

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

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PRINCIPAL LIFE INSURANCE CO SEPARATE ACCOUNT B

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-4

REGISTRATION UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. _____

Post-Effective Amendment No. **10**

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. _____

Principal Life Insurance Company Separate Account B

(Exact Name of Registrant)

Principal Life Insurance Company

(Name of Depositor)

**The Principal Financial Group
Des Moines, Iowa 50392
1-515-248-3842**

(Address of Depositor's Principal Executive Offices)
(Depositor's Telephone Number, including Area Code)

**Sarah Pitts
Principal Life Insurance Company
The Principal Financial Group
Des Moines, Iowa 50392-0300
1-515-248-3259**

(Name and Address of Agent for Service)

Please send copies of all communications to:

**John W. Blouch, Esq.
Dykema Gossett PLLC
Franklin Square, Suite 300 West
1300 I Street, N.W.
Washington, DC 20005-3306**

Principal Investment Plus Variable AnnuitySM Contract

(Title of Securities Being Registered)

It is proposed that this filing will become effective (check appropriate box):

- immediately upon filing pursuant to paragraph (b) of Rule 485
- on (date) pursuant to paragraph (b) of Rule 485
- 60 days after filing pursuant to paragraph (a)(1) of Rule 485
- on (date) pursuant to paragraph (a)(1) of Rule 485.

If appropriate, check the following box:

- this post-effective amendment designates a new effective date for previously filed post-effective amendment.

No filing fee is due because an indefinite amount of securities is deemed to have been registered in reliance on Section 24(f) of the Investment Company Act of 1940.

Explanatory Note

This registration statement incorporates by reference the prospectus (the "Prospectus") and statement of additional information, each dated May 1, 2008, included in Post-Effective Amendment No. 9 to the registration statement on Form N-4 (File Nos. 333-116220 and 811-03365) filed on May 1, 2008 pursuant to paragraph (b) of Rule 485.

This registration statement also incorporates by reference the supplement to the Prospectus dated May 22, 2008, as filed on May 23, 2008 pursuant to Rule 497.

PRINCIPAL LIFE INSURANCE COMPANY
PRINCIPAL LIFE INSURANCE COMPANY SEPARATE ACCOUNT B
SUPPLEMENT DATED NOVEMBER [], 2008 TO
PROSPECTUS DATED MAY 1, 2008

This supplement updates information in the prospectus dated May 1, 2008 for Principal Investment Plus Variable Annuity issued by Principal Life Insurance Company (“we,” “us,” or “our”). This supplement should be read in its entirety and kept together with your prospectus for future reference. If you would like another copy of the prospectus, write to us at Principal Financial Group, P.O. Box 9382, Des Moines, Iowa 50306-9382 or call us at 1-800-852-4450 to request a free copy. Certain terms used in this supplement have special meanings. If a term is not defined in this supplement, it has the meaning given to it in the prospectus.

1. Please replace Appendix D with the following:

APPENDIX D – GMWB INVESTMENT OPTIONS

GMWB Investment Options

While a GMWB rider is in effect, the investment options you may select are restricted. The limited investment options available under a GMWB rider (the “GMWB investment options”) are intended to support the rider’s guarantees with a balanced investment objective. If your investment goal is aggressive growth, a GMWB rider may not be appropriate for you.

The GMWB investment options are:

- GMWB Self-Build Model A;
- GMWB Self-Build Model B;
- GMWB Self-Build Model C;
- GMWB Self-Build Model D;
- Principal LifeTime 2010 Account;
- Principal LifeTime 2020 Account;
- Principal LifeTime 2030 Account;*
- Principal LifeTime Strategic Income Account;
- Strategic Asset Management Balanced Portfolio;
- Strategic Asset Management Conservative Balanced Portfolio; or
- Strategic Asset Management Flexible Income Portfolio.

* Principal LifeTime 2030 Account is only available as an investment option with the GMWB 2 Rider.

When you purchase a GMWB rider, you must allocate 100% of your Separate Account division accumulated value and premium payments to any one of the listed GMWB investment options. You may transfer 100% of your Separate Account division accumulated value from your current GMWB investment option to one other GMWB investment option which is available at the time of the transfer. You may make a transfer by providing us notice (we will effect the transfer at the price next determined after we receive your notice in good order). Any future premium payments are allocated to the GMWB investment option your Separate Account division accumulated value is invested in at the time of the new premium payments. While your GMWB rider is in effect, you may make unrestricted allocations of Contract value and premium payments to, and transfer

Contract accumulated value to, the Fixed Account and you may allocate new premium payments to the DCA Account. Transfers are subject to the transfer provisions of your Contract.

For more information about: (1) GMWB Self-Build Models, please see below; (2) Principal LifeTime Accounts and Strategic Asset Management (SAM) Portfolios, please see the prospectus sections titled “THE CONTRACT – The Underlying Mutual Funds,” “TABLE OF SEPARATE ACCOUNT DIVISIONS” and “SUMMARY OF EXPENSE INFORMATION – Annual Underlying Mutual Fund Expenses” and the underlying fund’s prospectus provided with this prospectus; (3) the Fixed and DCA Accounts, please see “FIXED ACCOUNT AND DCA PLUS ACCOUNTS” and (4) transfers under your Contract, please see “THE CONTRACT – The Accumulation Period, Division Transfers” and “GENERAL PROVISIONS – Frequent Trading and Market Timing (Abusive Trading Practices)”.

Your GMWB rider may terminate if you allocate premium payments or transfer your Separate Account division accumulated value to an investment option that is not a permitted GMWB investment option. By electing a GMWB rider, you acknowledge that we will not be responsible for any financial impact to you caused by termination of your GMWB rider because you violated the GMWB investment restrictions.

We reserve the right to modify the list of available GMWB investment options, subject to compliance with applicable regulations.

If you previously purchased a Contract with a GMWB rider and have your Separate Account division accumulated value invested in a GMWB investment option which is no longer available (a “Discontinued investment option”), you may continue to maintain that investment and allocate new premium payments to it. If the Discontinued investment option involves more than one Separate Account division, we will continue to rebalance your Separate Account division accumulated value each calendar quarter. You may not transfer your Separate Account division accumulated value to any other Discontinued investment option. You may transfer your Separate Account division accumulated value to another GMWB investment option that is available at the time of transfer; in this case, the Discontinued investment option will no longer be available to you.

GMWB Self-Build Models

Each of the GMWB Self-Build Models requires you to allocate your Separate Account division accumulated value and premium payments in specified percentages among asset classes and provides you limited ability to select the Separate Account divisions that you wish to use to meet those allocation requirements. The major asset classes on which each model is based and the required allocations among those asset classes are shown in the following table.

Asset Class	Model A	Model B	Model C	Model D
Short-Term Fixed Income	30%	20%	10%	15%
Fixed Income	40%	30%	20%	15%
Balanced/Asset Allocation	10%	15%	20%	25%
Large U.S. Equity	20%	25%	30%	25%
Small/Mid U.S. Equity	0 %	5 %	15%	0 %
International Equity	0 %	5 %	5 %	20%

To “build your model,” you select one of the available models and then pick Separate Account divisions from each of the asset classes in the model. The table below identifies the Separate Account divisions that are

available within each asset class for purposes of the GMWB Self-Build Models. It also identifies those instances in which there are limitations on the percentage of assets that you may allocate to a sub-class within asset classes. The sum of the percentages that you allocate to the Separate Account divisions in an asset class or sub-class must equal the required aggregate percentage for that asset class or sub-class. The sum of the percentages you invest in all the asset classes must equal 100% of your Separate Account division accumulated value.

If you choose a GMWB Self-Build Model, you are directing us to allocate your Separate Account division accumulated value and premium payments according to the allocation percentages you have set. In addition, you are directing us to automatically rebalance your Separate Account division accumulated value each calendar quarter to match the allocation percentages you set in your GMWB Self-Build Model. You may transfer among the divisions within an asset class or sub-class as long as your allocations for that asset class or sub-class equal the percentage established by your chosen GMWB Self-Build Model, and you adhere to the transfer provisions of your Contract (See “THE CONTRACT – The Accumulation Period, Division Transfers” and “GENERAL PROVISIONS – Frequent Trading and Market Timing (Abusive Trading Practices)”).

In selecting and building a GMWB Self-Build Model, you should consider your personal objectives, investment time horizons, risk tolerance and other financial circumstances. You should also remember that asset allocation does not insure a profit or protect against loss. You may wish to ask your financial advisor for assistance in selecting a model and choosing among the Separate Account divisions available under that model. You may also wish to contact your financial advisor from time to time to discuss whether your selections remain appropriate for your needs.

For more information about the Separate Account divisions named in the table for the GMWB Self-Build Models below, please see the prospectus sections titled “THE CONTRACT – The Underlying Mutual Funds,” “TABLE OF SEPARATE ACCOUNT DIVISIONS” and “SUMMARY OF EXPENSE INFORMATION – Annual Underlying Mutual Fund Expenses” and the underlying fund’s prospectus provided with this prospectus.

You may choose one of the GMWB Self-Build Models shown below:

	Investment Advisor	Model A	Model B	Model C	Model D
Short-Term Fixed Income Divisions		30%	20%	10%	15%
Short-Term Bond	Principal Global Investors, LLC*				
Short-Term Income	Edge Asset Management, Inc.*				
Money Market	Principal Global Investors, LLC*				
Fixed Income Divisions		40%	30%	20%	15%
American Century VP Inflation Protection	American Century Investment Management, Inc.				
Bond & Mortgage Securities (f/k/a Bond)	Principal Global Investors, LLC*				
Government & High Quality Bond	Principal Global Investors, LLC*				

	Investment Advisor	Model A	Model B	Model C	Model D
Mortgage Securities	Edge Asset Management, Inc.*				
Balanced/Asset Allocation Divisions		10 %	15%	20%	25%
Asset Allocation	Morgan Stanley Investment Management, Inc.*				
LifeTime 2010	Principal Global Investors, LLC*				
LifeTime 2020	Principal Global Investors, LLC*				
LifeTime Strategic Income	Principal Global Investors, LLC*				
Strategic Asset Management (“SAM”) Balanced	Edge Asset Management, Inc.*				
SAM Conservative Balanced	Edge Asset Management, Inc.*				
SAM Flexible Income	Edge Asset Management, Inc.*				
Large U.S. Equity Divisions		20 %	25%	30%	25%
Large Value		10 %	10%	10%	10%
AIM V.I. Basic Value	Invesco AIM Advisors, Inc.				
Equity Income (f/k/a Equity Income I)	Edge Asset Management, Inc.*				
LargeCap Value III (f/k/a LargeCap Value)	Alliance Bernstein, L.P.*				
LargeCap Value II (f/k/a Equity Value)	American Century Investment Management, Inc.*				
LargeCap Value (f/k/a Capital Value)	Principal Global Investors, LLC*				
Large Blend		0 %	5 %	10%	5 %
LargeCap Blend II (f/k/a LargeCap Blend)	T. Rowe Price Associates, Inc.*	N/A			
LargeCap S&P 500 Index (f/k/a LargeCap Stock Index)	Principal Global Investors, LLC*	N/A			
Neuberger Berman AMT Socially Responsible	Neuberger Berman Management, Inc.	N/A			
Large Growth		10 %	10%	10%	10%
American Century VP Ultra II	American Century Investment Management, Inc.				
Fidelity VIP II ContraFund	Fidelity Management & Research Company				

	Investment Advisor	Model A	Model B	Model C	Model D
LargeCap Growth (f/k/a Growth)	Columbus Circle Investors*				
T. Rowe Price Blue Chip Growth	T. Rowe Price Associates, Inc.				
Small/Mid U.S. Equity					
Divisions		0 %	5 %	15%	0 %
Mid Cap Value		0 %	0 %	5 %	0 %
MidCap Value II (f/k/a MidCap Value)	Neuberger Berman Management, Inc. & Jacob Levy Management, Inc.*	N/A	N/A		N/A
Real Estate Securities	Principal Real Estate Investors, LLC*	N/A	N/A		N/A
Mid Cap Blend and Growth		0 %	5 %	5 %	0 %
American Century VP Vista	American Century Investment Management, Inc.	N/A			N/A
MidCap Blend (f/k/a MidCap)	Principal Global Investors, LLC*	N/A			N/A
T. Rowe Price Health Sciences	T. Rowe Price Associates, Inc.	N/A			N/A
Small Cap		0 %	0 %	5 %	0 %
AIM V.I. SmallCap Equity	Invesco AIM Advisors, Inc.	N/A	N/A		N/A
Neuberger Berman AMT Fasciano	Neuberger Berman Management, Inc	N/A	N/A		N/A
SmallCap Value I (f/k/a SmallCap Value)	JP Morgan Investment Management, Inc.*	N/A	N/A		N/A
International Equity					
Divisions		0 %	5 %	5 %	20 %
Diversified International	Principal Global Investors, LLC*	N/A			
Fidelity VIP Overseas	Fidelity Management & Research Company	N/A			
AIM V.I. International Growth	Invesco AIM Advisors, Inc.	N/A			

* Pursuant to a sub-advisory agreement with Principal Management Corporation, the investment advisor.

We have entered into an agreement with Principal Financial Advisors, Inc. (“PFA”), an affiliated entity that is registered as an investment adviser with the Securities and Exchange Commission, to advise us with respect to the GMWB Self-Build Models. Pursuant to the agreement, PFA advises us on the construction of new models, including the asset classes to be included, the appropriate percentage of assets to be allocated to each asset class and sub-class, and the Separate Account divisions to be included in each asset class and sub-class, and it periodically re-evaluates the models and advises us when it believes changes are appropriate. PFA’s objective

under the agreement is to provide models which have a balanced investment objective while limiting the level of investment risk that we assume in providing the guarantees under the GMWB rider. There is no investment advisory relationship between PFA and contract owners, and you should not rely on the models as providing investment recommendations to you. You must decide for yourself, or with the assistance of your financial advisor, whether a particular model or a particular allocation of assets within a model is appropriate for you. In the future, we may modify our arrangement with PFA, or we may discontinue it, in which case we may contract with another firm to provide similar services or choose to provide our own models.

We from time to time may make available other GMWB Self-Build Models and make changes to or restrict the availability of GMWB Self-Build Models. We will provide you with written notice regarding any restriction or change that affects the GMWB Self-Build Model to which your Separate Account division accumulated value is allocated. If we restrict the availability of or change your model, you may continue to maintain your Separate Account division accumulated value and allocate new premium payments in accordance with your model as it existed immediately prior to the restriction or change. We will continue to rebalance your Separate Account division accumulated value according to that model each calendar quarter. You may transfer your Separate Account division accumulated value to any other GMWB investment option that is available at the time of transfer; in this case, the model from which you transferred will no longer be available to you.

2. Please replace the last sentence of the third paragraph under “GMWB Overview – Rider Restrictions/Limitations” under “GMWB (INVESTMENT PROTECTOR PLUS) RIDERS” with the following sentence in order to conform the disclosure with Appendix D:

We reserve the right to modify the list of available GMWB investment options from time to time, subject to compliance with applicable regulations.

3. Please replace “GMWB Investment Options” under “GMWB 1 RIDER (INVESTMENT PROTECTOR PLUS RIDER)” with the following paragraph in order to conform the disclosure with Appendix D:

GMWB Investment Options

The GMWB investment options are shown in Appendix D. While a GMWB rider is in effect, the investment options you may select are limited. We have limited the investment options available under a GMWB rider in order to support the rider’s guarantees with a balanced investment objective. If your investment goal is aggressive growth, a GMWB rider may not be appropriate for you. It is your responsibility to select your GMWB investment option. You may wish to ask your financial advisor to assist you in making your selection.

4. Please add the following accounts under Principal Variable Contracts Funds – Class 1 in the list of underlying mutual funds at the beginning of the prospectus:

Mortgage Securities Account
Short-Term Income Account

5. Please add the following to the table discussing underlying mutual fund expenses under “SUMMARY OF EXPENSE INFORMATION” in the prospectus:

<u>Underlying Mutual Funds</u>	<u>Management Fees</u>	<u>12b-1 Fees</u>	<u>Other Expenses</u>	<u>Acquired Fund (“Underlying Fund”) Fees and Expenses</u>	<u>Total Gross Expenses</u>	<u>Contractual Net Expenses</u>
Principal VCF Mortgage Securities Account – Class 1	0.50	N/A	0.00		0.50	
Principal VCF Short-Term Income Account – Class 1	0.50	N/A	0.00		0.50	

6. Please add the following under “TABLE OF SEPARATE ACCOUNT DIVISIONS” in the prospectus:

Mortgage Securities Division

Invests in: Principal Variable Contracts Funds Mortgage Securities Account – Class 1
Investment Advisor: Edge Asset Management, Inc. through a sub-advisory agreement with Principal Management Corporation.
Investment Objective: seeks to provide as high a level of current income as is consistent with prudent investment management and stability of principal.

Short-Term Income Division

Invests in: Principal Variable Contracts Funds Short-Term Income Account – Class 1
Investment Advisor: Edge Asset Management, Inc. through a sub-advisory agreement with Principal Management Corporation.
Investment Objective: seeks to provide a high level of current income consistent with safety and liquidity.

7. Under “Telephone Services” under “TELEPHONE AND INTERNET (ELECTRONIC) SERVICES” in the prospectus, please delete the second and third bullet points and replace them with the following:

that are in good order and received by us before the close of a valuation period will receive the price next determined (i.e., the value as of the close of that valuation period).

that are in good order and received by us after the close of a valuation period will receive the price next determined (i.e., the value as of the close of that next valuation period).

8. Under “Internet” under “TELEPHONE AND INTERNET (ELECTRONIC) SERVICES” in the prospectus, please delete the first and second bullet points and replace them with the following:

that are in good order and received by us before the close of a valuation period will receive the price next determined (i.e., the value as of the close of that valuation period).

that are in good order and received by us after the close of a valuation period will receive the price next determined (i.e., the value as of the close of that next valuation period).

9. Under “ENHANCED DEATH BENEFIT RIDER” in the prospectus, please insert the following two new paragraphs at the end of the section:

See Appendix E for examples.

Before you purchase an Enhanced Death Benefit Rider, please consider the following:

Although the rider provides an opportunity for increased death benefit payments to your beneficiaries, it does not provide you with increased annuity benefit payments or contract accumulated value.

The rider is generally more advantageous to younger owners because the rider lock-in occurs on the later of the contract anniversary following the oldest owner's 75th birthday and five years after the rider effective date.

10. Under "GMWB Step-Up" under "GMWB 1 RIDER (INVESTMENT PROTECTOR PLUS RIDER)" in the prospectus, please delete the fifth paragraph in its entirety and:

(a) Insert the following after the first paragraph:

Note regarding Riders issued on or after June 15, 2008: In the event that your Investment Back remaining withdrawal benefit base reduces to zero, your rider is no longer eligible for any future Step-Ups of the Remaining Withdrawal Benefit Bases under either withdrawal option, even if you make additional premium payments.

(b) Insert the following after the fourth paragraph:

Note regarding Riders issued on or after June 15, 2008: A surviving spouse who elects to continue the contract and rider may not make a special GMWB Step-Up when electing continuation. The Step-Up feature will continue according to the terms of the rider and the charge for the rider will not change.

11. Under "Required Minimum Distributions" under "GMWB 1 RIDER (INVESTMENT PROTECTOR PLUS RIDER)" in the prospectus:

(a) Please delete the second and third paragraphs and replace with the following paragraph:

If you are eligible for and enroll in our RMD Program for GMWB Riders, a withdrawal made to satisfy RMD for the Contract (an "RMD amount") that exceeds a withdrawal benefit payment for that contract year will NOT be deemed an excess withdrawal.

(b) Please delete the first bullet point under "RMD Program."

12. Please add the following new Appendix to the prospectus:

APPENDIX E

ENHANCED DEATH BENEFIT RIDER: EXAMPLES OF CALCULATIONS OF THE ENHANCED DEATH BENEFIT

CALCULATION OF THE ENHANCED DEATH BENEFIT AS OF THE LOCK-IN DATE:

The enhanced death benefit is the greatest of a, b and c, below.

Assume the following:

- a. \$150,000 = [premiums paid since the rider effective date increased at 5% effective annual interest rate – \$0 (aggregate of all partial surrenders and partial annuitizations)]
- b. \$125,000 = [highest accumulated value on any Contract anniversary to date + \$0 (additional premiums paid after the highest AV) – \$0 (aggregate of all partial surrenders and partial annuitizations)]
- c. Standard death benefit = \$120,000, where the standard death benefit is the greater of
 - i. \$100,000
 - ii. Accumulated value* = \$120,000

* As of valuation date We receive the death benefit claim in good order.

The enhanced death benefit is \$150,000.

CALCULATION OF THE ENHANCED DEATH BENEFIT ON THE CONTRACT ANNIVERSARY ONE YEAR AFTER THE LOCK-IN DATE:

The enhanced death benefit is the greatest of a, b and c, below.

Assume the above facts and also that there have been no additional premium payments but there has been a withdrawal of \$55,000 and the AV on the withdrawal date was \$110,000.

- a. $\$150,000 + 0 - (55,000/110,000) \times 150,000 = \$75,000$
- b. $\$125,000 + 0 - (55,000/110,000) \times 125,000 = \$62,500$
- c. Standard death benefit = \$50,000, where the standard death benefit is the greater of
 - i. $\$100,000 + 0 - (55,000/110,000) \times 100,000 = \$50,000$
 - ii. Accumulated value after the withdrawal = $\$110,000 - 55,000 = \$55,000$

The enhanced death benefit is \$75,000.

* * *

**THIS SUPPLEMENT SHOULD BE READ AND
RETAINED FOR FUTURE REFERENCE**

Principal Financial Group
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**PART C
OTHER INFORMATION**

ITEM 24. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements are included in the Registration Statement:

(i) Part A – (filed with the Commission on 05/01/08)

Condensed Financial Information for the three years ended December 31, 2007 and for the period ended December 31, 2004.

(ii) Part B – (filed with the Commission on 05/01/08)

Principal Life Insurance Company Separate Account B:

- Report of Independent Auditors.
- Statement of Assets and Liabilities, December 31, 2007
- Statement of Operations for the year ended December 31, 2006
- Statements of Changes in Net Assets for the years ended December 31, 2007, 2006 and 2005.
- Notes to Financial Statements

Principal Life Insurance Company:

- Report of Independent Auditors.
- Consolidated Statements of Financial Position, December 31, 2007, 2006 and 2005.
- Consolidated Statements of Operations for the years ended December 31, 2007, 2006 and 2005.
- Consolidated Statements of Financial Position, December 31, 2007, 2006 and 2005.
- Consolidated Statements of Stockholder' s Equity for the years ended December 31, 2007, 2006 and 2005.
- Consolidated Statements of Cash Flows for the years ended December 31, 2007, 2006 and 2005.
- Notes to Consolidated Financial Statements.

(iii) Part C – (filed with the Commission on 05/01/08)

Principal Life Insurance Company

- Report of Independent Auditors on Schedules
- Schedule I – Summary of Investments – Other Than Investments in Related Parties As December 31, 2007
- Schedule III – Supplementary Insurance Information As of December 31, 2007, 2006 and 2005 and for each of the years then ended
 - Schedule IV – Reinsurance As of December 31, 2007, 2006 and 2005 and for each of the years then ended

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(b) Exhibits:

- (1) Resolution of Board of Directors of the Depositor (filed with the Commission on 06/07/04)
- (3a) Distribution Agreement (filed with the Commission on 01/04/05)
- (3b) Selling Agreement (filed with the Commission on 06/07/04)
- (4a) Form of Variable Annuity Contract (filed with the Commission on 06/07/04)
- (4b) Amendment to Enhanced Death Benefit Rider (filed with the Commission on 04/27/06)
- (4c) Amendment to Fixed Account Endorsement (filed with the Commission on 04/27/06)
- (4d) Amendment to Fixed DCA Account Endorsement (filed with the Commission on 04/27/06)
- (4e) Amendment to GMWB Rider (filed with the Commission on 04/27/06)
- (4f) Amendment to Contract Data Page (filed with the Commission on 04/27/06)
- (4g) Amendment to Partial Annuitization Endorsement (filed with the Commission on 04/27/06)
- (4h) Amendment to Premium Payment Credit Rider (filed with the Commission on 04/27/06)
- (4i) Form of Specimen Guaranteed Minimum Withdrawal Benefit 2 – Joint Life Rider (filed with the Commission on 05/01/08)
- (4j) Form of Specimen Guaranteed Minimum Withdrawal Benefit 2 – Single Life Rider (filed with the Commission on 05/01/08)
- (5) Form of Variable Annuity Application (filed with the Commission on 06/07/04)
- (6a) Articles of Incorporation of the Depositor (filed with the Commission on 06/07/04)
- (6b) Bylaws of Depositor (filed with the Commission on 06/07/04)
- (8a1) Participation Agreement with AIM Variable Insurance Funds, as amended (filed with the Commission on 05/01/08)
- (8a2) Distribution Agreement with AIM Variable Insurance Funds (filed with the Commission on 05/01/08)
- (8a3) Rule 22c-2 Agreement with AIM Variable Insurance Funds (filed with the Commission on 05/01/08)
- (8a4) Administrative Services Agreement with AIM Variable Insurance Funds (filed with the Commission on 05/01/08)
- (8b1) Participation Agreement with AllianceBernstein Variable Products Series Fund, as amended (filed with the Commission on 05/01/08)
- (8b3) Administrative Services Agreement with AllianceBernstein Variable Products Series Fund (filed with the Commission on 05/01/08)
- (8b4) Rule 22c-2 Agreement with AllianceBernstein Variable Products Series Fund (filed with the Commission on 05/01/08)
- (8c1) Shareholder Services Agreement with American Century Investment Management, Inc., as amended (filed with the Commission on 05/01/08)
- (8c2) Rule 22c-2 Agreement with American Century Investment Management, Inc. (filed with the Commission on 05/01/08)

