

SERFF Tracking Number: PRLC-127041398 State: Arkansas
Filing Company: Principal Life Insurance Company State Tracking Number: 48021
Company Tracking Number: GPA 5982-1
TOI: A02G Group Annuities - Deferred Non-variable Sub-TOI: A02G.001 Fixed Premium
Product Name: GPA 5982-1
Project Name/Number: GPA 5982-1/GPA 5982-1

Filing at a Glance

Company: Principal Life Insurance Company

Product Name: GPA 5982-1

TOI: A02G Group Annuities - Deferred Non-variable

Sub-TOI: A02G.001 Fixed Premium

Filing Type: Form

SERFF Tr Num: PRLC-127041398 State: Arkansas

SERFF Status: Closed-Approved-Closed State Tr Num: 48021

Co Tr Num: GPA 5982-1

State Status: Approved-Closed

Reviewer(s): Linda Bird

Authors: Joel Sungren, Karla Waldron

Disposition Date: 02/24/2011

Date Submitted: 02/17/2011

Disposition Status: Approved-Closed

Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

General Information

Project Name: GPA 5982-1

Project Number: GPA 5982-1

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Group Market Type: Employer, Trust

Filing Status Changed: 02/24/2011

State Status Changed: 02/24/2011

Created By: Karla Waldron

Corresponding Filing Tracking Number:

Filing Description:

No part of this filing contains any unusual or possibly controversial items from normal company or industry standards. Although "synthetic guaranteed interest contracts" (synthetic GICs) are not as common of a line of business for insurance companies, the contract submitted herein is typical for that type of product.

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 01/24/2011

Domicile Status Comments:

Market Type: Group

Group Market Size: Small and Large

Overall Rate Impact:

Deemer Date:

Submitted By: Karla Waldron

Group Annuity Contract Form GPA 5982-1, our Segregated Trust Portfolio Group Annuity Contract, was designed to fit the needs of our larger customers and their need for diversification of funds under their pension plans. Under this arrangement, the customer has plan funds held by a custodian and managed by an investment manager. We guarantee a rate of return on the assets which are managed in accordance with investment guidelines agreed upon

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between the investment manager and Principal Life Insurance Company. This contract may be issued to an individual customer or to a pooled fund/commingled trust. Definitions were written to cover both possibilities and some sections of the contract have alternative language to handle these situations. GPS 5982-1 is the Schedule of Terms that will be used with GPA 5982-1.

Application form GP 33595-4 was previously approved by your department. We hereby request extension of approval of form GP 33595-4 as the application to be used with GPA 5982-1.

Certificate form GP CA 20688-1 was previously approved by your department. We hereby request extension of approval of form GP CA 20688-1 as the retirement certificate to be used with GPA 5982-1.

At some time in the future, it may be necessary for us to change the format, fonts, page breaks, etc. in these forms in order to accommodate new technology or new printing equipment. We reserve the right to make these types of changes without re-filing as long as there is no change in the text of these forms. However, any such accommodation will not result in the use of a font or type style or size which would violate any state law or regulation.

Bracketed areas indicate those parts of the text which either may be varied to meet the requirements of a particular customer or may be changed to reflect the experience of Principal Life Insurance Company on these forms issued after the date of change. The Explanation of Variables explains the changes we contemplate for these bracketed areas.

Company and Contact

Filing Contact Information

Ellen Tanner, tanner.ellen@principal.com
 710 9th St 800-543-4015 [Phone] 59914 [Ext]
 Des Moines, IA 50309 515-235-1953 [FAX]

Filing Company Information

Principal Life Insurance Company CoCode: 61271 State of Domicile: Iowa
 711 High Street Group Code: 332 Company Type:
 Des Moines, IA 50309 Group Name: State ID Number:
 (515) 246-7517 ext. [Phone] FEIN Number: 42-0127290

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No

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Fee Explanation:
Per Company: No

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|----------------------------------|----------|----------------|---------------|
| Principal Life Insurance Company | \$100.00 | 02/17/2011 | 44812568 |

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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|-----------------|------------|------------|----------------|
| Approved-Closed | Linda Bird | 02/24/2011 | 02/24/2011 |

Amendments

| Schedule | Schedule Item Name | Created By | Created On | Date Submitted |
|----------|--------------------|--------------|------------|----------------|
| Form | Schedule of Terms | Joel Sungren | 02/18/2011 | 02/18/2011 |

SERFF Tracking Number: PRLC-127041398 *State:* Arkansas
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Disposition

Disposition Date: 02/24/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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| Schedule | Schedule Item | Schedule Item Status | Public Access |
|---------------------|---|----------------------|---------------|
| Supporting Document | Flesch Certification | No | No |
| Supporting Document | Application | No | No |
| Supporting Document | Life & Annuity - Actuarial Memo | No | No |
| Supporting Document | Explanation of Variables | Yes | Yes |
| Form | Segregated Portfolio Group Annuity Contract | Yes | Yes |
| Form (revised) | Schedule of Terms | Yes | Yes |
| Form | Schedule of Terms | Yes | Yes |

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Amendment Letter

Submitted Date: 02/18/2011

Comments:

The form number for the Schedule of Terms was corrected.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

| Form Number | Form Type | Form Name | Action | Form Action Other | Previous Filing # | Replaced Form # | Readability Score | Attachments |
|-------------|---|-------------------|---------|-------------------|-------------------|-----------------|-------------------|----------------|
| GPS 5982-1 | Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider | Schedule of Terms | Initial | | | | 0.000 | GPS 5982-1.pdf |

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Form Schedule

Lead Form Number: GPA 5982-1

| Schedule Item Status | Form Number | Form Type | Form Name | Action | Action Specific Data | Readability | Attachment |
|----------------------|-------------|-------------|---|---------|----------------------|-------------|----------------|
| | GPA 5982-1 | Policy/Cont | Segregated Portfolio ract/Fratern Group Annuity al Contract Certificate | Initial | | 0.000 | GPA 5982-1.pdf |
| | GPS 5982-1 | Policy/Cont | Schedule of Terms ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider | Initial | | 0.000 | GPS 5982-1.pdf |

GROUP ANNUITY CONTRACT

Principal Life Insurance Company
A Stock Company
711 High Street
Des Moines, Iowa 50392-0001
(515) 247-5111

in consideration of the application for this contract made by

[JOHN DOE]

(the Contractholder)

and payment of all Fees and Annuity Premiums provided for in this contract, agrees to make payments to or on behalf of the person or persons entitled to them subject to the provisions of this contract.

This contract is delivered in [State].

This contract is issued and accepted subject to all the terms set out in it.

This contract is executed by Principal Life Insurance Company at its Corporate Center to take effect as of the [1st day of December, 2010], which is the Contract Date.


Senior Vice President and
Corporate Secretary


Chairman, President and
Chief Executive Officer

Registrar

Date _____

GROUP ANNUITY CONTRACT NO. GA [4-12345]

Segregated Portfolio Group Annuity Contract

Nonparticipating



TABLE OF CONTENTS

ARTICLE I DEFINITIONS

SECTION 1--PARTIES TO THIS CONTRACT
SECTION 2--OTHER DEFINED TERMS

ARTICLE II PAYMENTS AND WITHDRAWALS

SECTION 1--CONTRACT VALUE PAYMENTS
SECTION 2--PAYMENTS AT MARKET VALUE
SECTION 3--LIQUIDATION OR TRANSFER OF INVESTMENTS
SECTION 4--OTHER ADJUSTMENTS TO THE CONTRACT VALUE RECORD

ARTICLE III ANNUITIES

SECTION 1--PURCHASE OF ANNUITY
SECTION 2--ANNUITY PURCHASE RATES
SECTION 3--ANNUITY BENEFICIARY
SECTION 4--INFORMATION, PROOFS, & DETERMINATION OF FACTS
SECTION 5--SMALL ANNUITIES
SECTION 6--BETTERMENT OF RATES

ARTICLE IV TERMINATION OF CONTRACT

SECTION 1--TERMINATION AT MATURITY
SECTION 2--REASONS FOR EARLY TERMINATION
SECTION 3--EFFECT OF EARLY TERMINATION OF CONTRACT

ARTICLE V GENERAL PROVISIONS

SECTION 1--ANNUITY CERTIFICATES
SECTION 2--ANNUITY PREMIUMS
SECTION 3--CONTRACT
SECTION 4--ASSIGNMENT
SECTION 5--CHANGES TO PLAN OR FUND
SECTION 6--AMENDMENT
SECTION 7--CONTRACT CHANGES
SECTION 8--WAIVER
SECTION 9--REPORTS
SECTION 10--CONTRACTHOLDER REPRESENTATIONS
SECTION 11--INSURANCE COMPANY REPRESENTATIONS
SECTION 12--FIDUCIARY DUTIES
SECTION 13--OUR ROLE
SECTION 14--MARKET DISRUPTIONS
SECTION 15--RECORDS AND REPORTS

SECTION 16--NOTICES
SECTION 17--INVESTMENT GUIDELINES
SECTION 18--CLONE CONTRACT
SECTION 19-- CONDITIONS OF OUR OBLIGATIONS

ARTICLE I DEFINITIONS

SECTION 1 -- PARTIES TO THIS CONTRACT

This contract is between the Contractholder and Principal Life Insurance Company. Each is referred to in this contract as a **Party** and they are collectively referred to as the **Parties**.

Contractholder is the holder of this contract named on the face page and is referred to in this contract as **you** and **your**.

Principal Life Insurance Company is referred to in this contract as **we, us, or our**.

SECTION 2 -- OTHER DEFINED TERMS

Account is the account established under a Plan with regard to a Participant.

Amortized Cost [means, as of any date of determination, the amortized carrying cost of an investment calculated using the ratable accrual method based on the cash flow assumptions determined as follows:

- Securities that do not have an option to prepay the principal prior to the scheduled maturity date shall use the scheduled maturity date for the investment.
- Securities that have an option to prepay, other than residential mortgage-backed securities, shall use the earlier of the scheduled maturity date or the earliest date subsequent to the date of the calculation on which the principal may be paid.
- Securities that are residential mortgage-backed securities shall assume that the entire amount of principal and interest is returned on the date that is determined by adding the expected remaining average life of the investment as determined by the Investment Manager using the unaffiliated third-party service utilized by the Investment Manager on a consistent basis for determining the duration for all of its clients, to the date of determination, assuming all interest continues to accrue and is paid on such date.]

Annuity Commencement Date is the beginning date for annuity payments to a Participant.

Annuity Premium is the amount applied under this contract to purchase an annuity for a Participant.

Annuity Purchase Date is the date an Annuity Premium is used to purchase an annuity for a Participant.

Benefit Payments are the following withdrawals from the Segregated Portfolio resulting from a Participant's bona fide:

- Retirement, death, disability, or termination of employment,
- Election to withdraw or borrow an amount from the Participant's Account, or

- Election to transfer an amount to a Non-Competing Investment Option, in accordance with the terms of the relevant Plan.

Withdrawals from the Segregated Portfolio resulting from the events listed above that are due to a Material Event will not be considered Benefit Payments.

For purposes of this contract, termination of employment does not mean any transfer or other change of employment from an employer to a parent, subsidiary, or any company under common ownership with the employer, or continuation of the same position under a new employer resulting from the sale of the company.

Business Day [means a day on which we[, the New York Stock Exchange,] and depository banks are open for business, or any other day which we agree will be a Business Day. It will not be a Business Day if we[, the New York Stock Exchange,] or depository banks are closed for weekends, holidays, or reasons beyond our or their respective control. If you request a list of our anticipated Business Days for any calendar year, we will provide you with the list.]

Clone Contract means a contract with terms substantially similar to the terms of this contract, as described in Article V, Section 18.

Code means the Internal Revenue Code of 1986, as amended, and the regulations thereunder or the corresponding provisions of any subsequent revenue code and any regulations thereunder.

Competing Investment Option means, unless otherwise noted in Item F. of the Schedule, an Investment Option under a Plan (other than the Fund) that is:

- A fund substantially similar to the Fund;
- Either marketed as providing a stable value or stable return; or is a fixed income, money market, or bond fund that has an average duration of three years or less; or
- Composed of investments described above in this definition, where such composition is greater than 60% of the total composition of the Investment Option.

[Competing Fund Transfer is a transfer from the Fund to a Competing Investment Option. This includes a transfer by a Participant from the Fund to a Non-Competing Investment Option if the same Participant is allowed to elect a transfer from that Non-Competing Investment Option to a Competing Investment Option within [1 – 180] days after electing a transfer from the Fund.]

Contract Date is the date this contract is effective, as shown on the face page.

Contract Value Payment is a payment made in accordance with Item C. or D. of the Schedule (not to exceed the Contract Value Record) from the Segregated Portfolio that is:

(a) A Benefit Payment,

- (b) A payment the Schedule designates as a Contract Value Payment,
- (c) An Annuity Premium applied under this contract, or
- (d) A Participant elected withdrawal or transfer from the Fund which you Notify us is to be made as Material Event withdrawal in accordance with Item C. 3 of the Schedule.

[Any payment not described under (a), (b), (c) or (d) that is requested on behalf of a Plan participating in the Fund for which the trustee has received at least **[6 – 36]** months notice provided that we have received Notice from you at least **[3 – 36]** months prior to the payment and the amount withdrawn from the Segregated Portfolio does not exceed the total amount of the payment requested from the Fund multiplied by the quotient of the Contract Value Record divided by the total value of all assets **[in Tier 1 – 10]** of the Fund on the day immediately prior to such payment.**]**

Contract Value Record is the accounting record we maintain in connection with this contract. The Contract Value Record is used to define and limit our payment obligation under this contract. On the Contract Date, the Contract Value Record equals the Initial Contract Value Record identified in the Schedule. The Contract Value Record is calculated by us at least monthly and at such other times as required under this contract. On any day, the Contract Value Record always equals the sum of:

- The Contract Value Record for the previous day, plus
- Any additional Funding Amount added to the Segregated Portfolio on that day, plus
- Any adjustments under Article II on that day, plus
- Interest credited and compounded daily at the rate which, when credited and compounded daily, will produce the effective annual interest rate equal to the Crediting Rate in effect on that day credited on an amount equal to the sum of the first three amounts described above in this definition.

Our liability under this contract at any time is limited to the amount by which the Contract Value Record may exceed the Market Value Record at a time when a Contract Value Payment is due under this contract.

Contract Year means a 12 month period beginning on the Contract Date or the annual anniversary of the Contract Date, and ending on the day before the next annual anniversary of the Contract Date.

Corporate Center means our offices at 711 High Street, Des Moines, Iowa, 50392, or any other office or address to which we communicate to you.

Crediting Rate is the effective annual rate of interest credited to the Contract Value Record, using the equivalent daily rate. The initial Crediting Rate is specified in the Schedule, as is the

formula for determining changes to the Crediting Rate. The Crediting Rate may be modified by us as described in the Schedule.

Custodian is the institution that holds the Segregated Portfolio. The Custodian is named in the Schedule, but will also include any successor named in accordance with the documents governing the Fund or however the custodian that holds the part of the Fund that makes up the Segregated Portfolio is designated. The custodian may be a company affiliated with us.

Employer is, for each Plan, the corporation or firm designated as an employer under such Plan and any successor by change of name, merger, purchase of stock, or purchase of assets.

[Equity Wash means that any amounts transferred from the Fund to a Non-Competing Investment Option must continue to be held in a Non-Competing Investment Option for **[1-180]** days before they can be transferred to a Competing Investment Option.]

ERISA means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

Fair Market Value is the value determined by the Investment Manager for each investment in the Segregated Portfolio and reported to us. Fair Market Value will be determined using the price obtained from a third party unaffiliated service, the **Pricing Service**, retained by the Investment Manager and acceptable to us. **[If a Pricing Service is not available or reliable for an investment, the Investment Manager shall request a price from the Custodian.]** If a reliable price can not be obtained from the Pricing Service **[or the Custodian]**, such value will be determined by the Investment Manager after obtaining a reliable price quote. If no such quote is available, the value will be determined by the Investment Manager in a manner that is consistent with the pricing of similar investments in other portfolios managed by the Investment Manager, based on accepted practices in the securities industry. The Fair Market Value for an investment on the date it is purchased will be the price paid for such security and the Fair Market Value for an investment on the date it is sold will be the net proceeds from the sale.

For any holdings of the Segregated Portfolio that are part of a fund that pools investments among multiple Participants, such as a collective investment trust, a mutual fund or an insurance company separate account, the Fair Market Value is determined by applying the published net asset value, unit value or other similar valuation mechanism used by such fund by the number of shares or units of the fund held by the Segregated Portfolio.

Each time the Fair Market Value of investments of the Segregated Portfolio is reported to us, such report will note the investments of the Segregated Portfolio being valued based on a price that is not obtained from the Pricing Service **[or the Custodian]**. The details of how the Fair Market Value of each investment using an alternative valuation method is being calculated shall be provided within **[1-10]** Business Days of our request for such details.

Fees are the amounts we charge for the services and guarantees under this contract. Fees may also include all or part of the fees charged by a Custodian or Investment Manger with regard to the Fund or Segregated Portfolio, if you direct us that such amounts are to be paid

from the Segregated Portfolio and give us exact direction as to how such amounts are to be determined and paid.

Fixed Dollar Annuity is an annuity payable in guaranteed amounts, the reserves for which are held in our general account.

Fund is a fund, trust, or other pool of investments that has been established for one or more Plans to make available to Participants as an Investment Option. The Fund consists, in whole or in part, of the Segregated Portfolio and is further identified in the Schedule.

Funding Amount is any amount you allocate to the Segregated Portfolio, as set out in the Schedule, plus any additional amount allocated to the Segregated Portfolio by the Parties' mutual agreement.

[Impaired Investment means an investment held in the Segregated Portfolio where:

- the principal, interest, or any other obligation under the investment has become due and payable before such amounts would normally be expected to be due and payable other than the issuer's exercise of a prepayment or call option under the original terms of the investment,
- there is a failure to make full and timely payment of principal, interest, or any other obligation, taking into account any applicable grace period,
- the interest rate payable on the investment is reset, other than in accordance with its original terms,
- the principal balance of the note on which interest is accruing is less than the amount pursuant to the original terms of the investment,
- any encumbrance exists on an investment, or
- the investment no longer meets the minimum requirements for retention in the Segregated Portfolio, as specified in the Investment Guidelines.]

Investment Guidelines are the written investment management agreement (including any associated investment guidelines, however called) that establish the investments or investment categories and allocation percentages in which the Investment Manager agrees to maintain the Segregated Portfolio. You represent that you have provided us with a fully executed and effective copy of the Investment Guidelines provided to us prior to the Contract Date [and will take appropriate action to assure that the Investment Manager operates the Segregated Portfolio in accordance with the Investment Guidelines]. The Investment Guidelines also include any modifications to the Investment Guidelines that you have provided to us and which we have accepted.

Investment Manager is the fiduciary that has been retained to manage the assets of the Segregated Portfolio. Investment Manager will also include any portfolio manager or consultant retained by the Investment Manager to sub-advise or otherwise help manage the investment of the Segregated Portfolio.

Investment Option is any security, fund, or interest to which the Plan makes available to Participants for the allocation of the Participants' Accounts.

Market Value Record is the aggregate Fair Market Value of the investments held in the Segregated Portfolio. This is based on information provided by you or the Investment Manager and represents the value of all investments held in the Segregated Portfolio. On the Contract Date, the Market Value Record equals the Initial Funding Amount identified in the Schedule.

Material Event is any occurrence that is outside the normal operation of the Fund or Plan. Examples of Material Events include:

- [Termination of employment of a group of Participants, including through layoffs or early retirement incentive programs instituted by an Employer that, when aggregated over any twelve consecutive months, results in the termination of employment for more than [10% - 50%] of Participants, even if the termination does not give rise to a partial plan termination.
- Merger or consolidation of a Plan with another plan.
- The spin-off or sale of an Employer's business entity or location affecting more than [5% - 50%] of Participants.
- Communications to Participants from an Employer or Plan fiduciary or any entity acting on behalf of, or pursuant to an understanding or agreement with, the Employer or Plan fiduciary that are intended to influence a significant number of Participants to withdraw or transfer all or a significant portion of the interests in the Fund held in the Participants' Accounts. If you provide us with a copy of the communication that is to be presented to Participants, we will make a reasonable effort to review such communication within [1-90] days and notify you whether we would consider providing such communication to be a Material Event.
- Adoption of an amendment to the Plan, any change in practices, or any change in Participant withdrawal rights under the Plan that we reasonably determine may be materially adverse to our obligations under this contract, unless we notify you that such change is acceptable. If you provide a detailed description of any amendment or change to us, we will make a reasonable effort to review the description and notify you within [1 - 90] days whether such change may be considered material and adverse.]

Non-Competing Investment Option is any Investment Option that is not a Competing Investment Option.

Notification means a form of communication to us, made in a content and medium, and with timing, that is acceptable to us. A Notice may use written forms provided by or acceptable to us, electronic transmissions, facsimiles or photocopies. We will notify you what kinds of acceptable Notice we will allow. At our discretion, we may require that a specific form of Notice be used in a particular case or that a particular Notice be confirmed. Notification will also include the terms Notice, Notify, and Notified.

Participant is a person who is, or may become, entitled to benefits by operation of a Plan.

Plan is a retirement plan which makes the Fund available to Participants as an Investment Option.

Portfolio Duration is the market value weighted average duration of the investments in the Segregated Portfolio, determined by multiplying the **[modified]** duration of each investment of the Segregated Portfolio by its Fair Market Value and dividing the aggregate of these amounts by the Market Value Record using the data as of the applicable date.

Portfolio Yield is the average Yield-To-Worst of the investments of the Segregated Portfolio weighted by the Fair Market Value of each investment calculated by dividing the sum of the products of the Yield-To-Worst and Fair Market Value for each investment of the Segregated Portfolio by the Market Value Record using the data as of the applicable date.

[Queue is the ratio of the value of the Fund represented by plans participating in the Fund who have elected to withdraw from the Fund to the total value of the Fund.]

Schedule is the schedule of terms attached to and made part of this contract.

Segregated Portfolio is all or part of the Fund and consists of the portfolio of investments (including cash) held by the Custodian of the Segregated Portfolio established with regard to this contract and its guarantees and managed by the Investment Manager.

Yield-To-Worst is, for each investment that includes a call option, the lower of the yield to maturity or the yield to call. For each investment that does not include a call option, Yield-To-Worst is the yield to maturity.

ARTICLE II PAYMENTS AND WITHDRAWALS

SECTION 1 -- CONTRACT VALUE PAYMENTS

When a Contract Value Payment is necessary, the amount of such payment must be withdrawn from the Segregated Portfolio. The Custodian or Investment Manager must liquidate investments in the Segregated Portfolio to the extent needed to meet the unpaid Contract Value Payments.

The amount of the Contract Value Payment will be deducted from both the Contract Value Record and the Market Value Record on the date the Contract Value Payment is made.

If no amount remains in the Segregated Portfolio to pay the requested Contract Value Payment, we will pay into the Segregated Portfolio an amount equal to the lesser of the amount of the requested Contract Value Payment that cannot be satisfied from the Segregated Portfolio or the amount by which the Contract Value record exceeds the Market Value Record at that time.

SECTION 2 -- PAYMENTS AT MARKET VALUE

You may withdraw amounts from the Segregated Portfolio for reasons other than Contract Value Payments. You will direct the Custodian or Investment Manager to liquidate sufficient assets of the Segregated Portfolio to make such payment or payments. On any date such payment is made, the Market Value Record will be reduced by the amount of the payment and the Contract Value Record will be reduced by an amount equal to the following:

$$\text{MVP} \quad \times \quad \frac{\text{CVR}}{\text{MVR}}$$

where:

MVP = the payment amount

CVR = the Contract Value Record immediately preceding the payment, and

MVR = the Market Value Record immediately preceding the payment.

SECTION 3 -- LIQUIDATION OR TRANSFER OF INVESTMENTS

The Investment Manager or other appropriate fiduciary has the discretion to select the specific investments in the Segregated Portfolio to be liquidated or transferred, taking the following into consideration:

- In the event of that the liquidation is for a Contract Value Payment or a Market Value Payment other than to establish a Clone Contract, the Segregated Portfolio after the liquidation must remain in compliance with the Investment Guidelines, with such determination being made taking into account all sales and purchases of investments on a Business Day.
- In the event of a transfer of assets from the Segregated Portfolio and the related establishment of a Clone Contract, the Clone Contract will only become effective if both the Segregated Portfolio and the new portfolio established for the Clone Contract will

maintain, immediately after the transfer, the same general composition as the Segregated Portfolio (e.g., sector, issuer, and quality) prior to the transfer.

SECTION 4 -- OTHER ADJUSTMENTS TO THE CONTRACT VALUE RECORD

[During the period beginning **[6-60]** months prior to the **[Final]** Maturity Date, the Contract Value Record will be reduced whenever an investment of the Segregated Portfolio is sold provided that:

- The Market Value Record is less than the Contract Value Record immediately prior to such sale,
- The net proceeds of the sale are less than the Amortized Cost, and
- The sale of the investment is not necessary to accommodate a Benefit Payment.

The amount of such reduction to the Contract Value Record will equal the difference between the Amortized Cost of the investment immediately prior to the trade date for such sale and the net proceeds of the sale.]

On the Maturity Date, the Contract Value Record will be reduced by the sum of the principal and interest payments for investments of the Segregated Portfolio that have not been paid in full before such Maturity Date.

ARTICLE III ANNUITIES

SECTION 1 -- PURCHASE OF ANNUITY

You may purchase an annuity provided for under a Plan, subject to the limitations of Article V, provided the annuity form is offered by us and provided that no annuity may be purchased with an Annuity Premium less than **[\$5,000]**. The Annuity Premium must be paid to us from the Segregated Portfolio or another Investment Option of the appropriate Plan on or before the Annuity Commencement Date. The form of annuity and any contingent annuitant cannot be changed after the Annuity Purchase Date.

SECTION 2 -- ANNUITY PURCHASE RATES

[Annuities will be purchased using our then current purchase rates for contracts of this class. Such rates will not be less favorable to the annuitant than the minimum amounts of annuity which may be purchased using rates based on an interest rate of 2 1/2%, a load for expenses of 5% and mortality according to the 1983 Female Table a for Individual Annuity Valuation, full generation mortality projected by Scale G to 1999 as year of entry. Minimum incomes for purchases made within the five-year period beginning January 1, 2000, will be 97% of the incomes purchased under the above basis. Minimum incomes for purchases made within any subsequent five year period will be 97% of the incomes for the preceding five-year period.

An example of the minimum amount of annuity income that could be provided by \$10,000.00 of contribution for an immediate, life annuity with installment refund between January 1, 2010 and December 31, 2014, inclusive, is shown in the following table:

| AGE (NEAREST BIRTHDAY) | AMOUNT OF MONTHLY INCOME |
|---------------------------|-----------------------------|
| 45 | \$25.91 |
| 50 | 27.58 |
| 55 | 29.67 |
| 60 | 32.30 |
| 65 | 35.66 |
| 70 | 39.99 |

The minimum amounts of annuity available at the other ages and for other forms of income will be determined by us based on the same basis as the above. We will make these available to you on request.

For purchases made within the five-year period beginning January 1, 2015, amounts purchased will be 97% of the amounts shown above. For purchases made within any subsequent five-year period, the amount purchased will be 97% of the amounts for the preceding five-year period.]

SECTION 3 --ANNUITY BENEFICIARY

On and after a Participant's Annuity Purchase Date, the beneficiary is the person or persons designated by the Participant to whom benefits (other than income payable to a contingent annuitant) are payable after the Participant's death.

If no named beneficiary survives the Participant and the contingent annuitant, (if any), or no beneficiary has been named, any amount which would have become payable to a beneficiary will be commuted and the commuted value paid to the executor or administrator of the estate of the Participant (the executor and administrator of any contingent annuitant, if he survives the Participant).

SECTION 4 -- INFORMATION, PROOFS, & DETERMINATION OF FACTS

Each Employer or an appropriate Plan fiduciary, must furnish us evidence of each Participant's and any contingent annuitant's age, along with such other information as we deem necessary to purchase an annuity. For the purposes of this contract, the determination by the Employer or appropriate Plan fiduciary as to any facts (except age) relating to a Participant is, except for fraud or willful misstatement, conclusive and we may absolutely rely on such information. If any error is made, including an error in age, we may adjust the payment amount in the manner described in the annuity certificate.

SECTION 5 -- SMALL ANNUITIES

If the monthly annuity is less than **[\$20]**, we may elect to pay in cash our reserve for the annuity, in full settlement of all benefits otherwise payable. We determine the reserve using the mortality and interest basis used to determine the Annuity Premium.

SECTION 6 -- BETTERMENT OF RATES

Notwithstanding anything else in this contract to the contrary, an annuity will be purchased using the Annuity Purchase Rates shown in Section 2 of this Article, however, we will agree to provide an amount of annuity that will not be less than the amount that could be provided by using the purchase rate for a single consideration immediate annuity offered by us to contracts of this class.

ARTICLE IV TERMINATION OF CONTRACT

SECTION 1 -- TERMINATION AT MATURITY

This contract will terminate on the last scheduled payment date or Maturity Date, whichever is applicable, as specified in the Schedule; provided, however, that provisions relating to annuities in the course of payment will continue to govern payment of such annuities until the final payment under each such annuity is made.

SECTION 2 -- REASONS FOR EARLY TERMINATION

This contract will terminate on the date that the Contract Value Record is zero. If the Market Value Record is zero, the Contract Value Record will be adjusted according to the terms of this contract and reduced for any accrued and unpaid fees. If the Contract Value Record is greater than zero after such adjustments, we will pay the amount equal to the Contract Value Record after such adjustments to the Segregated Portfolio.

You or we may terminate this contract prior to the Maturity Date for any reason by giving [15-180] days notice. However, if we elect to terminate the contract and an event noted below as a Cause for Termination has not occurred and you Notify us within [5-90] days that you are electing to convert the contract to a maturity option other than an Evergreen Maturity pursuant to Item D. of the Schedule, the contract will continue and be converted to that elected maturity option as provided in Item D. of the Schedule. If a Cause for Termination noted below has occurred, all withdrawals from the Segregated Portfolio after such Notice will be accounted for as a Payment at Market Value.

Cause for Termination includes any of the following:

- Without our prior approval, which will not be unreasonably withheld, you change the Custodian or Investment Manager or permit anyone, other than the Investment Manager, to exercise discretion or control over the Segregated Portfolio.
- Any representation you make to us becomes materially untrue, in a manner that affects our obligations or risks under this contract, or you breach any material obligation under this contract.
- Changes to the accounting rules or other regulations result in the Fund losing book value accounting treatment for this contract.
- The Fund fails to meet its objective of preservation of principal and withdrawals from the Segregated Portfolio exceed 20% within six months immediately subsequent to any day on which any information is available to Plan Participants indicating that the Fund has failed to meet its objective of principal preservation.
- [Failure of the Plan to meet the requirements for qualification under Section 401(a) or to be an eligible deferred compensation plan under Section 457 of the Code.

- Complete termination of the Plan or Fund or establishment of a new retirement or savings program which accepts contributions from participants of the Plan and which also provides for, directly or indirectly, investments in fixed income securities or investments that provide a guarantee of principal or a fixed or stable investment return.]
- You remove any investment from the Segregated Portfolio or deposit any cash or investments into the Segregated Portfolio except as provided for in this contract, or any investment held in the Segregated Portfolio is charged with a lien or liability unrelated to this contract.
- There is a change in the securities laws, the Code, ERISA or any applicable law or regulation to which we are subject that could affect our obligations or rights under the contract or Plan cash flows in a material and adverse manner.
- [Failure of the Fund to be exempt from registration under Section 3(c)(11) of the Investment Company Act or to be in material compliance with applicable insurance regulatory laws.
- Failure of the Fund to be exempt from registration under Section 3(c)(11) of the Investment Company Act, to meet the qualifications of Revenue Ruling 81-100, to be tax-exempt under Section 501(a) of the Internal Revenue Code, or to be in material compliance with applicable bank regulatory laws.
- Merger, consolidation, termination or spin-off of the Fund, transfer of assets of the Fund at the direction of a sponsor or fiduciary of the Fund to another portfolio, or the establishment by or on behalf of the sponsor or fiduciary of the Fund of a new portfolio with characteristics substantially similar to the Fund which accepts deposits from any Plan that participated in the Fund at any time during the [12 – 24] months immediately preceding such deposit.
- Adoption of an amendment to the documents governing the Fund or its Investment Guidelines or a change in the administrative or Plan underwriting practices by or on behalf of the sponsor or a fiduciary of the Fund, unless we Notify you that such change is acceptable without restriction in accordance with Article VI, Section 5.
- Amounts invested by any Plan or group of affiliated Plans participating in the Fund represents more than [20 - 65]% of the total Fund.
- Any Plan affiliated with the sponsor or a fiduciary of the Fund elects to terminate its participation in the Fund or otherwise requests withdrawals for any reason other than for amounts due as Benefit Payments, which when aggregated for any twelve month period, represent more than [5 - 25]% of the value of the Fund.]
- [The Segregated Portfolio is not managed in accordance with the Investment Guidelines and you do not cure such failure within [10 – 90] days of when you first become aware of such failure.

- Aggregate Contract Value Payments during any [6 – 12] month period exceed [10 - 50]% of the highest Contract Value Record at the end of any month during the immediately preceding twelve months and
 - The current ratio of the Market Value Record to the Contract Value Record is less than [.80 – 1.00], and
 - The ratio of the Market Value Record to the discounted Contract Value Record at the end of any six of the twelve months immediately preceding the calculation is less than [.90 - 1.00] where the amount of the discounted Contract Value Record is calculated by accruing the Contract Value Record at the Crediting Rate for a period equal to the Portfolio Duration and then discounting this amount over the Portfolio Duration using the Applicable Treasury Rate, where the Applicable Treasury Rate is the rate on a treasury strip maturing on the date (or nearest subsequent date if no treasury matures on the date) that is determined by adding a period equal to the duration of the wrapped portfolio to the current date.]

SECTION 3 -- EFFECT OF EARLY TERMINATION OF CONTRACT

As of the date of early contract termination, we will have no further obligation under this contract and you will pay us any accrued and unpaid Fees. [If you elect to terminate this contract within [1-5] years of the Contract Date, you also agree to pay our reasonable estimate of the Fee we would have earned for the remainder of such [1-5] year period, provided that no such payment of an estimated fee will be required if all of the financial strength ratings assigned to Principal Life Insurance Company are lower than A-/A3 or equivalent. The amount due under this Section 3 will be equal to the greater of zero or \$[25,000 – 100,000] minus the aggregate amount of Fees we have already received under this contract.]

ARTICLE V GENERAL PROVISIONS

SECTION 1 -- ANNUITY CERTIFICATES

We will send you, for delivery to each Participant for whom an annuity is purchased, an individual certificate, stating the Participant's benefits and any benefits payable after the Participant's death. The certificate will identify any beneficiary or contingent annuitant.

SECTION 2 -- ANNUITY PREMIUMS

We reserve the right to limit or refuse further Annuity Premiums under this contract. We will give you at least [30-90] days notice of our exercise of this right.

SECTION 3 -- CONTRACT

This contract, the Schedule or Schedules, and your application, a copy of which is attached to and made part of this contract, are the entire contract between you and us. We are obligated only as provided in this contract and are not a party to, nor bound by, any plan, trust, or other document or agreement pertaining to a plan, the Segregated Portfolio, the Fund or the management of the assets of the Segregated Portfolio or Fund. [This contract will be construed according to the fair intent of the language as a whole and not for or against you or us. To the extent it is necessary to obtain this treatment, this contract is to be treated as if it were jointly drafted by you and us. The term "including" (in its various forms) will be construed as providing examples only and as being without limitation.]

SECTION 4 -- ASSIGNMENT

You may not anticipate, alienate, or assign this contract or any rights under this contract without our written consent. No benefits payable under this contract to any Participant, beneficiary, or contingent annuitant are assignable, and all such benefits are exempt from the claims of creditors to the maximum extent permitted by law.

SECTION 5 -- CHANGES TO PLAN OR FUND

You agree to furnish us with the Plan document, the documents under which the Fund is established and operated, if applicable, and the Investment Guidelines all as in effect on the Contract Date, and any subsequent amendments to such documents. No amendment to or other change in any of these documents or Plan or Fund practices, which affect our rights, duties, obligations or risks, is effective to modify our obligations under this contract if we notify you that such change is not acceptable by us.

SECTION 6 -- AMENDMENT

We reserve the right to amend or change this Contract as follows, subject to the limitations of paragraph (e):

- (a) To the extent necessary to meet the requirements of any law or regulation issued by any governmental agency to which we are subject, any or all of the Contract provisions may be changed by us at any time, including retroactive changes. Changes under this item (a) will only be made for compliance with a government law or regulation.
- (b) As of any date after the Contract Date and upon **[1-180]** days notice, we may amend or change the definition of Notification contained in Article I, Section 2.
- (c) We may amend or change the annuity purchase basis and the Annuity purchase rates shown in Article III, Section 2, as follows:
 - (1) We may amend or change such basis on any date which is later than (i) five years after the Contract Date or (ii) five years after the latest date of amendment to, or change of, rate.
 - (2) For Deposits received prior to the effective date of the amendment and interest thereon, there will be no change in annuity purchase basis. For Deposits received after the effective date of the amendment, but prior to any later change to the annuity purchase basis, and investment income thereon, the amended annuity purchase basis will apply. **Deposits** are the amounts you pay or cause to be paid to us and which we have accepted to be used as Annuity Premium.
 - (3) We will notify you of any such amendment or change at least **[1-180]** days before it will take effect.
- (d) By the mutual written agreement of the Parties, this Contract may be amended or changed at any time as to any of its provisions, including those in regard to coverage, benefit and the participation privileges, without the consent of any Plan, Investment Manger, Fund fiduciary, Participant, beneficiary or contingent annuitant.
- (e) Any amendment or change under this Section is binding and conclusive on each Plan, Investment Manger, Fund fiduciary, Participant, beneficiary, or contingent annuitant, but no amendment or change will apply to annuities purchased under Article III before the effective date of the amendment or change except to the extent necessary in making changes in accordance with item (a) above.

SECTION 7 -- CONTRACT CHANGES

Only our officers have authority to agree to any change this contract or to waive any of its provisions or requirements on our behalf.

SECTION 8 -- WAIVER

No failure or delay to exercise, nor any single or partial exercise of, any right, power, or privilege given or arising under this contract will operate as a waiver of future rights to exercise any such right, power, or privilege.

No waiver of remedies by us following:

- Your breach of a contract provision,
- Any failure to follow the Investment Guidelines, or
- Any failure to enforce the provisions or guidelines of any relevant Plan, Fund, or Segregated Portfolio documents,

that constitutes grounds for termination of this contract by us or which excuses all or part of our performance under this contract and that is not cured within [1-90] days following our discovery of the breach or failure, will be effective against any applicable insurance commissioner in any future rehabilitation or insolvency proceedings against us unless approved in advance in writing by such commissioner.

SECTION 9 -- REPORTS

You agree to provide, or cause the Investment Manager to provide, us with:

- [Unless otherwise specified in the contract or agreed to in writing, advance Notice of at least [1-30] Business Days for any Contract Value Payment and advance Notice of at least [1-90] Business Days for all other payments from the Segregated Portfolio.
- Advance Notice of [1-10] Business Days of any increase to the Funding Amount, provided that such increases are allowed under this contract.
- Monthly reports of the financial activity and condition of the Segregated Portfolio including all transaction activities and portfolio cash flow. Such reports should be provided to us by the [10th – 20th] day of each month.
- For each investment held in the Segregated Portfolio, the name, Fair Market Value, all ratings by a Nationally Recognized Statistical Rating Organization, the applicable principal amount or Amortized Cost necessary for us to calculate an adjustment in accordance with Article II, Section 4, the duration, the CUSIP, and the Yield-To-Worst at least on the last Business Day of a month in which this contract is in effect and such other times as we request.
- Prompt Notice of the occurrence or anticipated occurrence of any Material Event or any occurrence of a Cause for Termination as described in Article IV, Section 2 of this contract.]

The Parties will provide each other with such reports that the other may reasonably request and in as timely a manner as possible.

SECTION 10 -- CONTRACTHOLDER REPRESENTATIONS

You represent that this Contract is a legal, valid, and binding obligation, enforceable in accordance with its terms, and that the execution, delivery, and performance of this Contract do not violate the terms of any agreement in connection with the Fund, the Segregated Portfolio, or of any Plan in connection with the Fund, and that:

- You have not relied on any recommendation by us, or any of our representatives, agents or affiliates, in making your decision to enter into this Contract, and
- All acknowledgments and other statements you make in this Contract are true and all information you are required to provide us is accurate and complete.

You will promptly Notify us if you have any reason to believe that any of these representations may no longer be true.

SECTION 11 -- INSURANCE COMPANY REPRESENTATIONS

We represent that this Contract is our legal, valid, and binding obligation enforceable in accordance with its terms and that the execution, delivery, and performance of this Contract do not violate the terms of any agreement by which we are bound. We will promptly notify you if we have any reason to believe that any of these representations may no longer be true. We make no representations and have no liability as to the sufficiency of the Fund or Segregated Portfolio to provide Benefit Payments

SECTION 12 -- FIDUCIARY DUTIES

You acknowledge that you are an independent fiduciary responsible for investment decisions affecting the Fund, including:

- The decision to purchase this Contract on behalf of the Fund,
- The decision to retain the Investment Manager to manage the Segregated Portfolio,
- The direction for the Investment Manager to implement the Investment Guidelines,
- The oversight of the performance of the Investment Manager,
- Review of this Contract's terms and of any investment management agreement, and
- All Contractholder elections and other actions provided for by this Contract.

You acknowledge that our issuance of this Contract or our exercise of any rights under this Contract does not, as a consequence of such issuance or exercise, result in our becoming a fiduciary under any Plan.

SECTION 13 -- OUR ROLE

We only provide the payments described in this Contract. We have no obligation or duty under this Contract or otherwise:

- To monitor or report on the Investment Manager's performance of its obligations to the Fund; or
- To monitor or concern ourselves with the operation of the application of withdrawals from the Segregated Portfolio.

SECTION 14 -- MARKET DISRUPTIONS

We may defer making any payment under this Contract for up to **[1-180]** days, if, as a result of the closing or other disruption of financial markets or exchanges, we are unable to settle the necessary transactions prudently in time to meet such payment obligations.

SECTION 15 -- RECORDS AND REPORTS

We have the right to audit any documents or information with respect to the Segregated Portfolio, any Benefit Payments, any transfers or other withdrawals from the Segregated Portfolio, and any other matter reasonably pertaining to our obligation under this Contract. You agree to cooperate fully with such audit and to direct the Investment Manager, any Custodian of the Segregated Portfolio's assets, or other entity with regard to which you may do so to make available all documents we reasonably request.

The Parties will cooperate and act in good faith in all actions regarding this Contract. This includes the provision of information and reports reasonably requested by the other that is reasonably needed to affect the transfer of data, funds, or investments necessary to terminate this Agreement with regard to any Plan and allow the successor to perform its duties.

SECTION 16 -- NOTICES

Each notice or other communication by any Party is effective upon receipt, provided, however, that any notice or communication received after **[1:00 - 4:00]** p.m., local time for the recipient, is effective on the next Business Day.

SECTION 17 -- INVESTMENT GUIDELINES

You represent to us that you have given us a fully executed and effective copy of the Investment Guidelines. You represent that the Investment Guidelines govern the management of the Segregated Portfolio.

Our performance under this contract is dependent upon the Segregated Portfolio being managed in accordance with the Investment Guidelines.

You will give us Notice of any change to any aspect of the Investment Guidelines at least **[30 - 90]** days in advance of the effective date of such change. After we receive Notice of such

changes, we will have [10-75] days to review such modified Investment Guidelines and give you notice if the modified Investment Guidelines are not acceptable. We will not unreasonably withhold our approval

If there is any change to the Investment Guidelines that we have not approved in advance[, or if the actual management of the Segregated Portfolio has changed in a way that we deem material,] all payments from the Segregated Portfolio will be Material Event withdrawals subject to the limitations of Item C. 3. of the Schedule until such time as the Segregated Portfolio is back in compliance with the approved Investment Guidelines. Payment of annuities purchased under Article III, Section 1, before such change will not be affected.

SECTION 18 -- CLONE CONTRACT

At your request, we will establish a Clone Contract if:

- The Clone Contract will be issued to the trustee or other fiduciary of:
 - A qualified plan that was either previously affiliated or associated with the Plan and will no longer be affiliated or associated with the Plan and which qualified plan will be establishing a fund similar to the Fund for investment by the qualified plan's Participants, or
 - A fund similar to the Fund that is being established due to a part of the Fund, including a part of the Segregated Portfolio, being spun off to form a new fund substantially similar to the Fund.
- The plan or fund for which the Clone Contract is to be established satisfies our then current underwriting standards and other requirements with regard to the issuance of such a contract,
- After issuance, both this Contract and the additional contract satisfy the minimum contribution guidelines for contracts of this type, and
- You, we, and a fiduciary of the plan or fund to which the Clone Contract would be issued have agreed in writing as to the percentage of the Market Value Record and Book Value Record to be transferred to the Clone Contract, the procedures for identifying which assets are to be sold or transferred to the establishment of the new plan or fund, and the timing for such transfer of funds.

We will charge for this service and will tell you the amount of this charge before the Clone Contract is issued. If the charge has not been paid before the Clone Contract is issued, the amount of this charge will be deducted from the amount to be transferred to such Clone Contract.

