

PRINCIPAL FINANCIAL GROUP INC

Form 424B2

January 12, 2005

Pricing Supplement Dated January 10, 2005
(To Prospectus dated March 5, 2004 and
Prospectus Supplement dated March 5, 2004)

Filed pursuant to Rule 424(b)(2)
Registration Statement Nos. 333-110499 and
333-110499-01

CUSIP: 74254PDY5

Principal Life Insurance Company
Secured Medium-Term Notes
Issued Through
Principal Life Income Fundings Trust 8 (the Trust)

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:	\$250,000,000	Purchasing Agent(s) Discount:	None
Issue Price:	99.955%	Original Issue Date:	January 14, 2005
Net Proceeds to the Trust:	\$250,000,000	Stated Maturity Date:	July 14, 2006

Specified Currency:	U.S. Dollars		
Interest Payment Dates:	The fourteenth day of January, April, July and October of each year		
Initial Interest Payment Date:	April 14, 2005		
Regular Record Date:	15 calendar days prior to the Interest Payment Date		
Type of Interest Rate:	<input type="radio"/> Fixed Rate	<input checked="" type="radio"/> Floating Rate	
Fixed Rate Notes:	<input type="radio"/> Yes	<input checked="" type="radio"/> No.	If, Yes,
Interest Rate:			
Floating Rate Notes:	<input checked="" type="radio"/> Yes	<input type="radio"/> No.	If, Yes,
Regular Floating Rate Notes:	<input checked="" type="radio"/> Yes	<input type="radio"/> No.	If, Yes,
Interest Rate:	3-Month LIBOR-.03%		

Interest Rate Basis(es): See below.

Floating Rate/Fixed Rate Note: ☐ Yes ☒ No. If, Yes,

Floating Interest Rate:

Interest Rate Basis(es):

Fixed Interest Rate:

Fixed Rate Commencement Date:

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

Initial Interest Rate, if any: The Interest Rate as of the Original Issue Date, determined on January 12, 2005, the second London Banking Day preceding the Original Issue Date.

Initial Interest Reset Date: April 14, 2005

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

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

If LIBOR: ☐ LIBOR Reuters Page ☒ LIBOR Moneyline Telerate Page 3750
 LIBOR Currency: U.S. Dollars

If CMT Rate:

Designated CMT Telerate Page:

If 7052: ☐ Weekly Average ☐ Monthly Average

Designated CMT Maturity Index:

Index Maturity: 3-month

Spread: -0.03%

Spread Multiplier: Not applicable

Interest Reset Date(s): Each Interest Payment Date

Interest Rate Determination Date(s): The second London Banking Day preceding the related Interest Reset Date

Maximum Interest Rate, if any: Not applicable

Minimum Interest Rate, if any: Not applicable

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 Note: ☐ 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,

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 Agents Purchasing Notes as ☒ Yes ☐ No. If, Yes:

Principal:

Purchasing Agent(s)	Principal Amount
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Wachovia Capital Markets, LLC	\$ 250,000,000
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Total:	\$ 250,000,000
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Purchasing Agents Acting as Agent: ☐ Yes ☒ No. If, Yes:

Purchasing Agent(s)	Principal Amount
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Total:	
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State of Organization of the Trust: New York

Additional/Other Terms: Not applicable

Special Tax Considerations: Interest payable on the Notes will be treated as qualified stated interest for United States federal income tax purposes,

as it meets the specified criteria referenced in the prospectus supplement under the heading **Material United States Federal Income Tax Considerations U.S. Holders** *Interest and Original Issue Discount* .

2. The Funding Agreement

Funding Agreement Issuer: Principal Life
Insurance Company

Funding Agreement No.: 4-51534

Deposit: \$250,000,015

Net Deposit: \$250,000,000

Effective Date: January 14, 2005

Stated Maturity Date: July 14, 2006

Specified Currency: U.S. Dollars

Interest Payment Dates: The fourteenth day of January, April, July and October of each year

Initial Interest Payment Date: April 14, 2005

Type of Interest Rate: ☐ Fixed Rate ☒ Floating Rate

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

Interest Rate:

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

Regular Floating Rate Funding Agreement: ☒ Yes ☐ No. If, Yes,

Interest Rate: 3-Month LIBOR-.03%

Interest Rate Basis(es): See below

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: The Interest Rate as of the Original Issue Date, determined on January 12, 2005, the second London Banking Day preceding the Original Issue Date.

Initial Interest Reset Date: April 14, 2005

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

<input type="radio"/> CD Rate	<input type="radio"/> Commercial Paper Rate
<input type="radio"/> CMT Rate	<input type="radio"/> Eleventh District Cost of Funds Rate
<input checked="" type="radio"/> LIBOR	<input type="radio"/> Federal Funds Rate
<input type="radio"/> EURIBOR	<input type="radio"/> Treasury Rate
<input type="radio"/> Prime Rate	<input type="radio"/> Other (See Attached)

If LIBOR: ☐ LIBOR Reuters Page LIBOR Currency: ☒ LIBOR Moneyline Telerate Page 3750 U.S. Dollars

If CMT Rate:

Designated CMT Telerate Page:

If 7052: o Weekly Average o Monthly Average

Designated CMT Maturity Index:

Index Maturity: 3-month

Spread: -0.03%

Spread Multiplier: Not applicable

Interest Reset Date(s): Each Interest Payment Date

Interest Rate The second London Banking Day preceding the related Interest Reset Date

Determination Date(s):

Maximum Interest Not applicable
Rate, if any:

Minimum Interest Not applicable
Rate, if any:

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 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,
 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: Not applicable

Special Tax Considerations: Not applicable

3. The Guarantee

Guarantee Issuer: Principal Financial Group, Inc.

Effective Date: January 14, 2005

Additional/Other Terms: Not applicable