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Registration Statement Nos. 333-110499 and 333-110499-01

CUSIP: 74254PDU3



Principal Life Insurance Company Principal[®] Life CoreNotes[®] (Callable) Issued Through Principal Life Income Fundings Trust 2005-2 (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

\$1,604,000.0	Purchasing A	Agent Discount:	1.500%	
100.0%	Original Issu	e Date:	01/12/05	
\$1,579,940.0	Stated Maturity Date:		01/15/15	
The 15th day of eye	ry sixth month commend	cing on 07/15/2005		
07/15/05				
The 1st day of every sixth month commencing on 07/01/2005.				
x Fixed Rate	o Floating Rate			
x Yes	o No.	If, Yes,		
5.00%				
o Yes	x No.	If, Yes,		
o Yes	o No.	If, Yes,		
o Yes	o No.	If, Yes,		
N/A				
N/A				
	100.0% \$1,579,940.0 The 15th day of every or 15/05 The 1st day of every x Fixed Rate x Yes 5.00% o Yes o Yes o Yes	100.0% Original Issu \$1,579,940.0 Stated Matur The 15th day of every sixth month commend 07/15/05 The 1st day of every sixth month commenci x Fixed Rate o Floating Rate x Yes o No. 5.00% 0 Yes x No. 0 Yes o No.	100.0% Original Issue Date: \$1,579,940.0 Stated Maturity Date: The 15th day of every sixth month commencing on 07/15/2005. 07/15/05 The 1st day of every sixth month commencing on 07/01/2005. x Fixed Rate o Floating Rate x Yes o No. If, Yes, 5.00% o Yes x No. If, Yes, o Yes o No. If, Yes,	

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[&]quot;CoreNotes $^{\circledR}$ " is a registered service mark of Merrill Lynch & Co.

Interest Rate Basis(es). Check all that apply: N/A o CD Rate o CMT Rate o Commercial Paper Rate o LIBOR o Treasury Rate o Prime Rate o Other (See Attached) If LIBOR: o LIBOR Reuters Page o LIBOR Moneyline Telerate Page LIBOR Currency: 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 Calculation Agent: Citibank, 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) If, Yes, Discount Note: o Yes x No. Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms: Terms of Survivor's Option: Annual Put Limitation: x \$2,000,000 or 2%; or x \$250,000; or Individual Put Limitation: o \$_ Trust Put Limitation: x 2%; or \$ Redemption Provisions: If, Yes, x Yes o No. Initial Redemption Date: 01/15/06 Redemption: x In whole only and not in part o May be in whole or in part Additional Other Terms: Any redemption date will be an Interest Payment Date falling on or after the Initial Redemption Date o Yes x No. If, Yes, Repayment Date(s):

Repayment:

Repayment Price: Repayment:

o In whole only and not in part o May be in whole or in part Additional/Other Terms:

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

Securities Exchange Listing: o Yes x No. If, Yes, Name of Exchange:

Authorized Denominations: \$1,000 Ratings:

The Notes issued under the Program are rated AA by Standard & Poor's ("S&P"). Principal Life expects the Notes to be rated Aa2 by Moody's Investors Service, Inc. ("Moody's").

Purchasing Agent(s) Purchasing Notes as Principal: o No. If, Yes, x Yes

> Purchasing Agent(s) **Principal Amount** Merrill Lynch \$ 1,604,000.0

Total: \$ 1,604,000.0

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.: 4-51530

Deposit: \$1,604,015.0

Net Deposit: \$1,579,940.0

01/12/05 Effective Date:

Stated Maturity Date: 01/15/15

Interest Payment Dates: The 15th day of every sixth month commencing on 07/15/2005.

Initial Interest Payment Date: 07/15/05

Type of Interest Rate: x Fixed Rate o Floating Rate

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

Interest Rate: 5.00%

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

o Yes o No. If, Yes,

Regular Floating Rate Funding Agreement: Interest Rate:

Interest Rate Basis(es):

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

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

o CD Rate o CMT Rate o Commercial Paper Rate o LIBOR o Prime Rate

o Treasury Rate o Other (See Attached)

If LIBOR: o LIBOR Reuters Page o LIBOR Moneyline Telerate Page

LIBOR Currency:

If CMT Rate:

Designated CMT Telerate Page:

If 7052: o Weekly Average

Designated CMT Maturity Index:

o Monthly Average

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: (not applicable unless different than as specified in the pro Day Count Convention: (not applicable unless different than as specified in the pro	N/A			
Discount Funding Agreement: Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms:	o Yes	5	x No.	If, Yes,
Terms of Survivor's Option: Annual Put Limitation:			x \$2,000,000 or 2%; or	
Individual Put Limitation:			o \$or_% x \$250,000; or	
Trust Put Limitation:			o \$ x 2%; or \$	
Redemption: Initial Redemption Date: Redemption: Additional Other Terms:	x Yes o No. If, Yes, 01/15/06 x In whole only and not in part o May be in whole or in part Any redemption date will be an Interest Payment Date falling on or after the Initial Redemption Date			
Repayment: Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms:	o Yes x No. o In whole only and not in part o May be in whole or in part		If, Yes,	
Sinking Fund (not applicable unless specified):	N/A			
Ratings:	14// (
The Funding Agreement issued under the Program is Principal Life expects the Funding Agreement to be re	rated ated A	AA by S&P. a2 by Moody's.		
Additional/Other Terms:		None		
Special Tax Considerations:		None		
3. The Guarantee				
Guarantee Issuer:		Principal Financial Group, Inc.		
Effective Date:		01/12/05		
Additional/Other Terms:		None		