SECTION 19 -- CONDITIONS OF OUR OBLIGATIONS

If any entity acting as an agent on behalf of the Fund, Trustees or Plan that is unaffiliated with us either i) fails to provide any information that is required by this Contract or which we reasonably request to perform our obligations or ii) fails to perform any service required by this Contract, then all amounts withdrawn from the Segregated Portfolio shall be accounted for as a payment at Market Value until such failure is remedied and we have had reasonable time, not to exceed **[10-40]** Business Days, to restore our records to reflect the current information.

Effective Date: []
Maturity Date: []
Contract No. []

SCHEDULE OF TERMS

A. PARTIES

This schedule of terms (the "Schedule") is a part of the contract identified above. The following terms referred to in the contract are further identified here as:

1. **Plan.** The Plan(s) covered by this contract [_____].
2. **Fund.** The name of the Fund is [_____].
3. **Custodian.** The Custodian is [_____].
4. **Investment Manager.** The Investment Manager is [_____].

B. TERMS

1. **Funding Amount.** You will allocate the following amounts to the Segregated Portfolio on the indicated dates:

| <u>Initial Funding Amount(s)</u> | <u>Initial Contract Value Record</u> | <u>Allocation Date(s)</u> |
|----------------------------------|--------------------------------------|---------------------------|
| [] | [] | [] |

[Additional amounts may be added to the Segregated Portfolio only with our written consent.]

2. **Crediting Rate.** The initial Crediting Rate is []%. This rate is recalculated by us based on [each]:

year quarter month other [_____]

The formula used to recalculate the Crediting Rate is:

$$[CR = (1+Y)*(MV/CV)^{(1/D)}-F-1]$$

Where: CR = the Crediting Rate

Y = Portfolio Yield of the Segregated Portfolio.

MV = Market Value Record less accrued Fees not yet paid from the Segregated Portfolio according to our records.

CV = Contract Value Record, calculated by us.

D = the Portfolio Duration of the Segregated Portfolio in years.

F = the annual Fee amount noted in Item B. 3. of this Schedule.

The minimum Crediting Rate is [0-5] %.

Except as may be otherwise required by the contract, the Crediting Rate will be recalculated the [] [day] of each period selected above, starting []. The data used to calculate the Crediting Rate will be based on information for the Segregated Portfolio as of the [] [day] for the month that is [1-3] months prior to the date on which the recalculated Crediting Rate is to be effective[, except that the data used to calculate the Crediting Rate to begin on the first recalculation date will be based on the information for the Segregated Portfolio as of []].

[The Portfolio Duration used for calculating the Crediting Rate will be adjusted in accordance with the following:

- (a) If the maturity election in effect on the date the Crediting Rate is being recalculated is for an Evergreen Maturity as shown in Item D. of this Schedule and the ratio of the Market Value Record to the Contract Value Record is less than [.95 – 1.00], the reduction is equal to the Portfolio Duration prior to the adjustment multiplied by the Adjustment Factor in the following table.

| Ratio of the Market Value Record to Book Value Record | Adjustment Factor |
|--|-------------------|
| Greater than [.94 - .99] but less than or equal to [.95 – 1.00] | [.1 - .75] |
| Greater than [.93 - .99] but less than or equal to [.94 – 1.00] | [.1 - .75] |
| Greater than [.92 - .99] but less than or equal to [.93 – 1.00] | [.1 - .75] |
| Greater than [.91 - .99] but less than or equal to [.92 – 1.00] | [.1 - .75] |
| Greater than [.90 - .99] but less than ore equal to [.91 – 1.00] | [.1 - .75] |
| Greater than [.89 - .99] but less than or equal to [.90 – 1.00] | [.1 - .75] |
| Less than or equal to [.89 – 1.00] | [.1 - .75] |

(b) If the maturity election in effect on the date the Crediting Rate is being recalculated is not for an Evergreen Maturity as shown in Item D. of this Schedule and the ratio of the Market Value Record to the Contract Value Record is less than **[.95 – 1.00]**, the reduction is equal to the Portfolio Duration prior to the adjustment multiplied by the applicable Adjustment Factor in the following table.

| Ratio of the Market Value Record to Book Value Record | Adjustment Factor |
|---|-------------------|
| Greater than [.94 - .99] but less than or equal to [.95 – 1.00] | [.1 - .75] |
| Greater than [.93 - .99] but less than or equal to [.94 – 1.00] | [.1 - .75] |
| Greater than [.92 - .99] but less than or equal to [.93 – 1.00] | [.1 - .75] |
| Greater than [.91 - .99] but less than or equal to [.92 – 1.00] | [.1 - .75] |
| Greater than [.90 - .99] but less than or equal to [.91 – 1.00] | [.1 - .75] |
| Less than or equal to [.90 – 1.00] | [.1 - .75] |

3. **Fees.** The Fee we charge for this contract is **[.05 - 5.00]**% of the Contract Value Record per year, payable quarterly. Our Fee is computed on a daily accrual basis in each fee period.

Our Fee is: Paid by you Withdrawn from the Segregated Portfolio.

[Fees will be billed quarterly in arrears. Payment of Fees is due within **[10-60] days from the date we notify you of such Fees.]**

We will notify you in writing at least **[30-270]** days prior to a change in Fees. No Fee increase shall be effective before the date that is **[1-10]** years after the Effective Date. You may refuse any increase in Fees by notifying us in writing, prior to the effective date of the change, that you wish to terminate the contract in accordance with Article IV of the contract**[, or that you wish to convert from an Evergreen Maturity to another maturity option in accordance with Item D. of this Schedule.]** **[If we receive your election to terminate the contract prior to the effective date of any increase in Fees, the contract will not be subject to the minimum Fee payment described in Article IV, Section 3.]** Contract provisions relating to annuities in the course of payment will continue to govern payment of such annuities until the final payment under each such annuity is made.

Your failure to notify us of your wish to terminate the contract will be deemed an acceptance of the change in Fees.

4. **Assumption of Risk of Impairment.** The risk of asset impairment is assumed by the Fund.

C. FUNDING BENEFIT PAYMENTS

1. **Sources of Liquidity.** The withdrawal structure for the Fund uses [1 – 10] liquidity tiers. This contract and the Segregated Portfolio are part of liquidity tier [1 – 10]. Each liquidity tier is accessed for Benefit Payments in order of the ranking beginning with tier 1 (as the highest tier for purposes of this contract) then, tier 2, and so on. Benefit Payments will first be paid from the net cash flow to the Fund [and liquidity tiers [1 – 9]] until they are exhausted before making a withdrawal from the Segregated Portfolio for a Benefit Payment. No allocation of new deposits will be made to a tier ranking lower in the withdrawal structure unless all tiers ranking higher in the structure are fully funded to their target level noted below.

Tier 1 target [0 – 100]%.

[Tier 2 target [0 – 100]%.

Tier 3 target [0 – 100]%.

Tier 4 target [0 – 100]%.]]

2. **Contract Value Payments.** Contract Value Payment amounts made from tier [1-10], in which the Segregated Portfolio resides, will equal this contract's pro rata share of the amount needed to pay outstanding Benefit Payments. The amount of payment from the Segregated Portfolio for Benefit Payments shall equal the amount needed to pay outstanding Benefit Payments times a fraction whose numerator is the Contract Value Record and denominator is the total value of the tier [1-10].
3. **Material Event Withdrawals.** You may elect to treat certain withdrawals from the Segregated Portfolio due to Material Events as Contract Value Payments. The maximum annual amount eligible for such an election is [0-25]% of the Contract Value Record as of the start of each Contract Year.

D. MATURITY PROVISIONS

- Evergreen Maturity.** Principal and interest earned on the investments of the Segregated Portfolio will continue to be reinvested within the parameters of the Investment Guidelines unless they are used to make a Benefit Payment. [You may notify us of your election to convert to another maturity option available under this contract provided that the ratio of the Market Value Record to the Contract Value Record is greater than [.90 – 1.05] on the date we receive your Notice of such election. You may also be allowed to elect to convert to another maturity option available under this contract in accordance with the provisions of Article IV, Section 2.] Unless we otherwise mutually agree in writing, conversion to another maturity option will be made as follows:

- i) If the Market Value Record is greater than or equal to the Contract Value Record at the time of such notice, the contract may be converted to a Buy and Hold

Maturity. Such conversion will be completed within [30-180] days of the notice date, which is the Conversion Date. Unless we otherwise mutually agree in writing, the latest final legal maturity of any investment on or after Conversion Date will not be later than [1-5] years after the Conversion Date.

- ii) If the Market Value Record is less than the Contract Value Record at the time of such notice, the contract may be converted to an Actively Managed Declining Duration. Such conversion will be completed within [30-180] days of the notice date, which is the Conversion Date. Unless we otherwise mutually agree in writing, the Final Maturity Date under this option will be the date that is determined by starting with the Conversion Date and adding a period equal to the longer of (a) [3-15] years, or (b) the duration of the Segregated Portfolio, in years, multiplied by [1-5].

Buy and Hold Maturity: The [Final] Maturity Date for this structure will be [the latest final legal maturity for an investment of the Segregated Portfolio on the Conversion Date]. You shall withdraw all principal and interest payments received for investments of the Segregated Portfolio during each month. Such withdrawals shall be taken by the end of the calendar month in which they are received and will be treated as Contract Value Payments. On the [Final] Maturity Date, any investments remaining in the Segregated Portfolio will first be used to pay any accrued and unpaid Fees. The Contract Value Record will be adjusted as described in Article II, Section 4 of the contract. If the Contract Value Record Exceeds the Market Value Record after these adjustments, we will make a payment to the Segregated Portfolio equal to the difference.

