CUSIP: 74254PMA7



Principal Life Insurance Company

Principal[®] Life CoreNotes[®] (Callable) (That are also Asset-Backed Securities) Issued Through and Obligations of Principal Life Income Fundings Trust 2006-37 (the "Trust" and "Issuing Entity")

The description of this pricing supplement of the particular terms of the Principal® Life CoreNotes® offered hereby, and the Funding Agreement (specified below) issued by Principal Life Insurance Company ("Principal Life") to the Trust, 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

Issue Price:100.0%Original Issue Date:6/21/2					
Net Proceeds to the Trust: TBD Stated Maturity Date: 6/15/2006 Interest Payment Dates: The 15th day of every sixth month commencing on 12/15/2006 12/15/2006 Initial Interest Payment Date: 12/15/2006 6 Regular Record Date: 15 calendar days prior to the Interest Payment Date 7 Type of Interest Rate: Is Fixed Rate o Floating Rate Interest Rate: 6.00% 0 Discount Note: o Yes Is \$2,000,000 or 2%; or os \$	0%	ng Agent Discount: 2.000	Purch	TBD	Principal Amount:
Interest Payment Dates: The 15th day of every sixth month commencing on 12/15/2006 Initial Interest Payment Date: 12/15/2006 Regular Record Date: 15 calendar days prior to the Interest Payment Date Type of Interest Rate: Image: Signal Stress	/2006	Issue Date: 6/21/2	Origir	100.0%	Issue Price:
Initial Interest Payment Date: 12/15/2006 Regular Record Date: 15 calendar days proto to the Interest Payment Date Type of Interest Rate: S Fixed Rate o Floating Rate Interest Rate: 6.00% Solution Discount Note: o Yes S No Terms of Survivor's Option: S \$2,000,000 or 2%; or o \$	/2016	faturity Date: 6/15/2	Stated	TBD	Net Proceeds to the Trust:
Regular Record Date: 15 calendar days prior to the Interest Payment Date Type of Interest Rate: Image: Second		commencing on 12/15/2006	The 15th day of e	Interest Payment Dates:	
Type of Interest Rate: ⊠ Fixed Rate o Floating Rate Interest Rate: 6.00% Discount Note: o Yes ⊠ No Terms of Survivor's Option: S2,000,000 or 2%; or Annual Put Limitation: S2,000,000 or 2%; or Individual Put Limitation: S250,000; or Trust Put Limitation: S250,000; or Trust Put Limitation: S250,000; or S22%; or S Redemption Provisions: ⊠ Yes o No. If, Yes, Initial Redemption Date: G/15/2008 ⊠ In whole only and not in part			12/15/2006	Initial Interest Payment Date:	
Interest Rate: 6.00% Discount Note: o Yes Discount Note: o Yes Terms of Survivor's Option: S2,000,000 or 2%; or Annual Put Limitation: S2,000,000 or 2%; or Individual Put Limitation: S250,000; or Trust Put Limitation: S250,000; or S S Trust Put Limitation: S2%; or S S Redemption Provisions: S Initial Redemption Date: 6/15/2008 Redemption: S		t Payment Date	15 calendar days	Regular Record Date:	
Discount Note: o Yes INo Terms of Survivor's Option: Annual Put Limitation: Individual Put Limitation: Trust Put Limitation: Kedemption Provisions: Initial Redemption Date: Redemption: Kedemption: K		e	o Floating R	⊠ Fixed Rate	Type of Interest Rate:
Terms of Survivor's Option: Image: Second seco				6.00%	Interest Rate:
Annual Put Limitation: ⊠ \$2,000,000 or 2%; or Individual Put Limitation: ○ \$or% Trust Put Limitation: ○ \$ Trust Put Limitation: ○ \$ Redemption Provisions: ⊠ Yes o No. Initial Redemption Date: 6/15/2008 In whole only and not in part			⊠ No	o Yes	Discount Note:
Trust Put Limitation: o \$ ⊠ 2%; or \$ Redemption Provisions: ⊠ Yes o No. If, Yes, Initial Redemption Date: 6/15/2008 6/15/2008 In whole only and not in part		_or_%	o \$		Annual Put Limitation:
Initial Redemption Date:6/15/2008Redemption:⊠ In whole only and not in part			o \$ ⊠ 2%; or		
		If, Yes,	and not in part	6/15/2008 ⊠ In whole only a	Initial Redemption Date:
Additional Other Terms: Any redemption date will be an Interest Payment Date falling on or after the Initial Redemption	ption Date	rest Payment Date falling on or after the Initial Redemp		Additional Other Terms:	
Repayment: o Yes 🗵 No			⊠ No	o Yes	Repayment:
Authorized Denominations: \$1,000				\$1,000	Authorized Denominations:

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 ${\rm ``CoreNotes^{{\it B}}{\rm ''}}$ 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 Aa2 by Moody's Investors Service, Inc. ("Moody's").

Purchasing Agent(s) Purc	hasing Notes as Principal:	⊠ Yes	o No.	If, Yes,				
	Purchasing Agent(s)			Principal Amount				
	Merrill Lynch			TBD				
	Total:			TBD				
State of Organization of t	he Trust:	New York						
Additional/Other Terms:		None						
2. <u>The Funding Agreem</u>	<u>ent</u>							
Funding Agreement Issue	er:	Principal Life Insur	ance Company					
Funding Agreement No.:		4-53600						
Deposit:		TBD						
Net Deposit:		TBD						
Effective Date:		6/21/2006						
Stated Maturity Date:		6/15/2016						
Interest Payment Dates:		The 15th day of every sixth month commencing on 12/15/2006						
Initial Interest Payment D	Date:	12/15/2006						
Type of Interest Rate:		⊠ Fixed Rate	o Floating Rate					
Interest Rate:		6.00%						
Discount Funding Agreer	nent:	o Yes	⊠ No					
Terms of Survivor's Optic Annual Put Limita			⊠ \$2,000,000 or 2%;	or				
Individual Put Lin	nitation:		o \$or_% ⊠ \$250,000; or					
Trust Put Limitation	on:		o \$ ⊠ 2%; or \$					
Redemption:	D	⊠ Yes	o No.	If, Yes,				
Initial Redemption Redemption:	n Date:	6/15/2008 ⊠ In whole only and not in part						
Additional Other	Terms:	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:		o Yes	⊠ No					
Ratings:								
The Funding Agreement issued under the Program is rated AA by S&P. Principal Life expects the Funding Agreement to be rated Aa2 by Moody's.								
Additional/Other Terms:		None						
3. <u>The Guarantee</u>								
Guarantee Issuer:		Principal Financ	ial Group, Inc.					
Effective Date:		6/21/2006						
Additional/Other Terms:		None						

