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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, 2002

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 14, 2002. Common
stock, par value of \$10 per share: 250,000 shares outstanding

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Forward-Looking Statement Disclosure	

Certain of the statements included in this Quarterly Report on Form 10-Q, including but not limited to those in the Management's Discussion and Analysis of Financial Condition and Results of Operations, constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as "expects," "believes," "anticipates," "includes," "plans," "assumes," "estimates," "projects," or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management's current expectations and beliefs concerning future developments and their potential effects upon Pruco Life Insurance Company ("the Company"). There can be no assurance that future developments affecting the Company will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: general economic, market and political conditions, including the performance of financial markets, interest rate fluctuations and the continuing impact of the events of September 11; volatility in the securities markets; reestimates of our reserves for future policy benefits and claims; our exposure to contingent liabilities; catastrophe losses; investment losses and defaults; changes in our claims-paying or credit ratings; competition in our product lines and for personnel; fluctuations in foreign currency exchange rates and foreign securities markets; risks to our international operations; the impact of changing regulation or accounting practices; adverse litigation results; and changes in tax law. The Company does not intend, and is under no obligation to, update any particular forward-looking statement included in this document.

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Pruco Life Insurance Company and Subsidiary

Consolidated Statements of Financial Position (Unaudited)
As of March 31, 2002 and December 31, 2001 (In Thousands)

	March 31, 2002	December 31, 2001
<S>	<C>	<C>
ASSETS		
Fixed maturities:		
Available for sale, at fair value (amortized cost, 2002: \$4,073,284; 2001: \$3,935,472)	\$ 4,112,204	\$ 4,024,893
Equity securities - available for sale, at fair value (cost, 2002: \$5,136; 2001: \$173)	5,426	375
Commercial loans on real estate	7,910	8,190
Policy loans	878,471	874,065
Short-term investments	104,715	215,610
Other long-term investments	87,444	84,342

Total investments	5,196,170	5,207,475
Cash and cash equivalents	469,771	374,185
Deferred policy acquisition costs	1,227,984	1,159,830
Accrued investment income	80,576	77,433
Reinsurance recoverable	314,592	300,697
Receivables from affiliates	45,605	33,074
Other assets	35,716	20,134
Separate Account assets	14,990,437	14,920,584
TOTAL ASSETS	\$22,360,851	\$ 22,093,412
LIABILITIES AND STOCKHOLDER'S EQUITY		
Liabilities		
Policyholders' account balances	\$ 4,203,990	\$ 3,947,690
Future policy benefits and other policyholder liabilities	816,617	808,230
Cash collateral for loaned securities	229,792	190,022
Securities sold under agreement to repurchase	82,980	80,715
Income taxes payable	262,385	266,096
Other liabilities	122,841	228,596
Separate Account liabilities	14,990,437	14,920,584
Total liabilities	20,709,042	20,441,933
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	1,167,136	1,147,665
Accumulated other comprehensive income:		
Net unrealized investment gains	15,572	34,718
Foreign currency translation adjustments	(147)	(152)
Accumulated other comprehensive income	15,425	34,566
Total stockholder's equity	1,651,809	1,651,479
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$22,360,851	\$ 22,093,412

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See Notes to Consolidated Financial Statements

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Pruco Life Insurance Company and Subsidiary

Consolidated Statements of Operations and Comprehensive Income (Unaudited)
Three Months Ended March 31, 2002 and 2001 (In Thousands)

	Three months ended March 31,	
	2002	2001
	-----	-----
<S>	<C>	<C>
REVENUES		
Premiums	\$ 18,298	\$ 23,418
Policy charges and fee income	127,033	119,104
Net investment income	81,471	90,310
Realized investment (losses) gains, net	(6,226)	10,877
Asset management fees	2,252	2,153
Other income	1,208	670
Total revenues	224,036	246,532
BENEFITS AND EXPENSES		
Policyholders' benefits	57,813	56,905
Interest credited to policyholders' account balances	47,186	48,808
General, administrative and other expenses	94,356	103,539
Total benefits and expenses	199,355	209,252

Income from operations before income taxes	24,681	37,280
Income tax provision	5,210	8,641
NET INCOME	19,471	28,639
Other comprehensive (loss) income, net of tax:		
Unrealized (losses) gains on securities, net of Reclassification adjustment	(19,146)	16,610
Foreign currency translation adjustments	5	3,320
Other comprehensive (loss) income	(19,141)	19,930
TOTAL COMPREHENSIVE INCOME	\$ 330	\$ 48,569

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See Notes to Consolidated Financial Statements

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Pruco Life Insurance Company and Subsidiary

Consolidated Statements of Changes in Stockholder's Equity (Unaudited)
Periods Ended March 31, 2002 and December 31, 2001 and 2000 (In Thousands)

	Common stock	Paid-in- capital	Retained earnings	Accumulated other comprehensive income (loss)	Total stockholder's equity
<S>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 2000	\$ 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	-	-	67,582	-	67,582
Dividends to Parent	-	-	(153,816)	-	(153,816)
Policy credits issued to eligible policyholders	-	-	(128,025)	-	(128,025)
Change in foreign currency translation adjustments, net of taxes	-	-	-	3,168	3,168
Change in net unrealized investment gains, net of reclassification adjustment and taxes	-	-	-	29,988	29,988
Balance, December 31, 2001	2,500	466,748	1,147,665	34,566	1,651,479
Net income	-	-	19,471	-	19,471
Change in foreign currency translation adjustments, net of taxes	-	-	-	5	5
Change in net unrealized investment gains, net of reclassification adjustment and taxes	-	-	-	(19,146)	(19,146)
Balance, March 31, 2002	\$ 2,500	\$ 466,748	\$ 1,167,136	\$ 15,425	\$ 1,651,809

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 Pruco Life Insurance Company and Subsidiary

Consolidated Statements of Cash Flows (Unaudited)
 Three Months Ended March 31, 2002 and 2001 (In Thousands)

	2002	2001
	-----	-----
<S>	<C>	<C>
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES:		
Net income	\$ 19,471	\$ 28,639
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Policy charges and fee income	(15,451)	(19,687)
Interest credited to policyholders' account balances	47,186	48,808
Realized investment losses (gains), net	6,226	(10,877)
Amortization and other non-cash items	33,345	(28,103)
Change in:		
Future policy benefits and other policyholders' liabilities	8,387	14,211
Accrued investment income	(3,143)	3,291
Receivables from affiliates	(12,531)	5,312
Policy loans	(4,406)	(13,129)
Deferred policy acquisition costs	(68,154)	(5,031)
Income taxes payable/receivable	(3,711)	23,487
Other, net	(20,477)	(23,270)
Cash Flows (Used in) From Operating Activities	(13,258)	23,651
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale/maturity of:		
Fixed maturities:		
Available for sale	582,868	1,132,680
Equity securities	--	204
Commercial loans on real estate	280	256
Payments for the purchase of:		
Fixed maturities:		
Available for sale	(733,030)	(1,209,152)
Equity securities	(4)	(106)
Cash collateral for loaned securities, net	39,770	39,165
Securities sold under agreement to repurchase, net	2,265	(78,926)
Other long-term investments	(2,293)	(5,540)
Short-term investments, net	110,891	180,428
Cash Flows From Investing Activities	747	59,009
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Policyholders' account balances:		
Deposits	495,828	370,993
Withdrawals	(272,976)	(307,878)
Cash payments to eligible policyholders	(114,755)	--
Cash provided to affiliate	--	(74,492)
Cash Flows From (Used in) Financing Activities	108,097	(11,377)
Net increase in Cash and cash equivalents	95,586	71,283
Cash and cash equivalents, beginning of year	374,185	453,071
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 469,771	\$ 524,354
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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") for the interim periods presented. The Company is a wholly owned subsidiary of The Prudential Insurance Company of America ("Prudential"), which in turn is a wholly owned subsidiary of Prudential Financial, Inc. 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 2002 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, 2001.

