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

CUSIP: 74254PK9

1.500%

12/07/05

12/15/15



## Principal Life Insurance Company Principal<sup>®</sup> Life CoreNotes<sup>®</sup> (Callable) Issued Through Principal Life Income Fundings Trust 2005-120 (the "Trust")

The description of this pricing supplement of the particular terms of the Principal<sup>®</sup> Life CoreNotes<sup>®</sup> 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.

Purchasing Agent Discount:

## 1. The Notes

Principal Amount:

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Issue Price:		100.0%	Original Issue	Original Issue Date:	
Net Proceeds to the Trust:		\$751,555.0	Stated Maturi	ty Date:	
-					
Interest Payment Dates:		The 15th day of every sixth month commencing on 06/15/2006.			
Initial Interest Payment Date:		06/15/06			
Regular Record Date:		The 1st day of every sixth month commencing on 06/01/2006.			
Type of Interest Rate:		⊠ Fixed Rate	o Floating Rate		
	Fixed Rate Notes:	⊠ Yes	o No.	If, Yes,	
	Interest Rate:	5.45%			
	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			

\$763,000.0

<sup>&</sup>quot;Principal®" 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/A o CMT Rate o CD 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) 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 o \$ Trust Put Limitation: ⊠ 2%; or \$\_ ⊠ Yes If, Yes, **Redemption Provisions:** o No. Initial Redemption Date: 12/15/06 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: **Authorized Denominations:** \$1,000

## 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:

Designated CMT Telerate Page:

Designated CMT Maturity Index:

If 7052:

⊠ Yes

o No.

If, Yes,

	Purchasing Agent(s)		Principal Amount			
	Merrill Lynch Total:			\$763,000.0 \$763,000.0		
State of Organization of the	e Trust:	New York				
Additional/Other Terms:		None				
Special Tax Considerations	:	None				
2. The Funding Agreemen	ıt					
Funding Agreement Issuer:		Principal Life Insuran	Principal Life Insurance Company			
Funding Agreement No.:		5-17978	5-17978			
Deposit:		\$763,015.0				
Net Deposit:		\$751,555.0				
Effective Date:		12/07/05	12/07/05			
Stated Maturity Date:		12/15/15	12/15/15			
Interest Payment Dates:	The 15th day of every	The 15th day of every sixth month commencing on 06/15/2006.				
Initial Interest Payment Da	te:	06/15/06				
Type of Interest Rate:		x Fixed Rate	x Fixed Rate o Floating Rate			
Fixed Rate Funding Ag	reement:	x Yes	o No.	If, Yes,		
Interest Rate:		5.45%				
Floating Rate Funding	Agreement:	o Yes	x No.	If, Yes,		
Regular Floating Ra Interest Rate: Interest Rate Ba	ate Funding Agreement:	o Yes	o No.	If, Yes,		
Floating Interest Interest Rate Ba Fixed Interest R	sis(es):	o Yes	o No.	If, Yes,		
Initial Interest Rate,	if any:	N/A				
Initial Interest Rese	t 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 CMT Rate:	CMT Tolorato Pago:					

o Monthly Average

o Weekly 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		
Computation of Interest: (not applicable unless different than as specified in the prospector Day Count Convention: (not applicable unless different than as specified in the prospector)	N/A		
Discount 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	or
Individual Put Limitation:		o \$or_% ⊠ \$250,000; or	
Trust Put Limitation:		o \$ ⊠ 2%; or \$	-
Redemption: Initial Redemption Date: Redemption:  Additional Other Terms:	☑ Yes 12/15/06 ☑ In whole only and roo May be in whole or Any redemption date of Redemption Date	in part	If, Yes,  Date falling on or after the Initia
Repayment:  Repayment Date(s):  Repayment Price:  Repayment:	o Yes  o In whole only and noo May be in whole or		If, Yes,
Additional/Other Terms:	o May be ili whole of	in part	
Sinking Fund (not applicable unless specified):	N/A		
Ratings:			
The Funding Agreement issued under the Program is rated Principal Life expects the Funding Agreement to be rated A			
Additional/Other Terms:	None		
Special Tax Considerations:	None		
3. The Guarantee			
Guarantee Issuer:	Principal Financial Gr	oup, Inc.	
Effective Date:	12/07/05		
Additional/Other Terms:	None		