

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2004

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) 802-6000

(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

--- ---

Indicate by check mark whether the Registrant is an accelerated filer (as
defined in Rule 12b-2 of the Exchange Act). YES NO X

--- ---

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 13, 2004. Common stock, par value of
\$10 per share: 250,000 shares outstanding

PRUCO LIFE INSURANCE COMPANY 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.

1

PRUCO LIFE INSURANCE COMPANY
INDEX TO FINANCIAL STATEMENTS

Page No.

Cover Page

-

Index

2

PART I - FINANCIAL INFORMATION

Item 1. (Unaudited) Financial Statements

Consolidated Statements of Financial Position As of March 31, 2004 and December 31, 2003	3
Consolidated Statements of Operations and Comprehensive Income Three months ended March 31, 2004 and 2003	4
Consolidated Statements of Stockholder's Equity Periods ended March 31, 2004 and December 31, 2003 and 2002	5
Consolidated Statements of Cash Flows Three months ended March 31, 2004 and 2003	6
Notes to Consolidated Financial Statements	7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	9
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Item 4. Controls and Procedures	11
---------------------------------	----

PART II - OTHER INFORMATION

Item 1. Legal proceedings	12
---------------------------	----

Item 6. Exhibits and Reports on Form 8-K	12
--	----

Signatures	14
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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," "intends", 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 negative impact of the current economic environment; various domestic or international military or terrorist activities or conflicts; volatility in the securities markets; reestimates of our reserves for future policy benefits and claims; changes in our assumptions related to deferred policy acquisition costs; 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.

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2004 AND DECEMBER 31, 2003 (IN THOUSANDS)

<TABLE>
<CAPTION>

	MARCH 31, 2004	DECEMBER 31, 2003
	-----	-----
<S>	<C>	<C>
ASSETS		
Fixed maturities available for sale, at fair value (amortized cost, 2004: \$6,108,585; 2003: \$5,682,043)	\$ 6,466,870	\$ 5,953,815
Policy loans	851,016	848,593
Short-term investments	174,784	160,635
Other long-term investments	63,557	89,478
	-----	-----
Total investments	7,556,227	7,052,521

Cash and cash equivalents	230,377	253,564
Deferred policy acquisition costs	1,376,853	1,380,710
Accrued investment income	108,553	96,790
Reinsurance recoverable	558,295	517,410
Receivables from Parent and affiliates	43,846	53,138
Deferred sales inducements and other assets	102,680	88,736
assets	15,894,652	15,772,262
	-----	-----
TOTAL ASSETS	\$25,871,483	\$25,215,131
	=====	=====
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES		
Policyholders' account balances	\$ 6,019,840	\$ 5,582,633
Future policy benefits and other policyholder liabilities	1,185,826	1,068,977
Cash collateral for loaned securities	422,162	431,571
Securities sold under agreement to repurchase	63,491	97,102
Income taxes payable	349,493	335,665
Other liabilities	80,874	111,865
Separate account liabilities	15,894,652	15,772,262
	-----	-----
TOTAL LIABILITIES	24,016,338	23,400,075
	-----	-----
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	459,779	459,654
Deferred compensation	(1,995)	(850)
Retained earnings	1,268,454	1,246,065
Accumulated other comprehensive income	126,407	107,687
	-----	-----
TOTAL STOCKHOLDER'S EQUITY	1,855,145	1,815,056
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$25,871,483	\$25,215,131
	=====	=====

</TABLE>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED) THREE MONTHS ENDED MARCH 31, 2004 AND 2003 (IN THOUSANDS)

<TABLE>		
<CAPTION>		
	THREE MONTHS ENDED MARCH 31,	
	2004	2003
	-----	-----
<S>	<C>	<C>
REVENUES		
Premiums	\$ 27,825	\$ 41,249
Policy charges and fee income	155,835	136,244
Net investment income	92,484	84,553
Realized investment gains (losses), net	5,969	(9,659)
Asset management fees	3,827	2,904
Other income	8,372	2,209
	-----	-----
TOTAL REVENUES	294,312	257,500
	-----	-----
BENEFITS AND EXPENSES		
Policyholders' benefits	68,045	86,461
Interest credited to policyholders' account balances	61,161	51,502
General, administrative and other expenses	125,190	96,381
	-----	-----
TOTAL BENEFITS AND EXPENSES	254,396	234,344
	-----	-----

Income from operations before income taxes	39,916	23,156
Income tax expense	8,377	4,444
	-----	-----
NET INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	31,539	18,712
Cumulative effect of change in accounting principle, net of tax	(9,150)	-
	-----	-----
NET INCOME	22,389	18,712
	-----	-----
Change in net unrealized investment gains, net of taxes	14,690	11,082
Cumulative effect of accounting change, net of taxes	4,030	-
	-----	-----
Other comprehensive income, net of tax	18,720	11,082
	-----	-----
TOTAL COMPREHENSIVE INCOME	\$ 41,109	\$ 29,794
	=====	=====

</TABLE>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY (UNAUDITED)
PERIODS ENDED MARCH 31, 2004 AND DECEMBER 31, 2003 AND 2002 (IN THOUSANDS)

<TABLE>

<CAPTION>

TOTAL STOCKHOLDER'S EQUITY	COMMON STOCK	PAID-IN- CAPITAL	RETAINED EARNINGS	DEFERRED COMPENSATION	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	
-----	-----	-----	-----	-----	-----	---
<S> <C>	<C>	<C>	<C>	<C>	<C>	
BALANCE, JANUARY 1, 2002 \$ 1,651,479	\$ 2,500	\$466,748	\$1,147,665	\$ -	\$ 34,566	
Net income 13,498	-	-	13,498	-	-	
Adjustments to policy credits issued to eligible policyholders (27)	-	-	(27)	-	-	
Change in foreign currency translation adjustments, net of taxes 149	-	-	-	-	149	
Change in net unrealized investment gains, net of taxes 57,036	-	-	-	-	57,036	
-----	-----	-----	-----	-----	-----	
BALANCE, DECEMBER 31, 2002 1,722,135	2,500	466,748	1,161,136	-	91,571	
Net income 84,933	-	-	84,933	-	-	
Adjustments to policy credits issued to eligible policyholders (4)	-	-	(4)	-	-	
Purchase of fixed maturities from an affiliate, net of taxes -	-	(7,557)	-	-	7,557	

Stock-based compensation programs (387)	-	463	-	(850)	-
Change in net unrealized investment gains, net of taxes 8,379	-	-	-	-	8,379
-----	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 2003 1,815,056	2,500	459,654	1,246,065	(850)	107,687
Net income 22,389	-	-	22,389	-	-
Stock-based compensation programs (1,020)	-	125	-	(1,145)	-
Cumulative effect of change in accounting principle, net of taxes 4,030	-	-	-	-	4,030
Change in net unrealized investment gains, net of taxes 14,690	-	-	-	-	14,690
-----	-----	-----	-----	-----	-----
BALANCE, MARCH 31, 2004 \$ 1,855,145	\$ 2,500	\$459,779	\$1,268,454	\$ (1,995)	\$ 126,407
=====	=====	=====	=====	=====	=====

</TABLE>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2004 AND 2003 (IN THOUSANDS)

<TABLE>

<CAPTION>

	2004	2003
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income	\$ 22,389	\$ 18,712
Adjustments to reconcile net income to net cash from (used in) operating activities:		
Policy charges and fee income	(31,906)	(24,218)
Interest credited to policyholders' account balances	61,161	51,502
Realized investment (gains) losses, net	(5,969)	9,659
Amortization and other non-cash items	(74,365)	(117)
Cumulative effect of accounting change	9,150	-
Change in:		
Future policy benefits and other policyholders' liabilities	72,111	9,381
Reinsurance recoverable	(40,885)	5,617
Accrued investment income	(5,483)	(8,560)
Receivables from Parent and affiliates	9,292	(5,270)
Policy loans	(2,423)	7,919
Deferred policy acquisition costs	26,961	(37,747)
Income taxes payable/receivable	18,974	89,970
Deferred sales inducements and other assets	(13,948)	(12,409)
Other, net	(34,629)	(5,842)
CASH FLOWS FROM OPERATING ACTIVITIES	10,430	98,597
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES:		
Proceeds from the sale/maturity of:		
Fixed maturities available for sale	480,139	707,245
Payments for the purchase of:		
Fixed maturities available for sale	(512,180)	(946,530)
Cash collateral for loaned securities, net	(9,409)	35,624

Securities sold under agreement to repurchase, net	(33,611)	(9,763)
Other long-term investments, net	5,527	(4,197)
Short-term investments, net	(5,879)	81,897
	-----	-----
CASH FLOWS USED IN INVESTING ACTIVITIES	(75,413)	(135,724)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Policyholders' account balances:		
Deposits	590,904	417,928
Withdrawals	(549,108)	(180,534)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES	41,796	237,394
	-----	-----
Net increase in Cash and cash equivalents	(23,187)	200,267
Cash and cash equivalents, beginning of year	253,564	436,182
	-----	-----
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 230,377	\$ 636,449
	=====	=====

</TABLE>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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1. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") on a basis consistent with reporting interim financial information in accordance with instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission. 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 Insurance"), which in turn is a wholly owned subsidiary of Prudential Financial, Inc. ("Prudential Financial"). 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 current year presentation.

The Company has extensive transactions and relationships with Prudential Insurance 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. 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, 2003.

2. CONTINGENCIES AND LITIGATION

CONTINGENCIES

On an ongoing basis, our internal supervisory and control functions review the quality of our sales, marketing and other customer interface procedures and practices and may recommend modifications or enhancements. In certain cases, if appropriate, we may offer customers remediation and may incur charges, including the cost of such remediation, administrative costs and regulatory fines.

Prudential Insurance and its affiliates have received formal requests for information relating to their variable annuity business from regulators and governmental authorities. The regulators and authorities include, among others, the Securities and Exchange Commission, the NASD and the State of New York Attorney General's Office. Prudential Insurance and its affiliates are cooperating with all such inquiries and are conducting their own internal review.

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 as a result of payments in connection with the matters discussed above depending, in part, upon the results of operations or cash flow for such period. Management believes, however, that the ultimate payments in connection with these matters should not have a material adverse effect on the Company's financial position.

LITIGATION

The Company is subject to legal and regulatory actions in the ordinary course of its 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 that are typical of the businesses in which the Company operates. Class action and individual lawsuits involve a variety of issues and/or allegations, which include sales practices, underwriting practices, claims payment and procedures, premium charges, policy servicing and breach of fiduciary duties to customers. We are also subject to litigation arising out of our general business activities, such as our investments and third party contracts. In certain of these matters, the plaintiffs are seeking large and/or indeterminate amounts, including punitive or exemplary damages.

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.

PRUCO LIFE INSURANCE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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3. ADOPTION OF STATEMENT OF POSITION 03-01

In July 2003, the Accounting Standards Executive Committee ("AcSEC") of the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 03-01, "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts". AcSEC issued the SOP to address the need for interpretive guidance to be developed in three areas: separate account presentation and valuation; the accounting recognition given sales inducements (bonus interest, bonus credits, persistency bonuses); and the classification and valuation of certain long-duration contract liabilities.

The Company adopted the SOP effective January 1, 2004. The effect of initially adopting SOP 03-1 was a net of tax charge of \$9.1 million, reported as a cumulative effect of accounting change in the results of operations for the three months ended March 31, 2004. This charge reflects primarily the net impact of converting certain individual market value adjusted annuity contracts from separate account accounting treatment to general account accounting treatment and the effect of establishing reserves for guaranteed minimum death benefit ("GMDB") provisions of the Company's annuity contracts. In addition, the Company recorded an increase in other comprehensive income of \$4.0 million after tax related to recording the cumulative unrealized investment gains, net of shadow deferred acquisition costs ("DAC"), on fixed maturities reclassified from the separate account to the general account as of January 1, 2004.

In April 2004, the FASB issued a Proposed FASB Staff Position ("FSP") clarifying the accounting for unearned revenue liabilities of certain universal-life contracts under the SOP. The Proposed FSP, if adopted as issued, would not change the Company's accounting for these unearned revenue liabilities, and, therefore, would have no impact on the charge recorded at adoption of the SOP.

On the Statement of Cash Flows, the cumulative effect of the SOP is shown on one line rather than on the individual asset and liability lines that were affected. The major components of this line are increases in fixed maturities of \$403 million and policyholder account balances of \$ \$387 million related to the reclassifications of annuity contracts from the separate account to the general account. In addition the establishment of the GMDB reserves of approximately \$45 million and the increase in DAC of \$23 million are also shown on this line. Other balance sheet accounts that were affected include other long-term investments and deferred taxes payable.

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

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PRUCO LIFE INSURANCE COMPANY 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.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") addresses the consolidated financial condition of Pruco Life Insurance Company as of March 31, 2004, compared with December 31, 2003, and its consolidated results of operations for the three month periods ended March 31, 2004 and March 31, 2003. You should read the following analysis of our consolidated financial condition and results of operations in conjunction with the Company's MD&A and audited Consolidated Financial statements included in the Company's Report on Form 10-K for the year ended December 31, 2003.

The Company sells interest-sensitive individual life insurance, variable life insurance, term life insurance, individual variable annuities, and a non-participating guaranteed interest contract ("GIC") called Prudential Credit Enhanced GIC ("PACE") primarily through Prudential Insurance'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. Beginning February 1, 2001, all insurance activity of the Taiwan branch has been ceded to the affiliated Company.

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 interest spread primarily include the GIC product, general account life insurance products, fixed annuities and the fixed-rate option of variable annuities.

Besides policy charges and fee income, the Company also earns revenues from insurance premiums from term life insurance and asset management fees on the separate account fund balances. The Company's operating expenses principally consist of insurance benefits provided, general business expenses, commissions and other costs of selling and servicing the various products we sell and interest credited on general account liabilities.

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

1. ANALYSIS OF FINANCIAL CONDITION

From December 31, 2003 to March 31, 2004 there was an increase of \$656 million in total assets from \$25,215 million to \$25,871 million. Fixed maturities increased by \$513 million mainly as a result of the implementation of Statement of Position 03-01 ("SOP 03-01"). SOP 03-01 requires among other things, that certain individual market value adjusted annuity ("MVA") contracts be accounted for under general account accounting treatment. As a result of the adoption, approximately \$400 million of fixed maturities were reclassified from separate account assets to general account fixed maturities. Also contributing to the increase in fixed maturities were unrealized gains. Separate account assets increased by \$122 million despite the reclassification of approximately \$400 million of assets to the general account due to positive market performance of approximately \$400 million and positive net sales. Deferred acquisition costs ("DAC") decreased by \$3.9 million from December 31, 2003. This change was driven by a decrease due to "shadow DAC" of \$71.0 million and amortization of \$54.8 million, offset by \$98.8 million in capitalization of expenses and a \$23.1

million DAC impact from the implementation of SOP 03-01. The \$71.0 million of shadow DAC is shown in the amortization and other non-cash items line on the Statements of Cash Flows.

During this three-month period, liabilities increased by \$616 million from

\$23,400 million to \$24,016 million. Policyholder account balances increased by \$437 million due primarily to the reclassification of MVA contracts as described above and positive net sales. Future policy benefits increased by \$117 million due to increased Taiwan reserves and the establishment of guaranteed minimum death benefit reserves ("GMDB") of \$45 million. Corresponding with the asset change, separate account liabilities increased by \$122 million, as described above. Other liabilities decreased \$31 million as accrued payables for year-end bonuses were paid in the first quarter and there is a lower liability for investments purchased but not yet paid for.

2. RESULTS OF OPERATIONS

NET INCOME

Consolidated net income of \$22.4 million for the first quarter of 2004 was \$3.7 million higher than for the first quarter of 2003. Net income before the cumulative change in accounting principle related to the adoption of SOP 03-01 was \$12.8 million higher than the prior year quarter. The effect of the cumulative change in accounting principle was a charge to income of \$9.1 million after tax. This charge is caused primarily by an increase in reserves for guaranteed minimum death benefits relating to our individual variable annuity contracts and the impact of converting certain MVA contracts from separate account accounting treatment to general account accounting treatment. Further details regarding the components of revenues and expenses are described in the following paragraphs.

