



Mailing Address:
P.O. Box 10431
Des Moines, IA 50306-0431

Principal Life
Insurance Company

Change of Ownership
Instructions on Next Page

Policy Number(s)

On the life of

The undersigned hereby conveys, transfers, and sets over absolutely to the party or parties in the manner hereinafter designated, all of the undersigned's right, title and interest in and to the above policy, together with all of the undersigned's powers, privileges, benefits, and advantages therein provided or derived therefrom (including, but not limited to the following: any dividends, loan values, surrender or cash values, maturity values, disability benefits and the power to change the beneficiary thereunder) subject to all the terms and conditions in said policy and any indebtedness thereon and by this transfer, the ownership of such policy is vested in.

Primary Owner (Please check a box to designate a new owner)

A ☐ Insured

B ☐ Individual (Adult)

*Date of Birth

C ☐ A Corporation/Partnership

D ☐ Name(s) of Trustee(s)

Date of Trust MM/DD/YYYY

Under (Name of Trust)

*New Owner's Taxpayer ID (Certification of the TIN is required on Form W-9, DD 699)

Phone

()

*Send future correspondence to the Owner at: Street Address

City

State

ZIP

*Required fields

Contingent Owner

Unless any individual owner designated in part B names a new contingent owner by written notice in form satisfactory to the Company at 711 High Street, Des Moines, IA 50392-0001, then upon the death of any such individual owner designated above, all of such deceased owner's right, title and interest in the policy is to pass:

Name of Contingent Owner _____ Taxpayer ID No. _____

Final Owner

If all of the above designated individual owners predecease the insured, ownership is to pass to:

☐ The Insured

☐ The Estate of the last surviving owner

If neither box is marked, ownership will pass to the Insured. If a designated Corporation or Partnership is dissolved or a trust is terminated, ownership will pass in accordance with the dissolution agreement or order disposing of the trust assets.

Federal law requires financial institutions to obtain, verify and record information that identifies each customer opening a new account. Financial institutions may ask for identifying information and to see a driver's license or other documents and may also check databases or take other steps to verify identity.

Signatures

Use a separate form for each Policy unless all requests made are applicable to each policy number listed. Signature of Assignee (if any) is required. **Form must be signed in ink.**

X

Signature of Owner(s) or Company Name if Corporate Owned

Signature of Assignee (if Any) or Beneficiary if named Irrevocably

Print Name

Print Name of Assignee or Irrevocable Beneficiary

X

Authorized Company Official (Signature and Title)

X

City

State

X

Date MM/DD/YYYY

Complete Cost Basis Information on Page 2
RETURN ALL PAGES

Cost Basis Information – Required to complete before signing the form

Indicate below the type of transfer involved. If no box is marked or if no explanation is given, we will assume the transfer is a gift, unless the transfer is from a company to an individual or vice versa, in which case we will assume it is a sale.

- ☐ Gift – a policy transferred in full by gift will retain the prior owner's adjusted cost basis as of the date of the gift.
- ☐ Sale in full or in part – indicate cash or value of other consideration received _____. This amount will be increased by any outstanding policy loan or collateral assignment assumed by the new owner as of the date of sale in determining the new owner's cost basis.
- ☐ Other – transfer is neither a gift or a sale. The reason is _____.

If you indicate that the transfer is a sale, but do not show the consideration received, we will assume that the cash or other consideration received is the fair market value. The above values will be used in determining the cost basis for the new owner and any tax reporting requirements by the Company relating to any future benefits or distributions paid under this policy.

Instructions

1. On those Policies which do not contain an ownership provision, the word "Owner" shall be construed to read "Absolute Assignee" and the words "this change of ownership" shall be construed to read "Absolute Assignment."
2. For joint owners, more complex ownership designations, or requests to change ownership to a Qualified Pension and Profit Sharing Trust, provide desired designation to the Home Office for preparation of the appropriate form.
3. If the policy owner is a trust, attach at least the first and signatory pages of Trust document. If the policy owner is a partnership or corporation, attach at least the first and signatory pages of Partnership agreement or Articles of Incorporation.
4. Use a separate form for EACH Policy. Ink must be used.
5. Complete the Cost Basis Information Section. It is important that this information be provided to properly establish the cost basis for the new owner. This is necessary for tax reporting requirements by the Company relating to any future benefits paid under this policy. See additional information below.
6. Completion of a Form W-9 (DD 699) is required for all new clients.

Signature(s) Required for Change of Ownership

Individual Owner The Individual
Joint Ownership All Joint Owners
Partnership Authorized Partner Other Than The Insured
Corporate Authorized Officer Other Than The Insured
Trust Trustee(s)

General Information

Future notices and correspondence regarding this Policy will be directed to the owner at the address given on Page 1 or to such other address as the owner may direct in writing. The owner shall have the power to execute, without the prior owner joining, all requests, releases, agreements, or other instruments necessary or required to enable the owner to realize the rights, powers, privileges, benefits and advantages hereby transferred.

The change of ownership revokes all ownership designations heretofore existing, contingent or otherwise. This change of ownership shall not become effective until approved and recorded by the Company at its Home Office, but when so approved and recorded, shall take effect as of the date of the request, subject to any payment made or action taken by the Company before such recording.

The Change of Ownership does not constitute a Change of Beneficiary nor a request for a Change in any Pre-Authorized Check Plan that might be in effect and is not intended to secure the payment of any indebtedness.

Additional Information Concerning Cost Basis and Gain Relating to Ownership Changes

Transferred As a Sale

If there is no partial gift involved, the cost basis for the new owner is the consideration paid for the policy (including any obligations assumed), plus any premiums paid after the purchase and reduced by any tax free amounts received after the purchase. Any gain realized by the seller on the sale is taxable to the seller as ordinary income in the year of sale.

You should be aware that the Internal Revenue Service might view transferring a life insurance policy from corporate ownership to individual ownership as a taxable event depending on how the transaction is structured. We encourage you to consult with your tax advisors regarding the taxation of this ownership change so that the proper tax treatment takes place for both parties. Principal Life does not do tax reporting on change of ownership transactions.

Caution: A transfer for value may result in a portion of the death proceeds being taxable to the beneficiary unless the transfer qualifies as an exception to the transfer for value rules.*

Transferred As a Gift

A Policy transferred in full by gift will retain the prior owner's adjusted cost basis as of the date of the gift. It will be increased by any premiums paid after the gift and reduced by any tax free amounts received by the new owner after the gift. If a "gain" exists at the date of the gift and the new owner subsequently surrenders the policy, the prior owner is required to report as taxable income in the year of surrender that portion of the "gain" existing at the time of the gift. If there is an outstanding loan at the time of the transfer and the loan exceeds the cost basis, the excess is treated as taxable income to the prior owner and the transfer will be treated as part gift, part sale.

The gift of a deferred annuity issued after April 22, 1987 may cause the "gain" in the contract to be taxable to the prior owner in the year of the gift unless the gift is to the spouse of the prior owner. Any "gain" recognized by the prior owner will increase the cost basis of the contract for the new owner.

*A policy transferred in part by gift will retain the prior owner's adjusted cost basis and may qualify as an exception to the transfer for value rules whenever the prior owner's adjusted basis for the policy exceeds the amount paid (including any liabilities assumed) by the new owner.

This explanation of the cost basis and the federal income tax law is based upon our understanding of the present tax laws and is for general information only. We are not engaged in rendering legal, accounting or tax advice and this explanation should not be viewed as such. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

If the contract is an Annuity Contract, the "Policy" means "Contract" and the "Insured" means the "Annuitant."