

The products that life insurance companies offer are some of the most effective and affordable ways for Americans to manage the financial risks of premature death, outliving savings in retirement, loss of income in the case of disability, and paying expenses related to long-term care. No other private financial institution can assume these risks. Through challenging market and economic conditions, the life insurance industry has continued to focus on pooling risk, providing guarantees, and investing in America.

LIFE INSURERS PLAY AN INTEGRAL ROLE IN THE U.S. ECONOMY AND CAPITAL MARKETS:

- One of the largest sources of capital in the nation, with \$4.5 trillion invested in the U.S. economy⁶
 - Single largest source of bond financing for American business, holding 16% of total U.S. corporate bonds⁶
- Significant source of capital to the mortgage industry; at the end of 2009, held \$325 billion in commercial and residential mortgages⁷
- Industry whose premiums accounted for 3.8% of the U.S. GDP in 2009⁸
- Industry that employs about 1.2 million people nationwide⁷

LIFE INSURERS HELP PEOPLE ACCUMULATE WEALTH, PROTECT ITS VALUE OVER MANY YEARS, CONVERT IT INTO LIFETIME INCOME, AND TRANSFER IT TO FUTURE GENERATIONS:

- Over \$18 trillion of individual and group life coverage in force in the U.S., protecting Americans' future financial needs in 2009⁹
- Over \$59 billion in death benefits and \$67 billion in annuity benefits paid in 2009⁶
- 70% of U.S. households depend on life insurance industry products to protect their financial and retirement security⁷
- 44% of U.S. households own individual life insurance⁷
- 56% of private sector workers have life insurance coverage through the workplace¹⁰
- 31% of private sector workers have long-term disability income coverage through the workplace¹⁰
- Cash value in permanent life insurance is accessible through loans or withdrawals¹¹

LIFE INSURERS PLAY A KEY ROLE IN MEETING GROWING NEEDS FOR RETIREMENT SAVINGS AND GUARANTEED INCOME:

- Life insurers managed approximately 19% of assets in private defined benefit (DB) and defined contribution (DC) plans in 2009¹²
- DC plans can be significantly improved by the use of insurance products with guarantees and, ideally, by making guaranteed lifetime payments the default distribution option
- Only life insurers offer annuities – products that can provide individuals with the means to create guaranteed income from retirement savings. This is becoming increasingly important, with fewer workers covered by DB pension plans and with Social Security projected to replace less of a worker's pre-retirement income
- One in five retirees uses individually purchased annuities for income, with 37% receiving regular monthly payments guaranteed for life⁷
- 87% of variable annuities sold today have a guaranteed living benefit option in which, for an additional fee, an investor can get guaranteed income for life without having to give up complete control over, or access to, his underlying assets¹³

⁶"Life Insurers Protecting Families, Building America," ACLI. ⁷"The Facts of Life and Annuities," Eric Sondergeld, LIMRA, September 2010. ⁸LIMRA analysis of Bureau of Economic Analysis and SNL Financial LLC data. ⁹"2010 Life Insurers Fact Book," ACLI. ¹⁰United States Department of Labor, Bureau of Labor Statistics, Employee Benefits Survey, March 2010. ¹¹Policy loans are generally not taxable if repaid (not available with all policy types; loans may reduce cash values and death benefits). ¹²Federal Reserve Flow of Funds data and ACLI calculations from survey data and NAIC Annual Statement data. ¹³Variable Annuity Guaranteed Living Benefit Election Tracking Survey, 4Q 2010, LIMRA.

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Variable annuities are appropriate for long-term investing and designed for retirement purposes. Investment return and principal value of an investment will fluctuate so that an investor's unit values, when redeemed, may be worth more or less than their original cost. Withdrawals or surrenders may be subject to contingent deferred sales charges (CDSC). Withdrawals and distributions of taxable amounts are subject to ordinary income tax and, if made prior to age 59½, may be subject to an additional 10% federal income tax penalty. Withdrawals, for tax purposes, are deemed to be gains out first. Withdrawals can reduce the living benefit, death benefit and account value.

