



Total Retirement Approach

According to the 2007 First Quarter Principal Financial Group Well-Being Index, nearly seven in 10 employees agree that having a good employee benefits plan encourages them to work harder and perform better.

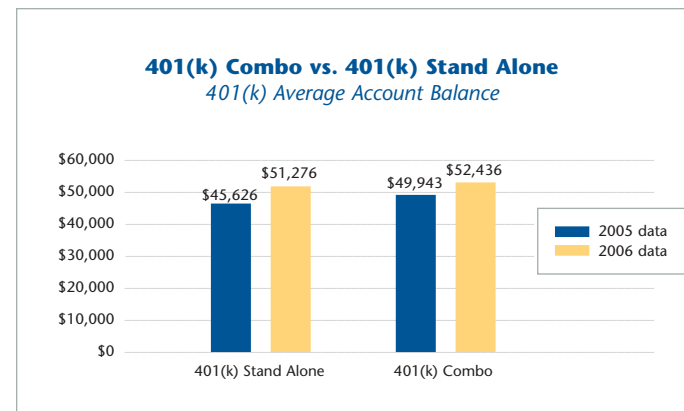
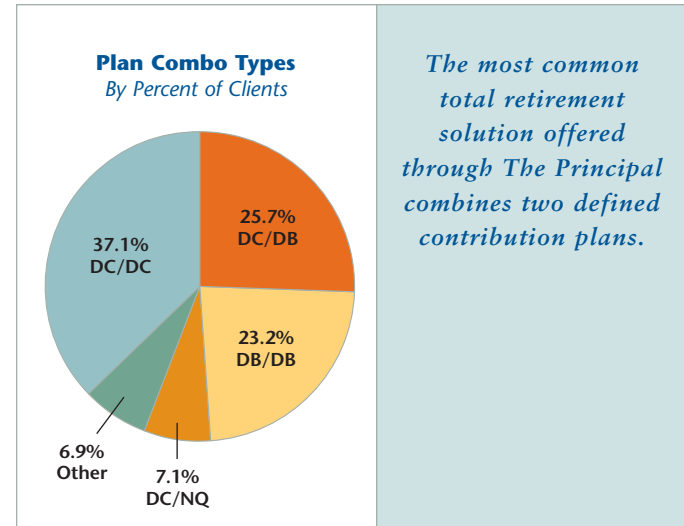
More Employers Streamline Services with an Integrated Approach

In 2006, an increasing number of employers continued looking to streamline their operations to stay competitive. Plan sponsors turned to a **total retirement solution** approach which consolidates all retirement plans with one provider. Through this integrated service approach for multiple retirement plans, plan administration can become more streamlined, helping employers save time, money, and resources as they do business.

Our complete retirement solutions approach delivers comprehensive analysis and plan administrative services for various plan combinations, including:

- Qualified defined benefit (DB)
- Qualified defined contribution (DC)
- Qualified employee stock ownership plans (ESOPs)
- Nonqualified retirement plans (NQ)

Well-coordinated service from a single provider can simplify employee benefit data management, speed service to both employers and participants, and ease plan compliance work. Plan sponsors utilizing **one** service provider have just **one** company to call, **one** local service contact, **one** website to access, and **one** data entry point to update employee information for all their retirement plans.



Fast Fact

Over 4,000 retirement plan sponsors had more than one retirement plan type for their organization with recordkeeping services provided by The Principal in 2006.

Benefits for Employees

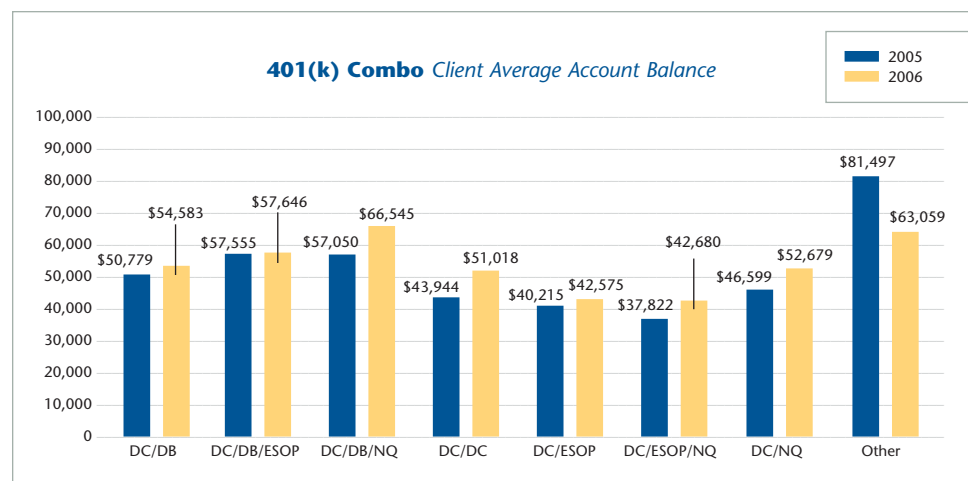
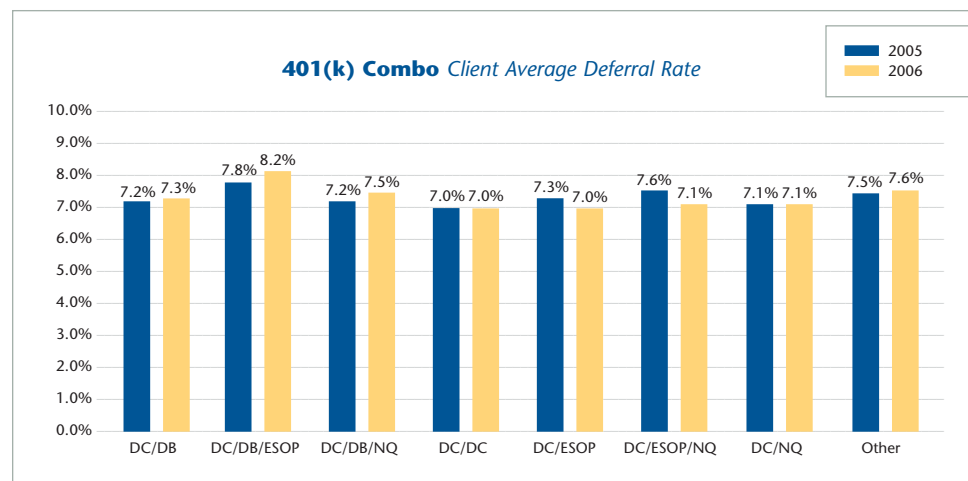
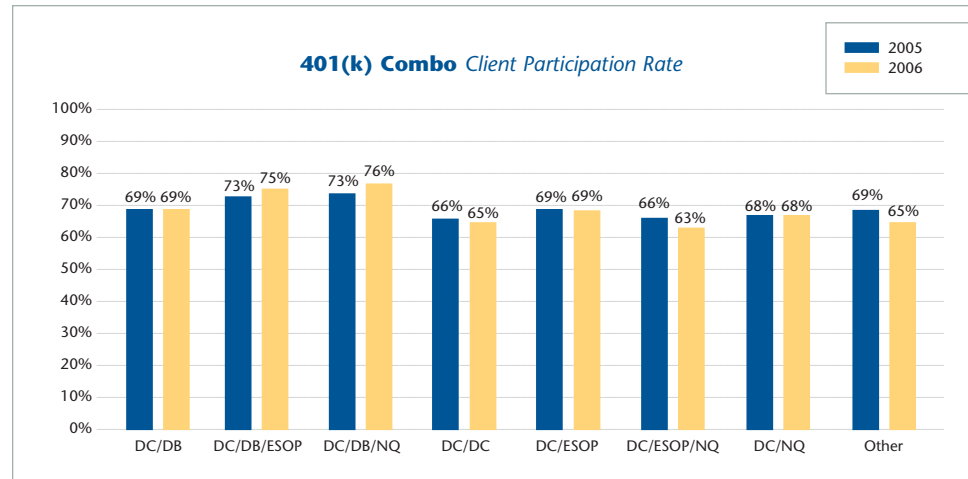
Employers who use an **integrated service approach** can leverage their total benefit program as a recruitment and retention tool, as well as provide employees with:

- An integrated investment program
- A consolidated view of retirement program savings through our total retirement statement
- Simplified retirement planning
- Consolidated education services

Additionally, retirement plans that use a total retirement solution typically had higher participation, larger average salary deferral rates, and bigger average participant account balances.

Fast Fact

In 2006, 58% of our new retirement plan assets were total retirement solutions sales (involving more than one retirement plan).



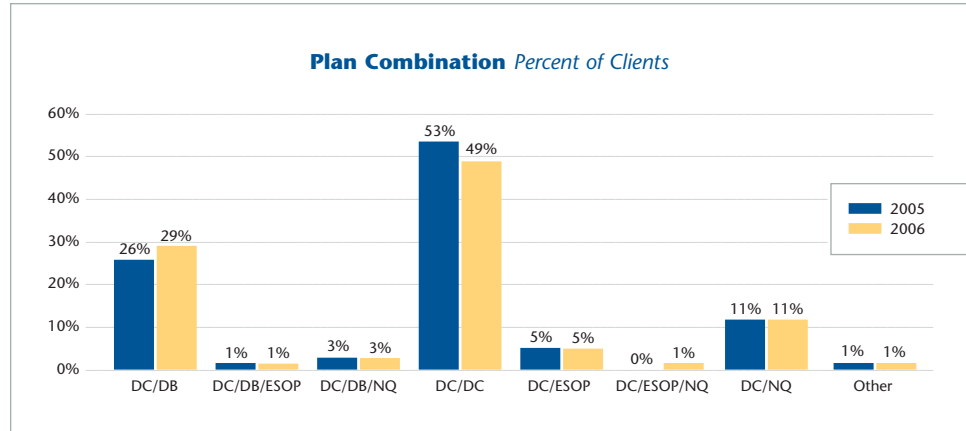
These charts are reflective of the 401(k) and 403(b) plans that are part of a total retirement solutions combination.

Fast Facts

Over 100 retirement plan sponsors had three or more retirement plans with administrative services provided by The Principal®.

2006 sales of new total retirement solutions plans increased 145% and total retirement solutions assets increased by 90%.

The most popular combination of multiple-plan sales in 2006 was defined contribution and nonqualified.



New Sales of Plan Combos*

Plan Combo	% Plans	% Assets
DC/DB	17.6%	12.9%
DC/ESOP	12.9%	19.3%
DB/ESOP	0.0%	0.0%
DC/NQ	30.7%	36.3%
ESOP/NQ	0.0%	0.0%
DB/NQ	1.3%	1.3%
DC/DB/ESOP	0.5%	0.3%
DC/DB/NQ	6.2%	4.2%
DC/ESOP/NQ	0.5%	2.4%
DC/ESOP/DB	0.0%	0.0%
DC/DB/ESOP/NQ	1.6%	10.8%
DC/DC	28.1%	11.7%
DB/DB	0.7%	0.7%
Total	100%	100%

* Percentages in graphs are rounded to the nearest integer percentages in order to increase readability and may not total exactly 100%.