

**Pruco Life Insurance Company  
Pruco Life Insurance Company of New Jersey**

**STRATEGIC PARTNERS <sup>SM</sup> HORIZON ANNUITY**

Supplement dated July 12, 2010  
To  
Prospectuses dated May 1, 2010

This supplement should be read and retained with the prospectus for your contract. If you would like another copy of the prospectus, please call us at 1-888-PRU-2888. This supplement announces a name change for each above-referenced annuity contract.

In each May 1, 2010 prospectus, we had listed the name of each contract as “Prudential Premier® Horizon Annuity (formerly called Strategic Partners Horizon)”. Until further notice, we are referring to each contract by its original name - - “Strategic Partners <sup>SM</sup> Horizon Annuity”. Thus, each reference in each prospectus to Prudential Premier® Horizon Annuity is replaced by Strategic Partners <sup>SM</sup> Horizon Annuity.

***This is merely a change of name. This change does not affect any other aspect of your annuity contract.***

**PRUDENTIAL PREMIER® HORIZON ANNUITY**  
**(FORMERLY CALLED STRATEGIC PARTNERS HORIZON)**  
**PROSPECTUS: MAY 1, 2010**

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This prospectus describes a market value adjusted individual annuity contract offered by Pruco Life Insurance Company (Pruco Life). Pruco Life offers several different annuities which your representative may be authorized to offer to you. Each annuity has different features and benefits that may be appropriate for you based on your financial situation, your age and how you intend to use the annuity. The different features and benefits include variations in death benefit protection and the ability to access your annuity's contract value. The fees and charges under the annuity contract and compensation paid to your representative may also be different between each annuity. If you are purchasing the contract as a replacement for variable annuity or variable life coverage, you should consider, among other things, any surrender or penalty charges you may incur when replacing your existing coverage. Pruco Life is a wholly owned subsidiary of the Prudential Insurance Company of America. Pruco Life is located at 213 Washington Street, Newark, NJ 07102-2992, and can be contacted by calling 800-944-8786. Pruco Life administers the Prudential Premier Horizon Annuity contracts at the Prudential Annuity Service Center, P.O. Box 7960, Philadelphia, PA 19176. You can contact the Prudential Annuity Service Center by calling, toll-free, (888) PRU-2888.

**PLEASE READ THIS PROSPECTUS**

Please read this prospectus before purchasing a Prudential Premier Horizon Annuity contract and keep it for future reference. The Risk Factors section appears in Section 9 of the Summary.

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**THE SEC HAS NOT DETERMINED THAT THIS CONTRACT IS A GOOD INVESTMENT, NOR HAS THE SEC DETERMINED THAT THIS PROSPECTUS IS COMPLETE OR ACCURATE. IT IS A CRIMINAL OFFENSE TO STATE OTHERWISE. INVESTMENT IN A MARKET VALUE ADJUSTED ANNUITY CONTRACT IS SUBJECT TO RISK, INCLUDING THE POSSIBLE LOSS OF YOUR MONEY. AN INVESTMENT IN PRUDENTIAL PREMIER HORIZON ANNUITY IS NOT A BANK DEPOSIT AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.**

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# PART I SUMMARY

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PRUDENTIAL PREMIER HORIZON ANNUITY PROSPECTUS

# PART I: PRUDENTIAL PREMIER HORIZON ANNUITY PROSPECTUS SUMMARY

## GLOSSARY

We have tried to make this prospectus as easy to read and understand as possible. By the nature of the contract, however, certain technical words or terms are unavoidable. We have identified the following as some of the key words or terms. Other defined terms are set forth in your contract.

### **Accumulation Phase**

The period that begins with the contract date (which we define below) and ends when you start receiving income payments, or earlier if the contract is terminated through a full withdrawal or payment of a death benefit.

### **Adjusted Contract Value**

When you are ready to begin receiving income payments, the value of your contract minus any charge we impose for premium taxes and withdrawal charges, adjusted for any market value adjustment.

### **Annuitant**

The person whose life determines the amount of income payments that we will pay. If the annuitant dies before the annuity date, the co-annuitant (if any) becomes the annuitant if the contract's requirements for changing the annuity date are met. If, upon the death of the annuitant, there is no surviving eligible co-annuitant, and the owner is not the annuitant, then the owner becomes the annuitant.

### **Annuity Date**

The date when income payments are scheduled to begin. You must have our permission to change the annuity date. If the co-annuitant becomes the annuitant due to the death of the annuitant, and the co-annuitant is older than the annuitant, then the annuity date will be based on the age of the co-annuitant, provided that the contract's requirements for changing the annuity date are met (e.g., the co-annuitant cannot be older than a specified age). If the co-annuitant is younger than the annuitant, then the annuity date will remain unchanged.

### **Beneficiary**

The person(s) or entity you have chosen to receive a death benefit.

### **Business Day**

A day that we are open for business. Our business day generally ends at 4:00 p.m. Eastern time.

### **Co-Annuitant**

The person shown on the contract data pages who becomes the annuitant (if eligible) upon the death of the annuitant if the requirements for changing the annuity date are met. No co-annuitant may be designated if the owner is a non-natural person. We may also refer to a co-annuitant as a "contingent annuitant."

### **Code**

The Internal Revenue Code of 1986, as amended from time to time.

### **Contract Date**

The date we accept your initial purchase payment and all necessary paperwork in good order at the Prudential Annuity Service Center. Contract anniversaries are measured from the contract date. A contract year starts on the contract date or on a contract anniversary.

### **Contract Owner, Owner or You**

The person entitled to the ownership rights under the contract.

### **Contract Surrender Value**

This is the total value of your contract adjusted by any market-value adjustment, minus any withdrawal charge(s) and premium taxes.

### **Contract Value**

The total value of the amount in a contract allocated to a guarantee period as of a particular date.

**Death Benefit**

If a death benefit is payable, the beneficiary you designate will receive the contract value as the death benefit. If the contract is owned by an entity (e.g. a corporation or trust), rather than by an individual, then we will pay the death benefit upon the death of the annuitant. See Section 4, "What Is The Death Benefit?"

**Free Look**

Under state insurance laws, you have the right, during a limited period of time, to examine your contract and decide if you want to keep it or cancel it. This right is referred to as your "Free Look" right. The length of this time period depends on the law of your state, and may vary depending on whether your purchase is a replacement or not.

**Good Order**

An instruction received at the Prudential Annuity Service Center, utilizing such forms, signatures and dating as we require, which is sufficiently clear that we do not need to exercise any discretion to follow such instructions.

**Guarantee Period**

A period of time during which your invested purchase payment earns interest at the declared rate. We currently make available guarantee periods equal to any or all of the following: 1 year (currently available only as a renewal option), 3 years, 5 years, 7 years, and 10 years. During the 30 day period immediately preceding the end of a guarantee period, we allow you to make an additional purchase payment, which will be allocated to another guarantee period available at that time (provided that the new guarantee period ends prior to the contract anniversary next following the annuitant's 95th birthday and that you reinvest at least \$1000).

**Income Options**

Options under the contract that define the frequency and duration of income payments. In your contract, we also refer to these as payout or annuity options.

**Invested Purchase Payment**

Your purchase payment (which we define below) less any deduction we make for any tax charge. In addition to the initial invested purchase payment, we allow you to make additional purchase payments during the 30 days preceding the end of a guarantee period.

**Joint Owner**

The person named as the joint owner, who shares ownership rights with the owner as defined in the contract. A joint owner must be a natural person.

**Prudential Annuity Service Center**

For general correspondence: P.O. Box 7960, Philadelphia, PA, 19176. For express overnight mail: 2101 Welsh Road, Dresher, PA 19025. The phone number is (888) PRU-2888. Prudential's Web site is [www.prudentialannuities.com](http://www.prudentialannuities.com).

**Purchase Payments**

The amount of money you pay us to purchase the contract, as well as any additional payment you make.

**Tax Deferral**

This is a way to increase your assets without currently being taxed. Generally, you do not pay taxes on your contract earnings until you take money out of your contract. You should be aware that tax favored plans (such as IRAs) already provide tax deferral regardless of whether they invest in annuity contracts. See Section 8, "What Are The Tax Considerations Associated With The Prudential Premier Horizon Annuity Contract?"

## **SUMMARY FOR SECTIONS 1–9**

**For a more complete discussion of the following topics, see the corresponding section in the prospectus.**

### **SECTION 1**

#### **What Is The Prudential Premier Horizon Annuity?**

This market value adjusted annuity contract, offered by Pruco Life, is a contract between you, as the owner, and us. The contract is intended for retirement savings or other long-term investment purposes and provides a death benefit and guaranteed income options.

While your money remains in the contract for the full guarantee period, your principal amount is guaranteed and the minimum interest amount that your money will earn is dictated by applicable state law. Payments allocated to the contract are held as a separate pool of assets, but the income, gains or losses experienced by these assets are not directly credited or charged against the contracts. As a result, the strength of our guarantees under the contract are based on the overall financial strength of Pruco Life.

The contract, like all deferred annuity contracts, has two phases: the accumulation phase and the income phase. During the accumulation phase, earnings grow on a tax-deferred basis and are taxed as income when you make a withdrawal. The income phase starts when you begin receiving regular payments from your contract. The amount of money you are able to accumulate in your contract during the accumulation phase will help determine the amount of the payments you will receive during the income phase. Other factors will affect the amount of your payments such as age, gender and the payout option you selected.

We may amend the contract as permitted by law. For example, we may add new features to the contract. Subject to applicable law, we determine whether or not to make such contract amendments available to contracts that already have been issued.

**Free Look.** If you change your mind about owning Prudential Premier Horizon Annuity, you may cancel your contract within 10 days after receiving it (or whatever period is required by applicable law). You can request a refund by returning the contract either to the representative who sold it to you, or to the Prudential Annuity Service Center at the address shown on the first page of this prospectus.

We impose neither a withdrawal charge nor any market value adjustment if you cancel your contract under the “free look” provision. To the extent dictated by state law, we will include in your refund the amount of any fees and charges that we deducted.

### **SECTION 2**

#### **What Guarantee Periods Can I Choose?**

You can allocate your initial purchase payment to one of the guarantee periods available under the contract. We have the right under the contract to offer one or more of the following guarantee periods: 1 year (currently available only as a renewal option), 3 years, 5 years, 7 years, or 10 years, and we may offer other guarantee periods in the future. At any time, we may offer any or all of these guarantee periods. You may not allocate your purchase payment to more than one guarantee period.

### **SECTION 3**

#### **What Kind Of Payments Will I Receive During The Income Phase? (Annuitization)**

If you want to receive regular income from your annuity, you can choose one of several options, including guaranteed payments for the annuitant’s lifetime. Once you begin receiving regular payments, you cannot change your payment plan.

### **SECTION 4**

#### **What Is The Death Benefit?**

If the sole owner or the first of the joint owners dies, the designated person(s) or the beneficiary will receive the contract value as the death benefit. If the contract is owned by an entity (e.g., a corporation or trust), rather than by an individual, then we will pay the death benefit upon the death of the annuitant.

### **SECTION 5**

#### **How Can I Purchase A Prudential Premier Horizon Annuity Contract?**

You can purchase this contract, under most circumstances, with a minimum initial purchase payment of \$5,000, but not greater than \$5 million, absent our prior approval. We allow you to make additional purchase payments only during the 30 days immediately preceding the end of a guarantee period. Your representative can help you fill out the proper forms.

### **SECTION 6**

#### **What Are The Expenses Associated With The Prudential Premier Horizon Annuity Contract?**

There are a few states/jurisdictions that assess a premium tax on us when you begin receiving regular income payments from your annuity. In those states, we deduct a charge designed to approximate this tax, which can range from 0-3.5% of your contract value.

During the accumulation phase, if you withdraw money, you may have to pay a withdrawal charge on all or part of the withdrawal. The withdrawal charge that we impose depends on the guarantee period from which you are withdrawing your money. The withdrawal charge ranges from 0%-7%. You also will be subject to a market value adjustment if you make a withdrawal prior to the end of a guarantee period.

## **SECTION 7**

### **How Can I Access My Money?**

You may withdraw money at any time during the accumulation phase. You may, however, be subject to income tax and, if you make a withdrawal prior to age 59½, an additional tax penalty as well. Each contract year after the first, you may withdraw without charge, an amount equal to the interest you earned during the previous contract year. Withdrawals greater than that amount will be subject to a withdrawal charge. A market-value adjustment may also apply.

## **SECTION 8**

### **What Are The Tax Considerations Associated With The Prudential Premier Horizon Annuity Contract?**

Your earnings are generally not taxed until withdrawn. If you withdraw money during the accumulation phase, the tax laws first treat the withdrawals as a withdrawal of earnings, which are taxed as ordinary income. If you are younger than age 59½ when you withdraw money, you may be charged a 10% federal tax penalty on the earnings in addition to ordinary taxation. A portion of the payments you receive during the income phase is considered a partial return of your original investment. Generally, all amounts withdrawn from an Individual Retirement Annuity (IRA) contract (excluding Roth IRAs) are taxable and subject to the 10% penalty if withdrawn prior to age 59½.

## **SECTION 9**

### **Other Information**

This contract is issued by Pruco Life Insurance Company, a subsidiary of The Prudential Insurance Company of America, and sold by registered representatives of affiliated and unaffiliated broker/dealers.

## **RISK FACTORS**

There are various risks associated with an investment in the Prudential Premier Horizon Annuity that we summarize below.

**Issuer Risk.** Your Prudential Premier Horizon Annuity is available under a contract issued by Pruco Life, and thus is backed by the financial strength of that company. If Pruco Life were to experience significant financial adversity, it is possible that Pruco Life's ability to pay interest and principal under the Prudential Premier Horizon Annuity could be impaired.

**Risks Related To Changing Interest Rates.** You do not participate directly in the investment experience of the bonds and other instruments that Pruco Life holds to support the Prudential Premier Horizon Annuity. Nonetheless, the market value adjustment formula (which is detailed in the appendix to this prospectus) reflects the effect that prevailing interest rates have on those bonds and other instruments. If you need to withdraw your money during a period in which prevailing interest rates have risen above their level when you made your purchase, you will experience a "negative" market value adjustment. When we impose this market value adjustment, it could result in the loss of both the interest you have earned and a portion of your purchase payments. Thus, before you commit to a particular guarantee period, you should consider carefully whether you have the ability to remain invested throughout the guarantee period. In addition, we cannot, of course, assure you that the Prudential Premier Horizon Annuity will perform better than another investment that you might have made.

**Risks Related To The Withdrawal Charge.** We may impose withdrawal charges that range as high as 7%. If you anticipate needing to withdraw your money prior to the end of a guarantee period, you should be prepared to pay the withdrawal charge that we will impose.

# PART II SECTIONS 1–9

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PRUDENTIAL PREMIER HORIZON ANNUITY PROSPECTUS

## **1: WHAT IS THE PRUDENTIAL PREMIER HORIZON ANNUITY?**

**The Prudential Premier Horizon Annuity is a contract between you, the owner, and us, the insurance company, Pruco Life Insurance Company (Pruco Life, We or Us).**

Under our contract or agreement, in exchange for your payment to us, we promise to pay you a guaranteed income stream that can begin any time after the second contract anniversary. This time period may differ in certain states. Your annuity is in the accumulation phase until you decide to begin receiving annuity payments. The date you begin receiving annuity payments is the annuity date. On the annuity date, your contract switches to the income phase.

This annuity contract benefits from tax deferral. Tax deferral means that you are not taxed on earnings or appreciation on the assets in your contract until you withdraw money from your contract. (If you purchase the annuity contract in a tax-favored plan such as an IRA, that plan generally provides tax deferral even without investing in an annuity contract. Therefore, before purchasing an annuity in a tax-favored plan, you should consider whether its features and benefits beyond tax deferral meet your needs and goals. You may also want to consider the relative features, benefits and costs of these annuities compared with any other investment that you may use in connection with your retirement plan or arrangement.)

Prudential Premier Horizon Annuity allows you to allocate a purchase payment to one of several guarantee periods that we offer at the time. As the owner of the contract, you have all of the decision-making rights under the contract. You will also be the annuitant unless you designate someone else. The owner is the person upon whose death during the accumulation phase, the death benefit generally is payable. The annuitant is the person whose life is used to determine the amount of annuity payments and how long the payments will continue. On and after the annuity date, the annuitant may not be changed.

The beneficiary is the person(s) or entity designated to receive any death benefit if the owner (or first-to-die of joint owners) dies during the accumulation phase. You may change the beneficiary any time prior to the annuity date by making a written request to us. Your request becomes effective when we approve it.

### **SHORT TERM CANCELLATION RIGHT OR “FREE LOOK”**

If you change your mind about owning Prudential Premier Horizon Annuity, you may cancel your contract within 10 days after receiving it (or whatever period may be required by applicable law). You can request a refund by returning the contract either to the representative who sold it to you, or to the Prudential Annuity Service Center at the address shown on the first page of this prospectus. You will receive, depending on applicable state law:

- Your full purchase payment less any applicable federal and state income tax withholding; or
- The amount your contract is worth as of the day we receive your request, less any applicable federal and state income tax withholding.

We impose neither a withdrawal charge nor any market value adjustment if you cancel your contract under this provision. To the extent dictated by state law, we will include in your refund the amount of any fees and charges that we deducted.

## **2: WHAT GUARANTEE PERIODS CAN I CHOOSE?**

The contract gives you the choice of allocating your purchase payment to one of the guarantee periods that we are offering at the time.

### **GUARANTEE PERIODS**

Under the Prudential Premier Horizon Annuity contract, we have the right to offer one or more of several guarantee periods. These guarantee periods are 1 year (currently available only as a renewal option), 3 years, 5 years, 7 years, or 10 years in length. In the future, we may offer other guarantee periods on substantially the same terms as described in this prospectus. We are not obligated to offer more than one guarantee period at any time. We will apply your purchase payment to the guarantee period you have chosen. You must allocate all of your initial purchase payment to a single guarantee period. A Guarantee Period begins:

- when all or part of a purchase payment is allocated to that particular Guarantee Period; or
- when you “renew” into a new Guarantee Period.

We declare the interest rate for each available guarantee period periodically, and guarantee that you will receive an interest rate at least equal to the minimum stipulated by applicable state law. You will earn interest on your invested purchase payment at the rate that we have declared for the guarantee period you have chosen. We do not have a rigid formula for determining the fixed interest rates. Generally the interest rates we offer will reflect the investment returns available on the types of investments we make to support our fixed rate guarantees. These investment types may include cash, debt securities guaranteed by the United States government and its agencies and instrumentalities, money market instruments, mortgage-backed securities, mortgage loans, corporate debt obligations of different durations, private placements, asset-backed obligations, municipal bonds, public equities and

## 2: WHAT GUARANTEE PERIODS CAN I CHOOSE? *continued*

alternative investments. Alternative investments might include private equity, real estate, commodities, and other fund types. In determining rates we also consider factors such as the length of the guarantee period, regulatory and tax requirements, liquidity of the markets for the type of investments we make, commissions, administrative and investment expenses, our insurance risks, general economic trends and competition. We will credit interest on a new guarantee period at a rate not less than the rate we are then crediting to guarantee periods of the same length selected by new purchasers in the same class.

In addition to the basic interest, we also may pay additional interest with respect to guarantee periods other than the one year and three year periods. The amount of the additional interest varies according to the amount of your purchase payment. Specifically, we will pay additional interest equal to 0.50% annually for a purchase payment of \$25,000 to \$74,999, and 1.00% annually for a purchase payment of \$75,000 or more. If we grant additional interest to you, you will earn that interest only during the first year of your contract (and, in most states, during the first year of the initial renewal guarantee period, other than the one and three year periods). We are not obligated to offer this additional interest continuously, meaning that we reserve the right to offer additional interest only during limited time periods of our choosing. We also reserve the right to change the amount of the additional interest. Currently, we are not granting additional interest with respect to purchases of new contracts.

We express interest rates as annual rates, although we credit interest within each guarantee period on a daily basis. The daily interest that we credit is equal to the pro rated portion of the interest that would be earned on an annual basis. We credit interest from the business day on which your purchase payment is received in good order at the Prudential Annuity Service Center until the earliest to occur of any of the following events: (a) full surrender of the contract, (b) commencement of annuity payments or settlement, (c) cessation of the guarantee period, or (d) death of the first to die of the owner and joint owner (or annuitant, for entity-owned contracts). At the time that we confirm your guarantee period, we will advise you of the interest rate in effect and the date your guarantee period matures. We may change the rates we credit to a new guarantee period at any time. Any change in interest rate does not affect guarantee periods that were in effect before the date of the change. To inquire as to the current rates for guarantee periods, please call 1-888-PRU-2888.

During the 30-day period immediately preceding the end of a guarantee period, we allow you to do any of the following, without the imposition of the withdrawal charge or market value adjustment: (a) surrender the contract, in whole or in part, (b) allocate the contract value to another guarantee period available at that time (provided that the new guarantee period ends prior to the contract anniversary next following the annuitant's 95<sup>th</sup> birthday and that you reinvest at least \$1,000), or (c) apply the contract value to the annuity or settlement option of your choice. If we do not receive instructions from you concerning the disposition of the contract value in your maturing guarantee period, we will reinvest the contract value in a guarantee period having the same duration as the guarantee period that matured (provided that the new guarantee period ends prior to the contract anniversary next following the annuitant's 95<sup>th</sup> birthday and that you reinvest at least \$1,000). If any available new guarantee period would end on or after the contract anniversary next following the annuitant's 95<sup>th</sup> birthday, then we will make only the one year guarantee period available as the renewal period. We will not impose a withdrawal charge on amounts you withdraw from the one year guarantee period described in the immediately preceding sentence, although such a withdrawal would be subject to a market value adjustment.

### **MARKET VALUE ADJUSTMENT**

When you allocate a purchase payment to a guarantee period, we use that money to buy and sell securities and other instruments to support our obligation to pay interest. Generally, we buy bonds and certain other instruments for this purpose. The duration of the bonds and other instruments that we buy with respect to a particular guarantee period is influenced significantly by the length of the guarantee period. For example, we typically would acquire longer-duration bonds with respect to the 10 year guarantee period than we do for the 3 year guarantee period. The value of these bonds is affected by changes in interest rates, among other factors. The market value adjustment that we assess against your contract value if you withdraw prior to the end of a guarantee period involves our attributing to you a portion of our investment experience on these bonds and other instruments.

For example, if you make a full withdrawal when interest rates have risen since the time of your investment, the bonds and other investments in the guarantee period likely would have decreased in value, meaning that we would impose a "negative" market value adjustment on you (i.e., one that results in a reduction of the withdrawal proceeds that you receive). For a partial withdrawal, we would deduct a negative market value adjustment from your remaining contract value. Conversely, if interest rates have decreased, the market value adjustment could be positive.

Other things you should know about the market value adjustment include the following:

- We determine the market value adjustment according to a mathematical formula, which is set forth at the end of this prospectus under the heading "Market-Value Adjustment Formula." In that section of the prospectus, we also provide hypothetical examples of how the formula works.
- A negative market value adjustment could cause you to lose not only the interest you have earned but also a portion of your principal.
- You may withdraw (after the first contract year), without the imposition of any market value adjustment, an amount equal to the interest earned under your contract during the immediately preceding contract year.

- In addition to imposing a market value adjustment on withdrawals, we also will impose a market value adjustment on the contract value you apply to an annuity or settlement option, except if you annuitize during the 30-day period preceding the end of a guarantee period (See Section 3 for details).

**You should realize, however, that apart from the market value adjustment, the value of the benefits under your contract does not depend on the investment performance of the bonds and other instruments that we hold with respect to your guarantee period. Apart from the effect of any market value adjustment, we do not pass through to you the gains or losses on the bonds and other instruments that we hold in connection with a guarantee period.**

### **3: WHAT KIND OF PAYMENTS WILL I RECEIVE DURING THE INCOME PHASE? (ANNUITIZATION)**

#### **PAYMENT PROVISIONS**

We can begin making annuity payments any time after the second contract anniversary (or as required by state law if different). Annuity payments must begin no later than the contract anniversary coinciding with or next following the annuitant's 95<sup>th</sup> birthday. If you begin annuity payments or commence Option 3 at a time other than the 30-day period prior to the end of a guarantee period, then:

- We will impose both a withdrawal charge, if applicable, and a market value adjustment if you choose an annuity option with a fixed period of fewer than 10 years or Option 3. (If your adjusted contract value is allocated to the one year guarantee period, we will impose only a market value adjustment).
- We will impose a market value adjustment, but not a withdrawal charge, if you choose a life annuity or an annuity option with a fixed period of at least 10 years.

We make the income plans described below available before the annuity date. These plans are called annuity options. You must choose an annuity option at least 30 days in advance of the annuity date. If you do not, we will select Option 2 below on your behalf unless prohibited by applicable law. During the income phase, all of the annuity options under this contract are fixed annuity options. **GENERALLY, ONCE THE ANNUITY PAYMENTS BEGIN, THE ANNUITY OPTION CANNOT BE CHANGED AND YOU CANNOT MAKE WITHDRAWALS.**

If the annuitant dies or assigns the contract, and the new annuitant is older than the original annuitant, then the annuity date will be based on the new annuitant's age. If the annuitant dies or assigns the contract, and the new annuitant is younger than the original annuitant, then the annuity date will remain unchanged. In no event, however, may an original or revised annuity date be later than the contract anniversary next following the annuitant's 95<sup>th</sup> birthday.

#### **Option 1**

**Annuity Payments For A Fixed Period:** Under this option, we will make equal payments for the period chosen, up to 25 years. The annuity payments may be made monthly, quarterly, semi-annually, or annually, as you choose, for the fixed period. If the annuitant dies during the income phase, a lump sum payment generally will be made to the beneficiary. The amount of the lump sum payment is determined by calculating the present value of the unpaid future payments. This is done by using the interest rate used to compute the actual payments. The interest rate will be at least 3% a year.

#### **Option 2**

**Life Annuity With 120 Payments (10 Years):** Under this option, we will make annuity payments monthly, quarterly, semi-annually, or annually as long as the annuitant is alive. If the annuitant dies before we have made 10 years worth of payments, we will pay the beneficiary in one lump sum the present value of the annuity payments scheduled to have been made over the remaining portion of that 10 year period, unless we were specifically instructed that such remaining annuity payments continue to be paid to the beneficiary. The present value of the remaining annuity payments is calculated by using the interest rate used to compute the amount of the original 120 payments. If this contract is issued as a Qualified Annuity Contract and annuity payments begin after age 92, then this Option 2 will be modified to permit a period certain that will end no later than the life expectancy of the annuitant defined under the IRS Required Minimum Distribution tables.

#### **Option 3**

**Interest Payment Option:** Under this option, we will credit interest on the adjusted contract value until you request payment of all or part of the adjusted contract value. We can make interest payments on a monthly, quarterly, semiannual, or annual basis or allow the interest to accrue on your contract assets. Under this option, we will pay you interest at an effective rate of at least 1.50% a year. This option may not be available in all states, and is not available if you hold your contract in an IRA.

**Other Annuity Options:** We currently offer a variety of other annuity options not described above. At the time annuity payments are chosen, we may make available to you any of the fixed annuity options that are offered at your annuity date.

### **3: WHAT KIND OF PAYMENTS WILL I RECEIVE DURING THE INCOME PHASE? (ANNUITIZATION) *continued***

#### **TAX CONSIDERATIONS**

If your contract is held under a tax-favored plan, you should consider the required minimum distribution rules under the tax law when selecting your annuity option.

### **4: WHAT IS THE DEATH BENEFIT?**

#### **BENEFICIARY**

The beneficiary is the person(s) or entity you name to receive any death benefit. The beneficiary is named at the time the contract is issued, unless you change it at a later date. Unless an irrevocable beneficiary has been named, you can change the beneficiary at any time before the owner or last surviving owner dies. However, if the contract is jointly owned, the owner must name the joint owner and the joint owner must name the owner as the beneficiary.

#### **CALCULATION OF THE DEATH BENEFIT**

If the owner (or first-to-die of the owner and joint owner) dies during the accumulation phase, we will, upon receiving appropriate proof of death and any other needed documentation in good order (proof of death), pay a death benefit to the beneficiary designated by the deceased owner or joint owner. If the contract is owned by an entity (e.g., a corporation or trust), rather than by an individual, then we will pay the death benefit upon the death of the annuitant. We require proof of death to be submitted promptly. The beneficiary will receive a death benefit equal to the contract value as of the date that proof of death is received in good order at the Prudential Annuity Service Center.

Where a contract is structured so that it is owned by a grantor trust but the annuitant is not the grantor, then the contract is required to terminate upon the death of the grantor if the grantor pre-deceases the annuitant under Section 72(s) of the Code. Under this circumstance, the Contract Surrender Value will be paid out to the beneficiary and it is not eligible for the death benefit provided under the contract.

Instead of asking us to pay a death benefit, the surviving spouse may opt to continue the contract, as discussed below. Generally, we impose no withdrawal charge or market value adjustment when we pay the death benefit.

#### **JOINT OWNERSHIP RULES**

If the contract has an owner and a joint owner and they are spouses, then upon the first to die of the owner and joint owner, the surviving spouse has the choice of the following:

- The contract can continue, with the surviving spouse as the sole owner of the contract; or
- The surviving spouse can receive the death benefit and the contract will end. If the surviving spouse wishes to receive the death benefit, he or she must make that choice within the first 60 days following our receipt of proof of death. Otherwise, the contract will continue with the surviving spouse as the sole owner.

If the contract has an owner and a joint owner, and they are not spouses, the contract will not continue. Instead, the beneficiary will receive the death benefit.

The death benefit payout options are:

Choice 1. Lump sum.

Choice 2. Payment of the entire death benefit within 5 years of the date of death of the first to die. Under this choice, we will impose a market value adjustment upon any withdrawal made during the 5 year period (unless the withdrawal is made during the 30-day period immediately preceding the end of a guarantee period).

Choice 3. Payment under an annuity or settlement option over the lifetime of the beneficiary or over a period not extending beyond the life expectancy of the beneficiary with distribution beginning within one year of the date of death of the first to die.

The tax consequences to the beneficiary may vary among the three death benefit payout options. See Section 8, "What Are The Tax Considerations Associated With The Prudential Premier Horizon Annuity Contract?"

## **5: HOW CAN I PURCHASE A PRUDENTIAL PREMIER HORIZON ANNUITY CONTRACT?**

### **PURCHASE PAYMENT**

A purchase payment is the amount of money you give us to purchase the contract. The minimum initial purchase payment is \$5,000, and may not exceed \$5 million absent our prior approval, unless we are prohibited under applicable state law from insisting on such prior approval. You can allocate subsequent purchase payments to a guarantee period only during the 30-day period immediately preceding the end of a guarantee period, provided that any such purchase payment is at least \$1,000.

Purchase payments must be submitted by check drawn on a U.S. bank, in U.S. dollars, and made payable to Pruco Life. Purchase payments may also be submitted via 1035 exchange or direct transfer of funds. Under certain circumstances, purchase payments may be transmitted to Pruco Life via wiring funds through your Financial Professional's broker-dealer firm. We may apply certain limitations, restrictions, and/or underwriting standards as a condition of our issuance of a contract and/or acceptance of purchase payments. We may reject any payment if it is received in an unacceptable form. Our acceptance of a check is subject to our ability to collect funds.

Generally, your initial purchase payment consists of a single sum. However, with respect to an exchange or roll-over, your purchase payment can consist of multiple sums that you identify at the time of application. With respect to the latter:

- we will aggregate each sum for purposes of computing the amount of any additional interest that we pay on each sum; and
- each sum will earn interest only from the business day on which it is received in good order at the Prudential Annuity Service Center until the end of the guarantee period.

We generally will sell you a contract only if the eldest of the owner, any joint owner, annuitant, and any co-annuitant is 85 or younger on the contract date.

Applicable laws designed to counter terrorists and prevent money laundering might, in certain circumstances, require us to block a contract owner's ability to make certain transactions, and thereby refuse to accept purchase payments or requests for transfers, partial withdrawals, total withdrawals, death benefits, or income payments until instructions are received from the appropriate regulator. We also may be required to provide additional information about you and your contract to government regulators.

### **ALLOCATION OF PURCHASE PAYMENT**

When you purchase a contract, we will allocate your invested purchase payment to the guarantee period of your choosing, provided that we are offering that guarantee period at the time. You must allocate all of your initial purchase payment to a single guarantee period. Likewise, any subsequent purchase payment you make during the 30-day period immediately preceding the end of a guarantee period will be consolidated with your existing contract value, and the total will be allocated to a single guarantee period of your choosing.

### **OWNER, ANNUITANT AND BENEFICIARY DESIGNATIONS**

You may change the owner, annuitant and beneficiary designations by sending us a request in writing in a form acceptable to us. Upon an ownership change, any automated investment or withdrawal programs will be canceled. The new owner must submit the applicable program enrollment if they wish to participate in such a program. Where allowed by law, such changes will be subject to our acceptance. Some of the changes we will not accept include, but are not limited to:

- a new owner subsequent to the death of the owner or the first of any co-owners to die, except where a spouse-beneficiary has become the owner as a result of an owner's death;
- a new annuitant subsequent to the annuity date;
- for "non-qualified" investments, a new annuitant prior to the annuity date if the contract is owned by an entity; and
- a change in beneficiary if the owner had previously made the designation irrevocable.

## **6: WHAT ARE THE EXPENSES ASSOCIATED WITH THE PRUDENTIAL PREMIER HORIZON ANNUITY CONTRACT?**

*There are charges associated with the contract that may reduce the return on your investment. These charges and expenses are described below.*

### **WITHDRAWAL CHARGE**

The withdrawal charge is for the payment of the expenses involved in selling and distributing the contracts, including sales commissions, printing of prospectuses, sales administration, preparation of sales literature and other promotional activities.

## 6: WHAT ARE THE EXPENSES ASSOCIATED WITH THE PRUDENTIAL PREMIER HORIZON ANNUITY CONTRACT? *continued*

You may surrender your contract in whole or in part while the guarantee period remains in effect. If you do so, however, you will be subject to (a) a possible withdrawal charge, (b) a market value adjustment (which we discussed in Section 2 above) and (c) possible tax penalties. After the first contract year, you may withdraw, without the imposition of any withdrawal charge or market value adjustment, an amount equal to the interest earned under your contract during the immediately preceding contract year. For purposes of this “free withdrawal” provision, you may not carry over to future contract years any amount of interest that you did not withdraw in a prior contract year. When we calculate the withdrawal charge and market value adjustment, we first take into account any available charge-free amount. We impose a withdrawal charge and market value adjustment only after that amount has been exhausted. In addition, we do not impose either a withdrawal charge or a market value adjustment on amounts you withdraw under the contract’s minimum distribution option to satisfy Internal Revenue Service required minimum distribution rules. The amount of the required minimum distribution for your particular situation may depend on other annuities, savings or investments. We will only calculate the amount of your required minimum distribution based on the value of your contract. We require three (3) days advance written notice to calculate and process the amount of your payments. You may elect to have required minimum distributions paid out monthly, quarterly, semi-annually or annually. The \$100 minimum amount that applies to Systematic Withdrawals applies to monthly required minimum distributions but does not apply to required minimum distributions taken out on a quarterly, semi-annual or annual basis.

If you make a full withdrawal, we will deduct the withdrawal charge from the proceeds that we pay to you. If you make a partial withdrawal, we will deduct the withdrawal charge from the contract value remaining in the guarantee period. We calculate the withdrawal charge after we have given effect to any market value adjustment.

The withdrawal charge that we impose is equal to a specified percentage of the contract value withdrawn that is in excess of the charge-free amount described above. With respect to the initial guarantee period, the withdrawal charge is based on the number of contract anniversaries that have elapsed since the contract date. If permitted by state law, the below withdrawal charge schedule is reinstated during your first renewal guarantee period, and the contract anniversaries set out in the table below also refer to contract anniversaries within the first renewal guarantee period. No withdrawal charges apply to any guarantee period that you choose subsequent to your first renewal guarantee period. Moreover, we impose no withdrawal charge on withdrawals from any one year guarantee period. The withdrawal charge generally is equal to the following, if the contract is issued (or the initial renewal guarantee period is selected) by an owner who is 84 or younger at that time:

<b>Number of contract anniversaries since the later of contract date (or start of first renewal guarantee period)</b>	<b>Withdrawal Charge</b>
0	7%
1	7%
2	7%
3	6%
4	5%
5	5%
6	4%
7	3%
8	2%
9	1%
10	0%

As specified in the contract, we reduce withdrawal charges (from what is depicted above) if the annuitant is 85 or older. There is a separate withdrawal charge schedule applicable to each of ages 85, 86, 87, 88, 89 and 90. With certain exceptions, the withdrawal charge at any contract anniversary declines by 1% from one age to the next successive age, at such older ages. Some or all of the guarantee periods that we offer at any given time will be shorter than the time periods indicated immediately above. As such, the length of the guarantee period that you have selected, in and of itself, may prevent you from taking advantage of the decreasing withdrawal charges depicted above. For example, if you choose a three year guarantee period, you would not be able to take advantage of the lower withdrawal charges that would have been available in subsequent contract years. If a withdrawal is effective on the day before a contract anniversary, the withdrawal charge percentage will be that as of the next following contract anniversary. The withdrawal charge applicable to contracts issued in certain states differs slightly from what we describe above—check your contract for complete details.

## **WAIVER OF WITHDRAWAL CHARGE FOR CRITICAL CARE**

We will allow you to withdraw money from the contract, and will waive any withdrawal charge and market value adjustment, if the owner or joint owner (if applicable) becomes confined to an eligible nursing home or hospital for a period of at least three consecutive months after the contract was purchased. You would need to provide us with proof of the confinement. If a physician has certified that the owner or joint owner is terminally ill (has twelve months or less to live) there will be no charge imposed for withdrawals nor any market value adjustment. Critical Care Access is not available in all states. Eligibility for this waiver may vary, depending on the terms of the contract issued in your State. Please consult your contract.

## **TAXES ATTRIBUTABLE TO PREMIUM**

There may be federal, state and local premium based taxes applicable to your purchase payment. We are responsible for the payment of these taxes and may make a charge against the value of the contract to pay some or all of these taxes. It is our current practice not to deduct a charge for state premium taxes until annuity payments begin. In the states that impose a premium tax on us, the current rates range up to 3.5%. It is also our current practice not to deduct a charge for the federal tax associated with deferred acquisition costs paid by us that are based on premium received. However, we reserve the right to charge the contract owner in the future for any such tax associated with deferred acquisition costs and any federal, state or local income, excise, business or any other type of tax measured by the amount of premium received by us.

## **7: HOW CAN I ACCESS MY MONEY?**

You can withdraw money at any time during the accumulation phase. If you do so, however, you may be subject to income tax and, if the withdrawal is prior to your attaining age 59½, an additional tax penalty. You will need our consent to make a partial withdrawal if the requested withdrawal is less than \$250. During the accumulation phase, we generally have the right to terminate your contract and pay you the contract value if the current contract value is less than \$2,000 and certain other conditions apply. We may postpone paying any amount for a full or partial surrender to authenticate the signature on a request. In the event that we postpone payment, the request will not be effective until we have validated the signature on the request to our satisfaction.

**Income taxes, tax penalties, withdrawal charges, and a market value adjustment may apply to any withdrawal you make. For a more complete explanation of tax consequences, see Section 8.**

## **AUTOMATED WITHDRAWALS**

We offer an automated withdrawal feature. This feature enables you to receive periodic withdrawals in monthly, quarterly, semiannual, or annual intervals. We will process your withdrawal at the end of the business day at the intervals you specify. We will continue at these intervals until you tell us otherwise. We reserve the right to cease paying automated withdrawals if paying any such withdrawal would cause the contract value to be less than \$2,000.

The minimum automated withdrawal amount you can make is \$100. An assignment of the contract terminates any automated withdrawal program that you had in effect. Withdrawal charges, and a market value adjustment, may apply to any automated withdrawal you make. You may not use the automated withdrawal feature to withdraw the interest earned under your contract.

**Income taxes, tax penalties, withdrawal charges, and a market value adjustment may apply to any withdrawal you make. For a more complete explanation of tax consequences, see Section 8.**

## **8: WHAT ARE THE TAX CONSIDERATIONS ASSOCIATED WITH THE PRUDENTIAL PREMIER HORIZON ANNUITY CONTRACT?**

The tax considerations associated with a contract vary depending on whether the contract is (i) owned by an individual or non-natural person, and not associated with a tax-favored retirement plan, or (ii) held under a tax-favored retirement plan. We discuss the tax considerations for these categories of contracts below. The discussion is general in nature and describes only federal income tax law (not state or other tax laws). It is based on current law and interpretations, which may change. The information provided is not intended as tax advice. You should consult with a qualified tax advisor for complete information and advice. References to purchase payments below relate to your cost basis in your contract. Generally, your cost basis in a contract not associated with a tax-favored retirement plan is the amount you pay into your contract, or into annuities exchanged for your contract, on an after-tax basis less any withdrawals of such payments. Cost basis for a tax-favored retirement plan is provided only in limited circumstances, such as for contributions to a Roth IRA or nondeductible IRA contributions. The discussion includes a description of certain spousal rights under the contract, and our administration of such spousal rights and related tax reporting accords with our understanding of the Defense of Marriage Act (which defines a “marriage” as a legal union between a man and a woman and a “spouse” as a person of the opposite sex). Depending on the state in which your annuity is issued, we may offer certain spousal benefits to civil union couples or same-sex marriages. You should be aware, however, that federal tax law does not recognize civil unions or same-sex marriages. Therefore, we cannot permit a civil union partner or same-sex spouse to continue the contract within the meaning of the tax law upon the death of the first partner under the annuity’s “spousal continuance” provision.

## **8: WHAT ARE THE TAX CONSIDERATIONS ASSOCIATED WITH THE PRUDENTIAL PREMIER HORIZON ANNUITY CONTRACT? *continued***

Civil union couples and same-sex marriage spouses should consider that limitation before selecting a spousal benefit under the contract.

The discussion below generally assumes that the contract is issued to the Owner. In addition, the discussion below is general in nature, and the fact that we refer to a particular kind of ownership arrangement below (e.g., a particular kind of tax-qualified plan) does not mean that such an ownership arrangement necessarily is permitted under this contract.

### **NONQUALIFIED ANNUITY CONTRACTS**

In general, as used in this prospectus, a Nonqualified contract is owned by an individual or non-natural person and is not associated with a tax-favored retirement plan.

#### **Taxes Payable by You**

We believe the contract is an annuity contract for tax purposes. Accordingly, as a general rule, you should not pay any tax until you receive money under the contract. Generally, annuity contracts issued by the same company (and affiliates) to you during the same calendar year must be treated as one annuity contract for purposes of determining the amount subject to tax under the rules described below.

You must commence annuity payments or surrender your contract no later than the first day of the calendar month next following the maximum annuity date for your contract.

#### **Taxes on Withdrawals and Surrender**

If you make a withdrawal from your contract or surrender it before annuity payments begin, the amount you receive will be taxed as ordinary income, rather than as return of purchase payments, until all gain has been withdrawn. Once all gain has been withdrawn, payments will be treated as a nontaxable return of purchase payments until all purchase payments have been returned. After all purchase payments are returned, all subsequent amounts will be taxed as ordinary income. You will generally be taxed on any withdrawals from the contract while you are alive even if the withdrawal is paid to someone else. If you assign or pledge all or part of your contract as collateral for a loan, the part assigned generally will be treated as a withdrawal and subject to income tax to the extent of gain. If you transfer your contract for less than full consideration, such as by gift, you will also trigger tax on any gain in the contract. This rule does not apply if you transfer the contract to your spouse or under most circumstances if you transfer the contract incident to divorce.

If you choose to receive payments under an interest payment option, or a beneficiary chooses to receive a death benefit under an interest payment option, that election will be treated, for tax purposes, as surrendering your contract and will immediately subject any gain in the contract to income tax.

#### **Taxes on Annuity Payments**

A portion of each annuity payment you receive will be treated as a partial return of your purchase payments and will not be taxed. The remaining portion will be taxed as ordinary income. Generally, the nontaxable portion is determined by multiplying the annuity payment you receive by a fraction, the numerator of which is your purchase payments (less any amounts previously received tax-free) and the denominator of which is the total expected payments under the contract. After the full amount of your purchase payments have been recovered tax-free, the full amount of the annuity payments will be taxable. If annuity payments stop due to the death of the annuitant before the full amount of your purchase payments have been recovered, a tax deduction may be allowed for the unrecovered amount.

Please refer to your contract for the maximum annuity date also described above.

#### **Tax Penalty for Early Withdrawal from a Nonqualified Contract**

You may owe a 10% tax penalty on the taxable part of distributions received from your Nonqualified contract before you attain age 59½. Amounts are not subject to this tax penalty if:

- the amount is paid on or after you reach age 59½ or die;
- the amount received is attributable to your becoming disabled;
- generally the amount paid or received is in the form of substantially equal payments (as defined in the Code) not less frequently than annually (please note that substantially equal payments must continue until the later of reaching age 59½ or 5 years and modification of payments during that time period will result in retroactive application of the 10% tax penalty); or
- the amount received is paid under an immediate annuity contract (in which annuity payments begin within one year of purchase).

Other exceptions to this tax may apply. You should consult your tax advisor for further details.

### **Special Rules in Relation to Tax-Free Exchanges Under Section 1035**

Section 1035 of the Internal Revenue Code of 1986, as amended (Code), permits certain tax-free exchanges of a life insurance, annuity or endowment contract for an annuity. Partial surrenders may be treated in the same way as tax-free 1035 exchanges of entire contracts, therefore avoiding current taxation of the partially exchanged amount as well as the 10% tax penalty on pre-age 59½ withdrawals. In Revenue Procedure 2008-24, the IRS has indicated that where there is a surrender or distribution from either the initial annuity contract or receiving annuity contract within 12 months of the date on which the partial exchange was completed, the transfer will retroactively be treated as a taxable distribution from the initial annuity contract and a contribution to the receiving annuity contract. Tax free exchange treatment will be retained if, between the date of the tax-free exchange and the date of the subsequent distribution, you become eligible for an exception to the 10% federal income tax penalty, other than the exceptions for substantially equal periodic payments or distributions under an immediate annuity. We strongly urge you to discuss any transaction of this type with your tax advisor before proceeding with the transaction.

If a contract is purchased through a tax-free exchange of a life insurance, annuity or endowment contract that was purchased prior to August 14, 1982, then any purchase payments made to the original contract prior to August 14, 1982 will be treated as made to the new contract prior to that date. Generally, such pre-August 14, 1982 withdrawals are treated as a recovery of your investment in the contract first until purchase payments made before August 14, 1982 are withdrawn. Moreover, income allocable to purchase payments made before August 14, 1982 is not subject to the 10% tax penalty.

### **Taxes Payable by Beneficiaries**

The death benefit is subject to income tax to the extent the distribution exceeds the cost basis in the contract. The value of the death benefit, as determined under federal law, is also included in the owner's estate for federal estate tax purposes. Generally, the same tax rules described above would also apply to amounts received by your beneficiary. Choosing an option other than a lump sum death benefit may defer taxes. Certain minimum distribution requirements apply upon your death, as discussed further below in the Annuity Qualification section. Tax consequences to the beneficiary vary depending upon the death benefit payment option selected. Generally, for payment of the death benefit

- As a lump sum payment: the beneficiary is taxed in the year of payment on gain in the contract.
- Within 5 years of death of owner: the beneficiary is taxed as amounts are withdrawn (in this case gain is treated as being distributed first).
- Under an annuity or annuity settlement option with distribution beginning within one year of the date of death of the owner: the beneficiary is taxed on each payment (part will be treated as gain and part as return of purchase payments).

**Considerations for Co-Annuitant:** We may allow the naming of a co-annuitant when a Nonqualified contract is held by a pension plan or a tax favored retirement plan, or held by a Custodial Account (as defined earlier in this prospectus). In such a situation, the contract may no longer qualify for tax deferral where the contract continues after the death of the Annuitant. However, tax deferral should be provided instead by the pension plan, tax favored retirement plan, or Custodial Account. We may also allow the naming of an annuitant when a Nonqualified Annuity contract is held by an entity owner when such contracts do not qualify for tax deferral under the current tax law. This does not supersede any benefit language which may restrict the use of the contingent annuitant.

**Reporting and Withholding on Distributions.** Taxable amounts distributed from a contract are subject to federal and state income tax reporting and withholding. In general, we will withhold federal income tax from the taxable portion of such distribution based on the type of distribution. In the case of an annuity or similar periodic payment, we will withhold as if you are a married individual with three (3) exemptions unless you designate a different withholding status. If no U.S. taxpayer identification number is provided, we will automatically withhold using single with zero exemptions as the default. In the case of all other distributions, we will withhold at a 10% rate. You may generally elect not to have tax withheld from your payments. An election out of withholding must be made on forms that we provide.

State income tax withholding rules vary and we will withhold based on the rules of your State of residence. Special tax rules apply to withholding for nonresident aliens, and we generally withhold income tax for nonresident aliens at a 30% rate. A different withholding rate may be applicable to a nonresident alien based on the terms of an existing income tax treaty between the United States and the nonresident alien's country. Please refer to the discussion below regarding withholding rules for a Qualified contract.

Regardless of the amount withheld by us, you are liable for payment of federal and state income tax on the taxable portion of annuity distributions. You should consult with your tax advisor regarding the payment of the correct amount of these income taxes and potential liability if you fail to pay such taxes.

### **Entity Owners**

Where a contract is held by a non-natural person (e.g. a corporation), other than as an agent or nominee for a natural person (or in other limited circumstances), the contract will not be taxed as an annuity and increases in the value of the contract over its cost basis will be subject to tax annually.

## **8: WHAT ARE THE TAX CONSIDERATIONS ASSOCIATED WITH THE PRUDENTIAL PREMIER HORIZON ANNUITY CONTRACT? *continued***

Where a contract is issued to a trust, and such trust is characterized as a grantor trust under the Code, such contract shall not be considered to be held by a non-natural person and will be subject to the tax reporting and withholding requirements generally applicable for a Nonqualified Annuity.

Where a contract is structured so that it is owned by a grantor trust but the annuitant is not the grantor, then the contract is required to terminate upon the death of the grantor of the trust if the grantor pre-deceases the annuitant under Section 72(s) of the Code. Under this circumstance, the contract value will be paid out to the beneficiary and it is not eligible for the death benefit provided under the contract.

**Required Distributions Upon Your Death for Nonqualified Contracts.** Upon your death, certain distributions must be made under the contract. The required distributions depend on whether you die before you start taking annuity payments under the contract or after you start taking annuity payments under the contract. If you die on or after the annuity date, the remaining portion of the interest in the contract must be distributed at least as rapidly as under the method of distribution being used as of the date of death. If you die before the annuity date, the entire interest in the contract must be distributed within 5 years after the date of death, or as periodic payments over a period not extending beyond the life or life expectancy of the designated beneficiary (provided such payments begin within one year of your death). Your designated beneficiary is the person to whom benefit rights under the contract pass by reason of death, and must be a natural person in order to elect a periodic payment option based on life expectancy or a period exceeding five years. Additionally, if the contract is payable to (or for the benefit of) your surviving spouse, that portion of the contract may be continued with your spouse as the owner. For Nonqualified annuity contracts owned by a non-natural person, the required distribution rules apply upon the death of the annuitant. This means that for a contract held by a non-natural person (such as a trust) for which there is named a co-annuitant, then such required distributions will be triggered by the death of the first co-annuitants to die.

**Changes In Your Contract.** We reserve the right to make any changes we deem necessary to assure that your contract qualifies as an annuity contract for tax purposes. Any such changes will apply to all contract owners and you will be given notice to the extent feasible under the circumstances.

### **Qualified Annuity Contracts**

**In general, as used in this prospectus, a Qualified Annuity is a contract with applicable endorsements for a tax-favored plan or a Nonqualified Annuity contract held by a tax-favored retirement plan.**

The following is a general discussion of the tax considerations for Qualified contracts. This contract may or may not be available for all types of the tax-favored retirement plans discussed below. This discussion assumes that you have satisfied the eligibility requirements for any tax-favored retirement plan. Please consult your Financial Professional prior to purchase to confirm if this contract is available for a particular type of tax-favored retirement plan or whether we will accept the type of contribution you intend for this contract.

A Qualified contract may typically be purchased for use in connection with:

- Individual retirement accounts and annuities (IRAs), including inherited IRAs (which we refer to as a Beneficiary IRA), which are subject to Sections 408(a) and 408(b) of the Code;
- Roth IRAs, including inherited Roth IRAs (which we refer to as a Beneficiary Roth IRA) under Section 408A of the Code;
- A corporate Pension or Profit-sharing plan (subject to 401(a) of the Code);
- H.R. 10 plans (also known as Keogh Plans, subject to 401(a) of the Code);
- Tax Sheltered annuities (subject to 403(b) of the Code, also known as Tax Deferred Annuities or TDAs);
- Section 457 plans (subject to 457 of the Code).

A Nonqualified contract may also be purchased by a 401(a) trust or custodial IRA or Roth IRA account, or a Section 457 plan, which can hold other permissible assets. The terms and administration of the trust or custodial account or plan in accordance with the laws and regulations for 401(a) plans, IRAs or Roth IRAs, or a Section 457 plan, as applicable, are the responsibility of the applicable trustee or custodian.

You should be aware that tax favored plans such as IRAs generally provide income tax deferral regardless of whether they invest in annuity contracts. This means that when a tax favored plan invests in an annuity contract, it generally does not result in any additional tax benefits (such as income tax deferral and income tax free transfers).

### **Types of Tax-Favored Plans**

*IRAs.* If you buy a contract for use as an IRA, we will provide you a copy of the prospectus and contract. The “IRA Disclosure Statement” and “Roth IRA Disclosure Statement” which accompany the prospectus contain information about eligibility,

contribution limits, tax particulars, and other IRA information. In addition to this information (some of which is summarized below), the IRS requires that you have a “free look” after making an initial contribution to the contract. During this time, you can cancel the contract by notifying us in writing, and we will refund all of the purchase payments under the contract (or, if provided by applicable state law, the amount credited under the contract, if greater), less any applicable federal and state income tax withholding.

*Contributions Limits/Rollovers.* Subject to the minimum purchase payment requirements of a contract, you may purchase a contract for an IRA in connection with a “rollover” of amounts from a qualified retirement plan, as a transfer from another IRA, by making a contribution consisting of your IRA contributions and catch-up contributions, if applicable, attributable to the prior year during the period from January 1 to April 15 (or the applicable due date of your federal income tax return, without extension), or as a current year contribution. In 2010 the contribution limit is \$5,000. The contribution amount is indexed for inflation. The tax law also provides for a catch-up provision for individuals who are age 50 and above, allowing these individuals an additional \$1,000 contribution each year. The catch-up amount is not indexed for inflation.

The “rollover” rules under the Code are fairly technical; however, an individual (or his or her surviving spouse) may generally “roll over” certain distributions from tax favored retirement plans (either directly or within 60 days from the date of these distributions) if he or she meets the requirements for distribution. Once you buy a contract, you can make regular IRA contributions under the contract (to the extent permitted by law). However, if you make such regular IRA contributions, you should note that you will not be able to treat the contract as a “conduit IRA,” which means that you will not retain possible favorable tax treatment if you subsequently “roll over” the contract funds originally derived from a qualified retirement plan or TDA into another Section 401(a) plan or TDA.

In some circumstances, non-spouse beneficiaries may directly roll over to an IRA amounts due from qualified plans, 403(b) plans, and governmental 457(b) plans. However, the rollover rules applicable to non-spouse beneficiaries under the Code are more restrictive than the rollover rules applicable to owner/participants and spouse beneficiaries. Generally, non-spouse beneficiaries may roll over distributions from tax favored retirement plans only as a direct rollover, and if permitted by the plan. Under the 2008 Retiree and Employer Recovery Act, employer retirement plans are required to permit non-spouse beneficiaries to roll over funds to an inherited IRA for plan years beginning after December 31, 2009. No additional contributions can be made to an inherited IRA. In this prospectus, an inherited IRA is also referred to as a Beneficiary Annuity.

*Required Provisions.* Contracts that are IRAs (or endorsements that are part of the contract) must contain certain provisions:

- You, as owner of the contract, must be the “annuitant” under the contract (except in certain cases involving the division of property under a decree of divorce);
- Your rights as owner are non-forfeitable;
- You cannot sell, assign or pledge the contract;
- The annual contribution you pay cannot be greater than the maximum amount allowed by law, including catch-up contributions if applicable (which does not include any rollover amounts);
- The date on which required minimum distributions must begin cannot be later than April 1st of the calendar year after the calendar year you turn age 70½; and
- Death and annuity payments must meet “required minimum distribution” rules described below.

Usually, the full amount of any distribution from an IRA (including a distribution from this contract) which is not a rollover is taxable. As taxable income, these distributions are subject to the general tax withholding rules described earlier regarding a Nonqualified contract. In addition to this normal tax liability, you may also be liable for the following, depending on your actions:

- A 10% early withdrawal penalty described below;
- Liability for “prohibited transactions” if you, for example, borrow against the value of an IRA; or
- Failure to take a required minimum distribution, also described below.

*SEPs.* SEPs are a variation on a standard IRA, and contracts issued to a SEP must satisfy the same general requirements described under IRAs (above). There are, however, some differences:

- If you participate in a SEP, you generally do not include in income any employer contributions made to the SEP on your behalf up to the lesser of (a) \$49,000 in 2010 (\$49,000 in 2009) or (b) 25% of your taxable compensation paid by the contributing employer (not including the employer’s SEP contribution as compensation for these purposes). However, for these purposes, compensation in excess of certain limits established by the IRS will not be considered. In 2010, this limit is \$245,000 (\$245,000 for 2009);
- SEPs must satisfy certain participation and nondiscrimination requirements not generally applicable to IRAs; and
- SEPs that contain a salary reduction or “SARSEP” provision prior to 1997 may permit salary deferrals up to \$16,500 in 2010 with the employer making these contributions to the SEP. However, no new “salary reduction” or “SARSEPs” can be established after 1996. Individuals participating in a SARSEP who are age 50 or above by the end of the year will be permitted to contribute an additional \$5,500 in 2010. These amounts are indexed for inflation. These contracts are not available for SARSEPs. You will also be provided the same information, and have the same “free look” period, as you would have if you purchased the contract for a standard IRA.

## **8: WHAT ARE THE TAX CONSIDERATIONS ASSOCIATED WITH THE PRUDENTIAL PREMIER HORIZON ANNUITY CONTRACT? *continued***

*ROTH IRAs.* The “Roth IRA Disclosure Statement” contains information about eligibility, contribution limits, tax particulars and other Roth IRA information. Like standard IRAs, income within a Roth IRA accumulates tax-free, and contributions are subject to specific limits. Roth IRAs have, however, the following differences:

- Contributions to a Roth IRA cannot be deducted from your gross income;
- “Qualified distributions” from a Roth IRA are excludable from gross income. A “qualified distribution” is a distribution that satisfies two requirements: (1) the distribution must be made (a) after the owner of the IRA attains age 59½; (b) after the owner's death; (c) due to the owner's disability; or (d) for a qualified first time homebuyer distribution within the meaning of Section 72(t)(2)(F) of the Code; and (2) the distribution must be made in the year that is at least five tax years after the first year for which a contribution was made to any Roth IRA established for the owner or five years after a rollover, transfer, or conversion was made from a traditional IRA to a Roth IRA. Distributions from a Roth IRA that are not qualified distributions will be treated as made first from contributions and then from earnings and earnings will be taxed generally in the same manner as distributions from a traditional IRA.
- If eligible (including meeting income limitations and earnings requirements), you may make contributions to a Roth IRA after attaining age 70½, and distributions are not required to begin upon attaining such age or at any time thereafter.

Subject to the minimum purchase payment requirements of a contract, if you may purchase a contract for a Roth IRA in connection with a “rollover” of amounts of another traditional IRA, conduit IRA, SEP, SIMPLE-IRA or Roth IRA or if you meet certain income limitations, by making a contribution consisting of your Roth IRA contributions and catch-up contributions, if applicable, attributable to the prior year during the period from January 1 to April 15 (or the applicable due date of your federal income tax return, without extension), or as a current year contribution. The Code permits persons who receive certain qualifying distributions from such non-Roth IRAs, to directly rollover or make, within 60 days, a “rollover” of all or any part of the amount of such distribution to a Roth IRA which they establish. Beginning January 2008, an individual receiving an eligible rollover distribution from an employer sponsored retirement plan under sections 401(a) or 403(b) of the Code can directly roll over contributions to a Roth IRA. This conversion triggers current taxation (but is not subject to a 10% early distribution penalty). Once a contract has been purchased, regular Roth IRA contributions will be accepted to the extent permitted by law. In addition, an individual receiving an eligible rollover distribution from a designated Roth account under an employer plan may roll over the distribution to a Roth IRA even if the individual is not eligible to make regular contributions to a Roth IRA. Prior to January 1, 2010, income and filing status limitations applied to rollovers from non-Roth accounts to a Roth IRA.

Non-spouse beneficiaries receiving a distribution from an employer sponsored retirement plan under sections 401(a) or 403(b) of the Code can also directly roll over contributions to a Roth IRA. However, it is our understanding of the Code that non-spouse beneficiaries cannot “rollover” benefits from a traditional IRA to a Roth IRA.

*TDAs.* In general, you may own a Tax Deferred Annuity (also known as a TDA, Tax Sheltered Annuity (TSA), 403(b) plan or 403(b) annuity) if you are an employee of a tax-exempt organization (as defined under Code Section 501(c)(3)) or a public educational organization, and you may make contributions to a TDA so long as your employer maintains such a plan and your rights to the annuity are nonforfeitable. Contributions to a TDA, and any earnings, are not taxable until distribution. You may also make contributions to a TDA under a salary reduction agreement, generally up to a maximum of \$16,500 in 2010. Individuals participating in a TDA who are age 50 or above by the end of the year will be permitted to contribute an additional \$5,500 in 2010. This amount is indexed for inflation. Further, you may roll over TDA amounts to another TDA or an IRA. You may also roll over TDA amounts to a qualified retirement plan, a SEP and a 457 government plan. A contract may generally only qualify as a TDA if distributions of salary deferrals (other than “grandfathered” amounts held as of December 31, 1988) may be made only on account of:

- Your attainment of age 59½;
- Your severance of employment;
- Your death;
- Your total and permanent disability; or
- Hardship (under limited circumstances, and only related to salary deferrals, not including earnings attributable to these amounts).

In any event, you must begin receiving distributions from your TDA by April 1st of the calendar year after the calendar year you turn age 70½ or retire, whichever is later. These distribution limits do not apply either to transfers or exchanges of investments under the contract, or to any “direct transfer” of your interest in the contract to another employer's TDA plan or mutual fund “custodial account” described under Code Section 403(b)(7). Employer contributions to TDAs are subject to the same general contribution, nondiscrimination, and minimum participation rules applicable to “qualified” retirement plans.

**Caution:** Under recent IRS regulations we can accept contributions, transfers and rollovers only if we have entered into an information-sharing agreement, or its functional equivalent, with the applicable employer or its agent. In addition, in order to comply with the regulations, we will only process certain transactions (e.g. transfers, withdrawals, hardship distributions and, if applicable, loans) with employer approval. This means that if you request one of these transactions we will not consider your request to be in good order, and will not therefore process the transaction, until we receive the employer's approval in written or electronic form.

### **Required Minimum Distributions and Payment Options**

If you hold the contract under an IRA (or other tax-favored plan), required minimum distribution rules must be satisfied. This means that generally payments must start by April 1 of the year after the year you reach age 70½ and must be made for each year thereafter. For a TDA or a 401(a) plan for which the participant is not a greater than 5% owner of the employer, this required beginning date can generally be deferred to retirement, if later. Roth IRAs are not subject to these rules during the Owner's lifetime. The amount of the payment must at least equal the minimum required under the IRS rules. Several choices are available for calculating the minimum amount. More information on the mechanics of this calculation is available on request. Please contact us at a reasonable time before the IRS deadline so that a timely distribution is made. Please note that there is a 50% tax penalty on the amount of any required minimum distribution not made in a timely manner.

Required minimum distributions are calculated based on the contract value under the contract. You can use the Minimum Distribution option to satisfy the required minimum distribution rules for a contract without either beginning annuity payments or surrendering the contract. We will distribute to you the required minimum distribution amount, less any other partial withdrawals that you made during the year. Such amount will be based on the value of the contract as of December 31 of the prior year, but is determined without regard to other contracts you may own.

Although the IRS rules determine the required amount to be distributed from your IRA each year, certain payment alternatives are still available to you. If you own more than one IRA, you can choose to satisfy your minimum distribution requirement for each of your IRAs by withdrawing that amount from any of your IRAs. If you inherit more than one IRA or more than one Roth IRA from the same owner, similar rules apply.

### **Required Distributions Upon Your Death for Qualified Annuity Contracts**

Upon your death under an IRA, Roth IRA, 403(b) or other employer sponsored plan, the designated beneficiary may generally elect to continue the contract and receive required minimum distributions under the contract instead of receiving the death benefit in a single payment. The available payment options will depend on whether you die before the date required minimum distributions under the Code were to begin, whether you have named a designated beneficiary and whether that beneficiary is your surviving spouse.

- If you die after a designated beneficiary has been named, the death benefit must be distributed by December 31<sup>st</sup> of the year including the five year anniversary of the date of death, or as periodic payments not extending beyond the life or life expectancy of the designated beneficiary (as long as payments begin by December 31<sup>st</sup> of the year following the year of death). However, if your surviving spouse is the beneficiary, the death benefit can be paid out over the life or life expectancy of your spouse with such payments beginning no later than December 31<sup>st</sup> of the year following the year of death or December 31<sup>st</sup> of the year in which you would have reached age 70½, which ever is later. Additionally, if the contract is payable to (or for the benefit of) your surviving spouse, that portion of the contract may be continued with your spouse as the owner. Note that the Worker, Retiree and Employer Recovery Act of 2008 suspended Required Minimum Distributions for 2009. If your beneficiary elects to receive full distribution by December 31 of the year including the five year anniversary of the date of death, 2009 shall not be included in the five year requirement period. This effectively extends this period to December 31<sup>st</sup> of the six year anniversary of the date of death.
- If you die before a designated beneficiary is named and before the date required minimum distributions must begin under the Code, the death benefit must be paid out by December 31<sup>st</sup> of the year including the five year anniversary of the date of death. For contracts where multiple beneficiaries have been named and at least one of the beneficiaries does not qualify as a designated beneficiary and the account has not been divided into separate accounts by December 31<sup>st</sup> of the year following the year of death, such contract is deemed to have no designated beneficiary. A designated beneficiary may elect to apply the rules for no designated beneficiary if those would provide a smaller payment requirement. For this distribution requirement also, 2009 shall not be included in the five year requirement period.
- If you die before a designated beneficiary is named and after the date required minimum distributions must begin under the Code, the death benefit must be paid out at least as rapidly as under the method then in effect. For contracts where multiple beneficiaries have been named and at least one of the beneficiaries does not qualify as a designated beneficiary and the account has not been divided into separate accounts by December 31<sup>st</sup> of the year following the year of death, such contract is deemed to have no designated beneficiary. A designated beneficiary may elect to apply the rules for no designated beneficiary if those would provide a smaller payment requirement.

A beneficiary has the flexibility to take out more each year than mandated under the required minimum distribution rules.

## **8: WHAT ARE THE TAX CONSIDERATIONS ASSOCIATED WITH THE PRUDENTIAL PREMIER HORIZON ANNUITY CONTRACT? *continued***

Until withdrawn, amounts in a Qualified contract continue to be tax deferred. Amounts withdrawn each year, including amounts that are required to be withdrawn under the required minimum distribution rules, are subject to tax. You may wish to consult a professional tax advisor for tax advice as to your particular situation.

For a Roth IRA, if death occurs before the entire interest is distributed, the death benefit must be distributed under the same rules applied to IRAs where death occurs before the date required minimum distributions must begin under the Code.

### **Tax Penalty for Early Withdrawals from Qualified Contracts**

You may owe a 10% tax penalty on the taxable part of distributions received from an IRA, SEP, Roth IRA, TDA or qualified retirement plan before you attain age 59½. Amounts are not subject to this tax penalty if:

- the amount is paid on or after you reach age 59½ or die;
- the amount received is attributable to your becoming disabled; or
- generally the amount paid or received is in the form of substantially equal payments (as defined in the Code) not less frequently than annually. (Please note that substantially equal payments must continue until the later of reaching age 59½ or 5 years. Modification of payments or additional contributions to the contract during that time period will result in retroactive application of the 10% tax penalty.)

Other exceptions to this tax may apply. You should consult your tax advisor for further details.

### **Withholding**

We will withhold federal income tax at the rate of 20% for any eligible rollover distribution paid by us to or for a plan participant, unless such distribution is “directly” rolled over into another qualified plan, IRA (including the IRA variations described above), SEP, 457 government plan or TDA. An eligible rollover distribution is defined under the tax law as a distribution from an employer plan under 401(a), a TDA or a 457 governmental plan, excluding any distribution that is part of a series of substantially equal payments (at least annually) made over the life expectancy of the employee or the joint life expectancies of the employee and his designated beneficiary, any distribution made for a specified period of 10 years or more, any distribution that is a required minimum distribution and any hardship distribution. Regulations also specify certain other items which are not considered eligible rollover distributions. We will not withhold for payments made from trustee owned contracts or for payments under a 457 plan. For all other distributions, unless you elect otherwise, we will withhold federal income tax from the taxable portion of such distribution at an appropriate percentage. The rate of withholding on annuity payments where no mandatory withholding is required is determined on the basis of the withholding certificate that you file with us. If you do not file a certificate, we will automatically withhold federal taxes on the following basis: For any annuity payments not subject to mandatory withholding, you will have taxes withheld by us as if you are a married individual, with 3 exemptions. If no U.S. taxpayer identification number is provided, we will automatically withhold using single with zero exemptions as the default; and for all other distributions, we will withhold at a 10% rate.

We will provide you with forms and instructions concerning the right to elect that no amount be withheld from payments in the ordinary course. However, you should know that, in any event, you are liable for payment of federal income taxes on the taxable portion of the distributions, and you should consult with your tax advisor to find out more information on your potential liability if you fail to pay such taxes. There may be additional state income tax withholding requirements.

### **ERISA Requirements**

ERISA (the “Employee Retirement Income Security Act of 1974”) and the Code prevent a fiduciary and other “parties in interest” with respect to a plan (and, for these purposes, an IRA would also constitute a “plan”) from receiving any benefit from any party dealing with the plan, as a result of the sale of the contract. Administrative exemptions under ERISA generally permit the sale of insurance/annuity products to plans, provided that certain information is disclosed to the person purchasing the contract. This information has to do primarily with the fees, charges, discounts and other costs related to the contract, as well as any commissions paid to any agent selling the contract. Information about any applicable fees, charges, discounts, penalties or adjustments may be found in the applicable sections of this Prospectus. Information about sales representatives and commissions may be found in the sections of this Prospectus addressing distribution of the contracts.

Other relevant information required by the exemptions is contained in the contract and accompanying documentation.

Please consult with your tax advisor if you have any questions about ERISA and these disclosure requirements.

### **Spousal Consent Rules for Retirement Plans—Qualified Contracts**

If you are married at the time your payments commence, you may be required by federal law to choose an income option that provides survivor annuity income to your spouse, unless your spouse waives that right. Similarly, if you are married at the time of your death, federal law may require all or a portion of the death benefit to be paid to your spouse, even if you designated someone else as your beneficiary. A brief explanation of the applicable rules follows. For more information, consult the terms of your retirement arrangement.

**Defined Benefit Plans and Money Purchase Pension Plans.** If you are married at the time your payments commence, federal law requires that benefits be paid to you in the form of a “qualified joint and survivor annuity” (QJSA), unless you and your spouse waive that right, in writing. Generally, this means that you will receive a reduced payment during your life and, upon your death, your spouse will receive at least one-half of what you were receiving for life. You may elect to receive another income option if your spouse consents to the election and waives his or her right to receive the QJSA. If your spouse consents to the alternative form of payment, your spouse may not receive any benefits from the plan upon your death. Federal law also requires that the plan pay a death benefit to your spouse if you are married and die before you begin receiving your benefit. This benefit must be available in the form of an annuity for your spouse’s lifetime and is called a “qualified pre-retirement survivor annuity” (QPSA). If the plan pays death benefits to other beneficiaries, you may elect to have a beneficiary other than your spouse receive the death benefit, but only if your spouse consents to the election and waives his or her right to receive the QPSA. If your spouse consents to the alternate beneficiary, your spouse will receive no benefits from the plan upon your death. Any QPSA waiver prior to your attaining age 35 will become null and void on the first day of the calendar year in which you attain age 35, if still employed.

**Defined Contribution Plans (including 401(k) Plans and ERISA 403(b) Annuities).** Spousal consent to a distribution is generally not required. Upon your death, your spouse will receive the entire death benefit, even if you designated someone else as your beneficiary, unless your spouse consents in writing to waive this right. Also, if you are married and elect an annuity as a periodic income option, federal law requires that you receive a QJSA (as described above), unless you and your spouse consent to waive this right.

**IRAs, non-ERISA 403(b) Annuities, and 457 Plans.** Spousal consent to a distribution usually is not required. Upon your death, any death benefit will be paid to your designated beneficiary.

### **Gifts and Generation-skipping Transfers**

If you transfer your contract to another person for less than adequate consideration, there may be gift tax consequences in addition to income tax consequences. Also, if you transfer your contract to a person two or more generations younger than you (such as a grandchild or grandniece) or to a person that is more than 37½ years younger than you, there may be generation-skipping transfer tax consequences.

### **Additional Information**

For additional information about federal tax law requirements applicable to IRAs and Roth IRAs, see the IRA Disclosure Statement or Roth IRA Disclosure Statement, as applicable.

## **9: OTHER INFORMATION**

### **PRUCO LIFE INSURANCE COMPANY**

Pruco Life Insurance Company (Pruco Life) is a stock life insurance company, organized on December 23, 1971 under the laws of the State of Arizona. It is licensed to sell life insurance and annuities in the District of Columbia, Guam, and in all states except New York.

Pruco Life is a wholly-owned subsidiary of The Prudential Insurance Company of America (Prudential), a New Jersey stock life insurance company that has been doing business since October 13, 1875. Prudential is an indirect wholly-owned subsidiary of Prudential Financial, Inc. (Prudential Financial), a New Jersey insurance holding company. As Pruco Life’s ultimate parent, Prudential Financial exercises significant influence over the operations and capital structure of Pruco Life and Prudential. However, neither Prudential Financial, Prudential, nor any other related company has any legal responsibility to pay amounts that Pruco Life may owe under the contract.

Pruco Life incorporates by reference into the prospectus its latest annual report on Form 10-K filed pursuant to Section 13(a) or Section 15(d) of the Exchange Act since the end of the fiscal year covered by its latest annual report. In addition, all documents subsequently filed by Pruco Life pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act also are incorporated into the prospectus by reference. Pruco Life will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the information that has been incorporated by reference into the prospectus but not delivered with the prospectus. Such information will be provided upon written or oral request at no cost to the requester by writing to Prudential Annuities Life Assurance Corporation, One Corporate Drive, Shelton, CT 06484 or by calling 800-752-6342. Pruco Life files periodic reports as required under the Securities Exchange Act of 1934. The public may read and copy any materials that

## 9: OTHER INFORMATION *continued*

Pruco Life files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 202-551-8090. The SEC maintains an Internet site that contains reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC (see <http://www.sec.gov>). Our internet address is <http://www.prudentialannuities.com>.

Pruco Life conducts the bulk of its operations through staff employed by it or by affiliated companies within the Prudential Financial family. Certain discrete functions have been delegated to non-affiliates that could be deemed "service providers" under the Investment Company Act of 1940. The entities engaged by Pruco Life may change over time. As of December 31, 2009, non-affiliated entities that could be deemed service providers to Pruco Life and/or an affiliated insurer within the Prudential Annuities business unit consisted of the following: Alliance-One Services Inc. (administration of variable life policies) located at 55 Hartland Street East Hartford CT 06108, Ascensus (qualified plan administrator) located at 200 Dryden Road, Dresher, PA 19025, Blue Frog Solutions, Inc. (order entry systems provider) located at 555 SW 12<sup>th</sup> Ave, Suite 202 Pompano Beach, FL 33069, Broadridge Investor Communication Solutions, Inc. (proxy tabulation services), 51 Mercedes Way, Edgewood, NY 11717, EBIX Inc. (order-entry system) located at 5 Concourse Parkway Suite 3200 Atlanta, GA 30328, ExIService Holdings, Inc., ("EXL"), a Delaware corporation, having its office at 350 Park Avenue, 10<sup>th</sup> Floor, New York, NY 10022, Diversified Information Technologies Inc. (records management) located at 123 Wyoming Avenue Scranton, PA 18503, Fosdick Fulfillment Corp. (fulfillment of prospectuses and marketing materials) located at 26 Barnes Industrial Park Road North Wallingford, CT 06492, Insurance Technologies (annuity illustrations) located at 38120 Amrhein Ave., Livonia, MI 48150, Lason Systems Inc. (contract printing and mailing) located at 1305 Stephenson Highway Troy, MI 48083, Morningstar Associates LLC (asset allocation recommendations) located at 225 West Wacker Drive Chicago, IL 60606, Pershing LLC (order-entry systems provider) located at One Pershing Plaza Jersey City, NJ 07399, Personix (printing and fulfillment of confirmations and client statements) located at 13100 North Promenade Boulevard Stafford, TX 77477, RR Donnelley Receivables Inc. (printing annual reports and prospectuses) located at 111 South Wacker Drive Chicago, IL 60606-4301, Stanton Group (qualified plan administrator) located at Two Pine Tree Drive Suite 400 Arden Hills, MN 55112 Attention: Alerus Retirement Solutions, State Street (accumulation unit value calculations) located at State Street Financial Center One Lincoln Street Boston, Massachusetts 02111, The Harty Press, Inc. (printing and fulfillment of marketing materials) located at 25 James Street New Haven, CT 06513, VG Reed & Sons Inc. (printing and fulfillment of annual reports) located at 1002 South 12<sup>th</sup> Street Louisville, KY 40210, William B. Meyer (printing and fulfillment of prospectuses and marketing materials) located at 255 Long Beach Boulevard Stratford, CT 06615.

### **SALE AND DISTRIBUTION OF THE CONTRACT**

Prudential Annuities Distributors, Inc. (PAD), a wholly-owned subsidiary of Prudential Annuities, Inc., is the distributor and principal underwriter of the contracts offered through this prospectus. PAD acts as the distributor of a number of annuity and life insurance products. PAD's principal business address is One Corporate Drive, Shelton, Connecticut 06484. PAD is registered as a broker-dealer under the Securities Exchange Act of 1934 (Exchange Act), and is a member of the Financial Industry Regulatory Authority (FINRA).

The contract is offered on a continuous basis. PAD enters into distribution agreements with broker-dealers who are registered under the Exchange Act and with entities that may offer the contracts but are exempt from registration ("firms"). Applications for the contract are solicited by registered representatives of those firms. Such representatives will also be our appointed insurance agents under state insurance law. In addition, PAD may offer the contracts directly to potential purchasers.

Under the distribution agreement, commissions are paid to firms on sales of the contract according to one or more schedules. The individual representative will receive a portion of the compensation, depending on the practice of his or her firm. Commissions are generally based on a percentage of purchase payments made, up to a maximum of 5.0%. Alternative compensation schedules are available that generally provide a lower initial commission plus ongoing quarterly compensation based on all or a portion of contract value. We may also provide compensation to the distributing firm for providing ongoing service to you in relation to the contract. Commissions and other compensation paid in relation to the contract do not result in any additional charge to you.

In addition, in an effort to promote the sale of our products (which may include the placement of Pruco Life and/or the contract on a preferred or recommended company or product list and/or access to the firm's registered representatives), we or PAD may enter into compensation arrangements with certain broker-dealer firms with respect to certain or all registered representatives of such firms under which such firms may receive separate compensation or reimbursement for, among other things, training of sales personnel and/or marketing and/or administrative services and/or other services they provide. These services may include, but are not limited to: educating customers of the firm on the contract's features; conducting due diligence and analysis, providing office access, operations and systems support; holding seminars intended to educate the firm's registered representatives and make them more knowledgeable about the contract; providing a dedicated marketing coordinator; providing priority sales desk support; and providing expedited marketing compliance approval. To the extent permitted by FINRA rules and other applicable laws and regulations, PAD may pay or allow other promotional incentives or payments in the form of cash or non-cash compensation. These arrangements may not be offered to all firms and the terms of such arrangements may differ between firms. A list of the firms to

whom Pruco Life pays an amount under these arrangements is provided below. You should note that firms and individual registered representatives and branch managers within some firms participating in one of these compensation arrangements might receive greater compensation for selling the contract than for selling a different annuity that is not eligible for these compensation arrangements. While compensation is generally taken into account as an expense in considering the charges applicable to an annuity product, any such compensation will be paid by us or PAD and will not result in any additional charge to you. Overall compensation paid to the distributing firm does not exceed, based on actuarial assumptions, 8.5% of the total purchase payments made. Your registered representative can provide you with more information about the compensation arrangements that apply upon the sale of the contract.

We or PAD also may compensate third-party vendors, for services that such vendors render to broker-dealer firms. To the extent permitted by the FINRA rules and other applicable laws and regulations, PAD may pay or allow other promotional incentives or payments in the forms of cash or non-cash compensation. These arrangements may not be offered to all firms and the terms of such arrangements may differ between firms.

The list below identifies three general types of payments that PAD pays which are broadly defined as follows:

- Percentage Payments based upon “Assets under Management” or “AUM”: This type of payment is a percentage payment that is based upon the total amount held in all Pruco Life products that were sold through the firm (or its affiliated broker-dealers).
- Percentage Payments based upon sales: This type of payment is a percentage payment that is based upon the total amount of money received as purchase payments under Pruco Life annuity products sold through the firm (or its affiliated broker-dealers).
- Fixed Payments: These types of payments are made directly to or in sponsorship of the firm (or its affiliated broker-dealers). Examples of arrangements under which such payments may be made currently include, but are not limited to: sponsorships, conferences (national, regional and top producer), speaker fees, promotional items and reimbursements to firms for marketing activities or services paid by the firms and/or their individual representatives. The amount of these payments varies widely because some payments may encompass only a single event, such as a conference, and others have a much broader scope. In addition, we may make payments upon the initiation of a relationship for systems, operational and other support.

The list below includes the names of the firms (or their affiliated broker/dealers) that we are aware (as of December 31, 2009) received payment with respect to annuity business during 2009 (or as to which a payment amount was accrued during 2009). The firms listed below include payments in connection with products issued by Pruco Life Insurance Company and Pruco Life Insurance Company of New Jersey. Your registered representative can provide you with more information about the compensation arrangements that apply upon the sale of the contract. During 2009, the least amount paid, and greatest amount paid, were \$55 and \$2,282,252, respectively (where the selling firm received variable payments and where any fixed payment was deemed attributable solely to Pruco Life).

**Name of Firm:**

1 <sup>st</sup> Global Capital Corp. Agency Allegheny Investments Ltd. Allen & Company of Florida, Inc. Allstate Financial Services, LLC American Financial Associates American Independent Securities Group, LLC American Portfolios Financial Services Ameriprise Financial Services Inc Ameritas Investment Corp. Aon Benfield Securities, Inc. Associated Securities Corp. AXA Advisors, LLC Banc of America Invest.Svs(SO) BancorpSouth Investment Services, Inc. BB&T Investment Services, Inc. BBVA Compass Investment Solutions, Inc. BCG Securities, Inc. Beneficial Investment Services Inc Berthel Fisher & Company Broker Dealer Financial Services Brookstone Securities, Inc.	Brookstreet Securities Corp. Cadaret, Grant & Co., Inc. Calton & Associates, Inc. Cambridge Investment Research Cambridge Legacy Securities, LLC Cantella & Co., Inc. Capital Advisory Corp. Capital Analysts Capital Financial Services, Inc. Capital Growth Resources Capital Investment Group, Inc. Capital One Investments, LLC Carillon Investments, Inc. Centaurus Financial, Inc. CFD Investments, Inc. Citigroup Global Markets, Inc. Coastal Equities Inc Cohen Financial Equities LLC Commonwealth Financial Network Community Investment Services, Inc. Comprehensive Asset Management Cornerstone Financial Services Credit Suisse Asset Management Securities, Inc. Crown Capital Securities, LP	Cumberland Brokerage Corp. CUNA Brokerage Services, Inc. CUSO Financial Services, LP CW Securities, LLC David A. Noyes & Company Deutsche Bank Securities, Inc. EDI Financial Equity Services, Inc. Essex Financial Services, Inc Essex Securities, LLC FELTL & Company Fifth Third Securities, Inc. Financial Network Investment Corp. Financial Planning Consultants Financial West Group Fintegra, LLC First Allied Securities, Inc. First Citizens Investor Services Inc First Heartland Capital, Inc. First Tennessee Brokerage, Inc. First Western Advisors Foothill Securities, Inc. Foresters Equity Services Inc Fortune Financial Services, Inc. Founders Financial Securities LLC
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## 9: OTHER INFORMATION *continued*

<p>Franklin Templeton Financial Services Corp.  FSC Securities Corp.  FSIC  G.A. Repple &amp; Company  Garden State Securities, Inc.  Gary Goldberg &amp; Co., Inc.  Geneos Wealth Management, Inc.  Genworth Financial Securities Corp.  Girard Securities, Inc.  Great American Advisors, Inc.  GunnAllen Financial, Inc.  GWN Securities, Inc.  H. Beck, Inc.  Hantz Financial Services, Inc.  Harbour Investments, Inc.  Hazard &amp; Siegel, Inc.  HBW Securities LLC  Heritage Financial System, Inc.  Horizon Financial Investment Corporation  Honor, Townsend &amp; Kent, Inc.  IMS Securities  Independent Financial Grp, LLC  Infinex Investments, Inc.  ING Financial Partners, Inc.  Institutional Securities Corp.  Interwest International Equities Corp.  Invest Financial Corporation  Investacorp  Investment Centers of America  Investment Professionals  Investors Capital Corporation  Investors Security Co., Inc.  ISG Equity Sales Corporation  J.J.B. Hilliard Lyons, Inc.  J.P. Turner &amp; Company, LLC  Janney Montgomery Scott, LLC.  JMS Securities L.P.  Key Investment Services LLC  KMS Financial Services, Inc.  Kovack Securities, Inc.  LaSalle St. Securities, LLC  Legend Equities Corporation  Legg Mason Wood Walker, Inc.  LifeMark Securities Corp.  Lincoln Financial Advisors  Lincoln Financial Securities Corporation  Lincoln Investment Planning  Lombard Securities, Inc.  LPL Financial Corporation  Principal Financial Securities, Inc.  M Holdings Securities, Inc  Main Street Securities, LLC  McClurg Capital Corporation  Medallion Investment Services  Merrill Lynch</p>	<p>MetLife Securities, Inc.  Michigan Securities, Inc.  MidAmerica Financial Services, Inc.  MML Investors Services, Inc.  Money Concepts Capital Corp.  Moors &amp; Cabot, Inc.  Morgan Keegan &amp; Company  Morgan Stanley Smith Barney, LLC .  Multi-Financial Securities Corp.  Mutual Service Corporation  National Planning Corporation  National Securities Corp.  Nationwide Planning Associates, Inc  Nationwide Securities, LLC  New England Securities Corp.  Next Financial Group, Inc.  NFP Securities, Inc.  Normandy Securities, Inc.  North Ridge Securities Corp.  Northstar Financial Partners, Inc.  NRP Financial, Inc.  NYLIFE Securities LLC  Ohio National Equities, Inc.  OneAmerica Securities, Inc.  Oppenheimer &amp; Co., Inc. (Fahnestock)  Pacific Advisory Group Of America, LLC  Pacific Financial Associates, Inc.  Pacific West Securities, Inc.  Packerland Brokerage Services, Inc.  Park Avenue Securities, LLC  Paulson Investment Co., Inc.  PlanMember Securities Corp.  PNC Investments, LLC  Presidential Brokerage, Inc.  Prime Capital Services, Inc.  PrimeVest Financial Services, Inc.  Princor Financial Services Corp.  ProEquities, Inc.  Professional Asset Management  Prospera Financial Services, Inc.  QA3 Financial Corp.  Quest Securities, Inc.  Questar Capital Corporation  Rampart Financial Services Inc  Raymond James &amp; Associates, Inc.  Raymond James Financial Services  RBC Capital Markets Corporation  RBS Securities Inc.  Regal Securities Inc  Regency Securities, Inc.  Reliant Trading  Resource Horizons Group  RNR Securities, LLC  Robert W. Baird &amp; Co., Inc.  Royal Alliance Associates, Inc.  Sage Rutty &amp; Co., Inc.  Sagepoint Financial, Inc.</p>	<p>Sammons Securities Co., LLC  Sauders Retirement Advisors, Inc.  Saunders Discount Brokerage, Inc.  Scott &amp; Stringfellow, Inc.  Securian Financial Services, Inc.  Securities America, Inc.  Securities Service Network, Inc.  Sigma Financial Corporation  Signator Investors, Inc.  SII Investments, Inc.  Sterne, Agee &amp; Leach, Inc.  Stifel Nicolaus &amp; Co., Inc.  Summit Brokerage Services, Inc.  Summit Equities, Inc.  SunAmerica Securities, Inc.  Sunset Financial Services, Inc.  SunTrust Investment Services, Inc.  SWS Financial Services, Inc.  Synergy Investment Group, LLC  T.S. Phillips Investments, Inc.  TD Waterhouse Investor Services, Inc.  TFS Securities, Inc.  The Investment Center, Inc.  The O.N. Equity Sales Co.  The Strategic Financial Alliance, Inc.  TimeCapital Securities Corp.  Tower Square Securities, Inc.  TransAmerica Financial Advisors, Inc.  Triad Advisors, Inc.  Trustmont Financial Group, Inc.  UBS Financial Services, Inc.  United Planners Financial Services of America  USA Financial Securities Corp.  UVEST Financial Services Group, Inc.  VALIC Financial Advisors, Inc  Valmark Securities, Inc.  Veritrust Financial, LLC  VSR Financial Services, Inc.  Wall Street Financial Group  Walnut Street Securities, Inc.  Waterford Investor Services, Inc.  Waterstone Financial Group, Inc.  Wells Fargo Advisors Financial Network LLC  Wells Fargo Advisors LLC  Wells Fargo Advisors LLC – Wealth  Wells Fargo Investments, LLC  Westminster Financial Securities, Inc.  Weston Securities Corp.  WFG Investments, Inc.  Woodbury Financial Services, Inc.  World Choice Securities, Inc.  World Equity Group, Inc.  World Group Securities, Inc.  Worth Financial Group, Inc  WRP Investments, Inc.</p>
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You should note that firms and individual registered representatives and branch managers with some firms participating in one of these compensation arrangements might receive greater compensation for selling the contracts than for selling a different annuity that is not eligible for these compensation arrangements. While compensation is generally taken into account as an expense in considering the charges applicable to a contract product, any such compensation will be paid by us or PAD and will not result in any additional charge to you. Your registered representative can provide you with more information about the compensation arrangements that apply upon the sale of the contract.

This contract is sold through firms that are unaffiliated with us, and also is sold through an affiliated firm called Pruco Securities LLC. Pruco Securities, LLC is an indirect wholly-owned subsidiary of Prudential Financial that sells variable annuities and variable life insurance (among other products) through its registered representatives. Pruco Securities LLC also serves as principal underwriter of certain variable life insurance contracts issued by subsidiary insurers of Prudential Financial.

## **LITIGATION**

Pruco Life may be subject to legal and regulatory actions in the ordinary course of its businesses, including class action lawsuits. Legal and regulatory actions may include proceedings relating to aspects of the businesses and operations that are specific to Pruco Life and that are typical of the businesses in which Pruco Life operates. Class action and individual lawsuits may involve a variety of issues and/or allegations, which include sales practices, underwriting practices, claims payment and procedures, premium charges, policy servicing and breach of fiduciary duties to customers. Pruco Life may also be subject to litigation arising out of its general business activities, such as investments and third party contracts. In certain of these matters, plaintiffs may seek large and/or indeterminate amounts, including punitive or exemplary damages.

Pruco Life's litigation and regulatory matters are subject to many uncertainties, and given their complexity and scope, their outcomes cannot be predicted. It is possible that results of operations or cash flow of Pruco Life in a particular quarterly or annual period could be materially affected by an ultimate unfavorable resolution of pending litigation and regulatory matters depending, in part, upon the results of operations or cash flow for such period. In light of the unpredictability of Pruco Life's litigation and regulatory matters, it is also possible that in certain cases an ultimate unfavorable resolution of one or more pending litigation or regulatory matters could have a material adverse effect on Pruco Life's financial position. Management believes, however, that, based on information currently known to it, the ultimate outcome of all pending litigation and regulatory matters, after consideration of applicable reserves and rights to indemnification, is not likely to have a material adverse effect on Pruco Life's financial position.

Commencing in 2003, Prudential Annuities Life Assurance Corporation, an affiliate of Pruco Life, received formal requests for information from the SEC and the New York Attorney General's Office ("NYAG") relating to market timing in variable annuities by certain American Skandia entities. In connection with these investigations, with the approval of Skandia, an offer was made by American Skandia to the SEC and NYAG, to settle these matters by paying restitution and a civil penalty. In April 2009, AST Investment Services, Inc., formerly named American Skandia Investment Services, Inc. ("ASISI"), reached a resolution of these previously disclosed investigations by the SEC and the NYAG into market timing related misconduct involving certain variable annuities. The settlements relate to conduct that generally occurred between January 1998 and September 2003. Prudential Financial, Inc. acquired ASISI from Skandia Insurance Company Ltd (publ) ("Skandia") in May 2003. Subsequent to the acquisition, we implemented controls, procedures and measures designed to protect customers from the types of activities involved in these investigations. These settlements resolve the investigations by the above named authorities into these matters, subject to the settlement terms. Under the terms of the settlements, ASISI has paid a total of \$34 million in disgorgement and an additional \$34 million as a civil money penalty into a Fair Fund administered by the SEC to compensate those harmed by the market timing related activities. Pursuant to the settlements, ASISI has retained, at its ongoing cost and expense, the services of an Independent Distribution consultant acceptable to the Staff of the SEC to develop a proposed plan for the distribution of Fair Fund amounts according to a methodology developed in consultation with and acceptable to the Staff. As part of these settlements, ASISI hired an independent third party which conducted a compliance review and issued a report of its findings and recommendations to ASISI's Board of Directors, the Audit Committee of the Advanced Series Trust Board of Trustees and the Staff of the SEC. In addition, ASISI has agreed, among other things, to continue to cooperate with the SEC and NYAG in any litigation, ongoing investigations or other proceedings relating to or arising from their investigations into these matters. Under the terms of the Acquisition Agreement pursuant to which Prudential Financial, Inc. acquired ASISI from Skandia, Prudential Financial, Inc. was indemnified for the settlements.

## **ASSIGNMENT**

In general, you can assign the contract during your lifetime. For contracts sold on or after May 1, 2009, we may, if allowed by applicable state law, require advance notice of an assignment, and may reserve the right to reject an assignment. We will not be bound by the assignment until we receive written notice. We will not be liable for any payment or other action we take in accordance with the contract if that action occurs before we receive notice of the assignment. An assignment, like any other change in ownership, may trigger a taxable event. If you assign the contract, that assignment will result in the termination of any automated withdrawal program that had been in effect. If the new owner wants to re-institute an automated withdrawal program, then he/she needs to submit the forms that we require, in good order.

## **9: OTHER INFORMATION** *continued*

If the contract is issued under a qualified plan, there may be limitations on your ability to assign the contract. For further information please speak to your registered representative.

### **HOUSEHOLDING**

To reduce costs, we now send only a single copy of prospectuses to each consenting household, in lieu of sending a copy to each contract owner that resides in the household. If you are a member of such a household, you should be aware that you can revoke your consent to householding at any time, and begin to receive your own copy of prospectuses and shareholder reports, by calling (877) 778-5008.

### **INDEMNIFICATION**

Pruco Life, in conjunction with certain affiliates, maintains insurance on behalf of any person who is or was a trustee, director, officer, employee, or agent of Pruco Life, or who is or was serving at the request of Pruco Life as a trustee, director, officer, employee or agent of such other affiliated trust or corporation, against any liability asserted against and incurred by him or her arising out of his or her position with such trust or corporation.

Arizona, being the state of organization of Pruco Life, permits entities organized under its jurisdiction to indemnify directors and officers with certain limitations. The relevant provisions of Arizona law permitting indemnification can be found in Section 10-850 et. seq. of the Arizona Statutes Annotated. The text of Pruco Life's By-law, Article VIII, which relates to indemnification of officers and directors, is incorporated by reference to Exhibit 3(ii) to its form 10-Q filed August 15, 1997.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of Pruco Life pursuant to the foregoing provisions or otherwise, Pruco Life has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Pruco Life of expenses incurred or paid by a director, officer or controlling person of Pruco Life in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, Pruco Life will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

### **HOW TO CONTACT US**

You can contact us by:

- calling our Customer Service Team at 1-888-PRU-2888 during our normal business hours, 8:00 a.m. EST to 7:00 p.m. EST Monday through Thursday and 8:00 a.m. EST to 6:00 p.m. EST on Friday,
- writing to us via regular mail at Prudential Annuity Service Center, P.O. Box 7960, Philadelphia, PA 19176. NOTE: Failure to send mail to the proper address may result in a delay in our receiving and processing your request.
- accessing information about your contract through our Internet Website at [www.prudentialannuities.com](http://www.prudentialannuities.com).

You can obtain account information by calling our automated response system and at [www.prudentialannuities.com](http://www.prudentialannuities.com), our Internet Website. Our customer service representatives are also available during business hours to provide you with information about your account. You can request certain transactions through our telephone voice response system, our Internet Website or through a customer service representative. You can provide authorization for a third party, including your attorney-in-fact acting pursuant to a power of attorney, to access your account information and perform certain transactions on your account. You will need to complete a form provided by us which identifies those transactions that you wish to authorize via telephonic and electronic means and whether you wish to authorize a third party to perform any such transactions. Please note that unless you tell us otherwise, we deem that all transactions that are directed by your registered representative with respect to your contract have been authorized by you. We require that you or your registered representative provide proper identification before performing transactions over the telephone or through our Internet Website. This may include a Personal Identification Number (PIN) that will be provided to you upon issue of your contract or you may establish or change your PIN by calling our automated response system and at [www.prudentialannuities.com](http://www.prudentialannuities.com), our Internet Website. Any third party that you authorize to perform financial transactions on your account will be assigned a PIN for your account.

Transactions requested via telephone are recorded. To the extent permitted by law, we will not be responsible for any claims, loss, liability or expense in connection with a transaction requested by telephone or other electronic means if we acted on such transaction instructions after following reasonable procedures to identify those persons authorized to perform transactions on your contract using verification methods which may include a request for your Social Security number, PIN or other form of electronic identification. We may be liable for losses due to unauthorized or fraudulent instructions if we did not follow such procedures.

Pruco Life does not guarantee access to telephonic, facsimile, Internet or any other electronic information or that we will be able to accept transaction instructions via such means at all times. Regular and/or express mail may be the only means by which we will accept transaction instructions when telephonic, facsimile, Internet or any other electronic means are unavailable or delayed. Pruco Life reserves the right to limit, restrict or terminate telephonic, facsimile, Internet or any other electronic transaction privileges at any time. There may be circumstances where the NYSE is open, however, due to inclement weather, natural disaster or other circumstances beyond our control, our offices may be closed or our business processing capabilities may be restricted. Under those circumstances, you may not be able to transfer contract value, or make a purchase or redemption request.

#### MARKET-VALUE ADJUSTMENT FORMULA

*With respect to residents of states, other than Indiana and Pennsylvania, in which Prudential Premier Horizon Annuity is being offered.*

The formula under which Pruco Life calculates the market value adjustment applicable to a full or partial surrender, annuitization, or settlement under Prudential Premier Horizon Annuity is set forth below. The market value adjustment is expressed as a multiplier factor. That is, the Contract Value after the market value adjustment (“MVA”), but before any surrender charge, is as follows: Contract Value (after MVA) = Contract Value (before MVA) X (1 + MVA). The MVA itself is calculated as follows:

$$MVA = \left[ \left( \frac{1 + I}{1 + J + .0025} \right)^{N/12} \right] - 1$$

- where: **I** = the guaranteed credited interest rate (annual effective) for the given contract at the time of withdrawal or annuitization or settlement.
- J** = the current credited interest rate offered on new money at the time of withdrawal or annuitization or settlement for a guarantee period of equal length to the number of whole years remaining in the Contract’s current guarantee period plus one year.
- N** = equals the remaining number of months in the contract’s current guarantee period (rounded up) at the time of withdrawal or annuitization or settlement.

For contracts issued in Indiana, we use the same formula as is set forth above, except that the .0025 component of the formula is eliminated. We use the same MVA formula with respect to contracts issued in Pennsylvania, except that “J” in the formula above uses an interpolated rate as the current credited interest rate. Specifically, “J” is the interpolated current credited interest rate offered on new money at the time of withdrawal, annuitization, or settlement. The interpolated value is calculated using the following formula:

$$m/365 \times (n + 1) \text{ year rate} + (365 - m)/365 \times n \text{ year rate},$$

where “n” equals the number of whole years remaining in the Contract's current guarantee period, and “m” equals the number of additional days remaining in the current guarantee period.

#### Market Value Adjustment Example

(ALL STATES EXCEPT INDIANA AND PENNSYLVANIA)

The following will illustrate the application of the Market-Value Adjustment. For simplicity, surrender charges are ignored in these hypothetical examples.

##### Positive market value adjustment

- Suppose a contract owner made an invested purchase payment of \$10,000 on July 1, 2005 and received a guaranteed interest rate of 6% for 5 years. A request to surrender the contract is made on May 1, 2007. At the time, the Contract Value has accumulated to \$11,127.11. The number of whole years remaining in the guarantee period is 3.
- On May 1, 2007 the interest rate declared by Pruco Life for a guarantee period of 4 years (the number of whole years remaining plus 1) is 5%.

The following computations would be made:

- 1) Calculate the Charge Free Amount. The Charge Free Amount is the interest credited in the contract in the previous contract year. This amount is \$600.00. It is not subject to a Market Value Adjustment.
- 2) Subtract the Charge Free Amount from the Contract Value. The result is the amount subject to a Market Value Adjustment (MVA). \$11,127.11 – \$600.00 = \$10,527.11

## 9: OTHER INFORMATION *continued*

3) Determine the Market Value Adjustment factor.

$$\begin{array}{rcl} N & = & 38 \\ I & = & 6\%(0.06) \\ J & = & 5\%(0.05) \end{array}$$

The MVA factor calculation would be:  $[(1.06) / (1.05 + .0025)]^{38/12} - 1 = 0.02274$

4) Multiply the amount subject to a Market Value Adjustment by the factor calculated in Step 3.

$$\$10,527.11 \times 0.02274 = \$239.39$$

5) Add together the Market Value Adjustment and the amount subject to the MVA.

$$\$10,527.11 + \$239.39 = \$10,766.50$$

6) Add back the Charge Free Amount to get the total Contract Surrender Value.

$$\$10,766.50 + \$600.00 = \$11,366.50$$

The MVA may not always be positive. Here is an example where it is negative.

- Suppose a contract owner made an invested purchase payment of \$10,000 on July 1, 2005 and received a guaranteed interest rate of 6% for 5 years. A request to surrender the contract is made on May 1, 2007. At the time, the Contract Value has accumulated to \$11,127.11. The number of whole years remaining in the guarantee period is 3.
- On May 1, 2007 the interest rate declared by Pruco Life for a guarantee period of 4 years (the number of whole years remaining plus 1) is 7%.

The following computations would be made:

1) Calculate the Charge Free Amount. The Charge Free Amount is the interest credited in the contract in the previous contract year. This amount is \$600.00. It is not subject to a Market Value Adjustment.

2) Subtract the Charge Free Amount from the Contract Value. The result is the amount subject to a Market Value Adjustment (MVA).  $\$11,127.11 - \$600.00 = \$10,527.11$

3) Determine the Market Value Adjustment factor.

$$\begin{array}{rcl} N & = & 38 \\ I & = & 6\%(0.06) \\ J & = & 7\%(0.07) \end{array}$$

The MVA factor calculation would be:  $[(1.06)/(1.07+.0025)]^{38/12} - 1 = -0.03644$

4) Multiply the amount subject to a Market Value Adjustment by the factor calculated in Step 3.

$$\$10,527.11 \times -0.03644 = -\$383.61$$

5) Add together the Market Value Adjustment and the amount subject to the MVA.

$$\$10,527.11 - \$383.61 = \$10,143.50$$

6) Add back the Charge Free Amount to get the total Contract Surrender Value.

$$\$10,143.50 + \$600.00 = \$10,743.50$$

## Market Value Adjustment Example (INDIANA)

The following will illustrate the application of the Market-Value Adjustment. For simplicity, surrender charges are ignored in this example.

### Positive market value adjustment

- Suppose a contract owner made an invested purchase payment of \$10,000 on July 1, 2005 and received a guaranteed interest rate of 6% for 5 years. A request to surrender the contract is made on May 1, 2007. At the time, the Contract Value will have accumulated to \$11,127.11. The number of whole years remaining in the guarantee period is 3.
- On May 1, 2007 the interest rate declared by Pruco Life for a guarantee period of 4 years (the number of whole years remaining plus 1) is 5%.

The following computations would be made:

- 1) Calculate the Charge Free Amount. The Charge Free Amount is the interest credited in the contract in the previous contract year. This amount is \$600.00. It is not subject to a Market Value Adjustment.
- 2) Subtract the Charge Free Amount from the Contract Value. The result is the amount subject to a Market Value Adjustment (MVA).  $\$11,127.11 - \$600.00 = \$10,527.11$
- 3) Determine the Market Value Adjustment factor.

$$\begin{array}{rcl} N & = & 38 \\ I & = & 6\%(0.06) \\ J & = & 5\%(0.05) \end{array}$$

The MVA factor calculation would be:  $[(1.06)/(1.05)]^{38/12} - 1 = 0.03047$

- 4) Multiply the amount subject to a Market Value Adjustment by the factor calculated in Step 3.

$$\$10,527.11 \times 0.03047 = \$320.76$$

- 5) Add together the Market Value Adjustment and the amount subject to the MVA.

$$\$10,527.11 + \$320.76 = \$10,847.87$$

- 6) Add back the Charge Free Amount to get the total Contract Surrender Value.

$$\$10,847.87 + \$600.00 = \$11,447.87$$

The MVA may not always be positive. Here is an example where it is negative.

- Suppose a contract owner made an invested purchase payment of \$10,000 on July 1, 2005 and received a guaranteed interest rate of 6% for 5 years. A request to surrender the contract is made on May 1, 2007. At the time, the Contract Value will have accumulated to \$11,127.11. The number of whole years remaining in the guarantee period is 3.
- On May 1, 2007 the interest rate declared by Pruco Life for a guarantee period of 4 years (the number of whole years remaining plus 1) is 7%.

The following computations would be made:

- 1) Calculate the Charge Free Amount. The Charge Free Amount is the interest credited in the contract in the previous contract year. This amount is \$600.00. It is not subject to a Market Value Adjustment (MVA).
- 2) Subtract the Charge Free Amount from the Contract Value. The result is the amount subject to a Market Value Adjustment.  $\$11,127.11 - \$600.00 = \$10,527.11$

## 9: OTHER INFORMATION *continued*

3) Determine the Market Value Adjustment factor.

$$\begin{array}{rcl} N & = & 38 \\ I & = & 6\%(0.06) \\ J & = & 7\%(0.07) \end{array}$$

The MVA factor calculation would be:

$$[(1.06)/(1.07)]^{38/12} - 1 = -0.02930$$

4) Multiply the amount subject to a Market Value Adjustment by the factor calculated in Step 3.

$$\$10,527.11 \times -0.02930 = -\$308.44$$

5) Add together the Market Value Adjustment and the amount subject to the MVA.

$$\$10,527.11 - \$308.44 = \$10,218.67$$

6) Add back the Charge Free Amount to get the total Contract Surrender Value.

$$\$10,218.67 + \$600.00 = \$10,818.67$$

(Pennsylvania)

The following will illustrate the application of the Market-Value Adjustment. For simplicity, surrender charges are ignored in these hypothetical examples.

Positive market value adjustment

- Suppose a contract owner made an invested purchase payment of \$10,000 on July 1, 2005 and received a guaranteed interest rate of 6% for 5 years. A request to surrender the contract is made on May 1, 2007. At the time, the Contract Value has accumulated to \$11,127.11. The number of whole years remaining in the guarantee period is 3.
- On May 1, 2007 the interest rate declared by Pruco Life for a guarantee period of 3 years (the number of whole years remaining) is 4%, and for a guarantee period of 4 years (the number of whole years remaining plus 1) is 5%.

The following computations would be made:

- 1) Calculate the Charge Free Amount. The Charge Free Amount is the interest credited in the contract in the previous contract year. This amount is \$600.00. It is not subject to a Market Value Adjustment.
- 2) Subtract the Charge Free Amount from the Contract Value. The result is the amount subject to a Market Value Adjustment (MVA).

$$\$11,127.11 - \$600.00 = \$10,527.11$$

3) Determine the Market Value Adjustment factor.

$$\begin{array}{rcl} N & = & 38 \\ I & = & 6\% (0.06) \\ J & = & [(61/365) \times 0.05] + [(365 - 61)/365] \times 0.04 = 0.0417 \end{array}$$

The MVA factor calculation would be:

$$[(1.06)/(1.0417 + .0025)]^{38/12} - 1 = .04871$$

4) Multiply the amount subject to a Market Value Adjustment by the factor calculated in Step 3.

$$\$10,527.11 \times 0.04871 = \$512.78$$

- 5) Add together the Market Value Adjustment and the amount subject to the MVA.

$$\$10,527.11 + \$512.78 = \$11,039.89$$

- 6) Add back the Charge Free Amount to get the total Contract Surrender Value.

$$\$11,039.89 + \$600.00 = \$11,639.89$$

The MVA may not always be positive. Here is an example where it is negative.

- Suppose a contract owner made an invested purchase payment of \$10,000 on July 1, 2005 and received a guaranteed interest rate of 6% for 5 years. A request to surrender the contract is made on May 1, 2007. At the time, the Contract Value has accumulated to \$11,127.11. The number of whole years remaining in the guarantee period is 3.
- On May 1, 2007 the interest rate declared by Pruco Life for a guarantee period of 3 years (the number of whole years remaining) is 7%, and for a guarantee period of 4 years (the number of whole years remaining plus 1) is 8%.

The following computations would be made:

- 1) Calculate the Charge Free Amount. The Charge Free Amount is the interest credited in the contract in the previous contract year. This amount is \$600.00. It is not subject to a Market Value Adjustment.

- 2) Subtract the Charge Free Amount from the Contract Value. The result is the amount subject to a Market Value Adjustment (MVA).

$$\$11,127.11 - \$600.00 = \$10,527.11$$

- 3) Determine the Market Value Adjustment Factor.

$$\begin{aligned} N &= 38 \\ I &= 6\% (0.06) \\ J &= [(61/365) \times 0.08] + [(365-61)/365] \times 0.07 = 0.0717 \end{aligned}$$

The MVA Factor calculation would be:

$$[(1.06)/(1.0717 + .0025)]^{38/12} - 1 = -0.04126$$

- 4) Multiply the amount subject to a Market Value Adjustment by the factor calculated in Step 3.

$$\$10,527.11 \times -0.04126 = -\$434.35$$

- 5) Add together the Market Value Adjustment and the amount subject to the MVA.

$$\$10,527.11 - \$434.35 = \$10,092.76$$

- 6) Add back the Charge Free Amount to get the total Contract Surrender Value.

$$\$10,092.76 + \$600.00 = \$10,692.76$$

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# **PRUCO LIFE INSURANCE COMPANY (PRUCO) INDIVIDUAL RETIREMENT ANNUITY (IRA) DISCLOSURE STATEMENT**

This Disclosure Statement, the accompanying Financial Disclosure, and your IRA Endorsement contain important information about your IRA. Please read these documents carefully. For additional information please consult Internal Revenue Service Publication 590, your Annuity, Prospectus, or any district office of the Internal Revenue Service.

Except where otherwise indicated or required by law, references to “you” or “your” in this Disclosure Statement shall be understood to mean the IRA owner or a surviving Spouse that elects to treat the Annuity as his or her own IRA.

## **Revocation**

You (the IRA owner or a Designated Beneficiary under an inherited IRA that has transferred the IRA from another annuity provider or employer plan) may revoke your Pruco IRA for a refund within seven (7) days after you receive it by mailing or delivering a written notice of cancellation to:

Pruco Life Insurance Company  
Annuity Service Center  
P.O. Box 7960  
Philadelphia, PA 19125

## **For Overnight delivery:**

Pruco Life Insurance Company  
2101 Welsh Road  
Dresher, PA 19025

The notice of cancellation shall be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the mail in the United States in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed.

The amount of the refund will equal the greater of (1) a full refund of the Purchase Payment (without regard to sales commissions (if any), administrative expenses or fluctuations in market value) and (2) the current Account Value of the Annuity as of the Valuation Day the refund request is received at our Office (without regard to sales commissions (if any) or administrative expenses).

After seven (7) days, the terms of your right to cancel will revert back to the terms of the Right to Cancel provision of your Annuity. Please refer to the Right to Cancel provision of your Annuity for additional information.

## **IRA Requirements**

An IRA is a personal savings plan that lets you save for retirement on a tax-advantaged basis. All IRAs must meet certain requirements as set forth in the Internal Revenue Code (the “Code”). This IRA is an Individual Retirement Annuity established pursuant to Code section 408(b). An individual retirement annuity must be issued in your name as the owner, and either you or your beneficiaries who survive you are the only ones who can receive the benefits or payments. An IRA must meet all of the following requirements:

1. Your interest in the contract, and that of any Beneficiary following your death, must be nonforfeitable.
2. The contract must provide that you cannot transfer any portion of it to any person other than the issuer.
3. There must be flexible premiums so that if your compensation changes, your payment can also change.
4. The contract must provide that annual contributions cannot exceed the maximum provided by law.
5. Distributions must begin by April 1 of the year following the year in which you reach age 70½.

## **Eligibility**

You are eligible to establish and contribute to a traditional IRA if:

1. You (or, if you file a joint return, your spouse) received taxable compensation during the year, and
2. You were not age 70½ by the end of the year.

This disclosure is not part of the Prospectus.

You can have a traditional IRA whether or not you are covered by any other retirement plan. However, you may not be able to deduct all of your contributions if you or your spouse is covered by an employer retirement plan. If both you and your spouse have compensation and are under age 70½, each of you can set up an IRA. You cannot both participate in the same IRA.

Compensation includes wages, salaries, tips, professional fees, bonuses and other amounts received for professional services, and taxable alimony and separate maintenance payments. This includes any military differential pay you receive from your employer while you are serving on active duty for a period of more than 30 days. Compensation does not include earnings or profits from property (such as rental income, interest income, and dividend income), pension or annuity income, deferred compensation received, income from a partnership for which you do not provide services that are a material income producing factor, and any amounts you exclude from income, such as foreign earned income and housing costs.

#### **Contribution Limits**

The most that can be contributed to your traditional IRA is the smaller of 100% of your compensation (defined earlier) that you must include in income for the year, or the limits described in the following table:

<b>IRA Contribution Limits</b>	
<b>Year</b>	<b>Limit</b>
2008	\$5,000
2009-2010	\$5,000
2011 and thereafter	\$5,000*

\* *For tax years 2010 and thereafter the \$5,000 contribution limit will be increased by cost of living adjustments (in \$500 increments).*

#### **Catch-up Contributions**

Individuals age 50 and older may make additional “catch-up” contributions to their traditional IRA. These “catch-up” contributions are in addition to the contribution limits listed above. The maximum “catch-up” contribution amounts are as follows:

<b>IRA “Catch-up” Contribution Limits</b>	
<b>Year</b>	<b>Limit</b>
2010 and thereafter	\$1,000

The \$1,000 catch-up contribution for IRA owners age 50 or older is not indexed for inflation.

#### **Spousal IRA Contribution Limits**

If you file a joint return and your taxable compensation is less than that of your spouse, the most that can be contributed for the year to your IRA is the smaller of the IRA contribution amount described in the “IRA Contribution Limit” chart above, or the total compensation includable in the gross income of both you and your spouse for that year, reduced by your spouse’s IRA contribution for the year to a traditional IRA and any contributions for the year to a Roth IRA on behalf of your spouse.

#### **Simplified Employee Pension (SEP) Contributions**

A separate IRA may be established for use by your employer as part of a SEP arrangement. The SEP rules permit an employer to contribute to each participating employee’s SEP-IRA up to 25% of the employee’s compensation or \$49,000 (for 2010, indexed annually for cost of living), whichever is less. The compensation taken in account is limited (\$245,000 for 2010 indexed annually). These contributions are funded by the employer. Your employer may contribute to your SEP-IRA on your behalf even if you are age 70½ or over, and even if you are covered under a qualified plan for the year. You can make contributions to your SEP-IRA independent of employer SEP contributions. You can deduct them the same way as contributions to a traditional IRA. However, your deduction may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan. It is up to you and your employer to ensure that contributions in excess of normal IRA limits are made under a valid SEP-IRA.

#### **Timing of Contributions**

Contributions can be made to your traditional IRA for a year at any time during the year or by the due date for filing your return for that year, not including extensions. You do not have to contribute to your traditional IRA every tax year, even if you can. You may use IRS forms to have part or all of a tax refund directly deposited in your IRA assuming you are otherwise eligible to make a contribution at the time of the refund. In order for the refund to be attributed to the prior year, it must be received by the due date of your return, not including extensions.

## Deducting Contributions

Generally, you can deduct the lesser of the contributions to your traditional IRA for the year, or the general limit (or the spousal IRA limit, if applicable). However, if you or your spouse were covered by an employer sponsored retirement plan, you may not be able to deduct your traditional IRA contributions.

If you or your spouse is an active participant in an employer plan during the year, the contribution to your traditional IRA (or your spouse's traditional IRA) may not be deductible in whole or in part. If you are covered by a retirement plan at work, consult the table below to determine if your IRA contribution is deductible. If your modified adjusted gross income (AGI) is below the lower limit, your contribution is fully deductible. If your modified AGI is above the upper limit, your contribution is not deductible. If your modified AGI falls between the lower and upper limits, your contribution will be only partially deductible. Your Modified AGI is your AGI as shown on your income tax return, plus traditional IRA deductions, student loan interest deductions, deductions for qualified tuition and related expenses, foreign earned income exclusions (if you file Form 1040), foreign housing exclusions or deductions (if you file Form 1040), exclusions of qualified bond interest shown on IRS Form 8815 and exclusions of employer-paid adoption expenses shown on IRS Form 8839.

<b>Table of Lower and Upper Limits</b>				
<b>Year</b>	<b>Single</b>		<b>Married Filing Jointly (or Qualifying Widow(er)s)</b>	
	<b>Lower Limit</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
2010 and thereafter	\$56,000	\$66,000	\$89,000	\$109,000

If you are married and file a joint return and one spouse is an active participant in an employer sponsored retirement plan and the other spouse is not, a contribution to an IRA for the spouse that is not an active participant in an employer sponsored retirement plan will be fully deductible at modified AGI levels below \$167,000. This deduction will be phased out at modified AGI levels between \$167,000 and \$177,000. If you are married filing separately, your deductible IRA contribution will be phased out between zero dollars and \$10,000 of modified AGI.

## IRA Contribution Credit

If you make eligible contributions to an employer-sponsored qualified retirement plan, an eligible deferred compensation plan, or an IRA, you may be able to take a tax credit. The amount of the credit you can get is based on the contributions you make and your credit rate. Your credit rate can be between 10% and 50%, depending on your adjusted gross income. The maximum contribution taken into account is \$2,000 per taxpayer. On a joint return, up to \$2,000 is taken into account for each spouse. You cannot claim the credit if you are under age 18, are a full-time student, someone else claims an exemption for you on their tax return or if your AGI is above the following limits:

\$55,500 if your filing status is married filing jointly,

\$41,625 if your filing status is head of household, or

\$27,750 if your filing status is either single, married filing separately, or qualifying widow(er) with a dependent child.

## Indexing

The income limits for traditional IRAs and the savers credit for low-income contributions to retirement plans are indexed for inflation.

## Rollover Contributions

Generally, a rollover is a tax-free distribution to you of cash or other assets from one retirement plan that you contribute to another retirement plan.

1. Rollovers from one IRA to the same or another IRA: You can withdraw, tax-free, all or part of the assets from one traditional IRA if you reinvest them in the same or another traditional IRA. The rollover must be completed within 60 days after the date you receive the distribution from the first IRA. For distributions made after December 31, 2001, the IRS may waive the 60-day requirement where the failure to do so would be against equity or good conscience, such as in the event of a casualty, disaster, or other event beyond your reasonable control. Generally, if you make a tax-free rollover of any part of a distribution from a traditional IRA, you cannot, within a 1-year period, make a tax-free rollover of any later distribution from the same IRA. You also cannot make a tax-free rollover of any amount distributed, within the same 1-year period, from the IRA into which you made the tax-free rollover. The 1-year period begins on the date you receive the IRA distribution, not on the date you roll it over into an IRA.

Amounts that cannot be rolled over: Amounts that must be distributed each year under the required minimum distribution rules are not eligible for rollover. In addition, if you inherit a traditional IRA from someone other than your spouse, you cannot roll it over or allow it to receive a rollover contribution.

This disclosure is not part of the Prospectus.

2. Rollovers from an employer retirement plan into an IRA: If you receive an eligible rollover distribution from your (or your deceased spouse's) employer's qualified pension, profit-sharing or stock bonus plan, annuity plan, tax sheltered annuity plan (403(b) plan), or governmental deferred compensation plan (governmental 457(b) plan), you can roll over all or part of it into a traditional IRA (the 60-day rule discussed above applies). In addition, you can roll over after-tax or nondeductible contributions from your qualified employer plan or 403(b) arrangement into a traditional IRA (such rollovers of after-tax contributions may only be done by a direct rollover from the distributing plan to the traditional IRA).

Amounts that cannot be rolled over: Required minimum distributions; hardship distributions; a series of substantially equal periodic payments paid over your life or life expectancy, the life or life expectancy of you and your beneficiary or for a period of 10 years or more; corrective distributions of excess contributions or excess deferrals; loans treated as distributions (unless your benefit is reduced (offset) to repay the loan); dividends on employer securities; or, generally, distributions you receive as a Beneficiary, are not eligible to be rolled over.

Withholding: If an eligible rollover distribution is paid directly to you, the payor must withhold 20% of it. The amount withheld is part of the distribution. If you roll over less than the full amount of the distribution, you may have to include in your income the amount you do not roll over. However, you can make up the withheld amount with funds from other sources. To avoid withholding you can request a direct rollover from the payor.

