

PRINCIPAL LIFE INSURANCE CO

FORM 424B2

(Prospectus filed pursuant to Rule 424(b)(2))

Filed 6/6/2006

Address	711 HIGH STREET C/O THE PRINCIPAL FINANCIAL GROUP DES MOINES, Iowa 50392-0300
Telephone	515--24-8-38
CIK	0000009712
Fiscal Year	12/31

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**Principal Life Insurance Company
 Secured Medium-Term Notes (Callable) (that are also Asset-Backed Securities)
 Issued Through and Obligations of
 Principal Life Income Fundings Trust 20 (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

Principal Amount:	\$50,000,000	Purchasing Agent(s) Discount:	0.0482%
Issue Price:	99.828%	Original Issue Date:	June 9, 2006
Net Proceeds to the Trust:	\$49,889,900	Stated Maturity Date:	June 9, 2011

Specified Currency:	U.S. Dollars		
Interest Payment Dates:	June 9 and December 9 of each year.		
Initial Interest Payment Dates:	December 9, 2006		
Regular Record Date:	15 calendar days prior to the Interest Payment Date		
Type of Interest Rate:	<input checked="" type="checkbox"/> Fixed Rate <input type="checkbox"/> Floating Rate		
Fixed Rate Notes:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No.	If, Yes,
Interest Rate:	5.70%		
Floating Rate Notes:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No.	If, Yes,
Regular Floating Rate Notes:	<input type="checkbox"/> Yes	<input type="checkbox"/> No.	If, Yes,
Interest Rate:			
Interest Rate Basis(es):			
Floating Rate/Fixed Rate Note:	<input type="checkbox"/> Yes	<input type="checkbox"/> No.	If, Yes,
Floating Interest Rate:			
Interest Rate Basis(es):			
Fixed Interest Rate:			
Fixed Rate Commencement Date:			
Inverse Floating Rate Note:	<input type="checkbox"/> Yes	<input type="checkbox"/> No.	If, Yes,
Fixed Interest Rate:			

Floating Interest Rate:
Interest Rate Basis(es):

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 (See Attached) |

If LIBOR:

- | | |
|--|---|
| <input type="checkbox"/> LIBOR Reuters | <input type="checkbox"/> LIBOR Moneyline Telerate |
| LIBOR Currency: | |

If CMT Rate:

Designated CMT Telerate Page:

If 7052:

Designated CMT Maturity Index:

- | | |
|---|--|
| <input type="checkbox"/> Weekly Average | <input type="checkbox"/> Monthly Average |
|---|--|

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,
Redemption Date: June 9, 2009
Redemption: In whole only and not in part
 May be in whole or in part
Initial Redemption Percentage: 100%
Additional/Other Terms: The Notes may only be redeemed on the 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):

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:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No.	If, Yes,
Purchasing Agent(s)	<hr/>		Principal Amount
Lehman Brothers Inc.			\$50,000,000
Total:			\$50,000,000

Purchasing Agent(s) Acting as Agent:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No.	If, Yes,
Purchasing Agent(s)	<hr/>		Principal Amount
Total:			<hr/>

State of Organization of the Trust: New York

Additional/Other Terms:

Special Tax Considerations:

2. The Funding Agreement

Funding Agreement Issuer: Principal Life Insurance Company

Funding Agreement No.: 7-07984

Deposit Amount: \$50,000,015

Net Deposit: \$49,889,900

Effective Date: June 9, 2006

Stated Maturity Date: June 9, 2011

Specified Currency: U.S. Dollars

Interest Payment Dates: June 9 and December 9 of each year

Initial Interest Payment Date: December 9, 2006

Type of Interest Rate: Fixed Rate Floating Rate

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

Interest Rate: 5.70%

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:

- | | |
|--|---|
| <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:

- | | |
|---|---|
| <input type="checkbox"/> LIBOR Reuters Page | <input type="checkbox"/> LIBOR Moneyline Telerate |
| LIBOR Currency: | |

If CMT Rate:

Designated CMT Telerate Page:

If 7052:

Designated CMT Maturity Index:

- | | |
|---|--|
| <input type="checkbox"/> Weekly Average | <input type="checkbox"/> Monthly Average |
|---|--|
-

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:

Redemption Provisions: Yes No. If, Yes,
Redemption Date: June 9, 2009
Redemption: In whole only and not in part
 May be in whole or in part
Initial Redemption Percentage: 100%

Additional/Other Terms: The Funding Agreement may only be redeemed on the 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):

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 Agreements 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: June 9, 2006

Additional/Other Terms: