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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the period ended June 30, 1997

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission file number 33-37587

PRUCO LIFE INSURANCE COMPANY

(Exact name of Registrant as specified in its charter)

ARIZONA

(State or other jurisdiction,
incorporation or organization)

22-1944557

(IRS Employer
Identification No.)

213 WASHINGTON STREET, NEWARK, NEW JERSEY 07102

(Address of principal executive offices) (Zip Code)

(201) 802-3780

(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 June 30, 1997. Common stock, par value of
\$10 per share: 250,000 shares outstanding.

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PRUCO LIFE INSURANCE COMPANY

INDEX TO FINANCIAL STATEMENTS

INDEX

COVER PAGE	1
INDEX	2
PART I -- FINANCIAL STATEMENTS	

ITEM 1. PRUCO LIFE INSURANCE COMPANY	
CONSOLIDATED FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION -- JUNE 30, 1997 (UNAUDITED) AND DECEMBER 31, 1996	3
STATEMENTS OF OPERATIONS (UNAUDITED) -- THREE AND SIX MONTHS ENDED JUNE 30, 1997 AND 1996	4
STATEMENTS OF CHANGES IN EQUITY -- SIX MONTHS ENDED JUNE 30, 1997 (UNAUDITED) AND DECEMBER 31, 1996	5
STATEMENTS OF CASH FLOWS (UNAUDITED) -- SIX MONTHS ENDED JUNE 30, 1997 AND 1996	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)	7
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	8
PART II -- OTHER INFORMATION	

ITEM 1. LEGAL PROCEEDINGS	9
ITEM 2. CHANGE IN SECURITIES	9
ITEM 3. DEFAULTS UPON SENIOR SECURITIES	9
ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	9
ITEM 5. OTHER INFORMATION	9
ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K	9
SIGNATURE PAGE	11

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1997 (UNAUDITED) AND DECEMBER 31, 1996

	JUNE 30, 1997	DECEMBER 31, 1996
	-----	-----
	(000's)	
ASSETS		
Fixed maturities		
Held to maturity	\$ 341,798	\$ 405,731
Available for sale	2,324,663	2,236,817
Equity securities	4,111	3,748
Mortgage loans	42,755	46,915
Policy loans	667,832	639,782
Other long term investments	2,089	4,528
Short term investments	244,640	169,830
	-----	-----
Total invested assets	3,627,888	3,507,351
	-----	-----
Cash	63,019	73,766
Deferred policy acquisition costs	646,918	633,159
Premiums due	8,928	9,084
Accrued investment income	64,569	62,110
Receivable from affiliates	14,659	1,901
Federal income tax receivable	--	7,191
Reinsurance recoverable on unpaid losses	27,014	27,014
Other assets	65,876	20,000

Separate Account assets	6,446,678	5,336,851
TOTAL ASSETS	<u>\$10,965,549</u>	<u>\$9,678,427</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES		
Future policy benefits and other policyholders' liabilities	\$ 583,076	\$ 557,351
Policyholders' account balances	2,172,827	2,188,862
Deferred federal income tax payable	159,152	148,960
Federal income tax payable	11,544	--
Payable to affiliate	72,854	51,729
Other liabilities	120,623	55,090
Separate Account liabilities	6,411,412	5,277,454
TOTAL LIABILITIES	<u>9,531,488</u>	<u>8,279,446</u>
CONTINGENCIES		
STOCKHOLDER'S EQUITY		
Common Stock, \$10 par value; 1,000,000 shares, authorized; 250,000 shares, issued and outstanding at June 30, 1997 and December 31, 1996	2,500	2,500
Paid-in-capital	439,582	439,582
Net unrealized investment (losses) gains	(1,635)	12,402
Retained earnings	993,614	944,497
TOTAL STOCKHOLDER'S EQUITY	<u>1,434,061</u>	<u>1,398,981</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$10,965,549</u>	<u>\$9,678,427</u>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
THREE AND SIX MONTHS ENDED JUNE 30, 1997 AND 1996
(UNAUDITED)

<CAPTION>

	SIX MONTHS ENDED JUNE 30,		THREE MONTHS ENDED JUNE 30,	
	1997	1996	1997	1996
	(000's)			
<S>	<C>	<C>	<C>	<C>
REVENUES				
Premiums	\$ 26,347	\$ 24,297	\$ 14,104	\$ 13,742
Policy charges and fee income	156,641	156,621	80,308	77,816
Net investment income	124,032	122,204	64,811	61,353
Realized investment gains (losses)	6,973	4,923	2,054	(2,252)
Other income	12,832	7,807	6,982	5,068
TOTAL REVENUES	<u>326,825</u>	<u>315,852</u>	<u>168,259</u>	<u>155,727</u>
BENEFITS AND EXPENSES				
Policyholders' benefits	98,545	82,615	49,213	42,793
Interest credited to policyholders' account balances	53,042	55,519	28,338	26,710
Other operating costs and expenses	99,195	74,974	46,890	42,923
TOTAL BENEFITS AND EXPENSES	<u>250,782</u>	<u>213,108</u>	<u>124,441</u>	<u>112,426</u>
INCOME BEFORE INCOME TAX PROVISION	<u>76,043</u>	<u>102,744</u>	<u>43,818</u>	<u>43,301</u>
Income tax provision	26,926	35,961	14,220	15,156
NET INCOME	<u>\$ 49,117</u>	<u>\$ 66,783</u>	<u>\$ 29,598</u>	<u>\$ 28,145</u>

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SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

</TABLE>

4

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PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
JUNE 30, 1997 (UNAUDITED) AND DECEMBER 31, 1996

<CAPTION>

	COMMON STOCK	PAID-IN- CAPITAL	NET UNREALIZED INVESTMENT (LOSSES) GAINS	RETAINED EARNINGS	TOTAL STOCKHOLDER'S EQUITY
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE, JANUARY 1, 1996	\$ 2,500	\$439,582	\$30,836	\$795,275	\$1,268,193
Net income	--	--	--	149,222	149,222
Change in net unrealized investment (losses) gains during year	--	--	(18,434)	--	(18,434)
	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1996	2,500	439,582	12,402	944,497	1,398,981
Net income	--	--	--	49,117	49,117
Change in net unrealized investment (losses) gains during period	--	--	(14,037)	--	(14,037)
	-----	-----	-----	-----	-----
BALANCE, JUNE 30, 1997	\$ 2,500	\$439,582	\$(1,635)	\$993,614	\$1,434,061
	=====	=====	=====	=====	=====

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5

<TABLE>

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 1997 AND 1996
(UNAUDITED)

<CAPTION>

	SIX MONTHS ENDED JUNE 30,	
	-----	-----
	1997	1996
	-----	-----
	(000's)	
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 49,117	\$ 66,783
Adjustments to reconcile net income to net cash from operating activities:		
Increase in future policy benefits and other policyholders' liabilities	25,725	27,247
General account policy fee income	(17,424)	(21,364)
Interest credited to policyholders' account balances	53,042	55,519
Net decrease (increase) in Separate Accounts	24,131	(11,281)
Net realized investment gains	(6,973)	(4,923)
Policy loans	(28,050)	(32,736)
Amortization and other non-cash items	(3,849)	27,611
Change in:		
Accrued investment income	(2,459)	(1,038)
Premiums due	156	(1,341)

Receivable from affiliates	(12,758)	1,426
Deferred policy acquisition costs	(13,759)	(20,273)
Other assets	(45,876)	4,361
Payable to affiliate	21,125	(2,274)
Federal income tax payable/receivable	18,735	35,330
Deferred federal income tax payable	10,192	1,791
Other liabilities	65,532	155,309
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES	136,607	280,147
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale/maturity of:		
Fixed maturities:		
Held to maturity	66,858	51,018
Available for sale	1,614,135	2,248,642
Equity securities	3,773	866
Mortgage loans	4,080	2,217
Other long term investments	2,501	3
Investment real estate	--	(11)
Payments for the purchase of:		
Fixed maturities:		
Held to maturity	(3,150)	(51,662)
Available for sale	(1,705,135)	(2,346,661)
Equity securities	(3,884)	(873)
Other long term investments	(69)	(698)
Net payments of short term investments	(74,810)	(112,228)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES	(95,701)	(209,387)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Policyholders' account balances:		
Deposits	712,561	201,411
Withdrawals (net of transfers to/from separate accounts)	(764,214)	(258,943)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES	(51,653)	(57,532)
	-----	-----
Net (decrease) increase in Cash	(10,747)	13,228
Cash, beginning of year	73,766	41,435
	-----	=====
CASH, END OF PERIOD	\$ 63,019	\$ 54,663
	=====	=====

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF
PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES
JUNE 30, 1997
(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRINCIPLES

A. PRINCIPLES OF CONSOLIDATION

The accompanying unaudited 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 has two subsidiaries, Pruco Life Insurance Company of New Jersey and The Prudential Life Insurance Company of Arizona. 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 accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q and do not include all of the other information and disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 1996 included in the Company's Annual Report on Form 10-K for that year.

The accompanying consolidated financial statements have not been audited by independent accountants in accordance with generally accepted auditing

standards, but in the opinion of management such financial statements include all adjustments, consisting only of normal recurring accruals, necessary to summarize fairly the Company's financial position and results of operations. The results of operations for the six months ended June 30, 1997 may not be indicative of the results that may be expected for the year ending December 31, 1997.

C. RECLASSIFICATIONS

To facilitate comparisons with the current year, certain amounts in the prior years have been reclassified.

2. 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.

ITEM 2. 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 and annuities primarily through Prudential's sales force in the United States and in Taiwan. The company held \$11.0 billion in assets at June 30, 1997, \$6.4 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 Company's assets were \$11.0 billion at June 30, 1997 compared to \$9.7 billion at December 31, 1996. For the period ended June 30, 1997, net income amounted to \$49.1 million, a decrease of \$17.7 million compared to the \$66.8 million earned in the same period in 1996.

1. RESULTS OF OPERATIONS

(a) 1997 versus 1996

Premiums increased by \$2.0 million for the period ended June 30, 1997, from \$24.3 million in 1996 to \$26.3 million. This change is primarily due to increased sales related to traditional life insurance products in our Taiwan branch which continued to expand its business throughout 1997.

Realized investment gains increased to \$7.0 million for the six months ended June 30, 1997 from \$4.9 million for the same period in 1996. This increase is a result of current market conditions.

Other income increased \$5.0 million for the period ended June 30, 1997 from the same period in 1996. This increase is due to increased advisory fees attributable to growth of Separate Account products and introduction of Discovery Select.

Policyholders' benefits increased \$15.9 million for the period ended June 30, 1997 to \$98.5 million, as compared to \$82.6 million in 1996. This increase is attributable to increased mortality costs associated with the aging book of business.

Other operating expenses increased \$24.2 million for the period ended June 30, 1997 compared to the same period for 1996. This is attributable to operational expenses associated with the sales activity of Discovery Select and Discovery Preferred annuity products. In addition, to increase competitive positioning in the market place, technological advancements are being made in the annuity processing and customer service areas. Along with, enhanced product developments and marketing strategies to create products to better suit our customer's needs.

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 the six months ended June 30, 1997, and 1996 were \$250.8 million, and \$213.1 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 \$11.0 billion at June 30, 1997 are as follows (as a percentage of total assets): fixed income securities 24.3%, separate account assets (fixed income and equity securities) 58.8%, policy loans 6.1%, and other assets 10.8%.

PART II

ITEM 1 LEGAL PROCEEDING

- - - - -

Pruco Life Insurance Company is not involved in any litigation that is expected to have a material effect.

ITEM 2 CHANGES IN SECURITIES

- - - - -

Not Applicable

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

- - - - -

Not Applicable

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- - - - -

Not Applicable

ITEM 5 OTHER INFORMATION

- - - - -

Not Applicable

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

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(a) (1) and (2) financial Statements of registrant and subsidiaries are listed on pages 3-6 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 Form S-6, Registration No. 333-07451, filed July 2, 1996 on behalf of the Pruco Life Variable Appreciable Account; (ii) Bylaws of Pruco Life, as amended May 6, 1997 are appended to this form in accordance with EDGAR instructions.

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.

10. None.

11. Not Applicable.

- 15. Not Applicable.
- 18. None.
- 19. Not Applicable.
- 20. Not Applicable.

9

- 22. None.
- 23. None.
- 24. Not Applicable.
- 25. Not Applicable.
- 27. Exhibit 27, Financial Data Schedule appended to this form in accordance with EDGAR instructions.
- 99. None

10

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf of the undersigned, thereunto duly authorized.

PRUCO LIFE INSURANCE COMPANY
(Registrant)

SIGNATURE -----	TITLE -----	DATE ----
/s/ ESTHER H. MILNES ----- Esther H. Milnes	President and Director	August 14, 1997
/s/ LINDA S. DOUGHERTY ----- Linda S. Dougherty	Vice President and Comptroller and Chief Accounting Officer	August 14, 1997

11

EXHIBIT INDEX

Exhibit No. -----	
3(ii)	By Laws of Pruco Life Insurance Company as amended through May 6, 1997
27	Financial Data Schedule

BY-LAWS
OF
PRUCO LIFE INSURANCE COMPANY
as Amended Through May 6, 1997

ARTICLE I
GENERAL

Section 1.01. Name. The name of this corporation shall be PRUCO LIFE INSURANCE COMPANY.

Section 1.02. Location. The location of the corporation and its principal office shall be in Phoenix, Arizona, but it may have other offices at such places throughout the world as the business of the corporation may require and as the Board of Directors shall deem to be expedient.

Section 1.03. Seal. The corporate seal of the corporation shall be a circular disc with the name of the corporation, the year of its organization, and the word "Arizona" thereon.

Section 1.04. Fiscal Year. The fiscal year shall end on December 31.

ARTICLE II
The Stock

Section 2.01. Sale of Stock. The Board of Directors may sell and issue the capital stock of the corporation to the full amount or number of shares authorized by the Articles of Incorporation, in such amounts and upon such terms of payment as from time to time shall be determined by the Board, and as may be permitted by law.

Section 2.02. Stock Certificates. Certificates of stock shall, subject to the provisions of the Articles of Incorporation, be in such form as may from time to time be prescribed by the Board of Directors, shall be numbered and entered in the books in the order issued, and shall be signed by the President or a Vice President and the

Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary and sealed with the corporate seal. To the extent permitted by law, all or any of such signatures and/or seal may be facsimile.

Section 2.03. Registration of Transfers. Transfers of shares shall be registered upon the books of the corporation by the registered holder in person or by attorney, duly authorized, and on surrender of the certificate or certificates for such shares, properly assigned for transfer.

Section 2.04. Lost, Stolen or Destroyed Certificates. Each certificate issued shall be surrendered before a new certificate in lieu thereof shall be issued, except in the case of the loss, theft or destruction of a certificate, in which case a new certificate may be issued in place of the certificate so lost, stolen or destroyed upon the filing of an affidavit reciting the circumstances of such loss, theft or destruction and upon the filing of a bond of indemnity to the corporation in form and amount satisfactory to the directors.

ARTICLES III

Meetings of Stockholders

Section 3.01. General. All meetings of the stockholders shall be held at the principal office of the corporation in the State of Arizona or at such other place as determined by the Board of Directors and stated in the notice or waiver of notice of the meeting.

Section 3.02. Voting. At all meetings, a stockholder may be represented and may vote in person or by a proxy in writing filed with the Secretary before voting. No proxy shall be voted after eleven months from its date unless such proxy provides for a longer period, but in no event shall a proxy be valid after three years from the date of execution. All elections for directors shall be decided by a plurality vote; all other questions shall be decided by a majority vote, except as otherwise provided by the Articles of Incorporation or the laws of the State of Arizona.

Section 3.03. Annual Meeting. The annual meeting of the stockholders shall

be held on the first Wednesday in May or each year, at an hour to be named in the notice or waiver of notice of the meeting. If the date of the annual meeting

2

falls on a legal holiday, the meeting shall be held on the next succeeding business day.

Section 3.04. Special Meeting in Lieu of Annual Meeting. In case for any reason the annual meeting is not held on the date specified in said Section 3.03, a meeting shall thereafter be held in lieu thereof and any business transacted or elections held at such meeting shall be as valid as if transacted or held at the annual meeting. Such meeting shall be called in the same manner and as provided for special meetings of the stockholders.

Section 3.05. Special Meetings. Special meetings of the stockholders may be called by the President or a Vice President, or by vote of the Board of Directors, and shall be called by the Secretary or, in the case of death, absence, incapacity or refusal of the Secretary, by any other officer upon the written application of one or more stockholders who are entitled to vote and who hold at least a tenth part in interest of the capital stock entitled to vote at the meeting, stating the time, place and purpose of the meeting.

Section 3.06. Quorum. Except as otherwise required by law, by the Articles of Incorporation or by the By-Laws, the presence, in person or by proxy, of stockholders holding a majority of the shares of the corporation entitled to vote shall constitute a quorum at all meetings of the stockholders. In case a quorum shall not be present at any meeting, a majority in interest of the stockholders entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting sine die or, without notice other than announcement at the meeting, to a stated time and place, until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 3.07. Notice of Meeting. A written or printed notice of all stockholders' meetings, stating the place, date and time and purpose of said meeting shall be given by the Secretary or an Assistant Secretary at least ten days before such meeting to each stockholder entitled to vote, by leaving such notice with him or at his residence or usual place of business or by mailing it, postage prepaid, and addressed to such stockholder at his address as it appears upon the books of the corporation, but no such notice of such meeting shall be required if every stockholder entitled to notice thereof, or his attorney thereunto authorized by a writing which is filed with the records of the meeting, waives such notice, which such waiver may be executed and

3

filed after such meeting has been held. The presence in person, by his attorney or by proxy, of any person entitled to notice of such meeting shall be deemed a waiver of such notice as to such person. Any person authorized hereunder to give notice of any such meeting may make affidavit relative thereto, which, as to the facts therein stated, shall be conclusive.

Section 3.08. Action Without Meeting. Any action required or permitted to be taken at a meeting of stockholders by law or the Articles of Incorporation or the By-Laws, may be taken without a meeting if all the stockholders entitled to vote thereon consent thereto in writing.

ARTICLE IV

Directors

Section 4.01. General. The officers of the corporation shall consist of a board of not less than five nor more than fifteen directors, the number to be seven unless at the meeting at which they are elected and prior to balloting a different number is fixed to be voted for, a President, one or more Vice-Presidents, a Secretary, a Treasurer, a Comptroller, a Chief Actuary and such other officers as the Board of Directors may find necessary or convenient for the transaction of the business of the corporation.

Section 4.02. Election of Directors and Filling Vacancies. A Board of Directors shall be elected by ballot at the annual meeting of the stockholders, in accordance with the cumulative voting procedures prescribed by the laws of Arizona. The directors shall serve until the next annual meeting of stockholders and until their successors have been elected and qualified, but the Board of Directors may fill any vacancy occurring in the office of director from whatever cause in the interval between the annual meetings of the stockholders by majority vote of the remaining directors in office, even though there may not be a quorum, provided, however, that the stockholders entitled to vote may at a stockholders' meeting called for that purpose fill any such vacancy in the Board of Directors, if not already filled, or if already filled, substitute some other person to fill such vacancy, in which case the term of office of the person so

elected by the Board of Directors to fill such vacancy shall forthwith terminate. The holding of stock in the corporation shall not be a necessary qualification for the election as a director of the corporation.

4

Section 4.03. Increase or Decrease of Number. The number of directors may be increased or decreased within the limits prescribed by Section 4.01 of these By-Laws by vote of the stockholders at an annual or special meeting of the stockholders, and the additional directors may be chosen at any such meeting to hold office until the next annual election and until their successors are elected and qualify.

Section 4.04. Resignations. Any director, member of a committee or other officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the Board of Directors.

Section 4.05. Removal. Any director may be removed for cause at any annual meeting of stockholders, or at a special meeting called for that purpose.

Section 4.06. General Powers. The property and business of the corporation shall be managed by the Board of Directors, who shall have the power to control and manage all of the affairs of the corporation and to exercise, in addition to the powers and authorities by these By-Laws or by the Articles of Incorporation expressly conferred upon them, all such powers as may be exercised, and to do all such things as may be done by the corporation which are not expressly reserved to the stockholders, subject to the provisions of the statutes and laws of the State of Arizona, and it may restrict, enlarge or otherwise modify the powers and duties of any or all of the officers of this corporation.

Section 4.07. Committees. The Board of Directors may, by resolution or resolutions adopted by a majority of the entire Board, appoint one or more committees, each committee to consist of three or more directors of the corporation. Any such committee, to the extent provided in the resolution or in the By-Laws of the corporation, shall have and may exercise all the authority of the Board of Directors except that no such committee shall

- (a) Make, alter or repeal any By-Law of the corporation;
 - (b) elect, appoint, or remove any director;
 - (c) submit to stockholders any action that requires stockholders' approval;
- or

5

- (d) amend or repeal any resolution theretofore adopted by the Board.

Section 4.08. Quorum. A majority of the total number of directors elected at the last election, but in no case less than three, shall constitute a quorum for the transaction of business, but a lesser number may adjourn the meeting sine die or to a stated time and place, and a majority of the members present at any meeting at which a quorum is present shall decide any question brought before such meeting except as otherwise may be provided by law. Any director shall be counted present at any regular or special meeting of directors and voting with the majority, if and when such directors shall subsequently approve the minutes of such meeting and sign the same in the minute book; and such signature shall be sufficient to make a quorum at such meeting, if necessary.

Section 4.09. Regular Meeting. Regular meetings of the Board of Directors shall be held without notice following the adjournment of the annual meeting of the stockholders or any special meeting held in lieu thereof on the same day at the same time and place as such annual or special meeting and on such other day and at such other time or place as shall be determined by the Board by prior resolutions.

Section 4.10. Special Meeting. Special meetings of the Board may be called by the Chairman of the Board or the President or, at the request of three members of the Board of Directors, by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. Notice of any special meeting shall be given to each director stating the time, place and purpose of the meeting in one of the following ways: either (a) by communicating actual notice thereof to such director at least twenty-four hours before the time of such meeting, or (b) by written notice thereof left at or telegraphed to a usual place of business of such director or to his residence for the time being, in either case at least forty-eight hours before the time of such meeting, or (c) by placing a written notice thereof in the mail, postage prepaid, addressed to a usual place of business of such director or to his legal residence or to his residence for the time being, in any such case at least seventy-two hours before the time of such meeting.

Section 4.11. Waiver of Notice. Notice of any meeting of the Board of

Directors and of the business to be transacted thereat may be waived in writing before or after

6

such meeting by any director, and the presence of any director at any meeting of the Board shall be deemed a waiver of notice by him of the meeting and of the business to be transacted thereat unless objection is made by him at the time and noted on the records of the meeting of the Board. Any person authorized hereunder to give notice of any such meeting may make affidavit relative thereto, which, as to the facts therein stated, shall be conclusive.

Section 4.12. Action Without Meeting. A resolution in writing, signed by all members of the Board, or any committee thereof, as the case may be, shall be deemed to be the action of the Board or such committee as therein expressed, with the same force and effect as if the same had been passed at a duly convened meeting; and the Secretary shall record such resolution in the minute book under its proper date.

ARTICLE V

Officers

Section 5.01. Officers. The officers of the corporation shall be a President, a Secretary, a Comptroller, a Chief Actuary and a Treasurer, all of whom shall be elected by the Board of Directors and who shall hold office, subject to the By-Laws, until their successors are elected and qualified. In addition, the Board of Directors may elect a Chairman of the Board, one or more Vice Presidents and such Assistant Secretaries, Assistant Treasurer, Assistant Actuaries and Assistant Comptrollers as the Board may deem advisable. None of the officers of the corporation need be directors. Vacancies occurring among the officers shall be filled by the directors. Any officer may be removed by the Board, with or without cause, at any time.

Section 5.02. Other Officers. In addition to the officers named in the preceding By-Laws, the Board of Directors may, without limitation, establish such other officers as it may from time to time find necessary or convenient for the transaction of the corporation's business and may provide for the appointment or election of officers to fill such offices and fix their powers, duties and terms of office.

Section 5.03. Bonds. The directors may require the Treasurer and any and all other officers to give bonds to the corporation with good and sufficient surety for the faithful performance of their respective duties and offices.

7

Section 5.04. Qualification, Absence or Disability of Officers. The holding of stock in the corporation shall not be a necessary qualification for election as an officer of the corporation. In the case of the absence or disability of any officer of the corporation, the Board of Directors may appoint some other person to exercise for the time being the powers and perform the duties of such officer in his place and the authority of such person shall continue until it is revoked by the Board.

Section 5.05. Chairman of the Board. The Chairman of the Board, if one be elected, shall preside at all meetings of the Board of Directors and he shall have and perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 5.06. President. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the stockholders if present thereat, and in the absence or non-election of the Chairman of the Board, at all meetings of the Board of Directors. He shall have absolute power to supervise and direct the business of the corporation, subject only to the power and authority of the Board of Directors and shall, subject to the power of the Board, have power to appoint, remove and fix the compensation of all persons employed or to be employed by the corporation in any capacity whatsoever excepting the officers elected by the Board of Directors, and shall have such other powers as may be prescribed by the Board or the By-Laws.

Section 5.07. Vice President. The Vice President, or if more than one, the Vice Presidents in the order established by the Board of Directors, shall in the absence or incapacity of the President, perform the duties of the President. In other respects, each Vice President shall exercise such powers and perform such duties as may be prescribed by the President, the Board of Directors or the By-Laws.

Section 5.08. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and any committees thereof and of the stockholders. He shall have the custody of the seal of the corporation and shall affix the seal to documents when authorized to do so. He shall perform all other duties usual to that office, and shall also perform such other duties and have

such powers as may be prescribed or assigned to him from time to time by the President, the Board of Directors or the By-Laws.

8

Section 5.09. Treasurer. The Treasurer shall, except as may be otherwise provided in the By-Laws or by the Board of Directors, perform all the duties customary to that office, have the care and custody of the funds and securities of the corporation and deposit the same with such depositories as the Board of Directors may designate. The Treasurer shall also perform such other duties and have such powers as may be prescribed or assigned to him from time to time by the President, the Board of Directors or the By-Laws.

Section 5.10. Comptroller. The Comptroller shall supervise the accounts of the corporation, shall have supervision over and responsibility for the books, records, accounting and system of accounting and auditing in each office of the corporation, and shall perform such other duties as may be assigned to him by the President, the Board of Directors or the By-Laws.

Section 5.11. Chief Actuary. The Chief Actuary shall make calculations and tables, shall audit the insurance portion of the annual statements, collect and arrange data, books, documents, tables and official statements upon the business of insurance and annuities, and perform such other acts, which may be of an executive character, as may be required by the President, the Board of Directors or the By-Laws.

Section 5.12. Assistant Officers. Assistant Secretaries, Treasurers, Comptrollers, and Actuaries, if any, shall be elected and shall have such powers and shall perform such duties as shall be assigned to them, respectively, by the President, the Board of Directors or the By-Laws.

ARTICLE VI

Execution of Contracts, Checks, Etc.

Section 6.01. Execution of Insurance and Annuity Contracts. The President or a Vice President and the Secretary or an Assistant Secretary shall execute all contracts of insurance and annuity either by signing such contracts manually or by causing to be thereto affixed their respective facsimile signatures duly adopted by each of them for the purpose with the approval of the Board of Directors. In case any officer, as aforesaid, who shall have signed a contract form or whose facsimile signature shall have been affixed thereto shall cease to be such officer by reason of

9

death, or otherwise before such contract shall have been issued and delivered, such contract may nevertheless be issued and delivered unless the Board of Directors shall otherwise determine, and any such contract so issued and delivered shall be as binding upon the corporation as though every officer who signed the same or whose facsimile signature was affixed thereto, as aforesaid, had continued to be such officer of the corporation.

Section 6.02. Checks, Etc. All checks, drafts or orders for the payment of money shall be signed by such officer or officers or agent or agents, and in such manner, as shall be determined from time to time by the Board of Directors.

Section 6.03. Execution of Other Instruments. The President or any one of the Vice Presidents shall have power to execute on behalf of the corporation all instruments, deeds, contracts and other corporate acts and papers, subject only to the provisions of Sections 6.01 and 6.02 of these By-Laws.

ARTICLE VII

Conflicting Interests

No director, officer or employee of the Corporation at Manager level or higher shall have any position with or a substantial interest in any other enterprise operated for profit, (other than The Prudential Insurance Company of America or any direct or indirect subsidiary thereof) the existence of which would conflict or might reasonably be supposed to conflict with the proper performance of his or her Corporate responsibilities, or, which might tend to affect his or her independence of judgment with respect to transactions between the Corporation and such other enterprise.

If a director or any such officer or employee has a position with or substantial interest in another such enterprise, which, when acquired, did not create such an actual or apparent conflict of interest, he or she shall make timely disclosure of such position or interest to the Board of Directors when he or she learns that there is an impending transaction between such enterprise and the Corporation or The Prudential Insurance Company of America or any subsidiary or affiliate of either the Corporation or Prudential that might create such an actual or apparent conflict.

The Board of Directors, which may act through an appropriate committee or sub-committee, shall adopt such regulations and procedures as shall from time to time appear to it sufficient to secure compliance with the above policy.

ARTICLE VIII

Indemnification

Every former and present officer and director of the corporation shall be indemnified by the corporation against all expenses incurred by him, including legal fees, or judgments or penalties rendered or levied against him in a legal action brought against him for actions or omissions alleged to have been committed by him while acting within the scope of his employment as an officer or director of the corporation, or in the settlement of any such proceedings, whether or not he is an officer or director at the time such expenses are incurred, judgments or penalties are rendered or levied and settlement made, provided that the Board of Directors shall determine in good faith that he did not act, fail to act or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action; and further provided that in the event of a settlement, the indemnification herein provided shall apply only if the Board of Directors shall approve such settlement and reimbursement and determine in good faith that such settlement and reimbursement is in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such officer or director may be entitled.

Pursuant to a resolution of the Board of Directors of the corporation, the corporation may, subject to the same qualifications, also indemnify (i) any one or more present or future members of a variable contract account committee established pursuant to subsection E of A.R.S. (2C-651 and (ii) any one or more present or future directors, trustees or officers of any other corporation, which members, directors, trustees or officers shall be serving as such at the request of the corporation because of the corporation's interest in such variable contract account or other corporation, or the legal representative of any such member, director, trustee or officer, against such costs, expenses and counsel fees; provided that, subject to renewal by resolution of the Board of Directors of the corporation, any

such indemnification of any such member, director, trustee or officer shall be in respect of action taken or omitted by him, as such, during a period of not more than one year, except that, if the period prior to the first annual meeting of persons having voting rights in respect of such variable contract account or of stockholders of such corporation shall be longer than one year, such indemnification may be in respect of action taken or omitted by him during such period.

Any right to indemnification provided by or pursuant to the foregoing provisions of this By-Law shall not be exclusive of any other rights to which any such member, director, trustee or officer or his estate or legal representative may be entitled as a matter of law and shall inure to the benefit of the estate or legal representative of a deceased member, director, trustee or officer.

ARTICLE IX

Amendment of By-Laws

The By-Laws may be altered or repealed and new By-Laws may be made by vote of the stockholders at any meeting of the stockholders. The Board of Directors may also alter or repeal the By-Laws and make new By-Laws at any meeting of the Board of Directors; provided, however, that any By-Laws made by the Board of Directors may be altered or repealed, and new By-Laws made by the stockholders.

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