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, 2002, Prudential and/or the Company remained a party to approximately 42 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 18 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.

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 affected 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 and retail distribution expenses.

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 estimate of allocated distribution expenses is intended to reflect a market based pricing arrangement. The Company has capitalized the majority of these distribution expenses as deferred policy acquisition costs.

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 \$652.7 million and \$647.2 million at March 31, 2002 and December 31, 2001, respectively.

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, 2002 or 2001. The fourth agreement 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 Financial, Inc.

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. In July 2001, the Company dividended its interest in Prudential of Taiwan to Prudential.

Premiums ceded for the periods ending March 31, 2002 and 2001 from the Taiwan coinsurance agreement were \$17.6 million and \$20.1 million, respectively. Benefits ceded for the periods ending March 31, 2002 and 2001 from the Taiwan coinsurance agreement were \$3.2 million and \$2.9 million, respectively.

Included in the reinsurance recoverable balances were affiliated reinsurance recoverables of \$297.8 million and \$285.8 million at March 31, 2002 and December 31, 2001, respectively.

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, 2002 or December 31, 2001.

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 to Separate Account annuity and life policyholders and through the interest spread for the GIC and General Account annuity and life products. Policy charges and fee income consist mainly of three types, sales charges or loading fees on new sales, mortality and expense charges ("M&E") assessed on fund balances, and mortality and related charges based on total life insurance in-force business. Policyholder 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. Products that generate spread income primarily include the GIC

product, general account 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.

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

1. Analysis of Financial Condition

From December 31, 2001 to March 31, 2002 there was an increase of \$268 million in total assets from \$22,093 million to \$22,361 million. Cash and cash equivalents are \$96 million higher than December 31, 2001 as a result of increased securities lending activities and a higher investment allocation in cash and cash equivalents rather than short-term investments when compared to December 31, 2001. Separate Account assets increased by \$70 million primarily from the payment of policy credits to Separate Account policyholders. Deferred acquisition costs ("DAC") increased by \$68 million from capitalization of commissions from new sales. Reinsurance recoverable is \$14 million higher as a result of growth in the transferred business of the Taiwan branch. The transfer of the Company's Taiwan branch accounted for using coinsurance accounting requires the establishment of a reinsurance recoverable and the inclusion of the Taiwan branch future policy reserve liabilities on the Company's balance sheet. Other assets increased \$16 million mainly from an increase in receivables resulting from sales of securities that had not settled at the balance sheet date and increases to prepaid expenses.

During this three-month period, liabilities increased by \$267 million from \$20,442 million to \$20,709 million. Corresponding with the asset change, Separate Account liabilities increased by \$70 million primarily from the payment of policy credits to Separate Account policyholders. Policyholder account balances increased by \$256 million due to positive cash inflows from the Pace GIC and sales of annuity products with fixed rate options. An increased level of securities lending activity increased liabilities by \$42 million. Other liabilities decreased by \$106 million mainly due to the payment of policy credits to the Separate Account policyholders, which had been accrued in other liabilities at December 31, 2001.

2. Results of Operations

Net Income

Consolidated net income of \$19.5 million for the first quarter of 2002 was \$9.2 million lower than for the first quarter of 2001. The decrease in net income was caused primarily by a \$17.1 million change in realized investment (losses)/gains between the two periods. This resulted from the realization of losses on sales of fixed maturities in 2002 due to credit related sales compared to gains on sales in the prior year comparable quarter as interest rates were declining during 2001. Partially offsetting this was a decrease in general, administrative and other expenses of \$9.2 million, mainly from lower DAC amortization. DAC amortization was \$10.8 million lower due to lower gross profits for annuity products in 2002 and a \$6 million charge recorded in the prior year to reflect a decline in estimated future gross profits resulting from a decline in Separate Account liabilities. Variances by income statement line item are described in the following paragraphs.

Revenues

Consolidated revenues decreased by \$22.5 million, from \$246.5 million to \$224.0 million. As discussed above, realized losses on investments, particularly fixed maturities, decreased revenues by \$17.1 million. Net investment income is lower by \$8.8 million due to lower yields available on the reinvestment of fixed maturities and lower interest rates for short-term investments. The fixed maturity portfolio yield declined from 7.30% for the year ended December 31, 2001 to 6.67% for the period ending March 31, 2002. Premiums decreased by \$5.1 million mainly due to the transfer of the Taiwan branch as of January 31, 2001, and the subsequent ceding of premiums which caused a \$7.4 million decline in premiums. There was a decrease of \$6.7 million reflecting decreased domestic life premiums on term insurance the Company issued, under policy provisions to customers who previously had lapsing variable life insurance with the Company. There were also decreased premiums from fewer annuitizations of \$1.8 million. Partially offsetting these declines were higher term insurance sales and renewals of the Term Essential and Term Elite products of \$11.2 million.

These decreases were partially offset by increases in policy charges and fee 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 \$7.9 million. The increase was a result of an \$11.7 million increase for domestic individual life products offset by a \$3.7 million decrease for annuity products. Mortality and sales based loading charges for life products increased as a result of growth in

the in-force business. The in-force business (excluding term insurance) grew to \$60.0 billion at March 31, 2002 from \$54.2 billion at March 31, 2001 and \$58.7 billion at December 31, 2001. In contrast, annuity fees are mainly asset based fees which are dependent on the fund balances which are affected by net sales as well as asset depreciation or appreciation on the underlying investment funds in which the customer has the option to invest. Annuity fund balances have declined as a result of unfavorable valuation changes in the securities market over the past two years.

Benefits and Expenses

Policyholder benefits increased by \$.9 million from increased death and surrender benefits offset by decreases in reserve provisions for the Taiwan branch and domestic life insurance reserves. Death benefits were higher by \$8.9 million due to higher death claims of \$4.4 million consistent with the increase in the life insurance in force business and higher guaranteed minimum death benefits for annuity products of \$4.5 million. There were also increased benefits paid on surrenders of reduced paid up policies of \$3.3 million. Taiwan benefits and reserves were \$5.9 million lower due to the transfer of the branch as of January 31, 2001. Domestic life reserves decreased \$5.2 million primarily as a result of the lower amount of term insurance the Company issued in the 2002 period under policy provisions to customers who previously had lapsing variable life insurance with the Company. This was partially offset by increases for term insurance reserves due to sales and renewals of the Term Essential and Term Elite products.

Interest credited to policyholder account balances decreased by \$1.6 million despite growth in policyholder account balances as interest crediting rates were decreased in reaction to the declining investment portfolio yields.

General, administrative, and other expenses decreased \$9.2 million from the prior year. The primary reason for the decline is a decrease in DAC amortization of \$10.8 million, as described above. Partially offsetting this decline is an increase of \$1.6 million mainly from increased commission and distribution expenses.

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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 supplemented 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 \$22.4 billion of assets at March 31, 2002 compared to \$22.1 billion at December 31, 2001, of which \$15.0 billion and \$14.9 billion were held in Separate Accounts at March 31, 2002 and December 31, 2001, respectively, under variable life insurance policies and variable annuity contracts. The remaining assets consisted primarily of investments and deferred policy acquisition costs.

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 2001 Form 10K.

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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 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*:	\$ 378,338,956
Aggregate offering price of amount sold to date:	\$ 378,338,956

* 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**	\$ 11,012,407
Other expenses**	\$ 21,943,484
Total	\$ 32,955,891

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

(vi) Net offering proceeds: \$345,383,065

(vii) Not applicable.

(viii) Not applicable.

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)

<TABLE> <CAPTION> Signature ----- <S>	Title ----- <C>	Date ----- <C>
_____ Andrew J. Mako	Executive Vice President	May 14, 2002
_____ William J. Eckert, IV	Vice President and Chief Accounting Officer	May 14, 2002

</TABLE>

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