





**Principal Life Insurance Company**  
**Principal® Life CoreNotes®**  
**Issued Through**  
**Principal Life Income Fundings Trust 2004-2 (the "Trust")**

The description of this pricing supplement of the particular terms of the Principal® Life CoreNotes® offered hereby, and the Funding Agreement (specified below) sold by Principal Life Insurance Company to the Trust (specified herein), the payment obligations of which are fully and unconditionally guaranteed by the Guarantee (specified below) issued by Principal Financial Group, Inc. to the Trust, supplements the description of the general terms and provisions of the notes, the funding agreements and the guarantees set forth in the accompanying prospectus and prospectus supplement, to which reference is hereby made.

**1. The Notes**

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Principal Amount:	\$585,000.0	Purchasing Agent(s) Discount:	1.750%
Issue Price:	100.0%	Original Issue Date:	04/07/2004
Net Proceeds to the Trust:	\$574,762.5	Stated Maturity Date:	04/15/2016

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Interest Payment Dates: The 15th day of every third month commencing on 07/15/2004.

Initial Interest Payment Date: 07/15/2004

Regular Record Date: The 1st day of every third month commencing on 07/01/2004

Type of Interest Rate:  Fixed Rate     Floating Rate

Fixed Rate Notes:  Yes  No. If, Yes,

Interest Rate: 4.50%

Floating Rate Notes:  Yes  No. If, Yes,

Regular Floating Rate Notes:  Yes  No. If, Yes,

Interest Rate:

Interest Rate Basis(es):

Floating Rate/Fixed Rate Note:  Yes  No. If, Yes,

Floating Interest Rate:

Interest Rate Basis(es):

Fixed Interest Rate:

Fixed Rate Commencement Date:

Initial Interest Rate, if any: N/A

Initial Interest Reset Date: N/A

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"CoreNotes®" is a registered service mark of Merrill Lynch & Co.



Ratings:

The Notes issued under the Program are rated AA by Standard & Poor's ("S&P").  
Principal Life expects the Notes to be rated Aa3 by Moody's Investors Service, Inc. ("Moody's").

Purchasing Agents Purchasing Notes as Principal:  Yes o No. If Yes,

<u>Purchasing Agent(s)</u>	<u>Principal Amount</u>
Merrill Lynch	\$585,000.0
Total:	<u>\$585,000.0</u>

State of Organization of the Trust: New York

Additional/Other Terms: None

Special Tax Considerations: None

**2. The Funding Agreement**

Funding Agreement Issuer: Principal Life Insurance Company

Funding Agreement No.: 7-06118

Deposit: \$585,015.0

Net Deposit: \$574,762.5

Effective Date: 04/07/2004

Stated Maturity Date: 04/15/2016

Interest Payment Dates: The 15th day of every third month commencing on 07/15/2004.

Initial Interest Payment Date: 07/15/2004

Type of Interest Rate:  Fixed Rate o Floating Rate

Fixed Rate Funding Agreement:  Yes o No. If, Yes,

Interest Rate: 4.50%

Floating Rate Funding Agreement: o Yes  No. If, Yes,

Regular Floating Rate Funding Agreement: o Yes  No. If, Yes,

Interest Rate:

Interest Rate Basis(es):

Floating Rate/Fixed Rate Funding Agreement: o Yes  No. If, Yes,

Floating Interest Rate:

Interest Rate Basis(es):

Fixed Interest Rate:

Fixed Rate Commencement Date:

Initial Interest Rate, if any: N/A

Initial Interest Reset Date: N/A

Interest Rate Basis(es). Check all that apply: N/A

- CD Rate
- CMT Rate
- LIBOR
- EURIBOR
- Prime Rate
- Commercial Paper Rate
- Eleventh District Cost of Funds Rate
- Federal Funds Rate
- Treasury Rate
- Other (See Attached)

If LIBOR: o LIBOR Reuters Page  
LIBOR Currency:

o LIBOR Moneyline Telerate Page

If CMT Rate:

Designated CMT Telerate Page:

If 7052: o Weekly Average o Monthly Average

Designated CMT Maturity Index:

Index Maturity: N/A

Spread (+/-): N/A

Spread Multiplier: N/A

Interest Reset Date(s): N/A

Interest Rate Determination Date(s): N/A

Maximum Interest Rate, if any: N/A

Minimum Interest Rate, if any: N/A

Computation of Interest: N/A

(not applicable unless different than as specified in the prospectus and prospectus supplement):

Day Count Convention: N/A

(not applicable unless different than as specified in the prospectus and prospectus supplement):

Discount Note:  Yes  No. If, Yes,

Total Amount of Discount:

Initial Accrual Period of Discount:

Additional/Other Terms:

Terms of Survivor's Option:

Annual Put Limitation:

\$2,000,000 or 2%; or  
 \$\_\_\_\_\_ or \_\_%

Individual Put Limitation:

\$250,000; or  
 \$\_\_\_\_\_

Trust Put Limitation:

2%; or  
 \$\_\_\_\_\_

Redemption:  Yes  No. If, Yes,

Initial Redemption Date:

Redemption:  In whole only and not in part

May be in whole or in part

Additional/Other Terms:

Repayment:  Yes  No. If, Yes,

Repayment Date(s):

Repayment Price:

Repayment:  In whole only and not in part

May be in whole or in part

Additional/Other Terms:

Sinking Fund (not applicable unless specified): N/A

Ratings:

The Funding Agreement issued under the Program is rated AA by S&P.

Principal Life expects the Funding Agreement to be rated Aa3 by Moody's.

Additional/Other Terms: None

Special Tax Considerations: None

### 3. The Guarantee

Guarantee Issuer: Principal Financial Group, Inc.

Effective Date: 04/07/2004

Additional/Other Terms: None