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 June 30, 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 August 14, 2001. Common stock, par value of $10 per share: 250,000 shares outstanding

PRUCO LIFE INSURANCE COMPANY

INDEX TO FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

</TABLE>

Pruco Life Insurance Company and Subsidiaries
<TABLE>
<CAPTION>

Consolidated Statements of Financial Position
As of June 30, 2001 and December 31, 2000 (In Thousands)

<S>	(Unaudited) June 30, 2001 <C>	December 31, 2000 <C>
ASSETS		
Fixed maturities		
Available for sale, at fair value (amortized cost, 2001: $3,978,883; 2000: $3,552,244)	$ 4,011,508	$ 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: $268; 2000: $13,446)	486	10,804
Investment in affiliate	39,358	-
Mortgage loans on real estate	8,791	9,327
Policy loans	859,271	855,374
Short-term investments	99,007	202,815
Other long-term investments	90,266	83,738
Total investments	5,108,687	5,048,125
Cash and cash equivalents	495,247	453,071
Deferred policy acquisition costs	1,112,790	1,132,653
Deferred ceding commissions	69,786	-
Accrued investment income	76,863	82,297
Reinsurance recoverable	192,781	31,568
Receivables from affiliates	33,593	51,586

Other assets	54,284	29,445
Separate Account assets	15,489,884	16,230,264
	------------	----------
TOTAL ASSETS	$ 22,633,915	$ 23,059,009
	============	============
LIABILITIES AND STOCKHOLDER'S EQUITY		
Liabilities		
Policyholders' account balances	$ 3,792,116	$ 3,646,668
Future policy benefits and other policyholder liabilities	736,765	702,862
Cash collateral for loaned securities	230,479	185,849
Securities sold under agreement to repurchase	64,110	104,098
Income taxes payable	268,431	235,795
Other liabilities	165,299	120,891
Separate Account liabilities	15,489,884	16,230,264
	------------	----------
Total liabilities	20,747,084	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	1,403,457	1,361,924
Accumulated other comprehensive income		
Net unrealized investment gains	14,126	4,730
Foreign currency translation adjustments	-	(3,320)
	------------	----------
Accumulated other comprehensive income	14,126	1,410
	------------	----------
Total stockholder's equity	1,886,831	1,832,582
	------------	----------
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 22,633,915	$ 23,059,009
	============	============

</TABLE>

See Notes to Consolidated Financial Statements

Pruco Life Insurance Company and Subsidiaries

<TABLE>
<CAPTION>

Consolidated Statements of Operations and Comprehensive Income (Unaudited)
Three and Six Months Ended June 30, 2001 and 2000 (In Thousands)

	Six months ended June 30,		Three months ended June 30,	
	2001	2000	2001	2000
	--------	---------	---------	---

<S> <C> <C> <C>
<C>

REVENUES				
Premiums	$ 47,354	$ 60,728	$ 23,936	$ 33,477
Policy charges and fee income	240,330	229,407	121,226	114,526
Net investment income	174,803	167,975	84,493	83,501
Realized investment gains (losses), net	307	(13,994)	(10,570)	(3,683)
Asset management fees	3,869	34,852	1,716	18,331
Other income	740	410	70	207
Total revenues	467,403	479,378	220,871	246,359
BENEFITS AND EXPENSES				
Policyholders' benefits	115,490	117,720	58,585	55,388
Interest credited to policyholders' account balances	98,033	79,451	49,225	41,288
General, administrative and other expenses	201,061	212,548	97,522	100,689
Total benefits and expenses	414,584	409,719	205,332	197,365
Income from operations before income taxes	52,819	69,659	15,539	48,994
Income tax provision	11,286	23,537	2,645	16,305
NET INCOME	41,533	46,122	12,894	32,689
Other comprehensive income, net of tax:				
Unrealized gains (losses)on securities, net of reclassification adjustment	9,396	575	(7,215)	(5,914)
Foreign currency translation adjustments	3,320	(1,427)	-	(1,461)
Other comprehensive income (loss)	12,716	(852)	(7,215)	(7,375)
TOTAL COMPREHENSIVE INCOME	$ 54,249	$ 45,270	$ 5,679	$ 25,314

</TABLE>

See Notes to Consolidated Financial Statements

Pruco Life Insurance Company and Subsidiaries
<TABLE>
<CAPTION>

Consolidated Statements of Changes in Stockholder's Equity (Unaudited)
Periods Ended June 30, 2001 and December 31, 2000 and 1999 (In Thousands)

Accumulated other Total

	Common stock	Paid-in-capital	Retained earnings	comprehensive income (loss)	stockholder's equity
Balance, January 1, 1999	$ 2,500	$ 439,582	$ 1,202,833	$ 8,317	$ 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	-	-	41,533	-	41,533
Change in foreign currency net of taxes	-	-	-	3,320	3,320
Change in net unrealized investment gains, net of reclassification adjustment and taxes	-	-	-	9,396	9,396
Balance, June 30, 2001	$ 2,500	$ 466,748	$ 1,403,457	$ 14,126	$ 1,886,831

</TABLE>

See Notes to Consolidated Financial Statements

<TABLE>
<CAPTION>

Consolidated Statements of Cash Flows (Unaudited)
Six Months Ended June 30, 2001 and 2000 (In Thousands)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 41,533	$ 46,122
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Policy charges and fee income	(39,033)	(33,005)
Interest credited to policyholders' account balances	98,033	79,451
Realized investment (gains) losses, net	(307)	13,994
Amortization and other non-cash items	(12,227)	4,426
Change in:		
Future policy benefits and other policyholders' liabilities	33,903	40,605
Accrued investment income	5,434	(4,487)
Receivables from affiliates	24,651	(22,065)
Policy loans	(25,851)	(33,770)
Deferred policy acquisition costs and ceding commissions	(49,923)	(58,669)
Income taxes payable	38,364	63,359
Other, net	15,242	48,725
Cash Flows From Operating Activities	129,819	144,686

CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale/maturity of:		
Fixed maturities:		
Available for sale	1,767,648	1,065,356
Held to maturity	-	20,871
Equity securities	274	251
Mortgage loans on real estate	536	585
Payments for the purchase of:		
Fixed maturities:		
Available for sale	(1,980,148)	(1,327,324)
Equity securities	(176)	(4,155)
Cash collateral for loaned securities, net	44,630	43,765
Securities sold under agreement to repurchase, net	(39,988)	85,444
Other long-term investments	(2,717)	(5,834)
Short-term investments, net	103,855	(64,289)
Cash Flows Used In Investing Activities	(106,086)	(185,330)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Policyholders' account balances:		
Deposits	731,505	1,432,001
Withdrawals	(647,426)	(1,254,729)
Cash provided to affiliate	(65,636)	-
Cash Flows From Financing Activities	18,443	177,272
Net increase in Cash and cash equivalents	42,176	136,628
Cash and cash equivalents, beginning of year	453,071	198,994
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 495,247	$ 335,622

</TABLE>

See Notes to Consolidated Financial Statements

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 complaintants. 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 June 30, 2001, Prudential and/or the Company remained a party to approximately 50 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 40 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 believe 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 $ 669.0 million and $685.9 million at June 30, 2001 and December 31, 2000, respectively. The fees received related to the COLI policies were $4.4 million for the period ending June 30, 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 June 30, 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 June 30, 2001, the Company retains an ownership interest of 12% in the stock of Prudential of Taiwan. The Company has dividended its interest in Prudential of Taiwan to Prudential in July 2001.

Premiums and benefits ceded for the period ending June 30, 2001 from the Taiwan coinsurance agreement were $41.3 million and $6.0 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 June 30, 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 has adopted the provisions of SFAS No. 140 relating to transfers and extinguishments of liabilities which are effective for periods occurring after March 31, 2001. The adoption did not have an effect on the results of operations of the Company. 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.

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 GIC ("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 primarily to Separate Account annuity and life policyholders and through the interest spread for the GIC and certain annuity and individual 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 on the Company's investment portfolio that supports the products and the amount of interest credited to the policyholders' accounts. Products that generate spread income primarily include the GIC product, general account individual life insurance products, fixed annuities and the fixed-rate option of variable annuities. 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 June 30, 2001 there was a decrease of $425 million in total assets from $23,059 million to $22,634 million, the majority of which relates to a $740 million decrease in Separate Accounts primarily from stock market declines, as described below. Excluding the Separate Accounts, total assets increased by $315 million primarily due to an increase in the fixed maturity portfolio resulting from unrealized appreciation from declining interest rates and from positive cash inflows. The transfer of the Company's Taiwan branch reduced investments and other assets 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 six-month period, liabilities also decreased by $479 million from $21,226 million to $20,747 million. Corresponding with the asset change, Separate Account liabilities decreased by $740 million due to net investment losses of $760 million, expense disbursements and other changes of $110 million, offset by net sales of $130 million. Current year net sales of $130 million ($775 million of contributions less $645 million of surrenders and withdrawals) are $771 million lower than the prior year net sales of $901 ($1,461 million of contributions less $560 million of surrenders and withdrawals) primarily related to a decrease in Discovery Select annuity product ("Discovery Select") exchange sales resulting from the discontinuation of the Exchange Program on May 1, 2000. Policyholder account balances increased by $145 million primarily attributable to interest credited of $98 million and positive cash inflows from the PACE GIC and from the Variable Universal Life ("VUL") product. Future policy benefit liabilities increased by $34 million resulting from sales of term insurance, additional extended term insurance, and increases to Taiwan reserves. Net taxes payable increased by $33 million due to the current year tax provision and the receipt of tax refunds. Other liabilities increased by $44 million as a result of an increase in payables for securities purchased.

2. Results of Operations

For the six months ended June 30, 2001 versus 2000
- --

Net Income
Consolidated net income of $41.5 million for the first six months of 2001 was $4.6 million lower than for the first six months of 2000. The largest factor affecting net income, was a decline in net asset management fee revenue of $15.8 million ($31.0 million in revenues less $15.2 million of expenses) as the Company ceased receiving fee income or paying asset management fee expenses related to the Pru Series Fund ("PSF") as of January 1, 2001, as described in the Notes to Consolidated Financial Statements. In addition, as a result of the transfer of the Company's Taiwan branch, net income for the Taiwan branch decreased by $3.8 million. Partially offsetting this decrease was an improvement in realized gains of $14.3 million as gains on sales of fixed maturities in 2001 offset an increase in permanent impairment writedowns, as described below. Variances by income statement line item are described in the following paragraphs.

Revenues
Consolidated revenues decreased by $12 million, from $479.4 million to $467.4 million. As discussed above, the elimination of PSF asset management fees reduced revenues by $31.0 million. Premiums decreased by $13.4 million from the prior year. The ceding of premiums pursuant to the transfer of the Company's Taiwan branch caused a $34.1 million decline in premiums. This was partially offset by higher term insurance sales of the Term Essential and Term Elite products and an increase in extended term premiums. These decreases were partially offset by increases in policy charges and fee income, realized capital gains and net investment income. 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 $10.9 million. The increase was a result of a $13.6 million increase for domestic individual life products due to new business offset by a decline of $2.7 million for the individual annuity products as average fund balances have declined due to unfavorable valuation changes in the securities market. Realized gains improved by $14.3 million from the prior year mainly due to gains on sales of fixed maturities of $14.9 million in 2001 compared to losses of $17.2 million in 2000 as interest rates declined in 2001 increasing the fair value of the bonds. However, writedowns on fixed maturities that were deemed permanently impaired increased from $5 million in 2000 to $18.2 million in 2001. In addition realized gains on derivative instruments were $4 million higher in 2000. Net investment income increased by $6.8 million from the prior year as income from fixed maturites rose $15 million as a result of a fixed maturity balance that is $396 million higher than June 30, 2000, mainly due to GIC sales. A decrease of $9 million in Separate Account seed money gains somewhat offset the net investment income increase.

Benefits and Expenses
Policyholder benefits decreased by $2.2 million mainly due to decreases in reserve provisions and benefits for the Company's Taiwan branch of $24.6 million mostly offset by increases in domestic individual life products reserves of $17.3 million from sales of term insurance and extended term premiums. There were also increased death benefits of $3 million on Discovery Select, which represents minimum guaranteed death benefits on variable annuities. There were also increased surrender benefits on domestic individual life products. Interest credited to policyholder account balances increased by $18.6 million as policyholder account balances grew by $445 million from June 2000 mainly due to the increase in GIC policyholders' account balances from sales as mentioned above.

General, administrative, and other expenses decreased $11.5 million from the prior year. Commission and distribution expenses after capitalization are $ 18.4 million lower due to a change in the allocation of distribution expenses to a market based pricing arrangement as of April 1, 2000. The elimination of PGAM asset management expenses lowered expenses by $15.2 million. The transfer of the Company's Taiwan branch resulted in an expense reduction of $7.5 million. Partially offsetting these reductions was an additional $18 million of expenses from higher allocations charged to the Company for salary, consulting, and data processing costs due to new product sales. Deferred acquisition cost ("DAC") amortization increased by $11.6 million from increases in deferrable expenses as a result of sales, and increased amortization associated with a decline in expected future profits from stock market declines.

For the three months ended June 30, 2001 versus 2000
- --

Net income
Consolidated net income for the three months ended June 30, 2001 is $19.8 million lower than the prior year comparable three month period. One main driver is the elimination of PSF net asset management fee income of $ 8.0 million

($16.6 million in revenues less $8.6 million of expenses). The other major factor was an increase in realized losses on fixed maturities of $6.9 million due to permanent impairment writedowns partially offset by realized gains on sales. In addition, the transfer of the Company's Taiwan branch lowered net income by $2.6 million.

Revenues

Consolidated revenues are $25.5 million lower than in the prior year comparable period. The elimination of PSF asset management fees decreased revenues by $16.6 million. Premiums decreased $9.5 million from the prior year. The ceding of premiums pursuant to the transfer of the Company's Taiwan branch decreased premiums by $22 million. This was partially offset by higher premiums from sales of term insurance and extended term premiums. Realized losses on fixed maturities worsened by $6.9 million as $17.5 million of permanent impairment writedowns were recorded in second quarter 2001 compared to only $ .9 million in the prior year. Partially offsetting the increase in writedowns were gains on sale of fixed maturities in 2001 compared to losses in the prior year. Policy charges and fee income increased $6.7 million due to an increase from domestic individual life products of $9.1 million from new business slightly offset by a decrease in individual annuity charges due to declining fund values as a result of the securities market. Net investment income is $1 million higher due to a higher fixed maturity portfolio as a result of cash inflows from the PACE GIC offset by lower gains on Separate Account seed money.

Benefits and Expenses

Policyholder benefits are $3.2 million higher due to an increase in reserves for term insurance and extended term premiums of $14.5 million, increased domestic individual life surrender benefits of $ 3.3 million and higher individual annuity death benefits of $1.8 million. Partially offsetting this are lower benefits and reserve changes of $16.5 million resulting from the transfer of the Company's Taiwan branch. Interest credited to policyholders' account balances increased $7.9 million as a result of increases to GIC fund balances and general account fund balances of the individual annuity and domestic individual life products.

General, administrative and other expenses decreased $3.2 million. The elimination of PGAM asset management expenses accounted for $8.6 million of the decrease. The transfer of the Company's Taiwan branch decreased expenses by $5.3 million. Partially offsetting these decreases were higher salary, consulting, and data processing costs allocated to the Company because of higher sales. DAC amortization increased by $3.9 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.

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.

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 $22.6 billion of assets at June 30, 2001 compared to $23.1 billion at December 31, 2000, of which $15.5 billion and $16.2 billion were held in Separate Accounts at June 30, 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

<TABLE>
<CAPTION>

Item 2. Changes in Securities and Use of Proceeds.
- --

<S> <C>

(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 24, 2001 and declared effective May 1, 2001.

(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:

Amount registered*:	$ 500,000,000
Aggregate price of the offering amount registered:	$ 500,000,000
Amount sold*:	$ 367,015,915
Aggregate offering price of amount sold to date:	$ 367,015,915

* 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**	$ 10,100,741
Other expenses**	$ 20,213,689
Total	$ 30,314,430

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

(vi) Net offering proceeds: $ 336,701,485

(vii) Not applicable.

(viii) Not applicable.

</TABLE>

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 incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 33-37587 as filed November 2, 1990.

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

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)

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
________________________________ Esther H. Milnes	Senior Vice President and Director	August 14, 2001
________________________________ William J. Eckert, IV	Principal Financial Officer and Chief Accounting Officer	August 14, 2001

</TABLE>