





**Principal Life Insurance Company  
Secured Medium-Term Notes (that are also Asset-Backed Securities)  
Issued Through and Obligations of  
Principal Life Income Fundings Trust 34 (the "Trust" and the "Issuing Entity")**

The description of this pricing supplement of the particular terms of the Secured Medium-Term Notes offered hereby, and the Funding Agreement (specified below) issued by Principal Life Insurance Company ("Principal Life") to the Trust, 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**

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Principal Amount:	\$500,000,000	Purchasing Agent(s) Discount:	0.35%
Issue Price:	99.572%	Original Issue Date:	December 14, 2007
Net Proceeds to the Trust:	\$497,860,000	Stated Maturity Date:	December 14, 2012

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Specified Currency: U.S. Dollars

Interest Payment Dates: June 14 and December 14 of each year

Initial Interest Payment Date: June 14, 2008

Regular Record Date: 15 calendar days prior to the Interest Payment Date

Type of Interest Rate:  Fixed Rate  Floating Rate

Fixed Rate Notes:  Yes  No. If, Yes,

Interest Rate: 5.300%

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:

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Inverse Floating Rate Note:  Yes  No. If, Yes,  
Fixed Interest Rate:  
Floating Interest Rate:  
Interest Rate Basis(es):

Initial Interest Rate, if any:

Initial Interest Reset Date:

Interest Rate Basis(es). Check all that apply:

- |  |   |
|--|---|
| <input type="checkbox"/> CD Rate                     | <input type="checkbox"/> Commercial Paper Rate                |
| <input type="checkbox"/> CMT Rate                    | <input type="checkbox"/> Eleventh District Cost of Funds Rate |
| <input type="checkbox"/> Constant Maturity Swap Rate | <input type="checkbox"/> Federal Fund Open Rate               |
| <input type="checkbox"/> LIBOR                       | <input type="checkbox"/> Federal Funds Rate                   |
| <input type="checkbox"/> EURIBOR                     | <input type="checkbox"/> Treasury Rate                        |
| <input type="checkbox"/> Prime Rate                  | <input type="checkbox"/> Other                                |

If LIBOR:  LIBOR Reuters  
LIBOR Currency:

If CMT Rate:  
Designated Reuters Page:  
If FEDCMT:  Weekly Average  Monthly Average  
Designated CMT Maturity Index:

Index Maturity:

Spread (+/-):

Spread Multiplier:

Interest Reset Date(s):

Interest Rate Determination Date(s):

Maximum Interest Rate, if any:

Minimum Interest Rate, if any:

Calculation Agent: Citibank, N.A.

Exchange Rate Agent: Not applicable

Computation of Interest (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):

Amortizing Notes:  Yes  No. If, Yes,  
Amortizing Schedule:  
Additional/ Other Terms

Discount Note:  Yes  No. If, Yes,  
Total Amount of Discount:  
Initial Accrual Period of Discount:  
Additional/Other Terms:

Redemption Provisions:  Yes  No. If, Yes,  
Initial Redemption Date:  
Initial Redemption Percentage:  
Annual Redemption Percentage Reduction (if any):  
Redemption  In whole only and not in part  
 May be in whole or in part

Additional/Other Terms:

Repayment:  Yes  No. If Yes,

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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):

Additional Amounts to be Paid for Withholding Tax (not applicable unless specified):

Securities Exchange Listing:  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 Ratings Services, a division of The McGraw-Hill Companies, Inc. ("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  No. If Yes,

<u>Purchasing Agent(s)</u>	<u>Principal Amount</u>
Deutsche Bank Securities Inc.	\$ 250,000,000
Lehman Brothers Inc.	\$ 250,000,000
<b>Total:</b>	<b>\$ 500,000,000</b>

Purchasing Agent(s) Acting as Agent:  Yes  No. If Yes,

<u>Purchasing Agent(s)</u>	<u>Principal Amount</u>
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<b>Total:</b>	

State of Organization of Trust: New York

Additional/Other Terms:

Special Tax Considerations:

## 2. **The Funding Agreement**

Funding Agreement Issuer: Principal Life Insurance Company  
Funding Agreement No.: 6-15051  
Deposit Amount: \$500,000,015  
Net Deposit: \$497,860,000  
Effective Date: December 14, 2007  
Stated Maturity Date: December 14, 2012  
Specified Currency: U.S. Dollars  
Interest Payment Dates: June 14 and December 14 of each year  
Initial Interest Payment Date: June 14, 2008  
Type of Interest Rate:  Fixed Rate  Floating Rate

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

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Interest Rate: 5.300%

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

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

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

Inverse Floating Rate Funding Agreement:  Yes  No. If, Yes,  
Fixed Interest Rate:  
Floating Interest Rate:  
Interest Rate Basis(es):

Initial Interest Rate, if any:

Initial Interest Reset Date:

Interest Rate Basis(es). check all that apply

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|--|---|
| <input type="checkbox"/> CD Rate                     | <input type="checkbox"/> Commercial Paper Rate                |
| <input type="checkbox"/> CMT Rate                    | <input type="checkbox"/> Eleventh District Cost of Funds Rate |
| <input type="checkbox"/> Constant Maturity Swap Rate | <input type="checkbox"/> Federal Funds Open Rate              |
| <input type="checkbox"/> LIBOR                       | <input type="checkbox"/> Federal Funds Rate                   |
| <input type="checkbox"/> EURIBOR                     | <input type="checkbox"/> Treasury Rate                        |
| <input type="checkbox"/> Prime Rate                  | <input type="checkbox"/> Other (See Attached)                 |

If LIBOR:  LIBOR Reuters  
LIBOR Currency:

If CMT Rate:  
Designated Reuters Page:  
If FEDCMT:  Weekly Average  Monthly Average  
Designated CMT Maturity Index:

Index Maturity:

Spread (+/-):

Spread Multiplier:

Interest Reset Date(s):

Interest Rate Determination Date(s):

Maximum Interest Rate, if any:

Minimum Interest Rate, if any:

Calculation of Interest (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):

Amortizing Funding Agreement:  Yes  No. If Yes,  
Amortizing Schedule  
Additional/Other Terms

Discount Funding Agreement:  Yes  No. If, Yes,

Total Amount of Discount:  
Initial Accrual Period of Discount:  
Additional/Other Terms:

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Redemption Provisions:  Yes  No. If, Yes,  
Initial Redemption Date:  
Initial Redemption Percentage:  
Annual Redemption Percentage Reduction (if any):  
Redemption:  In whole only and not in part  
 May be in whole or in part  
Additional/Other Terms:

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):

Additional Amounts to be Paid For Withholding Tax (not applicable unless specified):

Ratings: The Funding Agreement issued under the Program is rated AA by S&P. Principal Life expects the Funding Agreement to be rated Aa2 by Moody's.

Additional/Other Terms if any:

Special Tax Considerations:

### 3. **The Guarantee**

Guarantee Issuer: Principal Financial Group, Inc.

Effective Date: December 14, 2007

Additional/Other Terms if any: