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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 quarterly period ended March 31, 2001

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

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)

(973) 802-3274

(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 May 11, 2001. Common stock, par value of \$10 per share:
250,000 shares outstanding

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PRUCO LIFE INSURANCE COMPANY

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Pruco Life Insurance Company and Subsidiaries

Consolidated Statements of Financial Position
As of March 31, 2001 and December 31, 2000 (In Thousands)

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	(Unaudited) March 31, 2001	December 31, 2000
<S>	<C>	<C>
ASSETS		
Fixed maturities		
Available for sale, at fair value (amortized cost, 2001: \$3,854,661; 2000: \$3,552,244)	\$ 3,907,070	\$ 3,561,521
Held to maturity, at amortized cost (fair value, 2000: \$320,634)	-	324,546
Equity securities - available for sale, at fair value (cost, 2001: \$241 ; 2000: \$13,446)	362	10,804
Investment in affiliate	51,071	-
Mortgage loans on real estate	9,071	9,327
Policy loans	846,549	855,374
Short-term investments	22,387	202,815
Other long-term investments	91,780	83,738
Total investments	4,928,290	5,048,125
Cash and cash equivalents	524,354	453,071
Deferred policy acquisition costs	1,064,979	1,132,653
Deferred ceding commissions	72,705	-
Accrued investment income	79,006	82,297
Reinsurance recoverable	186,772	31,568
Receivables from affiliates	46,274	51,586
Other assets	34,139	29,445
Separate Account assets	14,861,519	16,230,264
TOTAL ASSETS	\$ 21,798,038	\$ 23,059,009
LIABILITIES AND STOCKHOLDER'S EQUITY		
Liabilities		
Policyholders' account balances	\$ 3,736,621	\$ 3,646,668
Future policy benefits and other policyholder liabilities	717,073	702,862

Cash collateral for loaned securities	225,014	185,849
Securities sold under agreement to repurchase	25,172	104,098
Income taxes payable	246,581	235,795
Other liabilities	104,907	120,891
Separate Account liabilities	14,861,519	16,230,264
Total liabilities	19,916,887	21,226,427
Contingencies (See Footnote 2)		
Stockholder's Equity		
Common stock, \$10 par value;		
1,000,000 shares, authorized;		
250,000 shares, issued and outstanding	2,500	2,500
Paid-in-capital	466,748	466,748
Retained earnings	1,390,563	1,361,924
Accumulated other comprehensive income		
Net unrealized investment gains	21,340	4,730
Foreign currency translation adjustments	-	(3,320)
Accumulated other comprehensive income	21,340	1,410
Total stockholder's equity	1,881,151	1,832,582
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 21,798,038	\$ 23,059,009

</TABLE>

See Notes to Consolidated Financial Statements

Pruco Life Insurance Company and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income (Unaudited) Three Months Ended March 31, 2001 and 2000 (In Thousands)

<TABLE>
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	Three months ended March 31,	
	2001	2000
REVENUES		
<S>	<C>	<C>
Premiums	\$ 23,418	\$ 27,251
Policy charges and fee income	119,104	114,881
Net investment income	90,310	84,474
Realized investment gains(losses), net	10,877	(10,311)
Asset management fees	2,153	16,521
Other income	670	203
Total revenues	246,532	233,019
BENEFITS AND EXPENSES		
Policyholders' benefits	56,905	62,332
Interest credited to policyholders' account balances	48,808	38,163
General, administrative and other expenses	103,539	111,859
Total benefits and expenses	209,252	212,354
Income from operations before income taxes	37,280	20,665
Income tax provision	8,641	7,232
NET INCOME	28,639	13,433

Other comprehensive income, net of tax:

Unrealized gains on securities, net of Reclassification adjustment	16,610	6,489
Foreign currency translation adjustments	3,320	34
Other comprehensive income	19,930	6,523
TOTAL COMPREHENSIVE INCOME	\$ 48,569	\$ 19,956

</TABLE>

See Notes to Consolidated Financial Statements

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Pruco Life Insurance Company and Subsidiaries

Consolidated Statements of Changes in Stockholder's Equity (Unaudited)
Periods Ended March 31, 2001 and December 31, 2000 and 1999 (In Thousands)

<TABLE>
<CAPTION>

	Common stock	Paid-in- capital	Retained earnings	Accumulated other comprehensive income (loss)	Total stockholder's equity
	-----	-----	-----	-----	-----
<S> Balance, January 1, 1999	<C> \$ 2,500	<C> \$ 439,582	<C> \$ 1,202,833	<C> \$ 8,317	<C> \$ 1,653,232
Net income	-	-	55,595	-	55,595
Change in foreign currency translation adjustments, net of taxes	-	-	-	(742)	(742)
Change in net unrealized investment losses, net of reclassification adjustment and taxes	-	-	-	(38,266)	(38,266)
Balance, December 31, 1999	\$ 2,500	\$ 439,582	\$ 1,258,428	\$ (30,691)	\$ 1,669,819
Net income	-	-	103,496	-	103,496
Contribution from Parent	-	27,166	-	-	27,166
Change in foreign currency translation adjustments, net of taxes	-	-	-	(993)	(993)
Change in net unrealized investment losses, net of reclassification adjustment and taxes	-	-	-	33,094	33,094
Balance, December 31, 2000	\$ 2,500	\$ 466,748	\$1,361,924	\$ 1,410	\$ 1,832,582
Net income	-	-	28,639	-	28,639
Change in foreign currency translation adjustments, net of taxes	-	-	-	3,320	3,320
Change in net unrealized					

investment gains, net of reclassification adjustment and taxes	-	-	-	16,610	16,610
	-----	-----	-----	-----	-----
Balance, March 31, 2001	\$ 2,500	\$ 466,748	\$ 1,390,563	\$ 21,340	\$ 1,881,151
	=====	=====	=====	=====	=====

</TABLE>

See Notes to Consolidated Financial Statements

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Pruco Life Insurance Company and Subsidiaries

Consolidated Statements of Cash Flows (Unaudited)
Three Months Ended March 31, 2001 and 2000 (In Thousands)

<TABLE>
<CAPTION>

	2001	2000
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
<S>	<C>	<C>
Net income	\$ 28,639	\$ 13,433
Adjustments to reconcile net income to net cash (used in)		
provided by operating activities:		
Policy charges and fee income	(19,687)	(16,900)
Interest credited to policyholders' account balances	48,808	38,163
Realized investment (gains) losses, net	(10,877)	10,311
Amortization and other non-cash items	(28,103)	1,291
Change in:		
Future policy benefits and other policyholders'		
liabilities	14,211	23,746
Accrued investment income	3,291	(5,189)
Receivables from affiliates	5,312	51,262
Policy loans	(13,129)	(18,424)
Deferred policy acquisition costs and ceding		
commissions	(5,031)	(25,413)
Income taxes payable	23,487	30,216
Other, net	(23,270)	(16,945)
Cash Flows From Operating Activities	23,651	85,551
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale/maturity of:		
Fixed maturities:		
Available for sale	1,132,680	651,540
Held to maturity	--	12,189
Equity securities	204	251
Mortgage loans on real estate	256	281
Payments for the purchase of:		
Fixed maturities:		
Available for sale	(1,209,152)	(745,783)
Equity securities	(106)	(2,772)
Cash collateral for loaned securities, net	39,165	25,184
Securities sold under agreement to repurchase, net	(78,926)	43,896
Other long-term investments	(5,540)	(8,710)
Short-term investments, net	180,428	(3,050)
Cash Flows From(Used In) Investing Activities	59,009	(26,974)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Policyholders' account balances:		
Deposits	370,993	649,345
Withdrawals	(307,878)	(594,205)
Cash provided to affiliate	(74,492)	--
Cash Flows (Used in)From Financing Activities	(11,377)	55,140
	-----	-----
Net increase in Cash and cash equivalents	71,283	113,717
Cash and cash equivalents, beginning of year	453,071	198,994
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 524,354	\$ 312,711
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See Notes to Consolidated Financial Statements

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Pruco Life Insurance Company and Subsidiaries

Notes to Consolidated Financial Statements (Unaudited)

1. BASIS OF PRESENTATION

The accompanying interim consolidated financial statements have been prepared pursuant to the rules and regulations for reporting on Form 10-Q on the basis of accounting principles generally accepted in the United States. These interim financial statements are unaudited but reflect all adjustments which, in the opinion of management, are necessary to provide a fair presentation of the consolidated results of operations and financial condition of the Pruco Life Insurance Company ("the Company"), a wholly owned subsidiary of The Prudential Insurance Company of America ("Prudential"), for the interim periods presented. All such adjustments are of a normal recurring nature. The results of operations for any interim period are not necessarily indicative of results for a full year. Certain amounts in the Company's prior year consolidated financial statements have been reclassified to conform with the 2001 presentation. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

2. CONTINGENCIES AND LITIGATION

Prudential and the Company are subject to legal and regulatory actions in the ordinary course of their businesses, including class actions. Pending legal and regulatory actions include proceedings relating to aspects of the businesses and operations that are specific to the Company and Prudential and that are typical of the businesses in which the Company and Prudential operate. Some of these proceedings have been brought on behalf of various alleged classes of complainants. In certain of these matters, the plaintiffs are seeking large and/or indeterminate amounts, including punitive or exemplary damages.

Beginning in 1995, regulatory authorities and customers brought significant regulatory actions and civil litigation against the Company and Prudential involving individual life insurance sales practices. In 1996, Prudential, on behalf of itself and many of its life insurance subsidiaries including the Company entered into settlement agreements with relevant insurance regulatory authorities and plaintiffs in the principal life insurance sales practices class action lawsuit covering policyholders of individual permanent life insurance policies issued in the United States from 1982 to 1995. Pursuant to the settlements, the companies agreed to various changes to their sales and business practices controls, to a series of fines, and to provide specific forms of relief to eligible class members. Virtually all claims by class members filed in connection with the settlements have been resolved and virtually all aspects of the remediation program have been satisfied. While the approval of the class action settlement is now final, Prudential and the Company remain subject to oversight and review by insurance regulators and other regulatory authorities with respect to its sales practices and the conduct of the remediation program. The U.S. District Court has also retained jurisdiction as to all matters relating to the administration, consummation, enforcement and interpretation of the settlements.

As of March 31, 2001, Prudential and/or the Company remained a party to approximately 61 individual sales practices actions filed by policyholders who "opted out" of the class action settlement relating to permanent life insurance policies issued in the United States between 1982 and 1995. In addition, there were 48 sales practices actions pending that were filed by policyholders who were members of the class and who failed to "opt out" of the class action settlement. Prudential and the Company believed that those actions are governed by the class settlement release and expects them to be enjoined and/or dismissed. Additional suits may be filed by class members who "opted out" of the class settlements or who failed to "opt out" but nevertheless seek to proceed against Prudential and/or the Company. A number of the plaintiffs in these cases seek large and/or indeterminate amounts, including punitive or exemplary damages. Some of these actions are brought on behalf of multiple plaintiffs. It is possible that substantial punitive damages might be awarded in any of these actions and particularly in an action involving multiple plaintiffs.

Prudential has indemnified the Company for any liabilities incurred in connection with sales practices litigation covering policyholders of individual permanent life insurance policies issued in the United States from 1982 to 1995.

2. CONTINGENCIES AND LITIGATION (continued)

The balance of the Company's litigation is subject to many uncertainties, and given the complexity and scope, the outcomes cannot be predicted. It is possible that the results of operations or the cash flow of the Company in a particular quarterly or annual period could be materially effected by an ultimate unfavorable resolution of pending litigation and regulatory matters. Management believes, however, that the ultimate outcome of all pending litigation and regulatory matters should not have a material adverse effect on the Company's financial position.

3. RELATED PARTY TRANSACTIONS

The Company has extensive transactions and relationships with Prudential and other affiliates. It is possible that the terms of these transactions are not the same as those that would result from transactions among wholly unrelated parties.

Expense Charges and Allocations

All of the Company's expenses are allocations or charges from Prudential or other affiliates. These expenses can be grouped into the following categories: general and administrative expenses, retail distribution expenses and asset management fees.

The Company's general and administrative expenses are charged to the Company using allocation methodologies based on business processes. Management believes that the methodology is reasonable and reflects costs incurred by Prudential to process transactions on behalf of the Company. Prudential and the Company operate under service and lease agreements whereby services of officers and employees, supplies, use of equipment and office space are provided by Prudential.

The Company is allocated estimated distribution expenses from Prudential's retail agency network for both its domestic life and annuity products. The Company has capitalized the majority of these distribution expenses as deferred policy acquisition costs. Beginning April 1, 2000, Prudential and the Company agreed to revise the estimate of allocated distribution expenses to reflect a market based pricing arrangement.

In accordance with a profit sharing agreement with Prudential that was in effect through December 31, 2000, the Company received fee income from policyholder account balances invested in the Prudential Series Funds ("PSF"). These revenues were recorded as "Asset management fees" in the Consolidated Statements of Operations and Comprehensive Income. The Company was charged an asset management fee by Prudential Global Asset Management ("PGAM") and Jennison Associates LLC ("Jennison") for managing the PSF portfolio. These fees are a component of "general, administrative and other expenses."

On September 29, 2000, the Board of Directors for the Prudential Series Fund, Inc. ("PSFI") adopted resolutions to terminate the existing management agreement between PSFI and Prudential, and has appointed another subsidiary of Prudential as the fund manager for the PSF. The change was approved by the shareholders of PSF during early 2001 and effective January 1, 2001, the Company no longer receives fees associated with the PSF. In addition, the Company will no longer incur the asset management expense from PGAM and Jennison associated with the PSF.

Corporate Owned Life Insurance

The Company has sold three Corporate Owned Life Insurance ("COLI") policies to Prudential. The cash surrender value included in Separate Accounts was \$ 651.2 million and \$685.9 million at March 31, 2001 and December 31, 2000, respectively. The fees received related to the COLI policies were \$2.2 million for the period ending March 31, 2001.

Reinsurance

The Company currently has four reinsurance agreements in place with Prudential and affiliates. Specifically, the Company has a 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. In addition there are 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 periods ended March 31, 2001 or 2000. The fourth agreement which is new for 2001 is described below.

On January 31, 2001, the Company transferred all of its assets and liabilities associated with the Company's Taiwan branch including Taiwan's insurance book of business to an affiliated Company, Prudential Life Insurance Company of Taiwan Inc. ("Prudential of Taiwan"), a wholly owned subsidiary of Prudential.

The mechanism used to transfer this block of business in Taiwan is referred to as a "full acquisition and assumption" transaction. Under this mechanism, the Company is jointly liable with Prudential of Taiwan for two years from the giving of notice to all obligees for all matured obligations and for two years after the maturity date of not-yet-matured obligations. Prudential of Taiwan is also contractually liable, under indemnification provisions of the transaction, for any liabilities that may be asserted against the Company. The transfer of the insurance related assets and liabilities was accounted for as a long-duration coinsurance transaction under accounting principles generally accepted in the United States. Under this accounting treatment, the insurance related liabilities remain on the books of the Company and an offsetting reinsurance recoverable is established.

As part of this transaction, the Company made a capital contribution to Prudential of Taiwan in the amount of the net equity of the Company's Taiwan branch as of the date of transfer. As of March 31, 2001, the Company retains an ownership interest of 12% in the stock of Prudential of Taiwan. The Company plans to dividend its interest in Prudential of Taiwan to Prudential in the second quarter of 2001.

Premiums and benefits ceded for the period ending March 31, 2001 from the Taiwan coinsurance agreement were \$20.1 million and \$2.9 million, respectively.

This transaction reduced the Company's 2001 effective tax rate due to a decrease in the deferred tax liability which had previously been established relating to the Taiwan branch.

Debt Agreements

In July 1998, the Company established a revolving line of credit facility of up to \$500 million with Prudential Funding LLC, a wholly owned subsidiary of Prudential. There was no outstanding debt relating to this credit facility as of March 31, 2001 or December 31, 2000.

4. RECENT ACCOUNTING PRONOUNCEMENTS

In September 2000, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities - a replacement of FASB Statement No. 125". The Company is currently evaluating the effect of adopting the provisions of SFAS No. 140 relating to transfers and extinguishments of liabilities which are effective for periods occurring after March 31, 2001. The Company has adopted disclosures about collateral and for recognition and reclassification of collateral required under the statement for fiscal years ending after December 15, 2000.

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5. DERIVATIVE INSTRUMENTS

Adoption of Statement of Financial Accounting Standards (SFAS) No. 133
The Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", on January 1, 2001. In accordance with SFAS 133, the Company recorded a net-of-tax cumulative adjustment to earnings to recognize at fair value all derivatives. This adjustment did not have a material impact on the results of operations of the Company. As part of the implementation, the Company reclassified held-to-maturity securities, amounting to approximately \$324.5 million at January 1, 2001, to the available-for-sale category. This reclassification resulted in the recognition of a net unrealized loss of approximately \$2.5 million, net of tax, which was recorded as a component of "Accumulated other comprehensive income/(loss)" on the implementation date.

Accounting for Derivatives and Hedging Activities

A derivative is a financial instrument whose price, performance or cash flow is based upon the actual or expected price, level, performance, value or cash flow of some external benchmark, such as interest rates, foreign exchange rates, securities, commodities, or various financial indices. Derivative financial instruments can be exchange-traded or contracted in the over-the-counter market and include swaps, futures, forwards and options contracts.

All derivatives are recognized on the balance sheet at fair value. On the date

the derivative contract is entered into the Company designates the derivative as (1) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (fair value hedge), (2) a hedge of the exposure to variable cash flows of a forecasted transaction (cash flow hedge), or (3) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, or a foreign-currency-denominated asset, liability or forecasted transaction (foreign currency hedge). The accounting for changes in fair value of a derivative depends on its intended use and designation. For a fair value hedge, the gain or loss is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item. For a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income and subsequently reclassified into earnings when the forecasted transaction affects earnings. For a foreign currency hedge, the gain or loss is reported in other comprehensive income as part of the foreign currency translation adjustment. The accounting for a fair value hedge described above applies to a derivative designated as a hedge of the foreign currency exposure of an unrecognized firm commitment or an available-for-sale security. Similarly, the accounting for a cash flow hedge described above applies to a derivative designated as a hedge of the foreign currency exposure of a foreign-currency-denominated forecasted transaction. For all other derivatives not designated as hedging instruments, the gain or loss is recognized in earnings in the period of change.

The Company has the following types of derivative instruments:

Interest Rate Swaps

The Company uses interest rate swaps to reduce market risk from changes in interest rates and to manage interest rate exposures arising from mismatches between assets and liabilities. Under interest rate swaps, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional principal amount. Generally, no cash is exchanged at the outset of the contract and no principal payments are made by either party. Cash is paid or received based on the terms of the swap. These transactions are entered into pursuant to master agreements that provide for a single net payment to be made by one counterparty at each due date. The fair value of swap agreements is estimated based on proprietary pricing models or market quotes.

If swap agreements meet the criteria for hedge accounting, net interest receipts or payments are accrued and recognized over the life of the swap agreements as an adjustment to interest income or expense of the hedged item. Any unrealized gains or losses are recognized in current earnings or comprehensive income depending on the hedge type as described above for qualifying fair value or cash flow hedges. If the criteria for hedge accounting are not met, the swap agreements are accounted for at fair value with changes in fair value reported in current period earnings.

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Futures & Options

The Company uses exchange-traded Treasury futures and options to reduce market risk from changes in interest rates, and to manage the duration of assets and the duration of liabilities supported by those assets. In exchange-traded futures transactions, the Company agrees to purchase or sell a specified number of contracts, the value of which are determined by the value of designated classes of Treasury securities, and to post variation margin on a daily basis in an amount equal to the difference in the daily market values of those contracts. The Company enters into exchange-traded futures and options with regulated futures commissions merchants who are members of a trading exchange. The fair value of futures and options is based on market quotes.

Treasury futures move substantially in value as interest rates change and can be used to either modify or hedge existing interest rate risk. This strategy protects against the risk that cash flow requirements may necessitate liquidation of investments at unfavorable prices resulting from increases in interest rates. This strategy can be a more cost effective way of temporarily reducing the Company's exposure to a market decline than selling fixed income securities and purchasing a similar portfolio when such a decline is believed to be over.

If futures meet hedge accounting criteria, changes in their fair value are reported in current earnings or other comprehensive income depending on the hedge type as described above for qualifying fair value or cash flow hedges. Futures that do not qualify as hedges are carried at fair value with changes in value reported in current period earnings.

When the Company anticipates a significant decline in the stock market which will correspondingly affect its diversified portfolio, it may purchase put index options where the basket of securities in the index is appropriate to provide a hedge against a decrease in the value of the equity portfolio or a portion thereof. This strategy effects an orderly sale of hedged securities. When the Company has large cash flows which it has allocated for investment in equity securities, it may purchase call index options as a temporary hedge against an

increase in the price of the securities it intends to purchase. This hedge permits such investment transactions to be executed with the least possible adverse market impact.

If options meet the criteria for hedge accounting, changes in their fair value are reported in current earnings or other comprehensive income depending on the hedge type as described above for qualifying fair value or cash flow hedges. If the options do not meet the criteria for hedge accounting, they are fair valued, with changes in fair value reported in current period earnings.

Currency Derivatives

The Company uses currency swaps to reduce market risk from changes in currency values of investments denominated in foreign currencies that the Company either holds or intends to acquire and to manage the currency exposures arising from mismatches between such foreign currencies and the US Dollar.

Under currency swaps, the Company agrees with other parties to exchange, at specified intervals, the difference between one currency and another at a forward exchange rate and calculated by reference to an agreed principal amount. Generally, the principal amount of each currency is exchanged at the beginning and termination of the currency swap by each party. These transactions are entered into pursuant to master agreements that provide for a single net payment to be made by one counterparty for payments made in the same currency at each due date.

If currency swaps are effective as hedges of foreign currency translation and transaction exposures, gains or losses are recorded in current earnings or other comprehensive income depending on the hedge type as described above for qualifying fair value or cash flow hedges. If currency swaps do not meet hedge accounting criteria, gains or losses from those derivatives are recognized in "Realized investment (losses) gains, net."

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The table below summarizes the Company's outstanding positions by derivative instrument types as of March 31, 2001 and December 31, 2000. As of March 31, 2001 none of the Company's derivatives qualify for hedge accounting.

<TABLE>

<CAPTION>

Derivative Instruments (in thousands)						
	March 31, 2001 -----			December 31, 2000 -----		
	Notional	Estimated Fair Value	Carrying Value	Notional	Estimated Fair Value	Carrying Value
Non-Hedge Accounting - -----						
Swap Instruments						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest rate	\$ 9,470	\$ 523	\$ 523	\$ 9,470	\$ 327	\$ 327
Currency	27,440	4,750	4,750	-	-	-
Future contracts						
US Treasury Futures	168,100	(740)	(740)	201,700	2,463	2,463
Hedge Accounting - -----						
Swap Instruments						
Currency	-	-	-	28,326	1,633	2,155

</TABLE>

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following analysis should be read in conjunction with the Notes to Consolidated Financial Statements.

The Company sells interest-sensitive individual life insurance and variable life insurance, term life insurance, individual variable and fixed annuities, and a

non-participating guaranteed interest contract ("GIC") called Prudential Credit Enhanced ("PACE") primarily through Prudential's sales force in the United States. These markets are subject to regulatory oversight with particular emphasis placed on company solvency and sales practices. These markets are also subject to increasing competitive pressure as the legal barriers which have historically segregated the markets of the financial services industry have been changed through both legislative and judicial processes. Regulatory changes have opened the insurance industry to competition from other financial institutions, particularly banks and mutual funds that are positioned to deliver competing investment products through large, stable distribution channels. The Company also had marketed individual life insurance through its branch office in Taiwan. The Taiwan branch was transferred to an affiliated Company on January 31, 2001, as described in the Notes to the Financial Statements. Beginning February 1, 2001, Taiwan's net income is not included in the Company's results of operations.

Generally, policyholders who purchase the Company's products have the option of investing in the Separate Accounts, segregated funds for which investment risks are borne by the customer, or the Company's portfolio, referred to as the General Account. The Company earns its profits through policy fees charged to Separate Account annuity and life policyholders and through the interest spread for the GIC and General Account annuity and life products. Policy fees are assessed on the policyholder fund balances. These fund values are affected by net sales (sales less withdrawals), changes in interest rates and investment returns. The interest spread represents the difference between the investment income earned by the Company on its investment portfolio and the amount of interest credited to the policyholders' accounts. The majority of the fund balances and new sales, except for the GIC product, are in the Separate Accounts rather than the General Account.

The Company's Changes in Financial Position and Results of Operations are described below.

1. Analysis of Financial Condition

From December 31, 2000 to March 31, 2001 there was a decrease of \$1,261 million in total assets from \$23,059 million to \$21,798 million, the majority of which relates to a \$1,369 million decrease in Separate Accounts primarily from stock market declines, as described below. Excluding the Separate Accounts, total assets increased by \$108 million primarily due to fixed maturity appreciation resulting from declining interest rates and from positive cash inflows. The transfer of Pruco Taiwan assets to an affiliated company as part of the coinsurance agreement (described in the Notes to Consolidated Financial Statements), reduced total investments by \$90 million and other assets by \$20 million but is offset by the establishment of a reinsurance recoverable. The Company also reclassified held-to-maturity securities, amounting to \$324.5 million at January 1, 2001 to the available-for-sale category.

During this three-month period, liabilities also decreased by \$1,309 million from \$21,226 million to \$19,917 million. Corresponding with the asset change, Separate Account liabilities decreased by \$1,369 million due to net investment losses of \$1,385 million, expense disbursements of \$36 million, offset slightly by positive net sales (contributions less surrenders and withdrawals). Current year net sales of \$52 million (\$398 contributions less \$346 surrenders/withdrawals) are \$402 million lower than the prior year first quarter net sales of \$454 (\$719 contributions less \$265 surrenders and withdrawals) due primarily to the decrease in Discovery Select annuity product exchange sales due to discontinuation of the Exchange Program on May 1, 2000. Policyholder account balances increased by \$90 million due to interest credited of \$49 million and positive cash inflows from the Pace GIC and from the Variable Universal Life (VUL) product. Future policy benefit liabilities increased by \$14 million due to sales of term insurance, additional extended term insurance, and increases to Taiwan premium reserves. A reduced level of securities lending activity decreased liabilities by \$40 million. Taxes payable increased by \$11 million due to first quarter current and deferred tax expense offset somewhat by the transfer of the Taiwan branch tax liability to the Taiwan affiliate. Other liabilities decreased by \$16 million mainly due to the transfer to the Taiwan affiliate.

2. Results of Operations

Net Income

Consolidated net income of \$28.6 million for the first quarter of 2001 was \$15.2 million higher than for the first quarter of 2000. The main driver in the rise in net income was an increase from the prior year in realized gains of \$21.2 million from the sale of fixed maturities in 2001 in a declining interest rate environment. Somewhat offsetting this increase, was a decline in net asset management fee revenue of \$7.8 million (\$14.4 million in revenues less \$6.6 million of expenses) as the Company ceased receiving fee income or paying asset management fee expenses related to the Pru Series Fund as of January 1, 2001, as

described in the Notes to Consolidated Financial Statements. In addition, as also described in the Notes to Consolidated Financial Statements, the Company did not receive net income from the Taiwan branch after January 31, 2001. Net income for Taiwan for the first quarter of 2000 was \$.9 million compared to a loss of \$.3 million in 2001. Variances by income statement line item are described in the following paragraphs.

Revenues

Consolidated revenues increased by \$13.5 million, from \$233.0 million to \$246.5 million. As discussed above, realized gains increased revenues by \$21.2 million while the absence of Pru Series Fund asset management fees reduced revenues by \$14.4 million. Policy charges and fee income, consisting primarily of mortality and expense (M&E), loading and other insurance charges assessed on General and Separate Account policyholder fund balances, increased by \$4.2 million, consisting of a \$4.5 million increase for the domestic life business and a decline of \$.3 million for the individual annuity business. Although life product policyholder account balances declined somewhat from December 31, 2000, the average balance was higher in first quarter 2001 than in first quarter 2000. Annuity fund balances are substantially lower than December 31, 2000, as described in the "Analysis of Financial Condition", however most of the decline happened in March 2001 therefore first quarter M&E was not fully impacted. Premiums decreased by \$3.8 million due to the transfer of the Taiwan branch as of January 31, 2001 causing an \$11.9 million decline in premiums which is offset somewhat by higher term insurance and extended term premiums. Net investment income increased by \$5.8 million from the prior year. Income from fixed maturities increased by \$9 million as the fixed maturity investment balance grew approximately \$439 million since March 31 2000, mainly due to GIC sales. Offsetting this was a decrease in Separate Account seed money gains.

Benefits and Expenses

Policyholder benefits decreased by \$5.4 million mainly due to decreases in reserve provisions and benefits for Taiwan of \$8.0 million due to the transfer. Domestic life had an increase in reserves of \$3.8 million from term insurance and extended term premiums, while annuity reserves decreased due to lower premiums from annuitizations. Interest credited to policyholder account balances increased by \$10.6 million as policyholder account balances grew by \$536 million from March 2000 mainly due to the increase in GIC policyholder account balances from sales as mentioned above. In addition, annuity fund balances increased by \$162 million which contributed to the increase in interest credited.

General, administrative, and other expenses decreased \$8.3 million from the prior year. Commission and distribution expenses after capitalization are \$22.3 million lower due to a change in the allocation of distribution expenses to a market based pricing arrangement as of April 1, 2000, which lowered expenses by \$11.5 million. In addition annuity distribution expenses are lower due to a decrease in sales and fund values that drive the transfer pricing fee. Another contributor to the decrease was the discontinuation of asset management fees paid to PGAM for managing the Separate Account Portfolios, which amounted to \$6.6 million in 2000. Deferred acquisition cost (DAC) amortization increased by \$7.7 million due to increases in deferrable expenses as a result of sales and increased amortization associated with a decline in expected future profits from stock market declines. The remaining rise in expenses of \$12.9 million is due to increases in salary, consulting, and data processing costs.

3. Liquidity and Capital Resources

Principal cash flow sources are investment and fee income, investment maturities and sales, and premiums and fund deposits. These cash inflows may be complemented by financing activities through other Prudential affiliates.

Cash outflows consist principally of benefits, claims and amounts paid to policyholders in connection with policy surrenders, withdrawals and net policy loan activity. Uses of cash also include commissions, general and administrative expenses, and purchases of investments. Liquidity requirements associated with policyholder obligations are monitored regularly so that the Company can manage cash inflows to match anticipated cash outflow requirements.

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The Company believes that cash flow from operations together with proceeds from scheduled maturities and sales of fixed maturity investments, are adequate to satisfy liquidity requirements based on the Company's current liability structure.

The Company had \$21.8 billion of assets at March 31, 2001 compared to \$23.1 billion at December 31, 2000, of which \$14.9 billion and \$16.2 billion were held in Separate Accounts at March 31, 2001 and December 31, 2000, respectively, under variable life insurance policies and variable annuity contracts. The remaining assets consisted primarily of investments and deferred policy acquisition costs.

4. Information Concerning Forward-Looking Statements

Some of the statements contained in Management's Discussion and Analysis, including those words such as "believes", "expects", "intends", "estimates",

"assumes", "anticipates" and "seeks", are forward-looking statements. These forward-looking statements involve risk and uncertainties. Actual results may differ materially from those suggested by the forward-looking statements for various reasons. In particular, statements contained in Management's Discussion and Analysis regarding the Company's business strategies involve risks and uncertainties, and we can provide no assurance that we will be able to execute our strategies effectively or achieve our financial and other objectives.

Item 3. Quantitative and Qualitative Disclosures About Market Risk
The Company's exposure to market risks and the way these risks are managed, are summarized in Item 7a of the 2000 Form 10K.

PART II

Item 2. Changes in Securities and Use of Proceeds.

(d) Information required by Item 701(f) of Regulation S-K:

The information below pertains to modified guaranteed annuity contracts issued by the Company in two distinct variable annuity products, Discovery Preferred Variable Annuity and Discovery Select Variable Annuity. However, because the modified guaranteed annuity option of each of these products is identical, the Company has aggregated the registration of these securities.

- (1) The original effective date of the Registration Statement of the Company for the Discovery Preferred Variable Annuity on Form S-1 was declared effective on November 27, 1995 (Registration No. 33-61143). The Discovery Select prospectus was added through filings under Rule 424 of the Securities Act of 1993. The registration statement continues to be effective through annual amendments, the most recent filed April 16, 1999 and declared effective April 30, 1999.
- (2) Offering commenced immediately upon effectiveness of the registration statement.
- (3) Not applicable.
- (4)
 - (i) The offering has not been terminated.
 - (ii) The managing underwriter of the offering is Prudential Investment Management Services LLC.
 - (iii) Market-Value Adjustment Annuity Contracts (also known as modified guaranteed annuity contracts).
 - (iv) Securities registered and sold for the account of the Company:

<TABLE>
<CAPTION>

<S>		<C>	
Amount registered*:		\$ 500,000,000	
Aggregate price of the offering amount registered:		\$ 500,000,000	
Amount sold*:		\$ 360,936,498	
Aggregate offering price of amount sold to date:		\$ 360,936,498	
* Securities not issued in predetermined units			
No securities have been registered for the account of any selling security holder.			
(v)	Expenses associated with the issuance of the securities:		
	Underwriting discounts and commissions**	\$	9,784,737
	Other expenses**	\$	19,537,393

	Total	\$	29,322,130

** Amounts are estimated and are paid to affiliated parties.

(vi) Net offering proceeds: \$ 331,614,368

</TABLE>

(vii) Not applicable.

(viii) Not applicable.

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Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 3(i)(a) The Articles of Incorporation of Pruco Life Insurance Company (as amended through October 19, 1993) are incorporated by reference to the initial Registration Statement on Form S-6 of Pruco Life Variable Appreciable Account as filed July 2, 1996, Registration No. 333-07451.
- 3(ii) By-Laws of Pruco Life Insurance Company (as amended through May 6, 1997) are incorporated by reference to Form 10-Q as filed by the Company on August 15, 1997.
- 4(a) Modified Guaranteed Annuity Contract is filed herewith (previously filed as an exhibit to the Company's Registration Statement on Form S-1 as filed November 2, 1990, Registration No. 33-37587).
- 4(b) Market-Value Adjustment Annuity Contract is incorporated by reference to the Company's registration statement on Form S-1, Registration No. 333-18053, as filed November 17, 1995.

(b) Reports on Form 8K

None

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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
- Esther H. Milnes	President and Director	May 14, 2001
- William J. Eckert, IV	Principal Financial Officer and Chief Accounting Officer	May 14, 2001

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