

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2024
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition Period from _____ to _____
Commission File Number 333-18053

Pruco Life Insurance Company of New Jersey
(Exact Name of Registrant as Specified in its Charter)

New Jersey
(State or Other Jurisdiction of
Incorporation or Organization)

22-2426091
(I.R.S. Employer Identification Number)

213 Washington Street
Newark, NJ 07102
(973) 802-6000
(Address and Telephone Number of Registrant's Principal Executive Offices)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Not Applicable	Not Applicable	Not Applicable

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of the Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 8, 2024, 400,000 shares of the registrant's Common Stock (par value \$5) were outstanding. As of such date, Pruco Life Insurance Company, an Arizona corporation, owned all of the registrant's Common Stock.

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 10-Q in the reduced disclosure format.

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FORWARD-LOOKING STATEMENTS

Certain of the statements included in this Quarterly Report on Form 10-Q, 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,” “should,” “will,” “shall” 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 of New Jersey and its subsidiary. There can be no assurance that future developments affecting Pruco Life Insurance Company of New Jersey and its subsidiary 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, among others: (1) losses on investments or financial contracts due to deterioration in credit quality or value, or counterparty default; (2) losses on insurance products due to mortality experience or policyholder behavior experience that differs significantly from our expectations when we price our products; (3) changes in interest rates and equity prices that may (a) adversely impact the profitability of our products, the value of separate accounts supporting these products or the value of assets we manage, (b) result in losses on derivatives we use to hedge risk or increase collateral posting requirements and (c) limit opportunities to invest at appropriate returns; (4) guarantees within certain of our products which are market sensitive and may decrease our earnings or increase the volatility of our results of operations or financial position; (5) liquidity needs resulting from (a) derivative collateral market exposure, (b) asset/liability mismatches, (c) the lack of available funding in the financial markets or (d) unexpected cash demands due to severe mortality calamity or lapse events; (6) financial or customer losses, or regulatory and legal actions, due to inadequate or failed processes or systems, external events and human error or misconduct such as (a) disruption of our systems and data, (b) an information security breach, (c) a failure to protect the privacy of sensitive data (d) reliance on third parties or (e) labor and employment matters; (7) changes in the regulatory landscape, including related to (a) financial sector regulatory reform, (b) changes in tax laws, (c) fiduciary rules and other standards of care, (d) state insurance laws and developments regarding group-wide supervision, capital and reserves, and (e) privacy and cybersecurity regulation; (8) technological changes which may adversely impact companies in our investment portfolio or cause insurance experience to deviate from our assumptions; (9) ratings downgrades; (10) market conditions that may adversely affect the sales or persistency of our products; (11) competition; and (12) reputational damage. Pruco Life Insurance Company of New Jersey does not intend, and is under no obligation, to update any particular forward-looking statement included in this document. See “Risk Factors” included in the Annual Report on Form 10-K for the year ended December 31, 2023 for discussion of certain risks relating to our business and investment in our securities.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

Unaudited Interim Statements of Financial Position September 30, 2024 and December 31, 2023 (in thousands, except share amounts)

	September 30, 2024	December 31, 2023
ASSETS		
Fixed maturities, available for sale, at fair value (allowance for credit losses: 2024-\$56; 2023-\$4) (amortized cost: 2024-\$2,800,669; 2023-\$2,559,973)	\$ 2,640,670	\$ 2,362,095
Fixed maturities, trading, at fair value (amortized cost: 2024-\$24,399; 2023-\$25,745)	23,018	23,440
Equity securities, at fair value (cost: 2024-\$4,920; 2023-\$4,653)	4,720	4,615
Policy loans	1,119,509	1,115,096
Short-term investments	16,754	5,959
Commercial mortgage and other loans (net of \$1,503 and \$1,162 allowance for credit losses at September 30, 2024 and December 31, 2023, respectively)	368,996	239,629
Other invested assets (includes \$21,050 and \$4,387 of assets measured at fair value at September 30, 2024 and December 31, 2023, respectively)	212,060	153,885
Total investments	4,385,727	3,904,719
Cash and cash equivalents	362,547	186,383
Deferred policy acquisition costs	430,963	393,139
Accrued investment income	48,373	53,906
Reinsurance recoverables	4,562,898	3,603,225
Receivables from parent and affiliates	58,422	24,502
Income tax assets	92,145	68,079
Market risk benefit assets	527,511	537,659
Other assets	48,510	49,010
Separate account assets	14,941,206	14,077,103
TOTAL ASSETS	\$ 25,458,302	\$ 22,897,725
LIABILITIES AND EQUITY		
LIABILITIES		
Policyholders' account balances	\$ 4,644,356	\$ 4,036,184
Future policy benefits	2,587,204	2,398,443
Market risk benefit liabilities	527,511	537,659
Payables to parent and affiliates	4,015	9,380
Other liabilities	1,428,523	470,830
Separate account liabilities	14,941,206	14,077,103
Total liabilities	24,132,815	21,529,599
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 15)		
EQUITY		
Common stock (\$5 par value; 400,000 shares authorized, issued and outstanding)	2,000	2,000
Additional paid-in capital	1,032,513	1,032,513
Retained earnings	321,780	381,140
Accumulated other comprehensive income (loss)	(30,806)	(47,527)
Total equity	1,325,487	1,368,126
TOTAL LIABILITIES AND EQUITY	\$ 25,458,302	\$ 22,897,725

See Notes to Unaudited Interim Financial Statements

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Unaudited Interim Statements of Operations and Comprehensive Income (Loss)
Three and Nine Months Ended September 30, 2024 and 2023 (in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
REVENUES				
Premiums (includes \$47, \$183, \$117 and \$473 of gains from changes in estimates on deferred profit liability amortization for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, respectively)	\$ 11,711	\$ 10,145	\$ 34,197	\$ 29,888
Policy charges and fee income	21,073	17,412	375,690	52,893
Net investment income	56,997	49,359	158,818	117,993
Asset administration fees	2,937	2,349	8,176	6,699
Other income (loss)	4,177	35	8,328	1,458
Realized investment gains (losses), net	(36,690)	16,355	(48,288)	3,440
Change in value of market risk benefits, net of related hedging gain (loss)	(5,333)	40,121	10,520	47,262
TOTAL REVENUES	54,872	135,776	547,441	259,633
BENEFITS AND EXPENSES				
Policyholders' benefits	(3,548)	21,192	564,099	55,252
Change in estimates of liability for future policy benefits	(1,040)	(88)	(5,224)	(2,171)
Interest credited to policyholders' account balances	19,212	19,429	60,410	43,189
Amortization of deferred policy acquisition costs	5,387	5,420	(14,749)	15,356
General, administrative and other expenses	10,937	12,156	33,439	40,923
TOTAL BENEFITS AND EXPENSES	30,948	58,109	637,975	152,549
INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES	23,924	77,667	(90,534)	107,084
Income tax expense (benefit)	10,012	8,577	(31,174)	12,121
NET INCOME (LOSS)	\$ 13,912	\$ 69,090	\$ (59,360)	\$ 94,963
Other comprehensive income (loss), before tax:				
Foreign currency translation adjustments	269	(172)	184	(1)
Net unrealized investment gains (losses)	111,826	(116,595)	33,396	(103,034)
Interest rate remeasurement of future policy benefits	(14,695)	16,771	(1,894)	13,653
Gain (loss) from changes in non-performance risk on market risk benefits	5,333	(40,121)	(10,520)	(47,262)
Total	102,733	(140,117)	21,166	(136,644)
Less: Income tax expense (benefit) related to other comprehensive income (loss)	21,574	(29,425)	4,445	(28,695)
Other comprehensive income (loss), net of taxes	81,159	(110,692)	16,721	(107,949)
Comprehensive income (loss)	\$ 95,071	\$ (41,602)	\$ (42,639)	\$ (12,986)

See Notes to Unaudited Interim Financial Statements

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Unaudited Interim Statements of Equity
Three and Nine Months Ended September 30, 2024 and 2023 (in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, December 31, 2023	\$ 2,000	\$ 1,032,513	\$ 381,140	\$ (47,527)	\$ 1,368,126
Comprehensive income (loss):					
Net income (loss)(1)			(79,390)		(79,390)
Other comprehensive income (loss), net of tax				(46,038)	(46,038)
Total comprehensive income (loss)(1)			(79,390)	(46,038)	(125,428)
Balance, March 31, 2024(1)	2,000	1,032,513	301,750	(93,565)	1,242,698
Comprehensive income (loss):					
Net income (loss)			6,118		6,118
Other comprehensive income (loss), net of tax				(18,400)	(18,400)
Total comprehensive income (loss)			6,118	(18,400)	(12,282)
Balance, June 30, 2024	2,000	1,032,513	307,868	(111,965)	1,230,416
Comprehensive income (loss):					
Net income (loss)			13,912		13,912
Other comprehensive income (loss), net of taxes				81,159	81,159
Total comprehensive income (loss)			13,912	81,159	95,071
Balance, September 30, 2024	\$ 2,000	\$ 1,032,513	\$ 321,780	\$ (30,806)	\$ 1,325,487

(1) Amounts reflect revision to prior period Financial Statements. See Note 16 for details.

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, December 31, 2022(1)	\$ 2,000	\$ 775,412	\$ 285,433	\$ (36,190)	\$ 1,026,655
Contributed capital		175,000			175,000
Comprehensive income (loss):					
Net income (loss)			(10,394)		(10,394)
Other comprehensive income (loss), net of tax				37,632	37,632
Total comprehensive income (loss)			(10,394)	37,632	27,238
Balance, March 31, 2023	2,000	950,412	275,039	1,442	1,228,893
Contributed (distributed) capital-parent/child asset transfers		501			501
Comprehensive income (loss):					
Net income (loss)			36,267		36,267
Other comprehensive income (loss), net of tax				(34,889)	(34,889)
Total comprehensive income (loss)			36,267	(34,889)	1,378
Balance, June 30, 2023	2,000	950,913	311,306	(33,447)	1,230,772
Comprehensive income (loss):					
Net income (loss)			69,090		69,090
Other comprehensive income (loss), net of tax				(110,692)	(110,692)
Total comprehensive income (loss)			69,090	(110,692)	(41,602)
Balance, September 30, 2023	\$ 2,000	\$ 950,913	\$ 380,396	\$ (144,139)	\$ 1,189,170

(1) Prior period amounts reflect the implementation of ASU 2018-12: Targeted Improvements to the Accounting for Long-Duration Contracts.

See Notes to Unaudited Interim Financial Statements

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Unaudited Interim Statements of Cash Flows
Nine Months Ended September 30, 2024 and 2023 (in thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (59,360)	\$ 94,963
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Policy charges and fee income	(335,497)	(6,269)
Interest credited to policyholders' account balances	60,410	43,189
Realized investment (gains) losses, net	48,288	(3,440)
Change in value of market risk benefits, net of related hedging (gains) losses	(10,520)	(47,262)
Change in:		
Future policy benefits and other insurance liabilities	219,342	222,013
Reinsurance recoverables	(97,893)	(105,373)
Accrued investment income	5,533	(17,656)
Net payables to/receivables from parent and affiliates	32,847	(2,116)
Deferred policy acquisition costs	(74,549)	(29,288)
Income taxes	(28,511)	(193)
Derivatives, net	35,902	10,140
Other, net	377,057	(90,066)
Cash flows from (used in) operating activities	173,049	68,642
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale/maturity/prepayment of:		
Fixed maturities, available-for-sale	86,927	70,451
Fixed maturities, trading	1,346	991
Equity securities	188	208
Policy loans	23,030	23,121
Ceded policy loans	(25,103)	(1,869)
Short-term investments	17,795	10,000
Commercial mortgage and other loans	4,423	5,849
Other invested assets	829	701
Payments for the purchase/origination of:		
Fixed maturities, available-for-sale	(316,009)	(612,493)
Equity securities	(273)	(57)
Policy loans	(23,661)	(917,244)
Ceded policy loans	2,688	1,679
Short-term investments	(28,521)	(7,500)
Commercial mortgage and other loans	(132,908)	(43,885)
Other invested assets	(44,388)	(11,335)
Notes receivable from parent and affiliates, net	(29,234)	629
Derivatives, net	(47)	(269)
Cash flows from (used in) investing activities	(462,918)	(1,481,023)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES:		
Policyholders' account deposits	788,735	1,421,262
Ceded policyholders' account deposits	(264,370)	(242,710)
Policyholders' account withdrawals	(308,204)	(341,452)
Ceded policyholders' account withdrawals	231,490	202,130
Net change in securities sold under agreement to repurchase and cash collateral for loaned securities	0	2,153
Contributed / (return of) capital	0	175,000
Contributed (distributed) capital - parent/child asset transfers	0	634
Drafts outstanding	(6,210)	(6,978)
Other, net	24,592	9,345
Cash flows from (used in) financing activities	466,033	1,219,384
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	176,164	(192,997)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	186,383	255,767
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 362,547	\$ 62,770

Significant Non-Cash Transactions

"Cash flows from (used in) operating activities" for the nine months ended September 30, 2024 excludes certain non-cash activities in the amount of \$193 million related to the Company's affiliated reinsurance with Prudential Universal Reinsurance Entity Company ("PURE") and The Prudential Insurance Company of America ("Prudential Insurance"). See Note 11 for additional information. There were no significant non-cash transactions for the nine months ended September 30, 2023.

See Notes to Unaudited Interim Financial Statements

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements

1. BUSINESS AND BASIS OF PRESENTATION

Pruco Life Insurance Company of New Jersey (the "Company" or "PLNJ") is a wholly-owned subsidiary of Pruco Life Insurance Company ("Pruco Life"), which in turn is a wholly-owned subsidiary of Prudential Insurance. Prudential Insurance is a direct wholly-owned subsidiary of Prudential Financial, Inc. ("Prudential Financial"). PLNJ is a stock life insurance company organized in 1982 under the laws of the State of New Jersey. It is licensed to sell life insurance and annuities in New Jersey and New York only, and sells such products primarily through affiliated and unaffiliated distributors.

Basis of Presentation

The Unaudited Interim Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. 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 ("SEC"). Intercompany balances and transactions have been eliminated.

In the opinion of management, all adjustments necessary for a fair statement of the financial position and results of operations have been made. All such adjustments are of a normal, recurring nature. Interim results are not necessarily indicative of the results that may be expected for the full year. These financial statements should be read in conjunction with the Company's Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimates include those used in determining future policy benefits; policyholders' account balances and reinsurance related to the fair value of embedded derivative instruments associated with the index-linked features of certain universal life and annuity products; market risk benefits ("MRBs"); the valuation of investments including derivatives, the measurement of allowance for credit losses, and the recognition of other-than-temporary impairments; reinsurance recoverables; any provision for income taxes and valuation of deferred tax assets; and accruals for contingent liabilities, including estimates for losses in connection with unresolved legal and regulatory matters.

Revision to Prior Period Interim Financial Statements

The Company identified misstatements in the previously issued interim Financial Statements for the three months ended March 31, 2024. Prior period amounts have been revised in the Financial Statements and related disclosures to correct this error. Management evaluated these adjustments and concluded they were not material to any previously reported quarterly Financial Statements. See Note 16 for a more detailed description of the revisions and for comparisons of amounts previously reported to the revised amounts.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES AND PRONOUNCEMENTS

Recent Accounting Pronouncements

Changes to U.S. GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of ASUs to the FASB Accounting Standards Codification ("ASC"). The Company considers the applicability and impact of all ASUs. ASUs listed below include those that have been adopted during the current fiscal year and/or those that have been issued but not yet adopted as of September 30, 2024, and as of the date of this filing. ASUs not listed below were assessed and determined to be either not applicable or not material.

ASUs issued but not yet adopted as of September 30, 2024

Standard	Description	Effective date and method of adoption	Effect on the financial statements or other significant matters
<i>ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures</i>	This ASU requires entities, including those with a single operating or reportable segment, to provide more detailed information about significant segment expenses that are regularly provided to the chief operating decision maker. The ASU also clarifies that all of the disclosures required in the guidance apply to all public entities, including those with a single operating or reportable segment.	Effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted, using the retrospective method.	The ASU has no impact on the Company's Financial Statements but will result in expanded disclosures in the Notes to the Financial Statements.
<i>ASU 2024-03—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses</i>	This ASU requires public companies to disclose, in interim and annual reporting periods, additional information about certain expenses in the notes to financial statements.	The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted, and should be applied either prospectively or retrospectively.	The Company is currently assessing the impact of the ASU on the Company's Financial Statements and Notes to the Financial Statements.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

3. INVESTMENTS

Fixed Maturity Securities

The following tables set forth the composition of fixed maturity securities (excluding investments classified as trading), as of the dates indicated:

September 30, 2024					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
(in thousands)					
Fixed maturities, available-for-sale:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ 51,893	\$ 2	\$ 492	\$ 0	\$ 51,403
Obligations of U.S. states and their political subdivisions	163,630	395	2,386	0	161,639
Foreign government securities	86,920	305	14,128	0	73,097
U.S. public corporate securities	1,569,846	17,594	138,388	56	1,448,996
U.S. private corporate securities	292,863	6,938	6,091	0	293,710
Foreign public corporate securities	220,756	2,553	20,589	0	202,720
Foreign private corporate securities	255,799	10,980	12,193	0	254,586
Asset-backed securities(1)	44,796	209	575	0	44,430
Commercial mortgage-backed securities	98,585	0	4,063	0	94,522
Residential mortgage-backed securities(2)	15,581	212	226	0	15,567
Total fixed maturities, available-for-sale	<u>\$ 2,800,669</u>	<u>\$ 39,188</u>	<u>\$ 199,131</u>	<u>\$ 56</u>	<u>\$ 2,640,670</u>

(1) Includes credit-tranched securities collateralized by loan obligations and education loans.

(2) Includes publicly-traded agency pass-through securities and collateralized mortgage obligations.

December 31, 2023					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
(in thousands)					
Fixed maturities, available-for-sale:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ 52,196	\$ 0	\$ 1,154	\$ 0	\$ 51,042
Obligations of U.S. states and their political subdivisions	184,419	952	2,833	0	182,538
Foreign government securities	95,189	248	14,693	0	80,744
U.S. public corporate securities	1,485,406	13,428	147,901	0	1,350,933
U.S. private corporate securities	227,342	1,978	8,884	0	220,436
Foreign public corporate securities	185,601	1,173	21,989	0	164,785
Foreign private corporate securities	190,545	5,102	14,791	0	180,856
Asset-backed securities(1)	19,440	40	969	0	18,511
Commercial mortgage-backed securities	104,055	0	7,356	0	96,699
Residential mortgage-backed securities(2)	15,780	195	420	4	15,551
Total fixed maturities, available-for-sale	<u>\$ 2,559,973</u>	<u>\$ 23,116</u>	<u>\$ 220,990</u>	<u>\$ 4</u>	<u>\$ 2,362,095</u>

(1) Includes credit-tranched securities collateralized by loan obligations and education loans.

(2) Includes publicly-traded agency pass-through securities and collateralized mortgage obligations.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

The following tables set forth the fair value and gross unrealized losses on fixed maturity, available-for-sale securities without an allowance for credit losses aggregated by investment category and length of time that individual fixed maturity securities had been in a continuous unrealized loss position, as of the dates indicated:

September 30, 2024											
Less Than Twelve Months				Twelve Months or More		Total					
Fair Value		Gross Unrealized Losses	Fair Value		Gross Unrealized Losses	Fair Value		Gross Unrealized Losses			
(in thousands)											
Fixed maturities, available-for-sale:											
U.S. Treasury securities and obligations of U.S. government authorities and agencies											
\$	0	\$	0	\$	51,013	\$	492	\$	51,013	\$	492
Obligations of U.S. states and their political subdivisions		33,225	193	73,124		2,193	106,349		2,386		
Foreign government securities		820	4	67,024		14,124	67,844		14,128		
U.S. public corporate securities		62,023	908	953,916		137,480	1,015,939		138,388		
U.S. private corporate securities		11,004	159	115,138		5,932	126,142		6,091		
Foreign public corporate securities		11,319	58	113,583		20,531	124,902		20,589		
Foreign private corporate securities		447	1	95,797		12,192	96,244		12,193		
Asset-backed securities		350	0	7,904		575	8,254		575		
Commercial mortgage-backed securities		0	0	94,522		4,063	94,522		4,063		
Residential mortgage-backed securities		26	2	11,183		224	11,209		226		
Total fixed maturities, available-for-sale		\$ 119,214	\$ 1,325	\$ 1,583,204		\$ 197,806	\$ 1,702,418		\$ 199,131		

December 31, 2023							
Less Than Twelve Months				Twelve Months or More		Total	
Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses		
(in thousands)							
Fixed maturities, available-for-sale:							
U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ 49,081	\$ 936	\$ 1,962	\$ 218	\$ 51,043	\$ 1,154	
Obligations of U.S. states and their political subdivisions	22,856	186	61,445	2,647	84,301	2,833	
Foreign government securities	5,656	91	69,066	14,602	74,722	14,693	
U.S. public corporate securities	86,203	1,688	913,776	146,213	999,979	147,901	
U.S. private corporate securities	27,883	366	117,409	8,518	145,292	8,884	
Foreign public corporate securities	5,029	135	115,462	21,854	120,491	21,989	
Foreign private corporate securities	5,007	51	98,159	14,740	103,166	14,791	
Asset-backed securities	7,899	914	4,775	55	12,674	969	
Commercial mortgage-backed securities	0	0	96,699	7,356	96,699	7,356	
Residential mortgage-backed securities	146	2	10,722	418	10,868	420	
Total fixed maturities, available-for-sale	\$ 209,760	\$ 4,369	\$ 1,489,475	\$ 216,621	\$ 1,699,235	\$ 220,990	

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

As of September 30, 2024 and December 31, 2023, the gross unrealized losses on fixed maturity, available-for-sale securities without an allowance were \$196 million and \$218 million, respectively, related to “1” highest quality or “2” high quality securities based on the National Association of Insurance Commissioners (“NAIC”) or equivalent rating and \$3 million and \$3 million, respectively, related to other than high or highest quality securities based on NAIC or equivalent rating. As of September 30, 2024, the \$198 million of gross unrealized losses of twelve months or more were concentrated in the Company’s corporate securities within the consumer non-cyclical, utility and finance sectors. As of December 31, 2023, the \$217 million of gross unrealized losses of twelve months or more were concentrated in the Company’s corporate securities within the utility, finance and consumer non-cyclical sectors.

In accordance with its policy described in Note 2 to the Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, the Company concluded that an adjustment to earnings for credit losses related to these fixed maturity securities was not warranted at September 30, 2024. This conclusion was based on a detailed analysis of the underlying credit and cash flows for each security. Gross unrealized losses are primarily attributable to increases in interest rates, general credit spread widening and foreign currency exchange rate movements. As of September 30, 2024, the Company did not intend to sell these securities, and it was not more likely than not that the Company would be required to sell these securities before the anticipated recovery of the remaining amortized cost basis.

The following table sets forth the amortized cost and fair value of fixed maturities, available-for-sale by contractual maturities, as of the date indicated:

	September 30, 2024	
	Amortized Cost	Fair Value
	(in thousands)	
Fixed maturities, available-for-sale:		
Due in one year or less	\$ 70,466	\$ 68,578
Due after one year through five years	475,926	480,352
Due after five years through ten years	379,219	388,213
Due after ten years	1,716,096	1,549,008
Asset-backed securities	44,796	44,430
Commercial mortgage-backed securities	98,585	94,522
Residential mortgage-backed securities	15,581	15,567
Total fixed maturities, available-for-sale	<u>\$ 2,800,669</u>	<u>\$ 2,640,670</u>

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations. Asset-backed, commercial mortgage-backed and residential mortgage-backed securities are shown separately in the table above as they do not have a single maturity date.

The following table sets forth the sources of fixed maturity proceeds and related investment gains (losses), as well as losses on write-downs and the allowance for credit losses of fixed maturities, available-for-sale for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Fixed maturities, available-for-sale:				
Proceeds from sales ⁽¹⁾	\$ 5,444	\$ 987	\$ 8,718	\$ 2,820
Proceeds from maturities/prepayments	23,712	28,358	78,189	67,521
Gross investment gains from sales and maturities	163	44	428	49
Gross investment losses from sales and maturities	(1,006)	(44)	(1,510)	(469)
(Addition to) release of allowance for credit losses	155	(1)	(52)	359

(1) Excludes activity from non-cash related proceeds due to the timing of trade settlements of \$0.0 million and \$0.1 million for the nine months ended September 30, 2024 and 2023, respectively.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

The following tables set forth the activity in the allowance for credit losses for fixed maturity, available-for-sale securities, as of the dates indicated:

Three Months Ended September 30, 2024							
	U.S. Treasury Securities and Obligations of U.S. States	Foreign Government Securities	U.S. and Foreign Corporate Securities	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Residential Mortgage-Backed Securities	Total
	(in thousands)						
Fixed maturities, available-for-sale:							
Balance, beginning of period	\$ 0	\$ 0	\$ 209	\$ 0	\$ 0	\$ 2	\$ 211
Additions to allowance for credit losses not previously recorded	0	0	0	0	0	0	0
Additions (reductions) on securities with previous allowance	0	0	(153)	0	0	(2)	(155)
Balance, end of period	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56</u>

Three Months Ended September 30, 2023							
	U.S. Treasury Securities and Obligations of U.S. States	Foreign Government Securities	U.S. and Foreign Corporate Securities	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Residential Mortgage-Backed Securities	Total
	(in thousands)						
Fixed maturities, available-for-sale:							
Balance, beginning of period	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3	\$ 3
Reductions for securities sold during the period	0	0	0	0	0	1	1
Additions (reductions) on securities with previous allowance	0	0	0	0	0	0	0
Balance, end of period	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4</u>	<u>\$ 4</u>

Nine Months Ended September 30, 2024							
	U.S. Treasury Securities and Obligations of U.S. States	Foreign Government Securities	U.S. and Foreign Corporate Securities	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Residential Mortgage-Backed Securities	Total
	(in thousands)						
Fixed maturities, available-for-sale:							
Balance, beginning of period	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4	\$ 4
Additions to allowance for credit losses not previously recorded	0	0	209	0	0	2	211
Additions (reductions) on securities with previous allowance	0	0	(153)	0	0	(6)	(159)
Balance, end of period	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56</u>

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	Nine Months Ended September 30, 2023							
	U.S. Treasury Securities and Obligations of U.S. States	Foreign Government Securities	U.S. and Foreign Corporate Securities	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Residential Mortgage-Backed Securities	Total	
	(in thousands)							
Fixed maturities, available-for-sale:								
Balance, beginning of period	\$ 0	\$ 0	\$ 358	\$ 0	\$ 0	\$ 5	\$	363
Reductions for securities sold during the period	0	0	(358)	0	0	0		(358)
Additions (reductions) on securities with previous allowance	0	0	0	0	0	(1)		(1)
Balance, end of period	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4	\$	4

See Note 2 to the Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 for additional information about the Company’s methodology for developing our allowance and expected losses.

For the three months ended September 30, 2024 the net decrease in the allowance for credit losses on available-for-sale securities was primarily related to a net release within the communications sector within corporate securities due to a recovery. For the three months ended September 30, 2023 there was a minimal increase in the allowance for credit loss on available-for-sale securities.

For the nine months ended September 30, 2024, the net increase in the allowance for credit losses on available-for-sale securities was primarily related to a net addition in the communications sector within corporate securities due to adverse projected cash flows. For the nine months ended September 30, 2023, the net decrease in the allowance for credit losses on available for-sale securities was primarily related to a restructuring in the transportation sector within corporate securities.

The Company did not have any fixed maturity securities purchased with credit deterioration as of both September 30, 2024 and December 31, 2023.

Fixed Maturities, Trading

The net change in unrealized gains (losses) from fixed maturities, trading still held at period end, recorded within “Other income (loss),” was \$1.2 million and \$(0.2) million during the three months ended September 30, 2024 and 2023, respectively, and \$0.9 million and \$0.0 million during the nine months ended September 30, 2024 and 2023, respectively.

Equity Securities

The net change in unrealized gains (losses) from equity securities still held at period end, recorded within “Other income (loss),” was \$0.3 million and \$(0.1) million during the three months ended September 30, 2024 and 2023, respectively, and \$(0.2) million and \$0.0 million during the nine months ended September 30, 2024 and 2023, respectively.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Commercial Mortgage and Other Loans

The following table sets forth the composition of “Commercial mortgage and other loans” as of the dates indicated:

	September 30, 2024		December 31, 2023	
	Amount	% of Total	Amount	% of Total
(\$ in thousands)				
Commercial mortgage and agricultural property loans by property type:				
Apartments/Multi-Family	\$ 119,502	32.3 %	\$ 71,289	29.6 %
Hospitality	13,721	3.7	14,070	5.8
Industrial	120,383	32.5	70,633	29.3
Office	6,831	1.8	8,122	3.4
Other	36,975	10.0	24,587	10.2
Retail	30,411	8.2	23,327	9.7
Total commercial mortgage loans	327,823	88.5	212,028	88.0
Agricultural property loans	42,676	11.5	28,763	12.0
Total commercial mortgage and agricultural property loans	370,499	100.0 %	240,791	100.0 %
Allowance for credit losses	(1,503)		(1,162)	
Total net commercial mortgage and agricultural property loans	\$ 368,996		\$ 239,629	

As of September 30, 2024, the commercial mortgage and agricultural property loans were secured by properties geographically dispersed throughout the United States (with the largest concentrations in Florida (10%), Washington (9%), California (9%)), and included loans secured by properties in Europe (7%) and Mexico (3%).

The following tables set forth the activity in the allowance for credit losses for commercial mortgage and other loans, as of the dates indicated:

	Three Months Ended September 30,					
	2024			2023		
	Commercial Mortgage Loans	Agricultural Property Loans	Total	Commercial Mortgage Loans	Agricultural Property Loans	Total
(in thousands)						
Allowance, beginning of period	\$ 1,056	\$ 44	\$ 1,100	\$ 622	\$ 53	\$ 675
Addition to (release of) allowance for expected losses	397	6	403	19	0	19
Allowance, end of period	\$ 1,453	\$ 50	\$ 1,503	\$ 641	\$ 53	\$ 694

	Nine Months Ended September 30,					
	2024			2023		
	Commercial Mortgage Loans	Agricultural Property Loans	Total	Commercial Mortgage Loans	Agricultural Property Loans	Total
(in thousands)						
Allowance, beginning of period	\$ 1,107	\$ 55	\$ 1,162	\$ 405	\$ 3	\$ 408
Addition to (release of) allowance for expected losses	346	(5)	341	236	50	286
Allowance, end of period	\$ 1,453	\$ 50	\$ 1,503	\$ 641	\$ 53	\$ 694

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

See Note 2 to the Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for additional information about the Company's methodology for developing our allowance and expected losses.

For both the three months ended September 30, 2024 and 2023, the net increase in the allowance for credit losses on commercial mortgage and other loans was in the general reserve primarily related to loan originations.

For both the nine months ended September 30, 2024 and 2023, the net increase in the allowance for credit losses on commercial mortgage and other loans was in the general reserve primarily related to loan originations.

The following tables set forth key credit quality indicators based upon the recorded investment gross of allowance for credit losses, as of the dates indicated:

	September 30, 2024								
	Amortized Cost by Origination Year								
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total	
	(in thousands)								
Commercial mortgage loans									
Loan-to-Value Ratio:									
0%-59.99%	\$ 13,281	\$ 11,361	\$ 19,775	\$ 757	\$ 0	\$ 71,293	\$ 0	\$ 116,467	
60%-69.99%	81,263	50,504	15,000	1,962	2,198	19,396	0	170,323	
70%-79.99%	10,976	17,883	0	0	0	7,388	0	36,247	
80% or greater	0	0	0	0	0	4,786	0	4,786	
Total	\$ 105,520	\$ 79,748	\$ 34,775	\$ 2,719	\$ 2,198	\$ 102,863	\$ 0	\$ 327,823	
Debt Service Coverage Ratio:									
Greater than 1.2x	\$ 101,567	\$ 77,374	\$ 34,775	\$ 2,719	\$ 2,198	\$ 97,970	\$ 0	\$ 316,603	
1.0 - 1.2x	3,953	2,374	0	0	0	4,893	0	11,220	
Less than 1.0x	0	0	0	0	0	0	0	0	
Total	\$ 105,520	\$ 79,748	\$ 34,775	\$ 2,719	\$ 2,198	\$ 102,863	\$ 0	\$ 327,823	
Agricultural property loans									
Loan-to-Value Ratio:									
0%-59.99%	\$ 13,409	\$ 10,993	\$ 1,003	\$ 1,013	\$ 0	\$ 922	\$ 991	\$ 28,331	
60%-69.99%	0	2,000	12,345	0	0	0	0	14,345	
70%-79.99%	0	0	0	0	0	0	0	0	
80% or greater	0	0	0	0	0	0	0	0	
Total	\$ 13,409	\$ 12,993	\$ 13,348	\$ 1,013	\$ 0	\$ 922	\$ 991	\$ 42,676	
Debt Service Coverage Ratio:									
Greater than 1.2x	\$ 13,409	\$ 12,993	\$ 13,348	\$ 1,013	\$ 0	\$ 922	\$ 991	\$ 42,676	
1.0 - 1.2x	0	0	0	0	0	0	0	0	
Less than 1.0x	0	0	0	0	0	0	0	0	
Total	\$ 13,409	\$ 12,993	\$ 13,348	\$ 1,013	\$ 0	\$ 922	\$ 991	\$ 42,676	

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	December 31, 2023						
	Amortized Cost by Origination Year						
	2023	2022	2021	2020	2019	Prior	Total
	(in thousands)						
Commercial mortgage loans							
Loan-to-Value Ratio:							
0%-59.99%	\$ 9,444	\$ 19,879	\$ 772	\$ 0	\$ 17,239	\$ 42,159	\$ 89,493
60%-69.99%	37,809	15,000	1,962	2,198	15,091	5,836	77,896
70%-79.99%	32,105	0	0	0	3,885	1,595	37,585
80% or greater	0	0	0	0	1,007	6,047	7,054
Total	\$ 79,358	\$ 34,879	\$ 2,734	\$ 2,198	\$ 37,222	\$ 55,637	\$ 212,028
Debt Service Coverage Ratio:							
Greater than 1.2x	\$ 76,929	\$ 34,879	\$ 2,734	\$ 2,198	\$ 36,293	\$ 48,677	\$ 201,710
1.0 - 1.2x	2,429	0	0	0	0	6,047	8,476
Less than 1.0x	0	0	0	0	929	913	1,842
Total	\$ 79,358	\$ 34,879	\$ 2,734	\$ 2,198	\$ 37,222	\$ 55,637	\$ 212,028
Agricultural property loans							
Loan-to-Value Ratio:							
0%-59.99%	\$ 11,358	\$ 1,035	\$ 1,047	\$ 0	\$ 0	\$ 978	\$ 14,418
60%-69.99%	2,000	12,345	0	0	0	0	14,345
70%-79.99%	0	0	0	0	0	0	0
80% or greater	0	0	0	0	0	0	0
Total	\$ 13,358	\$ 13,380	\$ 1,047	\$ 0	\$ 0	\$ 978	\$ 28,763
Debt Service Coverage Ratio:							
Greater than 1.2x	\$ 13,358	\$ 13,380	\$ 1,047	\$ 0	\$ 0	\$ 978	\$ 28,763
1.0 - 1.2x	0	0	0	0	0	0	0
Less than 1.0x	0	0	0	0	0	0	0
Total	\$ 13,358	\$ 13,380	\$ 1,047	\$ 0	\$ 0	\$ 978	\$ 28,763

See Note 2 to the Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for additional information about the Company's commercial mortgage and other loans credit quality monitoring process.

The following tables set forth an aging of past due commercial mortgage and other loans based upon the recorded investment gross of allowance for credit losses, as well as the amount of commercial mortgage and other loans on non-accrual status, as of the dates indicated:

	September 30, 2024					
	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due(1)	Total Loans	Non-Accrual Status(2)
	(in thousands)					
Commercial mortgage loans	\$ 327,823	\$ 0	\$ 0	\$ 0	\$ 327,823	\$ 0
Agricultural property loans	42,676	0	0	0	42,676	0
Total	\$ 370,499	\$ 0	\$ 0	\$ 0	\$ 370,499	\$ 0

(1) As of September 30, 2024, there were no loans in this category accruing interest.

(2) For additional information regarding the Company's policies for accruing interest on loans, see Note 2 to the Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	December 31, 2023					
	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due(1)	Total Loans	Non-Accrual Status(2)
	(in thousands)					
Commercial mortgage loans	\$ 212,028	\$ 0	\$ 0	\$ 0	\$ 212,028	\$ 0
Agricultural property loans	28,763	0	0	0	28,763	0
Total	\$ 240,791	\$ 0	\$ 0	\$ 0	\$ 240,791	\$ 0

(1) As of December 31, 2023, there were no loans in this category accruing interest.

(2) For additional information regarding the Company's policies for accruing interest on loans, see Note 2 to the Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

For both the three months ended September 30, 2024 and 2023, there were no commercial mortgage and other loans acquired, respectively, other than those through direct origination, and there were no commercial mortgage and other loans sold.

For the nine months ended September 30, 2024 and 2023, there were \$12.6 million and \$0.0 million commercial mortgage and other loans acquired, respectively, other than those through direct origination, and there were no commercial mortgage and other loans sold.

The Company did not have any commercial mortgage and other loans purchased with credit deterioration as of both September 30, 2024 and December 31, 2023.

Other Invested Assets

The following table sets forth the composition of "Other invested assets," as of the dates indicated:

	September 30, 2024	December 31, 2023
	(in thousands)	
LPs/LLCs:		
Equity method:		
Private equity	\$ 129,039	\$ 90,107
Hedge funds	54,767	48,488
Real estate-related	7,204	6,965
Subtotal equity method	191,010	145,560
Fair value:		
Private equity	191	249
Hedge funds	2	19
Real estate-related	3,569	4,119
Subtotal fair value	3,762	4,387
Total LPs/LLCs	194,772	149,947
Derivative instruments	17,288	0
Other	0	3,938
Total other invested assets	<u>\$ 212,060</u>	<u>\$ 153,885</u>

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Accrued Investment Income

The following table sets forth the composition of “Accrued investment income,” as of the dates indicated:

	September 30, 2024	December 31, 2023
	(in thousands)	
Fixed maturities	\$ 30,365	\$ 26,672
Equity securities	92	1
Commercial mortgage and other loans	1,469	948
Policy loans	14,978	25,675
Short-term investments and cash equivalents	1,469	610
Total accrued investment income	<u>\$ 48,373</u>	<u>\$ 53,906</u>

There were no write-downs on accrued investment income for both the three and nine months ended September 30, 2024 and 2023.

Net Investment Income

The following table sets forth “Net investment income” by investment type, for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Fixed maturities, available-for-sale	\$ 30,979	\$ 27,365	\$ 87,612	\$ 73,676
Fixed maturities, trading	146	154	442	469
Equity securities	91	91	273	273
Commercial mortgage and other loans	4,721	2,149	11,643	5,973
Policy loans	13,387	12,845	39,421	22,935
Other invested assets	4,556	6,525	12,297	12,644
Short-term investments and cash equivalents	4,556	1,345	11,212	5,237
Gross investment income	58,436	50,474	162,900	121,207
Less: investment expenses	(1,439)	(1,115)	(4,082)	(3,214)
Net investment income	<u>\$ 56,997</u>	<u>\$ 49,359</u>	<u>\$ 158,818</u>	<u>\$ 117,993</u>

Realized Investment Gains (Losses), Net

The following table sets forth “Realized investment gains (losses), net” by investment type, for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Fixed maturities(1)	\$ (688)	\$ (1)	\$ (1,134)	\$ (61)
Commercial mortgage and other loans	(403)	(19)	(341)	(286)
Other invested assets	(31,144)	0	(31,180)	(14)
Derivatives	(4,460)	16,371	(15,590)	3,742
Short term investments and cash equivalents	5	4	(43)	59
Realized investment gains (losses), net	<u>\$ (36,690)</u>	<u>\$ 16,355</u>	<u>\$ (48,288)</u>	<u>\$ 3,440</u>

(1) Includes fixed maturity securities classified as available-for-sale and excludes fixed maturity securities classified as trading.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Net Unrealized Gains (Losses) on Investments within AOCI

The following table sets forth net unrealized gains (losses) on investments, as of the dates indicated:

	September 30, 2024	December 31, 2023
	(in thousands)	
Fixed maturity securities, available-for-sale with an allowance	\$ 56	\$ 0
Fixed maturity securities, available-for-sale without an allowance	(159,999)	(197,874)
Derivatives designated as cash flow hedges(1)	3,570	5,246
Other investments	374	357
Net unrealized gains (losses) on investments	<u>\$ (155,999)</u>	<u>\$ (192,271)</u>

(1) For more information on cash flow hedges, see Note 4.

Repurchase Agreements and Securities Lending

In the normal course of business, the Company sells securities under agreements to repurchase and enters into securities lending transactions. As of both September 30, 2024 and December 31, 2023, the Company had no repurchase agreements.

4. DERIVATIVES AND HEDGING

Types of Derivative Instruments and Derivative Strategies

The Company utilizes various derivative instruments and strategies to manage its risk. Commonly used derivative instruments include, but are not necessarily limited to:

- Interest rate contracts: futures, swaps, options, caps and floors
- Equity contracts: futures, options and total return swaps
- Foreign exchange contracts: futures, options, forwards and swaps
- Credit contracts: single and index reference credit default swaps

Other types of financial contracts that the Company accounts for as derivatives include:

- Embedded derivatives

For detailed information on these contracts and the related strategies, see Note 4 to the Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Primary Risks Managed by Derivatives

The table below provides a summary of the gross notional amount and fair value of derivative contracts by the primary underlying risks, excluding embedded derivatives and associated reinsurance recoverables. Many derivative instruments contain multiple underlying risks. The fair value amounts below represent the value of derivative contracts prior to taking into account the netting effects of master netting agreements and cash collateral.

	September 30, 2024			December 31, 2023		
		Fair Value			Fair Value	
Primary Underlying Risk/Instrument Type	Gross Notional	Assets	Liabilities	Gross Notional	Assets	Liabilities
	(in thousands)					
Derivatives Designated as Hedge Accounting Instruments:						
Currency/Interest Rate						
Foreign Currency Swaps	\$ 221,257	\$ 7,244	\$ (6,510)	\$ 169,101	\$ 7,865	\$ (4,257)
Total Derivatives Designated as Hedge Accounting Instruments:	<u>\$ 221,257</u>	<u>\$ 7,244</u>	<u>\$ (6,510)</u>	<u>\$ 169,101</u>	<u>\$ 7,865</u>	<u>\$ (4,257)</u>
Derivatives Not Qualifying as Hedge Accounting Instruments:						
Interest Rate						
Interest Rate Swaps	\$ 179,200	\$ 1,957	\$ (2,313)	\$ 88,200	\$ 36	\$ (2,063)
Credit						
Credit Default Swaps	0	0	0	0	0	0
Currency/Interest Rate						
Foreign Currency Swaps	41,643	1,340	(776)	39,965	1,563	(597)
Foreign Currency						
Foreign Currency Forwards	11,158	1	(273)	9,550	7	(290)
Equity						
Total Return Swaps	186,000	9,863	(9,863)	0	0	0
Equity Options	2,292,771	92,716	(76,685)	1,288,555	30,679	(43,354)
Total Derivatives Not Qualifying as Hedge Accounting Instruments:	<u>\$ 2,710,772</u>	<u>\$ 105,877</u>	<u>\$ (89,910)</u>	<u>\$ 1,426,270</u>	<u>\$ 32,285</u>	<u>\$ (46,304)</u>
Total Derivatives(1)(2)	<u>\$ 2,932,029</u>	<u>\$ 113,121</u>	<u>\$ (96,420)</u>	<u>\$ 1,595,371</u>	<u>\$ 40,150</u>	<u>\$ (50,561)</u>

(1) Excludes embedded derivatives which contain multiple underlying risks. The fair value of these embedded derivatives was a net liability of \$236 million and \$168 million as of September 30, 2024 and December 31, 2023, respectively included in "Policyholders' account balances" and "Reinsurance recoverables".

(2) Recorded in "Other invested assets" and "Payables to parent and affiliates" on the Unaudited Interim Statements of Financial Position.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Offsetting Assets and Liabilities

The following table presents recognized derivative instruments (excluding embedded derivatives and associated reinsurance recoverables) that are offset in the Unaudited Interim Statements of Financial Position, and/or are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in the Unaudited Interim Statements of Financial Position.

September 30, 2024					
	Gross Amounts of Recognized Financial Instruments	Gross Amounts Offset in the Statements of Financial Position	Net Amounts Presented in the Statements of Financial Position	Financial Instruments/ Collateral(1)	Net Amount
(in thousands)					
Offsetting of Financial Assets:					
Derivatives	\$ 113,121	\$ (95,833)	\$ 17,288	\$ (11,973)	\$ 5,315
Total Assets	<u>\$ 113,121</u>	<u>\$ (95,833)</u>	<u>\$ 17,288</u>	<u>\$ (11,973)</u>	<u>\$ 5,315</u>
Offsetting of Financial Liabilities:					
Derivatives	\$ 96,420	\$ (96,420)	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>\$ 96,420</u>	<u>\$ (96,420)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
December 31, 2023					
	Gross Amounts of Recognized Financial Instruments	Gross Amounts Offset in the Statements of Financial Position	Net Amounts Presented in the Statements of Financial Position	Financial Instruments/ Collateral(1)	Net Amount
(in thousands)					
Offsetting of Financial Assets:					
Derivatives	\$ 40,150	\$ (40,150)	\$ 0	\$ 0	\$ 0
Total Assets	<u>\$ 40,150</u>	<u>\$ (40,150)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Offsetting of Financial Liabilities:					
Derivatives	\$ 50,561	\$ (42,247)	\$ 8,314	\$ (8,314)	\$ 0
Total Liabilities	<u>\$ 50,561</u>	<u>\$ (42,247)</u>	<u>\$ 8,314</u>	<u>\$ (8,314)</u>	<u>\$ 0</u>

(1) Amounts exclude the excess of collateral received/pledged from/to the counterparty.

For information regarding the rights of offset associated with the derivative assets and liabilities in the table above see “Credit Risk” below and Note 14.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Cash Flow Hedges

The primary derivative instruments used by the Company in its cash flow hedge accounting relationships are currency swaps. These instruments are only designated for hedge accounting in instances where the appropriate criteria are met. The Company does not use futures, options, credit or equity derivatives in any of its cash flow hedge accounting relationships.

The following tables provide the financial statement classification and impact of derivatives used in qualifying and non-qualifying hedge relationships, excluding the offset of the hedged item in an effective hedge relationship.

	Three Months Ended September 30, 2024				
	Realized Investment Gains (Losses)	Change in Value of Market Risk Benefits, Net of Related Hedging Gain (Loss)	Net Investment Income	Other Income	Change in AOCI
	(in thousands)				
Derivatives Designated as Hedge Accounting Instruments:					
Cash flow hedges					
Currency/Interest Rate	\$ 19	\$ 0	\$ 607	\$ (1,589)	\$ (6,413)
Total cash flow hedges	19	0	607	(1,589)	(6,413)
Derivatives Not Qualifying as Hedge Accounting Instruments:					
Interest Rate	(400)	0	0	0	0
Currency	(484)	0	0	0	0
Currency/Interest Rate	(946)	0	0	(21)	0
Credit	0	0	0	0	0
Equity	11,450	0	0	0	0
Embedded Derivatives	(14,099)	0	0	0	0
Total Derivatives Not Qualifying as Hedge Accounting Instruments	(4,479)	0	0	(21)	0
Total	\$ (4,460)	\$ 0	\$ 607	\$ (1,610)	\$ (6,413)

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	Nine Months Ended September 30, 2024				
	Realized Investment Gains (Losses)	Change in Value of Market Risk Benefits, Net of Related Hedging Gain (Loss)	Net Investment Income	Other Income	Change in AOCI
	(in thousands)				
Derivatives Designated as Hedge Accounting Instruments:					
Cash flow hedges					
Currency/Interest Rate	\$ (321)	\$ 0	\$ 1,670	\$ (1,014)	\$ (1,676)
Total cash flow hedges	(321)	0	1,670	(1,014)	(1,676)
Derivatives Not Qualifying as Hedge Accounting Instruments:					
Interest Rate	1,276	0	0	0	0
Currency	(217)	0	0	0	0
Currency/Interest Rate	(23)	0	0	(13)	0
Credit	0	0	0	0	0
Equity	62,466	0	0	0	0
Embedded Derivatives	(78,771)	0	0	0	0
Total Derivatives Not Qualifying as Hedge Accounting Instruments	(15,269)	0	0	(13)	0
Total	\$ (15,590)	\$ 0	\$ 1,670	\$ (1,027)	\$ (1,676)

	Three Months Ended September 30, 2023				
	Realized Investment Gains (Losses)	Change in Value of Market Risk Benefits, Net of Related Hedging Gain (Loss)	Net Investment Income	Other Income	Change in AOCI
	(in thousands)				
Derivatives Designated as Hedge Accounting Instruments:					
Cash flow hedges					
Currency/Interest Rate	\$ (678)	\$ 0	\$ 464	\$ 672	\$ 737
Total cash flow hedges	(678)	0	464	672	737
Derivatives Not Qualifying as Hedge Accounting Instruments:					
Interest Rate	(324)	0	0	0	0
Currency	340	0	0	0	0
Currency/Interest Rate	213	0	0	5	0
Credit	0	0	0	0	0
Equity	(5,724)	0	0	0	0
Embedded Derivatives	22,544	0	0	0	0
Total Derivatives Not Qualifying as Hedge Accounting Instruments	17,049	0	0	5	0
Total	\$ 16,371	\$ 0	\$ 464	\$ 677	\$ 737

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	Nine Months Ended September 30, 2023				
	Realized Investment Gains (Losses)	Change in Value of Market Risk Benefits, Net of Related Hedging Gain (Loss)	Net Investment Income	Other Income	Change in AOCI
	(in thousands)				
Derivatives Designated as Hedge Accounting Instruments:					
Cash flow hedges					
Currency/Interest Rate	\$ (621)	\$ 0	\$ 1,415	\$ 409	\$ (1,514)
Total cash flow hedges	(621)	0	1,415	409	(1,514)
Derivatives Not Qualifying as Hedge Accounting Instruments:					
Interest Rate	(582)	0	0	0	0
Currency	225	0	0	0	0
Currency/Interest Rate	(45)	0	0	(6)	0
Credit	0	0	0	0	0
Equity	5,889	0	0	0	0
Embedded Derivatives	(1,124)	0	0	0	0
Total Derivatives Not Qualifying as Hedge Accounting Instruments	4,363	0	0	(6)	0
Total	\$ 3,742	\$ 0	\$ 1,415	\$ 403	\$ (1,514)

Presented below is a rollforward of current period cash flow hedges in AOCI before taxes:

	(in thousands)
Balance, December 31, 2023	\$ 5,246
Amount recorded in AOCI	
Currency/Interest Rate	(1,341)
Total amount recorded in AOCI	(1,341)
Amount reclassified from AOCI to income	
Currency/Interest Rate	(335)
Total amount reclassified from AOCI to income	(335)
Balance, September 30, 2024	\$ 3,570

The changes in fair value of cash flow hedges are deferred in AOCI and are included in "Net unrealized investment gains (losses)" in the Unaudited Interim Statements of Operations and Comprehensive Income (Loss); these amounts are then reclassified to earnings when the hedged item affects earnings. Using September 30, 2024 values, it is estimated that a pre-tax gain of \$2.1 million is expected to be reclassified from AOCI to earnings during the subsequent twelve months ending September 30, 2025.

The exposures the Company is hedging with these qualifying cash flow hedges include the variability of the payment or receipt of interest or foreign currency amounts on existing financial instruments.

There were no material amounts reclassified from AOCI into earnings relating to instances in which the Company discontinued cash flow hedge accounting because the forecasted transaction did not occur by the anticipated date or within the additional time period permitted by the authoritative guidance for the accounting for derivatives and hedging.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Credit Derivatives

The Company has no exposure from credit derivative positions where it has written or purchased credit protection as of September 30, 2024 and December 31, 2023.

Counterparty Credit Risk

The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial derivative transactions with a positive fair value. The Company manages credit risk by entering into derivative transactions with regulated derivatives exchanges for exchange traded derivatives and its affiliate, Prudential Global Funding LLC ("PGF"), related to its over-the-counter ("OTC") derivatives. PGF, in turn, manages its credit risk by: (i) entering into derivative transactions with highly rated major international financial institutions and other creditworthy counterparties governed by master netting agreements, as applicable; (ii) trading through central clearing and OTC parties; (iii) obtaining collateral, such as cash and securities, when appropriate; and (iv) setting limits on single-party credit exposures which are subject to periodic management review.

Substantially all of the Company's derivative agreements have zero thresholds which require daily full collateralization by the party in a liability position.

5. FAIR VALUE OF ASSETS AND LIABILITIES

Fair Value Measurement – Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative fair value guidance establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities.

Level 2 – Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted prices in active markets for similar assets and liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, and other market observable inputs.

Level 3 – Fair value is based on at least one significant unobservable input for the asset or liability. The assets and liabilities in this category may require significant judgment or estimation in determining the fair value.

For a discussion of the Company's valuation methodologies for assets and liabilities measured at fair value and the fair value hierarchy, see Note 5 to the Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Assets and Liabilities by Hierarchy Level – The tables below present the balances of assets and liabilities reported at fair value on a recurring basis, as of the dates indicated.

	September 30, 2024				
	Level 1	Level 2	Level 3	Netting(1)	Total
	(in thousands)				
Fixed maturities, available-for-sale:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ 0	\$ 51,403	\$ 0	\$	51,403
Obligations of U.S. states and their political subdivisions	0	161,639	0		161,639
Foreign government securities	0	73,097	0		73,097
U.S. corporate public securities	0	1,448,996	0		1,448,996
U.S. corporate private securities	0	281,701	12,009		293,710
Foreign corporate public securities	0	202,720	0		202,720
Foreign corporate private securities	0	249,151	5,435		254,586
Asset-backed securities(2)	0	38,824	5,606		44,430
Commercial mortgage-backed securities	0	74,825	19,697		94,522
Residential mortgage-backed securities	0	15,567	0		15,567
Subtotal	0	2,597,923	42,747		2,640,670
Market risk benefit assets	0	0	527,511		527,511
Fixed maturities, trading	0	23,018	0		23,018
Equity securities	0	73	4,647		4,720
Short-term investments	0	15,754	0		15,754
Cash equivalents	0	332,031	0		332,031
Other invested assets(3)	0	113,121	0	(95,833)	17,288
Reinsurance recoverables	0	0	201,559		201,559
Receivables from parent and affiliates	0	0	29,234		29,234
Subtotal excluding separate account assets	0	3,081,920	805,698	(95,833)	3,791,785
Separate account assets(4)(5)	0	13,686,300	0		13,686,300
Total assets	\$ 0	\$ 16,768,220	\$ 805,698	\$ (95,833)	\$ 17,478,085
Market risk benefit liabilities	\$ 0	\$ 0	\$ 527,511	\$	527,511
Policyholders' account balances	0	0	437,666		437,666
Payables to parent and affiliates	0	96,420	0	(96,420)	0
Total liabilities	\$ 0	\$ 96,420	\$ 965,177	\$ (96,420)	\$ 965,177

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	December 31, 2023				
	Level 1	Level 2	Level 3	Netting(1)	Total
	(in thousands)				
Fixed maturities, available-for-sale:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ 0	\$ 51,042	\$ 0	\$	\$ 51,042
Obligations of U.S. states and their political subdivisions	0	182,538	0		182,538
Foreign government securities	0	80,744	0		80,744
U.S. corporate public securities	0	1,350,933	0		1,350,933
U.S. corporate private securities	0	205,814	14,622		220,436
Foreign corporate public securities	0	164,785	0		164,785
Foreign corporate private securities	0	175,849	5,007		180,856
Asset-backed securities(2)	0	18,511	0		18,511
Commercial mortgage-backed securities	0	77,495	19,204		96,699
Residential mortgage-backed securities	0	15,551	0		15,551
Subtotal	0	2,323,262	38,833		2,362,095
Market risk benefit assets	0	0	537,659		537,659
Fixed maturities, trading	0	23,440	0		23,440
Equity securities	0	74	4,541		4,615
Short-term investments	0	3,459	0		3,459
Cash equivalents	24,928	160,330	0		185,258
Other invested assets(3)	0	40,150	0	(40,150)	0
Reinsurance recoverables	0	0	69,745		69,745
Subtotal excluding separate account assets	24,928	2,550,715	650,778	(40,150)	3,186,271
Separate account assets(4)(5)	0	12,914,412	0		12,914,412
Total assets	\$ 24,928	\$ 15,465,127	\$ 650,778	\$ (40,150)	\$ 16,100,683
Market risk benefit liabilities	\$ 0	\$ 0	\$ 537,659	\$	\$ 537,659
Policyholders' account balances	0	0	237,316		237,316
Payables to parent and affiliates	0	50,561	0	(42,247)	8,314
Total liabilities	\$ 0	\$ 50,561	\$ 774,975	\$ (42,247)	\$ 783,289

(1) "Netting" amounts represent cash collateral of \$(0.6) million and \$(2) million as of September 30, 2024 and December 31, 2023, respectively, and the impact of offsetting asset and liability positions held with the same counterparty, subject to master netting agreements.

(2) Includes credit-tranched securities collateralized by loan obligations and education loans.

(3) Other invested assets excluded from the fair value hierarchy include certain hedge funds, private equity funds and other funds for which fair value is measured at net asset value ("NAV") per share (or its equivalent) as a practical expedient. As of September 30, 2024 and December 31, 2023, the fair value of such investments was \$3.8 million and \$4.4 million, respectively.

(4) Separate account assets included in the fair value hierarchy exclude investments in entities that calculate NAV per share (or its equivalent) as a practical expedient. Such investments excluded from the fair value hierarchy include investments in real estate, hedge funds and a corporate owned life insurance fund. As of September 30, 2024 and December 31, 2023, the fair value of such investments was \$1,255 million and \$1,163 million, respectively.

(5) Separate account assets represent segregated funds that are invested for certain customers. Investment risks associated with market value changes are borne by the customers, except to the extent of minimum guarantees made by the Company with respect to certain accounts. Separate account liabilities are not included in the above table as they are reported at contract value and not fair value in the Company's Unaudited Interim Statements of Financial Position.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Quantitative Information Regarding Internally Priced Level 3 Assets and Liabilities – The tables below present quantitative information regarding significant internally-priced Level 3 assets and liabilities.

September 30, 2024							
	Fair Value (in thousands)	Valuation Techniques	Unobservable Inputs	Minimum	Maximum	Weighted Average	Impact of Increase in Input on Fair Value(1)(2)
Assets:							
Corporate securities(3)	\$ 15,268	Discounted cash flow	Discount rate	9.68 %	12.83 %	11.22 %	Decrease
Commercial mortgage-backed securities	\$ 19,697	Discounted cash flow	Liquidity premium	1.00 %	1.00 %	1.00 %	Decrease
Market risk benefit assets(4)	\$ 527,511	Discounted cash flow	Lapse rate(5)	1 %	20 %		Increase
			Spread over SOFR(6)	0.37 %	1.85 %		Increase
			Utilization rate(7)	37 %	94 %		Decrease
			Withdrawal rate		See table footnote (8) below.		
			Mortality rate(9)	0 %	16 %		Increase
			Equity volatility curve	15 %	25 %		Decrease
Reinsurance Recoverables	\$ 201,559	Discounted cash flow	Lapse rate(5)	0 %	80 %		Decrease
			Spread over SOFR(6)	0.37 %	1.84 %		Decrease
			Option budget(11)	(1)%	7 %		Increase
Receivables from parent and affiliates	\$ 29,234	Liquidation	Liquidation value	100 %	100 %	100 %	Increase
Liabilities:							
Market risk benefit liabilities(4)	\$ 527,511	Discounted cash flow	Lapse rate(5)	1 %	20 %		Decrease
			Spread over SOFR(6)	0.37 %	1.85 %		Decrease
			Utilization rate(7)	37 %	94 %		Increase
			Withdrawal rate		See table footnote (8) below.		
			Mortality rate(9)	0 %	16 %		Decrease
			Equity volatility curve	15 %	25 %		Increase
Policyholders' account balances(10)	\$ 437,666	Discounted cash flow	Lapse rate(5)	0 %	80 %		Decrease
			Spread over SOFR(6)	0.37 %	1.85 %		Decrease
			Mortality rate(9)	0 %	23 %		Decrease
			Option budget(11)	(1)%	7 %		Increase

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

December 31, 2023

	Fair Value	Valuation	Unobservable Inputs	Minimum	Maximum	Weighted	Impact of Increase
	(in thousands)	Techniques				Average	in Input on Fair Value(1)(2)
Assets:							
Commercial mortgage-backed securities	\$ 19,204	Discounted cash flow	Liquidity premium	0.60 %	0.75 %	0.69 %	Decrease
Market risk benefit assets(4)	\$ 537,659	Discounted cash flow	Lapse rate(5)	1 %	20 %		Increase
			Spread over SOFR(6)	0.41 %	1.91 %		Increase
			Utilization rate(7)	38 %	95 %		Decrease
			Withdrawal rate		See table footnote (8) below.		
			Mortality rate(9)	0 %	15 %		Increase
			Equity volatility curve	15 %	25 %		Decrease
Liabilities:							
Market risk benefit liabilities(4)	\$ 537,659	Discounted cash flow	Lapse rate(5)	1 %	20 %		Decrease
			Spread over SOFR(6)	0.41 %	1.91 %		Decrease
			Utilization rate(7)	38 %	95 %		Increase
			Withdrawal rate		See table footnote (8) below.		
			Mortality rate(9)	0 %	15 %		Decrease
			Equity volatility curve	15 %	25 %		Increase
Policyholders' account balances(10)	\$ 237,316	Discounted cash flow	Lapse rate(5)	1 %	80 %		Decrease
			Spread over SOFR(6)	0.41 %	1.85 %		Decrease
			Mortality rate(9)	0 %	23 %		Decrease
			Option budget(11)	(1)%	7 %		Increase

(1) Conversely, the impact of a decrease in input would have the opposite impact on fair value as that presented in the table.

(2) Directional impacts for MRB assets and liabilities are associated with the directional impacts of direct and assumed MRBs.

(3) Includes assets classified as fixed maturities available-for-sale.

(4) Market risk benefits primarily represent fair value for all living benefit guarantees including accumulation, withdrawal and income benefits. Since the valuation methodology for these assets and liabilities uses a range of inputs that vary at the contract level over the cash flow projection period, presenting a range, rather than weighted average, is a more meaningful representation of the unobservable inputs used in the valuation.

(5) Lapse rates for contracts with living benefit guarantees are adjusted at the contract level based on the in-the-moneyness of the living benefit and reflect other factors, such as the applicability of any surrender charges. Lapse rates are reduced when contracts are more in-the-money. Lapse rates for contracts with index-linked crediting guarantees may be adjusted at the contract level based on the applicability of any surrender charges, product type, and market related factors such as interest rates. Lapse rates are also generally assumed to be lower for the period where surrender charges apply. For any given contract, lapse rates vary throughout the period over which cash flows are projected for the purposes of valuing these balances.

(6) The spread over the Secured Overnight Financing Rate ("SOFR") swap curve represents the premium added to the proxy for the risk-free rate (SOFR) to reflect the Company's estimates of rates that a market participant would use to value the living benefits in both the accumulation and payout phases and index-linked interest crediting guarantees as of September 30, 2024 and December 31, 2023, respectively. This spread includes an estimate of non-performance risk ("NPR"), which is the risk that the obligation will not be fulfilled by the Company. NPR is primarily estimated by utilizing the credit spreads associated with issuing funding agreements, adjusted for any illiquidity risk premium. In order to reflect the financial strength ratings of the Company, credit spreads associated with funding agreements, as opposed to credit spread associated with debt, are utilized in developing this estimate because funding agreements are insurance liabilities and are therefore senior to debt.

(7) The utilization rate assumption estimates the percentage of contracts that will utilize the benefit during the contract duration and begin lifetime withdrawals at various time intervals from contract inception. The remaining contractholders are assumed to either begin lifetime withdrawals immediately or never utilize the benefit. Utilization assumptions may vary by product type, tax status and age. The impact of changes in these assumptions is highly dependent on the product type, the age of the contractholder at the time of the sale, and the timing of the first lifetime income withdrawal. Range reflects the utilization rate for the vast majority of business with living benefits.

(8) The withdrawal rate assumption estimates the magnitude of annual contractholder withdrawals relative to the maximum allowable amount under the contract. These assumptions vary based on the age of the contractholder, the tax status of the contract and the duration since the contractholder began lifetime withdrawals. As of September 30, 2024 and December 31, 2023, the minimum withdrawal rate assumption is 78% and 81%, respectively. As of September 30, 2024 and December 31, 2023 the maximum withdrawal rate assumption may be greater than 100%. The fair value of the liability will generally increase the closer the withdrawal rate is to 100% and decrease as the withdrawal rate moves further away from 100%.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

- (9) The range reflects the mortality rates for the vast majority of business with living benefits and other contracts, with policyholders ranging from 50 to 90 years old. While the majority of living benefits have a minimum age requirement, certain other contracts do not have an age restriction. This results in contractholders with mortality rates approaching 0% for certain benefits. Mortality rates may vary by product, age, and duration. A mortality improvement assumption is also incorporated into the overall mortality table.
- (10) Policyholders' account balances primarily represent general account liabilities for the index-linked interest credited on certain of the Company's life and annuity products that are accounted for as embedded derivatives. Since the valuation methodology for these liabilities uses a range of inputs that vary at the contract level over the cash flow projection period, presenting a range, rather than a weighted average, is a more meaningful representation of the unobservable inputs used in the valuation.
- (11) Option budget estimates the expected long-term cost of options used to hedge exposures associated with equity price and interest rate changes. The level of option budget determines future costs of the options, which impacts the growth in account value and the valuation of embedded derivatives.

Interrelationships Between Unobservable Inputs – In addition to the sensitivities of fair value measurements to changes in each unobservable input in isolation, as reflected in the table above, interrelationships between these inputs may also exist, such that a change in one unobservable input may give rise to a change in another or multiple inputs. Examples of such interrelationships for significant internally-priced Level 3 assets and liabilities are as follows:

Corporate Securities – The rate used to discount future cash flows reflects current risk-free rates plus credit and liquidity spread requirements that market participants would use to value an asset. The discount rate may be influenced by many factors, including market cycles, expectations of default, collateral, term, and asset complexity. Each of these factors can influence discount rates, either in isolation, or in response to other factors. During weaker economic cycles, as the expectations of default increase, credit spreads widen, which results in a decrease in fair value.

Commercial Mortgage-backed Securities – Interrelationships may exist between the prepayment rate, the default rate and/ or loss severity, depending on specific market conditions. In stronger economic cycles, prepayment rates are generally driven by underlying property appreciation and subsequent cash-out refinances, while default rates and loss severity may be lower. During weaker economic cycles, prepayment rates may decline, while default rates and loss severity increase. Generally, a change in the assumption used for the probability of default would be accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumption used for prepayment rates. The impact of these factors on average life and economics varies with the deal structure and tranche subordination.

Market Risk Benefits – The Company expects efficient benefit utilization and withdrawal rates to generally be correlated with lapse rates. However, behavior is generally highly dependent on the facts and circumstances surrounding the individual contractholder, such as their liquidity needs or tax situation, which could drive lapse behavior independent of other contractholder behavior assumptions. To the extent more efficient contractholder behavior results in greater in-the-moneyness at the contract level, lapse rates may decline for those contracts. Similarly, to the extent that increases in equity volatility are correlated with overall declines in the capital markets, lapse rates may decline as contracts become more in-the-money.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Changes in Level 3 Assets and Liabilities – The following tables describe changes in fair values of Level 3 assets and liabilities as of the dates indicated, as well as the portion of gains or losses included in income attributable to unrealized gains or losses related to those assets and liabilities still held at the end of their respective periods (excluding MRBs disclosed in Note 10). When a determination is made to classify assets and liabilities within Level 3, the determination is based on significance of the unobservable inputs in the overall fair value measurement. All transfers are based on changes in the observability of the valuation inputs, including the availability of pricing service information that the Company can validate. Transfers into Level 3 are generally the result of unobservable inputs utilized within valuation methodologies and the use of indicative broker quotes for assets that were previously valued using observable inputs. Transfers out of Level 3 are generally due to the use of observable inputs in valuation methodologies as well as the availability of pricing service information for certain assets that the Company can validate.

Three Months Ended September 30, 2024(6)												
	Fair Value, beginning of period	Total realized and unrealized gains (losses)	Purchases	Sales	Issuances	Settlements	Other(1)	Transfers into Level 3(7)	Transfers out of Level 3(7)	Fair Value, end of period	Unrealized gains (losses) for assets still held(2)	
(in thousands)												
Fixed maturities, available-for-sale:												
Corporate securities(3)	\$ 18,798	\$ 203	\$ 655	\$ 0	\$ 0	(2,212)	\$ 0	\$ 0	\$ 0	\$ 17,444	\$ 179	
Structured securities(4)	24,308	1,092	0	0	0	(97)	0	0	0	25,303	1,093	
Other assets:												
Equity securities	4,320	327	0	0	0	0	0	0	0	4,647	327	
Reinsurance recoverables(5)	127,289	17,856	51,231	0	0	0	5,183	0	0	201,559	(26,796)	
Receivables from parent and affiliates	16,606	0	12,628	0	0	0	0	0	0	29,234	0	
Liabilities:												
Policyholders' account balances(5)	(351,030)	(32,059)	0	0	(54,577)	0	0	0	0	(437,666)	14,303	

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Three Months Ended September 30, 2024									
	Total realized and unrealized gains (losses)				Unrealized gains (losses) for assets still held(2)				
	Realized investment gains (losses), net	Other income (loss)	Included in other comprehensive income (loss)	Net investment income	Realized investment gains (losses), net	Other income (loss)	Included in other comprehensive income (loss)		
	(in thousands)								
Fixed maturities, available-for-sale	\$ 1	\$ 0	\$ 1,295	\$ (1)	\$ 0	\$ 0	\$ 1,272		
Other assets:									
Equity securities	0	327	0	0	0	327	0		
Reinsurance recoverables	17,856	0	0	0	(26,796)	0	0		
Receivables from parent and affiliates	0	0	0	0	0	0	0		
Liabilities:									
Policyholders' account balances	(32,059)	0	0	0	14,303	0	0		

Nine Months Ended September 30, 2024(6)												
	Fair Value, beginning of period	Total realized and unrealized gains (losses)	Purchases	Sales	Issuances	Settlements	Other(1)	Transfers into Level 3(7)	Transfers out of Level 3(7)	Fair Value, end of period	Unrealized gains (losses) for assets still held(2)	
	(in thousands)											
Fixed maturities, available-for-sale:												
Corporate securities(3)	\$ 19,629	\$ 105	\$ 5,954	\$ (87)	\$ 0	\$ (2,607)	\$ (5,550)	\$ 0	\$ 0	\$ 17,444	\$ 83	
Structured securities(4)	19,204	872	0	0	0	(323)	5,550	0	0	25,303	892	
Other assets:												
Equity securities	4,541	(167)	273	0	0	0	0	0	0	4,647	(167)	
Reinsurance recoverables(5)	69,745	(7,851)	134,482	0	0	0	5,183	0	0	201,559	(105,510)	
Receivables from parent and affiliates	0	0	33,924	(4,690)	0	0	0	0	0	29,234	0	
Liabilities:												
Policyholders' account balances(5)	(237,316)	(70,920)	0	0	(129,430)	0	0	0	0	(437,666)	31,819	

Nine Months Ended September 30, 2024									
	Total realized and unrealized gains (losses)				Unrealized gains (losses) for assets still held(2)				
	Realized investment gains (losses), net	Other income (loss)	Included in other comprehensive income (loss)	Net investment income	Realized investment gains (losses), net	Other income (loss)	Included in other comprehensive income (loss)		
	(in thousands)								
Fixed maturities, available-for-sale	\$ 0	\$ 0	\$ 998	\$ (21)	\$ 0	\$ 0	\$ 975		
Other assets:									
Equity securities	0	(167)	0	0	0	(167)	0		
Reinsurance recoverables	(7,851)	0	0	0	(105,510)	0	0		
Receivables from parent and affiliates	0	0	0	0	0	0	0		
Liabilities:									
Policyholders' account balances	(70,920)	0	0	0	31,819	0	0		

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	Three Months Ended September 30, 2023(6)											
	Fair Value, beginning of period	Total realized and unrealized gains (losses)	Purchases	Sales	Issuances	Settlements	Other	Transfers into Level 3(7)	Transfers out of Level 3(7)	Fair Value, end of period	Unrealized gains (losses) for assets still held(2)	
	(in thousands)											
Fixed maturities, available-for-sale:												
Corporate securities(3)	\$ 12,579	\$ (200)	\$ 5,431	\$ 0	\$ 0	\$ (53)	\$ 0	\$ 5,550	\$ (3,763)	\$ 19,544	\$ (200)	
Structured securities(4)	19,838	(843)	0	0	0	(91)	0	0	0	18,904	(835)	
Other assets:												
Equity securities	4,416	(96)	30	0	0	0	0	0	0	4,350	(96)	
Reinsurance recoverables(5)	1,465	14,079	0	0	0	0	0	0	0	15,544	14,079	
Liabilities:												
Policyholders' account balances(5)	(160,503)	8,155	0	0	(21,279)	0	0	0	0	(173,627)	3,877	

Three Months Ended September 30, 2023							
Total realized and unrealized gains (losses)				Unrealized gains (losses) for assets still held(2)			
Realized investment gains (losses), net	Other income (loss)	Included in other comprehensive income (loss)	Net investment income	Realized investment gains (losses), net	Other income (loss)	Included in other comprehensive income (loss)	
(in thousands)							
Fixed maturities, available-for-sale	\$ 0	\$ 0	\$ (1,034)	\$ (9)	\$ 0	\$ 0	\$ (1,035)
Other assets:							
Equity securities	0	(96)	0	0	0	(96)	0
Reinsurance recoverables	14,079	0	0	0	14,079	0	0
Liabilities:							
Policyholders' account balances	8,155	0	0	0	3,877	0	0

	Nine Months Ended September 30, 2023(6)										
	Fair Value, beginning of period	Total realized and unrealized gains (losses)	Purchases	Sales	Issuances	Settlements	Other	Transfers into Level 3(7)	Transfers out of Level 3(7)	Fair Value, end of period	Unrealized gains (losses) for assets still held(2)
	(in thousands)										
Fixed maturities, available-for-sale:											
Corporate securities(3)	\$ 3,803	\$ (214)	\$ 18,070	\$ 0	\$ 0	\$ (3,902)	\$ 0	\$ 5,550	\$ (3,763)	\$ 19,544	\$ (258)
Structured securities(4)	20,701	(1,494)	0	0	0	(303)	0	0	0	18,904	(1,462)
Other assets:											
Equity securities	4,291	29	30	0	0	0	0	0	0	4,350	29
Reinsurance recoverables(5)	0	15,544	0	0	0	0	0	0	0	15,544	15,544
Liabilities:											
Policyholders' account balances(5)	(108,144)	(16,593)	0	0	(48,890)	0	0	0	0	(173,627)	(18,209)

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Nine Months Ended September 30, 2023							
	Total realized and unrealized gains (losses)				Unrealized gains (losses) for assets still held(2)		
	Realized investment gains (losses), net	Other income (loss)	Included in other comprehensive income (loss)	Net investment income	Realized investment gains (losses), net	Other income (loss)	Included in other comprehensive income (loss)
	(in thousands)						
Fixed maturities, available-for-sale	\$ (2)	\$ 0	\$ (1,682)	\$ (24)	\$ 0	\$ 0	\$ (1,720)
Other assets:							
Equity securities	0	29	0	0	0	29	0
Reinsurance recoverables	15,544	0	0	0	15,544	0	0
Liabilities:							
Policyholders' account balances	(16,593)	0	0	0	(18,209)	0	0

(1) "Other" includes additional activity not allocated to the specific categories within the rollforward of Level 3 Assets and Liabilities.

(2) Unrealized gains or losses related to assets still held at the end of the period do not include amortization or accretion of premiums and discounts.

(3) Includes U.S. corporate private securities and foreign corporate private securities.

(4) Includes asset-backed and commercial mortgage-backed securities.

(5) Purchases/issuances and settlements for Policyholders' account balances and Reinsurance recoverables are presented net in the rollforward.

(6) Excludes MRB assets of \$528 million and \$489 million and MRB liabilities of \$528 million and \$489 million for the periods ended September 30, 2024 and 2023, respectively. See Note 10 for additional information.

(7) Transfers into or out of Level 3 are generally reported at the value as of the beginning of the quarter in which the transfers occur for any such positions still held at the end of the quarter.

Fair Value of Financial Instruments

The tables below present the carrying amount and fair value by fair value hierarchy level of certain financial instruments that are not reported at fair value. The financial instruments presented below are reported at carrying value on the Company's Unaudited Interim Statements of Financial Position. In some cases, as described below, the carrying amount equals or approximates fair value.

	September 30, 2024					
	Fair Value				Carrying Amount(1)	
	Level 1	Level 2	Level 3	Total	Total	
	(in thousands)					
Assets:						
Commercial mortgage and other loans	\$ 0	\$ 0	\$ 376,503	\$ 376,503	\$ 368,996	
Policy loans	0	0	1,119,509	1,119,509	1,119,509	
Short-term investments	1,000	0	0	1,000	1,000	
Cash and cash equivalents	30,516	0	0	30,516	30,516	
Accrued investment income	0	48,373	0	48,373	48,373	
Reinsurance recoverables	0	0	23,875	23,875	25,147	
Receivables from parent and affiliates	0	29,188	0	29,188	29,188	
Other assets	0	5,420	0	5,420	5,420	
Total assets	\$ 31,516	\$ 82,981	\$ 1,519,887	\$ 1,634,384	\$ 1,628,149	
Liabilities:						
Policyholders' account balances - investment contracts	\$ 0	\$ 129,162	\$ 32,134	\$ 161,296	\$ 162,569	
Cash collateral for loaned securities	0	0	0	0	0	
Payables to parent and affiliates	0	4,015	0	4,015	4,015	
Other liabilities	0	66,746	0	66,746	66,746	
Total liabilities	\$ 0	\$ 199,923	\$ 32,134	\$ 232,057	\$ 233,330	

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	December 31, 2023					
	Fair Value				Carrying Amount(1)	
	Level 1	Level 2	Level 3	Total	Total	
	(in thousands)					
Assets:						
Commercial mortgage and other loans	\$ 0	\$ 0	\$ 237,993	\$ 237,993	\$ 239,629	
Policy loans	0	0	1,115,096	1,115,096	1,115,096	
Short-term investments	2,500	0	0	2,500	2,500	
Cash and cash equivalents	1,125	0	0	1,125	1,125	
Accrued investment income	0	53,906	0	53,906	53,906	
Reinsurance recoverables	0	0	22,155	22,155	23,537	
Receivables from parent and affiliates	0	24,502	0	24,502	24,502	
Other assets	0	4,363	0	4,363	4,363	
Total assets	\$ 3,625	\$ 82,771	\$ 1,375,244	\$ 1,461,640	\$ 1,464,658	
Liabilities:						
Policyholders' account balances - investment contracts	\$ 0	\$ 148,542	\$ 30,945	\$ 179,487	\$ 180,868	
Payables to parent and affiliates	0	1,066	0	1,066	1,066	
Other liabilities	0	52,027	0	52,027	52,027	
Total liabilities	\$ 0	\$ 201,635	\$ 30,945	\$ 232,580	\$ 233,961	

(1) Carrying values presented herein differ from those in the Company's Unaudited Interim Statements of Financial Position because certain items within the respective financial statement captions are not considered financial instruments or are out of scope under authoritative guidance relating to disclosures of the fair value of financial instruments.

6. DEFERRED POLICY ACQUISITION COSTS AND DEFERRED REINSURANCE

Deferred Policy Acquisition Costs ("DAC")

The following tables show a rollforward for the lines of business that contain DAC balances, along with a reconciliation to the Company's total DAC balance:

	Nine Months Ended September 30, 2024		
	Term Life	Variable / Universal Life	Total
	(in thousands)		
Balance, beginning of period	\$ 82,008	\$ 311,131	\$ 393,139
Capitalization	15,514	41,631	57,145
Amortization expense	(5,773)	(10,800)	(16,573)
Other(1)	(15)	(2,733)	(2,748)
Balance, end of period	<u>\$ 91,734</u>	<u>\$ 339,229</u>	<u>\$ 430,963</u>

(1) Other includes the impact of the Universal Life reinsurance transaction with Prudential Arizona Reinsurance Universal Company ("PAR U") and PURE. See Note 11 for additional information.

	Nine Months Ended September 30, 2023		
	Term Life	Variable / Universal Life	Total
	(in thousands)		
Balance, beginning of period	\$ 70,213	\$ 281,661	\$ 351,874
Capitalization	13,334	31,310	44,644
Amortization expense	(5,347)	(10,009)	(15,356)
Balance, end of period	<u>\$ 78,200</u>	<u>\$ 302,962</u>	<u>\$ 381,162</u>

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Deferred Reinsurance Losses ("DRL")

The following tables show a rollforward of DRL balances for variable annuity products, which is the only line of business that contains a DRL balance, along with a reconciliation to the Company's total DRL balance:

	Nine Months Ended September 30,	
	2024	2023
	(in thousands)	
Balance, beginning of period	\$ 15,968	\$ 17,425
Amortization expense	(1,060)	(1,091)
Other	10	(8)
Balance, end of period	<u>\$ 14,918</u>	<u>\$ 16,326</u>

Deferred Reinsurance Gains ("DRG")

The following tables show a rollforward of DRG balances for variable and universal life products, which are the only lines of business that contain a DRG balance, along with a reconciliation to the Company's total DRG balance:

	Nine Months Ended September 30,	
	2024	2023
	(in thousands)	
Balance, beginning of period	\$ 0	\$ 0
Amortization expense	(5,959)	0
Other(1)	187,732	0
Balance, end of period	<u>\$ 181,773</u>	<u>\$ 0</u>

(1) Other includes the impact of the Universal Life reinsurance transaction with PAR U, PURE and Prudential Insurance. See Note 11 for additional information.

7. SEPARATE ACCOUNTS

The Company issues variable annuity and variable life insurance contracts through its separate accounts for which investment income and investment gains and losses accrue directly to, and investment risk is borne by, the contractholder. Most variable annuity and variable life insurance contracts are offered with both separate and general account options. See Note 9 for additional information.

The assets supporting the variable portion of variable annuity and variable life insurance contracts are carried at fair value and reported as "Separate account assets" with an equivalent amount reported as "Separate account liabilities". The liabilities related to the net amount at risk are reflected within "Future policy benefits" or "Market risk benefit liabilities" (or "assets," if applicable). Amounts assessed against the contractholders for mortality, administration, and other services are included within revenue in "Policy charges and fee income" and changes in liabilities for minimum guarantees are generally included in "Policyholders' benefits" or "Change in value of market risk benefits, net of related hedging gains (losses)".

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Separate Account Assets

The aggregate fair value of assets, by major investment asset category, supporting separate accounts is as follows:

	September 30, 2024	December 31, 2023
	(in thousands)	
Asset Type:		
Mutual funds:		
Equity	\$ 9,222,646	\$ 8,299,099
Fixed Income	3,683,984	3,901,137
Other	779,670	714,176
Other invested assets	1,254,906	1,162,691
Total	\$ 14,941,206	\$ 14,077,103

For the nine months ended September 30, 2024 and year ended December 31, 2023, there were no transfers of assets, other than cash, from the general account to a separate account; therefore, no gains or losses were recorded.

Separate Account Liabilities

The balances of and changes in separate account liabilities as of and for the periods indicated are as follows:

	Nine Months Ended September 30, 2024		
	Variable Annuities	Variable Life	Total
	(in thousands)		
Balance, beginning of period	\$ 9,064,177	\$ 5,012,926	\$ 14,077,103
Deposits	60,136	185,619	245,755
Investment performance	958,449	816,250	1,774,699
Policy charges	(162,183)	(82,614)	(244,797)
Surrenders and withdrawals	(797,020)	(48,738)	(845,758)
Benefit payments	(7,537)	(30,703)	(38,240)
Net transfers (to) from general account	(19,357)	(38,011)	(57,368)
Other	479	29,333	29,812
Balance, end of period	\$ 9,097,144	\$ 5,844,062	\$ 14,941,206
Cash surrender value(2)	\$ 8,984,658	\$ 5,727,288	\$ 14,711,946

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	Nine Months Ended September 30, 2023		
	Variable Annuities	Variable Life (in thousands)	Total
Balance, beginning of period	\$ 8,928,568	\$ 4,998,390	\$ 13,926,958
Deposits	31,399	143,987	175,386
Investment performance	375,821	425,803	801,624
Policy charges	(165,745)	(76,929)	(242,674)
Surrenders and withdrawals	(618,886)	(36,759)	(655,645)
Benefit payments	(4,960)	(31,669)	(36,629)
Net transfers (to) from general account(1)	(5,486)	(883,977)	(889,463)
Other	837	14,932	15,769
Balance, end of period	<u>\$ 8,541,548</u>	<u>\$ 4,553,778</u>	<u>\$ 13,095,326</u>
Cash surrender value(2)	\$ 8,397,330	\$ 4,446,055	\$ 12,843,385

(1) Variable life includes \$900 million of funding for a policy loan to an affiliated irrevocable trust. See Note 14 for additional information.

(2) Represents the amount of the contractholder's account balances distributable at the balance sheet date less certain surrender charges.

8. LIABILITY FOR FUTURE POLICY BENEFITS

Liability for Future Policy Benefits primarily consists of the following sub-components, which are discussed in greater detail below.

- Benefit Reserves;
- Deferred Profit Liability ("DPL"); and
- Additional Insurance Reserves ("AIR")

In 2024, the Company recognized an impact to net income attributable to our annual reviews and update of assumptions and other refinements. Overall impact is immaterial for direct and assumed Benefit Reserves and DPL, net of the impact of flooring these liabilities at zero for each issue year cohort. Additionally, for direct and assumed AIR, the Company recognized an unfavorable impact primarily due to updates to policyholder behavior assumptions on universal life policies with secondary guarantees.

In 2023, the Company recognized an impact to net income attributable to the annual reviews and update of assumptions and other refinements. Overall impact is immaterial for direct and assumed Benefit Reserves and DPL, net of the impact of flooring these liabilities at zero for each issue year cohort. Additionally, for direct and assumed AIR, the Company recognized an unfavorable impact primarily due to unfavorable model refinements, partially offset by updates to economic assumptions, including expected future rates of returns on universal life policies with secondary guarantees.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Benefit Reserves

The balances of and changes in Benefit Reserves as of and for the periods indicated consist of the three tables presented below: Present Value of Expected Net Premiums rollforward, Present Value of Expected Future Policy Benefits rollforward, and Net Liability for Future Policy Benefits.

	Nine Months Ended September 30, 2024		
	Present Value of Expected Net Premiums		
	Term Life	Fixed Annuities	Total
	(in thousands)		
Balance, beginning of period	\$ 1,389,421	\$ 0	\$ 1,389,421
Effect of cumulative changes in discount rate assumptions, beginning of period	29,313	0	29,313
Balance at original discount rate, beginning of period	1,418,734	0	1,418,734
Effect of assumption update	9,001	0	9,001
Effect of actual variances from expected experience and other activity	(50,258)	(208)	(50,466)
Adjusted balance, beginning of period	1,377,477	(208)	1,377,269
Issuances	73,754	3,124	76,878
Net premiums / considerations collected	(118,830)	(2,916)	(121,746)
Interest accrual	48,583	0	48,583
Balance at original discount rate, end of period	1,380,984	0	1,380,984
Effect of cumulative changes in discount rate assumptions, end of period	(15,631)	0	(15,631)
Balance, end of period	\$ 1,365,353	\$ 0	\$ 1,365,353

	Nine Months Ended September 30, 2024		
	Present Value of Expected Future Policy Benefits		
	Term Life	Fixed Annuities	Total
	(in thousands)		
Balance, beginning of period	\$ 2,619,569	\$ 18,489	\$ 2,638,058
Effect of cumulative changes in discount rate assumptions, beginning of period	44,322	1,510	45,832
Balance at original discount rate, beginning of period	2,663,891	19,999	2,683,890
Effect of assumption update	10,368	(241)	10,127
Effect of actual variances from expected experience and other activity	(69,283)	106	(69,177)
Adjusted balance, beginning of period	2,604,976	19,864	2,624,840
Issuances	73,754	3,124	76,878
Interest accrual	96,145	560	96,705
Benefit payments	(109,055)	(1,998)	(111,053)
Other adjustments	(215)	2	(213)
Balance at original discount rate, end of period	2,665,605	21,552	2,687,157
Effect of cumulative changes in discount rate assumptions, end of period	(22,362)	(1,091)	(23,453)
Balance, end of period	\$ 2,643,243	\$ 20,461	\$ 2,663,704

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Nine Months Ended September 30, 2024			
Net Liability for Future Policy Benefits (Benefit Reserves)			
	Term Life	Fixed Annuities	Total
	(in thousands)		
Balance, end of period, pre-flooring	\$ 1,277,890	\$ 20,461	\$ 1,298,351
Flooring impact, end of period	14	0	14
Balance, end of period, post-flooring	1,277,904	20,461	1,298,365
Less: Reinsurance recoverables	1,087,466	20,461	1,107,927
Balance after reinsurance recoverables, end of period, post-flooring	\$ 190,438	\$ 0	\$ 190,438

Nine Months Ended September 30, 2023			
Present Value of Expected Net Premiums			
	Term Life	Fixed Annuities	Total
	(in thousands)		
Balance, beginning of period	\$ 1,416,807	\$ 0	\$ 1,416,807
Effect of cumulative changes in discount rate assumptions, beginning of period	73,563	0	73,563
Balance at original discount rate, beginning of period	1,490,370	0	1,490,370
Effect of assumption update	(152)	0	(152)
Effect of actual variances from expected experience and other activity	(40,803)	(554)	(41,357)
Adjusted balance, beginning of period	1,449,415	(554)	1,448,861
Issuances	63,086	2,221	65,307
Net premiums / considerations collected	(124,176)	(1,667)	(125,843)
Interest accrual	50,992	0	50,992
Other adjustments	0	0	0
Balance at original discount rate, end of period	1,439,317	0	1,439,317
Effect of cumulative changes in discount rate assumptions, end of period	(126,071)	0	(126,071)
Balance, end of period	\$ 1,313,246	\$ 0	\$ 1,313,246

Nine Months Ended September 30, 2023			
Present Value of Expected Future Policy Benefits			
	Term Life	Fixed Annuities	Total
	(in thousands)		
Balance, beginning of period	\$ 2,551,191	\$ 16,460	\$ 2,567,651
Effect of cumulative changes in discount rate assumptions, beginning of period	137,962	1,899	139,861
Balance at original discount rate, beginning of period	2,689,153	18,359	2,707,512
Effect of assumption update	(202)	0	(202)
Effect of actual variances from expected experience and other activity	(52,087)	494	(51,593)
Adjusted balance, beginning of period	2,636,864	18,853	2,655,717
Issuances	63,086	2,221	65,307
Interest accrual	97,133	502	97,635
Benefit payments	(126,337)	(1,851)	(128,188)
Other adjustments	(976)	(50)	(1,026)
Balance at original discount rate, end of period	2,669,770	19,675	2,689,445
Effect of cumulative changes in discount rate assumptions, end of period	(264,111)	(2,578)	(266,689)
Balance, end of period	\$ 2,405,659	\$ 17,097	\$ 2,422,756

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Nine Months Ended September 30, 2023			
Net Liability for Future Policy Benefits (Benefit Reserves)			
	Term Life	Fixed Annuities	Total
	(in thousands)		
Balance, end of period, pre-flooring	\$ 1,092,413	\$ 17,097	\$ 1,109,510
Flooring impact, end of period	0	0	0
Balance, end of period, post-flooring	1,092,413	17,097	1,109,510
Less: Reinsurance recoverables	951,938	17,097	969,035
Balance after reinsurance recoverables, end of period, post-flooring	\$ 140,475	\$ 0	\$ 140,475

The following tables provide supplemental information related to the balances of and changes in Benefit Reserves included in the disaggregated tables above, on a gross (direct and assumed) basis, as of and for the periods indicated:

Nine Months Ended September 30, 2024			
	Term Life	Fixed Annuities	
	(\$ in thousands)		
Undiscounted expected future gross premiums	\$ 3,014,568	\$ 0	0
Discounted expected future gross premiums (at original discount rate)	\$ 2,009,087	\$ 0	0
Discounted expected future gross premiums (at current discount rate)	\$ 1,995,991	\$ 0	0
Undiscounted expected future benefits and expenses	\$ 4,312,461	\$ 27,898	27,898
Weighted-average duration of the liability in years (at original discount rate)	10	6	6
Weighted-average duration of the liability in years (at current discount rate)	10	5	5
Weighted-average interest rate (at original discount rate)	5.23 %	3.92 %	%
Weighted-average interest rate (at current discount rate)	4.93 %	4.72 %	%

Nine Months Ended September 30, 2023			
	Term Life	Fixed Annuities	
	(\$ in thousands)		
Undiscounted expected future gross premiums	\$ 3,023,328	\$ 0	0
Discounted expected future gross premiums (at original discount rate)	\$ 2,029,636	\$ 0	0
Discounted expected future gross premiums (at current discount rate)	\$ 1,860,012	\$ 0	0
Undiscounted expected future benefits and expenses	\$ 4,307,813	\$ 25,434	25,434
Weighted-average duration of the liability in years (at original discount rate)	11	7	7
Weighted-average duration of the liability in years (at current discount rate)	10	5	5
Weighted-average interest rate (at original discount rate)	5.28 %	3.54 %	%
Weighted-average interest rate (at current discount rate)	6.03 %	5.91 %	%

For additional information regarding observable market information and the techniques used to determine the interest rate assumptions seen above, see Note 2 to the Company's Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

For non-participating traditional and limited-payment products, if a cohort is in a loss position where the liability for future policy benefits plus the present value of expected future gross premiums are determined to be insufficient to provide for the present value of expected future policy benefits and non-level claim settlement expenses, then the liability for future policy benefits is adjusted at that time, and thereafter such that all changes, both favorable and unfavorable, in expected benefits resulting from both actual experience deviations and changes in future assumptions are recognized immediately as a gain or loss, respectively.

In the first nine months of 2024, there was an immaterial impact to net income for non-participating traditional and limited-payment products, where net premiums exceeded gross premiums for certain issue-year cohorts.

In the first nine months of 2023, there was a \$5 million gain in net income for non-participating traditional and limited-payment products, where net premiums exceeded gross premiums for certain issue-year cohorts, which was offset by a \$4 million charge, reflecting the impact of ceded reinsurance on the affected cohorts.

Deferred Profit Liability

The balances of and changes in DPL as of and for the periods indicated are as follows:

	Nine Months Ended September 30,	
	2024	2023
	Fixed Annuities	
	(in thousands)	
Balance, beginning of period, post flooring	\$ 1,365	\$ 1,684
Effect of assumption update	106	0
Effect of actual variances from expected experience and other activity	(223)	(473)
Adjusted balance, beginning of period	1,248	1,211
Profits deferred	364	338
Interest accrual	39	38
Amortization	(148)	(150)
Other adjustments	1	(2)
Balance, end of period, post-flooring	1,504	1,435
Less: Reinsurance recoverables	1,504	1,435
Balance after reinsurance recoverables, end of period	\$ 0	\$ 0

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Additional Insurance Reserves

AIR represents the additional liability for annuitization, death, or other insurance benefits, including guaranteed minimum death benefits ("GMDB") and guaranteed minimum income benefits ("GMIB") contract features, that are above and beyond the contractholder's account balance for certain long-duration life contracts.

The following table shows a rollforward of AIR balances for variable and universal life products for the periods indicated:

	Nine Months Ended September 30,	
	2024	2023
	(in thousands)	
Balance including amounts in AOCI, beginning of period, post-flooring	\$ 986,166	\$ 827,478
Flooring impact and amounts in AOCI	56,487	91,115
Balance, excluding amounts in AOCI, beginning of period, pre-flooring	1,042,653	918,593
Effect of assumption update	14,446	9,713
Effect of actual variances from expected experience and other activity	(6,321)	(9,288)
Adjusted balance, beginning of period	1,050,778	919,018
Assessments collected(1)	74,069	81,628
Interest accrual	27,463	24,165
Benefits paid	(15,059)	(8,004)
Balance, excluding amounts in AOCI, end of period, pre-flooring	1,137,251	1,016,807
Flooring impact and amounts in AOCI	(16,618)	(118,817)
Balance, including amounts in AOCI, end of period, post-flooring	1,120,633	897,990
Less: Reinsurance recoverables	1,088,124	858,939
Balance after reinsurance recoverables, including amounts in AOCI, end of period	\$ 32,509	\$ 39,051

(1) Represents the portion of gross assessments required to fund the future policy benefits.

	Nine Months Ended September 30,	
	2024	2023
Weighted-average duration of the liability in years (at original discount rate)	27	27
Weighted-average interest rate (at original discount rate)	3.41 %	3.35 %

Future Policy Benefits Reconciliation

The following table presents the reconciliation of the ending balances from the above rollforwards, Benefit Reserves, DPL, and AIR, including other liabilities, gross of related reinsurance recoverables, to the total liability for Future Policy Benefits as reported on the Company's Unaudited Interim Statements of Financial Position as of the periods indicated:

	Nine Months Ended September 30,	
	2024	2023
	(in thousands)	
Benefit reserves, end of period, post-flooring	\$ 1,298,365	\$ 1,109,510
Deferred profit liability, end of period, post-flooring	1,504	1,435
Additional insurance reserves, including amounts in AOCI, end of period, post-flooring	1,120,633	897,990
Subtotal of amounts disclosed above	2,420,502	2,008,935
Other Future policy benefits reserves(1)	166,702	160,566
Total Future policy benefits	\$ 2,587,204	\$ 2,169,501

(1) Primarily represents balances for which disaggregated rollforward disclosures are not required, including unpaid claims and claims expenses, and incurred but not reported and in course of settlement claim liabilities.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Revenue and Interest Expense

The following tables present revenue and interest expense related to Benefit Reserves, DPL, and AIR, as well as related revenue and interest expense not presented in the above supplemental tables, in the Company's Statement of Operations for the periods indicated:

	Nine Months Ended September 30, 2024			
	Revenues(1)			
	Term Life	Variable and Universal Life	Fixed Annuities	Total
	(in thousands)			
Benefit reserves	\$ 177,320	\$ 0	\$ 3,299	\$ 180,619
Deferred profit liability	0	0	(139)	(139)
Additional insurance reserves	0	189,339	0	189,339
Total	\$ 177,320	\$ 189,339	\$ 3,160	\$ 369,819

	Nine Months Ended September 30, 2023			
	Revenues(1)			
	Term Life	Variable and Universal Life	Fixed Annuities	Total
	(in thousands)			
Benefit reserves	\$ 176,976	\$ 0	\$ 2,018	\$ 178,994
Deferred profit liability	0	0	249	249
Additional insurance reserves	0	195,775	0	195,775
Total	\$ 176,976	\$ 195,775	\$ 2,267	\$ 375,018

(1) Represents "Gross premiums" for benefit reserves; "Revenue" for DPL and "Gross assessments" for AIR.

	Nine Months Ended September 30, 2024			
	Interest Expense			
	Term Life	Variable and Universal Life	Fixed Annuities	Total
	(in thousands)			
Benefit reserves	\$ 47,561	\$ 0	\$ 560	\$ 48,121
Deferred profit liability	0	0	39	39
Additional insurance reserves	0	27,463	0	27,463
Total	\$ 47,561	\$ 27,463	\$ 599	\$ 75,623

	Nine Months Ended September 30, 2023			
	Interest Expense			
	Term Life	Variable and Universal Life	Fixed Annuities	Total
	(in thousands)			
Benefit reserves	\$ 46,141	\$ 0	\$ 502	\$ 46,643
Deferred profit liability	0	0	38	38
Additional insurance reserves	0	24,165	0	24,165
Total	\$ 46,141	\$ 24,165	\$ 540	\$ 70,846

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

9. POLICYHOLDERS' ACCOUNT BALANCES

Policyholders' Account Balances

The balances of and changes in policyholders' account balances as of and for the periods ended are as follows:

	Nine Months Ended September 30, 2024			
	Fixed Annuities	Variable Annuities	Variable Life / Universal Life	Total
	(\$ in thousands)			
Balance, beginning of period	\$ 35,025	\$ 592,581	\$ 3,028,746	\$ 3,656,352
Deposits	5,456	459,924	166,096	631,476
Interest credited	765	16,126	47,476	64,367
Policy charges	(40)	(172)	(110,124)	(110,336)
Surrenders and withdrawals	(4,827)	(29,403)	(108,291)	(142,521)
Benefit payments	(721)	(2,951)	(338)	(4,010)
Net transfers (to) from separate account	0	19,357	38,011	57,368
Change in market value and other adjustments(1)	0	55,577	15,342	70,919
Balance, end of period	<u>\$ 35,658</u>	<u>\$ 1,111,039</u>	<u>\$ 3,076,918</u>	<u>\$ 4,223,615</u>
Unearned revenue reserve				410,876
Other				9,865
Total Policyholders' account balance				<u>\$ 4,644,356</u>
Weighted-average crediting rate	2.89 %	2.52 %	2.07 %	2.18 %
Net amount at risk(2)	\$ 0	\$ 0	\$ 35,095,242	\$ 35,095,242
Cash surrender value(3)	\$ 8,102	\$ 1,089,086	\$ 2,749,470	\$ 3,846,658

	Nine Months Ended September 30, 2023			
	Fixed Annuities	Variable Annuities	Variable Life / Universal Life	Total
	(\$ in thousands)			
Balance, beginning of period	\$ 39,406	\$ 327,124	\$ 2,084,680	\$ 2,451,210
Deposits	2,987	188,144	161,663	352,794
Interest credited	713	5,627	43,469	49,809
Policy charges	(43)	(107)	(109,489)	(109,639)
Surrenders and withdrawals	(5,700)	(27,840)	(82,502)	(116,042)
Benefit payments	(798)	(2,109)	(1,212)	(4,119)
Net transfers (to) from separate account(4)	0	5,486	883,977	889,463
Change in market value and other adjustments(1)	0	6,509	10,351	16,860
Balance, end of period	<u>\$ 36,565</u>	<u>\$ 502,834</u>	<u>\$ 2,990,937</u>	<u>\$ 3,530,336</u>
Unearned revenue reserve				357,354
Other				9,573
Total Policyholders' account balance				<u>\$ 3,897,263</u>
Weighted-average crediting rate	2.50 %	1.81 %	2.28 %	2.22 %
Net amount at risk (2)	\$ 0	\$ 0	\$ 34,207,998	\$ 34,207,998
Cash surrender value(3)	\$ 9,207	\$ 480,001	\$ 2,670,457	\$ 3,159,665

(1) Primarily relates to changes in the value of embedded derivative instruments associated with the indexed options of certain products.

(2) The net amount at risk calculation includes both general and separate account balances.

(3) Represents the amount of the contractholder's account balances distributable at the balance sheet date less certain surrender charges.

(4) Variable life includes \$900 million of funding for a policy loan to affiliated irrevocable trust. See Note 14 for additional information.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

The Company issues variable life and universal life insurance contracts which may also include a “no-lapse guarantee” where the Company contractually guarantees to the contractholder a death benefit even when the account value drops to zero, as long as the “no-lapse guarantee” premium is paid.

The net amount at risk is generally defined as the current death benefit in excess of the current account balance at the balance sheet date. The Company’s primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including contractholder mortality, contract lapses, and premium pattern, as well as interest rate and equity market returns.

The Company also issues annuity contracts that provide certain death benefit and/or living benefit guarantees and are accounted for as MRBs. See Note 10 for additional information, including the net amount at risk associated with these guarantees.

The balance of account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums are as follows:

Range of Guaranteed Minimum Crediting Rate(1)	September 30, 2024				
	At guaranteed minimum	1 -50 bps above guaranteed minimum	51 - 150 bps above guaranteed minimum	Greater than 150 bps above guaranteed minimum	Total
(in thousands)					
Fixed Annuities					
Less than 1.00%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1.00% - 1.99%	893	0	0	0	893
2.00% - 2.99%	20,130	0	0	0	20,130
3.00% - 4.00%	7,367	0	0	0	7,367
Greater than 4.00%	0	0	0	0	0
Total	<u>\$ 28,390</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,390</u>
Variable Annuities					
Less than 1.00%	\$ 2,951	\$ 0	\$ 0	\$ 0	\$ 2,951
1.00% - 1.99%	114,191	50,620	1,534	0	166,345
2.00% - 2.99%	1,279	2	0	0	1,281
3.00% - 4.00%	99,705	861	0	0	100,566
Greater than 4.00%	134	0	0	0	134
Total	<u>\$ 218,260</u>	<u>\$ 51,483</u>	<u>\$ 1,534</u>	<u>\$ 0</u>	<u>\$ 271,277</u>
Variable Life / Universal Life					
Less than 1.00%	\$ 0	\$ 0	\$ 0	\$ 24,484	\$ 24,484
1.00% - 1.99%	27,959	0	285,234	207,376	520,569
2.00% - 2.99%	4,264	162,137	174,910	42,874	384,185
3.00% - 4.00%	252,340	235,856	915,873	0	1,404,069
Greater than 4.00%	365,918	0	0	0	365,918
Total	<u>\$ 650,481</u>	<u>\$ 397,993</u>	<u>\$ 1,376,017</u>	<u>\$ 274,734</u>	<u>\$ 2,699,225</u>

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	September 30, 2023				
Range of Guaranteed Minimum Crediting Rate(1)	At guaranteed minimum	1 - 50 bps above guaranteed minimum	51 - 150 bps above guaranteed minimum	Greater than 150 bps above guaranteed minimum	Total
	(in thousands)				
Fixed Annuities					
Less than 1.00%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1.00% - 1.99%	1,041	0	0	0	1,041
2.00% - 2.99%	19,633	0	0	0	19,633
3.00% - 4.00%	8,509	0	0	0	8,509
Greater than 4.00%	0	0	0	0	0
Total	\$ 29,183	\$ 0	\$ 0	\$ 0	\$ 29,183
Variable Annuities					
Less than 1.00%	\$ 469	\$ 0	\$ 0	\$ 0	\$ 469
1.00% - 1.99%	182,321	1,580	0	0	183,901
2.00% - 2.99%	1,584	0	0	0	1,584
3.00% - 4.00%	118,128	110	0	0	118,238
Greater than 4.00%	129	0	0	0	129
Total	\$ 302,631	\$ 1,690	\$ 0	\$ 0	\$ 304,321
Variable Life / Universal Life					
Less than 1.00%	\$ 0	\$ 0	\$ 0	\$ 33,731	\$ 33,731
1.00% - 1.99%	19,433	0	400,830	55,056	475,319
2.00% - 2.99%	3,946	154,613	183,835	28,193	370,587
3.00% - 4.00%	240,886	251,629	920,658	0	1,413,173
Greater than 4.00%	373,820	0	0	0	373,820
Total	\$ 638,085	\$ 406,242	\$ 1,505,323	\$ 116,980	\$ 2,666,630

(1) Excludes contracts without minimum guaranteed crediting rates, such as funds with indexed-linked crediting options.

Unearned Revenue Reserve ("URR")

The balances of and changes in URR as of and for the periods ended are as follows:

	Nine Months Ended September 30,	
	2024	2023
	Variable Life / Universal Life	
	(in thousands)	
Balance, beginning of period	\$ 370,258	\$ 313,711
Unearned revenue	54,039	55,483
Amortization expense	(13,421)	(11,840)
Balance, end of period	\$ 410,876	\$ 357,354
Less: Reinsurance recoverables	110,031	92,142
Balance after reinsurance recoverables, end of period	<u>\$ 300,845</u>	<u>\$ 265,212</u>

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

10. MARKET RISK BENEFITS

The following tables show a rollforward of MRB balances for variable annuity products, along with a reconciliation to the Company's total net MRB positions as of the following dates:

	Nine Months Ended September 30, 2024		
	Variable Annuities	Less: Reinsured Market Risk Benefits	Total, Net of Reinsurance
	(in thousands)		
Balance, beginning of period	\$ 301,771	\$ (301,771)	\$ 0
Effect of cumulative changes in non-performance risk	100,377	0	100,377
Balance, beginning of period, before effect of changes in non-performance risk	402,148	(301,771)	100,377
Attributed fees collected	77,254	(77,254)	0
Claims paid	(1,860)	1,860	0
Interest accrual	14,294	(14,294)	0
Actual in force different from expected	(405)	405	0
Effect of changes in interest rates	1,642	(1,642)	0
Effect of changes in equity markets	(143,284)	143,284	0
Effect of assumption update	7,091	(7,091)	0
Issuances	3,228	(3,228)	0
Other adjustments	(400)	400	0
Effect of changes in current period counterparty non-performance risk	0	(10,520)	(10,520)
Balance, end of period, before effect of changes in non-performance risk	359,708	(269,851)	89,857
Effect of cumulative changes in non-performance risk	(89,857)	0	(89,857)
Balance, end of period	\$ 269,851	\$ (269,851)	\$ 0

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	Nine Months Ended September 30, 2023		
	Variable Annuities	Less: Reinsured Market Risk Benefits	Total, Net of Reinsurance
	(in thousands)		
Balance, beginning of period	\$ 398,254	\$ (398,254)	\$ 0
Effect of cumulative changes in non-performance risk	163,169	0	163,169
Balance, beginning of period, before effect of changes in non-performance risk	561,423	(398,254)	163,169
Attributed fees collected	81,802	(81,802)	0
Claims paid	(3,661)	3,661	0
Interest accrual	20,878	(20,878)	0
Actual in force different from expected	6,017	(6,017)	0
Effect of changes in interest rates	(275,862)	275,862	0
Effect of changes in equity markets	(80,411)	80,411	0
Effect of assumption update	30,269	(30,269)	0
Issuances	(10,058)	10,058	0
Effect of changes in current period counterparty non-performance risk	0	(47,263)	(47,263)
Balance, end of period, before effect of changes in non-performance risk	330,397	(214,491)	115,906
Effect of cumulative changes in non-performance risk	(115,906)	0	(115,906)
Balance, end of period	\$ 214,491	\$ (214,491)	\$ 0

In both 2024 and 2023, the Company recognized an unfavorable impact to net income attributable to the actuarial assumption update for direct and assumed MRBs, primarily due to updates to policyholder behavior assumptions on certain variable annuities.

The Company issues certain variable annuity insurance contracts where the Company contractually guarantees to the contractholder a return of no less than (1) total deposits made to the contract adjusted for any partial withdrawals plus a minimum return, and/or (2) the highest anniversary contract value on a specified date adjusted for any withdrawals. These guarantees include benefits that are payable in the event of death, annuitization or at specified dates during the accumulation period and withdrawal and income benefits payable during specified periods.

The Company also issues indexed variable annuity contracts for which the return is tied to the return of specific indices where the Company contractually guarantees to the contractholder a return of no less than total deposits made to the contract adjusted for any partial withdrawals upon death.

For guarantees of benefits that are payable in the event of death, the net amount at risk is generally defined as the current guaranteed minimum death benefit in excess of the current account balance at the balance sheet date. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including fixed income and equity market returns, contract lapses and contractholder mortality.

For guarantees of benefits that are payable at annuitization, the net amount at risk is generally defined as the present value of the minimum guaranteed annuity payments available to the contractholder determined in accordance with the terms of the contract in excess of the current account balance. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including fixed income and equity market returns, timing of annuitization, contract lapses and contractholder mortality.

For guarantees of benefits that are payable at withdrawal, the net amount at risk is generally defined as the present value of the minimum guaranteed withdrawal payments available to the contractholder determined in accordance with the terms of the contract in excess of the current account balance.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

For guarantees of accumulation balances, the net amount at risk is generally defined as the guaranteed minimum accumulation balance minus the current account balance. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including equity market returns, interest rates, market volatility and contractholder behavior.

The following table presents accompanying information to the rollforward table above.

	September 30, 2024	September 30, 2023
	Variable Annuities	
	(\$ in thousands)	
Net amount at risk(1)	\$ 582,042	\$ 1,099,825
Weighted-average attained age of contractholders	70	69

(1) For contracts with multiple benefit features, the highest net amount at risk for each contract is included.

The table below reconciles MRB asset and liability positions as of the following dates:

	September 30, 2024	September 30, 2023
	Variable Annuities	
	(in thousands)	
Direct and assumed	\$ 128,830	\$ 137,162
Ceded	398,681	351,653
Total market risk benefit assets	\$ 527,511	\$ 488,815
Direct and assumed	\$ 398,681	\$ 351,653
Ceded	128,830	137,162
Total market risk benefit liabilities	\$ 527,511	\$ 488,815
Net balance	\$ 0	\$ 0

11. REINSURANCE

The Company participates in reinsurance with its affiliates Prudential Arizona Reinsurance Captive Company ("PARCC"), Prudential Arizona Reinsurance Term Company ("PAR Term"), PAR U, PURE, Prudential Term Reinsurance Company ("Term Re") and Dryden Arizona Reinsurance Term Company ("DART"), its parent companies, Pruco Life and Prudential Insurance, as well as third parties. The reinsurance agreements provide risk diversification and additional capacity for future growth, limit the maximum net loss potential, manage statutory capital, and facilitate the Company's capital market hedging program. Life reinsurance is accomplished through various plans of reinsurance, primarily yearly renewable term ("YRT") and coinsurance. Reinsurance ceded arrangements do not discharge the Company as the primary insurer. Ceded balances would represent a liability of the Company in the event the reinsurers were unable to meet their obligations to the Company under the terms of the reinsurance agreements. The Company believes a material reinsurance liability resulting from such inability of reinsurers to meet their obligations is unlikely.

Effective January 2024, the Company entered into an agreement with Somerset Reinsurance Ltd. ("Somerset Re") to coinsure a closed block of guaranteed universal life ("GUL") policies to PURE, a wholly-owned subsidiary of Prudential Insurance, with retrocession by PURE of such liabilities on a modified coinsurance basis, to Somerset Re. This transaction is effective as of January 1, 2024, whereby, the Company recaptured all risks associated with the subject GUL policies from PAR U and subsequently established YRT reinsurance for the subject GUL business with Prudential Insurance. As a result of the transactions, the Company recognized a \$173 million pre-tax recapture loss and a \$188 million DRG that will be amortized into income over the estimated remaining life of the reinsured policies.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Reserves related to reinsured long-duration contracts are accounted for using assumptions consistent with those used to account for the underlying contracts. Amounts recoverable from reinsurers for long-duration reinsurance arrangements are estimated in a manner consistent with the claim liabilities and policy benefits associated with the reinsured policies. Reinsurance policy charges and fee income ceded for universal life and variable annuity products are accounted for as a reduction of policy charges and fee income. Reinsurance premiums ceded for term insurance products are accounted for as a reduction of premiums.

"Change in value of market risk benefits, net of related hedging gain (loss)" include the impact of reinsurance agreements, particularly reinsurance agreements involving living benefit guarantees. The Company has entered into a reinsurance agreement to transfer the risk related to living benefit guarantees on variable annuities to Prudential Insurance. These reinsurance agreements are market risk benefits and have been accounted for in the same manner.

Reinsurance amounts included in the Company's Unaudited Interim Statements of Financial Position were as follows:

	September 30, 2024	December 31, 2023
	(in thousands)	
Reinsurance recoverables	\$ 4,562,898	\$ 3,603,225
Policy loans	(27,475)	(24,518)
Deferred policy acquisition costs	(619,460)	(620,878)
Deferred sales inducements	(33,303)	(35,313)
Market risk benefit assets	398,681	419,715
Other assets	40,149	40,267
Market risk benefit liabilities	128,830	117,944
Other liabilities	1,364,955	412,919

Reinsurance recoverables by counterparty are as follows:

	September 30, 2024	December 31, 2023
	(in thousands)	
Prudential Insurance	\$ 1,588,340	\$ 724,297
PAR U	836,981	1,725,753
PARCC	405,056	432,554
PAR Term	292,502	279,990
Term Re	297,245	275,721
DART	113,229	102,611
Pruco Life	49,739	57,509
PURE	975,479	0
Unaffiliated	4,327	4,790
Total reinsurance recoverables	\$ 4,562,898	\$ 3,603,225

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Reinsurance amounts, included in the Company's Unaudited Interim Statements of Operations and Comprehensive Income (Loss) for the three and nine months ended September 30, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Premiums:				
Direct	\$ 60,029	\$ 58,019	\$ 180,147	\$ 181,716
Ceded	(48,318)	(47,874)	(145,950)	(151,828)
Net premiums	11,711	10,145	34,197	29,888
Policy charges and fee income:				
Direct	96,670	89,010	279,173	263,663
Assumed	9,022	0	44,737	0
Ceded(1)	(84,619)	(71,598)	51,780	(210,770)
Net policy charges and fee income	21,073	17,412	375,690	52,893
Net investment income:				
Direct	57,265	49,555	159,685	118,612
Ceded	(268)	(196)	(867)	(619)
Net investment income	56,997	49,359	158,818	117,993
Asset administration fees:				
Direct	9,642	9,031	28,021	26,797
Ceded	(6,705)	(6,682)	(19,845)	(20,098)
Net asset administration fees	2,937	2,349	8,176	6,699
Other income (loss):				
Direct	2,213	35	2,307	1,452
Ceded	1,964	0	6,021	6
Net other income	4,177	35	8,328	1,458
Realized investment gains (losses), net:				
Direct	(23,527)	1,890	(9,323)	(12,363)
Ceded	(13,163)	14,465	(38,965)	15,803
Realized investment gains (losses), net	(36,690)	16,355	(48,288)	3,440
Change in value of market risk benefits, net of related hedging gain (loss):				
Direct	(39,273)	162,638	119,558	312,127
Ceded	33,940	(122,517)	(109,038)	(264,865)
Net change in value of market risk benefits, net of related hedging gain (loss)	(5,333)	40,121	10,520	47,262
Policyholders' benefits (including change in reserves):				
Direct	85,234	133,799	307,749	355,387
Assumed	0	0	508	0
Ceded(2)	(88,782)	(112,607)	255,842	(300,135)
Net policyholders' benefits (including change in reserves)	(3,548)	21,192	564,099	55,252
Change in estimates of liability for future policy benefits:				
Direct	11,683	(12,618)	31,021	(10,419)
Ceded	(12,723)	12,530	(36,245)	8,248
Net change in estimates of liability for future policy benefits	(1,040)	(88)	(5,224)	(2,171)

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest credited to policyholders' account balances:				
Direct	34,328	28,337	98,038	68,256
Ceded	(15,116)	(8,908)	(37,628)	(25,067)
Net interest credited to policyholders' account balances	19,212	19,429	60,410	43,189
Reinsurance expense allowances and general and administrative expenses, net of capitalization and amortization	(29,702)	(31,432)	(123,367)	(98,797)

(1) Includes \$(1.3) million and \$(1.2) million of unaffiliated activity for the three months ended September 30, 2024 and 2023, respectively, and \$(3.8) million and \$(3.7) million for the nine months ended September 30, 2024 and 2023, respectively.

(2) Includes \$0.0 million of unaffiliated activity for both the three months ended September 30, 2024 and 2023, and (2.3) million and \$(1.9) million for the nine months ended September 30, 2024 and 2023, respectively.

The gross and net amounts of life insurance face amount in force as of September 30, 2024 and 2023 were as follows:

	2024	2023
	(in thousands)	
Direct gross life insurance face amount in force	\$ 156,027,156	\$ 154,081,712
Reinsurance ceded	(142,591,118)	(139,657,841)
Net life insurance face amount in force	\$ 13,436,038	\$ 14,423,871

Significant Affiliated Reinsurance Agreements

Prudential Insurance

The Company has a YRT reinsurance agreement with Prudential Insurance and reinsures the majority of all mortality risks not otherwise reinsured. Effective July 1, 2017, this agreement was terminated for certain new business, primarily universal life business, and such business was reinsured to Pruco Life under a YRT reinsurance agreement. As of January 1, 2020, the remaining portions of new business (specifically term policies) ceased being reinsured by the Company to Prudential Insurance, and a separate YRT reinsurance agreement was established with Pruco Life for term policies. Effective January 1, 2024, the Company recaptured all GUL policies with Prudential Insurance and subsequently entered into a YRT reinsurance agreement with Prudential Insurance to reinsure the mortality risk for the totality of GUL policies reinsured to PURE.

Effective April 1, 2016, the Company entered into a reinsurance agreement with Prudential Insurance to reinsure its variable annuity base contracts, along with the living benefit guarantees. As of December 31, 2020, the Company discontinued the sales of traditional variable annuities with guaranteed living benefit riders. This discontinuation has no impact on the reinsurance agreement between Prudential Insurance and the Company. Effective February 1, 2023, the Company began selling indexed variable annuities products, which is reinsured to Prudential Insurance through the existing reinsurance agreement. The reinsurance of the indexed variable annuities transfers all significant risks, including mortality risk, embedded in the reinsured contracts to Prudential Insurance. As a result of the agreement, reinsurance payables includes the ceded modified coinsurance arrangement, which reflects the value of the invested assets retained by the Company and the associated asset returns.

PAR U

Effective July 1, 2012, the Company reinsures 95% of all risks associated with Universal Protector policies having no-lapse guarantees as well as certain other universal life policies, with effective dates through December 31, 2019, excluding those policies that are subject to principle-based reserving.

Effective January 1, 2024, the Company recaptured the policies previously reinsured by PAR U with effective dates prior to January 1, 2015. Effective January 1, 2024, the Company reinsures 100% of the risks associated with universal life policies with effective dates from January 1, 2015 to December 31, 2019, excluding those policies that are subject to principle-based reserving.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

PURE

Effective January 1, 2024, the Company reinsures 100% of the risks associated with Universal Protector policies having no-lapse guarantees as well as certain other universal life policies with effective dates prior to January 1, 2015.

PARCC

The Company reinsures 90% of the risks under its term life insurance policies, with effective dates prior to January 1, 2010 through an automatic coinsurance agreement with PARCC.

PAR Term

The Company reinsures 95% of the risks under its term life insurance policies, with effective dates January 1, 2010 through December 31, 2013, through an automatic coinsurance agreement with PAR Term.

Term Re

The Company reinsures 95% of the risks under its term life insurance policies, with effective dates on or after January 1, 2014 through December 31, 2017, through an automatic coinsurance agreement with Term Re.

Pruco Life

Effective July 1, 2017, the Company entered into a YRT reinsurance agreement with Pruco Life for new business, primarily covering universal life policies. Effective January 1, 2020, the Company entered in a similar YRT reinsurance agreement with Pruco Life for new business relating to term policies. Under these agreements the majority of all mortality risk is ceded to Pruco Life. The Company also reinsures certain Corporate Owned Life Insurance (“COLI”) policies with Pruco Life. Through March 31, 2016, the Company reinsured Prudential Defined Income (“PDI”) living benefit guarantees with Pruco Life. Effective April 1, 2016, the Company recaptured PDI living benefit guarantees from Pruco Life and reinsured them, together with the related variable annuity base contracts, with Prudential Insurance.

DART

Effective January 1, 2018, the Company entered into an automatic coinsurance agreement with DART to reinsure 95% of the risks associated with its term life insurance policies, with effective dates on or after January 1, 2018 through December 31, 2019, excluding those policies that are subject to principle-based reserving.

12. INCOME TAXES

The Company uses a full year projected effective tax rate approach to calculate year-to-date taxes. In determining the full year projected tax rate, the Company considers the realizability of deferred tax assets, including those associated with unrealized investment losses, and has determined based upon the weight of available evidence that no valuation allowance is necessary related to unrealized investment losses. In addition, certain items impacting total income tax expense are recorded in the periods in which they occur. The projected effective tax rate is the ratio of projected “Income tax expense (benefit)” divided by projected “Income (loss) from operations before income taxes”. The interim period tax expense (or benefit) is the difference between the year-to-date income tax provision and the amounts reported for the previous interim periods of the fiscal year.

The Company's income tax provision amounted to an income tax benefit of \$(31.2) million, or 34.43% of income (loss) from operations before income taxes in the first nine months of 2024, compared to an income tax expense of \$12.1 million, or 11.32%, in the first nine months of 2023. The Company's current and prior effective tax rates differed from the U.S. statutory tax rate of 21% primarily due to non-taxable investment income and tax credits.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Inflation Reduction Act. On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (the “Inflation Reduction Act”), (House of Representatives, 5376). One of the most significant provisions of the Inflation Reduction Act is a 15% corporate alternative minimum tax (CAMT) based on the Company’s GAAP income, with certain adjustments. This provision, which is applicable only to companies with average applicable financial statement income in excess of \$1 billion for any three-year period ending in 2022 or later, is effective in taxable years beginning after December 31, 2022. The impact of the book-income alternative minimum tax, if any, will vary from year to year based on the relationship of the Company’s GAAP income to the Company’s taxable income. Any tax paid pursuant to this provision is available as a tax credit in future years when the Company’s tax rate exceeds the 15% minimum tax threshold. The Company is subject to CAMT for 2024 which may or may not result in a CAMT cash tax liability and will have no impact to the full year effective tax rate.

13. EQUITY

Accumulated Other Comprehensive Income (Loss)

AOCI represents the cumulative OCI items that are reported separate from net income and detailed on the Unaudited Interim Statements of Operations and Comprehensive Income (Loss). The balance of and changes in each component of AOCI as of and for the nine months ended September 30, 2024 and 2023, are as follows:

	Accumulated Other Comprehensive Income (Loss)				
	Foreign Currency Translation Adjustment	Net Unrealized Investment Gains (Losses)(1)	Interest Rate Remeasurement of Future Policy Benefits	Gain (Loss) from Changes in Non- Performance Risk on Market Risk Benefits	Total Accumulated Other Comprehensive Income (Loss)
	(in thousands)				
Balance, December 31, 2023	\$ (1,079)	\$ (130,117)	\$ 4,369	\$ 79,300	\$ (47,527)
Change in OCI before reclassifications	184	32,597	(1,894)	(10,520)	20,367
Amounts reclassified from AOCI	0	799	0	0	799
Income tax benefit (expense)	(47)	(7,005)	398	2,209	(4,445)
Balance, September 30, 2024	<u>\$ (942)</u>	<u>\$ (103,726)</u>	<u>\$ 2,873</u>	<u>\$ 70,989</u>	<u>\$ (30,806)</u>

	Accumulated Other Comprehensive Income (Loss)				
	Foreign Currency Translation Adjustment	Net Unrealized Investment Gains (Losses)(1)	Interest Rate Remeasurement of Future Policy Benefits	Gain (Loss) from Changes in Non- Performance Risk on Market Risk Benefits	Total Accumulated Other Comprehensive Income (Loss)
	(in thousands)				
Balance, December 31, 2022	\$ (1,214)	\$ (176,386)	\$ 12,504	\$ 128,906	\$ (36,190)
Change in OCI before reclassifications	(1)	(101,892)	13,653	(47,262)	(135,502)
Amounts reclassified from AOCI	0	(1,142)	0	0	(1,142)
Income tax benefit (expense)	(45)	21,682	(2,867)	9,925	28,695
Balance, September 30, 2023	<u>\$ (1,260)</u>	<u>\$ (257,738)</u>	<u>\$ 23,290</u>	<u>\$ 91,569</u>	<u>\$ (144,139)</u>

(1) Includes cash flow hedges of \$4 million and \$5 million as of September 30, 2024 and December 31, 2023, respectively, and \$13 million and \$14 million as of September 30, 2023 and December 31, 2022, respectively.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Reclassifications out of Accumulated Other Comprehensive Income (Loss)

	Three Months Ended September 30,		Nine Months Ended September 30,					
	2024	2023	2024	2023				
	(in thousands)							
<u>Amounts reclassified from AOCI(1)(2):</u>								
Net unrealized investment gains (losses):								
Cash flow hedges - Currency/Interest rate(3)	\$	(962)	\$	459	\$	335	\$	1,203
Net unrealized investment gains (losses) on available-for-sale securities		(687)		(1)		(1,134)		(61)
Total net unrealized investment gains (losses)(4)		(1,649)		458		(799)		1,142
Total reclassifications for the period	\$	(1,649)	\$	458	\$	(799)	\$	1,142

(1) All amounts are shown before tax.

(2) Positive amounts indicate gains/benefits reclassified out of AOCI. Negative amounts indicate losses/costs reclassified out of AOCI.

(3) See Note 4 for additional information on cash flow hedges.

(4) See table below for additional information on unrealized investment gains (losses), including the impact on future policy benefits, policyholders' account balances and other liabilities.

Net Unrealized Investment Gains (Losses)

Net unrealized investment gains (losses) on available-for-sale fixed maturity securities and certain other invested assets and other assets are included in the Company's Unaudited Interim Statements of Financial Position as a component of AOCI. Changes in these amounts include reclassification adjustments to exclude from OCI those items that are included as part of "Net income (loss)" for a period that had been part of OCI in earlier periods. The amounts for the periods indicated below, split between amounts related to net unrealized investment gains (losses) on available-for-sale fixed maturity securities on which an allowance for credit losses has been recognized, and all other net unrealized investment gains (losses), are as follows:

	Net Unrealized Investment Gains (Losses) on Available- for-Sale Fixed Maturity Securities on Which an Allowance for Credit Losses has been Recognized	Net Unrealized Gains (Losses) on All Other Investments(1)	Other Costs(2)	Future Policy Benefits, Policyholders' Account Balances and Other Liabilities(3)	Income Tax Benefit (Expense)	Accumulated Other Comprehensive Income (Loss) Related to Net Unrealized Investment Gains (Losses)
	(in thousands)					
Balance, December 31, 2023	\$ 0	\$ (192,271)	\$ (52,266)	\$ 79,826	\$ 34,594	\$ (130,117)
Net investment gains (losses) on investments arising during the period	56	35,417	0	0	(7,441)	28,032
Reclassification adjustment for (gains) losses included in net income	0	799	0	0	(168)	631
Impact of net unrealized investment (gains) losses	0	0	36,970	(39,846)	604	(2,272)
Balance, September 30, 2024	\$ 56	\$ (156,055)	\$ (15,296)	\$ 39,980	\$ 27,589	\$ (103,726)

(1) Includes cash flow hedges. See Note 4 for information on cash flow hedges.

(2) "Other costs" primarily includes reinsurance recoverables.

(3) "Other liabilities" primarily includes reinsurance payables.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

14. RELATED PARTY TRANSACTIONS

The Company has extensive transactions and relationships with Prudential Insurance and other affiliates. Although we seek to ensure that these transactions and relationships are fair and reasonable, it is possible that the terms of these transactions are not the same as those that would result from transactions among unrelated parties.

Expense Charges and Allocations

The majority of the Company's expenses are allocations or charges from Prudential Insurance or other affiliates. These expenses can be grouped into general and administrative expenses and agency distribution expenses.

The Company's general and administrative expenses are charged to the Company using allocation methodologies based on business production processes. Management believes that the methodology is reasonable and reflects costs incurred by Prudential Insurance to process transactions on behalf of the Company. The Company operates under service and lease agreements whereby services of officers and employees, supplies, use of equipment and office space are provided by Prudential Insurance. The Company reviews its allocation methodology periodically which it may adjust accordingly. General and administrative expenses include allocations of stock compensation expenses related to a stock-based awards program and a deferred compensation program issued by Prudential Financial. The expense charged to the Company for the stock-based awards program was \$0.1 million for both the three months ended September 30, 2024 and 2023, and \$0.1 million for both the nine months ended September 30, 2024 and 2023. The expense charged to the Company for the deferred compensation program was \$0.1 million for both the three months ended September 30, 2024 and 2023, and \$0.5 million and \$0.4 million for the nine months ended September 30, 2024 and 2023, respectively.

The Company is charged for its share of employee benefit expenses. These expenses include costs for funded and non-funded, non-contributory defined benefit pension plans. Some of these benefits are based on final earnings and length of service while others are based on an account balance, which takes into consideration age, service and earnings during a career. The Company's share of net expense for the pension plans was \$0.2 million and \$0.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$0.6 million and \$0.8 million for the nine months ended September 30, 2024 and 2023, respectively.

The Company is also charged for its share of the costs associated with welfare plans issued by Prudential Insurance. These expenses include costs related to medical, dental, life insurance and disability. The Company's share of net expense for the welfare plans was \$0.5 million and \$0.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$1.3 million and \$0.9 million for the nine months ended September 30, 2024 and 2023, respectively.

Prudential Insurance sponsors voluntary savings plans for its employee 401(k) plans. The plans provide for salary reduction contributions by employees and matching contributions by the Company of up to 4% of annual salary. The Company's expense for its share of the voluntary savings plan was \$0.2 million and \$0.1 million for the three months ended September 30, 2024 and 2023, respectively, and \$0.5 million and \$0.4 million for the nine months ended September 30, 2024 and 2023, respectively.

The Company is charged distribution expenses from Prudential's proprietary nationwide sales organization, "Prudential Advisors" through a transfer pricing agreement, which is intended to reflect a market-based pricing arrangement. Prudential Advisors distributes Prudential life insurance, annuities, and investment products with proprietary and non-proprietary product options.

The Company pays commissions and certain other fees to Prudential Annuities Distributors, Inc. ("PAD") in consideration for PAD's marketing and underwriting of the Company's annuity products. Commissions and fees are paid by PAD to broker-dealers who sell the Company's annuity products. Commissions and fees paid by the Company to PAD were \$20 million and \$11 million for the three months ended September 30, 2024 and 2023, respectively, and \$54 million and \$31 million for the nine months ended September 30, 2024 and 2023, respectively.

The Company is charged for its share of corporate expenses incurred by Prudential Financial to benefit its businesses, such as advertising, executive oversight, external affairs and philanthropic activity. The Company's share of corporate expenses was \$3 million and \$4 million for the three months ended September 30, 2024 and 2023, respectively, and \$11 million and \$12 million for the nine months ended September 30, 2024 and 2023, respectively.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Corporate-Owned Life Insurance

The Company has sold three COLI policies to Prudential Insurance and one to Prudential Financial. The cash surrender value included in separate accounts for these COLI policies was \$2,820 million and \$2,452 million at September 30, 2024 and December 31, 2023, respectively. Fees related to these COLI policies were \$7 million for both the three months ended September 30, 2024 and 2023, and \$20 million and \$19 million for the nine months ended September 30, 2024 and 2023, respectively. The Company retains 10% of the mortality risk associated with these COLI policies up to \$0.1 million per individual policy.

In May 2023, the Company funded a policy loan from the Prudential Financial COLI policy noted above in an amount of \$900 million to an affiliated irrevocable trust, commonly referred to as a “rabbi trust”, which Prudential Financial created to support certain non-qualified retirement plans. The outstanding balance of the policy loan with the rabbi trust was \$897 million and \$898 million as of September 30, 2024 and December 31, 2023, respectively. Interest income related to the policy loan was \$11 million and \$10 million for the three months ended September 30, 2024 and 2023, respectively, and \$32 million and \$15 million for the nine months ended September 30, 2024 and 2023, respectively.

Affiliated Investment Management Expenses

In accordance with an agreement with PGIM, Inc. (“PGIM”), the Company pays investment management expenses to PGIM who acts as investment manager to certain Company general account and separate account assets. Investment management expenses paid to PGIM related to this agreement were \$0.7 million for both the three months ended September 30, 2024 and 2023, and \$2.0 million and \$1.9 million for the nine months ended September 30, 2024 and 2023, respectively. These expenses are recorded as “Net investment income” in the Company's Unaudited Interim Statements of Operations and Comprehensive Income (Loss).

Derivative Trades

In its ordinary course of business, the Company enters into OTC derivative contracts with an affiliate, PGF. For these OTC derivative contracts, PGF has a substantially equal and offsetting position with an external counterparty. See Note 4 for additional information.

Joint Ventures

The Company has made investments in joint ventures with certain subsidiaries of Prudential Financial. “Other invested assets” includes \$73 million and \$58 million of investments in joint ventures as of September 30, 2024 and December 31, 2023, respectively. “Net investment income” related to these ventures includes gains(losses) of \$0.8 million and \$1.8 million for the three months ended September 30, 2024 and 2023, respectively, and \$3.0 million and \$1.4 million for the nine months ended September 30, 2024 and 2023, respectively.

Affiliated Asset Administration Fee Income

The Company has a revenue sharing agreement with AST Investment Services, Inc. (“ASTISI”) and PGIM Investments LLC (“PGIM Investments”) whereby the Company receives fee income based on policyholders' separate account balances invested in the Advanced Series Trust. Income received from ASTISI and PGIM Investments related to this agreement was \$7 million and \$6 million for the three months ended September 30, 2024 and 2023, respectively, and \$20 million for both the nine months ended September 30, 2024 and 2023. These revenues are recorded as “Asset administration fees” in the Company's Unaudited Interim Statements of Operations and Comprehensive Income (Loss).

The Company has a revenue sharing agreement with PGIM Investments, whereby the Company receives fee income based on policyholders' separate account balances invested in The Prudential Series Fund. Income received from PGIM Investments related to this agreement was \$2 million for both the three months ended September 30, 2024 and 2023, and \$7 million and \$6 million for the nine months ended September 30, 2024 and 2023, respectively. These revenues are recorded as “Asset administration fees” in the Company's Unaudited Interim Statements of Operations and Comprehensive Income (Loss).

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Affiliated Notes Receivable

Affiliated notes receivable included in “Receivables from parent and affiliates” at September 30, 2024 and December 31, 2023 is as follows:

	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
			(in thousands)	
U.S. dollar fixed rate notes	2032	0.00% - 14.85 %	\$ 29,234	\$ 0
Total notes receivable - affiliated(1)			\$ 29,234	\$ 0

(1) All notes receivable may be called for prepayment prior to the respective maturity dates under specified circumstances.

The affiliated notes receivable shown above are classified as available-for-sale securities and other trading assets carried at fair value. The Company monitors the internal and external credit ratings of these loans and loan performance. The Company also considers any guarantees made by Prudential Insurance for loans due from affiliates.

Accrued interest receivable related to these loans was \$0.5 million and \$0.0 million as of September 30, 2024 and December 31, 2023, respectively, and is included in "Accrued investment income". Revenues related to these loans were \$0.0 million for both the three months ended September 30, 2024 and 2023, and \$0.0 million for both the nine months ended September 30, 2024 and 2023, and are included in “Other income (loss)”.

Affiliated Asset Transfers

The Company participates in affiliated asset trades with parent and sister companies. Book and market value differences for trades with a parent and sister are recognized within "Additional paid-in capital" (“APIC”) and "Realized investment gains (losses), net", respectively. The table below shows affiliated asset trades for the nine months ended September 30, 2024 and for the year ended December 31, 2023.

<u>Affiliate</u>	<u>Date</u>	<u>Transaction</u>	<u>Security Type</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>APIC, Net of Tax Increase/(Decrease)</u>	<u>Realized Investment Gain (Loss)</u>
						(in thousands)	
Prudential Insurance	June 2023	Purchase	Fixed Maturities	\$ 14,452	\$ 15,086	\$ 501	\$ 0
PURC	December 2023	Sale	Commercial Mortgage and Other Loans	\$ 762	\$ 754	\$ 0	\$ 8
PAR U	January 2024	Transfer in	Fixed Maturities	\$ 778,745	\$ 778,745	\$ 0	\$ 0
PURE	January 2024	Transfer out	Fixed Maturities	\$ 778,745	\$ 778,745	\$ 0	\$ 0
PAR U	June 2024	Purchase	Commercial Mortgage and Other Loans	\$ 12,555	\$ 12,555	\$ 0	\$ 0

Debt Agreements

The Company is authorized to borrow funds up to \$250 million from affiliates to meet its capital and other funding needs. There was no debt outstanding as of both September 30, 2024 and December 31, 2023.

The total interest expense to the Company related to loans payable to affiliates was \$0.0 million and \$(0.1) million for the three months ended September 30, 2024 and 2023, respectively, and \$0.0 million for both the nine months ended September 30, 2024 and 2023.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Contributed Capital and Dividends

In February and December 2023, the Company received capital contributions in the amount of \$175 million and \$82 million from Pruco Life, respectively.

Through September 2024 and December 2023, the Company did not pay any dividends to Pruco Life.

Reinsurance with Affiliates

As discussed in Note 11, the Company participates in reinsurance transactions with certain affiliates.

15. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

The Company has made commitments to fund commercial mortgage and agricultural property loans. As of September 30, 2024 and December 31, 2023, the outstanding balances on these commitments were \$47 million and \$20 million, respectively. These amounts include unfunded commitments that are not unconditionally cancellable. For related credit exposure, there was an allowance for credit losses of \$0.0 million and \$0 million as of September 30, 2024 and December 31, 2023, respectively. There was a change in allowance of \$0.0 million and \$0 million for the three and nine months ended September 30, 2024 and September 30, 2023, respectively. The Company also made commitments to purchase or fund investments, mostly fund investments and private fixed maturities, some of which are contingent upon events or circumstances not under the Company's control, including those at the discretion of the Company's counterparties. The Company anticipates a portion of these commitments will ultimately be funded from its separate accounts. As of September 30, 2024 and December 31, 2023, \$104 million and \$135 million, respectively, of these commitments were outstanding. These amounts include unfunded commitments that are not unconditionally cancellable. There were no related charges for credit losses for either the three or nine months ended September 30, 2024 or 2023.

Contingent Liabilities

On an ongoing basis, the Company and its regulators review its operations including, but not limited to, sales and other customer interface procedures and practices, and procedures for meeting obligations to its customers and other parties. These reviews may result in the modification or enhancement of processes or the imposition of other action plans, including concerning management oversight, sales and other customer interface procedures and practices, and the timing or computation of payments to customers and other parties. In certain cases, if appropriate, the Company may offer customers or other parties remediation and may incur charges, including the cost of such remediation, administrative costs and regulatory fines.

The Company is subject to the laws and regulations of states and other jurisdictions concerning the identification, reporting and escheatment of unclaimed or abandoned funds, and is subject to audit and examination for compliance with these requirements.

It is possible that the results of operations or the cash flows 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 or other matters depending, in part, upon the results of operations or cash flows for such period. Management believes, however, that ultimate payments in connection with these matters, after consideration of applicable reserves and rights to indemnification, should not have a material adverse effect on the Company's financial position.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Litigation and Regulatory Matters

The Company is subject to legal and regulatory actions in the ordinary course of its business. Pending legal and regulatory actions include proceedings specific to the Company and proceedings generally applicable to business practices in the industry in which it operates. The Company is subject to class action lawsuits and other litigation involving a variety of issues and allegations involving sales practices, claims payments and procedures, premium charges, policy servicing and breach of fiduciary duty to customers. The Company is also subject to litigation arising out of its general business activities, such as its investments, contracts, leases and labor and employment relationships, including claims of discrimination and harassment, and could be exposed to claims or litigation concerning certain business or process patents. In addition, the Company, along with other participants in the businesses in which it engages, may be subject from time to time to investigations, examinations and inquiries, in some cases industry-wide, concerning issues or matters upon which such regulators have determined to focus. In some of the Company's pending legal and regulatory actions, parties are seeking large and/or indeterminate amounts, including punitive or exemplary damages. The outcome of litigation or a regulatory matter, and the amount or range of potential loss at any particular time, is often inherently uncertain.

The Company establishes accruals for litigation and regulatory matters when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. For litigation and regulatory matters where a loss may be reasonably possible, but not probable, or is probable but not reasonably estimable, no accrual is established, but the matter, if material, is disclosed. The Company estimates that as of September 30, 2024, the aggregate range of reasonably possible losses in excess of accruals established for those litigation and regulatory matters for which such an estimate currently can be made is less than \$10 million. This estimate is not an indication of expected loss, if any, or the Company's maximum possible loss exposure on such matters. The Company reviews relevant information with respect to its litigation and regulatory matters on a quarterly and annual basis and updates its accruals, disclosures and estimates of reasonably possible loss based on such reviews.

The following discussion of litigation and regulatory matters provides an update of those matters discussed in Note 16 to the Company's Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and should be read in conjunction with the complete descriptions provided in the Form 10-K.

Regulatory

Variable Products

The Company has received regulatory inquiries and requests for information from state and federal regulators, including subpoenas from the U.S. Securities and Exchange Commission (the "SEC"), concerning the appropriateness of variable product sales and replacement activity. The Company is cooperating with regulators and may become subject to additional regulatory inquiries and other actions related to this matter.

In September 2024, the SEC notified the Company that the SEC has concluded its investigation and is not recommending an enforcement action.

Summary

The Company's litigation and regulatory matters are subject to many uncertainties, and given their complexity and scope, their outcome cannot be predicted. It is possible that the Company's results of operations or cash flows in a particular quarterly or annual period could be materially affected by an ultimate unfavorable resolution of pending litigation and regulatory matters depending, in part, upon the results of operations or cash flows for such period. In light of the unpredictability of the Company's litigation and regulatory matters, it is also possible that in certain cases an ultimate unfavorable resolution of one or more pending litigation or regulatory matters could have a material adverse effect on the Company's financial statements. Management believes, however, that, based on information currently known to it, the ultimate outcome of all pending litigation and regulatory matters, after consideration of applicable reserves and rights to indemnification, is not likely to have a material adverse effect on the Company's financial statements.

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

16. REVISION TO PRIOR PERIOD FINANCIAL STATEMENTS

Revision to Financial Statements as of and for the Three Months Ended March 31, 2024

The Company identified errors which impacted the previously issued interim Financial Statements for the three months ended March 31, 2024. Certain life insurance reserves and a reinsurance recoverable balance associated with the modified coinsurance agreement with Prudential Insurance were not properly accounted for. Prior period amounts have been revised in the Financial Statements to correct these errors as shown below.

Management assessed the materiality of the misstatements described above on prior period financial statements in accordance with SEC Staff Accounting Bulletin ("SAB") No. 99, Materiality, codified in ASC 250-10, Accounting Changes and Error Corrections ("ASC 250"), and concluded that these misstatements were not material to any prior interim periods. However, management determined it was appropriate to correctly present the financial statements as of and for the three months ended June 30, 2024. Accordingly, in accordance with ASC 250 (SAB No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements), the Financial Statements for the three months ended March 31, 2024, will be revised when they are presented within the Quarterly Report on Form 10-Q for the period ended March 31, 2025.

The following are selected line items from the Financial Statements illustrating the effects of these adjustments:

Unaudited Interim Statements of Financial Position

	March 31, 2024		
	As Previously Reported	Revision	As Revised
	(in thousands)		
ASSETS			
Reinsurance recoverables	\$ 4,008,437	\$ (38,689)	\$ 3,969,748
Income tax assets	133,862	(4,633)	129,229
TOTAL ASSETS	\$ 23,829,953	\$ (43,322)	\$ 23,786,631
LIABILITIES AND EQUITY			
LIABILITIES			
Future policy benefits	\$ 2,389,895	\$ (30,838)	\$ 2,359,057
Other liabilities	1,002,953	(20,008)	982,945
Total liabilities	22,594,779	(50,846)	22,543,933
EQUITY			
Total equity	1,235,174	7,524	1,242,698
TOTAL LIABILITIES AND EQUITY	\$ 23,829,953	\$ (43,322)	\$ 23,786,631

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY
Notes to Unaudited Interim Financial Statements—(Continued)

Unaudited Interim Statements of Operations and Comprehensive Income (Loss)

	Three Months Ended March 31, 2024		
	As Previously Reported	Revision	As Revised
	(in thousands)		
REVENUES			
Policy charges and fee income	\$ 329,584	\$ 7,557	\$ 337,141
Realized investment gains (losses), net	(4,591)	443	(4,148)
TOTAL REVENUES	411,468	8,000	419,468
BENEFITS AND EXPENSES			
Policyholders' benefits	547,458	(3,365)	544,093
General, administrative and other expenses	13,831	(792)	13,039
TOTAL BENEFITS AND EXPENSES	551,898	(4,157)	547,741
INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES	(140,430)	12,157	(128,273)
Income tax expense (benefit)	(53,516)	4,633	(48,883)
NET INCOME (LOSS)	\$ (86,914)	\$ 7,524	\$ (79,390)

Unaudited Interim Statements of Equity

	Retained Earnings			Total Equity		
	As Previously Reported	Revision	As Revised	As Previously Reported	Revision	As Revised
	(in thousands)					
Balance, December 31, 2023	\$ 381,140	\$ 0	\$ 381,140	\$ 1,368,126	\$ 0	\$ 1,368,126
Comprehensive income (loss):						
Net income (loss)	(86,914)	7,524	(79,390)	(86,914)	7,524	(79,390)
Total comprehensive income (loss)	(86,914)	7,524	(79,390)	(132,952)	7,524	(125,428)
Balance, March 31, 2024	\$ 294,226	\$ 7,524	\$ 301,750	\$ 1,235,174	\$ 7,524	\$ 1,242,698

Unaudited Interim Statements of Cash Flows

	Three Months Ended March 31, 2024		
	As Previously Reported	Revision	As Revised
	(in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (86,914)	\$ 7,524	\$ (79,390)
Policy charges and fee income	(377,781)	(6,192)	(383,973)
Realized investment (gains) losses, net	4,591	(443)	4,148
Change in:			
Future policy benefits and other insurance liabilities	98,729	(30,838)	67,891
Reinsurance recoverables	(29,618)	37,048	7,430
Income taxes	(53,545)	4,633	(48,912)
Other, net	464,674	(11,732)	452,942
Cash flows from (used in) operating activities	(18,869)	0	(18,869)

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

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") addresses the financial condition of Pruco Life Insurance Company of New Jersey, or the "Company," as of September 30, 2024, compared with December 31, 2023, and its results of operations for the three and nine months ended September 30, 2024 and 2023. You should read the following analysis of our financial condition and results of operations in conjunction with the MD&A, the "Risk Factors" section, and the audited Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as well as the statements under "Forward-Looking Statements" and the Unaudited Interim Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

Overview

The Company is licensed to sell variable annuities, indexed variable annuities, fixed annuities, universal life insurance, variable life insurance and term life insurance in New Jersey and New York. The Company only sells such products in New York primarily through affiliated and unaffiliated distributors.

Effective January 2024, the Company entered into an agreement with Somerset Reinsurance Ltd. ("Somerset Re") to coinsure a closed block of guaranteed universal life ("GUL") policies to Prudential Universal Reinsurance Entity Company ("PURE"), a wholly-owned subsidiary of The Prudential Insurance Company of America ("Prudential Insurance"), with retrocession by PURE of such liabilities on a modified coinsurance basis, to Somerset Re. This transaction is effective as of January 1, 2024, whereby, the Company recaptured all risks associated with the subject GUL policies from Prudential Arizona Reinsurance Universal Company ("PAR U") and subsequently established yearly renewable term ("YRT") reinsurance for the subject GUL business with Prudential Insurance. See Note 11 to the Unaudited Interim Financial Statements for additional information.

In August 2024, Pruco Life entered into an agreement with Wilton Re to coinsure certain guaranteed universal life policies issued by PLNJ. As part of the transaction, the Company will coinsure the guaranteed universal life policies to Pruco Life, with retrocession by Pruco Life of such liabilities on a coinsurance basis to Wilton Re. The transaction is subject to regulatory approvals and customary closing conditions.

Impact of Changes in the Interest Rate Environment

As a financial services company, market interest rates are a key driver of our liquidity and capital positions, cash flows, results of operations and financial position. Changes in interest rates can affect these in several ways, including favorable or adverse impacts to:

- investment-related activity, including: investment income returns, net investment spread results, new money rates, mortgage loan prepayments and bond redemptions;
- the valuation of fixed income investments and derivative instruments;
- collateral posting requirements, hedging costs and other risk mitigation activities;
- customer account values and assets under management, including their impacts on fee-related income;
- insurance reserve levels, including market risk benefits ("MRBs"), and market experience true-ups;
- policyholder behavior, including surrender or withdrawal activity; and
- product offerings, design features, crediting rates and sales mix.

For additional information regarding interest rate risks, see "Risk Factors—Market Risk" included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Revenues and Expenses

The Company earns revenues principally from insurance premiums, mortality and expense fees, asset administration fees from insurance and investment products, and from net investment income on the investment of general account and other funds. The Company receives premiums primarily from the sale of individual life insurance and annuity products. The Company earns mortality and expense fees, and asset administration fees, primarily from the sale and servicing of universal life insurance and separate account products including variable life insurance and variable annuities. The Company's operating expenses principally consist of insurance benefits provided and reserves established for anticipated future insurance benefits, general business expenses, reinsurance premiums, commissions and other costs of selling and servicing the various products sold and interest credited on general account liabilities.

Accounting Policies & Pronouncements

Application of Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") requires the application of accounting policies that often involve a significant degree of judgment. Management, on an ongoing basis, reviews the estimates and assumptions used in the preparation of the Company's financial statements. If management determines that modifications to assumptions and estimates are appropriate given current facts and circumstances, the Company's results of operations and financial position as reported in the Unaudited Interim Financial Statements could change significantly.

Management believes the accounting policies relating to the following areas are most dependent on the application of estimates and assumptions and require management's most difficult, subjective, or complex judgments:

- Insurance liabilities;
- Valuation of investments including derivatives, measurement of allowance for credit losses, and recognition of other-than-temporary impairments ("OTTI");
- Reinsurance recoverables;
- Taxes on income; and
- Reserves for contingencies, including reserves for losses in connection with unresolved legal matters

Market Performance - Equity and Interest Rate Assumptions

The liability for future policy benefits for certain of our universal life type products includes quarterly adjustments for the impact of changes to our estimate of future rates of returns on investments to reflect actual fund performance and market conditions. A portion of the returns on investments for our variable life contracts are dependent upon the total rate of return on assets held in separate account investment options. This rate of return influences the fees we earn and expected claims to be paid on variable life contracts, as well as other sources of profit. Returns that are higher than our expectations for a given period produce higher than expected account balances, which increase the future fees we expect to earn on variable life contracts and decrease expected claims to be paid on variable life contracts. The opposite occurs when returns are lower than our expectations.

The weighted average rate of return assumptions used in developing estimated market returns consider many factors specific to each product type, including asset durations, asset allocations and other factors. With regard to equity market assumptions, the near-term future rate of return assumption used in evaluating liabilities for future policy benefits for certain of our products, primarily our domestic variable life insurance products, is generally updated each quarter and is derived using a reversion to the mean approach, a common industry practice. Under this approach, we consider historical equity returns and adjust projected equity returns over an initial future period of five years (the "near-term") so that equity returns converge to the long-term expected rate of return. If the near-term projected future rate of return is greater than our near-term maximum future rate of return of 15.0%, we use our maximum future rate of return. If the near-term projected future rate of return is lower than our near-term minimum future rate of return of 0%, we use our minimum future rate of return. As of September 30, 2024, our variable life insurance businesses assume an 8.0% long-term equity expected rate of return and a 2.7% near-term mean reversion equity expected rate of return.

With regard to interest rate assumptions used in evaluating liabilities for future policy benefits for certain of our products, we generally update the long-term and near-term future rates used to project fixed income returns annually and quarterly, respectively. As a result of our 2024 annual reviews and update of assumptions and other refinements, we increased our long-term expectation of the 10-year U.S. Treasury rate by 25 basis points and now grade to a rate of 3.50% over ten years. As part of our quarterly market experience updates, we update our near-term projections of interest rates to reflect changes in current rates.

For further discussion of impacts that could result from changes in these key estimates and assumptions, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Accounting Policies and Pronouncements—Application of Critical Accounting Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Adoption of New Accounting Pronouncements

See Note 2 to the Unaudited Interim Financial Statements for accounting pronouncements issued but not yet adopted and newly adopted accounting pronouncements.

Changes in Financial Position

Total assets increased \$2.6 billion from \$22.9 billion at December 31, 2023 to \$25.5 billion at September 30, 2024. Significant components were:

- Reinsurance recoverables increased \$1.0 billion primarily driven by the reinsurance of the Company's guaranteed universal life block to PURE and the reinsurance of indexed annuities to Prudential Insurance;
- Separate account assets increased \$0.8 billion primarily driven by favorable equity market performance, partially offset by net outflows; and
- Total investments increased \$0.5 billion driven by new sales of general account annuity products.

Total liabilities increased \$2.6 billion from \$21.5 billion at December 31, 2023 to \$24.1 billion at September 30, 2024

- Other liabilities increased \$0.9 billion primarily driven by the additional reinsurance of the Company's guaranteed universal life mortality risk ceded to Prudential Insurance and deferred gains associated with the reinsurance of the Company's guaranteed universal life block to PURE and the reinsurance of indexed annuities to Prudential Insurance;
- Separate account liabilities increased \$0.8 billion corresponding to the increase in separate account assets, as mentioned above; and
- Policyholders' account balances increased \$0.6 billion primarily driven by incremental indexed product sales.

Total equity remained relatively flat.

Results of Operations

Income (loss) from Operations before Income Taxes

Three Months Comparison

Income (loss) from operations before income taxes decreased \$54 million from a gain of \$78 million for the three months ended September 30, 2023 to a gain of \$24 million for the three months ended September 30, 2024 primarily driven by:

- A loss in Change in value of market risk benefits, net of related hedging gain (loss) from ceded NPR; and
- Lower Realized investments gains (losses), net from losses on indexed universal life ("IUL") embedded derivatives due to the increase in the present value of future index segment credits from lower rates.

Partially offset by:

- Lower Policyholders' benefits driven by favorable mortality.

Nine Months Comparison

Income (loss) from operations before income taxes decreased \$198 million from income of \$107 million for the nine months ended September 30, 2023 to a loss of \$91 million for the nine months ended September 30, 2024. The impact from our annual reviews and update of assumptions and other refinements was a net gain of \$4 million. Excluding the comparative impact of our annual reviews and update of assumptions and other refinements, income (loss) from operations decreased \$202 million primarily driven by:

- Higher Policyholders' benefits driven by the reinsurance recapture of the Company's guaranteed universal life insurance policies.

Partially offset by:

- Higher Policy charges and fee income driven by the reinsurance recapture of the Company's guaranteed universal life insurance policies.

Revenues, Benefits and Expenses

Three Months Comparison

Revenues decreased \$81 million from \$136 million for the three months ended September 30, 2023 to \$55 million for the three months ended September 30, 2024 primarily driven by:

- A loss in Change in value of market risk benefits, net of related hedging gain (loss) from ceded NPR; and
- Lower Realized investments gains (losses), net from losses on indexed universal life ("IUL") embedded derivatives due to the increase in the present value of future index segment credits from lower rates.

Benefits and expenses decreased \$27 million from \$58 million for the three months ended September 30, 2023 to \$31 million for the three months ended September 30, 2024 primarily driven by:

- Lower Policyholders' benefits driven by favorable mortality.

Nine Months Comparison

Revenues increased \$287 million from income of \$260 million for the nine months ended September 30, 2023 to income of \$547 million for the nine months ended September 30, 2024. This includes a favorable comparative increase of \$1 million from our annual reviews and update of assumptions and other refinements. Excluding the comparative impact of our annual reviews and update of assumptions and other refinements, as mentioned above, revenues increased \$286 million primarily driven by:

- Higher Policy charges and fee income driven by the reinsurance recapture of the Company's guaranteed universal life insurance policies.

Benefits and expenses increased \$485 million from \$153 million for the nine months ended September 30, 2023 to \$638 million for the nine months ended September 30, 2024. This includes a favorable comparative decrease of \$3 million from our annual reviews and update of assumptions and other refinements. Excluding the comparative impact of our annual reviews and update of assumptions and other refinements, as mentioned above, benefits and expenses increased \$488 million primarily driven by:

- Higher Policyholders' benefits driven by the reinsurance recapture of the Company's guaranteed universal life insurance policies.

Partially offset by:

- Lower Amortization of deferred policy acquisition costs driven by the reinsurance recapture of the Company's guaranteed universal life insurance policies.

Risks and Risk Mitigants:

Indexed Variable Annuity Risks and Risk Mitigants. The primary risk exposure of these indexed variable annuity products relates to the investment risks we bear in order to credit to the customer's account balance the required crediting rate based on the performance of the elected indices at the end of each term. We manage this risk primarily through our investment strategies including derivatives and product design features, which include credit rate resetting subject to contractual minimums as well as surrender charges applied during the early years of the contract that help to provide protection for premature withdrawals. In addition, our indexed variable annuity strategies have an interim value provision that provides protection from lapse in the case of rising interest rates.

Variable Annuity Risks and Risk Mitigants. The primary risk exposures of our variable annuity contracts relate to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including capital markets assumptions such as equity market returns, interest rates and market volatility, along with actuarial assumptions such as contractholder mortality, the timing and amount of annuitization and withdrawals, and contract lapses. For these risk exposures, achievement of our expected returns is subject to the risk that actual experience will differ from the assumptions used in the original pricing of these products. Prudential Financial manages our exposure to certain risks driven by fluctuations in capital markets primarily through a combination of i) Product Design Features, and ii) our Asset Liability Management Strategy ("ALM"), as discussed below. Sales of traditional variable annuities with guaranteed living benefit riders were discontinued as of December 31, 2020.

Product Design Features:

A portion of the variable annuity contracts that we offer include an asset transfer feature. This feature is implemented at the contract level, and transfers assets between certain variable investment sub-accounts selected by the annuity contractholder and, depending on the benefit feature, a fixed-rate account in the general account or a bond fund sub-account within the separate account. The objective of the asset transfer feature is to reduce our exposure to equity market risk and market volatility. The asset transfer feature associated with highest daily living benefit products uses a designated bond fund sub-account within the separate account. The transfers are based on a static mathematical formula used with the particular benefit which considers a number of factors, including, but not limited to, the impact of investment performance on the contractholder's total account value. Other product design features we utilize include, among others, asset allocation restrictions, minimum issuance age requirements and certain limitations on the amount of purchase payments, as well as a required minimum allocation to our general account for certain of our products. In addition, there is diversity in our fee arrangements, as certain fees are primarily based on the benefit guarantee amount, the contractholder account value and/or premiums, which helps preserve certain revenue streams when market fluctuations cause account values to decline.

Asset Liability Management Strategy (including fixed income instruments and derivatives):

We employ an ALM strategy that utilizes a combination of both traditional fixed income instruments and derivatives to meet expected liabilities associated with our annuity guarantees. The MRB liability that we hedge consists of expected living and death benefit claims under various market conditions, which are managed using fixed income instruments, derivatives, or a combination thereof. For our Prudential Defined Income variable annuity, we utilize fixed income instruments to meet expected liabilities. For the portion of our ALM strategy executed with derivatives, we enter into a range of exchange-traded and over-the-counter ("OTC") equity, interest rate and credit derivatives, including, but not limited to: equity and treasury futures; total return, credit default and interest rate swaps; and options including equity options, swaptions, and floors and caps. The intent of this strategy is to more efficiently manage the capital and liquidity associated with these products while continuing to mitigate fluctuations in net income due to movements in capital markets. To achieve this, we periodically review and recalibrate the ALM strategy by optimizing the mix of derivatives and fixed income instruments to achieve expected outcomes.

Income Taxes

For information regarding income taxes, see Note 12 to the Unaudited Interim Financial Statements.

Liquidity and Capital Resources

Overview

Liquidity refers to the ability to generate sufficient cash resources to meet the payment obligations of the Company. Capital refers to the long-term financial resources available to support the operations of our business, fund business growth, and provide a cushion to withstand adverse circumstances. Our ability to generate and maintain sufficient liquidity and capital depends on the profitability of our business, general economic conditions, our ability to borrow from affiliates and our access to the capital markets through affiliates as described herein.

Effective and prudent liquidity and capital management is a priority across the organization. Management monitors the liquidity of the Company on a daily basis and projects borrowing and capital needs over a multi-year time horizon. We use a Risk Appetite Framework ("RAF") to ensure that all risks taken by the Company align with our capacity and willingness to take those risks. The RAF provides a dynamic assessment of capital and liquidity stress impacts, including scenarios similar to, and more severe than, those occurring due to COVID-19, and is intended to ensure that sufficient resources are available to absorb those impacts. We believe that our capital and liquidity resources are sufficient to satisfy the capital and liquidity requirements of the Company.

Our businesses are subject to comprehensive regulation and supervision by domestic and international regulators. These regulations currently include requirements (many of which are the subject of ongoing rule-making) relating to capital and liquidity management. For information on these regulatory initiatives and their potential impact on us, see "Business—Regulation" and "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Capital

We manage the Company to regulatory capital levels consistent with our "AA" ratings targets. We utilize the risk-based capital ("RBC") ratio as a primary measure of capital adequacy. RBC is calculated based on statutory financial statements and risk formulas consistent with the practices of the National Association of Insurance Commissioners ("NAIC"). RBC considers, among other things, risks related to the type and quality of the invested assets, insurance-related risks associated with an insurer's products and liabilities, interest rate risks and general business risks. RBC ratio calculations are intended to assist insurance regulators in measuring an insurer's solvency and ability to pay future claims. The reporting of RBC measures is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities, but is available to the public. The Company's capital levels substantially exceed the minimum level required by applicable insurance regulations. Our regulatory capital levels may be affected in the future by changes to the applicable regulations, proposals for which are currently under consideration by both domestic and international insurance regulators.

The regulatory capital level of the Company can be materially impacted by interest rate and equity market fluctuations, changes in the values of derivatives, the level of impairments recorded, and credit quality migration of the investment portfolio, among other items. In addition, the reinsurance of business or the recapture of business subject to reinsurance arrangements due to defaults by, or credit quality migration affecting, the reinsurers or for other reasons could negatively impact regulatory capital levels. The Company's regulatory capital level is also affected by statutory accounting rules, which are subject to change by each applicable insurance regulator.

Captive Reinsurance Companies:

See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-Capital-Affiliated Captive Reinsurance Companies" included in our Annual Report on Form 10-K for the year ended December 31, 2023, for a discussion of our use of captive reinsurance companies.

Liquidity

Our liquidity is managed to ensure stable, reliable and cost-effective sources of cash flows to meet all of our obligations. Liquidity is provided by a variety of sources, as described more fully below, including portfolios of liquid assets. Our investment portfolios are integral to the overall liquidity of the Company. We use a projection process for cash flows from operations to ensure sufficient liquidity to meet projected cash outflows, including claims. The impact of Prudential Funding, LLC's ("Prudential Funding"), a wholly-owned subsidiary of Prudential Insurance, financing capacity on liquidity (as described below) is considered in the internal liquidity measures of the Company.

Liquidity is measured against internally-developed benchmarks that take into account the characteristics of both the asset portfolio and the liabilities that they support. We consider attributes of the various categories of liquid assets (for example, type of asset and credit quality) in calculating internal liquidity measures to evaluate our liquidity under various stress scenarios, including company-specific and market-wide events. We continue to believe that cash generated by ongoing operations and the liquidity profile of our assets provide sufficient liquidity under reasonably foreseeable stress scenarios.

The principal sources of the Company's liquidity are premiums and certain annuity considerations, investment and fee income, investment maturities, sales of investments and internal borrowings. The principal uses of that liquidity include benefits, claims, and payments to policyholders and contractholders in connection with surrenders, withdrawals and net policy loan activity. Other uses of liquidity include commissions, general and administrative expenses, purchases of investments, the payment of dividends and returns of capital to the parent company, hedging and reinsurance activity and payments in connection with financing activities.

In managing liquidity, we consider the risk of policyholder and contractholder withdrawals of funds earlier than our assumptions when selecting assets to support these contractual obligations. We use surrender charges and other contract provisions to mitigate the extent, timing and profitability impact of withdrawals of funds by customers.

Liquid Assets

Liquid assets include cash and cash equivalents, short-term investments, U.S. Treasury fixed maturities, and fixed maturities that are not designated as held-to-maturity and public equity securities. As of September 30, 2024 and December 31, 2023, the Company had liquid assets of \$3,048 million and \$2,582 million, respectively. The portion of liquid assets comprised of cash and cash equivalents and short-term investments was \$379 million and \$192 million as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024, \$2,535 million, or 96%, of the fixed maturity investments in the Company's general account portfolios, were rated high or highest quality based on NAIC or equivalent rating.

Prudential Funding, LLC

Prudential Financial and Prudential Funding borrow funds in the capital markets primarily through the direct issuance of commercial paper. The borrowings serve as an additional source of financing to meet our working capital needs. Prudential Funding operates under a support agreement with Prudential Insurance whereby Prudential Insurance has agreed to maintain Prudential Funding's positive tangible net worth at all times.

Term and Universal Life Reserve Financing

The Company uses captive reinsurance subsidiaries to finance the portion of the statutory reserves required to be held under Regulation XXX and Guideline AXXX that is considered to be non-economic. The financing arrangements involve the reinsurance of term and universal life business to our affiliated captive reinsurers and the issuance of surplus notes by those affiliated captives that are treated as capital for statutory purposes. These surplus notes are subordinated to policyholder obligations, and the payment of principal and interest on the surplus notes can only be made with prior insurance regulatory approval.

As of September 30, 2024, the affiliated captive reinsurance companies have entered into agreements with external counterparties providing for the issuance of up to an aggregate of \$11,250 million of surplus notes by our affiliated captive reinsurers in return for the receipt of credit-linked notes ("Credit-Linked Note Structures"), of which \$8,780 million of surplus notes was outstanding, as compared to an aggregate issuance capacity of \$15,700 million, of which \$13,820 million was outstanding as of December 31, 2023. Under the agreements, the affiliated captive receives in exchange for the surplus notes one or more credit-linked notes issued by a special-purpose affiliate of the Company with an aggregate principal amount equal to the surplus notes outstanding. The affiliated captive holds the credit-linked notes as assets supporting Regulation XXX or Guideline AXXX non-economic reserves, as applicable.

As of September 30, 2024, our affiliated captive reinsurance companies had outstanding an aggregate of \$2,600 million of debt issued for the purpose of financing Regulation XXX and Guideline AXXX non-economic reserves, of which approximately \$700 million relates to Regulation XXX reserves and approximately \$1,900 million relates to Guideline AXXX reserves. In addition, as of September 30, 2024, for purposes of financing Guideline AXXX reserves, one of our affiliated captives had approximately \$3,982 million of surplus notes outstanding that were issued to affiliates.

The Company has introduced updated versions of its individual life products in conjunction with the requirement to adopt principle-based reserving by January 1, 2020. These updated products are currently priced to support the principle-based statutory reserve level without the need for reserve financing.

Item 4. Controls and Procedures

In order to ensure that the information we must disclose in our filings with the SEC 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 Securities Exchange Act of 1934, as amended ("Exchange Act") Rule 15d-15(e), as of September 30, 2024. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2024, our disclosure controls and procedures were effective. No change in our internal control over financial reporting, as defined in Exchange Act Rule 15d-15(f), occurred during the quarter ended September 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See Note 15 to the Unaudited Interim Financial Statements under “—Litigation and Regulatory Matters” for a description of certain pending litigation and regulatory matters affecting us, and certain risks to our business presented by such matters, which is incorporated herein by reference.

Item 1A. Risk Factors

You should carefully consider the risks described under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023. These risks could materially affect our business, results of operations or financial condition or cause our actual results to differ materially from those expected or those expressed in any forward-looking statements made by, or on behalf of, the Company. These risks are not exclusive, and additional risks to which we are subject include, but are not limited to, the factors mentioned under “Forward-Looking Statements” and the risks of our businesses described elsewhere in this Quarterly Report on Form 10-Q.

Item 6. Exhibits

EXHIBIT INDEX

[31.1 Section 302 Certification of the Chief Executive Officer](#)

[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](#)

101.INS - XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH - XBRL Taxonomy Extension Schema Document.

101.CAL - XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB - XBRL Taxonomy Extension Label Linkbase Document

101.PRE - XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF - XBRL Taxonomy Extension Definition Linkbase Document

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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 by the undersigned thereunto duly authorized.

Pruco Life Insurance Company of New Jersey

By: /s/ Elizabeth Dietrich
Name: Elizabeth Dietrich
Vice President, Chief Financial Officer and Chief Accounting Officer
(Authorized Signatory and Principal Financial Officer)

Date: November 8, 2024

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Dylan J. Tyson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pruco Life Insurance Company of New Jersey;
2. Based on my knowledge, this 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) 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
 - d) 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: November 8, 2024

/s/ Dylan J. Tyson

Dylan J. Tyson

President and Chief Executive Officer

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Elizabeth Dietrich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pruco Life Insurance Company of New Jersey;
2. Based on my knowledge, this 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) 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
 - d) 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: November 8, 2024

/s/ Elizabeth Dietrich

Elizabeth Dietrich

Vice President, Chief Financial Officer and Chief Accounting Officer

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. § 1350, I, Dylan J. Tyson, President and Chief Executive Officer of Pruco Life Insurance Company of New Jersey (the “Company”), hereby certify that the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (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: November 8, 2024

/s/ Dylan J. Tyson

Dylan J. Tyson
President and Chief Executive Officer

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

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. § 1350, I, Elizabeth Dietrich, Vice President, Chief Financial Officer and Chief Accounting Officer of Pruco Life Insurance Company of New Jersey (the “Company”), hereby certify that the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (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: November 8, 2024

/s/ Elizabeth Dietrich

Elizabeth Dietrich

Vice President, Chief Financial Officer and Chief Accounting Officer

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