3. Rollover from an IRA to an employer retirement plan: You can rollover tax-free a distribution from your traditional IRA made after 2001 into an employer's qualified plan, 403(b) plan, or governmental 457(b) plan. The part of the distribution that you can roll over is the part that would otherwise be taxable (includible in your income). Qualified plans may, but are not required to, accept such rollovers. Rules applicable to other rollovers, such as the 60-day rule apply.
4. Direct Rollovers to Non-Spouse Beneficiaries: Beginning in 2007 non-spouse beneficiaries may be permitted to roll death benefits to an IRA from a qualified retirement plan, a governmental 457(b) plan, a §403(b) TDA or an IRA. Such plans were not required to offer non-spouse rollovers but if they did the rollover had to be a direct trustee to IRA rollover. For plan years beginning after December 31, 2009, employer plans are required to be amended to permit such direct rollovers. The IRA receiving the death benefit must be titled and treated as an "inherited IRA". The distributed amount must satisfy all of the requirements to be an eligible rollover distribution other than the requirement that the distribution be made to the participant or the participant's spouse. Thus annuity distributions, required minimum distributions, and installment payments over a specified period of ten or more years may not be rolled over. Required minimum distribution rules applicable non-spouse beneficiaries apply to the IRA.

#### **Trustee to Trustee Transfers**

A transfer of funds in your traditional IRA from one trustee directly to another is not a rollover. Because there is no distribution to you, the transfer is tax-free and not reportable. Because the transfer is not a rollover, it is not affected by the 1-year waiting period requirement discussed above in the section entitled, Rollover Contributions.

#### **Distributions**

You may request a distribution from your IRA at any time. However, distributions received prior to your attaining age 59½ may be subject to a 10% additional tax. Distributions subject to the 10% additional tax must be reported on IRS Form 5329.

#### **Exceptions to Age 59½ Rule**

If you receive a distribution prior to attaining age 59½, you may not have to pay the 10% additional tax if you meet one or more of the following:

- You have unreimbursed medical expenses that are more than 7.5% of your adjusted gross income.
- The distributions are not more than the cost of your medical insurance if you are unemployed and certain requirements are met.
- You are disabled within the meaning of Code section 72(m)(7).
- You are the Beneficiary of a deceased IRA owner.
- You are receiving distributions that are part of a series of substantially equal periodic payments.
- The distributions are not more than your qualified higher education expenses for yourself or other qualified individual.
- You use the distributions to buy, build, or rebuild a first home (subject to a \$10,000 lifetime limit).
- The distribution is due to an IRS levy of the qualified plan.
- The distribution is a qualified reservist distribution.

In addition, you generally can take a tax-free withdrawal of contributions if you do it before the due date for filing your tax return for the year in which you made them. You can do this if: (1) you did not take a deduction for the contribution; and (2) you withdraw any interest or other income earned on the contribution (you can take into account any loss on the contribution while it was in your IRA when calculating the amount that must be withdrawn). In this case, even if you are under 59½, the 10% additional tax may not apply.

### **Required Minimum Distributions**

If you are the owner of a traditional IRA, you must start receiving distributions from your IRA by April 1 of the year following the year you reach age 70½ (the “required beginning date”). After the year you reach age 70½, these Required Minimum Distributions are required by December 31 of each subsequent year. Required Minimum Distributions during your lifetime are generally calculated by dividing the value of your IRA as of the end of the year preceding the year for which the Required Minimum Distribution is being figured by a life expectancy factor found in Table III of IRS Publication 590. This table is often referred to as the Uniform Lifetime Table. IRA owners whose spouses are their sole Designated Beneficiary and are more than 10 years younger may be able to use the life expectancy factor found in Table II of IRS Publication 590 to calculate their lifetime Required Minimum Distributions. This table is often referred to as the Joint and Last Survivor Table.

You may elect to have us calculate and distribute Required Minimum Distributions annually. We calculate such amounts assuming the Minimum Distribution amount is based solely on the value of your Annuity. The Required Minimum Distribution amounts applicable to you may depend on other annuities, savings or investments of which we are unaware. You may elect to have the Required Minimum Distribution paid out monthly, quarterly, semi-annually or annually. Required Minimum Distributions must be made in intervals of no longer than one year.

If you die before your required beginning date, Required Minimum Distributions for years after the year of your death are generally based on your Designated Beneficiary’s life expectancy. If there is no Designated Beneficiary, the entire interest must be distributed by the end of the calendar year containing the fifth anniversary of your death. If you die after your required beginning date, Required Minimum Distributions for years after the year of your death are generally based on the longer of your Designated Beneficiary’s life expectancy or your remaining life expectancy. If there is no Designated Beneficiary, Required Minimum Distributions for years after the year of your death are generally based on your remaining life expectancy.

Required Minimum Distributions were suspended for 2009. Individuals who reached age 70½ in 2009 are not required to take their first distribution until December 31, 2010. For beneficiaries who are receiving distributions under the five year rule (all amounts are to be distributed by December 31st of the year including the fifth anniversary of the IRA owner’s death), 2009 is ignored so that, in effect, the five year rule becomes a six year rule for those inherited IRAs that include 2009 in the five year period.

Each Required Minimum Distribution will be taken from the allocation options you select. Your selection may be subject to any investment and/or withdrawal limitations applicable to any benefit or program in which you participate under the Annuity.

No contingent deferred sales charge (if applicable under your Annuity) is assessed against amounts withdrawn as part of a program designed to distribute Required Minimum Distributions over your life or life expectancy, but only to the extent of the Required Minimum Distribution required from your Annuity at the time it is taken. The contingent deferred sales charge (if applicable under your Annuity) may apply to additional amounts withdrawn to meet Required Minimum Distribution requirements in relation to other retirement programs you may maintain.

Amounts withdrawn as Required Minimum Distributions are considered to come first from the amounts available as a free withdrawal as of the date of the yearly calculation of the Required Minimum Distribution amount. Required Minimum Distributions over that amount to meet the requirements based on your Annuity are not deemed to be a liquidation of Purchase Payments.

If your sole Designated Beneficiary is your surviving Spouse, the Spouse may treat the Annuity as his or her own IRA provided the Spouse meets the requirements of the terms of the Annuity. Except as may be required by law, all provisions of the Annuity that do not specifically terminate upon your death will then be applied to the Spouse. Your surviving Spouse is deemed to have made this election if he or she makes a regular IRA contribution to the Annuity, makes a rollover to or from the Annuity, or fails to commence Minimum Distributions following your death.

Except where the Designated Beneficiary is a surviving Spouse that has elected to treat the Annuity as his or her own IRA, if the Annuity is an inherited IRA that has been transferred by a Designated Beneficiary from another annuity provider, distributions will be made to the Designated Beneficiary (or any successor Beneficiary if applicable upon the death of the Designated Beneficiary) in accordance with the rules governing Minimum Distributions on or after the owner’s death. For this purpose, the original owner of the inherited IRA will be treated as the IRA owner in applying these provisions.

If distributions are less than the required Minimum Distribution for a year, you may have to pay a 50% excise tax on the amount not distributed as required. This requires that you file a Form 5329 with the IRS.

### **Taxation of Distributions**

In general, distributions from a traditional IRA are taxable in the year you receive them. Exceptions to the general rule are rollovers, tax-free withdrawals of contributions, and the return of nondeductible contributions.

This disclosure is not part of the Prospectus.

Distributions from traditional IRAs that you include in income are taxed as ordinary income. Distributions from your traditional IRA may be fully or partly taxable, depending on whether your IRA includes any nondeductible contributions. If only deductible contributions were made to your traditional IRA (or IRAs, if you have more than one), distributions are fully taxable. If you made nondeductible contributions to any of your traditional IRAs, you have a cost basis (investment in the contract) equal to the amount of those contributions. These nondeductible contributions are not taxed when they are distributed to you. Only the part of the distribution that represents nondeductible contributions (your cost basis) is tax-free. If your traditional IRA includes nondeductible contributions and you receive a distribution, each distribution is partly nontaxable and partly taxable until all of your basis has been distributed. You must use IRS Form 8606 to figure how much of your distribution is tax-free.

**IRA Distributions for Charitable Purposes:** The law permitted IRA owners who were age 70½ or older and who made distributions from the IRA directly to certain charities to exclude the distribution from income. The income exclusion was available only to the extent that all charitable distributions of the IRA owner did not exceed \$100,000. For married individuals filing a joint return, the limit was \$100,000 per individual IRA owner. The distribution could be made from a traditional or Roth IRA or a “deemed” IRA in a qualified plan but not from an ongoing SEP or SIMPLE IRA. Charitable distributions could be made from an inherited IRA if the beneficiary had attained age 70½. This provision was effective for distributions through 2009 only, however, Congressional leaders have indicated that it may be reenacted in 2010. Under this provision of the law, we are required to report such distribution in the same manner as all other distributions to the IRA owner. The tax treatment afforded IRA distributions for Charitable Purposes would be reflected on the owner’s income tax return.

**Qualified Reservist Distributions:** Withdrawals from an IRA or attributable to elective deferrals to a 401(k), 403(b) or similar arrangement that meet certain requirements are exempt from the 10% tax penalty as “qualified reservist distributions”: The withdrawal must be from an IRA or from elective deferrals under a 401(k) plan, 403(b) plan, SEP or SIMPLE; the withdrawal must be made to a reservist or national guardsman who was ordered or called to duty after September 11, 2001. The period for which the reservist is ordered or called to duty must be greater than 179 days, or for an indefinite period; The withdrawal must be made during the period beginning on the date of the order or call to duty, and ending at the close of the active duty period. Instead of the 60 day period generally provided to roll over distributions from an IRA or qualified plan, a qualified reservist distribution can be repaid to an IRA until the end of the two-year period that begins on the day after the active duty period ends.

### **Inherited IRAs**

The beneficiaries of a traditional IRA generally must include in their gross income any distributions they receive. If you inherit a traditional IRA from someone other than your spouse, you cannot treat it as your own IRA.

### **Prohibited Transactions**

Generally, a prohibited transaction is any improper use of your traditional IRA by you, your Beneficiary, or any disqualified person. Disqualified persons include any fiduciary with respect to your traditional IRA and members of your family (spouse, ancestor, lineal descendant, and any spouse of a lineal descendant). The following are examples of prohibited transactions with a traditional IRA.

- Borrowing money from it.
- Selling property to it.
- Receiving unreasonable compensation for managing it.
- Using it as security for a loan.
- Buying property for personal use with IRA funds.

Generally, if you or your Beneficiary engages in a prohibited transaction in connection with your traditional IRA at any time during the year, the Annuity stops being an IRA as of the first day of that year. If this occurs, the IRA is treated as distributing all of its assets to you at their fair market values on the first day of the year. You or your Beneficiary may be required to include the fair market value of all of the IRA assets in your gross income for that year if you engage in a prohibited transaction.

If you borrow money against your traditional IRA Annuity, you must include in your gross income the fair market value of the Annuity as of the first day of your tax year. If you use part of your traditional IRA as security for a loan, that part is treated as a distribution and is included in your gross income. In both cases you may have to pay the 10% additional tax on early distributions, discussed above.

### **Excess Contributions**

Generally, an excess contribution is the amount contributed to your traditional IRAs that is more than the smaller of:

1. Your taxable compensation for the year, or
2. The maximum contribution limit (including any catch-up contributions, if eligible).

The taxable compensation limit applies whether your contributions are deductible or nondeductible. Contributions for the year you reach age 70½ and any later year are also excess contributions.

In general, if the excess contribution for a year and any earnings on it are not withdrawn by the date your return for the year is due (including extensions), you are subject to a 6% tax. You must pay the 6% tax each year on excess amounts that remain in your traditional IRA at the end of your tax year. You will not have to pay the 6% tax if you withdraw an excess contribution made during a tax year and you also withdraw any interest or other income earned on the excess contribution. You can take into account any loss on the contribution while it was in the IRA when calculating the amount that must be withdrawn. You must complete your withdrawal by the date your tax return for that year is due, including extensions. Once the 6% tax has been imposed for a year, you can avoid an additional 6% tax for the following tax year if the excess contribution is (1) withdrawn before the end of the following tax year, or (2) treated as a current IRA contribution for the following year. Distributions of excess contributions must be reported on IRS Form 5329.

#### **Restriction on Investments**

No portion of your IRA may be invested in life insurance contracts. In addition, you may not invest the assets of your IRA in collectibles within the meaning of Code Section 409(m)). If you invest in collectibles, the amount invested is considered distributed to you in the year invested and may be subject to the 10% additional tax discussed above.

#### **Estate and Gift Taxes**

Any amount held in your IRA upon your death may be subject to estate taxes. Transfers of your IRA assets to a Beneficiary during your life may be subject to gift taxes.

#### **Internal Revenue Service Approval**

Your Annuity and certain riders, endorsements, amendments or schedules made a part of it have been submitted to the Internal Revenue Service for approval as to form for use as an individual retirement annuity. The Internal Revenue Service approval is a determination as to form only and does not represent a determination of the merits of this Annuity. Approval of the Annuity by the IRS has either been received or is pending. Please contact the Company with any questions regarding IRS approval.

Generally, if you or your Beneficiary engages in a prohibited transaction in connection with your traditional IRA at any time during the year, the Annuity stops being an IRA as of the first day of that year. If this occurs, the IRA is treated as distributing all of its assets to you at their fair market values on the first day of the year. You or your Beneficiary may be required to include the fair market value of all of the IRA assets in your gross income for that year if you engage in a prohibited transaction.

If you borrow money against your traditional IRA Annuity, you must include in your gross income the fair market value of the Annuity as of the first day of your tax year. If you use part of your traditional IRA as security for a loan, that part is treated as a distribution and is included in your gross income. In both cases you may have to pay the 10% additional tax on early distributions, discussed above.

## PRIVACY NOTICE

*This notice is being provided on behalf of the companies listed in this Notice. It describes how information about you is handled and the steps we take to protect your privacy. We call this information "customer data" or just "data." If you have other Prudential products or relationships, you may receive a separate privacy notice describing the practices that apply to those products or relationships. If your relationship with us ends, we will continue to handle data about you the same way we handle customer data.*

### PROTECTING CUSTOMER DATA

We maintain physical, electronic, and procedural safeguards to protect customer data. The only persons who are authorized to have access to it are those who need access to do their jobs. We require them to keep the data secure and confidential.

### INFORMATION WE COLLECT

We collect data you give us and data about the products and relationships you have with us, so that we can serve you, including offering products and services to you. It includes, for example :

- your name and address,
- income and Social Security number.

We also collect data others give us about you, for example:

- medical information for insurance applications,
- consumer reports from consumer reporting agencies, and
- participant information from organizations that purchase products or services from us for the benefit of their members or employees, for example, group life insurance.

### SHARING DATA

We may share data with affiliated companies and with other companies so that they can perform services for us or on our behalf. We may, for example, disclose data to other companies for customer service or administrative purposes. We may disclose limited information such as:

- your name,
- address, and
- the types of products you own
- to service providers so they can provide marketing services to us.

We may also disclose data as permitted or required by law, for example:

- to law enforcement officials,
- in response to subpoenas,
- to regulators, or
- to prevent fraud.

We do not disclose data to Prudential affiliates or other companies to allow them to market their products or services to you. We may tell you about a product or service that a Prudential company or other companies offer. If you respond, that company will know that you were in the group selected to receive the information.

### ANNUAL NOTICES

We will send notices at least once a year, as federal and state laws require. We reserve the right to modify this policy at any time.

If you have questions about Prudential's Privacy Notice please call us. The toll-free number is (800) 236-6848.



**Prudential**

*Prudential, Prudential Financial and the Rock logo are registered service marks of The Prudential Insurance Company of America, Newark, NJ and its affiliates. The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102-3777.  
Your Financial Security, Your Satisfaction & Your Privacy*

This disclosure is not part of the Prospectus.

*Privacy 0000 Ed. 1/2009 AAAA-DXXXX*

Many Prudential Financial companies are required to send privacy notices to their customers. This notice is being provided to customers of the Prudential Financial companies listed below:

**INSURANCE COMPANIES AND SEPARATE ACCOUNTS**

Prudential Insurance Company of America, The  
Prudential Annuities Life Assurance Corporation  
Pruco Life Insurance Company  
Pruco Life Insurance Company of New Jersey  
Separate accounts of The Prudential Insurance Company of America, Pruco Life Insurance Company, Pruco Life Insurance Company of New Jersey, and Prudential Annuities Life Assurance Corporation  
Prudential Retirement Insurance and Annuity Company (PRIAC)  
PRIAC Variable Contract Account A  
CG Variable Annuity Account I & II (Connecticut General)

**INSURANCE AGENCIES**

Prudential Insurance Agency, LLC

**BROKER-DEALERS AND REGISTERED INVESTMENT ADVISERS**

AST Investment Services, Inc.  
Prudential Annuities Distributors, Inc.  
Global Portfolio Strategies, Inc.  
Prudential Bache Securities, LLC  
Pruco Securities, LLC  
Prudential Investment Management, Inc.  
Prudential Investment Management Services LLC  
Prudential Investments LLC

**BANK AND TRUST COMPANIES**

Prudential Bank & Trust, FSB  
Prudential Trust Company

**INVESTMENT COMPANIES AND OTHER INVESTMENT VEHICLES**

Asia Pacific Fund, Inc., The  
Cash Accumulation Trust  
Greater China Fund Inc., The  
High Yield Income Fund, Inc., The  
High Yield Plus Fund Inc., The  
JennisonDryden Mutual Funds  
MoneyMart Assets, Inc.  
Nicholas-Applegate Fund, Inc.  
Prudential Capital Partners, L.P.  
Prudential Bache Commodities, LLC  
Prudential Institutional Liquidity Portfolio, Inc.  
Strategic Partners Mutual Funds  
Target Asset Allocation Funds, Inc.  
Target Portfolio Trust, The  
PB Financial Services, Inc.

This disclosure is not part of the Prospectus.

AAAA-DXXXX



# Prudential

The Prudential Insurance Company of America  
751 Broad Street  
Newark, NJ 07102-3777

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