- (8d2) Administrative Services Agreement with Dreyfus Investment Portfolios, as amended (filed with the Commission on 05/01/08)
- (8d3) Rule 12b-1 Agreement with Dreyfus Investment Portfolios, as amended (filed with the Commission on 05/01/08)
- (8e1) Amended & Restated Participation Agreement with Fidelity Variable Insurance Products Fund (filed with the Commission on 05/01/08)
- (8e2) Distribution Agreement with Fidelity Variable Insurance Products Fund (filed with the Commission on 05/01/08)
- (8e3) Service Agreement dated 8-2-1999 with Fidelity Variable Insurance Products Fund (filed with the Commission on 05/01/08)
- (8e4) Service Agreement dated 2-29-2000 with Fidelity Variable Insurance Products Fund (filed with the Commission on 05/01/08)
- (8e5) Service Agreement dated 3-26-2002 with Fidelity Variable Insurance Products Fund (filed with the Commission on 05/01/08)
- (8e6) Rule 22c-2 Agreement with Fidelity Variable Insurance Products Fund (filed with the Commission on 05/01/08)
- (8f1) Participation Agreement with Goldman Sachs Variable Insurance Trust (filed with the Commission on 05/01/08)
- (8f2) Administrative Services Agreement with Goldman Sachs Variable Insurance Trust (filed with the Commission on 05/01/08)
- (8f3) Rule 22c-2 Agreement with Goldman Sachs Variable Insurance Trust (filed with the Commission on 05/01/08)
- (8g1) Participation Agreement with Neuberger Berman Advisers Management Trust, as amended (filed with the Commission on 05/01/08)
- (8g2) Distribution & Administrative Services Agreement with Neuberger Berman Advisers Management Trust (filed with the Commission on 05/01/08)
- (8g3) Rule 22c-2 Agreement with Neuberger Berman Advisers Management Trust (filed with the Commission on 05/01/08)
- (8h1) Form of Participation Agreement with Principal Variable Contract Funds, Inc. (filed with the Commission on 05/01/08)
- (8h2) Form of Rule 22c-2 Agreement with Principal Variable Contract Funds, Inc. (filed with the Commission on 05/01/08)
- (8i1) Participation Agreement with T. Rowe Equity Series Inc., as amended (filed with the Commission on 05/01/08)
- (8i2) Rule 12b-1 Agreement with T. Rowe Equity Series Inc. (filed with the Commission on 05/01/08)
- (8i3) Rule 22c-2 Agreement with T. Rowe Equity Series Inc. (filed with the Commission on 05/01/08)
- (8i4) Participation Agreement with T. Rowe Equity Series Inc., as amended (filed with the Commission on 05/01/08)
- (9) Opinion of Counsel (filed with the Commission on 01/04/05)
- (10a) Consent of E&Y LLP (filed with the Commission on 05/01/08)
- (10b) Powers of Attorney (filed with the Commission on 02/29/08)
- (11) Financial Statement Schedules (filed with the Commission on 05/01/08)



ITEM 25. OFFICERS AND DIRECTORS OF THE DEPOSITOR

The list of Depositor' s directors and executive officers follows:

DIRECTORS:

<u>Name and Principal Business Address</u>	<u>Positions and Offices</u>
Betsy J. Bernard 40 Shalebrook Drive Morristown, NJ 07960	Director Chair, Nominating and Governance Committee and Member, Executive Committee
Jocelyn Carter-Miller TechEd Ventures 3020 NW 33rd Avenue Lauderdale Lakes, FL 33311	Director Member, Nominating and Governance Committee
Gary E. Costley C & G Capital and Management, LLC 257 Barefoot Beach Boulevard, Ste 404 Bonita Springs, FL 34134	Director Member, Human Resources Committee
Michael T. Dan The Brink' s Company 1801 Bayberry Court Richmond, VA 23226	Director Member, Human Resources Committee
C. Daniel Gelatt, Jr. NMT Corporation 2004 Kramer Street La Crosse, WI 54603	Director Member, Executive Committee and Audit Committee
J. Barry Griswell The Principal Financial Group Des Moines, IA 50392	Director Chairman of the Board and Chair, Executive Committee Principal Life: Chairman
Sandra L. Helton 1040 North Lake Shore Drive #26A Chicago, IL 60611	Director Member, Audit Committee
William T. Kerr Meredith Corporation 1716 Locust St. Des Moines, IA 50309-3023	Director Member, Executive Committee and Chair, Human Resources Committee
Richard L. Keyser W.W. Grainger, Inc. 100 Grainger Parkway Lake Forest, IL 60045-5201	Director Member, Nominating and Governance Committee
Arjun K. Mathrani 176 East 71st Street, Apt. 9-F New York, NY 10021	Director Chair, Audit Committee

Name and Principal Business Address

Elizabeth E. Tallett
 Hunter Partners, LLC
 12 Windswept Circle
 Thornton, NJ 03285

Therese M. Vaughan
 Drake University
 2507 University Avenue
 Des Moines, Iowa 50311

Larry D. Zimpleman
 The Principal Financial Group
 Des Moines, IA 50392

Positions and Offices

Director
 Member, Executive and Human Resources Committee

Director
 Member, Audit Committee

Director
 Principal Life: President and Chief Executive Officer

EXECUTIVE OFFICERS (OTHER THAN DIRECTORS):**Name and Principal Business Address***

John Edward Aschenbrenner

Craig L. Bassett

Gregory J. Burrows

Ronald L. Danilson

Gregory B. Elming

Ralph Craig Eucher

Nora Mary Everett

Michael Harry Gersie

Thomas John Graf

Joyce Nixson Hoffman

Daniel Joseph Houston

G. David Shafer

Ellen Zislin Lamale

Julia Marie Lawler

Terrance Joseph Lillis

Positions and Offices

President, Insurance and Financial Services

Vice President and Treasurer

Senior Vice President Retirement & Investor Services

Senior Vice President Retirement and Investor Services

Senior Vice President and Controller

Senior Vice President Human Resources, Corporate Services & Retirement And Investor Services

Senior Vice President Retirement and Investor Services

Executive Vice President and Chief Financial Officer

Senior Vice President Investor Relations

Senior Vice President and Corporate Secretary

President Retirement and Investor Services

Senior Vice President Health

Senior Vice President and Chief Risk Officer

Senior Vice President and Chief Investment Officer

Senior Vice President and Chief Financial Officer

<u>Name and Principal Business Address</u>	<u>Positions and Offices</u>
James Patrick McCaughan	President, Global Asset Management
Timothy Jon Minard	Senior Vice President Retirement Distribution
Mary Agnes O' Keefe	Senior Vice President and Chief Marketing Officer
Gary Paul Scholten	Senior Vice President and Chief Information Officer
Karen Elizabeth Shaff	Executive Vice President and General Counsel
Norman Raul Sorensen	Executive Vice President International Asset Accumulation
Deanna Dawnette Strable	Senior Vice President Individual Life and Specialty Benefits
Larry D. Zimpleman	President and Chief Executive Officer

* Address for all of the Executive Officers is: The Principal Financial Group; Des Moines, IA 50392

ITEM 26. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH REGISTRANT

The Registrant is a separate account of Principal Life Insurance Company (the "Depositor") and is operated as a unit investment trust. Registrant supports benefits payable under Depositor's variable annuity contracts by investing assets allocated to various investment options in shares of Principal Variable Contracts Funds, Inc. (f/k/a Principal Variable Contracts Fund, Inc.) and other mutual funds registered under the Investment Company Act of 1940 as open-end management investment companies of the "series" type. No person is directly or indirectly controlled by the Registrant.

The Depositor is wholly owned by Principal Financial Services, Inc. Principal Financial Services, Inc. (an Iowa corporation) is an intermediate holding company organized pursuant to Section 512A.14 of the Iowa Code. In turn, Principal Financial Services, Inc. is a wholly owned subsidiary of Principal Financial Group, Inc., a publicly traded company that files consolidated financial statements with the SEC. A list of persons directly or indirectly controlled by or under common control with Depositor as of December 31, 2007 appears below.

None of the companies listed in such organization chart is a subsidiary of the Registrant; therefore, only the separate financial statements of Registrant and the consolidated financial statements of Depositor are being filed with this registration statement.

Principal Life Insurance Company – Organizational Structure

<u>PRINCIPAL FINANCIAL GROUP, INCA</u>	<u>Jurisdiction of Incorporation or Organization</u>	<u>Percentage of Ownership by its Immediate Parent</u>
→Principal Financial Services, Inc. ♣▽	Iowa	100
→Princor Financial Services Corporation ♣▽	Iowa	100
→PFG DO Brasil LTDA ♣▽	Brazil	46
→Brasilprev Seguros E Previdencia S.A. ♣▽	Brazil	100
→Principal International, Inc. ♣▽	Iowa	100
→Principal International (Asia) Limited ♣▽	Hong Kong	100
→Principal Global Investors (Asia) Limited ♣▽	Hong Kong	100
→Principal Nominee Company (Hong Kong) Limited ♣▽	Hong Kong	100

PRINCPAL FINANCIAL GROUP, INCA	Jurisdiction of Incorporation or Organization	Percentage of Ownership by its Immediate Parent
→Principal Asset Management Company (Asia) Limited♣▽	Delaware Hong Kong	100
→ Principal Fund Management (Hong Kong) Limited♣▽	Hong Kong	100
→Principal Insurance Company (Hong Kong) Limited♣▽	Hong Kong	100
→Principal Trust Company(Asia) Limited♣▽	Hong Kong	100
→Principal Mexico Compania de Seguros, S.A. de C.V. ♣▽	Mexico	100
→Principal Pensiones, S.A. de C.V. ♣▽	Mexico	100
→Principal Afore, S.A. de C.V. ♣▽	Mexico	100
→Principal Siefore, S.A. de C.V. ♣▽	Mexico	100
→Principal Mexico Servicios, S.A. de C.V. ♣▽	Mexico	100
→Distribuidora Principal Mexico, S.A. de C.V. ♣▽	Mexico	100
→Principal Fondos de Inversion S.A. De C.V. ♣▽	Mexico	100
→Principal Consulting (India) Private Limited♣▽	India	100
→Principal International Mexico Holding, S.A. De C.V. ♣▽	Mexico	100
→Principal Mexico Holdings, S.A. De C.V. ♣▽	Mexico	100
→JF Molloy & Associates♣▽	Indiana	100
→Molloy Medical Management Company, Inc. ♣▽	Indiana	100
→Principal Wellness Company♣▽	Indiana	100
→Principal Health Insurance Company♣▽	Iowa	100
→Principal Global Investors Holding Company, Inc. ♣▽	Delaware	100
→Principal Global Investors (Ireland) Limited♣▽	Ireland	100
→Principal Global Investors (Europe) Limited♣▽	United Kingdom	100
→Principal Global Investors (Singapore) Limited♣▽	Singapore	100
→Principal Global Investors (Japan) Limited♣▽	Japan	100
→Principal Financial Group (Mauritius) Ltd. ♣▽	Mauritius	100
→Principal PNB Asset Management Company Private Limited♣▽	India	100
→Principal Trustee Company Private Limited♣▽	India	100
→PNB Principal Financial Planners Private Limited♣▽	India	100
→PNB Principal Insurance Advisory Company Private Limited♣▽	India	26
→Principal PNB Life Insurance Company Limited♣▽	India	26

PRINCPAL FINANCIAL GROUP, INCA	Jurisdiction of Incorporation or Organization	Percentage of Ownership by its Immediate Parent
→Principal Life Insurance Company♦▽	Iowa	100
→Principal Real Estate Fund Investors, LLC♣▽♥	Delaware	100
→Principal Global Investors, LLC♣▽♥	Delaware	100
→Principal Global Columbus Circle, LLC♣▽♥	Delaware	100
→Post Advisory Group, LLC♣▽♥	Delaware	100
→Principal Enterprise Capital, LLC♣▽♥	Delaware	100
→Principal Commercial Acceptance, LLC♣▽♥	Delaware	100
→Principal Real Estate Investors, LLC♣▽♥	Delaware	100
→Principal Commercial Funding, LLC♣▽♥	Delaware	100
→Principal Global Investors Trust♣▽♥	Delaware	100
→Spectrum Asset Management, Inc. ♣▽♥	Connecticut	100
→CCIP, LLC♣▽♥	Delaware	70
→Columbus Circle Investors♣▽♥	Connecticut	100
→Principal Reinsurance Company of Vermont♣▽♥	Vermont	100



PRINCIPAL FINANCIAL GROUP, INCA	Jurisdiction of Incorporation or Organization	Percentage of Ownership by its Immediate Parent
→Principal Development Investors, LLC♣▽♥	Delaware	100
→Principal Holding Company♣▽♥	Iowa	100
→Principal Generation Plant, LLC♣▽♥	Delaware	100
→Principal Bank♣▽♥	OTS	100
→Petula Associates, Ltd. ♣▽♥	Iowa	100
→Equity FC, Ltd. ♣▽♥	Iowa	100
→Principal Health Care, Inc.♣▽♥	Iowa	100
→Principal Real Estate Portfolio, Inc. ♣▽♥	Delaware	100
→Petula Prolix Development Company♣▽♥	Iowa	100
→Principal Dental Services, Inc. ♣▽♥	Arizona	100
→Employers Dental Services, Inc. ♣▽♥	Arizona	100
→Delaware Charter Guarantee & Trust Company♣▽♥	Delaware	100
→Professional Pensions, Inc. ♣▽♥	Connecticut	100
→Benefit Fiduciary Corporation♣▽♥	Rhode Island	100
→Boston Insurance Trust, Inc. ♣▽♥	Massachusetts	100
→Preferred Product Network, Inc. ♣▽♥	Delaware	100
→HealthRisk Resource Group, LLC♣▽♥	Iowa	100
→Principal Real Estate Holding Company, LLC♣▽♥	Delaware	100
→Principal Financial Services (Australia), Inc. ♣▽	Iowa	100
→Principal Global Investors (Australia) Service Company Pty Limited♣▽	Australia	100
→Principal Global Investors (Australia) Limited♣▽	Australia	100
→Principal Real Estate Investors (Australia) Limited♣▽	Australia	100
→Principal Capital Global Investors Limited♣▽	Australia	100
→Principal Financial Group (Australia) Pty Ltd. ♣▽	Australia	100
→Principal Investments (Australia) Limited♣▽	Delaware	100
→Principal Australia (Holdings) Pty Limited♣▽	Australia	100
→CIMB – Principal Asset Management Berhad♣▽	Malaysia	40
→Principal International Holding Company, LLC♣▽	Delaware	100
→Principal Management Corporation♣▽	Iowa	100
→Principal Financial Advisors, Inc. ♣▽	Iowa	100
→Principal Shareholder Services, Inc. ♣▽	Washington	100
→Edge Asset Management, Inc. ♣▽	Washington	100
→Principal Funds Distributor, Inc. ♣▽	Washington	100
→Principal Global Services Private Limited♣▽	India	100
→CCB Principal Asset Management Company, Ltd. ♣▽	China	25
→Principal International de Chile, S.A. ♣▽	Chile	100
→Principal Compania de Seguros de Vida Chile S.A. ♣▽	Chile	100
→Principal Administradora General De Fondos S.A. ♣▽	Chile	100
→Principal Creditos Hipotecarios, S.A. ♣▽	Chile	100
→Principal Asset Management S.A. ♣▽	Chile	100
→Principal Servicios Corporativos Chile LTDA ♣▽	Chile	100

△ Consolidated financial statements are filed with SEC.

♣ Not required to file financial statements with the SEC.

▽ Included in the consolidated financial statements of Principal Financial Group, Inc. filed with the SEC.

◆ Separate financial statements are filed with SEC.

♥ Included in the financial statements of Principal Life Insurance Company filed with the SEC.

ITEM 27. NUMBER OF CONTRACTOWNERS – AS OF: JULY 31, 2008

Title of Class	Number of Plan Participants	Number of Contractowners
BFA Variable Annuity Contracts	39	6
Pension Builder Contracts	177	112
Personal Variable Contracts	385	27
Premier Variable Contracts	1689	59
Principal Variable Annuity Contract	45,475	45,475
Freedom Variable Annuity Contract	1835	1835
Freedom 2 Variable Annuity Contract	346	346
Investment Plus Variable Annuity Contract	19,856	19,856

ITEM 28. INDEMNIFICATION

Sections 490.851 through 490.859 of the Iowa Business Corporation Act permit corporations to indemnify directors and officers where (A) all of the following apply: the director or officer (i) acted in good faith; (ii) reasonably believed that (a) in the case of conduct in the individual' s official capacity, that the individual' s conduct was in the best interests of the corporation or (b) in all other cases, that the individual' s conduct was at least not opposed to the best interests of the corporation; and (iii) in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual' s conduct was unlawful; and (B) the individual engaged in conduct for which broader indemnification has been made permissible or obligatory under a provision of the corporation' s articles of incorporation.

Unless ordered by a court pursuant to the Iowa Business Corporation Act, a corporation shall not indemnify a director or officer in either of the following circumstances: (A) in connection with a proceeding by or in the right of the corporation, except for reasonable expenses incurred in connection with the proceeding if it is determined that the director has met the relevant standard of conduct (above) or (B) in connection with any proceeding with respect to conduct for which the director was adjudged liable on the basis that the director receive a financial benefit to which he or she was not entitled, whether or not involving action in the director' s official capacity.

Registrant' s By-Laws provide that it shall indemnify directors and officers against damages, awards, settlements and costs reasonably incurred or imposed in connection with any suit or proceeding to which such person is or may be made a party by reason of being a director or officer of the Registrant. Such rights of indemnification are in addition to any rights to indemnity to which the person may be entitled under Iowa law and are subject to any limitations imposed by the Board of Directors. The Board has provided that certain procedures must be followed for indemnification of officers, and that there is no indemnity of officers when there is a final adjudication of liability based upon acts which constitute gross negligence or willful misconduct.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

ITEM 29. PRINCIPAL UNDERWRITERS

(a) Other Activity

Princor Financial Services Corporation acts as principal underwriter for variable life insurance contracts issued by Principal Life Insurance Company Variable Life Separate Account, a registered unit investment trust. Princor Financial Services Corporation also acts as principal underwriter for variable annuity contracts participating in Principal Life Insurance Company Separate Account B, a registered unit investment trust, and for Class J shares, Institutional Class shares, R-1 Class shares, R-2 Class shares, R-3 Class shares, R-4 Class shares, and R-5 Class shares of Principal Funds, Inc. (f/k/a/ Principal Investors Fund, Inc.)

