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

CUSIP: 74254PJD5



## **Principal Life Insurance Company** Principal<sup>®</sup> Life CoreNotes<sup>®</sup> (Callable) **Issued Through** Principal Life Income Fundings Trust 2005-101 (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 ("Principal Life") 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:	\$578,000.0	Purchasing Ag	Purchasing Agent Discount:	
Issue Price:	100.0%	Original Issue	Date:	10/05/05
Net Proceeds to the Trust:	\$567,885.0	Stated Maturit	y Date:	10/16/17
Interest Payment Dates:	The 15th day of every sixth month commencing on 04/15/2006.			
Initial Interest Payment Date:	04/15/06			
Regular Record Date:	The 1st day of every sixth month commencing on 04/01/2006.			
Type of Interest Rate:	⊠ Fixed Rate	o Floating Rate		
Fixed Rate Notes:	⊠ Yes	o No.	If, Yes,	
Interest Rate:	5.25%			
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			

<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 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: 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 \_or\_% o \$\_\_ Individual Put Limitation: ⊠ \$250,000; or o \$\_ Trust Put Limitation: ≥ 2%; or \$\_\_\_\_ If, Yes, ⊠ Yes **Redemption Provisions:** o No. Initial Redemption Date: 10/15/07 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:

If CMT Rate:

If 7052:

Designated CMT Telerate Page:

Designated CMT Maturity Index:

⊠ Yes

o No.

If, Yes,

	Purchasing Agent(s)					Principal Amount	
	Merrill Lynch Total:					\$578,000.0 \$578,000.0	
State of Organization of the Trust:			New York				
Additional/Other Terms:			None				
Special Tax Considerations:			None				
2. The Funding Agreeme	nt						
Funding Agreement Issuer:			Principal Life Insurance Company				
Funding Agreement No.:			7-07180				
Deposit:			\$578,015.0				
Net Deposit:			\$567,885.0				
Effective Date:			10/05/05				
Stated Maturity Date:			10/16/17				
Interest Payment Dates:			The 15th day of every sixth month commencing on 04/15/2006.				
Initial Interest Payment Date:			04/15/06				
Type of Interest Rate:			⊠ Fixed Rate o Floating Rate				
Fixed Rate Funding A	greement:		⊠ Yes	o No.		If, Yes,	
Interest Rate:			5.25%				
Floating Rate Funding	Agreement:		o Yes	⊠ No.		If, Yes,	
Regular Floating R Interest Rate: Interest Rate B	ate Funding Agreement:		o Yes	o No.		If, Yes,	
Floating Interes Interest Rate B Fixed Interest F	asis(es):		o Yes	o No.	:	If, Yes,	
Initial Interest Rate	e, if any:		N/A				
Initial Interest Rese	et Date:		N/A				
Interest Rate Basis	(es). Check all that apply:	o Co o Tre	O Rate ommercial Paper Rate easury Rate her (See Attached)	N/A	o CMT Ra o LIBOR o Prime R		
If LIBOR:			BOR Reuters Page IBOR Currency:		o LIBOR	Moneyline Telerate Page	
If CMT Date.							

3

o Monthly Average

o Weekly Average



Index Maturit	y:	N/A		
Spread (+/-):		N/A		
Spread Multip	lier:	N/A		
Interest Reset	Date(s):	N/A		
Interest Rate I	Determination Date(s):	N/A		
Maximum Int	erest Rate, if any:	N/A		
Minimum Inte	erest Rate, if any:	N/A		
Day Count Convention	different than as specified in the prospectu	N/A		
Discount Funding Ag Total Amount Initial Accrua Additional/Ot	of Discount: I Period of Discount:	o Yes	⊠ No.	If, Yes,
Terms of Survivor's C Annual Put Li			⊠ \$2,000,000 or 2%; o o \$or_%	r
Individual Put	Limitation:		⊠ \$250,000; or	
Trust Put Lim	itation:		o \$ ⊠ 2%; or \$	
Redemption: Initial Redemption: Redemption: Additional Of		<ul><li>☑ Yes</li><li>10/15/07</li><li>☑ In whole only and n o May be in whole or in Any redemption date we Redemption Date</li></ul>	n part	If, Yes, t Date falling on or after the Initial
Repayment: Repayment D Repayment P		o Yes	⊠ No.	If, Yes,
Repayment: Additional/Ot	her Terms:	o In whole only and not in part o May be in whole or in part		
Sinking Fund (not app	plicable unless specified):	N/A		
Ratings:				
0 0	reement issued under the Program is rated A pects the Funding Agreement to be rated A			
Additional/Other Terr	ns:	None		
Special Tax Consider	ations:	None		
3. The Guarantee				
Guarantee Issuer:		Principal Financial Gro	oup, Inc.	
Effective Date:		10/05/05		
Additional/Other Ten	ns:	None		