REVENUES

Consolidated revenues increased by \$36.8 million, from \$257.5 million to \$294.3 million. Policy charges and fee income, consisting primarily of mortality and expense, loading and other insurance charges assessed on general and separate account policyholder fund balances, increased by \$19.6 million. The increase was a result of a \$10.3 million increase for individual life products and a \$9.3 million increase for annuity products. Policy charges for life products increased as a result of growth in the in-force business, the favorable impact of increases in the market value of variable life insurance assets, and the sale of newer interest-sensitive products that generally carry higher expense charges in the first few years of the contract. The life in-force business (excluding term insurance) grew to \$72.7 billion at March 31, 2004 from \$66.0 billion at March 31, 2003 and \$71.1 billion at December 31, 2003. 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 separate account fund balances are higher than in the prior year quarter as a result of favorable market performance and positive net sales.

Realized investment gains increased by \$15.6 million mainly due to lower fixed maturity impairments of \$11.5 million. The current year had impairments of \$0.6 million compared to \$12.1 million last year. Gains on sales of fixed maturities increased by \$2.3 million in the current year while losses on derivatives decreased by \$1.6 million. Derivatives are entered into as economic hedges although they may not qualify for hedge accounting treatment.

Net investment income increased by \$7.9 million as a result of increased income from fixed maturities due to an increase in the portfolio balance from positive cash flows and the reclassification of fixed maturities from the separate account to the general account. This was partially offset by the effect of slightly lower reinvestment rates for fixed maturities and short-term investments.

Other income increased by \$6.2 million due to an expense recovery allowance received from the Pruco Re term coinsurance agreement. This agreement was not in effect in the prior year until the end of September.

Premiums decreased by \$13.4 million from the prior year. Gross term insurance premiums are \$22.9 million higher than the prior year, however ceded premiums are \$28.0 million greater as a result of the Pruco Re coinsurance agreement. Extended term premiums decreased by \$6.2 million due to lower policy lapses as a result of favorable market conditions. Premiums for annuity contracts with life contingencies decreased by \$2.5 million due to decreased annuitizations.

BENEFITS AND EXPENSES

Policyholder benefits decreased by \$18.4 million as a result of lower changes to reserve provisions for life insurance and annuity reserves of \$12.0 million and decreased death and surrender benefits of \$6.4 million.

The change in reserves for life products decreased \$9.8 million from the prior year primarily as a result of a decrease in term and extended term insurance premiums, net of reinsurance as discussed in the premium paragraph above. The change in annuity reserves decreased by \$2.2 million primarily due to decreased annuitizations, as discussed in the premium section. There was relatively no

change during the first quarter in the GMDB reserves that were established as of January 1, 2004. Increases to GMDB reserves based on gross profits were mostly offset by decreases due to benefit payments described below.

Annuity death benefits were lower by \$7.1 million primarily due to lower guaranteed minimum death benefits driven by higher fund values as a result of market appreciation. Policyholder benefits for life insurance products increased by \$0.7 million as higher death benefits of \$7.8 million due to an increasing in-force business offset lower surrenders of reduced paid up policies of \$6.8 million.

Interest credited to policyholder account balances increased by \$9.7 million due to growth in policyholder account balances primarily from the reclassification of the MVA annuity products from separate account to policyholder account balances. Partially offsetting the increase from the annuity products was a decrease of \$2.5 million in interest credited for guaranteed investment contracts ("GIC") as the GIC policyholder account balances decreased during 2004 due to scheduled withdrawals.

General, administrative, and other expenses increased \$28.8 million from the prior year. The primary reason for the increase was an increase in DAC amortization of \$20.3 million. DAC amortization for life products increased by \$12.6 million as a result of the growing in-force business and increased profits. DAC amortization for annuity products was higher by \$7.7 million due to increased gross profits. There was also an increase in commission expense and general and administrative expenses of \$8.5 million due to growth in the business.

ITEM 4. CONTROLS AND PROCEDURES

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In order to ensure that the information we must disclose in our filings with the Securities and Exchange Commission is recorded, processed, summarized, and reported on a timely basis, the Company's management, including our Chief Executive Officer and Chief Financial Officer, have reviewed and evaluated the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as of March 31, 2004. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2004, our disclosure controls and procedures were effective in timely alerting them to material information relating to us required to be included in our periodic SEC filings. There has been no change in our internal control over financial reporting during the quarter ended March 31, 2004, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

11

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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The Company is subject to legal and regulatory actions in the ordinary course of its 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 that are typical of the businesses in which the Company operates. Class action and individual lawsuits involve a variety of issues and/or allegations, which include sales practices, underwriting practices, claims payment and procedures, premium charges, policy servicing and breach of fiduciary duties to customers. We are also subject to litigation arising out of our general business activities, such as our investments and third party contracts. In certain of these matters, the plaintiffs are seeking large and/or indeterminate amounts, including punitive or exemplary damages.

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.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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(a) EXHIBITS

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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 as filed November 2, 1990, Registration No. 33-37587.
- 4(b) Market-Value Adjustment Annuity Contract (Discovery Preferred variable annuity) is incorporated by reference to Form N-4, Registration No. 33-61125, filed July 19, 1995, on behalf of the Pruco Life Flexible Premium Variable Annuity Account.
- 4(c) Market-Value Adjustment Annuity Contract (Discovery Select variable annuity) is incorporated by reference to Form N-4, Registration No. 333-06701, filed June 24, 1996, on behalf of the Pruco Life Flexible Premium Variable Annuity Account.
- 4(d) Market-Value Adjustment Contract (Strategic Partners Select variable annuity) is incorporated by reference to Form N-4, Registration No. 333-52754, filed December 26, 2000, on behalf of the Pruco Life Flexible Premium Variable Annuity Account.
- 4(e) Market-Value Adjustment Annuity Contract (Strategic Partners Horizon annuity) is incorporated by reference to the Company's registration statement on Form S-1, Registration No. 333-89530, filed September 27, 2002.
- 4(f) Market-Value Adjustment Annuity Contract Endorsement (Strategic Partners Annuity 3 variable annuity) is incorporated by reference to the Company's registration statement on Form S-3, Registration No. 333-103474, filed February 27, 2003.
- 4(g) Market-Value Adjustment Annuity Contract (Strategic Partners FlexElite variable annuity) is incorporated by reference to Post-Effective Amendment No. 1 to Form N-4, Registration No. 333-75702, filed February 14, 2003, on behalf of the Pruco Life Flexible Premium Variable Annuity Account.
- 31.1 Section 302 Certification of the Chief Executive Officer

12

- 31.2 Section 302 Certification of the Chief Financial Officer
- 32.1 Section 906 Certification of the Chief Executive Officer
- 32.2 Section 906 Certification of the Chief Financial Officer

(b) REPORTS ON FORM 8-K

NONE

13

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)

By: /s/ William J. Eckert, IV

William J. Eckert, IV
Vice President and Chief Financial Officer
(Authorized Signatory and Principal Financial Officer)

I, Andrew J. Mako certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pruco Life Insurance Company;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2004

/s/ Andrew J. Mako

ANDREW J. MAKO
CHIEF EXECUTIVE OFFICER

I, William J. Eckert, IV, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pruco Life Insurance Company;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2004

/s/ William J. Eckert, IV

WILLIAM J. ECKERT, IV
CHIEF FINANCIAL OFFICER

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, I, Andrew J. Mako, Chief Executive Officer of Pruco Life Insurance Company (the "Company"), hereby certify that the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 13, 2004

/s/ Andrew J. Mako

Name: Andrew J. Mako
Title: Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, I, William J. Eckert IV, Chief Financial Officer of Pruco Life Insurance Company (the "Company"), hereby certify that the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 13, 2004

/s/ William J. Eckert, IV

Name: William J. Eckert, IV
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.