

EDITORS NOTE: The news media are invited to attend the award ceremony at NORCAL Mutual Insurance Company, 560 Davis St., 2nd floor, San Francisco

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EMBARGOED UNTIL AUGUST 20, 2008

**NORCAL Mutual Insurance Company Selected as
One of the Best in the Nation for Benefits
Judges Name San Francisco Organization as One of
“The Principal 10 Best Companies for Employee Financial Security”**

(Des Moines, Iowa) – By providing financial security in what some are calling a recession, NORCAL Mutual Insurance Company, based in San Francisco, has earned national acclaim for standing by its employees.

An independent judging panel of employee benefits experts named NORCAL Mutual Insurance Company as one of the 2008 winners of *The Principal[®] 10 Best Companies for Employee Financial Security*; for its generous retirement program and strong health insurance benefits.

“At a time when many employers are challenged to maintain strong benefits, NORCAL Mutual Insurance Company is demonstrating a rock solid commitment to give its employees an edge on their financial futures,” said Renee Schaaf, vice president at the Principal Financial Group. “NORCAL Mutual Insurance Company understands that benefits are more than a cost, they are an investment in any organization’s greatest asset: its employees. We are proud to showcase NORCAL Mutual Insurance Company as an exceptional role model.”

The Principal Financial Group[®] sponsors the national program, which is now in its seventh year. It honors growing companies for their commitment to their employees’ financial security.

“NORCAL stood out in a number of areas,” said D. Holly Lifke, *10 Best* judge and vice president of human resources, Society Insurance, one of *The Principal 10 Best Companies*—2007. “Their straightforward approach to providing financial security for their employees is critical. They provide a defined benefit plan, which is well-funded. And they also provide a very generous 401(k) plan. In addition to that, they have robust health insurance and solid employee education.”

NORCAL Mutual Insurance Company has 250 employees and is a medical liability insurer.

“We’re very honored to be one of *The Principal 10 Best Companies*,” said John McClain, the company’s vice president of human resources. “We’re a small insurance company in a major metropolitan area. We have to bring people in, train them and retain them. That’s why it’s important for us to use benefits as an added lever for attraction and retention.”

A summary of best practices gleaned from NORCAL Mutual Insurance Company and other winners will be published and available in January 2009 at www.principal.com.

The Principal 10 Best Companies—2008 are:

- 1st United Services Credit Union, Pleasanton, Calif.
- A.Y. McDonald Manufacturing Company, Dubuque, Iowa
- CENTRIA, Moon Township, Pa.
- Jewelers Mutual Insurance Company, Neenah, Wis.
- NJ Sullivan Company, Inc., Dulles, Va.
- NORCAL Mutual Insurance Company, San Francisco, Calif.
- North Island Credit Union, San Diego, Calif.
- SAE International, Warrendale, Pa.
- The Spiratex Company, Romulus/Monroe, Mich.
- Torch Technologies, Inc., Huntsville, Ala.

To learn more about the winners and the judging process visit www.principal.com/10best.

About NORCAL Mutual Insurance Company

Founded in 1975, NORCAL Mutual Insurance Company provides medical malpractice insurance to 13,000 physicians, medical groups, hospitals, clinics and allied healthcare facilities primarily in Rhode Island, California and Alaska. NORCAL was founded in 1975 and has 250 employees.

Benefit highlights:

- 75%-85% employer-paid medical insurance premiums for employees and dependents
- 401(k) plan with non-matching, employer profit-sharing contribution of 15% of pay; average employee deferral of 9.8%
- Defined benefit pension plan
- 100% employer-paid premiums for short- and long-term disability insurance

About The Principal 10 Best Companies Program

The Principal 10 Best Companies is a national program that recognizes small- and medium-size companies that excel at giving their employees a financial edge. Entrants must

- Have between 5 and 1,000 employees

- Be based in the United States
- Have provided a broad range of employee benefits for at least five years
- Offer traditional employee benefits such as retirement, health, life or disability

No entry fee is required. Companies owned by employees of The Principal are not eligible to enter. For more information, visit www.principal.com/10best .

About The Principal Financial Group

The Principal Financial Group® (The Principal®)¹ is a leader in offering businesses, individuals and institutional clients a wide range of financial products and services, including retirement and investment services, life and health insurance, and banking through its diverse family of financial services companies. A member of the Fortune 500, the Principal Financial Group has \$308.0 billion in assets under management² and serves some 19.0 million customers worldwide from offices in Asia, Australia, Europe, Latin America and the United States. Principal Financial Group, Inc. is traded on the New York Stock Exchange under the ticker symbol PFG. For more information, visit www.principal.com.

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² As of June 30, 2008