Investors should consider the contract and the underlying portfolios' investment objectives, risks, and charges and expenses carefully before investing. This and other important information are in the prospectuses, which can be obtained from your financial professional. You should read the prospectuses carefully before investing.

Payments of guaranteed principal and income, as well as living and death benefit guarantees, are contingent upon the claims-paying ability of the issuing company. Guarantees do not apply to the investment performance or safety of the underlying subaccounts in the variable annuity. Optional living and death benefits are available for an additional fee and may not be available in all states.

Early withdrawals may be subject to surrender charges. Partial or complete withdrawals of taxable amounts will be subject to ordinary income tax and, if prior to age 59½, may result in an additional 10% federal income tax penalty. Withdrawal from an annuity generally has the effect of reducing the death benefit, any living benefits and cash surrender value.

PRUDENTIAL IS A STRONG U.S. COMPANY WITH A BROAD GEOGRAPHIC PRESENCE:

- Over \$3.25 trillion of life insurance in force worldwide as of 12/31/10
- \$784 billion assets under management as of 12/31/10
- Approximately 50 million institutional and individual customers served worldwide in over 30 countries
- Over 40,000 employees worldwide as of 12/31/10
- Founded in 1875 and still headquartered in Newark, N.J.
- Ranked by *FORTUNE*[®] magazine as the most admired public life or health insurance company in the world¹

PRUDENTIAL IS A PROVIDER OF SIGNIFICANT CAPITAL AND LIQUIDITY:

- **#1** among real estate investment managers based on worldwide assets under management²
 - Originated over \$47 billion in commercial mortgages from 2008 to 2010
 - Over one-third of real estate debt managed is multi-family housing
- **#1** manager of private placement loans³
 - Originated over \$40 billion in private placements from 2006 to 2010, providing capital and liquidity to mid-sized companies

PRUDENTIAL HELPS INDIVIDUALS GROW AND PROTECT THEIR WEALTH FOR RETIREMENT:

- Provider of full-service defined contribution (DC) and defined benefit (DB) plan administration for corporate, tax-exempt, governmental, union, and multi-employer plans
 - Serves nearly 3.7 million DC participants and DB participants and annuitants in workplace-provided retirement plans
- Among DC plans served:
 - Average participant age is 46 and average account balance is \$46,400
 - Top industries represented: manufacturing (13%), healthcare (13%), and education (12%)
- **Top 10 manager** of both DC and DB assets⁴
- A leading provider of variable annuities, which give individuals the ability to save for retirement in a tax-advantaged manner and derive income from their retirement savings so they do not outlive their assets
 - Ranked **#1** in variable annuity sales and **#2** in advisor-sold variable annuity assets⁵

PRUDENTIAL IS A SOURCE OF PROTECTION FOR INDIVIDUAL CONSUMERS AND SMALL BUSINESS OWNERS AGAINST FINANCIAL LOSSES RESULTING FROM INCOME EARNER'S DEATH:

- 9 million individual life insurance policies in force as of 12/31/10
- \$3.2 billion in death benefits paid in 2010
- 79% of households covered have income less than \$100,000
- Average policyholder age is 62

PRUDENTIAL PROVIDES LIFE, DISABILITY, AND LONG-TERM CARE GROUP INSURANCE PLANS TO EMPLOYERS OF ALL SIZES:

- Over 25 million individuals covered by Prudential's group life and disability insurance
- Approximately 60% of individuals covered are in jobs considered to be blue collar
- Approximately 6 million servicemembers, their family members, and veterans covered by the Servicemembers Group Life Insurance Program
- Top industries served: service (30%), manufacturing (18%), and retail (7%)

¹Highest-ranked public company and ranked second overall out of 17 in *FORTUNE*[®] magazine's 2011 World's Most Admired Companies ranking in the Insurance: Life and Health category (March 21, 2011).
²*Pensions & Investments* Annual Real Estate Survey as of June 30, 2010. ³Private Placement Letter, May 9, 2010. ⁴*Pensions & Investments* Online as of December 31, 2009. ⁵VARDS 4Q 2010 and company data.