

Principal Fixed Income Guaranteed Option

Overview

The Principal Fixed Income Guaranteed Option is a general-account backed, group annuity contract that has been issued to Principal Trust Company as custodian.

Crediting Rate

The contract pays a rate of interest guaranteed by Principal Life Insurance Company (Principal Life). Participant account balances are credited with a net crediting rate after deducting 0.65%* for fees for administrative and recordkeeping services provided to the plan. This net crediting rate on participant accounts is currently a 2.60% effective annual rate, until November 30, 2009. The rate will be reset December 1, 2009, and semiannually thereafter.

Stable Advantages

The Principal Fixed Income Guaranteed Option can provide the conservative foundation for a retirement program. It offers you three important characteristics:

- Stability of principal- the value does not fluctuate with the stock and bond markets.
- A declared interest rate - you know in advance what interest will be earned.
- No transfer charges - no fees, surrender charges, or market value adjustments are charged on participant transfers of assets into or out of the Principal Fixed Income Guaranteed Option.

CREDITING RATE HISTORY

06/09 ----	12/08 ----	06/08 ----	12/07 ----	03/07 ----
11/09	05/09	11/08	05/08	11/07
2.60%	3.95%	3.95%	4.00%	4.00%

The crediting rate history is shown based on past interest rates and does not guarantee future rates. For more information, visit the Principal Sponsor Service CenterSM or visit The Principal® web site at www.principal.com, contact your representative of The Principal, or call our Client Center at 1-800-547-7754.

Competing Plan Investment Options

If the retirement program provides you access to the Principal Fixed Income Guaranteed Option and Competing Plan Investment Options, participant transfers, either directly or indirectly, to Competing Plan Investment Options will generally be subject to an Equity Wash.

An Equity Wash requires that transfers must be directed to a non-competing investment option under the plan for 90-days before such transferred amounts may be directed to any other Competing Plan Investment Option.

Competing Plan Investment Options include other guaranteed investment options, or fixed income, money market, or bond funds that ever had an average duration of 3.0 years or less.

Benefit Payment

Benefit Payments are made at book value (i.e., no market value adjustments or surrender charge adjustments) for plan benefit events, including:

- Retirement
- Death
- Disability
- Termination of Employment
- Loans
- Withdrawals
- Plan Termination

Surrender Charge

An employer-level surrender of the plan's interest in the Principal Fixed Income Guaranteed Option or employer initiated transfer will be subject to either a 12-month irrevocable advance notice or a 5% surrender charge, whichever the employer chooses.

Principal Fixed Income Guaranteed Option

A Stable Guarantee

The Principal Fixed Income Guaranteed Option contract guarantees principal and provides a stated crediting rate backed by Principal Life Insurance Company. Principal Life has among the highest rating from recognized experts as indicated below.

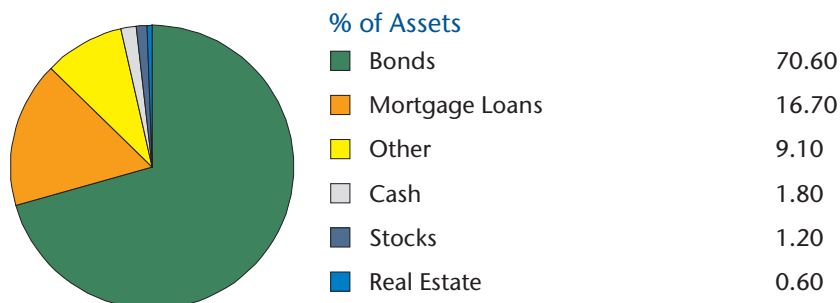
- Moody's Aa3
- S&P A+
- Fitch AA-
- A.M. Best A+

Nationally recognized statistical rating organizations (NRSROs) publish financial strength ratings of U.S. life insurance companies that are indicators of an insurance company's ability to meet contractholder and policyholder obligations. Such ratings are not a recommendation to buy, sell or hold an investment, are subject to withdrawal or revision at any time by the assigning NRSRO, and each rating should be evaluated independently of any other rating. The table above sets out Principal Life's financial strength ratings and the assigning NRSRO as of 05/31/2009. Current rating information is available at principal.com.

As an insurance contract, this is not an investment, but a guarantee backed by the assets in the multi-billion dollar general account of Principal Life. The general account consists of over 7,000 investments, which include corporate bonds, treasuries, commercial real estate mortgages, mortgage backed securities and short-term cash equivalents. The portfolio composition of the general account is illustrated as follows:

Portfolio Information

Composition as of 03/31/09



WE'LL GIVE YOU AN EDGESM

* The Principal Fixed Income Guaranteed Option is a guarantee backed by the general account of Principal Life Insurance Company (Principal Life). As a guarantee, it does not have an investment management fee or expense ratio; those are concepts unique to investment products. The fee illustrated here represents the part of the overall fee arrangement that the plan pays for services from Principal Life as a provider of administrative services to the plan, as agreed to according to the Rate Level Service Fee selected in the Service and Expense Agreement for the plan.

Insurance products and plan administrative services are provided by Principal Life Insurance Company a member of the Principal Financial Group, Des Moines, IA 50392.

Principal Fixed Income Guaranteed Option is the Group Annuity Contract - Custodial Guaranteed Interest Contract available through Principal Life Insurance Company, a member of the Principal Financial Group*, Des Moines, Iowa, 50392.

Principal Trust Company is the trade name of Delaware Charter Guarantee & Trust Company.