Filed pursuant to Rule 424(b)(5) Registration Statement Nos. 333-110499 and 333-110499-01

CUSIP: 74254PFD9



## Principal Life Insurance Company Principal<sup>®</sup> Life CoreNotes<sup>®</sup>(Callable) Issued Through Principal Life Income Fundings Trust 2005-32 (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: \$2,336,000.0 Purchasing Agent Discount: 1.500% Issue Price: 100.0% Original Issue Date: 04/06/05 Net Proceeds to the Trust: \$2,300,960.0 Stated Maturity Date: 04/15/15 Interest Payment Dates: The 15th day of every sixth month commencing on 10/15/2005. Initial Interest Payment Date: 10/15/05 Regular Record Date: The 1st day of every sixth month commencing on 10/01/2005. ☐ Floating Rate Type of Interest Rate: Fixed Rate Fixed Rate Notes: □ No If, Yes, Yes Interest Rate: 5.35% 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

 $<sup>\</sup>textit{``Principal}^{\circledR}\textit{''} is \ a \ registered \ service \ mark \ of \ Principal \ Financial \ Services, \ Inc. \ and \ is \ used \ under \ license.$ 

<sup>&</sup>quot;CoreNotes®" is a registered service mark of Merrill Lynch & Co.

| Interest Rate Basis(es). Check all that apply:   | N/.  □ CD Rate □ Commercial Paper Rate □ Treasury Rate □ Other (See Attached)                            | A  CMT Rate  LIBOR  Prime Rate   |   |  |  |
|--|--|--|---|--|--|
| If LIBOR:  | ☐ LIBOR Reuters Page<br>LIBOR Currency:  | ☐ LIBOR Moneyline To   | elerate 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: Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms:   | □ Yes  | □ No.  | If, Yes,  |  |  |
| Terms of Survivor's Option: Annual Put Limitation: Individual Put Limitation: Trust Put Limitation:  |  | \$2,000,000 or 2%; or \$ or_% \$ or_% \$ \$250,000; or \$ \$ 2%; or \$ 2%; or \$ |   |  |  |
| Redemption Provisions: Initial Redemption Date: Redemption: Additional Other Terms:  | ☐ Yes 04/15/07 ☐ In whole only and not in par ☐ May be in whole or in part Any redemption date will be a |  | If, Yes, alling on or after the Initial Redemption Date |  |  |
| Repayment: Repayment Date(s): Repayment Price:   | □ Yes  | □ No.  | If, Yes,  |  |  |
| Repayment: Additional/Other Terms:   | ☐ In whole only and not in part ☐ May be in whole or in part   |  |   |  |  |
| Sinking Fund (not applicable unless specified):  | N/A  |  |   |  |  |
| Securities Exchange Listing:   | □ Yes  | □ No.  | If, Yes, Name of Exchange:                              |  |  |
| Authorized Denominations:  | \$1,000  |  |   |  |  |
|  | 2  |  |   |  |  |

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 Agents Purchasing N   | Notes as Principal:                 | Yes   |   | No.                           | f, Yes,  |  |  |
|--|-------------------------------------|---|---|-------------------------------|--|--|--|
| Pu   | rchasing Agent(s)                   |   |   |                               | Principal Amount                               |  |  |
|  | errill Lynch<br>otal:               |   |   |                               | \$ <u>2,336,000.0</u><br>\$ <u>2,336,000.0</u> |  |  |
| State of Organization of the Tru   | st:                                 | New York  |   |                               |  |  |  |
| Additional/Other Terms:  |                                     | None  |   |                               |  |  |  |
| Special Tax Considerations:  |                                     | None  |   |                               |  |  |  |
| 2. The Funding Agreement   |                                     |   |   |                               |  |  |  |
| Funding Agreement Issuer:  |                                     | Principal Life Insura   | ince Company  |                               |  |  |  |
| Funding Agreement No.:   |                                     | 4-51745   | 4-51745   |                               |  |  |  |
| Deposit:   |                                     | \$2,336,015.0   |   |                               |  |  |  |
| Net Deposit:   |                                     | \$2,300,960.0   |   |                               |  |  |  |
| Effective Date:  |                                     | 04/06/05  |   |                               |  |  |  |
| Stated Maturity Date:  |                                     | 04/15/15  |   |                               |  |  |  |
| Interest Payment Dates:  |                                     | The 15th day of even  | The 15th day of every sixth month commencing on 10/15/2005. |                               |  |  |  |
| Initial Interest Payment Date:   |                                     | 10/15/05  |   |                               |  |  |  |
| Type of Interest Rate:   |                                     | Fixed Rate  | □ Fixed Rate □ Floating Rate                                |                               |  |  |  |
| Fixed Rate Funding Agreem  | nent:                               | □ Yes   | □ No.   |                               | If, Yes,                                       |  |  |
| Interest Rate:   |                                     | 5.35%   |   |                               |  |  |  |
| Floating Rate Funding Agre   | ement:                              | □ Yes   | □ No.   |                               | If, Yes,                                       |  |  |
| Regular Floating Rate For Interest Rate: Interest Rate Basis(e   |                                     | □ Yes   | □ No.   |                               | If, Yes,                                       |  |  |
| Floating Rate/Fixed Rate<br>Floating Interest Rate<br>Interest Rate Basis(e<br>Fixed Interest Rate:<br>Fixed Rate Commen | ee:<br>es):                         | □ Yes   | □ No.   |                               | If, Yes,                                       |  |  |
| Initial Interest Rate, if an   | ny:                                 | N/A   |   |                               |  |  |  |
| Initial Interest Reset Dat   | te:                                 | N/A   |   |                               |  |  |  |
| Interest Rate Basis(es).   | Check all that apply:               | ☐ CD Rate ☐ Commercial Paper Rat ☐ Treasury Rate ☐ Other (See Attached) | N/A   | ☐ CMT Rate☐ LIBOR☐ Prime Rate |  |  |  |
| If LIBOR:  |                                     | ☐ LIBOR Reuters Page<br>LIBOR Currency:                                 |   | □ LIBOR Mo                    | neyline Telerate Page                          |  |  |
| If CMT Rate: Designated CM7 If 7052: Designated CM7  | T Telerate Page:  T Maturity Index: | ☐ Weekly Average  | 3   | ☐ Monthly Av                  | verage   |  |  |
|  |                                     |   | 3   |                               |  |  |  |

| Inc                     | dex Maturity:  | N/A   |  |                                     |          |
|-------------------------|--|---|--|-------------------------------------|----------|
| Sp                      | oread (+/-):   | N/A   |  |                                     |          |
| Sp                      | oread Multiplier:  | N/A   |  |                                     |          |
| Int                     | terest Reset Date(s):  | N/A   |  |                                     |          |
| Int                     | terest Rate Determination Date(s):   | N/A   |  |                                     |          |
| M                       | aximum Interest Rate, if any:  | N/A   |  |                                     |          |
| M                       | inimum Interest Rate, if any:  | N/A   |  |                                     |          |
| (not applic<br>Day Coun | ion of Interest: cable unless different than as specified in the part to the convention: cable unless different than as specified in the part to the p | N/A   |  |                                     |          |
| To<br>Ini               | Funding Agreement: ttal Amount of Discount: itial Accrual Period of Discount: dditional/Other Terms:   | □ Yes   |  | □ No.                               | If, Yes, |
|                         | Survivor's Option:<br>nnual Put Limitation:  |   |  | □ \$2,000,000 or 2%; or □ \$or_%    |          |
| Inc                     | dividual Put Limitation:   |   |  | □ \$250,000; or □ \$                |          |
| Tr                      | rust Put Limitation:   |   |  | 2%; or \$                           |          |
| Re                      | on: itial Redemption Date: edemption: dditional Other Terms:   | ☐ May be in   | ly and not in part<br>whole or in part<br>ion date will be an Interest | □ No.  Payment Date falling on or a | If, Yes, |
| Repaymer                | nt:  | □ Yes   |  | □ No.                               | If, Yes, |
| Re                      | epayment Date(s):<br>epayment Price:   |   |  |                                     | ,,       |
|                         | epayment:  | ☐ In whole only and not in part☐ May be in whole or in part |  |                                     |          |
| Ac                      | dditional/Other Terms:   | <b>—</b> 1.1.1.3 00 1.1.                                    | whole of in pull   |                                     |          |
| Sinking F               | und (not applicable unless specified):   |   | N/A  |                                     |          |
| Ratings:                |  |   |  |                                     |          |
|                         | Funding Agreement issued under the Program<br>ipal Life expects the Funding Agreement to b   |   |  |                                     |          |
| Additiona               | l/Other Terms:   |   | None   |                                     |          |
| Special Ta              | ax Considerations:   |   | None   |                                     |          |
| 3. The Gu               | narantee   |   |  |                                     |          |
| Guarantee               | e Issuer:  |   | Principal Financial Group  | , Inc.                              |          |
| Effective 1             | Date:  |   | 04/06/05   |                                     |          |
| Additiona               | l/Other Terms:   |   | None   |                                     |          |