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 [FEE REQUIRED]

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 [NO FEE REQUIRED]

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) 802-3274

(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 $5 per share: 400,000 shares outstanding

Pruco Life Insurance Company of New Jersey meets the conditions set forth in General Instruction (H) (1) (a) and (b) on Form 10-Q and is therefore filing this Form with the reduced disclosure format.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

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Pruco Life Insurance Company of New Jersey

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

	(Unaudited) June 30, 2001	December 31, 2000
ASSETS		
<S>	<C>	<C>
Fixed maturities		
Available for sale, at fair value (amortized cost, 2001: $664,105; and 2000$ $614,858)	$ 668,268	$ 612,851
Held to maturity, at amortized cost (fair value, 2000: $7,259)	-	7,470
Policy loans	156,103	152,111
Short-term investments	5,227	28,759
Other long-term investments	3,134	3,577
Total investments	832,732	804,768
Cash and cash equivalents	89,652	65,237
Deferred policy acquisition costs	118,051	116,653
Accrued investment income	12,480	13,781
Receivables from affiliate	16,312	22,265
Other assets	7,252	292
Separate Account assets	1,717,751	1,805,584
TOTAL ASSETS	$ 2,794,230	$ 2,828,580
LIABILITIES AND STOCKHOLDER'S EQUITY		
Liabilities		
Policyholders' account balances	$ 444,896	$ 434,442
Future policy benefits and other policyholder liabilities	112,287	108,218
Cash collateral for loaned securities	48,866	48,309
Securities sold under agreements to repurchase	14,193	9,754
Income taxes payable	27,705	29,913
Other liabilities	33,661	8,793
Separate Account liabilities	1,717,751	1,805,584
Total liabilities	2,399,359	2,445,013

	June 30, 2001	December 31, 2000
Contingencies - (See Footnote 2)		
Stockholder's Equity		
Common stock, $5 par value; 400,000 shares, authorized; issued and outstanding at June 30, 2001 and December 31, 2000	2,000	2,000
Paid-in-capital	128,689	128,689
Retained earnings	262,834	253,641
Accumulated other comprehensive income(loss)	1,348	(763)
Total stockholder's equity	394,871	383,567
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 2,794,230	$ 2,828,580

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See Notes to Financial Statements

Pruco Life Insurance Company of New Jersey

<TABLE>
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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
REVENUES				
<S>	<C>	<C>	<C>	<C>
Premiums	$ 7,326	$ 3,275	$ 4,414	$ 1,786
Policy charges and fee income	24,330	27,457	13,682	13,531
Net investment income	27,943	27,074	13,890	13,358
Realized investment gains(losses), net	175	(1,549)	(805)	(238)
Asset management fees	299	4,185	137	2,144
Other income	210	104	17	58
Total revenues	60,283	60,546	31,335	30,639
BENEFITS AND EXPENSES				
Policyholders' benefits	17,164	14,412	9,437	6,692
Interest credited to policyholders' account balances	10,344	9,521	5,199	5,111
General, administrative and other expenses	19,628	21,643	9,949	9,483
Total benefits and expenses	47,136	45,576	24,585	21,286
Income from operations before income taxes	13,147	14,970	6,750	9,353
Income tax provision	3,954	5,240	1,840	3,274
NET INCOME	9,193	9,730	4,910	6,079
Net unrealized investment gains(losses) on securities, net of reclassification adjustment and taxes	2,111	604	(1,773)	(189)
TOTAL COMPREHENSIVE INCOME	$ 11,304	$ 10,334	$ 3,137	$ 5,890

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See Notes to Financial Statements

Pruco Life Insurance Company of New Jersey

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

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

	Common stock	Paid - in - capital	Retained earnings	Accumulated other comprehensive income (loss)	Total stockholder's equity
Balance, January 1, 1999	$ 2,000	$ 125,000	$ 217,260	$ 1,593	$ 345,853
Net income	-	-	12,797	-	12,797
Change in net unrealized investment losses, net of net of reclassification and taxes	-	-	-	(7,681)	(7,681)
Balance, December 31, 1999	$ 2,000	$ 125,000	$ 230,057	(6,088)	$ 350,969
Contribution	-	3,689	-	-	3,689
Net income	-	-	23,584	-	23,584
Change in net unrealized investment losses, net of reclassification and taxes	-	-	-	5,325	5,325
Balance, December 31, 2000	$ 2,000	$ 128,689	$ 253,641	$ (763)	$ 383,567
Net income	-	-	9,193	-	9,193
Change in net unrealized investment gains, net of reclassification and taxes	-	-	-	2,111	2,111
Balance, June 30, 2001	$ 2,000	$ 128,689	$ 262,834	$ 1,348	$ 394,871

