Pricing Supplement Dated 08/27/2004 (To Prospectus dated March 5, 2004, and Prospectus Supplement dated March 5, 2004)

CUSIP: 74254PBX9



Principal Life Insurance Company Principal[®] Life CoreNotes[®] (Callable) Issued Through Principal Life Income Fundings Trust 2004-39 (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:	\$3,386,000.0	Purchasing A	gent(s) Discount:	1.100%
Issue Price:	100.0%	Original Issue		09/01/2004
Net Proceeds to the Trust:	\$3,348,754.0	Stated Maturi	ty Date:	09/15/2010
Interest Payment Dates:	The 15th day of e	very sixth month cor	nmencing on 03/15/2005.	
Initial Interest Payment Date:	03/15/2005			
Regular Record Date:	The 1st day of ev	ery sixth month com	mencing on 03/01/2005.	
Type of Interest Rate:	⊠ Fixed Rate	o Floating Rate		
Fixed Rate Notes:	⊠ Yes	o No.	If, Yes,	
Interest Rate:	4.35%			
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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"CoreNotes[®]" is a registered service mark of Merrill Lynch & Co.

Interest Rate Basis(es). Check all that apply:	1	N/A	
	o CD Rate	o CMT Rate	
	o Commercial Paper Rate o Treasury Rate o Other (See Attached)	o LIBOR o Prime Rate	
If LIBOR:	o LIBOR Reuters Page LIBOR Currency:	o LIBOR Mo	oneyline Telerate Page
If CMT Rate: Designated CMT Telerate Page: If 7052:	o Weekly Average	o Monthly A	verage
Designated CMT Maturity Index:		J	5
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: (not applicable unless different than as specified in Day Count Convention: (not applicable unless different than as specified in	N/A		
Discount Note:	o Yes	🗵 No.	If, Yes,
Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms:			
Terms of Survivor's Option:			
Annual Put Limitation:		⊠ \$2,000,00 o \$	
Individual Put Limitation:		⊠ \$250,000;	or
Trust Put Limitation:		o \$ ⊠ 2%; or \$_	
Redemption Provisions: Initial Redemption Date:	⊠ Yes 09/15/2005	o No.	If, Yes,
Redemption:	\boxtimes In whole only and not in		
Additional Other Terms:	o May be in whole or in pa Any redemption date will l		yment Date falling on or after the Initial Redemption Date
Repayment: Repayment Date(s):	o Yes	🛛 No.	If, Yes,
Repayment Price: Repayment:	o In whole only and not in		
Additional/Other Terms:	o May be in whole or in pa	ITT	
Sinking Fund (not applicable unless specified):	N/A		
Securities Exchange Listing:	o Yes	🛛 No.	If, Yes, Name of Exchange:
Authorized Denominations:	\$1,000		
	2		

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 Agents Purcha	nsing Notes as Principal:	🗵 Yes	o No.	If, Yes,
	Purchasing Agent(s)			Principal Amount
	Merrill Lynch Total:			\$ <u>3,386,000.0</u> \$ <u>3,386,000.0</u>
State of Organization of th	ne Trust:	New York		
Additional/Other Terms:		None		
Special Tax Consideration	is:	None		
2. The Funding Agreeme	ent			
Funding Agreement Issue	r:	Principal Life Insura	nce Compan	y
Funding Agreement No.:		4-51242		
Deposit:		\$3,386,015.0		
Net Deposit:		\$3,348,754.0		
Effective Date:		09/01/2004		
Stated Maturity Date:		09/15/2010		
Interest Payment Dates:		The 15th day of ever	y sixth mont	h commencing on 03/15/2005.
Initial Interest Payment D	ate:	03/15/2005		
Type of Interest Rate:		⊠ Fixed Rate	o Floating	Rate
Fixed Rate Funding A	greement:	🗵 Yes	o No.	If, Yes,
Interest Rate:		4.35%		
Floating Rate Funding	Agreement:	o Yes	🛛 No.	If, Yes,
Regular Floating F Interest Rate: Interest Rate B	Rate Funding Agreement: asis(es):	o Yes	o No.	If, Yes,
Floating Intere Interest Rate B Fixed Interest	asis(es):	o Yes	o No.	If, Yes,
Initial Interest Rate	e, if any:	N/A		
Initial Interest Res	et Date:	N/A		
Interest Rate Basis	(es). Check all that apply:	o CD Rate o Commercial Paper Rate o Treasury Rate o Other (See Attached)	N/A	o CMT Rate o LIBOR o Prime Rate
If LIBOR:		o LIBOR Reuters Page LIBOR Currency:		o LIBOR Moneyline Telerate Page
If 7052	l CMT Telerate Page: : I CMT Maturity Index:	o Weekly Average		o Monthly Average

	T. J. Mar. N.	NT / A		
	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		
(not ar Day C	utation of Interest: oplicable unless different than as specified in the prospectus ount Convention: oplicable unless different than as specified in the prospectus	N/A		
Discou	int Funding Agreement: Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms:	o Yes	⊠ No.	If, Yes,
Terms	of Survivor's Option: Annual Put Limitation:		⊠ \$2,000,000 or 2%; o	r
			o \$%	
	Individual Put Limitation:		⊠ \$250,000; or o \$ ⊠ 2%; or \$	
	Trust Put Limitation:		⊠ 2%; or \$	
Reden	nption: Initial Redemption Date: Redemption: Additional Other Terms:	 ☑ Yes 09/15/2005 ☑ In whole only and no o May be in whole or ir Any redemption date w Redemption Date 	1 part	If, Yes, t Date falling on or after the Initial
				10 37.
Repay	ment:	o Yes	🖾 No.	If, Yes,
Repay	Repayment Date(s):	o Yes	⊠ No.	II, Yes,
Repay		o In whole only and not	t in part	II, Yes,
Repay	Repayment Date(s): Repayment Price:		t in part	II, Yes,
	Repayment Date(s): Repayment Price: Repayment:	o In whole only and not	t in part	II, Yes,
	Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified):	o In whole only and not o May be in whole or ir	t in part	II, Yes,
Sinkin Rating T	Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified):	o In whole only and not o May be in whole or ir N/A A by S&P.	t in part	II, Yes,
Sinkin Rating T Pi	Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified): (s: he Funding Agreement issued under the Program is rated A	o In whole only and not o May be in whole or ir N/A A by S&P.	t in part	II, Yes,
Sinkin Rating T P Additi	Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified): s: he Funding Agreement issued under the Program is rated A rincipal Life expects the Funding Agreement to be rated Aa	o In whole only and not o May be in whole or ir N/A A by S&P. A by Moody's.	t in part	II, Yes,
Sinkin Rating T P Additi Specia	Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified): s: he Funding Agreement issued under the Program is rated A rincipal Life expects the Funding Agreement to be rated Aa onal/Other Terms:	o In whole only and not o May be in whole or ir N/A A by S&P. a3 by Moody's. None	t in part	II, Yes,
Sinkin Rating T Pr Additi Specia 3. The	Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified): s: he Funding Agreement issued under the Program is rated A rincipal Life expects the Funding Agreement to be rated Aa onal/Other Terms: l Tax Considerations:	o In whole only and not o May be in whole or ir N/A A by S&P. a3 by Moody's. None	t in part 1 part	II, Yes,
Sinkin Rating T Pr Additi Specia 3. The Guarat	Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified): s: he Funding Agreement issued under the Program is rated A rincipal Life expects the Funding Agreement to be rated Aa onal/Other Terms: I Tax Considerations: Guarantee	o In whole only and not o May be in whole or in N/A A by S&P. a3 by Moody's. None None	t in part 1 part	II, Yes,
Sinkin Rating T P Additi Specia 3. The Guarat Effecti	Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified): s: he Funding Agreement issued under the Program is rated A rincipal Life expects the Funding Agreement to be rated Aa onal/Other Terms: l Tax Considerations: Guarantee ntee Issuer:	o In whole only and not o May be in whole or in N/A A by S&P. a3 by Moody's. None None Principal Financial Grou	t in part 1 part	II, Yes,