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

FORM 10-Q

(Mark One)

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

For the period ended September 30, 1998

OR

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

Commission file number 333-18053

PRUCO LIFE INSURANCE COMPANY
OF NEW JERSEY

(Exact name of Registrant as specified in its charter)

NEW JERSEY	22-2426091
(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)

(973) 802-2859
(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 November 16, 1998. Common stock, par value of $5 per share: 400,000 shares outstanding.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

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STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
SEPTEMBER 30, 1998 AND DECEMBER 31, 1997 (IN THOUSANDS)

<S>	SEPTEMBER 30, 1998 <C>	DECEMBER 31, 1997 <C>
ASSETS		
Fixed maturities		
Available for sale, at fair value (amortized cost, 1998: $551,178; 1997: $585,109)	$ 564,904	$ 592,361
Policy loans	137,374	127,306
Short-term investments	85,141	52,464
Total investments	787,419	772,131
Cash	6,891	3
Deferred policy acquisition costs	104,774	101,625
Accrued investment income	12,559	14,075
Other assets	8,174	4,037
Separate Account assets	1,272,659	1,110,561
TOTAL ASSETS	$ 2,192,476	$ 2,002,432
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES		
Policyholders' account balances	$ 409,280	$ 402,601
Future policy benefits and other policyholder liabilities	88,657	85,220
Cash collateral for loaned securities	29,863	33,663
Income taxes payable	14,216	16,266
Deferred income tax liability	23,197	22,188

Affiliated notes payable	7,000	--
Payable to affiliates	3,620	4,307
Other liabilities	14,634	13,800
Separate Account liabilities	1,264,461	1,108,994
TOTAL LIABILITIES	1,854,928	1,687,039
CONTINGENCIES (SEE NOTE 5)		
STOCKHOLDER'S EQUITY		
Common stock, $5 par value; 400,000 shares, authorized; issued and outstanding at September 30, 1998 and December 31, 1997	2,000	2,000
Paid-in-capital	125,000	125,000
Retained earnings	203,610	185,437
Accumulated other comprehensive income	6,938	2,956
TOTAL STOCKHOLDER'S EQUITY	337,548	315,393
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 2,192,476	$ 2,002,432

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

<TABLE>
<CAPTION>
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997 (IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30,		THREE MONTHS ENDED SEPTEMBER 30,	
	1998	1997	1998	1997
REVENUES				
<S>	<C>	<C>	<C>	<C>
Premiums	$ 599	$ 708	$ 70	$ 318
Policy charges and fee income	39,451	39,846	14,828	13,055
Net investment income	35,680	34,304	11,584	12,828
Realized investment gains, net	7,176	1,328	5,353	882
Other income	4,251	3,408	1,586	1,480
TOTAL REVENUES	87,157	79,594	33,421	28,563
BENEFITS AND EXPENSES				
Policyholders' benefits	19,902	23,133	6,914	7,799
Interest credited to policyholders' account balances	14,853	14,371	5,162	4,886
General, administrative and other expenses	24,443	16,451	8,089	4,368
TOTAL BENEFITS AND EXPENSES	59,198	53,955	20,165	17,053
Income from operations before income taxes	27,959	25,639	13,256	11,510
Income taxes				
Current	10,921	8,974	5,816	3,721
Deferred	(1,135)	145	(1,250)	385
Total income taxes	9,786	9,119	4,566	4,106
NET INCOME	18,173	16,520	8,690	7,404
Unrealized gains on securities, net of reclassification adjustment	3,982	637	3,900	3,240

COMPREHENSIVE INCOME	$ 22,155	$ 17,157	$ 12,754	$ 10,644

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

<TABLE>
<CAPTION>
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY (UNAUDITED)
SEPTEMBER 30, 1998 AND DECEMBER 31, 1997 (IN THOUSANDS)

<S>	COMMON STOCK <C>	PAID-IN-CAPITAL <C>	RETAINED EARNINGS <C>	ACCUMULATED OTHER COMPREHENSIVE INCOME <C>	TOTAL STOCKHOLDER'S EQUITY <C>
BALANCE, DECEMBER 31, 1996	$ 2,000	$ 125,000	$ 166,214	$ 2,032	$ 295,246
Net income	--	--	19,223	--	19,223
Change in unrealized gains on securities, net of reclassification adjustment	--	--	--	924	924
BALANCE, DECEMBER 31, 1997	2,000	125,000	185,437	2,956	315,393
Net income	--	--	18,173	--	18,173
Change in unrealized gains on securities, net of reclassification adjustment	--	--	--	3,982	3,982
BALANCE, SEPTEMBER 30, 1998	$ 2,000	$ 125,000	$ 203,610	$ 6,938	$ 337,548

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

<TABLE>
<CAPTION>
STATEMENTS OF CASH FLOWS (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997 (IN THOUSANDS)

<S>	1998 <C>	1997 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 18,173	$ 16,520
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Policy charges and fee income	(6,329)	(5,922)
Interest credited to policyholders' account balances	14,853	14,371
Net (increase) decrease in Separate Accounts	(6,631)	1,358
Realized investment gains, net	(7,176)	(1,328)

Amortization and other non-cash items	132	940
Change in:		
Future policy benefits and other policyholders' liabilities	3,437	5,977
Accrued investment income	1,516	(1,492)
Payable to affiliates	(687)	2,692
Policy loans	(10,068)	(10,213)
Deferred policy acquisition costs	(3,149)	(285)
Income taxes payable	(2,050)	8,604
Deferred income tax liability	1,009	488
Other, net	(3,303)	11,329
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES	(273)	43,039
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale/maturity of:		
Fixed maturities:		
Available for sale	583,157	564,841
Payments for the purchase of:		
Fixed maturities:		
Available for sale	$(546,154)	$(561,021)
Cash collateral for loaned securities, net	(3,800)	26,188
Short-term investments, net	(32,673)	(70,745)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	530	(40,737)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Policyholders' account balances:		
Deposits	240,463	87,354
Withdrawals	(240,832)	(91,887)
Proceeds from issuance of affiliated notes payable	7,000	--
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	6,631	(4,533)
Net increase in Cash	6,888	(2,231)
Cash, beginning of year	3	3,928
CASH, END OF PERIOD	$ 6,891	$ 1,697

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. BUSINESS

Pruco Life Insurance Company of New Jersey (the Company) 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, variable life insurance, deferred annuities, and variable annuities (the Contracts) only in the states of New Jersey and New York.

The Company is a wholly owned subsidiary of Pruco Life Insurance Company (Pruco Life), a stock life insurance company organized in 1971 under the laws of the state of Arizona. Pruco Life, in turn, is a wholly owned subsidiary of The Prudential Insurance Company of America (Prudential).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION
The accompanying unaudited financial statements of the Company have been prepared in accordance with the requirements of Form 10-Q and generally accepted accounting principles for interim financial information. These statements should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 1997 included in the Company's Annual Report on Form 10-K for that year.

The accompanying 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 nine months ended September 30, 1998 may not be indicative of the results that may be expected for the year ending December 31, 1998.

NEW PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (Statement No. 130). Statement No. 130 establishes standards for the reporting and display of comprehensive income and its components in a full set of general-purpose financial statements. All items that are required to be recognized under Statement No. 130 as components of comprehensive income are to be reported in a financial statement that is displayed with the same prominence as other financial statements. Statement No. 130 stipulates that comprehensive income reflect the change in equity of an enterprise during a period from transactions and other events and circumstances from non-owner sources. Statement No. 130 is effective for fiscal years beginning after December 15, 1997. The Company has adopted Statement No. 130, resulting primarily in reporting unrealized gains and losses on investments in debt and equity securities in comprehensive income.

On June 15, 1998, FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (Statement No. 133). Statement No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999 (January 1, 2000 for the Company). Statement No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company is currently evaluating the impact of the adoption of Statement No. 133 on the Company's results of operations and its financial position.

RECLASSIFICATIONS

Certain amounts in the prior years have been reclassified to conform to current year presentations.

3. INVESTMENTS

FIXED MATURITIES classified as "available for sale" are carried at estimated fair value. The amortized cost of fixed maturities is written down to estimated fair value when the asset is considered impaired and the decline in value is considered to be other than temporary. Unrealized gains and losses on fixed maturities "available for sale", net of income tax, the effect on deferred policy acquisition costs and participating annuity contracts, that would result from the realization of unrealized gains and losses are included in a separate component of equity, "Accumulated other comprehensive income."

3. INVESTMENTS (CONTINUED)

The following reconciles the Net unrealized investment gains recorded in Stockholder's equity at September 30, 1998 and December 31, 1997.

	SEPTEMBER 30, 1998	DECEMBER 31, 1997
	(000'S)	
Fixed maturities - Available for sale:		
Fair Value	$ 564,904	$ 592,361
Amortized cost	551,178	585,109
Unrealized investment gains	13,726	7,252
Related adjustments:		
Deferred policy acquisition costs	(3,698)	(3,379)
Policyholders' account balances	637	544
Deferred federal income tax liability	(3,727)	(1,461)

	(6,788)	(4,296)
Net unrealized investment gains	$ 6,938	$ 2,956

4. RELATED PARTY TRANSACTIONS

In July 1998, the Company established a revolving line of credit facility with Prudential Funding Corporation, a wholly owned subsidiary of Prudential. Notes payable to affiliates includes amounts which mature at various dates throughout 1998 with an interest rate of 5.7%.

Prudential and Pruco Life of New Jersey have an agreement with respect to administrative services for the Prudential Series Fund. The Company invests in the various portfolios of the Series Fund through Separate Accounts. Under this agreement, Prudential pays compensation to Pruco Life of New Jersey in the amount equal to a portion of the gross investment advisory fees paid by the Prudential Series Fund. The Company received from Prudential its allocable share of such compensation in the amount of $4 million and $3 million during 1998 and 1997, respectively, recorded in Other income.

5. 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.

In the normal course of business, the Company is subject to various claims and assessments. Management believes the settlement of these matters would not have a material effect on the financial position or results of operations of the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The Company markets individual life insurance, variable life insurance, variable annuities and deferred annuities through Prudential's sales force in New Jersey and New York.

The Company markets its products in the life insurance and annuity sectors of the insurance industry. These markets are faced with an increased tightening of the regulatory environment with particular emphasis placed on company solvency and sales practices. The legal barriers which have historically segregated the markets of the financial services industry are being challenged through both legislative and judicial processes. 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.

The Company held $2.2 billion in assets at September 30, 1998 compared to $2.0 billion at December 31, 1997, of which $1.3 billion and $1.1 billion were held in Separate Accounts as of September 30, 1998 and December 31, 1997 under variable life insurance policies and variable annuity contracts. The remaining assets were held in the general account for investment primarily in bonds, policy loans and short-term investments.

1. RESULTS OF OPERATIONS

1998 versus 1997

Net income for the nine months ended September 30, 1998 amounted to $18.2 million, compared to $16.5 million in the nine months ended September 30, 1997.

Separate Account activity was a factor in operating results during the first nine months of 1998. Separate Account assets increased 14.6% as of September 30, 1998, from $1.1 billion as of December 31, 1997 to $1.3 billion. An increase of approximately $208.3 million is due to sales of the Company's variable products and is offset by a $46.2 million reduction as a result of portfolio depreciation. Increased sales primarily relate to the Discovery Select product which was added to the Company's portfolio as of January 1997. Separate Account asset based charges such as mortality and expense charges, administration fees and Separate Account gains are the operating results elements effected by this growth.

Policy charges and fee income decreased $.3 million from $39.8 million for the nine months ended September 30, 1997 to $39.5 million for the nine months ended September 30, 1998. This decrease is attributable to the decline in the number of policies in force in 1998 as compared to 1997 partially offset by increased sales of Discovery Select.

The Company's net investment income for the period ended September 30, 1998 was $35.7 million representing a $1.4 million increase from the period ended September 30, 1997. The increase in net investment income is a result of higher beginning of year portfolio assets partially offset by declining interest rates.

The Company's net realized investment gains for the period ended September 30, 1998 was $7.2 million an increase of $5.9 million compared to the same period ended September 30, 1997. This increase was primarily due to net sales of fixed maturities during a period of declining interest rates. Also contributing to this increase were gains recognized on futures contracts used to hedge the insurance and annuity liabilities.

Other income increased $.9 million from $3.4 million for the nine months ended September 30, 1997 to $4.3 million for the nine months ended September 30, 1998. This is primarily attributable to the increase in investment management fees which are received by the Company for services Prudential provides to The Prudential Series Funds, an underlying investment option of the growing Separate Accounts.

Policyholders' benefits decreased $3.2 million from $23.1 million for the nine months ended September 30, 1997 to $19.9 million for the nine months ended September 30, 1998. This decrease is primarily attributable to favorable experience in the life business.

General, administrative, and other expenses increased $7.9 million from $16.5 million for the nine months ended September 30, 1997 to $24.4 million for the nine months ended September 30, 1998. An exchange program, which allows investors to exchange their current contract for a new Discovery Select policy, has led to an increase in the sales activity of Discovery Select. This increased sales volume resulted in a corresponding increase in expenses. In addition to the increased sales volume, the parent company's allocation methodology for expenses billed to its subsidiaries in 1998 changed, resulting in increased expenses in Pruco Life of New Jersey. Also, a 1997 refinement of estimated gross profit margins also contributed to a decrease in deferred policy acquisition cost amortization for 1997.

2. LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity requirements include the payment of sales commissions and other underwriting expenses and the funding of its contractual obligations for the life insurance and annuity contracts it has in-force. The Company has developed and utilizes a cash flow projection system and regularly performs asset/liability duration matching in the management of its asset and liability portfolios. The Company anticipates funding all its cash requirements utilizing cash from operations, normal investment maturities, and anticipated calls and repayments or through short term lending from its affiliate Prudential Funding Corporation (see Related Party Transactions). As of September 30, 1998, the Company's assets included $631 million of cash, short-term investments and investment grade publicly traded fixed maturity securities that could be liquidated if funds were required.

The Company conducts a thorough review of the adequacy of statutory insurance reserves and other actuarial liabilities. The review is performed to ensure that the Company's statutory reserves are computed in accordance with accepted actuarial standards, reflect all contractual obligations, meet the requirements of state laws and regulations and include adequate provisions for any other actuarial liabilities that need to be established. All significant reserve changes are reviewed by the Board of Directors and are subject to approval by the New Jersey Department of Banking and Insurance. The Company believes that its statutory capital is adequate for its currently anticipated levels of risk as measured by regulatory guidelines.

3. THE YEAR 2000 ISSUE

Pruco Life of New Jersey as an indirect wholly-owned subsidiary of Prudential utilizes many of the same business applications, infrastructure and business partners as Prudential. Prudential has addressed the Year 2000 issue on an enterprise-wide basis. Therefore, is not possible to differentiate Pruco Life of New Jersey's Year 2000 issue from that of Prudential. The accompanying discussion of the Year 2000 issue reflects steps taken by Prudential to mitigate the Year 2000 risks.

Many computer systems are programmed to recognize only the last two digits in a date. As a result, any computer system that has date-sensitive programming may recognize a date using "00" as the year 1900 rather than the year 2000. This problem can affect non-information technology systems that include embedded technology, such as microprocessors included in "infrastructure" equipment used for telecommunications and other services as well as computer systems. If this anomaly is not corrected, the year "00" could cause systems to perform date comparisons and calculations incorrectly which could in turn affect the accuracy and compromise the integrity of business records. Business operations could be interrupted when companies are unable to process transactions, send invoices, or engage in similar normal business activities.

Prudential established a Company-wide Program Office (CPO) to develop and coordinate an operating framework for the Year 2000 compliance activities. Prudential's CPO structured the Year 2000 program into three major components: Business Applications, Infrastructure and Business Partners. The CPO also established quality assurance procedures including a certification process to monitor and evaluate enterprise-wide progress of each component of Prudential's program for conversion and upgrading of systems for Year 2000 compliance.

Business Applications

The scope of the Business Applications component includes a wide range of computer systems that directly support Prudential's business operations and accounting systems. The entire application portfolio was analyzed in 1996 to determine appropriate Year 2000 readiness strategies (i.e., renovate, replace or retire). Rigorous testing standards have been employed for all applications that will not be retired, including those that are newly developed or purchased. Application replacement and renovation projects follow a similar path toward Year 2000 compliance. The key project phases include Year 2000 analysis and design, programming activities, testing, and implementation. Replacement projects are also tracked until the existing applications are removed from production. Business application projects are grouped by applications undergoing renovations, replacements or retirements. At September 30, 1998, the percentage of business applications (based on application count) in the implementation phase for Year 2000 compliance for renovation, replacement and retirement are 91%, 62% and 87%,respectively. The interim target date for completing renovations and retirements is December 1998, with an overall completion date for Business Applications of June 1999.

Infrastructure

The scope of Prudential's Year 2000 Infrastructure initiatives include mainframe computer system hardware and operating system software, mid-range systems and servers, telecommunications equipment, buildings and facilities systems, personal computers, and vendor hardware and software.

Although there are minor differences among these various components, the approach to Year 2000 readiness for Infrastructure generally involves phases identified as inventory, assessment, remediation activities (e.g., upgrading hardware or software), testing and implementation. The interim target date for completion of infrastructure initiatives is December 1998 with an overall completion date for Infrastructure of June 1999.

Business Partners

Prudential's approach to business partner readiness includes classification of each partner's status as "critical" or "less critical" and the development of contingency plans to address the potential that a business partner could experience a Year 2000 failure. Project phases include inventory, risk assessment, and contingency planning activities. The interim target date for highly critical business partner readiness is December 1998 with an overall completion date for business partner readiness of June 1999.

The Cost of Year 2000 Readiness

Prudential is funding the Year 2000 program from operating cash flows. Some of the expenses of Prudential's Year 2000 readiness are allocated across its various businesses and subsidiaries, including Pruco Life of New Jersey. Expenses related to the Year 2000 initiatives allocated to Pruco Life of New Jersey are part of systems overhead costs and are included in Pruco Life of New Jersey's general and administrative expenses. The Year 2000 costs allocated to Pruco Life of New Jersey to date are not material to its operations and financial condition. Moreover, the forecasted allocated Year 2000 costs are not expected to have a material impact on Pruco Life of New Jersey's ability to meet its contractual commitments.

Year 2000 Risks and Contingency Planning

The major portion of the Prudential's transactions are of such volume that they can only be effectively processed through the use of automated systems. Therefore, substantially all of Prudential's contingency plans include the ultimate resolution of any causative technology failures that may be encountered.

Prudential believes that the Business Application, Infrastructure and Business Partners components of the Year 2000 project are substantially on schedule. While management expects that a small number of the projects slated for completion as of the end of 1998 will not meet this target date, it is anticipated that these projects will be completed mid-1999 so that these delays, if experienced, would not have a significant impact on the timing of the project as a whole. During the course of the Year 2000 program, some discretionary technology projects have been delayed in favor of the completion of Year 2000 projects. However, this impact has been minimized by Prudential's strategic decision to outsource most of the Year 2000 renovation work.

While Prudential and its subsidiaries believe that they are well positioned to mitigate its Year 2000 issue, this issue, by its nature contains inherent uncertainties, including the uncertainty of Year 2000 readiness of third parties. Consequently, the Company is unable to determine at this time whether the consequences of Year 2000 failures will have a material adverse effect on the Company's results of operations, liquidity or financial condition. In the worst case, it is possible that any technology failure, including an internal or external Year 2000 failure, could have a material impact on the Company's results of operations, liquidity, or financial position.

Prudential is enhancing existing business contingency plans to mitigate Year 2000 risk. Current contingency plans include planned responses to the failure of specific business applications or infrastructure components. These responses are being reviewed and expected to be finalized by June 1999 to ensure that they are workable under the special conditions of a Year 2000 failure. The plans are also being updated to reduce the level of uncertainty about the Year 2000 problem including readiness of Prudential's Business Partners.

The discussion of the Year 2000 Issue herein, and in particular Prudential's plans to remediate this issue and the estimated costs thereof, are forward-looking in nature. See cautionary statement below relating to forward-looking statements.

4. INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Certain of the statements contained in Management's Discussion and Analysis may be considered forward-looking statements. Words such as "expects," "believes," "anticipates," "intends," "plans," or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects upon the Company. There can be no assurance that future developments affecting

the Company will be those anticipated by management. There are certain important factors that could cause actual results to differ materially from estimates or expectations reflected in such forward-looking statements including without limitation, changes in general economic conditions, including the performance of financial markets and interest rates; market acceptance of new products and distribution channels; competitive, regulatory or tax changes that affect the cost or demand for the Company's products; and adverse litigation results. While the Company reassesses material trends and uncertainties affecting its financial condition and results of operations, it does not intend to review or revise any particular forward-looking statement referenced in this Management's Discussion and Analysis in light of future events. The information referred to above should be considered by readers when reviewing any forward-looking statements contained in this Management's Discussion and Analysis.

PART II

ITEM 1 LEGAL PROCEEDINGS

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

ITEM 2 CHANGES IN SECURITIES

The following table presents sales and related expenses of the Flexible Premium Variable Annuity Account since December 17, 1996, the effective date of the registration statement (SEC file number 333-18053).

	For the account of the Company		For the account(s) of the contractholder(s)
	AGGREGATE OFFERING PRICE OF AMOUNT REGISTERED	AMOUNT SOLD	AMOUNT SOLD
	(000's)		
Flexible Premium Variable Annuity Account *	$ 150,000	$ 16,937	$ 521
Underwriting discounts and commissions **		(593)	
Other expenses ***		(260)	
Total		(823)	
Net offering proceeds		$ 16,084	

* Securities are not issued or sold in predetermined units.

** Amount represents estimated commissions paid to affiliated parties.

*** Amount represents estimated general administrative expenses paid to the parent under service and lease agreement.

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

Not Applicable

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the annual meeting of the stockholders held on June 9, 1998, the sole stockholder of the Company elected the Board of Directors of the Company. The following are the elected Board of Directors: James J. Avery, Jr. (Chairman of the Board); I. Edward Price (Vice Chairman of the Board); William Bethke; Ira J. Kleinman; Esther H. Milnes; and Mendel Melzer.

ITEM 5 OTHER INFORMATION

Not Applicable

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

(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. There have been no 8-K's filed during the third quarter of 1998.

(a) (3) Exhibits

Regulation S-K

2. Not Applicable

PART II

3. Documents Incorporated by Reference

(i) The Articles of Incorporation of Pruco Life Insurance Company of New Jersey, as amended February 12, 1998, are incorporated herein by reference to Form 10-Q for the period ended March 31, 1998 and dated May 15, 1998 on behalf of the Pruco Life Insurance Company of New Jersey; (ii) Bylaws of Pruco Life Insurance Company of New Jersey, as amended May 5, 1997 are incorporated herein by reference to Form 10-Q, Registration No. 333-18117-01, filed August 15, 1997 on behalf of Pruco Life Insurance Company of New Jersey.

4. Exhibits

Market-Value Adjustment Annuity Contract, incorporated by reference to Registrant's Form S-1 Registration Statement, Registration No. 333-18053, filed December 17, 1996.

10. None.

11. Not Applicable.

15. Not Applicable.

18. None.

19. Not Applicable.

20. Not Applicable.

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

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 OF NEW JERSEY
(Registrant)

SIGNATURE	TITLE	DATE
/s/ ESTHER H. MILNES Esther H. Milnes	President and Director	November 16, 1998
/s/ JAMES M. SCHLOMANN James M. Schlomann	Vice President and Comptroller and Chief Chief Accounting Officer	November 16, 1998

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Exhibit 27

FINANCIAL DATA SCHEDULE

Article 7 of Regulation S-X

Pruco Life Insurance Company of New Jersey

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