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See Notes to Financial Statements

Pruco Life Insurance Company of New Jersey

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

	Six months ended, June 30, 2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
<S>	<C>	<C>
Net income	$ 9,193	$ 9,730
Adjustments to reconcile net income to net cash (used in) provided by		
Operating activities:		
Policy charges and fee income	(5,634)	(4,948)
Interest credited to policyholders' account balances	10,344	9,521
Realized investment (gains)losses, net	(175)	1,549
Amortization and other non-cash items	(8,173)	1,059
Change in:		

Future policy benefits and other policyholders' liabilities	4,069	1,781
Accrued investment income	1,301	537
Policy loans	(3,992)	(3,365)
Receivables from affiliates	5,953	(1,659)
Deferred policy acquisition costs	(1,398)	2,318
Income taxes payable	(2,208)	(729)
Other, net	17,907	1,376
Cash Flows From Operating Activities	27,187	17,170
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale/maturity of:		
Fixed maturities available for sale	420,381	237,982
Payments for the purchase of:		
Fixed maturities available for sale	(461,889)	(241,776)
Cash collateral for loaned securities, net	557	21,448
Securities sold under agreements to repurchase, net	4,439	14,198
Other long-term investments	350	(1,508)
Short term investments, net	23,532	(10,129)
Cash Flows (Used in) From Investing Activities	(12,630)	20,215
CASH FLOWS FROM FINANCING ACTIVITIES:		
Policyholders' account balances:		
Deposits	45,437	109,057
Withdrawals	(35,579)	(104,420)
Cash Flows From Financing Activities	9,858	4,637
Net increase in Cash and cash equivalents	24,415	42,022
Cash and cash equivalents, beginning of year	65,237	27,590
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 89,652	$ 69,612

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See Notes to Financial Statements

Pruco Life Insurance Company of New Jersey

Notes to Financial Statements (Unaudited)

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1. BASIS OF PRESENTATION

The accompanying interim 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 results of operations and financial condition of the Pruco Life Insurance Company of New Jersey ("the Company"), for the interim periods presented. The Company is a wholly-owned subsidiary of the Pruco Life Insurance Company ("Pruco Life") which in turn is a wholly-owned subsidiary of The Prudential Insurance Company of America ("Prudential"). 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 financial statements have been reclassified to conform to the 2001 presentation. These financial statements should be read in conjunction with the 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 our businesses, including class actions. Pending legal and regulatory actions include proceedings relating to aspects of our 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 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 expect 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.

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.

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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 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 expenses 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 PSF. The change was approved by the shareholders of the PSFI during early 2001 and effective January 1, 2001, the Company will 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 a Corporate Owned Life Insurance ("COLI") policy to Prudential. The cash surrender value included in Separate Accounts was $174.9 million and $182.4 million at June 30, 2001 and December 31, 2000, respectively.

Reinsurance
The Company currently has a reinsurance agreement in place with Prudential ("the reinsurer"). The reinsurance agreement is a yearly renewable term agreement 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 and 2000.

Debt Agreements
In July 1998, the Company established a revolving line of credit facility with Prudential Funding LLC, a wholly-owned subsidiary of Prudential. There is 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 also adopted in these financial statements 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.

Pruco Life Insurance Company of New Jersey meets the conditions set forth in General Instruction H(1)(a) and (b) on Form 10-Q and is filing this form with reduced disclosure.

1. Analysis of Financial Condition

Total assets of the Company decreased $34.4 million during the first six months of 2001, the majority of which relates to a $87.8 million decrease in Separate Accounts primarily from stock market declines. Excluding the Separate Accounts, total assets increased by $53.4 million primarily from fixed maturity appreciation resulting from declining interest rates and from positive cash inflows. The Company reclassified held-to-maturity fixed maturities, amounting to $7.5 million at January 1, 2001, to the available-for-sale category.

