

Summary of Proposal(s)

- (1) *Collection title:* Survivor Questionnaire.
- (2) *Form(s) submitted:* RL-94-F.
- (3) *OMB Number:* 3220-0032.
- (4) *Expiration date of current OMB clearance:* 6/30/2003.
- (5) *Type of request:* Extension of a currently approved collection.
- (6) *Respondents:* Individuals or households.
- (7) *Estimated annual number of respondents:* 8,000.
- (8) *Total annual responses:* 8,000.
- (9) *Total annual reporting hours:* 1,391.
- (10) *Collection description:* Under section 6 of the Railroad Retirement Act, benefits are payable to the survivors or the estates of deceased railroad employees. The collection obtains information about the survivors if any, the payment of burial expenses and administration of estate when unknown to the Railroad Retirement Board. The information is used to determine whether and to whom benefits are payable.

Additional Information or Comments: Copies of the forms and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312-751-3363).

Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois, 60611-2092 and to the OMB Desk Officer for the RRB, at the Office of Management and Budget, Room 10230, New Executive Office Building, Washington, DC 20503.

Chuck Mierzwa,
Clearance Officer.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25994; File No. 812-12815]

Principal Life Insurance Company, et al., Notice of Application

April 7, 2003.

AGENCY: Securities and Exchange Commission ("SEC" or "Commission").

ACTION: Notice of application for an order pursuant to section 26(c) of the Investment Company Act of 1940 (the "Act") approving the substitution of securities and an order of exemption pursuant to section 17(b) of the Act.

APPLICANTS: Principal Life Insurance Company ("Principal Life"), Principal

Life Insurance Company Variable Life Separate Account (the "Separate Account").

SUMMARY OF APPLICATION: Applicants seek an order to permit, under the specific circumstances identified in the application, the substitution of shares of the Bond Account of Principal Variable Contracts Fund, Inc. ("Bond Account") for shares of the High Yield Account of Principal Variable Contracts Fund, Inc. ("High Yield Account"). The shares are currently held by the Separate Account which is a unit investment trust under the Act. Applicants also request an order exempting the proposed substitution from the provisions of section 17(a) of the Act.

FILING DATE: The Application was filed on May 8, 2002, and amended on December 19, 2002, and March 24, 2003.

HEARING OR NOTIFICATION OF HEARING: An order granting the Application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 on April 29, 2003 and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, NW, Washington, DC 20549. Applicants, c/o John W. Blouch, Esq., Jones & Blouch L.L.P., 1025 Thomas Jefferson Street, NW., Washington, DC 20007-0805; copy to Michael D. Roughton, Esq., Principal Financial Group, Inc., 711 High Street, Des Moines, Iowa 50392-0200.

FOR FURTHER INFORMATION CONTACT: Rebecca A. Marquigny, Senior Counsel, or Zandra Bailes, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: Following is a summary of the Application; the complete Application is available for a fee from the SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. Principal Life is a stock life insurance company organized under the laws of Iowa in 1879. It is authorized to

transact life insurance and annuity business in all of the United States and the District of Columbia.

2. The Separate Account was established in 1987 by Principal Life as a separate account under Iowa law for the purpose of funding variable life contracts issued by Principal Life. The only contract affected by this application is a flexible premium variable life insurance policy called "Flex Variable Life" (File No. 33-13481) (the "Contract"). The Separate Account is registered as a unit investment trust under the Act.

3. Purchase payments for the Contract are allocated to one or more subaccounts ("Divisions") of the Separate Account. The Contracts permit allocations of accumulation value to the available Divisions. Each Division invests in shares of an underlying mutual fund ("Underlying Fund"). There currently are 40 Divisions available under the Contract, 23 of which invest in Principal Variable Contracts Fund, Inc. ("Principal Fund"), an open-end management investment company registered under the Act (File Nos. 811-01944 and 002-35570). The only Divisions affected by this application are the High Yield Division which invests solely in the High Yield Account and the Bond Division which invests solely in the Bond Account. The High Yield Account and the Bond Account are referred to collectively as the "Funds."

4. The Contract permits transfers of accumulation value from one Division to another. No sales charge applies to a transfer of accumulation value among the Divisions. Under the Contract, four free transfers are permitted each year, and \$25 is charged for each subsequent transfer.

5. Applicants propose a substitution of shares of the Bond Account for shares of the High Yield Account held by the High Yield Division.

6. The High Yield Account is managed by Principal Management Corporation ("PMC"), an indirect, wholly-owned subsidiary of Principal Financial Group, Inc. The High Yield Account's investment objective is to seek high current income primarily by purchasing high yielding, lower or non-rated, fixed income securities which are believed not to involve undue risk to income or principal. Capital growth is a secondary objective when consistent with the objective of high current income. The expense ratio of the High Yield Account for 2002 was 0.66%. The High Yield Account has no 12b-1 plan. The total return of the High Yield Account was 1.90% for the year ended December 31, 2002. The average annual