Pricing Supplement Dated 6/19/2006 (To Prospectus dated February 16, 2006, and Prospectus Supplement dated February 16, 2006) Filed pursuant to ⊠ Rule 424(b)(2) o Rule 424(b)(5) Registration Statement Nos.

333-129763 and 333-129763-01

CUSIP: 74254PMD1

1.500%



Principal Life Insurance Company

Principal[®] Life CoreNotes[®] (Callable) (That are also Asset-Backed Securities) Issued Through and Obligations of Principal Life Income Fundings Trust 2006-40 (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.

Purchasing Agent Discount:

TBD

1. The Notes

Principal Amount:

Issue Price:	100.0%	Original Issue Date:	6/28/2006		
Net Proceeds to the Trust:	TBD	Stated Maturity Date:	6/15/2016		
Interest Payment Dates:	The 15th day of ever	y 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:	⊠ Fixed Rate	o Floating Rate			
Interest Rate:	6.20%				
Discount Note:	o Yes	⊠ No.			
Terms of Survivor's Option: Annual Put Limitation: Individual Put Limitation: Trust Put Limitation:		 			
Redemption Provisions: Initial Redemption Date: Redemption: Additional Other Terms:	6/15/2008 ☑ In whole only and o May be in whole o		edemption Date		
Repayment:	o Yes	⊠ No.			
Authorized Denominations:	\$1,000				

[&]quot;Principal®" is a registered service mark of Principal Financial Services, Inc. and is used under license.

[&]quot;CoreNotes®" 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) Purch	hasing Notes as Principal:	⊠ Yes	o No.	If, Ye	s,
	Purchasing Agent(s)				Principal Amount
	Merrill Lynch				TBD
	Total:			-	TBD
State of Organization of th	ne Trust:	New York			
Additional/Other Terms:		None			
2. The Funding Agreeme	<u>ent</u>				
Funding Agreement Issue	r:	Principal Life Insura	nce Company		
Funding Agreement No.:		6-13517			
Deposit:		TBD			
Net Deposit:		TBD			
Effective Date:		6/28/2006			
Stated Maturity Date:		6/15/2016			
Interest Payment Dates:		The 15th day of ever	y sixth month commer	ncing on 1	12/15/2006
Initial Interest Payment D	ate:	12/15/2006			
Type of Interest Rate:		⊠ Fixed Rate	o Floating Rate		
Interest Rate:		6.20%			
Discount Funding Agreem	nent:	o Yes	⊠ No.		
Terms of Survivor's Optic Annual Put Limita			⊠ \$2,000,000 or 2%; o \$or_%	; or	
Individual Put Lim	nitation:		⊠ \$250,000; or o \$		
Trust Put Limitation	on:		⊠ 2%; or \$		
Redemption: Initial Redemption Redemption: Additional Other T		☑ Yes6/15/2008☑ In whole only and o May be in whole o Any redemption dateDate	r in part	If, Yes, yment Da	te falling on or after the Initial Redemption
Repayment:		o Yes	⊠ No.		
Ratings:					
	ent issued under the Program s the Funding Agreement to be		i.		
Additional/Other Terms:		None			
3. The Guarantee					

Principal Financial Group, Inc.

6/28/2006

Additional/Other Terms: None

Guarantee Issuer:

Effective Date: