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Fixed Deferred Annuities

Overview

Depending on the annuity product, a fixed annuity can be funded either with a lump sum contribution or with a series of contributions over a period of time. Fixed annuities are considered to be a more conservative investment option than variable annuities. Funds in fixed annuities grow steadily, and are not subject to downfalls in the stock market.

Build Your Financial Future with a Fixed Annuity

When you choose a fixed annuity from Principal Life Insurance Company, you receive an investment option that avoids stock market volatility, plus you can select an income benefit that guarantees a stream of income for life. And unlike many other investments, such as a CD^[1], with a fixed annuity you also utilize specific [tax strategies](#). Principal Life offers the following:

- **Single Premium Deferred Annuities** - Choose from a portfolio of products that offer a variety of guarantee periods and an option that provide an additional interest rate in the first year, and one product that calculates earnings based on the S&P 500[®] Index using an annual point to point index crediting methodology^[2].
- **Flexible Premium Deferred Annuity Plus** - A flexible product that allows the convenience of additional premium contributions into one contract. Allowing you the opportunity to grow additional income for retirement.

Fixed Annuity Benefits

- **Guaranteed Return of Principal** - Unfortunately, most investment vehicles do not guarantee you will get back everything you put in. Most fixed annuities from Principal Life guarantee a return of all principal payments at full surrender (less any previous withdrawals or applicable surrender charges).
- **Guaranteed Interest Rates** - Over the years, it is common for interest rates to go up and down. Even if interest rates go down, Principal Life fixed annuity rates will never dip below the minimum interest rate stated in the contract.
- **Access to Your Money** - With each fixed annuity from Principal Life- through the Free Surrender Privilege - you can withdraw money without surrender charges up to a set percentage of your accumulated value each contract year. In addition,

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you can withdraw any amount without surrender charges after completing the surrender charge period. All withdrawals prior to age 59½ may result in a 10 percent IRS penalty tax.

- **Accessing Money in an Emergency** - The Waiver of Surrender Charge rider^[3] allows you to access your money in an emergency without surrender charges. We waive surrender charges on full or partial surrenders taken before income payments begin if the owner or annuitant:
 - Becomes confined to a health care facility for 60 or more consecutive days, or
 - Is terminally ill or totally and permanently disabled after the contract is issued.
- **Probate Simplification** - With a fixed annuity from Principal Life, all death benefit proceeds pass outside of probate (if payable to a beneficiary other than the estate) so your beneficiaries avoid lengthy delays in receiving your bequest.
- **Automatic IRS Minimum Distribution Notification** - You do not need to worry about the 50 percent penalty for not withdrawing the IRS required minimum distribution from the contract. Each year, we notify you of the required withdrawal amount necessary to meet the IRS minimum distribution rules.
- **Accessing Account Options** - In addition to receiving ongoing statements, you have unlimited access to your account information via:
 - Online at www.principal.com
 - Phone - Call our toll-free automated customer service line at 1.800.852.4450, between 7:00 a.m. and 6:00 p.m. CST (Monday - Friday) to access interest rates and policy information or to initiate changes to your contract.

[1]

Certificates of Deposit are FDIC insured and subject to FDIC limits while annuities are backed by the strength and stability of the issuing company.

[2]

The S&P 500® Index does not reflect dividends paid on the stocks underlying the index. Growth potential of Principal Performance Annuity 7 interest is capped at the index cap rate determined at issue and annually reset. The index cap is guarantee never to be less than 3%.

[3]

Not available in all states and state variations may apply.

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

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

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