UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

_X_ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1996

OR

___ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

Commission file number 33-37587

PRUCO LIFE INSURANCE COMPANY
(Exact name of Registrant as specified in its charter)

ARIZONA	22-1944557
(State or other jurisdiction, incorporation or organization)	(IRS Employer Identification No.)

213 WASHINGTON STREET, NEWARK, NEW JERSEY 07102
(Address of principal executive offices) (Zip Code)

(201) 802-6000
(Registrant's Telephone Number, including area code)

Securities registered pursuant to Section 12 (b) of the Act: NONE
Securities registered pursuant to Section 12 (g) of the Act: NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES _X_ NO ___

State the aggregate market value of the voting stock held by non-affiliates of the registrant: NONE.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of March 31, 1997. Common stock, par value of $10 per share: 250,000 shares outstanding.

PRUCO LIFE INSURANCE COMPANY
(REGISTRANT)

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PART 1

ITEM 1. BUSINESS

Pruco Life Insurance Company (the Company) is a stock life insurance company, organized in 1971 under the laws of the state of Arizona. The Company markets individual life insurance and deferred annuities (the Contracts) in the District of Colombia, Guam, and in all states except New York. In addition, the Company markets individual life insurance through its branch office in Taiwan. The Company has two subsidiaries, Pruco Life Insurance Company of New Jersey (PLNJ) and The Prudential Life Insurance Company of Arizona (PLICA). PLNJ is a stock life insurance company organized in 1982 under the laws of the state of New Jersey. It is licensed to sell individual life insurance and deferred annuities only in the states of New Jersey and New York. PLICA is a stock life insurance company organized in 1988 under the laws of the state of Arizona. PLICA had no new business sales in 1996 and at this time will not be issuing new business.

The Company is a wholly owned subsidiary of The Prudential Insurance Company of America (Prudential), a mutual insurance company founded in 1875 under the laws of the state of New Jersey. Prudential intends from time to time to make additional capital contributions to the Company as needed to enable it to meet its reserve requirements and expenses in connection with its business. Generally, Prudential is under no obligation to make such contributions and its assets do not back the benefits payable under the Contracts.

The Company is engaged in a business that is highly competitive because of the large number of stock and mutual life insurance companies and other entities engaged in marketing insurance products. There are approximately 1,900 stock, mutual and other types of insurers in the life insurance business in the United States.

In a reorganization of the parent's Individual Insurance Department, effective January 1, 1993, the corporate staff of the Company was absorbed by the parent. The costs associated with these employees, which were previously borne by the Company, are now charged to the Company under service and lease agreements with the parent.

ITEM 2. PROPERTIES

- -------------------

Not applicable.

ITEM 3. LEGAL PROCEEDINGS
- --------------------------

Several actions have been brought against the Company on behalf of those persons who purchased life insurance policies based on complaints about sales practices engaged in by Prudential, the Company and agents appointed by Prudential and the Company. Prudential has agreed to indemnify the Company for any and all losses resulting from such litigation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
- --

No actions were taken during the fourth quarter of 1996. However, in an action in lieu of an annual meeting, The Prudential Insurance Company of America, the sole shareholder of Pruco Life, elected the following Directors of Pruco Life, effective as of May 1, 1996.

William M. Bethke
Ira J. Kleinman
Mendel A. Melzer
Esther H. Milnes
I. Edward Price
William F. Yelverton

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S INTERESTS AND RELATED SECURITY HOLDER MATTERS
- --

Pruco Life is a wholly-owned subsidiary of Prudential. There is no public market for Pruco Life's common stock.

ITEM 6. SELECTED FINANCIAL DATA
- --------------------------------
<TABLE>
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Pruco Life Insurance Company and Subsidiaries
For the Years Ended December 31,

	GAAP Basis			Statutory Basis	
	1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>
Revenues					
Premiums, and other revenue	$ 408,154	$ 401,287	$ 303,627	$ 591,660	$ 541,248
Net investment income	247,328	246,618	241,132	260,939	274,037
Total revenues	655,482	647,905	544,759	852,599	815,285
Benefits and expenses					
Current and future benefits and claims	305,119	280,913	235,660	534,354	478,148
Other expenses	122,006	134,790	179,173	157,557	129,701
Total benefits and expenses	427,125	415,703	414,833	691,911	607,849
Income before income tax provision	228,357	232,202	129,926	160,688	207,436
Income tax provision	79,135	79,558	48,031	83,640	96,578
Net income	$ 149,222	$ 152,644	$ 81,895	$ 77,048	$ 110,858
Assets	$9,678,427	$8,471,638	$7,713,183	$7,172,104	$6,709,958

</TABLE>

In 1996, the Company retroactively adopted applicable accounting pronouncements to present its financial statements in conformity with generally accepted accounting principles. Refer to footnote 1.B. of the Consolidated Financial Statements included in Item 8 of this Annual Report.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Pruco Life Insurance Company consists of Pruco Life Insurance Company and its subsidiaries (collectively, the Company). Pruco Life Insurance Company is a wholly owned subsidiary of The Prudential Insurance Company of America (Prudential). The Company markets individual life insurance primarily through Prudential's sales force in the United States and in Taiwan. The company held $9.7 billion in assets at December 31, 1996, $5.3 billion of which were held in Separate Accounts under variable life insurance policies and variable annuity contracts. The remaining assets were held in the general account for investment primarily in bonds, short-term investments and policy loans.

The business climate in the United States was characterized by moderate economic growth, low inflation, and growing investor confidence that fueled bond and stock prices. Merger and consolidation activity accelerated, as well as expansion of US companies into foreign markets. Those economic trends impacted the insurance industry during the year, prompting them to implement strategies, including consolidation, and sales of certain lines of business to counter risk, control expenses and diversify products to remain competitive. Regulatory changes which opened the insurance industry to other financial institutions, particularly banks and mutual funds, heightened competition in investment type products since those institutions were positioned to deliver the same products through large, stable distribution channels. In addition, the industry has been beset by negative publicity following the discovery of unacceptable sales practices that resulted in investigations of most large insurers, including Prudential. In spite of the difficult operating environment, 1996 was a year of progress for the Company. It achieved solid performance in core businesses, instituted significant cost reduction programs, and strategic initiatives which are expected to place it on a firm course of continued growth.

The Company's assets were $9.7 billion at December 31, 1996 compare to $8.5 billion at December 31, 1995. Net income amounted to $149.2 million, a decrease of $3.4 million or 2.2% compared to the $152.6 million earned in 1995.

1. RESULTS OF OPERATIONS

(a) 1996 versus 1995

Premiums increased by $9.4 million in 1996 from $42.1 million in 1995 to $51.5 million for the same period in 1996. This change is primarily due to increased sales of $6.2 million related to traditional life insurance products in our Taiwan branch which continued to expand its business throughout 1996.

Policy charges and fee income increased approximately $5.9 million during the current year as compared to 1995. This is primarily attributable to the increased sales of new variable annuity products and fees earned on policyholder withdrawal and surrender activity.

Other income decreased $6.2 million for the year ended December 31, 1996 from the year ended December 31, 1995. This decrease is due to a reduction in separate account net gains.

Policyholders' benefits increased $32.9 million during the current year to $186.9 million. Approximately $10 million of this increase is attributable to the mortality costs associated with the Company's products. The additional $22 million results from the increase in reserves associated with new and existing contracts at December 31, 1996.

Interest credited to policyholders' account balances decreased by $8.7 million. This decrease is primarily attributable to the decrease in policyholder's account balances due to the Company experiencing increased policyholder withdrawals and slightly lower interest rates.

Other operating expenses decreased $12.8 million for the year ended December 31, 1996 compared to the same period for 1995. This is attributable to a decrease in the amortization of deferred policy acquisition costs, and a company wide initiative to reduce expenses resulting in a decrease in general expenses.

(b) 1995 versus 1994

The Company recorded net income of $152.6 million and $81.9 million for 1995 and 1994, respectively.

Premiums increased by $19.4 million from $22.7 million for the year ended December 31, 1994 to $42.1 million for the same period in 1995, stemming from increased sales of life insurance in the Taiwan branch and a steady flow of renewals in the US.

Policy charges and fee income increased approximately $10.3 million from $308.8 million for the year ended December 31, 1994, to $319.1 million for the same period in 1995. This is primarily attributable to the increased sales of new variable annuity products and fees earned on policyholder withdrawal and surrender activity.

Net investment income increased $5.5 million for the twelve months ended December 31, 1995, from the same period in 1994. Policy loans increased $75.4 million, which resulted in additional policy loan interest income of $2.4 million. Secondly, the Company's income from equity securities increased $2.0 million as a result of favorable stock market conditions.

Net realized investment gains increased $54.3 million, to $13.2 million for the year ended December 31,1995 from a loss of $41.1 million for the same period in 1994. The Company restructured its investment portfolio to more closely align with the liability duration and to reduce the portfolio's interest rate risk. Sales activity of the Company's fixed maturities produced favorable gains as a result of falling interest rates during 1995.

Policyholders' benefits increased $32.0 million to $154.0 million in 1995, from $122.0 million in 1994. This change is primarily attributable to the increase in reserves for new and existing policies.

Interest credited to policyholders' account balances increased $13.2 million for the twelve months ended December 31, 1995, from the same period in 1994. This change was a result of increased interest rates offset with decreasing policyholder account balances.

Other operating costs and expenses decreased $44.4 million for the year ended December 31, 1995 due a decrease in the allocation of costs from Prudential, a decrease in the amortization of deferred policy acquisition costs, and a company wide initiative to reduce expenses resulting in a decrease in general expenses.

2. LIQUIDITY

For an insurance company, cash needs, for the purpose of paying current benefits, making policy loans, and paying expenses, are met primarily from premiums and investment income. Benefit expenses incurred in 1996, 1995, and 1994 were $186.9 million, $154.0 million, and $122.0 million, respectively. Cash flows are anticipated to be sufficient to meet the Company's liquidity needs for the foreseeable future.

3. CAPITAL RESOURCES

The primary components of the Company's total assets of $9.7 billion at December 31, 1996 are as follows (as a percentage of total assets): fixed income securities 27.3%, separate account assets (fixed income and equity securities) 55.1%, policy loans 6.6%, and other assets 11.0%.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information required with respect to this Item 8 regarding Financial Statements and Supplementary Data is set forth commencing on page F-3 hereof. See Index to Financial Statements and Schedules elsewhere in this Annual Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On March 12, 1996, The Board of Directors of Prudential approved the recommendation of the Auditing Committee to dismiss Deloitte & Touche LLP as the independent accountants of The Prudential and its subsidiaries, including the Company.

In connection with its audits for the two most recent fiscal years, there have been no disagreements with Deloitte & Touche LLP on any matter of accounting principles, financial statement disclosure or auditing scope or procedure, which if not resolved to the satisfaction of the accountant, would have caused them to make a reference to the matter in their report.

On May 14, 1996, The Board of Directors of Prudential approved the recommendation of the Auditing Committee to engage Price Waterhouse LLP as the independent accountants of The Prudential and its subsidiaries, including the Company.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF PRUCO LIFE

NAME	POSITION	AGE
William F. Yelverton	Chairman of the Board and Director	56
I. Edward Price	Vice Chairman of the Board and Director	54
Esther H. Milnes	President and Director	46
James Drozanowski	Senior Vice President	54
Frank Marino	Senior Vice President	52
Mario A. Mosse	Senior Vice President	44
Hwei-Chung Shao	Senior Vice President and and Chief Actuary	42
Karen L. Shapiro	Senior Vice President	41
Linda S. Dougherty	Vice President, Comptroller and Chief Accounting Officer	48
William M. Bethke	Director	49
Ira J. Kleinman	Director	49
Mendel M. Melzer	Director	36
Kiyofumi Sakaguchi	Director	53

William F. Yelverton, age 56, has been Chief Executive Officer of The Prudential Individual Insurance Group since 1995. Prior to 1995, he was Chief Executive Officer of New York Worldwide.

I. Edward Price, age 54, has been Senior Vice President and Actuary of Prudential Individual Insurance since 1995. From 1994 to 1995, he was Chief Executive Officer of Prudential International Insurance. From 1993 to 1994 he was President of Prudential International Insurance. Prior to 1993, he was Senior Vice President and Company Actuary of Prudential.

Esther H. Milnes, age 46, has been Vice President and Actuary of Prudential Individual Insurance Group since 1996. From 1993 to 1995, she was Senior Vice President and Chief Actuary of Prudential Insurance and Financial Services. Prior to 1993, she was Vice President and Associate Actuary of Prudential.

James C. Drozanowski, age 54, has been Vice President and Operations Executive, Prudential Individual Insurance Group since 1996; 1995 to 1996: President and Chief Executive Officer of Chase Manhattan Bank; 1993 to 1995: Vice President, North America Customer Services, Chase Manhattan Bank; Prior to 1993: Operations Executive, Global Securities Services, Chase Manhattan Bank.

Frank P. Marino, age 52, has been Vice President, Policyowner Relations Department, Prudential Individual Insurance Group since 1996; Prior to 1996: Senior Vice President, Prudential Mutual Fund Services.

Mario A. Mosse, age 44, has been Vice President, Annuity Services, Prudential Investments since 1996; Prior to 1996: Vice President, Chase Manhattan Bank.

Hwei-Chung Shao, age 42, has been Vice President and Associate Actuary, Prudential.

Karen L. Shapiro, age 41, has been Vice President, Prudential Individual Insurance Group since 1996; Vice President and Associate General Counsel, Prudential Securities Incorporated 1993 to 1996; Prior to 1993: Senior Associate with Shaw, Pittman, Potts and Trowbridge.

Linda S. Dougherty, age 48, has been Vice President and Comptroller, Prudential Individual Insurance Group since 1997; Prior to 1997: Vice President, Accounting, Prudential.

William M. Bethke, age 49, has been President, Prudential Capital Markets Group since 1992.

Ira J. Kleinman, age 49, has been Chief Marketing and Product Development Officer of Prudential Individual Insurance Group since 1995. From 1993 to 1995, he was President of Prudential Select. From 1992 to 1993, he was Senior Vice President of Prudential. Prior to 1992, he was Vice President of Prudential.

Mendel A. Melzer, age 36, has been Chief Investment Officer, Mutual Funds and Annuities, Prudential Investments since 1996; 1995 to 1996: Chief Financial Officer of the Money Management Group of Prudential; 1993 to 1995: Senior Vice President and Chief Financial Officer of Prudential Preferred Financial Services; Prior to 1993: Managing Director, Prudential Investment Corporation.

Kiyofumi Sakaguchi, age 53, has been President, Prudential International Insurance Group since 1995; 1994 to 1995: Chairman and Chief Executive Officer, The Prudential Life Insurance Co., Ltd.; Prior to 1994: President and Chief Executive Officer, Asia Pacific Region-Prudential International Insurance, and President, The Prudential Life Insurance Co., Ltd.

ITEM 11. EXECUTIVE COMPENSATION

The following table shows the portion of compensation, paid by Prudential, to each named executive officer for services provided to the Company. The amounts have been determined based on each individual's time devoted to the duties as an executive of Pruco Life and its subsidiaries during 1996.

NAME AND PRINCIPAL POSITION	YEAR	ALLOCATED CASH COMPENSATION $
Esther H. Milnes	1996	$21,136
President	1995	$14,250
	1994	$ 9,846
Linda S. Dougherty	1996	$55,931
Vice President and Comptroller	1995	$ 0
	1994	$ 0
Hwei-Chung S. Shao	1996	$21,048
Chief Actuary	1995	$ 0
	1994	$ 0
Clifford E. Kirsch	1996	$54,190
Chief Legal Counsel	1995	$30,962
	1994	$ 0
Frank P. Marino	1996	$12,076
Senior Vice President	1995	$ 0
	1994	$ 0

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Not applicable.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) and (2) Financial Statements and Schedules of registrant and its subsidiaries are listed in the accompanying "Index to Financial Statements and Schedules" on page F-1 hereof and are filed as part of this Report.

(a) (3) EXHIBITS

REGULATION S-K

2. Not applicable.

3. Documents Incorporated by Reference

(I) The Articles of Incorporation of Pruco Life, as amended October 19, 1993, are incorporated herein by reference to Exhibit 14 (3) of the Pruco Life Insurance Company Form 10-K for the fiscal year ended December 31, 1993; (ii) Bylaws of Pruco Life, as amended June 14, 1983, are incorporated herein by reference to Post-Effective Amendment No. 13 to Form S-6, Registration No. 2-89558, filed March 2, 1989 on behalf of the Pruco Life Variable Appreciable Account.

4. Exhibits

Modified Guaranteed Annuity Contract, incorporated by reference to Registrant's Form S-1 Registration Statement, Registration No. 33-37587, filed November 2, 1990.

Market-Value Adjustment Annuity Contract, incorporated by reference to Registrant's Form S-1 Registration Statement, Registration No. 33-61143, filed November 17, 1995.

9. None.

10. None.

11. Not applicable.

12. Not applicable.

13. Not applicable.

16. Not applicable.

18. None.

21. Pruco Life Insurance Company of New Jersey, a stock life insurance company organized under the laws of the state of New Jersey, is a wholly owned subsidiary of Pruco Life. It is licensed to sell life insurance and annuities only in the States of New Jersey and New York.

The Prudential Life Insurance Company of Arizona, a stock life insurance company organized under the laws of the State of Arizona, is a wholly owned subsidiary of Pruco Life. It is licensed to sell life insurance and annuities only in the State of Arizona.

22. None.

23. Not applicable.

24. Powers of Attorney, incorporated by reference to Form 10-K, Registration No. 33-86780, filed March 28, 1997, on behalf of Pruco Life Variable Contract Real Property Account.

27. Exhibit 27, Financial Data Schedule appended to this form in accordance with EDGAR instructions.

28. Not applicable.

99. None.

SIGNATURES

Pursuant to the requirements of Section 13, or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PRUCO LIFE INSURANCE COMPANY
(Registrant)

Date: March 31, 1997 By: /s/

Esther H. Milnes
Prudential

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ William F. Yelverton	Chairman of the Board	March 31, 1997
/s/ I. Edward Price	Vice Chairman of the Board and Director	March 31, 1997
/s/ Esther H. Milnes	President and Director	March 31, 1997
/s/ Linda S. Dougherty	Vice President and Comptroller and Chief Accounting Officer	March 31, 1997
/s/ William M. Bethke	Director	March 31, 1997
/s/ Ira J. Kleinman	Director	March 31, 1997
/s/ Mendel A. Melzer	Director	March 31, 1997
/s/ Kiyofumi Sakaguchi	Director	March 31, 1997

By: /s/ THOMAS C. CASTANO

Thomas C. Castano
(Attorney-in-Fact)

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

DECEMBER 31, 1996, 1995, AND 1994

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of
Pruco Life Insurance Company

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Pruco Life Insurance Company and its subsidiaries at December 31, 1996, and the results of their operations and their cash flows for the year in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

/s/ PRICE WATERHOUSE LLP
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PRICE WATERHOUSE LLP
New York, New York
March 21, 1997

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
Pruco Life Insurance Company
Newark, New Jersey

We have audited the accompanying consolidated statement of financial position of Pruco Life Insurance Company and subsidiaries as of December 31, 1995, and the related consolidated statements of operations, stockholder's equity and cash flows for the years ended December 31, 1995 and 1994. Our audits also included the financial statement schedules listed in the Index at Item 14 for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the consolidated financial position of Pruco Life Insurance Company and subsidiaries as of December 31, 1995, and the consolidated results of operations and cash flows for the years ended December 31, 1995 and 1994 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Company has retroactively adopted all applicable generally accepted accounting principles relating to stock life insurance subsidiaries of mutual life insurance companies and has changed, as of January 1, 1995, the method of accounting for fixed maturity investments.

/s/ DELOITTE & TOUCHE LLP
Parsippany, N.J.

December 19, 1996

<TABLE>

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<CAPTION>

	DECEMBER 31, 1996	DECEMBER 31, 1995
	(000'S)	
ASSETS		
<S>	<C>	<C>
Fixed maturities		
Held to maturity	$ 405,731	$ 437,727
Available for sale	2,236,817	2,144,854
Equity securities	3,748	4,036
Mortgage loans	46,915	64,464
Investment real estate	-	4,059
Policy loans	639,782	569,273
Other long term investments	4,528	4,159
Short term investments	169,830	228,016
Total invested assets	3,507,351	3,456,588
Cash	73,766	41,435
Deferred policy acquisition costs	633,159	566,976
Premiums due	9,084	6,367
Accrued investment income	62,110	59,862
Receivable from affiliates	1,901	8,275
Federal income tax receivable	7,191	6,375
Reinsurance recoverable on unpaid losses	27,014	27,914
Other assets	20,000	12,578
Separate Account assets	5,336,851	4,285,268
TOTAL ASSETS	$9,678,427	$8,471,638
LIABILITIES AND STOCKHOLDER'S EQUITY		
Liabilities		
Future policy benefits and other policyholders' liabilities	$ 557,351	$ 501,200
Policyholders' account balances	2,188,862	2,218,330
Deferred federal income tax payable	148,960	141,048
Payable to affiliate	51,729	41,584
Other liabilities	55,090	37,387
Separate Account liabilities	5,277,454	4,263,896
Total Liabilities	8,279,446	7,203,445
Contingencies - Note 9		
Stockholder's Equity		
Common Stock, $10 par value; 1,000,000 shares, authorized; 250,000 shares, issued and outstanding at December 31, 1996 and 1995	2,500	2,500
Paid-in-capital	439,582	439,582
Net unrealized investment gains (less deferred income tax)	12,402	30,836
Retained earnings	944,497	795,275
Total Stockholder's Equity	1,398,981	1,268,193
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$9,678,427	$8,471,638

</TABLE>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<CAPTION>

	YEAR ENDED DECEMBER 31, 1996	1995	1994
	(000'S)		
REVENUES			
<S>	<C>	<C>	<C>
Premiums	$ 51,525	$ 42,089	$ 22,689
Policy charges and fee income	324,976	319,012	308,753
Net investment income	247,328	246,618	241,132
Realized investment gains (losses)	10,835	13,200	(41,074)
Other income	20,818	26,986	13,259
Total Revenues	655,482	647,905	544,759
BENEFITS AND EXPENSES			
Policyholders' benefits	186,873	153,987	121,949
Interest credited to policyholders' account balances	118,246	126,926	113,711
Other operating costs and expenses	122,006	134,790	179,173
Total Benefits and Expenses	427,125	415,703	414,833
Income before income tax provision	228,357	232,202	129,926
Income tax provision	79,135	79,558	48,031
NET INCOME	$ 149,222	$ 152,644	$ 81,895

</TABLE>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

<TABLE>
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	YEAR ENDED DECEMBER 31, 1996	1995	1994
	(000'S)		
Common Stock			
<S>	<C>	<C>	<C>
Balance, beginning of year	$ 2,500	$ 2,500	$ 2,500
Issued during year	-	-	-
Balance, end of year	2,500	2,500	2,500

Paid in Capital			
Balance, beginning of year	439,582	439,582	439,582
Paid in during year	-	-	-
Balance, end of year	439,582	439,582	439,582
Net Unrealized Investment Gains (Losses) (Less Deferred Income Tax)			
Balance, beginning of year	30,836	(1,349)	-
Adoption of SFAS 115	-	(39,762)	-
Net change in unrealized investment gains (losses)	(18,434)	71,947	(1,349)
Balance, end of year	12,402	30,836	(1,349)
RETAINED EARNINGS			
Balance, beginning of year	795,275	642,631	560,736
Net income	149,222	152,644	81,895
Balance, end of year	944,497	795,275	642,631
TOTAL STOCKHOLDER'S EQUITY	$1,398,981	$1,268,193	$1,083,364

</TABLE>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1996	1995	1994
	(000'S)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
<S>	<C>	<C>	<C>
Net income	$ 149,222	$ 152,644	$ 81,895
Adjustments to reconcile net income to net cash from operating activities:			
Increase in future policy benefits and other policyholders' liabilities	56,151	22,877	31,932
General account policy fee income	(50,286)	(56,637)	(48,401)
Interest credited to policyholders' account balances	118,246	126,926	113,711
Net decrease (increase) in Separate Accounts	(38,025)	(3,520)	(4,121)
Net realized investment (gains) losses	(10,835)	(13,200)	41,074
Amortization and other non-cash items	26,709	(8,106)	6,228
Change in:			
Accrued investment income	(2,248)	(480)	(2,597)
Premiums due	(2,717)	(1,957)	(1,374)
Receivable from affiliates	6,374	(758)	(637)
Note receivable from affiliate	--	--	50,000
Deferred policy acquisition costs	(66,183)	31,318	34,124
Federal income tax receivable	(816)	12,031	(28,908)
Other assets	(6,522)	(12,689)	(11,121)
Payable to affiliate	10,145	11,327	(24,029)
Deferred federal income tax payable	7,912	30,779	--
Other liabilities	17,703	(61,306)	(5,293)
Cash Flows From Operating Activities	214,830	229,249	232,483
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from the sale/maturity of:			
Fixed maturities:			
Held to maturity	138,127	144,898	2,710,423
Available for sale	3,886,254	1,886,687	--

Equity securities	7,527	5,557	1,910
Mortgage loans	19,226	7,395	10,821
Other long term investments	288	1,559	607
Investment real estate	4,488	2,926	8,677
Payments for the purchase of:			
Fixed maturities:			
Held to maturity	(114,494)	(135,092)	(2,561,082)
Available for sale	(4,008,810)	(1,741,139)	--
Equity securities	(4,697)	(4,279)	(2,436)
Mortgage loans	--	--	(35,276)
Other long term investments	(657)	(1,674)	(1,584)
Policy loans	(70,509)	(75,411)	(73,591)
Net proceeds (payments) of short term investments	58,186	(36,482)	9,845
Cash Flows From Investing Activities	(85,071)	54,945	68,314
CASH FLOWS FROM FINANCING ACTIVITIES:			
Policyholders' account balances:			
Deposits	536,370	95,039	114,105
Withdrawals (net of transfers to/from separate accounts)	(633,798)	(365,578)	(387,793)
Cash Flows From Financing Activities	(97,428)	(270,539)	(273,688)
Net increase in Cash	32,331	13,655	27,109
Cash, beginning of year	41,435	27,780	671
CASH, END OF YEAR	$ 73,766	$ 41,435	$ 27,780
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Income taxes paid	$ 61,760	$ 53,107	$ 56,089

</TABLE>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF
PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
DECEMBER 31, 1996, 1995, AND 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRINCIPLES

A. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Pruco Life Insurance Company (Pruco Life), a stock life insurance company, and its subsidiaries (collectively, the Company). Pruco Life is a wholly-owned subsidiary of The Prudential Insurance Company of America (Prudential), a mutual life insurance company. The Company markets individual life insurance and deferred annuities primarily through Prudential's sales force in the United States, and in Taiwan. All significant intercompany balances and transactions have been eliminated in consolidation.

B. Basis of Presentation

The Financial Accounting Standards Board (FASB) issued Interpretation No. 40 "Applicability of Generally Accepted Accounting Principles to Mutual Life Insurance and Other Enterprises", as amended by Statement of Financial Accounting Standards (SFAS) No. 120 "Accounting and Reporting by Mutual Life Insurance Enterprises and by Insurance Enterprises for Certain Long-Duration Participating Contracts", effective for fiscal years beginning after December 15, 1995. Financial statements of mutual life insurance companies, and their wholly owned stock life insurance subsidiaries, for periods beginning after December 15, 1995 which are prepared on the basis of statutory accounting practices will no longer be characterized as in conformity with generally accepted accounting principles (GAAP). As a result, the Company has prepared its 1996 consolidated financial statements in accordance with all applicable GAAP pronouncements. The 1995 and 1994 consolidated financial statements, which were previously prepared on the statutory basis of accounting, have been restated in accordance with GAAP. The cumulative effect of adopting GAAP as of January 1, 1994 was an increase in retained earnings of $378.3 million. See Note 7 for a reconciliation of the Company's surplus and net income determined in accordance with statutory accounting practices with equity and net income determined on a GAAP basis.

On January 1, 1995, the Company adopted SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities," which expanded the use of fair value accounting for those securities that a company does not have positive intent and ability to hold to maturity. Implementation of this statement decreased stockholder's equity by $39.8 million net of deferred income tax benefit of $21.4 million. In 1994 prior to the adoption of SFAS 115, all fixed maturities were carried at amortized cost.

C. Investments

Fixed Maturities - Securities held to maturity are those that the Company has the positive intent and ability to hold to maturity and are principally reported at amortized cost. Amortized cost is adjusted to estimated fair value for impairments which are deemed to be other than temporary.

Where the Company may not have the positive intent to hold fixed maturities until maturity, the securities are classified as "Available for Sale." These securities are reported at market value based principally on their quoted market prices. The associated unrealized gains and losses, net of income taxes and deferred policy acquisition costs, are included as a component of equity or if deemed to be other than temporary, are included as a realized loss.

Equity Securities consist primarily of common and preferred stocks. Marketable equity securities are reported at market value based principally on their quoted market prices. Cost basis of the equity securities is $3.9 million and $5.3 million as of December 31, 1996 and 1995, respectively. The associated unrealized gains and losses are included as a component of equity.

Mortgage Loans and Policy Loans are stated primarily at unpaid principal balances, net of unamortized discounts. Interest income is recognized as net investment income earned.

Investment Real Estate acquired through foreclosure during 1994 was sold in 1996 for $4.5 million.

Other Long Term Investments, which consist of limited partnerships, are valued at the aggregate net equity in the partnerships. Certain investments in this category were non-income producing at December 31, 1995. These investments were $.3 million at December 31, 1995. There were no non-income producing investments at December 31, 1996 and 1994.

Partnership and joint venture interests in which the Company does not have control and a majority economic interest are reported on the equity basis of accounting. Non real estate related interests of $4.5 million and $4.1 million are included in other long term investments, at December 31, 1996 and 1995, respectively. The Company's share of net income from such entities was $1.4 million, $.3 million, and $1.9 million for the years ended December 31, 1996, 1995, and 1994, respectively, and is reported in net investment income.

Realized investment gains and losses are reported based on specific identification of the investments sold.

Short-term investments are fixed maturities that mature within one year, and are reported at estimated fair value.

D. Revenue Recognition and Related Expenses

Universal life contracts are long duration life insurance contracts that involve significant mortality and morbidity risk with both fixed and guaranteed terms. Investment contracts are long duration contracts that do not subject the insurance enterprise to risks arising from policyholder mortality or morbidity. Amounts received as payments for these contracts are reported as deposits to policyholders' account balances. Revenues from these contracts consist primarily of amounts assessed during the period against policyholders' account balances for mortality charges, policy administration fees and surrender charges. Policy benefits and claims that are charged to expenses include benefit claims incurred in the period in excess of related policyholders' account balances.

Premiums, policy benefits and claims from traditional life and annuity policies, generally are recognized in operations when due.

E. Deferred Policy Acquisition Costs

Acquisition costs consist of commissions and other costs which vary with and are primarily related to the production or acquisition of new business. Acquisition costs related to universal life products and investment-type contracts are deferred and amortized in proportion to total estimated gross profits arising principally from investment results, mortality, expense margins and surrender charges based on historical and anticipated future experience. Amortization of deferred policy acquisition costs was $9.3 million, $54.4 million, and $76.0 million for the years ended December 31, 1996, 1995, and 1994, respectively. Deferred policy acquisition costs are analyzed to determine if they are recoverable from future income, including investment income. If such costs are determined to be unrecoverable, they are expensed at the time of determination. The effect on the deferred policy acquisition asset that would result from realization of unrealized investment gains (losses) is recognized with an offset to unrealized investment gains (losses) in consolidated stockholder's equity.

F. Future Policy Benefits and Policyholders' Account Balances

Benefit reserve liabilities for payout annuities such as matured deferred annuities and supplementary contracts represent the present values of estimated future benefits payments and related expenses. Present values for these contracts are computed using interest rates ranging from 6.5% to 11%. The mortality assumption for these contracts is the 83 IAM tables. Reserves for supplementary benefits are stated at interest rates that vary from 4% to 6.5% using mortality and morbidity assumptions either from company experience or various actuarial tables.

When liabilities for future policy benefits plus the present value of expected future gross deposits are insufficient to provide expected future policy benefits and expenses, unrecoverable deferred policy acquisition costs are written off and thereafter, if required, a premium deficiency reserve is established as a charge to income.

Policyholders' account balances for universal life and investment-type contracts are equal to the policy account values. The policy account values represent an accumulation of gross deposits plus interest credited less expense and mortality charges and withdrawals.

Interest crediting rates on life insurance products range from 3.35% to 7%.

G. Separate Accounts

Separate Accounts represent funds for which investment income and investment gains and losses accrue directly to, and investment risk is borne by, the policyholders, with the exception of the Pruco Life Modified Guaranteed Annuity Account. The Pruco Life Modified Guaranteed Annuity Account is a non-unitized separate account, which funds the Modified Guaranteed Annuity Contract and the Market Value Adjustment Annuity Contract. Owners of the Pruco Life Modified Guaranteed Annuity and the Market Value Adjustment Annuity Contracts do not participate in the investment gain or loss from assets relating to such accounts. Such gain or loss is borne, in total, by the Company.

All Separate Account assets are carried at market value. Deposits to all Separate Accounts are reported as increases in Separate Account liabilities, which equal the Separate Account policy account fund values. Charges assessed against Policyholders' account balances for mortality, policy administration and surrender charges are included in policy charges and fee income. Mortality and expense risk charges are applied against the Policyholders' account balance. The Separate Account assets are legally segregated and are not subject to claims that arise out of any other business of the Company.

H. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. FIXED MATURITIES

Gross unrealized gains and losses for securities classified as Held to Maturity and Available for Sale, by major security type, are as follows:
<TABLE>
<CAPTION>

DECEMBER 31, 1996

(000's)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
Held to Maturity				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ -	$ -	$ -	$ -
Foreign government bonds	-	-	-	-
Corporate securities	405,731	10,947	576	416,102
Mortgage-backed securities	-	-	-	-
Other fixed maturities	-	-	-	-
Total	$ 405,731	$ 10,947	$ 576	$ 416,102

<CAPTION>

DECEMBER 31, 1996

(000's)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
Available For Sale				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 32,055	$ 30	$ 174	$ 31,911
Foreign government bonds	90,447	857	205	91,099
Corporate securities	2,087,250	30,365	4,206	2,113,409
Mortgage-backed securities	398	-	-	398
Other fixed maturities	-	-	-	-
Total	$ 2,210,150	$ 31,252	$ 4,585	$ 2,236,817

</TABLE>

<TABLE>
<CAPTION>

DECEMBER 31, 1995

	Amortized	Gross Unrealized	Gross Unrealized	Fair

(000's)	Cost	Gains	Losses	Value
<S>	<C>	<C>	<C>	<C>
Held to Maturity				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ -	$ -	$ -	$ -
Foreign government bonds	-	-	-	-
Corporate securities	437,727	18,629	1,805	454,551
Mortgage-backed securities	-	-	-	-
Other fixed maturities	-	-	-	-
Total	$ 437,727	$ 18,629	$ 1,805	$ 454,551

<CAPTION>

DECEMBER 31, 1995

(000's)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
Available For Sale				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 324,854	$ 6,830	$ 61	$ 331,623
Foreign government bonds	73,042	3,055	-	76,097
Corporate securities	1,507,248	54,545	2,168	1,559,625
Mortgage-backed securities	169,190	8,717	398	177,509
Other fixed maturities	-	-	-	-
Total	$ 2,074,334	$ 73,147	$ 2,627	$ 2,144,854

</TABLE>

The amortized cost and estimated fair value of fixed maturities at December 31, 1996, categorized by contractual maturity, are shown below. Actual maturities will differ from contractual maturities because borrowers may prepay obligations with or without call or prepayment penalties.

DECEMBER 31, 1996

(000's)	Amortized Cost	Estimated Fair Value
Held to Maturity		
Due in one year or less	$ 28,653	$ 28,762
Due after one year through five years	156,013	158,183
Due after five years through ten years	194,765	202,766
Due after ten years	26,300	26,391
Mortgage-backed securities	--	--

Total	$ 405,731	$ 416,102

DECEMBER 31, 1996

(000's)	Amortized Cost	Estimated Fair Value
Available For Sale		
Due in one year or less	$ 130,400	$ 131,301
Due after one year through five years	1,561,854	1,578,979
Due after five years through ten years	398,090	404,920
Due after ten years	119,408	121,219
Mortgage-backed securities	398	398
Total	$2,210,150	$2,236,817

Proceeds from the sale of fixed maturities during 1996, 1995, and 1994 were $3.8 billion, $1.8 billion, and $2.6 billion, respectively. Gross gains of $28.7 million, $28.8 million, and $16.8 million and gross losses of $19.7 million, $17.5 million, and $49.8 million were realized on those sales during 1996, 1995, and 1994, respectively.

<TABLE>
<CAPTION>

3. Net Investment Income

	YEAR ENDED DECEMBER 31, 1996	1995	1994
		(000'S)	
<S>	<C>	<C>	<C>
Net investment income consists of:			
Gross investment income			
Fixed maturities			
Held to maturity	$ 33,419	$ 33,458	$ 196,909
Available for sale	152,445	160,740	--
Equity securities	44	104	14
Mortgage loans	5,669	7,757	4,041
Investment real estate	613	647	2,146
Policy loans	33,449	29,775	25,692
Short term investments	16,780	15,092	12,676
Other	9,438	3,949	5,075
	251,857	251,522	246,553
Investment expenses	(4,529)	(4,904)	(5,421)
Net investment income	$ 247,328	$ 246,618	$ 241,132

4. Investment Gains (Losses)

<CAPTION>

	YEAR ENDED DECEMBER 31, 1996	1995	1994
		(000'S)	
<S>	<C>	<C>	<C>
Realized investment gains (losses)			
Fixed maturities - Available for sale	$ 9,036	$ 11,359	$ (38,180)
Equity securities	781	2,020	503
Mortgage loans	1,677	(90)	(4,581)
Investment real estate	487	(99)	1,184

Other	(1,146)	10	--
Realized investment gains (losses)	$ 10,835	$ 13,200	$ (41,074)

<CAPTION>

<S>	YEAR ENDED DECEMBER 31, 1996 <C>	1995 <C>	1994 <C>
		(000'S)	
Net unrealized investment gains (losses), beginning of period	$ 30,836	$ (1,349)	$ --
Net unrealized investment gains (losses)			
Fixed maturities - Available for sale	(43,853)	131,712	--
Equity securities	1,403	827	(2,108)
	(42,450)	132,539	(2,108)
Deferred income tax benefit (provision)	15,398	(47,714)	759
Deferred policy acquisition costs (net of deferred income taxes)	8,618	(12,878)	--
Net change in unrealized investment gains (losses)	(18,434)	71,947	(1,349)
Adoption of SFAS 115	--	(39,762)	--
Net unrealized investment gains (losses), end of period	$ 12,402	$ 30,836	(1,349)

</TABLE>

5. Fair Value Information

The fair value amounts have been determined by the Company using available information and reasonable valuation methodologies. Considerable judgment is applied, as necessary, in interpreting data to develop the estimates of fair value. Accordingly, the estimates presented may not be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies could have a material effect on the estimated fair values.

The following methods and assumptions were used in calculating the fair values.

Fixed Maturities - Fair values for fixed maturities, other than private placement securities, are based on quoted market prices or estimates from independent pricing services. Fair values for private placement securities are estimated using a discounted cash flow model which considers the current market spreads between the U.S. Treasury yield curve and corporate bond yield curve adjusted for the type of issue, its current quality and its remaining average life.

Equity Securities - Fair value is based on quoted market prices.

Mortgage Loans - The fair value of the mortgage loan portfolio is primarily based upon the present value of the scheduled cash flows discounted at the appropriate U.S. Treasury rate, adjusted for the current market spread for a similar quality mortgage.

Policy Loans - The estimated fair value is calculated using a discounted cash flow model based upon current U.S. Treasury rates and historical loan repayments.

Policyholders' Account Balances - Fair values for policyholders' account balances are equal to the policy account values.

Short-term Investments - Fair values for short-term investments are based on quoted market prices or estimates from independent pricing services.

The following table discloses the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1996 and 1995:
<TABLE>

<CAPTION>

	1996 CARRYING VALUE	1996 FAIR VALUE	1995 CARRYING VALUE	1995 FAIR VALUE
	(000'S)			
Financial Assets:				
Fixed maturities:				
Held to maturity	$ 405,731	$ 416,102	$ 437,727	$ 454,551
Available for sale	2,236,817	2,236,817	2,144,854	2,144,854
Mortgage loans	46,915	46,692	64,464	63,635
Policy loans	639,782	623,218	569,273	577,975
Equity securities	3,748	3,748	4,036	4,036
Short-term investments	169,830	169,830	228,016	228,016
Financial Liabilities:				
Policyholders' account balances	$ 2,188,862	$ 2,188,862	$ 2,218,330	$ 2,218,330

</TABLE>

6. Income Taxes

The Company is a member of a group of affiliated companies which join in filing a consolidated federal income tax return in addition to separate company state and local tax returns. The Internal Revenue Code limits the amount of nonlife insurance losses that may offset life insurance company taxable income. Companies operating outside the United States are taxed under applicable foreign statutes.

Pursuant to the tax allocation arrangement, total federal income tax expense is determined on a separate company basis. Members with losses record tax benefits to the extent such losses are recognized in the consolidated federal tax provision. The Company has a net receivable from Prudential of $7.2 million and $6.4 million as of December 31, 1996 and 1995, respectively.

Deferred income taxes are generally recognized when assets and liabilities have different values for financial statement and tax reporting purposes.

The components of income taxes are as follows:

	YEAR ENDED DECEMBER 31, 1996	1995	1994
	(000'S)		
Current income tax provision:			
Federal income tax	$ 59,489	$ 65,131	$ 59,641
State and local income tax	703	1,876	3,036
Foreign income tax	4	7	7
Total current income tax	60,196	67,014	62,684
Deferred income tax provision (benefit):			
Federal income tax	18,413	12,196	(14,246)
State and local income tax	526	348	(407)
Total deferred income tax	18,939	12,544	(14,653)
Total income tax provision	$ 79,135	$ 79,558	$ 48,031

The income tax provision is different from the amount computed using the expected federal income tax rate of 35% for the following reasons:

	YEAR ENDED DECEMBER 31, 1996	1995	1994
	(000'S)		
Expected federal income tax expense	$ 79,926	$ 81,271	$ 45,474

State income taxes	1,229	2,224	2,629
Other	(2,020)	(3,937)	(72)
Total income tax provision	$ 79,135	$ 79,558	$ 48,031

The components of net deferred income taxes payable are as follows:

	YEAR ENDED DECEMBER 31, 1996	1995
Deferred Income Tax Assets	(000'S)	
Insurance liabilities	$ 38,532	$ 40,732
Other	--	--
Total deferred income tax assets	$ 38,532	$ 40,732
Deferred Income Tax Liabilities		
Deferred acquisition costs	$ 173,785	$ 153,526
Net investment gains	12,502	28,157
Other	1,205	97
Total deferred income tax liabilities	187,492	181,780
Deferred federal income tax payable	$ 148,960	$ 141,048

The Internal Revenue Service (the "Service") has completed examinations of the consolidated federal income tax returns through 1989. The Service is examining the years 1990 through 1992. Discussions are being held with the Service with respect to proposed adjustments. However, management believes there are adequate defenses against, or sufficient reserves to provide for, such adjustments.

