

PRINCIPAL LIFE INCOME FUNDINGS TRUST 4

Form 424B2

April 15, 2004

Pricing Supplement Dated April 13, 2004  
 (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: 74254PAK8  
 ISIN: US74254PAK84

**Principal Life Insurance Company  
 Secured Medium-Term Notes  
 Issued Through  
 Principal Life Income Fundings Trust 4 (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**

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|                            |               |                               |                |
|----------------------------|---------------|-------------------------------|----------------|
| Principal Amount:          | \$350,000,000 | Purchasing Agent(s) Discount: | 0.450%         |
| Issue Price:               | 99.830%       | Original Issue Date:          | April 16, 2004 |
| Net Proceeds to the Trust: | \$347,830,000 | Stated Maturity Date:         | April 15, 2014 |

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Specified Currency: U.S. Dollars

Interest Payment Dates: April 15<sup>th</sup> and October 15<sup>th</sup> in each year

Initial Interest Payment Date: October 15, 2004

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: 5.100%

Floating Rate Notes:  Yes       No.      If, Yes,



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="radio"/> CD Rate    | <input type="radio"/> Commercial Paper Rate                |
| <input type="radio"/> CMT Rate   | <input type="radio"/> Eleventh District Cost of Funds Rate |
| <input 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     LIBOR Moneyline Telerate Page  
Page  
LIBOR  
Currency:

If CMT Rate:  
Designated CMT  
Telerate Page:  
If 7052:     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:                    Not applicable

Exchange Rate Agent:                Not applicable

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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:

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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,

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 Aa3 by Moody's Investors Service, Inc. ( Moody's ).

Purchasing Agents Purchasing Notes as  Yes  No. If Yes:  
 Principal:

| <u>Purchasing Agent(s)</u>        | <u>Principal Amount</u> |
|-----------------------------------|-------------------------|
| Credit Suisse First Boston LLC    | \$ 157,500,000          |
| Morgan Stanley & Co. Incorporated | \$ 157,500,000          |
| ABN AMRO Incorporated             | \$ 8,750,000            |
| Deutsche Bank Securities Inc.     | \$ 8,750,000            |
| Goldman, Sachs & Co.              | \$ 8,750,000            |
| Lehman Brothers Inc.              | \$ 8,750,000            |
| <br>                              |                         |
| Total:                            | \$350,000,000           |

Purchasing Agents Purchasing Notes as  Yes  No. If Yes:  
 Principal:

| <u>Purchasing Agent(s)</u> | <u>Principal Amount</u> |
|----------------------------|-------------------------|
| <br>                       |                         |
| Total:                     |                         |

State of Organization of New York  
 the Trust:

Additional/Other Terms: Not applicable.

Special Tax Considerations: Not applicable.

**2. The Funding Agreement**

Funding Agreement Issuer: Principal Life Insurance Company

Funding Agreement No.: 7-06124

Deposit: \$350,000,015

Net Deposit: \$347,830,000

Effective Date: April 16, 2004

Stated Maturity Date: April 15, 2014

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Specified Currency: U.S. Dollars

Interest Payment Dates: April 15<sup>th</sup> and October 15<sup>th</sup> in each year

Initial Interest Payment Date: October 15, 2004

Type of Interest Rate:  Fixed Rate  Floating Rate

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

Interest Rate: 5.100%

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="radio"/> CD Rate    | <input type="radio"/> Commercial Paper Rate                |
| <input type="radio"/> CMT Rate   | <input type="radio"/> Eleventh District Cost of Funds Rate |
| <input type="radio"/> LIBOR s    | <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  
LIBOR Currency:

If CMT Rate:

Designated CMT  
Telerate Page:  
If 7052:  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:

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):

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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 Aa3 by Moody's.

Additional/Other Terms: Not applicable.

Special Tax Considerations: Not applicable.

### 3. The Guarantee

Guarantee Issuer: Principal Financial Group, Inc.

Effective Date: April 16, 2004

Additional/Other Terms: Not applicable.