li> <li>• Type of treatment</li> <li>• Date treatment completed</li> <li>• Any recurrence or spread</li> <li>• Any serious complications from treatment</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology report</li> <li>• Stage and grade of tumor</li> <li>• Details and date(s) of treatment, including any adjunct therapy (e.g., Tamoxifen)</li> <li>• Hospital reports</li> <li>• Details of follow-up (mammograms, bone scan, etc.)</li> </ul>	<p><b>Best case:</b> Standard for carcinoma in situ after 2-3 years since treatment</p> <p><b>Typical case:</b> Unable to consider until 2-3 years after completion of treatment (chemo or radiation), then possible Table rating and/or a flat extra depending on stage and grade</p> <p><b>Worst case:</b> Decline</p>
CANCER: COLON		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Date of diagnosis</li> <li>• Stage and grade of the tumor</li> <li>• Any hereditary syndrome that may be associated with other types of cancer</li> <li>• Family history of colon cancer types of cancer</li> <li>• What treatment</li> <li>• Length of remission</li> <li>• Ongoing follow-up including colonoscopy results</li> <li>• Any recurrence</li> <li>• Any complications from treatment</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology report and staging information</li> <li>• Details and date(s) of treatment</li> <li>• Hospital reports</li> <li>• Details of follow-up (colonoscopy and tumor markers)</li> </ul>	<p><b>Best case:</b> Standard after three years</p> <p><b>Typical case:</b> Unable to consider until 2-3 years after completion of treatment (chemo or radiation), then possible Table rating and/or a flat extra depending on stage and grade</p> <p><b>Worst case:</b> Decline</p>
CANCER: LEUKEMIA		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis</li> <li>• Type of leukemia and stage of cancer</li> <li>• Treatment</li> <li>• Date treatment completed</li> <li>• Any recurrence or secondary cancer</li> </ul>	<p><b>Requirements:</b> APS, blood testing if current results are not available</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology reports</li> <li>• Evidence of regular follow-up</li> <li>• Hospital treatment reports</li> </ul>	<p><b>Acute lymphoid leukemia/acute myeloid leukemia:</b></p> <p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Standard with a flat extra</p> <p><b>Worst case:</b> Decline</p> <p><b>Chronic lymphoid leukemia/hairy cell leukemia:</b></p> <p><b>Best case:</b> Table 4</p> <p><b>Typical case:</b> Table 8 – Decline</p> <p><b>Worst case:</b> Decline</p>

CANCER: LUNG		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis</li> <li>• Type of cell and stage of cancer</li> <li>• Type of treatment</li> <li>• Date treatment completed</li> <li>• Any recurrence or spread</li> <li>• Reduced/eliminated risk factors (e.g., smoking)</li> <li>• Any concurrent impairment (e.g., emphysema or chronic bronchitis)</li> <li>• Any serious complications from treatment</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology report and staging</li> <li>• Treatment and hospital report</li> <li>• Evidence of regular follow-up (CT scans etc.)</li> </ul>	<p><b>Carcinoma (all types)</b></p> <p><b>Stage 1:</b> <b>Best case:</b> Standard after seven years <b>Typical case:</b> Standard with a flat extra <b>Worst case:</b> Decline if less than or equal to three years since primary treatment</p> <p><b>Stage 2-3:</b> <b>Best case:</b> Standard after nine years <b>Typical case:</b> Standard with a flat extra <b>Worst case:</b> Decline if less than or equal to five years since primary treatment</p>
CANCER: PROSTATE		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis</li> <li>• Type of treatment</li> <li>• Date treatment completed</li> <li>• Stage and Gleason Grade</li> <li>• Any recurrence or spread</li> <li>• Serial PSA levels including current PSA</li> <li>• Any serious complications from treatment</li> </ul>	<p><b>Requirements:</b> APS, blood profile to include PSA if current results are not available</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology reports</li> <li>• Type of treatment</li> <li>• Evidence of regular follow-up and PSA testing</li> <li>• Copies of PSA tests</li> </ul>	<p>If client is under age 70, rate class will depend on years since primary treatment, the stage of cancer and Gleason grade of the tumor.</p> <p><b>Best case:</b> Standard <b>Typical case:</b> Standard with a flat extra <b>Worst case:</b> Decline</p>
CANCER: MALIGNANT MELANOMA		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Date of diagnosis</li> <li>• Type of cancer/tumor</li> <li>• Depth and thickness of tumor</li> <li>• Type of treatment</li> <li>• Date treatment completed</li> <li>• Any recurrence or spread</li> <li>• Details of regular full body surface skin examinations</li> <li>• Ongoing risk factors like multiple dysplastic nevi and a propensity to develop other skin cancers</li> <li>• Any serious complications from treatment</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology report</li> <li>• Evidence of regular dermatology follow-up</li> <li>• Hospital treatment reports</li> </ul>	<p><b>Best case:</b> Standard <b>Typical case:</b> Standard with a flat extra <b>Worst case:</b> Decline</p>

CANCER: THYROID		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Type of thyroid cancer (papillary, follicular, anaplastic, etc.)</li> <li>• Pathology</li> <li>• Age of applicant</li> <li>• Type of treatment and date(s) performed</li> <li>• Any remission and for how long</li> <li>• Any recurrence</li> <li>• Any complications from treatment</li> </ul>	<p><b>Requirements:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology report</li> <li>• Treatment and hospital report</li> <li>• Evidence of regular follow-up</li> </ul>	<p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Standard or Standard with a flat extra</p> <p><b>Worst case:</b> Decline</p>
CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD)		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Smoking history and current tobacco use</li> <li>• Build, any current weight loss</li> <li>• Severity of symptoms</li> <li>• Degree of impaired respiratory function</li> <li>• Speed of disease progression</li> <li>• Alpha-1 antitrypsin deficiency or other biochemical abnormality</li> <li>• Any concurrent impairment (e.g., CAD, cancer, malnutrition)</li> <li>• Any hospitalization</li> <li>• Any treatment with oxygen is a decline</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pulmonary function tests (PFT), serial PFTs</li> <li>• Details of lifestyle modification</li> <li>• Level of activity</li> </ul>	<p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Table 2-8</p> <p><b>Worst case:</b> Decline</p>
CORONARY ARTERY DISEASE		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis and age at onset</li> <li>• Severity of the disease (how many vessels and which ones)</li> <li>• Current symptoms</li> <li>• Treatment</li> <li>• Medications</li> <li>• Smoking history</li> <li>• Any concurrent serious impairment</li> <li>• Any history of congestive heart failure or arrhythmia</li> <li>• Active lifestyle</li> <li>• Blood pressure and cholesterol readings</li> <li>• Family history</li> </ul>	<p><b>Requirements:</b> APS, EKG (or TST) if current test is not available</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Cardiac test results (e.g., angiogram, recent stress tests, perfusion)</li> <li>• Detailed list of medications</li> <li>• Copies of lipid testing</li> <li>• Details of any lifestyle change. Best ratings possible with testing including perfusion and stress echocardiograms within the past 12 months</li> </ul>	<p>Unable to consider until six months post-surgery</p> <p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Table 2-8</p> <p><b>Worst case:</b> Decline</p>

CROHN'S DISEASE		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Severity of the disease</li> <li>• Frequency of flare ups</li> <li>• Severity of symptoms</li> <li>• Medication – ongoing oral steroid therapy</li> <li>• Hospitalization</li> <li>• Surgery</li> <li>• Weight stable or loss</li> <li>• Testing and follow-up</li> <li>• Complications or concurrent impairments such as rheumatoid arthritis or other inflammatory disease</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology reports</li> <li>• Evidence of regular GI surveillance (colonoscopy)</li> <li>• Details of hospitalization and hospital reports</li> <li>• Stable weight</li> <li>• Active lifestyle</li> </ul>	<p><b>Best case:</b> Possible Preferred</p> <p><b>Typical case:</b> Standard – Table 5</p> <p><b>Worst case:</b> Table 6 – Decline</p>
DIABETES		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis and age at onset</li> <li>• Type of diabetes</li> <li>• Treatment</li> <li>• Medication</li> <li>• Degree of control – blood sugar readings</li> <li>• Complications – nephropathy, neuropathy, retinopathy, cardiovascular disease</li> <li>• Current height and weight</li> <li>• Blood pressure</li> </ul>	<p><b>Requirements:</b> APS, blood (if not already required or current results not available)</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Type of diabetes including age at onset</li> <li>• Copies of specialist reports (neurologist, nephrologist, endocrinologist)</li> <li>• History of blood sugar control – copies of blood tests (incl. Hemoglobin A1c where possible)</li> <li>• Details of risk factor modification</li> <li>• Active lifestyle</li> </ul>	<p><b>Type 1</b></p> <p>Also known as Insulin Dependent Diabetes Mellitus (IDDM)</p> <p><b>Best case:</b> Table 3-4</p> <p><b>Typical case:</b> Table 5-8</p> <p><b>Worst case:</b> Decline (complications, poor or uncontrolled)</p> <p><b>Type 2</b></p> <p>Also known as Non-Insulin Dependent Mellitus (NIDDM) or Adult Onset Diabetes</p> <p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Table 2-4</p> <p><b>Worst case:</b> Decline (complications, poor or uncontrolled)</p>
EMPHYSEMA		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to COPD.		
EPILEPSY/SEIZURE DISORDER		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Age onset</li> <li>• Compliance with medication</li> <li>• Control of seizures</li> <li>• Reason for the seizure activity</li> <li>• Any alcohol use</li> <li>• Any other significant medical conditions</li> </ul>	<p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Type of epilepsy</li> <li>• Age diagnosed</li> <li>• Duration of history</li> <li>• Date of last seizure and number of seizures per year</li> </ul>	<p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Table 2-6</p> <p><b>Worst case:</b> Decline</p>
HEART ATTACK		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to Coronary Artery Disease.		

HEPATITIS B		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Date of diagnosis</li> <li>• Is this acute or chronic infection</li> <li>• Laboratory results (liver function)</li> <li>• If chronic, was a biopsy done</li> <li>• Any alcohol usage or other medical conditions</li> </ul>	<b>Requirement:</b> APS  <b>For faster decision:</b> <ul style="list-style-type: none"> <li>• Laboratory results</li> <li>• Sonograms, CTs, biopsy results</li> </ul>	<b>Best case:</b> Standard <b>Typical case:</b> Table 2-6 <b>Worst case:</b> Decline
HEPATITIS C		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Duration of the disease</li> <li>• Laboratory results</li> <li>• Has a biopsy been done</li> <li>• Does the client use alcohol, and if so, amount per day</li> </ul>	<b>Requirement:</b> APS  <b>For faster decision:</b> <ul style="list-style-type: none"> <li>• Laboratory results</li> <li>• Biopsy results</li> <li>• Sonogram and/or CT scan results</li> </ul>	<b>Best case:</b> Table 3-4 <b>Typical case:</b> Table 5-8 <b>Worst case:</b> Decline
HYPERTENSION		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis</li> <li>• Type of hypertension (essential or secondary to another impairment)</li> <li>• Medication/treatment</li> <li>• Response to medication treatment</li> <li>• Current BP readings and history of readings for past 2 years (demonstrate stable course)</li> <li>• Compliant with medical treatment and follow-up</li> <li>• Any concurrent impairment (e.g., CAD, stroke, kidney disease, build)</li> </ul>	<b>Requirements:</b> APS, para or medical exam, selectively  <b>For faster decision:</b> <ul style="list-style-type: none"> <li>• Record of blood pressure readings</li> <li>• Copies of any cardiac investigation</li> <li>• Details of risk factor modification</li> <li>• Active lifestyle</li> </ul>	Rating depends on severity of hypertension.  May qualify for Preferred or Super Preferred if well-controlled and compliant with medication.
LIVER FUNCTION TEST		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• How many liver functions are outside the normal lab range?</li> <li>• Is client taking any medications or using alcohol?</li> <li>• Is there a medical condition that is causing the elevation in liver function?</li> <li>• How long has this finding been monitored by the attending physician?</li> <li>• Is this a new finding which has not been fully evaluated with additional testing?</li> </ul>	<b>Requirements:</b> APS, Hepatitis screens, all markers, selectively  <b>For faster decision:</b> <ul style="list-style-type: none"> <li>• All laboratory tests</li> <li>• Any sonograms</li> <li>• Details of medications being taken</li> <li>• Amount of alcohol used</li> <li>• Results of any investigations for elevated liver functions</li> </ul>	Decision will depend on how many liver function results are outside the normal range, the degree of elevation, any other medical conditions, and any diagnosis for the elevated liver function finding.  <b>Best case:</b> Preferred or Super Preferred <b>Typical case:</b> Standard to Table 4 <b>Worst case:</b> Decline
MYOCARDIAL INFARCTION		
Risk Factors	Typical Requirements	Likely Underwriting Decision
Refer to Coronary Artery Disease.		

PARKINSON'S DISEASE		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis</li> <li>• Medication/treatment</li> <li>• Response to medication treatment</li> <li>• Severity of the disease</li> <li>• History of falling or indications of dementia</li> <li>• Compliant with medical treatment and follow-up</li> <li>• Any concurrent impairment (e.g., depression)</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Details of type of Parkinson's</li> <li>• Type of treatment</li> <li>• Compliance and response to medication</li> <li>• Severity of the disease</li> <li>• Active and independent lifestyle (outline Activities of Daily Living)</li> </ul>	<p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Table 2-4</p> <p><b>Worst case:</b> Table 5 – Decline</p>
PERIPHERAL ARTERY DISEASE (PAD)/PERIPHERAL VASCULAR DISEASE (PVD)		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis</li> <li>• Medication/treatment</li> <li>• Response to medication treatment</li> <li>• Smoking status – if currently smoking this will have a greater impact on disease progression</li> <li>• Compliant with medical treatment and follow-up</li> <li>• Any concurrent impairment (e.g., CAD, CVD, diabetes, hypertension, build)</li> </ul>	<p><b>Requirements:</b> APS, medical exam, insurance blood profile, EKG – selectively</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Copies of any vascular and cardiac investigation</li> <li>• Details of any ongoing symptoms</li> <li>• Ankle-brachial index (ABI) score</li> <li>• Details of risk factor modification</li> <li>• Active lifestyle</li> </ul>	<p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Table 2-4</p> <p><b>Worst case:</b> Table 5 – Decline</p>
PULMONARY NODULE		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis</li> <li>• Size and number of nodules</li> <li>• Any treatment</li> <li>• Date treatment completed</li> <li>• Benign pathology</li> <li>• Reduced/eliminated risk factors (e.g., smoking)</li> <li>• Any concurrent impairment (e.g., emphysema or chronic bronchitis)</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Copies of tests</li> <li>• Details of follow-up</li> <li>• Demonstrated stability of nodule(s)</li> </ul>	<p><b>Best case:</b> Preferred possible</p> <p><b>Typical case:</b> Standard</p> <p><b>Worst case:</b> Decline</p>
RHEUMATOID ARTHRITIS		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Severity of symptoms</li> <li>• What medications are being taken</li> <li>• Any limitations of daily activities</li> <li>• No other significant medical condition(s)</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b> Laboratory results</p>	<p><b>Best case:</b> Preferred or Super Preferred</p> <p><b>Typical case:</b> Standard to Table 3</p> <p><b>Worst case:</b> Table 4 to Decline</p>



STROKE		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis and age at onset</li> <li>• Current symptoms/extent of neurological deficit</li> <li>• Cause of stroke</li> <li>• Treatment</li> <li>• Medications</li> <li>• Number of strokes</li> <li>• Smoking history</li> <li>• Active lifestyle</li> <li>• Blood pressure and cholesterol readings</li> <li>• Any concurrent serious impairment</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Neurology workup (carotid duplex, MRI)</li> <li>• Current function (how active)</li> <li>• Lifestyle modifications</li> </ul>	<p><b>Best case:</b> Table 4</p> <p><b>Typical case:</b> Table 4 with a flat extra</p> <p><b>Worst case:</b> Decline</p>
TRANSIENT ISCHEMIC ATTACK (TIA)		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Date of diagnosis and age at onset</li> <li>• Any neurological deficit</li> <li>• Number of episodes</li> <li>• Treatment</li> <li>• Medications</li> <li>• Smoking history</li> <li>• Test results</li> <li>• Active lifestyle</li> <li>• Blood pressure and cholesterol readings</li> <li>• Any concurrent serious impairment</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Neurology workup (carotid duplex, MRI)</li> <li>• Current function (how active)</li> <li>• Lifestyle modifications</li> </ul>	<p><b>Best case:</b> Standard</p> <p><b>Typical case:</b> Table 2-3 for single TIA, Table 4 with a flat extra for multiple TIAs</p> <p><b>Worst case:</b> Decline</p>
ULCERATIVE COLITIS		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Age of onset</li> <li>• Severity of the disease</li> <li>• Frequency of flare-ups</li> <li>• Severity of symptoms</li> <li>• Date of last episode</li> <li>• Extra-colonic complications</li> <li>• Effect on ADLs</li> <li>• Medication (ongoing oral steroid therapy)</li> <li>• Hospitalization</li> <li>• Surgery</li> <li>• Weight stable or loss</li> <li>• Testing and follow-up</li> </ul>	<p><b>Requirement:</b> APS</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Pathology reports</li> <li>• Evidence of regular GI surveillance (colonoscopy)</li> <li>• Details of hospitalization and hospital reports</li> <li>• Stable weight</li> <li>• Active lifestyle</li> </ul>	<p><b>Best case:</b> Possible Preferred</p> <p><b>Typical case:</b> Standard to Table 5</p> <p><b>Worst case:</b> Table 6 to Decline</p>

# Impairments | NON-MEDICAL

AVIATION		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Pilot experience</li> <li>• Flight ratings and type of license held</li> <li>• Medical history</li> <li>• Lifestyle</li> <li>• Where they fly</li> <li>• Type of aircraft flown</li> <li>• Type of flying</li> <li>• Purpose of flights and number of flying hours per year</li> <li>• Medical history</li> <li>• Lifestyle</li> </ul>	<p><b>Requirement:</b> Aviation Statement</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Overall experience</li> <li>• Hours flown per year</li> <li>• Pilot experience</li> <li>• Flight ratings</li> <li>• Aircraft</li> <li>• Details of specialized flying</li> </ul>	<p><b>Best case:</b> Preferred or Super Preferred possible*</p> <p><b>Typical case:</b> Standard*</p> <p><b>Worst case:</b> Aviation Exclusion Rider if available or Decline</p> <p>*Flat extra may apply to base rating</p>
CLIMBING AND MOUNTAINEERING		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Frequency</li> <li>• Type of terrain: established trails</li> <li>• Altitude/heights</li> <li>• Location: North America/Europe or elsewhere</li> <li>• Medical history</li> <li>• Lifestyle</li> </ul>	<p><b>Requirement:</b> Sport Statement, Foreign Travel questionnaire, if applicable</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Overall experience</li> <li>• Frequency</li> <li>• Type of terrain</li> <li>• Difficulty of climbs</li> </ul>	<p><b>Best case:</b> Preferred or Super Preferred possible*</p> <p><b>Typical case:</b> Standard*</p> <p><b>Worst case:</b> Hazardous Sports Exclusion Rider if available or Decline</p> <p>*Flat extra may apply to base rating</p>
DRIVING		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Types of infractions</li> <li>• Frequency of infractions</li> <li>• DWI (Multiple)</li> <li>• Other suspensions and number of suspensions</li> <li>• Accident (at fault)</li> <li>• Risk-taking avocations</li> </ul>	<p><b>Requirement:</b> MVR</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Number and types of violations</li> <li>• Date of last violation</li> <li>• Date of last suspension, length of, and reason for suspension</li> </ul>	<p><b>Best case/typical case:</b> Preferred or Super Preferred for infrequent, minor violations</p> <p><b>Worst case:</b> Decline</p> <p>NOTE: A single DUI can be considered with a flat extra 0-1 year since violation. Standard is available after 2-3 years.</p>

MOTOR VEHICLE RACING		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Type of vehicle/size of engine</li> <li>• Type of fuel</li> <li>• Frequency</li> <li>• Speeds attained (average, highest)</li> <li>• Type of course</li> <li>• Location (outside U.S. or Canada)</li> <li>• Concurrent avocations</li> </ul>	<p><b>Requirements:</b> Sport Statement, Foreign Travel Questionnaire (if applicable)</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Type of racing and frequency</li> <li>• Speeds attained</li> </ul>	<p><b>Best case:</b> Preferred or Super Preferred</p> <p><b>Typical case:</b> Standard to Standard with a flat extra</p> <p><b>Worst case:</b> Decline</p>
SCUBA DIVING		
Risk Factors	Typical Requirements	Likely Underwriting Decision
<ul style="list-style-type: none"> <li>• Current age</li> <li>• Experience including certification</li> <li>• Depths and frequency of dives</li> <li>• Medical history</li> <li>• Lifestyle</li> <li>• Dive location (e.g., lake, open ocean, beaches)</li> <li>• Dive sites (e.g., wreck, salvage)</li> <li>• Diving activities (e.g., search and rescue, caves, ice)</li> <li>• Commercial diving</li> </ul>	<p><b>Requirement:</b> Avocation Questionnaire, Foreign Travel Questionnaire (if applicable)</p> <p><b>For faster decision:</b></p> <ul style="list-style-type: none"> <li>• Type of diving (location, site, activities)</li> <li>• Experience</li> <li>• Frequency</li> </ul>	<p><b>Best case/typical case:</b> Preferred or Super Preferred</p> <p><b>Worst case:</b> Decline</p>



# Automatic Standard Approval Program

## How it works

**Automatic Standard Approval Program (ASAP)** is designed to help eliminate low substandard ratings. While some companies have eliminated their program or changed their guidelines, The Principal® still supports ASAP. Here's how ASAP works:

- Improves ratings up to Table 3 or flat extras to \$7.50 to Standard
- Can be applied up to and including age 70
- Appropriate for cases with face amounts up to and including \$5 million
- Can be used on select permanent life insurance products\*
- Applies to medical ratings only. No driving, hazardous sports, aviation or lifestyle cases (drug/alcohol use)

\* For product-specific eligibility, contact your home office underwriter.

## How does our program differ from other companies?

The Principal does not limit or exclude cancer or coronary heart disease. Many competitors use the same criteria, but they exclude cancer or coronary. Also, our Healthy Lifestyle Credit (HLC) program can be used in conjunction with ASAP. The combination of HLC and ASAP provides an opportunity in some cases to move somebody outside a Table 3 to Standard. For example, when we rate a person a Table 5 and use HLC to get them to a Table 3, we can then use ASAP to get to a Standard rating.

## What are the benefits?

Our ASAP eliminates the low, substandard ratings that can be the most challenging to present to your client. Consequently, you can present an offer to a client that has a greater chance of being placed. The greatest benefit is the competitive Standard rate received by your client without a reduction in the compensation paid to you.

EXAMPLES		
ASAP with HLC	ASAP Only	Survivorship
Male, age 65, \$1 million face amount, universal life insurance. Medical history includes elevated liver enzymes and asthma. The case is rated Table 5, but because the client has earned favorable Healthy Lifestyle Credits, he gets a two-table improvement. The remaining three tables are removed using ASAP, and the policy is approved as Standard.	Female, age 68, \$2.5 million face amount, universal life insurance. Medical history includes Type II diabetes. The case is rated Table 3. ASAP is used to reduce the Table 3 and approve the policy as Standard.	ASAP can be used on both lives to reduce Table 2-3 ratings for face amounts \$5 million and under and may also be used with Healthy Lifestyle Credits as previously illustrated.

*Unlike many of our competitors, The Principal does not exclude cancer or coronary artery disease from our table shave program.*

# Healthy Lifestyle Credits

## What are Healthy Lifestyle Credits?

The Principal feels all applicants should be given credit for doing the right things to take care of themselves. Because of this philosophy, we use Healthy Lifestyle Credits (HLCs) as an underwriting tool to help clients get the most favorable rating possible. The underlying basis of our HLCs is an evaluation of several coronary and cancer risk factors of a client as follows.

### Risk profile factors

- Blood pressure
- Cholesterol
- Pulse
- Weight
- Family history
- Preventive cancer screening tests
- Preventive heart screening tests
- Routine physicals

A scoring system is used for each factor, with positive points for favorable factors and negative points for less favorable factors. If a factor is considered neutral, a score of zero is given to reflect the neutral result.

## How do HLCs help your clients?

Through our review of the risk profile factors, we establish an HLC score. Favorable HLCs can help your clients earn up to two tables of credit that offset table ratings that have been assessed. The end result is a reduction or elimination of a rating for their medical history. Our Automatic Standard Approval Program, which is designed to help eliminate low substandard ratings, can also be used in conjunction with HLCs. Here are a few guidelines to keep in mind with HLCs:

- Ratings for asthma, anxiety, depression, colitis, sleep apnea, body build and blood pressure are examples of covered conditions. (This listing is not all inclusive of covered conditions.)
- A few conditions are excluded, including ratings for cardiovascular disease, diabetes and flat extras.
- As an added benefit, there are no limitations due to age, plan or face amount.

EXAMPLES		
Condition	Original assessment	After HLCs
Sleep Apnea	Table 5	Table 3
Depression	Table 5	Table 3
Asthma	Table 4	Table 2
Build	Table 2	Standard

# Height/Weight Charts

Super Preferred, Preferred, Super Standard, Standard Build Height																											
AGE 20-44 MALE AND FEMALE																											
Height	4'8"	4'9	4'10	4'11	5'0	5'1	5'2	5'3	5'4	5'5	5'6	5'7	5'8	5'9	5'10	5'11	6'0	6'1	6'2	6'3	6'4	6'5	6'6	6'7	6'8	6'9	
Super Preferred/Preferred	132	137	141	145	151	156	161	166	172	177	183	188	193	200	204	210	216	223	229	236	242	248	255	262	268	275	
Super Standard*	149	154	160	165	171	177	183	189	195	201	207	213	220	226	233	240	247	253	260	268	275	282	289	297	304	312	
Standard	162	168	174	180	186	193	199	206	212	219	226	233	240	247	254	261	269	276	284	292	299	307	315	323	332	340	

Super Preferred, Preferred, Super Standard, Standard Build Height																											
AGE 45-64 MALE AND FEMALE																											
Height	4'8"	4'9	4'10	4'11	5'0	5'1	5'2	5'3	5'4	5'5	5'6	5'7	5'8	5'9	5'10	5'11	6'0	6'1	6'2	6'3	6'4	6'5	6'6	6'7	6'8	6'9	
Super Preferred/Preferred	143	150	155	160	167	172	178	185	190	195	202	207	212	219	223	229	235	246	253	260	267	273	281	289	295	303	
Super Standard*	158	164	169	175	181	187	194	200	206	213	219	226	233	240	247	254	261	269	276	284	291	299	307	315	323	331	
Standard	167	173	179	185	192	198	205	211	218	225	232	239	246	253	261	268	276	284	292	300	308	316	324	332	341	349	

Super Preferred, Preferred, Super Standard, Standard Build Height																											
AGE 65 & UP MALE AND FEMALE																											
Height	4'8"	4'9	4'10	4'11	5'0	5'1	5'2	5'3	5'4	5'5	5'6	5'7	5'8	5'9	5'10	5'11	6'0	6'1	6'2	6'3	6'4	6'5	6'6	6'7	6'8	6'9	
Super Preferred/Preferred	148	154	159	165	172	177	183	190	195	200	208	213	218	225	229	235	241	253	260	267	274	281	289	297	303	311	
Super Standard*	162	168	174	180	186	193	199	206	212	219	226	233	240	247	254	261	269	276	284	292	299	307	315	323	332	340	
Standard	167	173	179	185	192	198	205	211	218	225	232	239	246	253	261	268	276	284	292	300	308	316	324	332	341	349	

\* Super Standard applicable for term only.



## Balanced Approach to Preferred/Super Preferred

Preferred/Super Preferred classes are designed for individuals whom we expect to have lower or better mortality than individuals rated Standard.

### How does our program differ from other programs?

- The Principal uses a “scorecard” approach that allows positive credits to offset negative risk factors.
- We allow individuals taking medication for high blood pressure and cholesterol to qualify for a Preferred rating.
- We provide credits for regular checkups and preventive screening tests.
- Preferred ratings are available with aviation/sports exclusions.
- Individuals with an imperfect family history or other risk factors may still qualify for a Preferred rating if there are enough favorable credits.

### Basic guidelines

The following describes our criteria for rating a case Preferred or Super Preferred:

- Preferred ages = 20 to 85;  
Super Preferred ages = 20 to 80
- Tobacco use:
  - Super Preferred class requires no tobacco use for prior 60 months.
  - Preferred Non-Tobacco class requires no tobacco use for prior 12 months (prior 36 months for ages 71 to 85).
- Preferred Tobacco class includes all forms of tobacco.
- A scorecard approach is used for each factor, with positive points for favorable factors and negative points for unfavorable factors.



## EXAMPLE 1

Scenario	Our rating	Competitor Rating
<ul style="list-style-type: none"> <li>• Male, age 68</li> <li>• Blood Pressure = 130/85</li> <li>• 6'0" and 210 pounds</li> <li>• Pulse = 74 and regular</li> <li>• Cholesterol/HDL = 6.2</li> <li>• EKG = normal</li> <li>• Family history: father suffered a heart attack at age 62</li> <li>• Last complete physical was 18 months ago, including a colonoscopy and PSA. All results were normal.</li> </ul>	Client qualifies for Preferred rating based on our basic guidelines (page 22).	Client is not allowed the Preferred class due to high cholesterol/HDL.

## EXAMPLE 2

Scenario	Our rating	Competitor Rating
<ul style="list-style-type: none"> <li>• Female, age 52</li> <li>• Blood Pressure = 128/76</li> <li>• 5'5" and 135 pounds</li> <li>• Pulse = 72 and regular</li> <li>• Cholesterol/HDL = 3.2</li> <li>• EKG = normal</li> <li>• Family history: mother died of breast cancer at age 65</li> <li>• Last complete physical was 9 months ago including mammogram, which was within normal limits</li> <li>• Mammograms last 10 years have been within normal limits</li> </ul>	Client qualifies for Super Preferred rating based on our basic guidelines (page 22).	Client is not allowed the Super Preferred class due to family history (mother died of breast cancer at age 65).

## EXAMPLE 3

Scenario	Our rating	Competitor Rating
<ul style="list-style-type: none"> <li>• Female, age 74</li> <li>• Blood pressure = 145/80</li> <li>• 5'1" and 181 pounds</li> <li>• Pulse = 72 and regular</li> <li>• Cholesterol/HDL = 5.8</li> <li>• EKG = normal</li> <li>• Family history: both parents died in their 90s</li> <li>• No heart disease or cancer noted in family history</li> <li>• Last exam was 12 months ago, including a colonoscopy and mammogram within normal limits</li> </ul>	Client qualifies for Preferred rating based on our basic guidelines (page 22).	Client is not allowed the Preferred class due to her build and cholesterol/HDL ratio.

# Preferred/Super Preferred Guidelines

	PREFERRED	SUPER PREFERRED
<b>FAMILY HISTORY</b> <ul style="list-style-type: none"> <li>Includes: parents &amp; siblings</li> <li>Cardiovascular defined as: Coronary Artery Disease, Peripheral Vascular Disease, Stroke, and Transient Ischemic Attack</li> </ul>	<ul style="list-style-type: none"> <li>No death prior to age 60 of:                             <ul style="list-style-type: none"> <li>Cardiovascular Disease</li> <li>Breast Cancer</li> <li>Colon Cancer</li> <li>Ovarian Cancer</li> <li>Prostate Cancer</li> <li>Diabetes</li> </ul> </li> <li>Disregard cancer of opposite sex except for colon cancer</li> <li>Family history not considered for applicants aged 71+</li> </ul>	<ul style="list-style-type: none"> <li>No death prior to age 65 of:                             <ul style="list-style-type: none"> <li>Cardiovascular Disease</li> <li>Breast Cancer</li> <li>Colon Cancer</li> <li>Ovarian Cancer</li> <li>Prostate Cancer</li> <li>Diabetes</li> </ul> </li> <li>Disregard cancer of opposite sex except for colon cancer</li> <li>Family history not considered for applicants aged 71+</li> </ul>
<b>BLOOD PRESSURE</b> <ul style="list-style-type: none"> <li>Use exam average if no hypertension treatment</li> <li>Use 12 month average if hypertension history</li> </ul>	Cannot exceed: <ul style="list-style-type: none"> <li>150/85 at ages 20-40</li> <li>155/90 at ages 41-85</li> </ul>	Cannot exceed: <ul style="list-style-type: none"> <li>140/80 at ages 20-40</li> <li>145/85 at ages 41-85</li> </ul>
<b>LIPIDS</b> <ul style="list-style-type: none"> <li>Medication may be disregarded</li> </ul>	No Preferred if: <ul style="list-style-type: none"> <li>Cholesterol/HDL is 7.0+</li> </ul>	No Super Preferred if: <ul style="list-style-type: none"> <li>Cholesterol/HDL is 5.0+</li> </ul>
<b>HISTORY OF:</b> <ul style="list-style-type: none"> <li>Alcohol abuse</li> <li>Drug abuse</li> <li>Cancer</li> <li>Diabetes</li> </ul>	<ul style="list-style-type: none"> <li>No personal history of alcohol or drug abuse <b>within 10 years</b></li> <li>No personal history of diabetes or cancer <b>ever</b></li> <li><b>Exception – Basal and Squamous Cell</b></li> <li>Personal history of certain cancers will be allowed. Consult your home office underwriter for criteria.</li> </ul>	<ul style="list-style-type: none"> <li>No personal history of alcohol or drug abuse, diabetes or cancer <b>ever</b></li> <li><b>Exception – Basal and Squamous Cell</b></li> </ul>
<b>FOREIGN RESIDENCY/ TRAVEL</b>	<ul style="list-style-type: none"> <li>Applicant must be a U.S citizen or permanent U.S. resident</li> <li>Travel to hazardous area may disqualify for Preferred and Super Preferred</li> </ul>	



	PREFERRED	SUPER PREFERRED
<b>TOBACCO</b> <ul style="list-style-type: none"> <li>Tobacco use includes any tobacco or nicotine product (i.e., cigar, patch, gum &amp; marijuana)</li> <li>Best offer for marijuana use within one year is Tobacco/Standard</li> </ul>	<ul style="list-style-type: none"> <li>No tobacco use for: one year, ages 20-85 three years, ages 71-85</li> <li><b>Exception – 12 or fewer cigars per year with a negative urine</b></li> <li>For Tobacco/Preferred rates all preferred criteria must be met except tobacco use</li> </ul>	<ul style="list-style-type: none"> <li>No tobacco use for: five years, ages 20-80</li> </ul>
<b>DRIVING</b>	<ul style="list-style-type: none"> <li>No more than two moving violations in the past three years</li> <li>No driving under the influence or reckless driving in five years</li> </ul>	
<b>OCCUPATION/ MILITARY/AVIATION/ HAZARDOUS SPORTS</b>	<ul style="list-style-type: none"> <li>Not ratable for occupation and military</li> <li>For aviation and hazardous sports risk, refer to your home office underwriter</li> </ul>	



# Financial Underwriting

As a valued partner of The Principal, we strive to give you an edge in doing business with us. We are committed to maintaining market-leading underwriting and service, and we want you to be familiar with our financial underwriting requirements and guidelines when submitting cases to us.

