

Understanding Annuities

Annuities

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Letter from David R. Odenath, Jr., President of Prudential Annuities

Dear Investor,

At Prudential Financial, we realize that annuities are complicated investment products, and yet, they are a popular and important component of retirement plans for investors like you. I am pleased to be able to provide you with this comprehensive reference guide to assist you in understanding the complex world of annuities.

Prudential Financial has been growing and protecting investors' wealth since 1875. We offer a portfolio of variable and fixed annuities with optional guarantees that protect your principal investment, assure income to last a lifetime, or provide death benefits that protect your beneficiaries. Our investment strategy is based on Discipline (rigorous accountability), Diversity (a wide range of investment choices), and Depth (the ability to accommodate every investor's goals). The bottom line is that, through your financial professional, Prudential Financial companies provide you with the products and information for practical financial solutions, valuable benefits, and a selection of investment strategies that can be tailored to help meet your retirement goals.

I hope you will find "Understanding Annuities" to be a useful tool, as you continue to plan for and ultimately live in retirement.



David R. Odenath, Jr.

President

Prudential Annuities






Introduction

Whether you are saving for retirement or simply want to ensure that you never outlive your savings, an annuity may be just what you're looking for. Annuities allow you to save money on a tax-deferred basis. As a result, no taxes are due until you begin to withdraw your money.

When you're ready to receive income in retirement, annuities can provide you with a variety of income choices, including guaranteed income that you can never outlive. In addition, if you die before income payments begin, many variable annuities provide a death benefit that guarantees your beneficiaries will never receive less than the amount contributed to the contract, less any withdrawals or fees.

With the protection they offer, annuities can be a valuable addition to retirement planning for people at nearly every stage of life.

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What is an Annuity?

An annuity is a contract between you and an insurance company. You purchase an annuity contract by making either a single payment or a series of payments.

Types of Annuities

Annuities can be categorized in two different ways. First, an annuity may be either **immediate** or **deferred**. Second, an annuity may be either **variable** or **fixed**.

■ Immediate Annuities

An immediate annuity generally involves a **lump-sum** payment resulting in a stream of income. You purchase this type of annuity with one payment and must begin receiving income payments within 12 months. An immediate annuity could help secure your retirement by locking in a guaranteed income stream. You choose the **payout period**, which may be a lifetime income option that you cannot outlive. With an immediate annuity, you can set the amount of your initial monthly annuity income payment. Your financial professional can help you to determine the annuity purchase amount in order to receive the monthly annuity income payments you want.

■ Deferred Annuities

A deferred annuity allows you to defer your income payments and to accumulate money on a tax-deferred basis for long-term goals such as retirement, and it may be purchased by making either a single payment or a series of payments. When you are ready to receive income from your annuity, you can withdraw funds as needed, or you can set up a regular annuity income payment schedule that would last for life or over a given time period in the same manner as immediate annuities.

Annuities can be a valuable addition to retirement planning for people at nearly every stage of life.

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■ Variable Annuities

A variable annuity generally offers a diverse selection of investment options, usually referred to as **subaccounts**. These subaccounts have varying investment objectives and risk levels.

The return on a variable annuity investment will depend on your investment allocation and the performance of the subaccounts you choose. You may experience a negative return in a variable annuity.

You can transfer your money from one investment option to another (with certain restrictions) without paying tax on your investment income and gains. This is an important feature because it permits you to change your investment strategy without surrendering the contract or incurring taxes. Dividends, interest and capital gains remain invested, tax deferred, until **withdrawals** are made, allowing you to control when income taxes are paid.

Variable annuities involve investment risks. If you are purchasing your annuity to fund a tax-qualified retirement program (such as an IRA), you should be purchasing it for its features rather than for the tax deferral because the annuity does not provide any tax advantages above those already available through your retirement plan under the Internal Revenue Code.

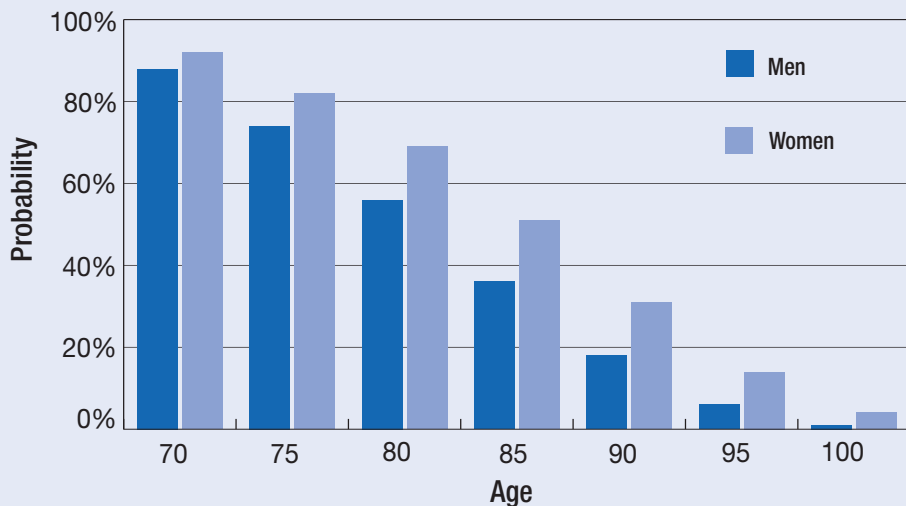
A variable annuity is designed for people willing to take more risk with their money in exchange for greater growth potential.



