

Principal Life Income Fundings Trust 34

Form 424B2

December 11, 2007

Pricing Supplement Dated December 7, 2007
 (To Prospectus dated November 21, 2007, and
 Prospectus Supplement dated November 21, 2007)

Filed Pursuant to Rule 424(b)(2)
 Registration Statement Nos. 333-147181
 and 333-147181-01
 CUSIP: 74254PVP4

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

Principal Life Income Fundings Trust 34 (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: | \$500,000,000 | Purchasing Agent(s) Discount: | 0.35% |
| Issue Price: | 99.572% | Original Issue Date: | December 14, 2007 |
| Net Proceeds to the Trust: | \$497,860,000 | Stated Maturity Date: | December 14, 2012 |

Specified Currency: U.S. Dollars

Interest Payment Dates: June 14 and December 14 of each year

Initial Interest Payment Date: June 14, 2008

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: 5.300%

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:

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"/> Constant Maturity Swap Rate | <input type="radio"/> Federal Fund Open 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 |

If LIBOR Reuters

LIBOR:

LIBOR Currency:

If CMT Rate:

Designated Reuters Page:

If FEDCMT: 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: 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,

Initial Redemption Date:

Initial Redemption Percentage:

Annual Redemption Percentage Reduction (if any):

Redemption In whole only and not in part

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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 Agent(s) Purchasing Notes as Principal: Yes No. If Yes,

| <u>Purchasing Agent(s)</u> | <u>Principal Amount</u> |
|-------------------------------|-------------------------|
| Deutsche Bank Securities Inc. | \$ 250,000,000 |
| Lehman Brothers Inc. | \$ 250,000,000 |

Total: \$ 500,000,000

Purchasing Agent(s) Acting as Agent: Yes No. If Yes,

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

Total:

State of Organization of Trust: New York

Additional/Other Terms:

Special Tax Considerations:

2. **The Funding Agreement**

Funding Agreement Issuer: Principal Life Insurance Company

Funding Agreement No.: 6-15051

Deposit Amount: \$500,000,015

Net Deposit: \$497,860,000

Effective Date: December 14, 2007

Stated Maturity Date: December 14, 2012

Specified Currency: U.S. Dollars

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Interest Payment Dates: June 14 and December 14 of each year

Initial Interest Payment Date: June 14, 2008

Type of Interest Rate: Fixed Rate Floating Rate

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

Interest Rate: 5.300%

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"/> Constant Maturity Swap Rate | <input type="radio"/> Federal Funds Open 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 Reuters

LIBOR:

LIBOR Currency:

If CMT Rate:

Designated Reuters Page:

If FEDCMT: 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 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 if any:

Special Tax Considerations:

3. **The Guarantee**

Guarantee Issuer: Principal Financial Group, Inc.

Effective Date: December 14, 2007

Additional/Other Terms if any: