

State: Arkansas **Filing Company:** Principal National Life Insurance Company
TOI/Sub-TOI: L04I Individual Life - Term/L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium
Product Name: Term Life Insurance
Project Name/Number: 2013 Valuation & Nonforfeiture rate change-Term/

Filing at a Glance

Company: Principal National Life Insurance Company
Product Name: Term Life Insurance
State: Arkansas
TOI: L04I Individual Life - Term
Sub-TOI: L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium
Filing Type: Form
Date Submitted: 11/16/2012
SERFF Tr Num: PRLD-128765470
SERFF Status: Closed-Accepted For Informational Purposes
State Tr Num:
State Status: Closed-Accepted for Informational Purposes
Co Tr Num: SN1NFCHG

Implementation: 01/01/2013
Date Requested:
Author(s): Peggy Pavelka
Reviewer(s): Linda Bird (primary)
Disposition Date: 11/28/2012
Disposition Status: Accepted For Informational Purposes
Implementation Date:

State Filing Description:

State: Arkansas **Filing Company:** Principal National Life Insurance Company
TOI/Sub-TOI: L04I Individual Life - Term/L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium
Product Name: Term Life Insurance
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General Information

Project Name: 2013 Valuation & Nonforfeiture rate change- Term Status of Filing in Domicile: Authorized
 Project Number: Date Approved in Domicile: 09/18/2012
 Requested Filing Mode: Informational Domicile Status Comments: Filed
 Explanation for Combination/Other: Market Type: Individual
 Submission Type: New Submission Individual Market Type:
 Overall Rate Impact: Filing Status Changed: 11/28/2012
 State Status Changed: 11/28/2012
 Deemer Date: Created By: Peggy Pavelka
 Submitted By: Peggy Pavelka Corresponding Filing Tracking Number:

Filing Description:

RE Informational Filing - Individual Term Life

Reduction in Valuation Interest Rate and Nonforfeiture Interest Rate for 2013 new issues

- Revised Actuarial Memorandum for previously approved Term Life Insurance Policy form SN 1 (approved 1/8/2009, SERFF #PRLD-125957764)

This filing is being made to comply with the reduction in the maximum valuation interest rate for 2013 life insurance issues.

Enclosed is a revised Actuarial Memorandum to replace that on file with your Department. The Actuarial Memorandum has been revised to reflect a lower 3.5% valuation interest rate and 4.5% nonforfeiture interest rate and applies to new issues of the policy form beginning January 1, 2013 and after.

These changes do not affect the policy form that was approved by the Department.

If you have questions or would like more information, please feel free to contact me using any of the options listed on the Companies and Contact tab.

Company and Contact

Filing Contact Information

Peggy Pavelka, Senior Analyst pavelka.peggy@principal.com
 711 High Street 800-255-6603 [Phone] 5 [Ext]
 Des Moines, IA 50392-0001 515-235-5494 [FAX]

Filing Company Information

Principal National Life Insurance Company	CoCode: 71161	State of Domicile: Iowa
711 High Street	Group Code: 332	Company Type: Life, Health & Annuities
Des Moines, IA 50392-0001	Group Name:	State ID Number:
(515) 246-7062 ext. [Phone]	FEIN Number: 34-1022982	

Filing Fees

State: Arkansas **Filing Company:** Principal National Life Insurance Company
TOI/Sub-TOI: L04I Individual Life - Term/L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium
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Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50.00 per policy filing
Per Company: No

Company	Amount	Date Processed	Transaction #
Principal National Life Insurance Company	\$50.00	11/16/2012	65000806

SERFF Tracking #:

PRLD-128765470

State Tracking #:

Company Tracking #:

SN1NFCHG

State:

Arkansas

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Principal National Life Insurance Company

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L04I Individual Life - Term/L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Accepted For Informational Purposes	Linda Bird	11/28/2012	11/28/2012

SERFF Tracking #:

PRLD-128765470

State Tracking #:

Company Tracking #:

SN1NFCHG

State:

Arkansas

Filing Company:

Principal National Life Insurance Company

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Term Life Insurance

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2013 Valuation & Nonforfeiture rate change-Term/

Disposition

Disposition Date: 11/28/2012

Implementation Date:

Status: Accepted For Informational Purposes

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		No
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No

SERFF Tracking #:

PRLD-128765470

State Tracking #:

Company Tracking #:

SN1NFCHG

State:

Arkansas

Filing Company:

Principal National Life Insurance Company

TOI/Sub-TOI:

L04I Individual Life - Term/L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium

Product Name:

Term Life Insurance

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Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Life & Annuity - Acturial Memo		
Comments:	Attached are the updated actuarial materials for this informational filing.		
Attachment(s):	SN1_Term_Actuarial Memo_Std State_PNL_2013 Revision.pdf Standard_certification_SNFL_PNL_SN1_2013 Revision.pdf AR_SN1_Term_Actuarial Cert_PNL_2013 Revision.pdf		

PRINCIPAL NATIONAL LIFE INSURANCE COMPANY

ACTUARIAL MEMORANDUM

INDETERMINATE PREMIUM LIFE INSURANCE

Policy Form: SN 1

Policy Description:

This policy form is offered on both a gender-distinct and a unisex basis.

Benefits

This term product has a level death benefit payable upon death prior to contract expiry at attained age 95.

Premiums

Premiums may vary by issue age, gender, duration, face amount band, tobacco use classification, and underwriting classification. The policyowner will be charged premiums based on the current premium scale in effect. However, the current premium scale will never exceed the guaranteed premium scale specified in the policy. The same underwriting classification will apply if premiums are adjusted under the premium change provision of the policy. Premiums are payable to attained age 95.

The Premium Options available are:

1. Premiums increase annually and are guaranteed for 5 years,
2. Premiums are level and guaranteed for 10 years, then increase annually,
3. Premiums are level and guaranteed for 15 years, then increase annually,
4. Premiums are level and guaranteed for 20 years, then increase annually, and
5. Premiums are level and guaranteed for 30 years, then increase annually.

Unisex premium rates are equal to male premium rates.

Conversion

The conversion provision allows a policyholder to change, without evidence of insurability, to other specified life insurance plans issued by Principal National Life Insurance Company. For premium options 2-5, the conversion option is available through the earlier of the level premium period or attained age 70. For premium option 1, the conversion option is available the earlier of ten years or attained age 70.

Issue Ages

The issue age range is the same for all risk classes.

Premium Option	Issue Ages (non-tobacco)	Issue Ages (tobacco)
1	20-75	20-75
2	20-75	20-75
3	20-70	20-70
4	20-65	20-65
5	20-55	20-50

Face Amount Banding

The Face Amount banding is the same for each Premium Option.

Band	Face Amount Band Range
1	\$200,000 - \$999,999
2	\$1,000,000 - \$40,000,000

Cash Values:

There are no cash values associated with this plan of insurance. This conclusion is based upon calculations of theoretical cash values at all combinations of issue age, gender, and risk class that failed to exceed 2.5% of the amount of insurance available at the beginning of the policy year for each policy year. The Standard Nonforfeiture Law for Life Insurance formulae were applied in this testing, using the 2001 CSO, ANB, Gender-Distinct, Smoker-Distinct Mortality Tables and a nonforfeiture interest rate of 4.50% annually for 2013 issues. For unisex policies, the mortality basis is 2001 CSO, 100% male. These cash values were tested using both the current and guaranteed premium levels as prescribed in Actuarial Guideline XXII. According to the Standard Nonforfeiture Law, since no cash values were generated which exceeded 2.5% of the insurance amount, no cash values were required for this policy form.

Statutory Reserves:

Mortality Tables and Valuation Interest Rate

A valuation interest rate of 3.50% annually, for 2013 issues, and the 2001 CSO, ANB, Gender-Distinct, Smoker-Distinct, Mortality Tables will be used to calculate the Statutory Reserves. Gender-distinct mortality is used to calculate Statutory Reserves for policies issued on a unisex basis. The valuation interest rate is subject to variation for new issues each year, in accordance with the Standard Valuation Law, and will never exceed the maximum permitted by the Standard Valuation Law. Immediate payment of claims is assumed in the calculations. The mortality tables used will be those permitted by the Standard Valuation Law and the Valuation of Life Insurance Model Regulation (Model Regulation).

Valuation Methodology

Basic Reserve calculations follow the Commissioners' Reserve Valuation Method (CRVM) as defined by the Valuation of Life Insurance Model Regulation (Model Regulation). Basic Reserves will be calculated as the greater of Segmented and Unitary Reserves. Basic Reserves will never be less than the interpolated tabular cost of insurance ($1/2 c_x$) from the valuation date to the next policy

anniversary. Basic reserves will use the select and ultimate version of the 2001 CSO tables. Tabular cost of insurance will use the ultimate version of the 2001 CSO tables. The ultimate version of the 2001 CSO tables will be used for policy years in segments subsequent to the first segment.

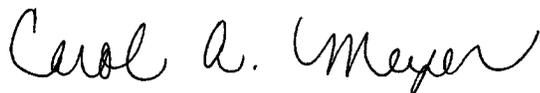
The Unitary Reserve will be calculated over the period from issue age to attained age 95.

For Segmented Reserves, segments will be determined and the reserves calculated according to the methodology described in the Model Regulation.

Deficiency reserves, if any, will be calculated as the excess, if greater than zero, of the quantity A over the Basic Reserve. The quantity A is obtained by recalculating the Basic Reserve substituting the gross premium in place of the net premium whenever the gross premium is less than the net premium and using the same methodology (unitary or segmented) as was used to calculate the Basic Reserve.

Mortality assumed in the quantity A and the net premium calculations will use the select and ultimate version of the 2001 CSO tables, adjusted by X-factors during the first segment, as permitted by the Model Regulation. Ultimate mortality is used for policy years in segments subsequent to the first segment.

The total Statutory Reserve equals the Basic Reserve plus the Deficiency Reserve.



Carol Meyer, F.S.A., M.A.A.A.
Senior Actuary - Pricing

September 14, 2012

Date

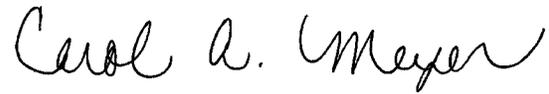
ACTUARIAL CERTIFICATION

Principal National Life Insurance Company

Policy Form: SN 1 – Indeterminate Premium Life Insurance

September 14, 2012

On behalf of Principal National Life Insurance Company, I hereby certify that to the best of my knowledge and belief the above submission conforms to generally accepted actuarial principles, standards and guidelines, that the reserves, including a test of deficiency reserves, and non-forfeiture benefits, if applicable, comply with all statutes, rules and regulations of the State, and that premiums, if any, are not inadequate, excessive, unfairly discriminatory, or unreasonable in relation to benefits provided.



Carol A. Meyer, FSA, MAAA

Senior Actuary - Pricing



Principal National Life Insurance Company
Des Moines, IA 50392-1170

ARKANSAS

CONSENT TO SUBMIT RATES

The Principal National Life Insurance Company ("Company") of Des Moines, Iowa, does hereby consent and agree that all premium rates and/or cost bases both "maximum" and "current or projected," used in relation to policy form number SN 1 must be filed with the Insurance Commissioner for the State of Arkansas ("Commissioner") at least sixty (60) days prior to their proposed effective date. Such rates and/or cost bases shall be deemed effective sixty (60) days after they are filed with the Commissioner; unless the Commissioner shall approve or disapprove such rates and/or cost bases prior to the expiration of sixty (60) days.

Date:

September 14, 2012

Signature:

Carol A. Meyer

Title:

Senior Actuary – Pricing

Name:

Carol A. Meyer, F.S.A., M.A.A.A.