(b) Management

(b1) Name and principal business address

Lindsay L. Amadeo
The Principal Financial Group
Des Moines, IA 50392

John E. Aschenbrenner
The Principal Financial Group
Des Moines, IA 50392

Deborah J. Barnhart
The Principal Financial Group
Des Moines, IA 50392

Patricia A. Barry
The Principal Financial Group
Des Moines, IA 50392

Craig L. Bassett
The Principal Financial Group
Des Moines, IA 50392

Michael J. Beer
The Principal Financial Group
Des Moines, IA 50392

Lisa Bertholf
The Principal Financial Group
Des Moines, IA 50392

Tracy W. Bollin
The Principal Financial Group
Des Moines, IA 50392

David J. Brown
The Principal Financial Group
Des Moines, IA 50392

Jill R. Brown
The Principal Financial Group
Des Moines, IA 50392

Bret J. Bussanmas
The Principal Financial Group
Des Moines, IA 50392

(b2) Positions and offices with principal underwriter

Director – Marketing Communications

Director

Director – Distribution (PPN)

Assistant Corporate Secretary

Treasurer

President and Director

Director – Marketing

Assistant Controller

Senior Vice President

Senior Vice President and Chief Financial Officer

Vice President – Distribution

(b1) Name and principal business address

P. Scott Cawley
The Principal Financial Group
Des Moines, IA 50392

Ralph C. Eucher
The Principal Financial Group
Des Moines, IA 50392

Stephen G. Gallaher
The Principal Financial Group
Des Moines, IA 50392

Ernest H. Gillum
The Principal Financial Group
Des Moines, IA 50392

Michael Harkin
The Principal Financial Group
Des Moines, IA 50392

Robyn Hinders
The Principal Financial Group
Des Moines, IA 50392

Joyce N. Hoffman Sr.
The Principal Financial Group
Des Moines, IA 50392

Ann Hudson
The Principal Financial Group
Des Moines, IA 50392

Patrick A. Kirchner
The Principal Financial Group
Des Moines, IA 50392

Peter R. Kornweiss
The Principal Financial Group
Des Moines, IA 50392

Julie LeClere
The Principal Financial Group
Des Moines, IA 50392

Sarah J. Pitts
The Principal Financial Group
Des Moines, IA 50392

(b2) Positions and offices with principal underwriter

Product Marketing Officer

Director

Assistant General Counsel

Vice President

Marketing Officer

Director – Mutual Fund Operations

Vice President and Corporate Secretary

Compliance Officer

Counsel

Vice President

Director – Marketing and Recruiting

Counsel

(b1) Name and principal business address

David L. Reichart
The Principal Financial Group
Des Moines, IA 50392

Martin R. Richardson
The Principal Financial Group
Des Moines, IA 50392

Michael D. Roughton
The Principal Financial Group
Des Moines, IA 50392

Adam U. Shaikh
The Principal Financial Group
Des Moines, IA 50392

Norman Sue
The Principal Financial Group
Des Moines, IA 50392

Traci L. Weldon
The Principal Financial Group
Des Moines, IA 50392

Beth Wilson
The Principal Financial Group
Des Moines, IA 50392

Larry D. Zimpleman
The Principal Financial Group
Des Moines, IA 50392

(b2) Positions and offices with principal underwriter

Senior Vice President

Vice President – Broker Dealer Operations

Senior Vice President and Associate
General Counsel

Counsel

Compliance Officer

Vice President/Chief Compliance Officer

Vice President

President/Chief Executive Officer

(c) Compensation from the Registrant

(1) Name of Principal Underwriter	(2) Net Underwriting Discounts & Commissions	(3) Compensation on Events Occasioning the Deduction of a Deferred Sales Load	(4) Brokerage Commissions	(5) Compensation
Princor Financial Services Corporation	\$ 30,652,824.68	0	0	0

ITEM 30. LOCATION OF ACCOUNTS AND RECORDS

All accounts, books or other documents of the Registrant are located at the offices of the Depositor, The Principal Financial Group, Des Moines, Iowa 50392.

ITEM 31. MANAGEMENT SERVICES

N/A

ITEM 32. UNDERTAKINGS

The Registrant undertakes that in restricting cash withdrawals from Tax Sheltered Annuities to prohibit cash withdrawals before the Participant attains age 59 1/2, separates from service, dies, or becomes disabled or in the case of hardship, Registrant acts in reliance of SEC No Action Letter addressed to American Council of Life Insurance (available November 28, 1988). Registrant further undertakes that:

1. Registrant has included appropriate disclosure regarding the redemption restrictions imposed by Section 403(b)(11) in its registration statement, including the prospectus, used in connection with the offer of the contract;
2. Registrant will include appropriate disclosure regarding the redemption restrictions imposed by Section 403(b)(11) in any sales literature used in connection with the offer of the contract;
3. Registrant will instruct sales representatives who solicit Plan Participants to purchase the contract specifically to bring the redemption restrictions imposed by Section 403(b)(11) to the attention of the potential Plan Participants; and
Registrant will obtain from each Plan Participant who purchases a Section 403(b) annuity contract, prior to or at the time of such purchase, a signed statement acknowledging the Plan Participant's understanding of (a) the restrictions on redemption imposed by Section 403(b)(11), and (b) the investment alternatives available under the employer's Section 403(b) arrangement, to which the Plan Participant may elect to transfer his contract value.
- 4.

FEE REPRESENTATION

Principal Life Insurance Company represents the fees and charges deducted under the Contract, in the aggregate, are reasonable in relation to the services rendered, the expenses expected to be incurred, and the risks assumed by the Company.

August 29, 2008

VIA EDGAR

Securities and Exchange Commission
Division of Insurance Products
100 F Street, NE
Washington D.C. 20549

RE: Principal Life Insurance Company Separate Account B
Principal Investment Plus Variable Annuity Contract
File Numbers 333-116220 and 811-02091
10th Post-Effective Amendment to the Registration Statement on Form N-4

Commissioners:

Enclosed herein is post-effective amendment no. 10 to registration statement on Form N-4 for Principal Investment Plus Variable Annuity Contract. This 10th amendment is being filed pursuant to paragraph (a) of Rule 485.

We understand that the registrant is responsible for the accuracy and adequacy of the disclosure in the filing and that staff comments or our changes to the disclosure in response to the staff comments do not foreclose the Commission from taking any action with respect to the filing. In addition, the registrant may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Please contact me if you have any questions concerning this filing.

Sincerely,

/s/ Sarah J. Pitts

Sarah J. Pitts
Counsel
711 High Street, Des Moines, Iowa 50392-0300
515-248-3259