Total liabilities of the Company decreased $45.6 million during the first six months of 2001 from $2,445 million to $2,399.4 million. Corresponding with the asset change, Separate Account liabilities decreased by $87.8 million due to net investment losses of $75.9 million, expense and other disbursements of $23.4 million, and net contributions (contributions less surrenders and withdrawals) of $11.5 million. Net Separate Account contributions in 2000 were $69.0 million. The current year decline in net contributions reflects activity related to the Discovery Select exchange program, which was terminated in May 2000.

Policyholder Account balances increased $10.5 million mainly from interest credited as net sales were relatively flat. Future policy benefits increased $4.1 million as a result of increases to reserves for term and extended term insurance. Other liabilities increased $24.9 million due to an increase in payables for securities purchased.

2. Results of Operations

Net Income for the six months ended June 30, 2001 and June 30, 2000

Net income
Net income for the six months ended June 30, 2001 was $9.2 million, a decrease of $.5 million from the first six months of 2000. The main driver of the decrease in net income was a decline in net asset management fee income of $2.4 million ($3.9 million in revenues less $1.5 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 Financial Statements. Partially offsetting this is an increase from the prior year in realized gains of $1.7 million from the sale of fixed maturities net of permanent impairment writedowns.

Revenues
Revenues decreased by $.3 million from the prior year comparable period. The elimination of PSF asset management fees reduced revenues by $3.9 million. Policy charges and fee income decreased by $3.1 million primarily driven by a decrease in mortality and expense charges as a result of the decline in Separate Account liabilities. Premiums increased $4.1 due to higher term insurance and extended term premiums. Realized investment gains increased $1.7 million primarily resulting from an increase in gains on sale of $6.3 million from selling in a declining interest rate environment during 2001. This was partially offset by increased permanent impairment writedowns of $2.7 million, and lower derivative gains of $1.9 million. Net investment income increased $.9 million mainly as a result of increased income from fixed maturities as the portfolio balance increased from $595 million at June 30, 2000 to $668 million at June 30, 2001.

Benefits and Expenses
Total benefits and expenses increased by $1.6 million. Policyholder benefits increased $2.8 million due to increased reserve provisions for term and extended term premiums. Interest credited increased by $.8 million due to higher general account liabilities. General, administrative and other expenses decreased by $2.0 million from the prior year. Commission and distribution expenses, net of capitalization, decreased $1.9 million as a result of a change to market based pricing as of April 1, 2000. In addition, the elimination of PGAM asset management expenses caused a decrease of $1.5 million. These decreases were partially offset by higher allocated charges for salary, consulting, and data processing costs due to new product sales.

Net Income for the three months ended June 30, 2001 and June 30, 2000

Net income
Net income declined $1.2 million from the prior year comparable quarter. The majority of this decrease resulted from the elimination of PSF net asset management fee revenue which was $1.4 million ($2.0 million in revenues less $.6 million of expenses) in second quarter 2000.

Revenues
Revenues are higher than the prior year quarter by $.7 million. Premiums increased $2.6 million from higher term insurance and extended term premiums. The elimination of PSF asset management fees decreased revenue by $ 2 million when compared to the prior year.

Benefits and Expenses
Policyholder benefits are higher by $2.7 million related to reserve increases for increased term and extended term premiums, as noted above. General, administrative, and other expenses increased $.5 million resulting from higher allocated charges for salary, consulting, and data processing costs due to new product sales, partially offset by the elimination of the PGAM asset management expense of $.6 million.

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 $2.8 billion of assets at June 30, 2001 and December 31, 2000, of which $1.7 billion and $1.8 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.

PART II

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3(i)(a) The Articles of Incorporation (as amended through March 11, 1983) of Pruco Life Insurance Company of New Jersey are incorporated by reference to Post-effective Amendment No. 26 to the Registration Statement on Form S-6 of Pruco Life of New Jersey Variable Appreciable Account as filed April 28, 1997, Registration No. 2-89780.

3(i)(b) Amendment to the Articles of Incorporation dated February 12, 1998 is incorporated by reference to Post-Effective Amendment No. 12 to the Registration Statement on Form S-1, of Pruco Life of New Jersey Variable Contract Real Property Account as filed on April 16, 1999, Registration No. 33-20018.

3(ii) By-Laws of Pruco Life Insurance Company of New Jersey (as amended through May 5, 1997) are incorporated by reference to Form 10-Q as filed by the Company on August 15, 1997.

4 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.

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
______________________ 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