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CUSIP: 74254PBH4



Principal Life Insurance Company Principal® Life CoreNotes® (Callable) **Issued Through** Principal Life Income Fundings Trust 2004-26 (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:	\$4,090,000.0	Purchasing A	Purchasing Agent Discount:		
Issue Price:	100.0%	Original Issu	e Date:	07/08/2004	
Net Proceeds to the Trust:	\$4,028,650.0	Stated Matur	Stated Maturity Date:		
Interest Payment Dates:	The 15th day of every sixth month commencing on 1/15/2005.				
Initial Interest Payment Date:	01/15/2005				
Regular Record Date:	The 1st day of ev	The 1st day of every sixth month commencing on 1/01/2005.			
Type of Interest Rate:	⊠ Fixed Rate	o Floating Rate			
Fixed Rate Notes:	⊠ Yes	o No.	If, Yes,		
Interest Rate:	5.50%				
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				
"Principal [®] " is a registered service mark of Princip	oal Financial Services	. Inc. and is used und	der license.		

[&]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.

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: (not applicable unless different than as specified in the prospectus and prospectus supplement) 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: ⊠ \$2,000,000 or 2%; or o \$_ __or_% **Individual Put Limitation:** ⊠ \$250,000; or 0.Trust Put Limitation: ⊠ 2%; or \$ ⊠ Yes If, Yes, **Redemption Provisions:** o No. Initial Redemption Date: 07/15/2006 Redemption: ☑ In whole only and not in part o May be in whole or in part Additional Other Terms: Any redemption date will be an Interest Payment Date falling on or after the Initial Redemption Date Repayment: o Yes ⊠ No. If, Yes, Repayment Date(s): Repayment Price: Repayment: o In whole only and not in part o May be in whole or in part Additional Other Terms: Sinking Fund (not applicable unless specified): N/A Securities Exchange Listing: o Yes ⊠ No. If, Yes, Name of Exchange:

\$1,000

Authorized Denominations:

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 Agent(s) Purchasing Notes as Principal: ⊠ Yes o No If yes: Purchasing Agent(s) **Principal Amount** \$4,090,000.0 Merrill Lynch Total: \$4,090,000.0 State of Organization of the Trust: New York Additional/Other Terms: None Special Tax Considerations: None 2. The Funding Agreement Principal Life Insurance Company Funding Agreement Issuer: 8-01292 Funding Agreement No.: Deposit: \$4,090,015.0 Net Deposit: \$4,028,650.0 07/08/2004 Effective Date: Stated Maturity Date: 07/15/2014 **Interest Payment Dates:** The 15th day of every sixth month commencing on 1/15/2005. 01/15/2005 Initial Interest Payment Date: Type of Interest Rate: o Floating Rate Fixed Rate Funding Agreement: ⊠ Yes o No. If, Yes, Interest Rate: 5.50%

Floating Rate Funding Agreement: o Yes \boxtimes No. If, Yes,

Regular Floating Rate Funding Agreement: o Yes o No. If, Yes, Interest Rate:

Interest Rate Basis(es):

Floating Rate/Fixed Rate Funding Agreement: o Yes o 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

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:



I	ndex Maturity:	N/A			
S	Spread (+/-):	N/A			
S	Spread Multiplier:	N/A			
I	nterest Reset Date(s):	N/A			
I	nterest Rate Determination Date(s):	N/A			
N	Maximum Interest Rate, if any:	N/A			
N	Minimum Interest Rate, if any:	N/A			
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T I	t Funding Agreement: Total Amount of Discount: nitial Accrual Period of Discount: Additional/Other Terms:	o Yes	⊠ No.	If, Yes,	
	f Survivor's Option: Annual Put Limitation:		⊠ \$2,000,000 or o \$o		
I	ndividual Put Limitation:		⊠ \$250,000; or		
Т	Trust Put Limitation:		o \$ ⊠ 2%; or \$		
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None

Additional/Other Terms: