

PRINCIPAL FINANCIAL GROUP INC

Form FWP

June 02, 2006

Filed Pursuant to Rule 433  
Registration Statement Nos. 333-129763 and 333-129763-01  
June 2, 2006

**Principal Life Income Fundings Trust 20**  
**\$50,000,000**  
**5yr Callable Fixed Rate Notes due June 9, 2011**

**Final Terms and Conditions**

<b>Issuer:</b>	Principal Life Income Fundings Trust 20
<b>Rating:</b>	Aa2/AA/AA
<b>Type:</b>	Public
<b>Principal Amount:</b>	\$50,000,000
<b>Trade Date:</b>	June 2, 2006
<b>Settlement Date (T + 5):</b>	June 9, 2006
<b>First Pay Date:</b>	December 9, 2006
<b>Interest Payment Dates:</b>	Semi-Annually on the 9 <sup>th</sup> of June and December
<b>Call Date:</b>	June 9, 2009
<b>Maturity Date:</b>	June 9, 2011
<b>Coupon Rate:</b>	5.70%
<b>Pricing Benchmark:</b>	4.875% May 31, 2011
<b>Benchmark Yield:</b>	4.90%
<b>Market/Reoffer Spread:</b>	0.84%
<b>Market/Reoffer Yield:</b>	5.74%
<b>Market/Reoffer Price:</b>	99.828
<b>Day Count:</b>	30/360
<b>Business Day Convention:</b>	Following Unadjusted
<b>Denominations:</b>	\$1,000 x \$1,000
<b>Cusip:</b>	74254PMH2

**Bookrunners:**

Lehman Brothers

*\* Please note that the above terms apply as of the time of pricing*

Principal Life Insurance Company ( PLIC ), as statutory issuer and depositor, and Principal Financial Group, Inc. ( PFG ) have filed a registration statement (including a prospectus) with the Securities and Exchange Commission ( SEC ) for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents PLIC and PFG have filed with the SEC for more complete information about PLIC, PFG, and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, PLIC, PFG, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1-866-375-2526.