



Principal Life Insurance Company
Principal[®] Life CoreNotes[®] (Callable)
Issued Through
Principal Life Income Fundings Trust 2004-31 (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: | \$1,984,000.0 | Purchasing Agent Discount: | 1.100% |
| Issue Price: | 100.0% | Original Issue Date: | 08/11/2004 |
| Net Proceeds to the Trust: | \$1,962,176.0 | Stated Maturity Date: | 08/16/2010 |

Interest Payment Dates: The 15th day of every sixth month commencing on 02/15/2005.

Initial Interest Payment Date: 02/15/2005

Regular Record Date: The 1st day of every sixth month commencing on 02/01/2005.

Type of Interest Rate: Fixed Rate Floating Rate

Fixed Rate Notes: Yes No. If, Yes,

Interest Rate: 4.55%

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
 Commercial Paper Rate
 Treasury Rate
 Other (See Attached)
- CMT Rate
 LIBOR
 Prime Rate

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

If CMT Rate:

Designated CMT Telerate Page:

If 7052:

Designated CMT Maturity Index:

- Weekly Average 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

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:

- \$2,000,000 or 2%; or
 \$ _____ or ____%

Individual Put Limitation:

- \$250,000; or
 \$ _____

Trust Put Limitation:

- 2%; or
\$ _____

Redemption Provisions: Yes No. If, Yes,

Initial Redemption Date: 08/15/2005

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

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 ("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: Yes No If Yes:

| Purchasing Agent(s) | Principal Amount |
|---------------------|------------------|
| Merrill Lynch | \$1,984,000.0 |
| Total: | \$1,984,000.0 |

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.: 8-01298

Deposit: \$1,984,015.0

Net Deposit: \$1,962,176.0

Effective Date: 08/11/2004

Stated Maturity Date: 08/16/2010

Interest Payment Dates: The 15th day of every sixth month commencing on 02/15/2005.

Initial Interest Payment Date: 02/15/2005

Type of Interest Rate: Fixed Rate Floating Rate

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

Interest Rate: 4.55%

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:

Initial Interest Rate, if any: N/A

Initial Interest Reset Date: N/A

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

- | | |
|------------------------------------------------|-------------------------------------|
| <input type="checkbox"/> CD Rate | <input type="checkbox"/> CMT Rate |
| <input type="checkbox"/> Commercial Paper Rate | <input type="checkbox"/> LIBOR |
| <input type="checkbox"/> Treasury Rate | <input type="checkbox"/> Prime Rate |
| <input type="checkbox"/> Other (See Attached) | |

If LIBOR: LIBOR Reuters Page LIBOR Moneyline Telerate Page

LIBOR Currency:

If CMT Rate:

Designated CMT Telerate Page:

If 7052:

Designated CMT Maturity Index:

Weekly Average

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: 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: 08/15/2005
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: 08/11/2004

Additional/Other Terms: None

