Pricing Supplement Dated 01/14/05 (To Prospectus dated March 5, 2004, and Prospectus Supplement dated March 5, 2004)

CUSIP: 74254PDX7



Principal Life Insurance Company Principal[®] Life CoreNotes[®] (Callable) Issued Through Principal Life Income Fundings Trust 2005-5 (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:	\$2,031,000.0	Purchasing Agent(s)	Discount:	2.000%
Issue Price:	100.0%	Original Issue Date:		01/20/05
Net Proceeds to the Trust:	\$1,990,380.0	Stated Maturity Date	:	01/15/20
Interest Payment Dates:	The 15th day of every	sixth month commencing on	07/15/2005.	
Initial Interest Payment Date:	07/15/05			
Regular Record Date:	The 1st day of every s	ixth month commencing on C	7/01/2005.	
Type of Interest Rate:	x Fixed Rate	o Floating Rate		
Fixed Rate Notes:	x Yes	o No.	lf, Yes,	
Interest Rate:	5.25%			
Floating Rate Notes:	o Yes	x No.	lf, Yes,	
Regular Floating Rate Notes: Interest Rate: Interest Rate Basis(es):	o Yes	o No.	lf, Yes,	
Floating Rate/Fixed Rate Note: Floating Interest Rate: Interest Rate Basis(es): Fixed Interest Rate: Fixed Rate Commencement Date:	o Yes	o No.	lf, Yes,	
Initial Interest Rate, if any:	N/A			
Initial Interest Reset Date:	N/A			

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Interest Rate Basis(es). Check all that appl	y: N o CD Rate o Commercial Paper Rate o Treasury Rate o Other (See Attached)	/A o CMT Rate o LIBOR o Prime Rate	
If LIBOR:	o LIBOR Reuters Page LIBOR Currency:	o LIBOR Moneyline Te	elerate 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 in Day Count Convention: (not applicable unless different than as specified in	N/A		
Discount Note: Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms:	o Yes	x No.	lf, Yes,
Terms of Survivor's Option: Annual Put Limitation:		x \$2,000,000 or 2%; o	r
Individual Put Limitation:		o \$or_% x \$250,000; or o \$	
Trust Put Limitation:		x 2%; or \$	_
Redemption Provisions: Initial Redemption Date: Redemption:	x Yes 01/15/08 x In whole only and not in p o May be in whole or in part		lf, Yes,
Additional Other Terms:	Any redemption date will be	an Interest Payment Dat	e falling on or after the Initial Redemption Date
Repayment: Repayment Date(s): Repayment Price: Repayment:	o Yes o In whole only and not in p o May be in whole or in part		lf, Yes,
Additional/Other Terms:	o way be in whole of in part		
Sinking Fund (not applicable unless specified):	N/A		
Securities Exchange Listing:	o Yes	x 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 Agent(s) Purchasing Notes as	Principal:	⊠ Yes	٥ ٩	o. If, Yes,	
Purchasing Ager	it(s)			Princi	ipal Amount
Merrill Lynch				\$ 2,0	031,000.0
Total:				\$ 2,0	031,000.0
State of Organization of the Trust:		New York			
Additional/Other Terms:		None			
Special Tax Considerations:		None			
2. The Funding Agreement					
Funding Agreement Issuer:		Principal Life Insurar	nce Compai	у	
Funding Agreement No.:		4-51533			
Deposit:		\$2,031,015.0			
Net Deposit:		\$1,990,380.0			
Effective Date:		01/20/05			
Stated Maturity Date:		01/15/20			
Interest Payment Dates:		The 15th day of ever	y sixth mor	th commencing on 07/	15/2005.
Initial Interest Payment Date:		07/15/05			
Type of Interest Rate:		x Fixed Rate	o Floa	ing Rate	
Fixed Rate Funding Agreement:		x Yes	o No.		lf, Yes,
Interest Rate:		5.25%			
Floating Rate Funding Agreement:		o Yes	x No.		lf, Yes,
Regular Floating Rate Funding Agr Interest Rate: Interest Rate Basis(es):	eement:	o Yes	o No.		lf, Yes,
Floating Rate/Fixed Rate Funding A Floating Interest Rate: Interest Rate Basis(es): Fixed Interest Rate: Fixed Rate Commencement Da		o Yes	o No.		lf, Yes,
Initial Interest Rate, if any:		N/A			
Initial Interest Reset Date:		N/A			
Interest Rate Basis(es). Check all t	o CD o Cor o Tre	Rate mmercial Paper Rate asury Rate ler (See Attached)	N/A	o CMT Rate o LIBOR o Prime Rate	
If LIBOR:		OR Reuters Page BOR Currency:		o LIBOR Moneyline 1	Telerate Page
If CMT Rate: Designated CMT Telerate P If 7052: Designated CMT Maturity In	o We	ekly Average	3	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		
(not a Day C	putation of Interest: pplicable unless different than as specified in the pro Count Convention: pplicable unless different than as specified in the pro	N/A		
Disco	unt Funding Agreement: Total Amount of Discount: Initial Accrual Period of Discount: Additional/Other Terms:	o Yes	x No.	lf, Yes,
Term	s of Survivor's Option: Annual Put Limitation:		x \$2,000,000 or 2%; or o \$or_%	
	Individual Put Limitation:		x \$250,000; or o \$	
	Trust Put Limitation:		x 2%; or \$	
Rede	mption: Initial Redemption Date: Redemption: Additional Other Terms:	x Yes 01/15/08 x In whole only and not ir o May be in whole or in p Any redemption date will Redemption Date	art	If, Yes, e falling on or after the Initial
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Repa	Initial Redemption Date: Redemption: Additional Other Terms: yment: Repayment Date(s): Repayment Price: Repayment:	01/15/08 x In whole only and not ir o May be in whole or in p Any redemption date will Redemption Date o Yes o In whole only and not ir	n part lart be an Interest Payment Dat x No. n part	e falling on or after the Initial
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Repa Sinkir Rating T F	Initial Redemption Date: Redemption: Additional Other Terms: yment: Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: ng Fund (not applicable unless specified): gs: 'he Funding Agreement issued under the Program is	01/15/08 x In whole only and not ir o May be in whole or in p Any redemption date will Redemption Date o Yes o In whole only and not ir o May be in whole or in p N/A rated AA by S&P.	n part lart be an Interest Payment Dat x No. n part	e falling on or after the Initial
Repay Sinkir Rating T P Additi	Initial Redemption Date: Redemption: Additional Other Terms: yment: Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: ng Fund (not applicable unless specified): gs: he Funding Agreement issued under the Program is rincipal Life expects the Funding Agreement to be ra	01/15/08 x In whole only and not ir o May be in whole or in p Any redemption date will Redemption Date o Yes o In whole only and not ir o May be in whole or in p N/A rated AA by S&P. ated Aa2 by Moody's.	n part lart be an Interest Payment Dat x No. n part	e falling on or after the Initial
Repay Sinkir Rating T P Additi Speci	Initial Redemption Date: Redemption: Additional Other Terms: yment: Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: ng Fund (not applicable unless specified): gs: the Funding Agreement issued under the Program is principal Life expects the Funding Agreement to be ra- onal/Other Terms:	01/15/08 x In whole only and not ir o May be in whole or in p Any redemption date will Redemption Date o Yes o In whole only and not ir o May be in whole or in p N/A rated AA by S&P. ated Aa2 by Moody's. None	n part lart be an Interest Payment Dat x No. n part	e falling on or after the Initial
Repay Sinkir Rating Additi Speci 3. The	Initial Redemption Date: Redemption: Additional Other Terms: Mepayment Date(s): Repayment Price: Repayment: Additional/Other Terms: Ing Fund (not applicable unless specified): gs: The Funding Agreement issued under the Program is principal Life expects the Funding Agreement to be ra- onal/Other Terms: al Tax Considerations:	01/15/08 x In whole only and not ir o May be in whole or in p Any redemption date will Redemption Date o Yes o In whole only and not ir o May be in whole or in p N/A rated AA by S&P. ated Aa2 by Moody's. None	n part laart be an Interest Payment Dat x No. n part laart	e falling on or after the Initial
Repay Sinkir Rating T Additi Speci 3. The Guara	Initial Redemption Date: Redemption: Additional Other Terms: Mepayment Date(s): Repayment Price: Repayment: Additional/Other Terms: ag Fund (not applicable unless specified): gs: he Funding Agreement issued under the Program is rrincipal Life expects the Funding Agreement to be ra- onal/Other Terms: al Tax Considerations: e Guarantee	01/15/08 x In whole only and not ir o May be in whole or in p Any redemption date will Redemption Date o Yes o In whole only and not ir o May be in whole or in p N/A rated AA by S&P. ated Aa2 by Moody's. None None	n part laart be an Interest Payment Dat x No. n part laart	e falling on or after the Initial
Repay Sinkir Rating T Additi Speci 3. The Guara Effect	Initial Redemption Date: Redemption: Additional Other Terms: yment: Repayment Date(s): Repayment Price: Repayment: Additional/Other Terms: ag Fund (not applicable unless specified): gs: the Funding Agreement issued under the Program is trincipal Life expects the Funding Agreement to be ra- onal/Other Terms: al Tax Considerations: e Guarantee antee Issuer:	01/15/08 x In whole only and not ir o May be in whole or in p Any redemption date will Redemption Date o Yes o In whole only and not ir o May be in whole or in p N/A rated AA by S&P. ated Aa2 by Moody's. None None Principal Financial C	n part laart be an Interest Payment Dat x No. n part laart	e falling on or after the Initial