7. Stockholder's Equity Reconciliation

The reconciliation of statutory net income to GAAP net income, and statutory surplus to GAAP equity as of December 31, 1996, 1995, and 1994 are as follows:

<TABLE>
<CAPTION>

	1996	1995	1994
	(000'S)		
<S>	<C>	<C>	<C>
Statutory net income	$ 73,847	$ 157,751	$ 52,955
Deferred acquisition costs	48,862	(6,103)	(34,124)
Deferred premium	1,295	(743)	1,122
Insurance liabilities	10,211	22,890	31,780
Income taxes	(7,780)	(27,669)	42,755
Interest maintenance reserve	365	5,480	(24,704)
Separate accounts and other	22,422	1,038	12,111
GAAP net income	$ 149,222	$ 152,644	$ 81,895
Statutory surplus	$ 901,645	$ 829,022	$ 676,087

Investment valuation	26,678	70,776	-
Deferred acquisition costs	633,159	566,976	598,294
Deferred premium	(11,859)	(13,154)	(12,412)
Insurance liabilities	(124,781)	(153,995)	(71,076)
Income taxes	(124,823)	(128,070)	(82,167)
Asset valuation reserve and interest maintenance reserve	68,733	64,551	23,690
Other	30,229	32,087	(49,052)
GAAP stockholder's equity	$ 1,398,981	$ 1,268,193	$ 1,083,364

</TABLE>

The New York State Insurance Department ("Department") recognizes only statutory accounting for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York Insurance Law, and for determining whether its financial condition warrants the payment of a dividend to its stockholders. No consideration is given by the Department to financial statements prepared in accordance with generally accepted accounting principles in making such determinations.

8. Related Party Transactions

A. Service Agreements

The Company, Prudential, and Pruco Securities Corporation, an indirect wholly-owned subsidiary of Prudential, operate under service and lease agreements whereby services of officers and employees, supplies, use of equipment and office space are provided. The net cost of these services allocated to the Company were $102 million, $98 million and $78 million for the years ended December 31, 1996, 1995, and 1994, respectively.

B. Pension Plans

The Company is a wholly-owned subsidiary of Prudential which sponsors several defined benefit pension plans that cover substantially all of its employees. Benefits are generally based on career average earnings and credited length of service. Prudential's funding policy is to contribute annually the amount necessary to satisfy the Internal Revenue Service contribution guidelines.

No pension expense for contributions to the plan was allocated to the Company in 1996, 1995, or 1994 because the plan was subject to the full funding limitation under the Internal Revenue Code.

C. Postretirement Life and Health Benefits

Prudential also sponsors certain life insurance and health care benefits for its retired employees. Substantially all employees may become eligible to receive a benefit if they retire after age 55 with at least 10 years of service. Prudential elected to amortize its obligation over twenty years. A provision for contributions to the postretirement fund is included in the net cost of services allocated to the Company discussed above for the years ended December 31, 1996, 1995, and 1994.

D. Reinsurance

The Company currently has three reinsurance agreements in place with Prudential (the reinsurer). Specifically: reinsurance Group Annuity Contract, whereby the reinsurer, in consideration for a single premium payment by the Company, provides reinsurance equal to 100% of all payments due under the contract, and two yearly renewable term agreements in which the Company may offer and the reinsurer may accept reinsurance on any life in excess of the Company's maximum limit of retention. The Company is not relieved of its primary obligation to the policyholder as a result of these reinsurance transactions. These agreements had no material effect on net income for the years ended December 31, 1996, 1995, and 1994.

9. Contingencies

Several actions have been brought against the Company on behalf of those persons who purchased life insurance policies based on complaints about sales practices engaged in by Prudential, the Company and agents appointed by Prudential and the Company. Prudential has agreed to indemnify the Company for any and all losses resulting from such litigation.

10. Dividends

The Company is subject to Arizona law which limits the amount of dividends that insurance companies can pay to stockholders. The maximum dividend which may be paid in any twelve month period without notification or approval is limited to the lesser of 10% of surplus as of December 31 of the preceding year or the net gain from operations of the preceding calendar year. Cash dividends may only be paid out of surplus derived from realized net profits. Based on these limitations and the Company's surplus position at December 31, 1996, the Company would be permitted a maximum of $48 million in dividend distribution in 1997, all of which could be paid in cash, without approval from The State of Arizona Department of Insurance.

<TABLE>

Pruco Life Insurance Company and Subsidiaries
Schedule IV - Schedule of Reinsurance
For Year Ended December 31, 1996

<CAPTION>

(000's)

	Gross Amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
<S>	<C>	<C>	<C>	<C>	<C>
Life insurance in force ...	$ 47,430,580	$ 1,172,449	$ 0	$ 46,258,131	N/A
Life insurance premiums ...	$ 54,904	$ 3,379	$ 0	$ 51,525	N/A

</TABLE>

<TABLE>

Pruco Life Insurance Company and Subsidiaries
Schedule IV - Schedule of Reinsurance
For Year Ended December 31, 1995

<CAPTION>

(000's)

	Gross Amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
<S>	<C>	<C>	<C>	<C>	<C>
Life insurance in force ...	$ 47,822,892	$ 822,619	$ 0	$ 47,000,273	N/A
Life insurance premiums ...	$ 44,357	$ 2,268	$ 0	$ 42,089	N/A

</TABLE>

<TABLE>

Pruco Life Insurance Company and Subsidiaries
Schedule IV - Schedule of Reinsurance
For Year Ended December 31, 1994

<CAPTION>

(000's)

	Gross Amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
<S>	<C>	<C>	<C>	<C>	<C>
Life insurance in force ...	$ 48,003,675	$ 531,166	$ 0	$ 47,472,509	N/A
Life insurance premiums ...	$ 24,165	$ 1,476	$ 0	$ 22,689	N/A

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 7

<LEGEND>

FINANCIAL DATA SCHEDULE

Article 7 of Regulation S-X

Pruco Life Insurance Company

</LEGEND>

<MULTIPLIER> 1,000

<S>	<C>	
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<CASH>		73,766
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<DEFERRED-ACQUISITION>		633,159
<TOTAL-ASSETS>		9,678,427
<POLICY-LOSSES>		2,188,862
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<BENEFITS>		305,119
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