

**THE PRINCIPAL FINANCIAL GROUP INDIVIDUAL ANNUITY INTEREST RATES EFFECTIVE 12/01/2018.**

**FIXED DEFERRED ANNUITIES**

**Principal Preferred Series Annuity**

|  | Effective November 15 |                       |   |                        | Effective December 01 |                       |   |                        |        |
|--|-----------------------|-----------------------|---|------------------------|-----------------------|-----------------------|---|------------------------|--------|
|  | Initial Base Rate     | Year 1 Premium Credit | 1st Yr. Annual Yield on Initial Premium | Average Annual Yield** | Initial Base Rate     | Year 1 Premium Credit | 1st Yr. Annual Yield on Initial Premium | Average Annual Yield** |        |
| <b>Guaranteed Minimum Interest Rate (GMIR) = 0.50%</b> |                       |                       |   |                        |                       |                       |   |                        |        |
| <b>3-year guarantee* - without Return of Premium</b>   |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 2.45%                 | 0.00%                 | 2.45%                                   | 2.45%                  | 2.45%                 | 0.00%                 | 2.45%                                   | 2.45%                  |        |
| Initial Premium \$50,000-\$99,999                      | 2.60%                 | 0.00%                 | 2.60%                                   | 2.60%                  | 2.60%                 | 0.00%                 | 2.60%                                   | 2.60%                  |        |
| Initial Premium \$100,000 and more                     | 2.80%                 | 0.00%                 | 2.80%                                   | 2.80%                  | 2.80%                 | 0.00%                 | 2.80%                                   | 2.80%                  |        |
| <b>3-year guarantee* - with Return of Premium</b>      |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 2.20%                 | 0.00%                 | 2.20%                                   | 2.20%                  | 2.20%                 | 0.00%                 | 2.20%                                   | 2.20%                  |        |
| Initial Premium \$50,000-\$99,999                      | 2.35%                 | 0.00%                 | 2.35%                                   | 2.35%                  | 2.35%                 | 0.00%                 | 2.35%                                   | 2.35%                  |        |
| Initial Premium \$100,000 and more                     | 2.55%                 | 0.00%                 | 2.55%                                   | 2.55%                  | 2.55%                 | 0.00%                 | 2.55%                                   | 2.55%                  |        |
| <b>4-year guarantee* - without Return of Premium</b>   |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 2.75%                 | 0.00%                 | 2.75%                                   | 2.75%                  | 2.75%                 | 0.00%                 | 2.75%                                   | 2.75%                  |        |
| Initial Premium \$50,000-\$99,999                      | 2.90%                 | 0.00%                 | 2.90%                                   | 2.90%                  | 2.90%                 | 0.00%                 | 2.90%                                   | 2.90%                  |        |
| Initial Premium \$100,000 and more                     | 3.05%                 | 0.00%                 | 3.05%                                   | 3.05%                  | 3.05%                 | 0.00%                 | 3.05%                                   | 3.05%                  |        |
| <b>4-year guarantee* - with Return of Premium</b>      |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 2.50%                 | 0.00%                 | 2.50%                                   | 2.50%                  | 2.50%                 | 0.00%                 | 2.50%                                   | 2.50%                  |        |
| Initial Premium \$50,000-\$99,999                      | 2.65%                 | 0.00%                 | 2.65%                                   | 2.65%                  | 2.65%                 | 0.00%                 | 2.65%                                   | 2.65%                  |        |
| Initial Premium \$100,000 and more                     | 2.85%                 | 0.00%                 | 2.85%                                   | 2.85%                  | 2.85%                 | 0.00%                 | 2.85%                                   | 2.85%                  |        |
| <b>5-year guarantee* - without Return of Premium</b>   |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 3.05%                 | 0.00%                 | 3.05%                                   | 3.05%                  | 3.00%                 | 0.00%                 | 3.00%                                   | 3.00%                  | change |
| Initial Premium \$50,000-\$99,999                      | 3.25%                 | 0.00%                 | 3.25%                                   | 3.25%                  | 3.20%                 | 0.00%                 | 3.20%                                   | 3.20%                  | change |
| Initial Premium \$100,000 and more                     | 3.30%                 | 0.00%                 | 3.30%                                   | 3.30%                  | 3.25%                 | 0.00%                 | 3.25%                                   | 3.25%                  | change |
| <b>5-year guarantee* - with Return of Premium</b>      |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 2.80%                 | 0.00%                 | 2.80%                                   | 2.80%                  | 2.75%                 | 0.00%                 | 2.75%                                   | 2.75%                  | change |
| Initial Premium \$50,000-\$99,999                      | 3.05%                 | 0.00%                 | 3.05%                                   | 3.05%                  | 3.00%                 | 0.00%                 | 3.00%                                   | 3.00%                  | change |
| Initial Premium \$100,000 and more                     | 3.15%                 | 0.00%                 | 3.15%                                   | 3.15%                  | 3.10%                 | 0.00%                 | 3.10%                                   | 3.10%                  | change |
| <b>6-year guarantee* - without Return of Premium</b>   |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 3.05%                 | 0.00%                 | 3.05%                                   | 3.05%                  | 3.00%                 | 0.00%                 | 3.00%                                   | 3.00%                  | change |
| Initial Premium \$50,000-\$99,999                      | 3.25%                 | 0.00%                 | 3.25%                                   | 3.25%                  | 3.20%                 | 0.00%                 | 3.20%                                   | 3.20%                  | change |
| Initial Premium \$100,000 and more                     | 3.30%                 | 0.00%                 | 3.30%                                   | 3.30%                  | 3.25%                 | 0.00%                 | 3.25%                                   | 3.25%                  | change |
| <b>6-year guarantee* - with Return of Premium</b>      |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 2.85%                 | 0.00%                 | 2.85%                                   | 2.85%                  | 2.80%                 | 0.00%                 | 2.80%                                   | 2.80%                  | change |
| Initial Premium \$50,000-\$99,999                      | 3.05%                 | 0.00%                 | 3.05%                                   | 3.05%                  | 3.00%                 | 0.00%                 | 3.00%                                   | 3.00%                  | change |
| Initial Premium \$100,000 and more                     | 3.15%                 | 0.00%                 | 3.15%                                   | 3.15%                  | 3.10%                 | 0.00%                 | 3.10%                                   | 3.10%                  | change |
| <b>7-year guarantee* - without Return of Premium</b>   |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 3.10%                 | 0.00%                 | 3.10%                                   | 3.10%                  | 3.05%                 | 0.00%                 | 3.05%                                   | 3.05%                  | change |
| Initial Premium \$50,000-\$99,999                      | 3.30%                 | 0.00%                 | 3.30%                                   | 3.30%                  | 3.25%                 | 0.00%                 | 3.25%                                   | 3.25%                  | change |
| Initial Premium \$100,000 and more                     | 3.35%                 | 0.00%                 | 3.35%                                   | 3.35%                  | 3.30%                 | 0.00%                 | 3.30%                                   | 3.30%                  | change |
| <b>7-year guarantee* - with Return of Premium</b>      |                       |                       |   |                        |                       |                       |   |                        |        |
| Initial Premium Less than \$50,000                     | 2.90%                 | 0.00%                 | 2.90%                                   | 2.90%                  | 2.85%                 | 0.00%                 | 2.85%                                   | 2.85%                  | change |
| Initial Premium \$50,000-\$99,999                      | 3.15%                 | 0.00%                 | 3.15%                                   | 3.15%                  | 3.10%                 | 0.00%                 | 3.10%                                   | 3.10%                  | change |
| Initial Premium \$100,000 and more                     | 3.20%                 | 0.00%                 | 3.20%                                   | 3.20%                  | 3.15%                 | 0.00%                 | 3.15%                                   | 3.15%                  | change |

**Additional Details:**

In the state of FL, the product automatically renews into a 1-year guarantee period and surrender charges do not restart.

Return of premium feature must be elected at issue and is set for the life of the contract.

\*If no additional premiums are made after contract issue, the initial base rate is guaranteed until the end of the initial guaranteed period.

\*\*Represents the average annual interest rate earned during the guarantee period.

\*GMIR is 1.40% in NY

**INDEX ANNUITY**

| Principal Secure Choice Indexed Annuity*            | Application Signed or Contract Issue Date |                       |             |                       |             |
|---|---|-----------------------|-------------|-----------------------|-------------|
|   | Participation Rate %                      | 11/16 - 12/01         |             | 12/02 - 12/15         |             |
|   |   | Year 1 Premium Credit | Index Cap % | Year 1 Premium Credit | Index Cap % |
| <b>Fixed Indexed Annuity Product</b>                |   |                       |             |                       |             |
| Minimum Index Cap = 2.00% (4 & 5 year SC period)    |   |                       |             |                       |             |
| Minimum Index Cap = 2.00% (6 & 7 year SC period)    |   |                       |             |                       |             |
| Minimum Trigger Percentage = 1.00% (all SC periods) |   |                       |             |                       |             |
| <b>4-year Annual Point-to-Point</b>                 |   |                       |             |                       |             |
| Initial Premium <\$50,000                           | 100%                                      | 0.00%                 | 5.40%       | 0.00%                 | 5.40%       |
| Initial Premium \$50,000 or more                    | 100%                                      | 0.00%                 | 5.60%       | 0.00%                 | 5.60%       |
| <b>4-year Performance Trigger</b>                   |   |                       |             |                       |             |
| Initial Premium <\$50,000                           | NA  | 0.00%                 | 4.55%       | 0.00%                 | 4.55%       |
| Initial Premium \$50,000 or more                    | NA  | 0.00%                 | 4.70%       | 0.00%                 | 4.70%       |
| <b>5-year Annual Point-to-Point</b>                 |   |                       |             |                       |             |
| Initial Premium <\$50,000                           | 100%                                      | 0.00%                 | 5.85%       | 0.00%                 | 5.85%       |
| Initial Premium \$50,000 or more                    | 100%                                      | 0.00%                 | 6.10%       | 0.00%                 | 6.10%       |
| <b>5-year Performance Trigger</b>                   |   |                       |             |                       |             |
| Initial Premium <\$50,000                           | NA  | 0.00%                 | 4.90%       | 0.00%                 | 4.90%       |
| Initial Premium \$50,000 or more                    | NA  | 0.00%                 | 5.05%       | 0.00%                 | 5.05%       |
| <b>6-year Annual Point-to-Point</b>                 |   |                       |             |                       |             |
| Initial Premium <\$50,000                           | 100%                                      | 0.00%                 | 6.00%       | 0.00%                 | 6.00%       |
| Initial Premium \$50,000 or more                    | 100%                                      | 0.00%                 | 6.25%       | 0.00%                 | 6.25%       |
| <b>6-year Performance Trigger</b>                   |   |                       |             |                       |             |
| Initial Premium <\$50,000                           | NA  | 0.00%                 | 5.00%       | 0.00%                 | 5.00%       |
| Initial Premium \$50,000 or more                    | NA  | 0.00%                 | 5.15%       | 0.00%                 | 5.15%       |
| <b>7-year Annual Point-to-Point</b>                 |   |                       |             |                       |             |
| Initial Premium <\$50,000                           | 100%                                      | 0.00%                 | 6.15%       | 0.00%                 | 6.15%       |
| Initial Premium \$50,000 or more                    | 100%                                      | 0.00%                 | 6.40%       | 0.00%                 | 6.40%       |
| <b>7-year Performance Trigger</b>                   |   |                       |             |                       |             |
| Initial Premium <\$50,000                           | NA  | 0.00%                 | 5.10%       | 0.00%                 | 5.10%       |
| Initial Premium \$50,000 or more                    | NA  | 0.00%                 | 5.25%       | 0.00%                 | 5.25%       |

**Additional Details:**

\*Contracts are only issued on the 2nd, 9th, 16th and 23rd of each month.

\*Approved in all states except: NY. The rate lock-in procedures give the client the better of the index cap or trigger rate when the application is signed and the index cap or trigger rate when the contract is issued.

In the states of DE & FL, the product automatically renews into a 1-year guarantee period and surrender charges do not restart.

Premium can only be allocated to one crediting method at issue.

## INCOME ANNUITIES

### Income Annuity Payouts (SPIA)

| Benefit Option                     | Effective November 15 | Effective December 01 |        |
|------------------------------------|-----------------------|-----------------------|--------|
|                                    | Monthly Payment       | Monthly Payment       |        |
| 10 Year Fixed Period               | \$480.16              | \$479.99              | change |
| Male, Life w/Cash Refund, Age 70   | \$289.93              | \$289.31              | change |
| Female, Life w/Cash Refund, Age 70 | \$277.97              | \$278.00              | change |
| Male, Life w/Cash Refund, Age 80   | \$380.71              | \$379.66              | change |
| Female, Life w/Cash Refund, Age 80 | \$358.15              | \$357.50              | change |

Based on \$50,000 nonqualified premium, issued to an Iowa resident; payments are assumed to be monthly and deferred one month.

The change in income annuity payouts vary by income benefit option selected (i.e. some may increase, some may decrease, or remain unchanged). Please contact the Principal Salesdesk for a current illustration.

## DEFERRED INCOME ANNUITIES

### Deferred Income Annuity Payouts (DIA)

| Benefit Option                                    | Effective November 15 | Effective December 01 |        |
|---|-----------------------|-----------------------|--------|
|   | Monthly Payment       | Monthly Payment       |        |
| Male, Life w/Cash Refund, Age 60, 3 Year Deferral | \$563.42              | \$562.49              | change |
| Male, Life w/Cash Refund, Age 60, 5 year Deferral | \$640.00              | \$638.84              | change |
| Male, Life w/Cash Refund, Age 65, 3 Year Deferral | \$622.97              | \$622.85              | change |
| Male, Life w/Cash Refund, Age 65, 5 year Deferral | \$717.53              | \$717.38              | change |
| Male, Life w/Cash Refund, Age 67, 3 year Deferral | \$656.04              | \$655.92              | change |
| Male, Life w/Cash Refund, Age 67, 5 year Deferral | \$761.43              | \$761.26              | change |
| Male, Life w/Cash Refund, Age 70, 3 Year Deferral | \$701.10              | \$704.66              | change |
| Male, Life w/Cash Refund, Age 70, 5 year Deferral | \$822.49              | \$827.27              | change |

Based on \$100,000 nonqualified premium, issued to an Iowa resident; payments are assumed to be monthly.

The change in income annuity payouts vary by income benefit option selected (i.e. some may increase, some may decrease, or remain unchanged). Please contact the Principal Salesdesk for a current illustration.

### Fixed Deferred Annuity Interest Rate Procedures

#### Interest Rate Lock-In Procedures for Initial Premium

Interest Rate Lock-In will be the greater of:

- 1) the first year annual yield rate in effect on the date the client signs the application, or
- 2) the first year annual yield rate in effect on the date the funds arrive in the Principal home office (h.o.)

Applications and funds must be received in the h.o. within 14 calendar days following the client's signature date on the application or the client will receive the current initial base interest rate in effect at the time the funds are received in the h.o.

#### Interest Rate Lock-In Procedures for Initial Premium - 1035 Exchanges/Rollovers/Direct Transfers

Interest Rate Lock-In will be the greater of:

- 1) the first year annual yield rate in effect on the date the client signs the application, or
- 2) the first year annual yield rate in effect on the date the funds arrive in the Principal home office (h.o.)

Applications must be received in the h.o. within 14 calendar days following the client's signature date on the application and funds must be received in the h.o. within 60 calendar days following the application signature date or the client will receive the current initial base interest rate in effect at the time the funds are received.

#### Interest Rate Procedures for Additional Premiums

If additional premiums are allowed, the interest rate for the additional premium will be based on the rate in effect on the date the premium is received in the home office.

**NOTE: All products, with the exception of Indexed Annuities**

**Guaranteed Minimum Interest Rate (GMIR) Rates and Effective Dates**

| Product                             | Rate  | Date       |
|-------------------------------------|-------|------------|
| Principal Preferred Series Annuity* | 0.50% | 10/01/2018 |

NOTE: the GMIR is set at contract issue and is set for the life of the contract, with the exception of Principal Preferred Series Annuity which resets at the end of the guarantee period

\*GMIR is 1.40% in NY

**Guaranteed Minimum Cap and Effective Date**

| Product   | Cap   | Effective Date |
|---|-------|----------------|
| Principal Secure Choice Index Annuity – Point-to-Point 4 & 5 year | 2.00% | 10/02/2018     |
| Principal Secure Choice Index Annuity – Point-to-Point 6 & 7 year | 2.00% | 10/02/2018     |
| Principal Secure Choice Index Annuity – Trigger 4, 5, 6 & 7 year  | 1.00% | 10/02/2018     |

NOTE: All products may not be available to all distribution channels.

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