## Financial requirements

FACE AMOUNT	FINANCIAL UNDERWRITING SUPPLEMENT FOR LIFE INSURANCE	INSPECTION REPORT WITH FINANCIAL QUESTIONS	THIRD PARTY FINANCIAL VERIFICATION
\$2,000,000 to \$5,000,000	X		
\$5,000,001 to \$10,000,000	X	X	
\$10,000,001 and up	X	X	X
Any face amount, age 70+, trust less than two years	X	X	X

**Note:** Underwriters have discretion to request additional financial information at any age and/or amount.

## Premium to income ratio

- If net worth is less than or equal to \$5 million, acceptable ratio of premium to income is up to 25 percent.
- If net worth is greater than \$5 million, acceptable ratio of premium to income is up to 40 percent.
- If net worth is greater than \$10 million, acceptable ratio of premium to income is up to 60 percent.

## Personal financial underwriting guidelines

PURPOSE OF INSURANCE	FORMULAS AND GUIDELINES	INFORMATION NEEDED														
Income replacement	<p><b>MAXIMUM COVERAGE</b></p> <p><b>Ages:</b>            <b>Multiply income by:</b></p> <table> <tr> <td>20-29</td> <td>20-25</td> </tr> <tr> <td>30-39</td> <td>15-20</td> </tr> <tr> <td>40-49</td> <td>12-15</td> </tr> <tr> <td>50-54</td> <td>10-12</td> </tr> <tr> <td>55-59</td> <td>8-10</td> </tr> <tr> <td>60-65</td> <td>5-8</td> </tr> <tr> <td>Over 65</td> <td>2-5</td> </tr> </table>	20-29	20-25	30-39	15-20	40-49	12-15	50-54	10-12	55-59	8-10	60-65	5-8	Over 65	2-5	<ul style="list-style-type: none"> <li>Gross annual income</li> <li>How amount of insurance was determined</li> <li>Other coverage in force or pending with all carriers</li> </ul>
20-29	20-25															
30-39	15-20															
40-49	12-15															
50-54	10-12															
55-59	8-10															
60-65	5-8															
Over 65	2-5															
Estate planning	<ul style="list-style-type: none"> <li>Estate growth factor up to 8%</li> </ul> <p><b>Estate growth period:</b></p> <ul style="list-style-type: none"> <li>Ages 20-65 – 75% of life expectancy not to exceed 15 years</li> <li>Ages 66-80 – 75% of life expectancy not to exceed 10 years</li> <li>Ages 81+ – Use current estate value; no growth assumptions</li> <li>Assume 50% of estimated future estate value will be lost to estate tax</li> <li>Insurance amount = 50% of estimated future estate value</li> </ul>	<ul style="list-style-type: none"> <li>Estate analysis</li> <li>Net worth</li> <li>How insurance amount was determined</li> <li>Risk amounts</li> </ul>														

**Note:** If you have questions regarding juvenile, charitable insurance or creditor insurance, please contact your home office underwriter.

## Business financial underwriting guidelines

PURPOSE OF INSURANCE	FORMULAS AND GUIDELINES	INFORMATION NEEDED
Key executive	<ul style="list-style-type: none"> <li>Up to 10 times annual income</li> <li>Business owner and beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>Verification of income</li> <li>List of other key executives and their coverage</li> <li>Explanation of lay role to employer</li> </ul>
Buy-sell and stock redemption plans	<ul style="list-style-type: none"> <li>Percent of ownership = X value of company</li> <li>Cross purchase – partners are owners and beneficiaries</li> <li>Entity purchase – business is owner and beneficiary</li> </ul>	<p>Business financials:</p> <ul style="list-style-type: none"> <li>Balance sheet</li> <li>Income statement</li> <li>List of owners/ownership percent</li> <li>Confirmation all partners are similarly insured</li> </ul>
Executive Bonus/ S Owner	<ul style="list-style-type: none"> <li>Insurance amount = a multiple of the executive's income</li> </ul>	<ul style="list-style-type: none"> <li>Verification of income</li> </ul>
Deferred compensation	<ul style="list-style-type: none"> <li>Insurance amount = a multiple of the executive's income</li> </ul>	<ul style="list-style-type: none"> <li>Deferred compensation plan formula and description of insurance benefit</li> <li>Verification of compensation</li> </ul>

**Note:** If you have questions regarding creditor insurance, please contact your home office underwriter.

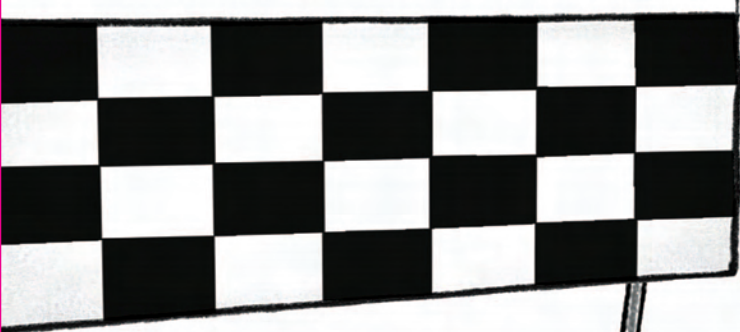
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