

PRINCIPAL LIFE INCOME FUNDINGS TRUST 2004-20

Form 424B5

June 21, 2004

Pricing Supplement 06/18/2004

Filed pursuant to Rule 424(b)(5)

Dated

(To Prospectus dated March 5, 2004, and
Prospectus Supplement dated March 5, 2004)

Registration Statement Nos. 333-110499 and
333-110499-01

CUSIP: 74254PBB7

Principal Life Insurance Company
Principal® Life CoreNotes® (Callable)
Issued Through
Principal Life Income Fundings Trust 2004-20 (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: | \$5,901,000.0 | Purchasing Agent Discount: | 1.200% |
| Issue Price: | 100.0% | Original Issue Date: | 06/23/2004 |
| Net Proceeds to the Trust: | \$5,830,188.0 | Stated Maturity Date: | 06/15/2011 |

Interest Payment Dates: The 15th day of every sixth month commencing on 12/15/2004.

Initial Interest Payment Date: 12/15/2004

Regular Record Date: The 1st day of every sixth month commencing on 12/01/2004.

Type of Interest Rate: Fixed Rate Floating Rate

Fixed Rate Notes: Yes No If, Yes,

Interest Rate: 5.20%

Floating Rate Notes: Yes No. If, Yes,

Regular Floating Rate Notes: Yes No If, Yes,
Interest Rate:

Interest Rate Basis(es):

Floating Rate/Fixed Rate Note: Yes No If, Yes,

Floating Interest Rate:

Interest Rate Basis(es):

Fixed Interest Rate:

Fixed Rate Commencement Date:

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 apply: N/A
 CD Rate CMT Rate
 Commercial Paper Rate LIBOR
 Treasury Rate Prime Rate
 Other (See Attached)

If LIBOR: LIBOR Reuters Page LIBOR Moneyline Telerate Page
 LIBOR Currency:

If CMT Rate:
 Designated CMT Telerate Page:
 If 7052: Weekly Average 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: Yes No If, Yes,
 Total Amount of Discount:
 Initial Accrual Period of Discount:
 Additional/Other Terms:

Terms of Survivor's Option:
 Annual Put Limitation: x\$2,000,000 or 2%; or
 \$_____ or ___%
 Individual Put Limitation: x\$250,000; or
 \$_____

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 Yes No If Yes:
 Principal:

| <u>Purchasing Agent(s)</u> | <u>Principal Amount</u> |
|----------------------------|-------------------------|
| Merrill Lynch | \$ 5,901,000.0 |
| Total: | \$ 5,901,000.0 |

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 Insurance Company

Funding Agreement No.: 5-16305

Deposit: \$5,901,015.0

Net Deposit: \$5,830,188.0

Effective Date: 06/23/2004

Stated Maturity Date: 06/15/2011

Interest Payment Dates: The 15th day of every sixth month commencing on 12/15/2004.

Initial Interest Payment Date: 12/15/2004

Type of Interest Rate: Fixed Rate Floating Rate

Fixed Rate Funding Agreement: Yes No. If, Yes,

Interest Rate: 5.20%

Floating Rate Funding Agreement: Yes No. If, Yes,

Regular Floating Rate Funding Yes No If, Yes,
Agreement:
Interest Rate:
Interest Rate Basis(es):

Floating Rate/Fixed Rate Funding Yes No If, Yes,
Agreement:
Floating Interest Rate:
Interest Rate Basis(es):
Fixed Interest Rate:
Fixed Rate Commencement Date:

Initial Interest Rate, if any: N/A

Initial Interest Reset Date: N/A

Interest Rate Basis(es). Check all that apply: N/A
 CD Rate CMT Rate
 Commercial Paper Rate LIBOR
 Treasury Rate Prime Rate
 Other (See Attached)

If LIBOR: LIBOR Reuters Page LIBOR Moneyline Telerate Page
LIBOR Currency:

If CMT Rate:
Designated CMT Telerate Page:
If 7052: Weekly Average 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
 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 Funding Agreement: 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 ___%
 Individual Put Limitation: \$250,000; or
 \$_____
 Trust Put Limitation: 2%; or
 \$_____
 Redemption: Yes No. If, Yes,
 Initial Redemption Date: 12/15/2005
 Redemption: In whole only and not in part
 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: Yes No. If, Yes,
 Repayment Date(s):
 Repayment Price:
 Repayment: In whole only and not in part
 May be in whole or in part
 Additional Other Terms:

Sinking Fund (not applicable unless specified): N/A

Ratings:

The Funding Agreement issued under the Program is rated AA by S&P. Principal Life expects the Funding Agreement to be rated Aa3 by Moody's.

Additional/Other Terms: None

Special Tax Considerations: None

3. The Guarantee

Guarantee Issuer: Principal Financial Group, Inc.

Effective Date: 06/23/2004

Additional/Other Terms: None