FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

l	OMB APPRO	VAL
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l	hours per response:	0.5

	Check this box if no longer subject to
\neg	Section 16. Form 4 or Form 5
_	obligations may continue. See
	Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

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Disposed Reported Reported	
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(Instr. 3, 4 (Instr. 4)	
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Amount or	
Number	- 1
Code V (A) (D) Date Expiration Date Title Shares	
Phantom Stock (1) 07/28/2006 A 17.9 (2) Common Stock 17.9 \$54.08 426.7 I	

Explanation of Responses:

- 1. Security converts to common stock on a one-for-one basis.
- 2. The reported phantom stock units were acquired pursuant to the Principal Select Savings Excess Plan and may be transferred at any time into another investment alternative under the Plan. Interests under the Plan will be settled upon the reporting person's retirement or other termination of service.

Remarks:

Michael H. Gersie, by Power

08/01/2006

of Attorney

** Signature of Reporting Person

n Date

 $Reminder: Report \ on \ a \ separate \ line \ for \ each \ class \ of \ securities \ beneficially \ owned \ directly \ or \ indirectly.$

- * If the form is filed by more than one reporting person, see Instruction 4 (b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.