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CUSIP: 74254PBC5



## Principal Life Insurance Company Principal® Life CoreNotes® (Callable) Issued Through

Principal Life Income Fundings Trust 2004-21 (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.

## 1. The Notes

Principal Amount:	\$5,530,000.0	Purchasing A	Purchasing Agent Discount:		
Issue Price:	100.0%	Original Issu	e Date:	06/23/2004	
Net Proceeds to the Trust:	\$5,419,400.0	Stated Matur	ity Date:	06/17/2019	
Interest Payment Dates:	The 15th day of $\epsilon$	every sixth month co	mmencing on 12/15/2004.		
Initial Interest Payment Date:	12/15/2004	12/15/2004			
Regular Record Date:	The 1st day of every sixth month commencing on 12/01/2004.				
Type of Interest Rate:	⊠ Fixed Rate	o Floating Rate			
Fixed Rate Notes:	⊠ Yes	o No	If, Yes,		
Interest Rate:	6.00%				
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 $^{\mathbb{R}}$ " is a registered service mark of Principal	al Financial Services	Inc. and is used und	der license		

<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 Moneyline Telerate Page o LIBOR Reuters Page LIBOR Currency: If CMT Rate: Designated CMT Telerate Page: If 7052: o Weekly Average o Monthly Average Designated CMT Maturity Index: N/A Index Maturity: 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 o \$\_ Trust Put Limitation: ⊠ 2%; or \$\_ If, Yes, **Redemption Provisions:** o No Initial Redemption Date: 06/15/2007 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 ⊠ No If, Yes, Repayment: o 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 ⊠ No Securities Exchange Listing: o Yes 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 Aa3 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:			\$5,530,000.0 \$5,530,000.0		
State of Organization of the Trust:		New York	New York			
Additional/Other Terms:		None				
Special Tax Considerations	:	None				
2. The Funding Agreemen	nt					
Funding Agreement Issuer:		Principal Life Insurance Company				
Funding Agreement No.:		5–16306	5–16306			
Deposit:		\$5,530,015.0	\$5,530,015.0			
Net Deposit:		\$5,419,400.0	\$5,419,400.0			
Effective Date:		06/23/2004	06/23/2004			
Stated Maturity Date:		06/17/2019	06/17/2019			
Interest Payment Dates:		The 15th day of ever	The 15th day of every sixth month commencing on 12/15/200			
Initial Interest Payment Date:		12/15/ 2004				
Type of Interest Rate:		⊠ Fixed Rate	⊠ Fixed Rate o Floating Rate			
Fixed Rate Funding Ag	reement:	⊠ Yes	o No	If, Yes,		
Interest Rate:		6.00%				
Floating Rate Funding A	Agreement:	o Yes	⊠ 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 Reset	t Date:	N/A				
Interest Rate Basis(e	es). Check all that apply:	o CD Rate o Commercial Paper Rat o Treasury Rate o Other (See Attached)	N/A e	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 Dago:					

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		
Computation of Interest: (not applicable unless different than as specified in the prospecture Day Count Convention: (not applicable unless different than as specified in the prospecture)	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%; or o \$or_%	ŗ
Individual Put Limitation:		⊠ \$250,000; or	
Trust Put Limitation:		o \$ ⊠ 2%; or \$	
Redemption: Initial Redemption Date: Redemption:  Additional Other Terms:	<ul><li>☑ Yes</li><li>06/15/2007</li><li>☑ In whole only and not on May be in whole or in Any redemption date where the management of the</li></ul>	n part	If, Yes, t Date falling on or after the Initial
Repayment:     Repayment Date(s):     Repayment Price:     Repayment:  Additional/Other Terms:	o Yes  o In whole only and no o May be in whole or in		If, Yes,
Sinking Fund (not applicable unless specified):	N/A		
Ratings:			
The Funding Agreement issued under the Program is rated <i>A</i> 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 Gro	up, Inc.	
Effective Date:	06/23/2004		
Additional/Other Terms:	None		