Actively Managed Declining Duration: [Within [3-36] months after the Conversion Date,] all investments of the Segregated Portfolio will have a final legal maturity not later than [the Final Maturity Date]. The principal and interest payments received for the investments of the Segregated Portfolio will remain in the Segregated Portfolio and be reinvested within the parameters of the Investment Guidelines in investments with a final legal maturity on or before the [Final] Maturity Date. On the [Final] Maturity Date, any investments remaining in the Segregated Portfolio will first be used to pay any accrued and unpaid Fees. The Contract Value Record will be adjusted as described in Article II, Section 4 of the contract. If the Contract Value Record exceeds the Market Value Record after these adjustments, we will make a payment to the Segregated Portfolio equal to the difference.

For further clarification, you maintain the right to terminate the contract at any time within the context of Article IV, and we maintain the right to terminate the contract within the context of Article IV in the event a Cause for Termination occurs at any time prior to [the Final Maturity Date].

E. NON-COMPETING INVESTMENT OPTIONS.

The following Investment Options will be treated as Non-Competing Investment Options regardless of whether they otherwise conform in any respect to the definition of a Competing Fund Option:

[_____

_____]

F. OTHER PROVISIONS (Specify any additional terms, conditions or exceptions agreed to):

[_____]

You acknowledge that you are a fiduciary under ERISA [and that you have received from us, and read and reviewed, a sample contract, application, and schedule of the type described herein and a contract disclosure document, prior to signing this Schedule]. If the Contractholder is not such a fiduciary, the necessary Plan Fiduciary makes such acknowledgement by signing below as well.

The parties hereby agree to the terms of the contract, as reflected in this Schedule:

Agreed:

Contractholder Name

Agreed:

PRINCIPAL LIFE INSURANCE COMPANY

By _____

By _____

Date _____

Date _____

Agreed:

Plan Fiduciary (If different from Contractholder)

By _____

Date _____

SERFF Tracking Number: PRLC-127041398 State: Arkansas
Filing Company: Principal Life Insurance Company State Tracking Number: 48021
Company Tracking Number: GPA 5982-1
TOI: A02G Group Annuities - Deferred Non-variable Sub-TOI: A02G.001 Fixed Premium
Product Name: GPA 5982-1
Project Name/Number: GPA 5982-1/GPA 5982-1

Supporting Document Schedules

Item Status:

Status

Date:

Satisfied - Item: Explanation of Variables

Comments:

Attachment:

GPA 5982-1 etal EOV.pdf

EXPLANATION OF VARIABLES

GPA 5982-1

GPS 5982-1

GPA 5982-1

| | |
|--|---|
| Singular and Plural Words | Multiple sections of GPA 5982-1 contain words that may be singular or plural based on the variable language which may be used. We will use the singular or plural form of such words as necessary. |
| Face Page Fill-ins | These will be unique to each contractholder. |
| Officer Signatures | The officers signing on our behalf and their titles may change over time. We will make the necessary changes to the signatures and /or titles to keep them current. |
| Article I, Section 2 - Amortized Cost | This definition may be modified at a customer's request. |
| Article I, Section 2 - Business Day | We may remove the words “, the New York Stock Exchange,”. Additionally, this definition may be modified at a customer's request; however, the definition will always specify that it will not be a Business Day if either we or depository banks are not open for business. |
| Article I, Section 2 - Competing Fund Transfer | <p>This definition may be modified at a customer's request, or replaced with any one of the alternatives listed below:</p> <p>Alternative A: “Competing Fund Transfer is a transfer from the Fund to a Competing Investment Option. This includes any transfer by a Participant to a Competing Investment Option from a Non-Competing Investment Option if such Participant transferred any amount from the Fund to such Non-Competing Investment Option less than [1-180] days prior to such transfer to the Competing Investment Option.”</p> <p>Alternative B: “Competing Fund Transfer is a transfer from the Fund to a Competing Investment Option. This includes a transfer by a Participant from any Non-Competing Investment Option to a Competing Investment Option if immediately after such transfer the aggregate amount of investments of such Participant's account held in Non-</p> |

Competing Investment Options is less than the amount of the aggregate of all transfer from the Fund during the [1-180] days immediately preceding the transfer to the Competing Fund.”

Alternative C: “**Competing Fund Transfer** is a transfer from the Fund to a Competing Investment Option. This includes any transfer by a Participant from a Non-Competing Investment Option to a Competing Investment Option within [1-180] days after electing a transfer from the Fund.”

Alternative D: “**Competing Fund Transfer** is any transfer from the Fund to a Competing Investment Option and any transfer from a Non-Competing Investment Option to a Competing Investment Option if such transfer has not been subjected to an Equity Wash.”

Alternative E: “**Competing Fund Transfer** is any transfer from the Fund to a Competing Investment Option and any transfer from a Non-Competing Investment Option to another Investment Option if such transfer has not been subjected to an Equity Wash.”

The time period will vary from 1 to 180 days.

Article I, Section 2 - Contract Value Payment

This paragraph will be removed if the contract is not issued to a pooled fund or commingled trust.

The time period will vary from 6 to 36 months.

The time period will vary from 3 to 36 months.

The share of the payment may be limited to the tier in which the contract resides (as shown in Item C.1. of the Schedule). If it is not limited to the specific tier, then the phrase “in Tier [1 – 10]” will be removed.

Article I, Section 2 - Equity Wash

This definition may be modified at a customer’s request, replaced with the alternative wording listed below, or removed in its entirety.

Alternative wording for this definition is: “**Equity Wash** means that any amounts transferred from the Fund to a Non-Competing Investment Option must continue to be held in such Non-Competing

Investment Option for [1-180] days before they can be transferred to another Investment Option”.

The time period will vary from 1 to 180 days.

Article I, Section 2 - Fair Market Value

The bracketed language may be removed.

The bracketed language may be removed.

The bracketed language may be removed.

The time period will vary from 1 to 10 Business Days.

Article I, Section 2 - Impaired Investment

This language will be removed if the alternative language for Article II, Section 4 is not used.

Article I, Section 2 - Investment Guidelines

This language may be removed at a customer’s request.

Article I, Section 2 - Material Event

The bracketed bulleted statements may be removed.

The percentage will vary from 10-50%.

The percentage will vary from 5-50%.

The time period will vary from 1 to 90 days.

The time period will vary from 1 to 90 days.

If the contract is issued to a pooled fund or commingled trust, any or all of the following bulleted statements may be inserted:

- Failure of the Fund to be exempt from registration under Section 3(c)(11) of the Investment Company Act or to be in material compliance with applicable insurance regulatory laws.
- Failure of the Fund to be exempt from registration under Section 3(c)(11) of the Investment Company Act, to meet the qualifications of Revenue Ruling 81-100, to be tax-exempt under Section 501(a) of the Internal Revenue Code, or to be in material compliance with applicable bank regulatory laws.

- Merger, consolidation, termination or spin-off of the Fund, transfer of assets of the Fund at the direction of a sponsor or fiduciary of the Fund to another portfolio, or the establishment by or on behalf of the sponsor or fiduciary of the Fund of a new portfolio with characteristics substantially similar to the Fund which accepts a deposit from any Plan that participated in the Fund at any time during the **[12 – 24]** months immediately preceding such deposit.
- Adoption of an amendment to the documents governing the Fund or its Investment Guidelines or a change in the administrative or Plan underwriting practices by or on behalf of the sponsor or a fiduciary of the Fund, unless we Notify you that such change is acceptable without restriction in accordance with Article VI, Section 5.
- Communications by you or a Fund fiduciary to any Employer, Plan fiduciary or Participants that influence Employers, Plan fiduciaries or Participants not to invest in the Fund or to withdraw a significant portion of their account balances from the Fund, provided that communications delivered to Participants which are not intended to be biased against a particular investment option under a Plan and that include only factual information concerning Plan investment options, or general discussions of asset allocation principles or investment strategies, shall not be deemed to be a Material Event.

Article I, Section 2 - Portfolio Duration

The word “modified” maybe replaced with “effective”.

Article I, Section 2 - Queue

This definition will be removed if the contract is not issued to a pooled fund or commingled trust.

Article II, Section 4

The bracketed language may be replaced with the following: “If any investment of the Segregated Portfolio during the period beginning **[6 – 60]** months prior to the **[Final]** Maturity Date is an Impaired Investment and the ratio of the Market Value Record to the Contract Value Record is less than **[.98 – 1.05]**, such investment shall be immediately removed from the Segregated Portfolio

and the Contract Value Record will be reduced by the Amortized Cost of such investment. The adjustment to the Contract Value Record will be effective immediately.”

The time period will vary from 6 to 60 months.

The word “Final” may be removed.

Article III, Section 1

The \$5000 may be increased to match federal law or regulation.

Article III, Section 2

We reserve the right to change the annuity purchase rates as stated in the contract for all contracts of this class in the future.

Article III, Section 5

We reserve the right to change the minimum monthly annuity amount as stated in the contract for all contracts of this class in the future.

Article IV, Section 2

The time period will vary from 15 to 180 days.

The time period will vary from 5 to 90 days.

Bullets 5-6 will only be used if the contract is issued for use with an individual plan. Additionally, these bullets may be removed at a customer’s request.

Bullets 9-14 will only be used if the contract is issued for use with pooled funds or commingled trusts. Additionally, these bullets may be removed at a customer’s request.

The time period in bullet 11 will vary from 12 to 24 months.

The percentage in bullet 13 will vary from 20-65%.

The percentage in bullet 14 will vary from 5-25%.

Bullets 15-16 will only be used if the Investment Manager is not associated with Principal Life Insurance Company. Additionally, one or both of these bullets may be removed at a customer’s request.

The time period in bullet 15 will vary from 10 to 90 days.

The time period in bullet 16 will vary from 6 to 12 months.

| | |
|----------------------------|--|
| | The percentage will vary from 10-50%. |
| | The range will vary from .80 – 1.00. |
| | The range will vary from .90 – 1.00. |
| Article IV, Section 3 | The bracketed language may be removed in its entirety. The time period will vary from 1 to 5 years. The time period will vary from 1 to 5 years. The amount will vary from \$25,000 – 100,000. |
| Article V, Section 2 | The time period will vary from 30 to 90 days. |
| Article V, Section 3 | The bracketed language may be modified at a customer's request. |
| Article V, Section 6(b) | The time period will vary from 1 to 180 days. |
| Article V, Section 6(c)(2) | The time period will vary from 1 to 180 days. |
| Article V, Section 8 | The time period will vary from 1 to 90 days. |
| Article V, Section 9 | One or more of the bulleted statements may be removed. The time period will vary from 1 to 30 Business Days. The time period will vary from 1 to 90 Business Days. The time period will vary from 1 to 10 Business Days. The date will vary from the 10 th to 20 th day of each month. |
| Article V, Section 14 | The time period will vary from 1 to 180 days. |
| Article V, Section 16 | We may select a time between 1:00 p.m. and 4:00 p.m. Central Time. |
| Article V, Section 17 | The time period will vary from 30 to 90 days. The time period will vary from 10 to 75 days. If the Investment Manager is affiliated with Principal Life Insurance Company and at a customer's request, we may remove the wording “, or if the |

actual management of the Segregated Portfolio has changed in a way that we deem material,”

Article V, Section 19

The time period will vary from 10 to 40 Business Days.

GPS 5982-1

Singular and Plural Words

Multiple sections of GPS 5982-1 contain words that may be singular or plural based on the variable language which may be used. We will use the singular or plural form of such words as necessary.

Fill-ins

This information will be unique for each contractholder.

Item B. 1. Funding Amount

The wording “Additional amounts may be added to the Segregated Portfolio only with our written consent.” may be replaced with the following: “100% of all Participant elected allocations to the Fund will be added to the Segregated Portfolio. No allocations to the Fund will be made to any other investment or fund that is not part of the Segregated Portfolio.”

Item B. 2. Crediting Rate

The word “each” may be removed if the customer requests to recalculate the crediting rate with a time period that is not based on a year, quarter or month.

At a customer’s request, we may use a different time period than year, quarter or month.

The Crediting Rate formula may be replaced with one of the following alternatives:

$$\begin{aligned} \text{CR} &= (1 + Y) * (\text{MV}/\text{CV})^{(1/\text{D})} - 1, \text{ or} \\ \text{CR} &= Y + (\text{MV} - \text{CV})/(\text{CV} * \text{D}), \text{ or} \\ \text{CR} &= Y + (\text{MV} - \text{CV})/(\text{CV} * \text{D}) - F \end{aligned}$$

The minimum Crediting Rate percentage will vary from 0-5%.

“Day” may be replaced with “Business Day”.

“Day” may be replaced with “Business Day”.

The time period will vary from 1 to 3 months.

The wording “, except that the data used to calculate the Crediting Rate to begin on the first recalculation date will be based on the information for the Segregated Portfolio as of [_____]” may be removed.

The portfolio duration wording may be removed in its entirety or replaced with one of the following alternatives:

“When the Market Value Record is less than the Contract Value Record and the Queue exceeds [5% - 25%], the duration used to recalculate the crediting rate will not exceed [.5 – 5] multiplied by a factor equal to the difference of [1 – 1.5] minus the Queue.”

or

”The Portfolio Duration used for calculating the Crediting Rate will be adjusted in accordance with the following:

- (a) If the maturity election in effect on the date the Crediting Rate is being recalculated is for an Evergreen Maturity as shown in Item D. of this Schedule and the ratio of the Market Value Record to the Contract Value Record is less than [.95 – 1.00], the reduction is equal to the Portfolio Duration prior to the adjustment multiplied by the lesser of [.25 - .80], or the product of [5 – 10] multiplied by the difference of [.95 – 1.00] minus the ratio of the Market Value Record to the Contract Value Record.
- (b) If the maturity election in effect on the date the Crediting Rate is being recalculated is not for an Evergreen Maturity as shown in Item D. of this Schedule and the ratio of the Market Value Record to the Contract Value Record is less than [.95 – 1.02], the reduction is equal to the Portfolio Duration prior to the adjustment multiplied by the lesser of [.25 - .80], or the product of [7 – 15] multiplied by the difference

of [.95 – 1.02] minus the ratio of the Market Value Record to the Contract Value Record.”

The portfolio duration wording may also be modified at a customer’s request.

Item B. 3. Fees

The fees percentage will vary from .05 - 5.00%.

The wording “Fees will be billed quarterly in arrears. Payment of Fees is due within [10-60] days from the date we notify you of such Fees.” may be removed.

The time period will vary from 10 to 60 days.

The time period will vary from 30 to 270 days.

The time period will vary from 1 to 10 years.

The wording “, or that you wish to convert from an Evergreen Maturity to another maturity option in accordance with Item D. of this Schedule.” will be removed if the initial election is not for an Evergreen Maturity.

At a customer’s request, the wording “If we receive your election to terminate the contract prior to the effective date of any increase in Fees, the contract will not be subject to the minimum Fee payment described in Article IV, Section 3.” may be deleted in its entirety.

Item C. 1. Source of Liquidity

The number of tiers will vary from 1-10.

The number of tiers will vary from 1-10.

We may remove the wording “and liquidity tiers [1 – 9]”

The number of tiers will vary from 1-9.

The range for the tier 1 target allocation may be between 0 and 100.

The range for the tier 2 target allocation may be between 0 and 100. Additionally, this wording may be replaced with “100% of the Fund that is not allocated to tier 1”.

The range for the tier 3 target allocation may be between 0 and 100. Additionally, this wording may be replaced with “100% of the Fund that is not allocated to tiers 1 and 2”.

The range for the tier 4 target allocation may be between 0 and 100. Additionally, this wording may be replaced with “100% of the Fund that is not allocated to tiers 1, 2 and 3”.

We may add or remove language on tier targets as necessary to match the number of tiers used. Additional tier target language will match the format shown for tiers 1-4.

Additionally, the entire Sources of Liquidity section may be modified at a customer’s request.

Item C. 2. Contract Value Payments

The tier number will vary from 1-10.

The tier number will vary from 1-10.

Item C. 3. Material Event Withdrawals

The percentage will vary from 0-25%

Item D. Evergreen Maturity

The wording “You may notify us of your election to convert to another maturity option available under this contract provided that the ratio of the Market Value Record to the Contract Value Record is greater than [.90 – 1.05] on the date we receive your Notice of such election. You may also be allowed to elect to convert to another maturity option available under this contract in accordance with the provisions of Article IV, Section 2.” may be replaced with the following: “You may Notify us at any time of your election to convert to another maturity option available under this contract provided that a Cause for Termination described in Article IV, Section 2 has not occurred.”

The range is .90 to 1.05.

The time period will vary from 30 to 180 days.

The time period will vary from 1 to 5 years.

The time period will vary from 30 to 180 days.

The time period will vary from 3 to 15 years.

| | |
|---|---|
| | The range is 1-5. |
| Item D. Buy and Hold Maturity | <p>The word "Final" may be removed.</p> <p>At a customer's request, the bracketed wording may be replaced with a specific date.</p> <p>The word "Final" may be removed.</p> |
| Item D. Actively Managed Declining Duration | <p>The wording "Within [3-36] months after the Conversion Date," may be removed.</p> <p>The time period will vary from 3 to 36 months.</p> <p>The bracketed wording may be replaced with a specific date and the words "which is the Final Maturity Date".</p> <p>The word "Final" may be removed.</p> <p>The word "Final" may be removed.</p> <p>The bracketed wording may be replaced with a specific date.</p> |
| Item E. Non-Competing Investment Options | This information will be unique for each contractholder. |
| Item F. Other Provisions | If additional terms, conditions or exceptions are agreed to by the parties, they will be listed here. |
| Signature Area | The bracketed wording may be removed if the Investment Manager is not affiliated with Principal Life Insurance Company. |

SERFF Tracking Number: PRLC-127041398 *State:* Arkansas
Filing Company: Principal Life Insurance Company *State Tracking Number:* 48021
Company Tracking Number: GPA 5982-1
TOI: A02G Group Annuities - Deferred Non-variable *Sub-TOI:* A02G.001 Fixed Premium
Product Name: GPA 5982-1
Project Name/Number: GPA 5982-1/GPA 5982-1

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

| Creation Date: | Schedule | Schedule Item Name | Replacement Creation Date | Attached Document(s) |
|-----------------------|-----------------|---------------------------|--------------------------------------|-----------------------------|
| 02/17/2011 | Form | Schedule of Terms | 02/18/2011 | GPS 5982-1.pdf |