



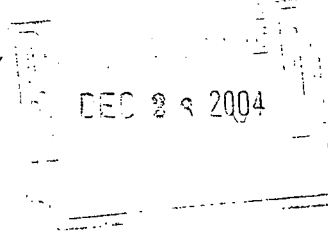
Mailing Address:
Des Moines, IA 50392-0002

Principal Life
Insurance Company

Legislative Update

December 2004

001064
EAST BAY ZOOLOGICAL SOCIETY
9777 GOLF LINKS RD
OAKLAND CA 94605-4925



RE: Account Number: P45223
Group Medical, Dental and Vision
Expense Policyholders in California
Domestic Partner Coverage

California has enacted legislation requiring coverage for domestic partners on the same basis as spouses if your group policy includes dependent coverage.

Effective on the date described in the attached amendment, your Group Medical, Dental and/or Vision Expense Policy will be changed to comply with the above referenced legislation.

Please refer to the attached amendment for a description of this change.

Your group policy and booklet-certificates will be updated at some time in the future to include the revisions. In the meantime, this letter and the attached amendment should be placed with your group policy. In addition, please photocopy the enclosed booklet-certificate rider and distribute a copy to your covered employees. You should also insert a copy of the rider in each booklet-certificate given to newly-enrolled employees until your booklet-certificates are updated. If you have any employees on state or federal continuation, please make sure they receive a copy of the rider as well. NOTE: If you have elected to receive your policy and booklet-certificates electronically, a copy of the booklet-certificates rider has been placed with your on-line booklet-certificates for your covered employees to access at www.principal.com. Please notify your employees that the rider has been added to their on-line booklet information. You do not need to make and distribute a paper copy of the rider as instructed above.

If you are obligated under a Qualified Medical Child Support Order or National Medical Support Notice to provide insurance-related information to a custodial parent or legal guardian, you must also notify the custodial parent or legal guardian of this change.

If you have any claims-related questions, please contact us at the phone number shown on your insurance identification card. You may also contact:

Group Claim – Health Info Line Services
Phone: 1-800-247-4695



Principal

**Financial
Group**

AMENDMENT

Your Group Medical, Dental, and/or Vision Expense Policy is amended as of the applicable Effective Date shown below:

Subject: California AB 2208 - Domestic Partner Coverage

Add the following to these definitions in the Group Policy:

Dependent

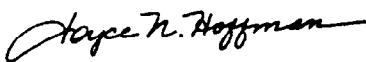
A Member's Domestic Partner, if the Member and the Domestic Partner have filed a Declaration of Domestic Partnership with the Secretary of State, and that Domestic Partner is not in the Armed Forces of any country.

A Domestic Partner's Dependent Child (or Children) as defined below.

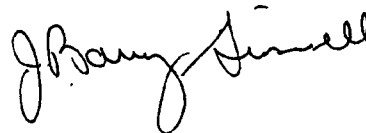
Dependent Child; Dependent Children

A Domestic Partner's child who otherwise qualifies under this definition as defined in the Group Policy or if the Member or Domestic Partner has been appointed the child's guardian under a valid court order.

PRINCIPAL LIFE INSURANCE COMPANY



SENIOR VICE PRESIDENT AND
CORPORATE SECRETARY



CHAIRMAN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Add this definition to the Group Policy:

Domestic Partner; Domestic Partnership

A Member's same sex life partner, provided:

- a. the partner is not in the armed forces of any country; and
- b. the partner is not covered under this Group Policy as a Member; and
- c. the partner is at least 18 years of age; and
- d. neither the partner nor the Member is married to other persons; and
- e. neither the partner nor the Member has a Domestic Partnership with another person that has not been terminated; and
- f. the partner is not a blood relative of the Member; and
- g. the partner and the Member share the same residence; and
- h. the partner and the Member are each other's sole life partner and intend to remain so indefinitely; and
- i. the partner and the Member are jointly responsible for each other's financial welfare; and
- j. the partner and the Member are not in their relationship solely for the purpose of obtaining insurance coverage.

Effective Date:

If your Group Medical, Dental and/or Vision Expense Policy was effective on or after January 2, 2005, the benefit will be effective for your policy immediately.

If your Group Medical Expense, Dental and/or Vision Expense Policy was effective prior to January 2, 2005, the benefit will be effective for your policy on your first renewal date on or after January 2, 2005.

All other benefits and provisions of your Group Medical, Dental and/or Vision Expense Policy remain in effect.

Nothing in this amendment will vary, alter, or extend any provision or condition of the Group Policy other than as stated in this Amendment.

BOOKLET-CERTIFICATE RIDER

The provisions described below will be in addition to the provisions described in your booklet-certificate.

Subject: California Coverage for Domestic Partners

Add the following to these definitions:

Dependent means:

- Your Domestic Partner, if you and your Domestic Partner have filed a Declaration of Domestic Partnership with the Secretary of State, and that Domestic Partner is not in the Armed Forces of any country; and
- Your Domestic Partner's Dependent Child (or Children) as defined below.

Dependent Child; Dependent Children means:

- Your Domestic Partner's child who otherwise qualifies under this definition or if you or your Domestic Partner are the child's guardian by court order.

Add this definition:

Domestic Partner; Domestic Partnership

Your same sex life partner, provided:

- your partner is not in the armed forces of any country; and
- your partner is not covered under the Group Policy as a Member; and
- your partner is at least 18 years of age; and
- neither your partner nor you are married; and
- neither your partner nor you have a Domestic Partnership with another person that has not been terminated ; and
- your partner is not your blood relative; and
- your partner and you share the same residence; and