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

CUSIP: 74254PDT6



Principal Life Insurance Company Principal[®] Life CoreNotes[®] (Callable) Issued Through Principal Life Income Fundings Trust 2005-1 (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

	** ***			0.750%	
Principal Amount:	\$1,080,000.0	Purchasing A	Purchasing Agent Discount:		
Issue Price:	100.0%	Original Issu	Original Issue Date:		
Net Proceeds to the Trust:	\$1,071,900.0	Stated Maturity Date:		07/15/09	
Interest Payment Dates:	The 15th day of ever	y sixth month commend	cing on 07/15/2005.		
Initial Interest Payment Date:	07/15/05				
Regular Record Date:	The 1st day of every sixth month commencing on 07/01/2005.				
Type of Interest Rate:	☑ Fixed Rate	o Floating Rate			
Fixed Rate Notes:	⊠ Yes	o No.	If, Yes,		
Interest Rate:	4.00%				
Floating Rate Notes:	o Yes	⊠ No.	If, Yes,		
Regular Floating Rate Notes: Interest Rate: Interest Rate Basis(es):	o Yes	o No.	If, Yes,		
Floating Rate/Fixed Rate Note: Floating Interest Rate: Interest Rate Basis(es): Fixed Interest Rate: Fixed Rate Commencement Date:	o Yes	o No.	If, Yes,		
Initial Interest Rate, if any:	N/A				
Initial Interest Reset Date:	N/A				

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[&]quot;CoreNotes®" 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) ⊠ No. Discount Note: o Yes 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 ⊠ \$250,000; or Individual Put Limitation: Trust Put Limitation: ⊠ 2%; or \$ Redemption Provisions: If, Yes, o No. Initial Redemption Date: 01/15/06 Redemption: 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 Additional Other Terms: Repayment: o Yes ⊠ No. If, Yes, Repayment Date(s): Repayment Price: o In whole only and not in part Repayment: o May be in whole or in part Additional/Other Terms: Sinking Fund (not applicable unless specified): N/A

o Yes

\$1,000

Securities Exchange Listing:

Authorized Denominations:

⊠ No.

If, Yes, Name of Exchange:

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:

Purchasing Agent(s)

o No.

If, Yes,

Principal Amount

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	Merrill Lynch Total:					\$ <u>1,080</u> , \$ 1,080,	
State of Organization of the	e Trust:		New York				
Additional/Other Terms:		None					
Special Tax Considerations:		None					
2. The Funding Agreeme	nt						
Funding Agreement Issuer:		Principal Life Insuranc	ce Compa	ny			
Funding Agreement No.:		4-51529					
Deposit:		\$1,080,015.0					
Net Deposit:		\$1,071,900.0					
Effective Date:			01/12/05				
Stated Maturity Date:			07/15/09				
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:		⊠ Fixed Rate	o Flo	ating Rate			
Fixed Rate Funding Agreement:		⊠ Yes	o No.		If	, Yes,	
Interest Rate:			4.00%				
Floating Rate Funding	Agreement:		o Yes	⊠No).	If	, Yes,
Regular Floating Rate Funding Agreement: Interest Rate: Interest Rate Basis(es):		o Yes	o No		If	, Yes,	
Floating Interest Interest Rate Ba Fixed Interest Ra	ısis(es):	ment:	o Yes	o No		lf	, Yes,
Initial Interest Rate,	if any:		N/A				
Initial Interest Reset	t Date:		N/A				
o Trea		Rate nmercial Paper Rate asury Rate er (See Attached)	N/A	o CMT Rate o LIBOR o Prime Rate			
If LIBOR:			OR Reuters Page BOR Currency:		o LIBOR Money	/line Tele	erate Page
If 7052:	Designated CMT Telerate Page:		ekly Average		o Monthly Avera	age	

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 property of the Count Convention: (not applicable unless different than as specified in the property)	N/A			
Discount Funding Agreement: Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms:	o Ye	s	⊠ No.	If, Yes,
Terms of Survivor's Option: Annual Put Limitation:			⊠ \$2,000,000 or 2%; or o \$or_%	
Individual Put Limitation:			⊠ \$250,000; or o \$	
Trust Put Limitation:			⊠ 2%; or \$	
Redemption: Initial Redemption Date: Redemption: Additional Other Terms:	о Ма	5/06 whole only and not i by be in whole or in predemption date will	art	If, Yes, alling on or after the Initial Redemption
Repayment: Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms:		s whole only and not ir ny be in whole or in p		If, Yes,
Sinking Fund (not applicable unless specified):	N/A			
Ratings:				
The Funding Agreement issued under the Program is Principal Life expects the Funding Agreement to be r				
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		