





**Principal Life Insurance Company**  
**Principal® Life CoreNotes®**  
**Issued Through**  
**Principal Life Income Fundings Trust 2004-28 (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**

Principal Amount:	\$924,000.0	Purchasing Agent Discount:	0.750%
Issue Price:	100.0%	Original Issue Date:	07/14/2004
Net Proceeds to the Trust:	\$917,070.0	Stated Maturity Date:	07/15/2008

Interest Payment Dates:	The 15th day of every third month commencing on 10/15/2004.		
Initial Interest Payment Date:	10/15/2004		
Regular Record Date:	The 1st day of every third month commencing on 10/01/2004.		
Type of Interest Rate:	<input checked="" type="checkbox"/> Fixed Rate	<input type="checkbox"/> Floating Rate	
Fixed Rate Notes:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No.	If, Yes,
Interest Rate:	3.60%		
Floating Rate Notes:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No.	If, Yes,
Regular Floating Rate Notes:	<input type="checkbox"/> Yes	<input type="checkbox"/> No.	If, Yes,
Interest Rate:			
Interest Rate Basis(es):			
Floating Rate/Fixed Rate Note:	<input type="checkbox"/> Yes	<input type="checkbox"/> 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.

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

N/A

- CD Rate
- Commercial Paper Rate
- Treasury Rate
- Other (See Attached)
- CMT Rate
- LIBOR
- Prime Rate

If LIBOR:

- LIBOR Reuters Page  
LIBOR Currency:
- LIBOR Moneyline Telerate Page

If CMT Rate:

Designated CMT Telerate Page:

If 7052:

Designated CMT Maturity Index:

- Weekly Average
- 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

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)

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 Provisions:

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

Securities Exchange Listing:

Yes

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 Aa3 by Moody's Investors Service, Inc. ("Moody's").

Purchasing Agent(s) Purchasing Notes as Principal:  Yes  No If yes:

Purchasing Agent(s)	Principal Amount
Merrill Lynch	\$924,000.0
Total:	\$924,000.0

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.: 8-01294

Deposit: \$924,015.0

Net Deposit: \$917,070.0

Effective Date: 07/14/2004

Stated Maturity Date: 07/15/2008

Interest Payment Dates: The 15th day of every third month commencing on 10/15/2004.

Initial Interest Payment Date: 10/15/2004

Type of Interest Rate:  Fixed Rate  Floating Rate

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

Interest Rate: 3.60%

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

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

Interest Rate:  
Interest Rate Basis(es):

Floating Rate/Fixed Rate Funding Agreement:  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

<input type="checkbox"/> CD Rate	<input type="checkbox"/> CMT Rate
<input type="checkbox"/> Commercial Paper Rate	<input type="checkbox"/> LIBOR
<input type="checkbox"/> Treasury Rate	<input type="checkbox"/> Prime Rate
<input type="checkbox"/> Other (See Attached)	

If LIBOR:  LIBOR Reuters Page LIBOR Currency:  LIBOR Moneyline Telerate Page

If CMT Rate:  
Designated CMT Telerate Page:  
If 7052:  Weekly Average  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 Funding Agreement:  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: 07/14/2004

Additional/Other Terms: None