Pricing Supplement Dated 01/21/05 (To Prospectus dated March 5, 2004, and Prospectus Supplement dated March 5, 2004)

CUSIP: 74254PEA6



Principal Life Insurance Company Principal[®] Life CoreNotes[®] (Callable) Issued Through Principal Life Income Fundings Trust 2005-07 (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:	\$1,604,000.0	Purchasing A	gent Discount:	1.200%
Issue Price:	100.0%	Original Issue	e Date:	01/26/05
Net Proceeds to the Trust:	\$1,584,752.0	Stated Maturity Date:		01/17/12
Interest Payment Dates:	The 15th day of e	very sixth month cor	nmencing on 07/15/2005.	
Initial Interest Payment Date:	07/15/05			
Regular Record Date:	The 1st day of eve	e 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:	4.50%			
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			

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"CoreNotes[®]" is a registered service mark of Merrill Lynch & Co.

Interest Rate Basis(es). Check all that app	ly: 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 Tel	erate Page
If CMT Rate: Designated CMT Telerate Page: If 7052: Designated CMT Maturity Index:	o Weekly Average	o Monthly 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		
Calculation Agent:	Citibank, N.A.		
Computation of Interest: (not applicable unless different than as specified i Day Count Convention: (not applicable unless different than as specified i	N/A		
Discount Note: Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms:	o Yes	図 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 \$ ⊠ 2%; or \$	
Trust Put Limitation:		⊠ 2%; or \$	
Redemption Provisions: Initial Redemption Date: Redemption:	⊠ Yes 01/15/06 ⊠ In whole only and not i o May be in whole or in p	art	If, Yes,
Additional Other Terms:	Any redemption date will Initial Redemption Date	be an Interest Payment Date	falling on or after the
Repayment: Repayment Date(s): Repayment Price:	o Yes	🖾 No.	If, Yes,
Repayment:	o In whole only and not in o May be in whole or in p		
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		
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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 Agents Purcha	sing Notes as Principal:	⊠ Yes	o No.	If, Yes,
	Purchasing Agent(s)			Principal Amount
	Merrill Lynch Total:			\$ <u>1,604,000.0</u> \$ <u>1,604,000.0</u>
State of Organization of th	e Trust:	New York		
Additional/Other Terms:		None		
Special Tax Consideration	s:	None		
2. The Funding Agreeme	ent			
Funding Agreement Issuer	r:	Principal Life Insura	nce Compan	у
Funding Agreement No.:		4-51536		
Deposit:		\$1,604,015.0		
Net Deposit:		\$1,584,752.0		
Effective Date:		01/26/05		
Stated Maturity Date:		01/17/12		
Interest Payment Dates:		The 15th day of ever	y sixth mont	h commencing on 07/15/2005.
Initial Interest Payment Da	ate:	07/15/05		
Type of Interest Rate:		⊠ Fixed Rate	o Floating	Rate
Fixed Rate Funding A	greement:	🖾 Yes	o No.	If, Yes,
Interest Rate:		4.50%		
Floating Rate Funding	Agreement:	o Yes	⊠ No.	If, Yes,
Regular Floating R Interest Rate: Interest Rate B	ate Funding Agreement: asis(es):	o Yes	o No.	If, Yes,
Floating Interes Interest Rate B Fixed Interest I	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	CMT Telerate Page: : CMT Maturity Index:	o Weekly Average		o Monthly Average

	Index Maturity:	N/A		
	Spread (+/-):	N/A		
	Spread Multiplier:	N/A		
	Interest Reset Date(s):	N/A		
		N/A		
	Interest Rate Determination Date(s):			
	Maximum Interest Rate, if any:	N/A		
	Minimum Interest Rate, if any:	N/A		
(not aj 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		
Disco	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%; or	
	Individual Put Limitation:		o \$or_% ⊠ \$250,000; or	
	Trust Put Limitation:		o \$ ⊠ 2%; or \$	
Reden	nption: Initial Redemption Date: Redemption: Additional Other Terms:	 ☑ Yes 01/15/06 ☑ 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
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Repay Sinkin Rating T P	Initial Redemption Date: Redemption: Additional Other Terms: ment: 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	01/15/06 ⊠ In whole only and no o May be in whole or ir Any redemption date w Redemption Date o Yes o In whole only and not o May be in whole or ir N/A A by S&P.	ot in part 1 part ill be an Interest Paymen ⊠ No. : in part	t Date falling on or after the Initial
Repay Sinkin Rating T P Additi	Initial Redemption Date: Redemption: Additional Other Terms: ment: Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: g Fund (not applicable unless specified): (5: he Funding Agreement issued under the Program is rated A rincipal Life expects the Funding Agreement to be rated Aa	01/15/06 ⊠ In whole only and no o May be in whole or ir Any redemption date w Redemption Date o Yes o In whole only and not o May be in whole or ir N/A A by S&P. h2 by Moody's.	ot in part 1 part ill be an Interest Paymen ⊠ No. : in part	t Date falling on or after the Initial
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Repay Sinkin Rating T P Additi Specia 3. The	Initial Redemption Date: Redemption: Additional Other Terms: ment: 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: d Tax Considerations:	01/15/06 ⊠ In whole only and no o May be in whole or ir Any redemption date w Redemption Date o Yes o In whole only and not o May be in whole or ir N/A A by S&P. a2 by Moody's. None	ot in part a part ill be an Interest Paymen ⊠ No. a in part a part	t Date falling on or after the Initial
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