HOW LONG WILL RETIREMENT LAST?

Chances are good that you will live long enough to spend 20 or even 30 years in retirement.

That's a long time to maintain your lifestyle and meet any unexpected expenses – without receiving a paycheck.



Source: Social Security Administration, 2000 Trustees Report.

■ Fixed Annuities

A fixed annuity contract has a guaranteed fixed interest rate for a stated period of time. Depending on the terms of the contract, the issuing insurance company (or “**issuer**”) may adjust the rate periodically. A specified rate of return (less any **withdrawal fee**) is guaranteed for a specified period of time and is backed by the claims-paying ability of the insurance company. Since fixed annuities offer a guaranteed minimum rate of interest, they generally are less volatile than variable annuities.

In general, a variable annuity has higher fees and expenses than a fixed annuity.

In short, with a variable annuity, you develop an investment strategy based on your personal goals, tolerance for risk, and time horizon – together with the guidance of a licensed financial professional.

Fixed annuities offer stable, guaranteed rates of return for clients who are looking to grow their retirement assets, but are more risk averse.

Planning for and Living in Retirement

People are living longer, and you may spend almost as many years in retirement as you spend working. This means you may have to maintain your standard of living for 20 or 30 years.

As many companies discard traditional pension plans, the need for personal investment and retirement planning is greater than ever before.

Putting Your Money
Into A Deferred Annuity:

■ The Accumulation Phase

Your payment into an annuity is called a **Purchase Payment** because you are buying an annuity contract. Once you've made the initial Purchase Payment, your annuity will have two phases: the **accumulation phase**, when your money has the potential of growing tax deferred, and the **income or**

payout phase, when you withdraw your money according to a choice of payment options.

During the accumulation phase, a fixed annuity will earn a guaranteed minimum interest rate for a certain period of time. In contrast, the value of a variable annuity will fluctuate according to the performance of the selected investment options.

■ Withdrawing Your Money

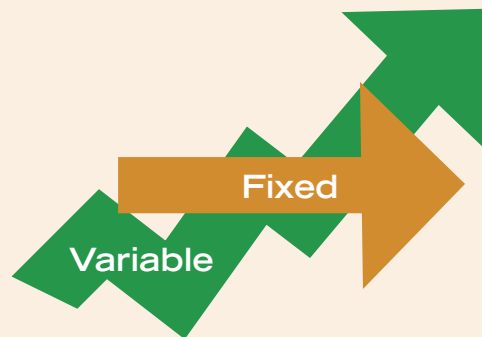
Deferred variable annuity products offer varying degrees of liquidity. A **Withdrawal Charge or Surrender Charge** is a fee you will pay if you cancel your annuity contract within the specified contract period. The withdrawal charge or surrender charge is a descending fee that generally is reduced by one percent each year as the contract approaches maturity. If you withdraw money during the early years of the contract (usually the first seven or eight years), the issuing company may keep a certain percentage of your withdrawals. Products with a shorter withdrawal charge or surrender charge will generally have higher surrender charges. If you need to access your money during the accumulation phase, some contracts allow you to take partial withdrawals without a contract charge.



TAKING INCOME FROM YOUR ANNUITY

With **fixed annuitization**, the income amount is traditionally a set dollar amount. For example, if you receive \$500 in your first payment, you'll get \$500 in your last one – and every payment in between. Some contracts build in the potential for periodic increases of 1%, 2% or 3% to account for increases in the cost of living.

With **variable annuitization**, you can choose the way your income amount will be determined. You can select variable income, which fluctuates depending on the performance of your investment subaccounts. Some contracts allow you to choose either fixed income, or a combination of fixed and variable income, to provide both stability and the potential for growth.



For tax purposes, withdrawals are considered as first coming from earnings, then from the return of investment. Earnings in your annuity contract are taxed as ordinary income, and if withdrawn prior to age 59½, there may also be a 10% federal income tax penalty.

■ Guaranteed Income Plans (Annuitization)

If you choose to annuitize your contract, you trade the value of your contract for the issuing company's commitment to make payments to you for a period of time or for your lifetime.

Annuitization provides the greatest tax

efficiency, because part of every payment is considered a return of your original Purchase Payment, and therefore is not taxed.

Consider your options carefully because your decision to annuitize is final, and your choice generally cannot be changed in the future.

- **Income for life.** You can choose to receive income payments that will continue for the remainder of your life. Income ceases upon your death.
- **Income for two lives.** A joint-and-survivor option guarantees income payments for the lifetime of two annuitants, for example, a husband and wife or lifetime partners.

Annuities provide a variety of ways for you to access your money in retirement.

- **Income for a specific time period.**

You can receive income for a specific time period (called a certain period), such as 5, 10 or 20 years. The amount of each payment will depend on your contract value and the time period you choose.

- **Income of a specific amount.** Some companies let you lock in a guaranteed amount for each income payment. The number of payments you receive is based on your contract value, the income payment you choose, and other factors.

- **Lifetime income with a specific time period guarantee.** This option will guarantee an income for your lifetime, but if you die before a specified time period, your beneficiary will receive income payments until the period ends.

Managing Your Money:

The Income Or Payout Phase

■ Your Withdrawal Options

You can withdraw your money all at once (a lump sum), at intervals, or choose a guaranteed income plan through the process of annuitization. It is important to note that lump-sum withdrawals are subject to the largest income tax liability, because all the gains in the contract are taxed, whereas systematically withdrawing money lets the rest of your annuity continue to grow tax deferred. When you take income from your annuity through withdrawals, there is no guarantee your money will last as long as you'll need it, and withdrawals come from your annuity's earnings first, subjecting them to taxation.

Deferred Variable Annuity Features

Deferred variable annuities offer many features you may want to consider. They may be included as part of the contract, or they may be optional features or riders that you elect at the time of purchase. Some optional features carry an additional charge. This approach gives you the ability to select and pay for only the features you need.

Optional features that can be added to contracts include asset allocation programs, enhanced death benefits, bonus credits, and living benefits. These features do not guarantee against day-to-day market fluctuations affecting the annuity contract value, and they may be affected by subsequent additions or withdrawals during the accumulation phase of your annuity contract.

■ Living Benefit Guarantees

Optional living benefits are special features that can add value to your annuity for an additional fee. Depending on your need, they can provide you with principal protection, guaranteed lifetime income, or a guarantee of return of principal through periodic withdrawals regardless of market performance.

■ Death Benefit Protection

Many variable annuities feature a guaranteed death benefit. If you should die during the accumulation phase, the issuing company will return the amount of your original purchase (less any withdrawals you've made) to your **beneficiary**, even if your annuity has declined in value. This **death benefit** avoids the costs and delays of probate. (Estate and income taxes may apply.) Many annuities also provide optional death benefits that can provide enhanced coverage for your beneficiaries for an additional cost.

■ Bonus Credit Feature

Some insurance companies offer variable annuity contracts with a bonus credit feature. These contracts promise to add a bonus credit to your contract value, based on a specified percentage (typically from 2 percent to 6 percent) of the initial Purchase Payment. The fees and expenses for bonus credit variable annuities may be higher, and the withdrawal charge periods may be both higher and longer than contracts that do not provide a bonus credit feature.

Annuities offer a number of optional benefits that allow you to customize the product to meet your retirement needs.

Example: You purchase a variable annuity contract that offers a bonus credit of 3 percent on the initial Purchase Payment. You make a Purchase Payment of \$20,000. The insurance company issuing the contract adds a bonus credit of \$600 to your account, raising the total initial amount of the contract to \$20,600.

Asset Allocation Programs

Asset allocation is an investment discipline for dividing money among three major asset classes – cash and money equivalents, bonds, and stocks – to suit an investor's risk tolerance, savings goal, and time horizon.

Investment Options

Variable: Variable investment options (subaccounts) offer you the ability to invest in a variety of investment types including stocks, bonds, and cash. None of these options are guaranteed, and they can lose money.

Fixed: With a fixed option, you would know from the start how much you will receive for the period of time you choose.

Verify the Strength of your Benefits

The insurance company guarantees many facets of the annuity, including rates of return for fixed accounts and features. Therefore, the financial strength of the issuing company is very important. Several independent, nationally recognized rating agencies regularly review the financial records of insurance companies to assess their strength and claims-paying ability. The stronger and more financially secure the insurance company, the more likely it is that the insurance company will be able to pay the benefits offered to investors.

Ratings are intended to reflect the financial strength or claims-paying ability of the issuer and are not intended to reflect the investment performance or financial strength of the variable accounts, which are subject to market risk.

The Need for Professional Money Management

Your variable annuity Purchase Payments are allocated among different subaccounts, which are managed by a number of professional money managers who make buy-and-sell decisions based on extensive research. That means you don't have to shoulder the responsibility for that level of decision-making. You should, with the help

of your financial professional, evaluate the past performance of these portfolio managers, and evaluate the performance of the portfolios themselves. Past performance, however, is no guarantee of future results.

HOW MUCH MONEY WILL YOU NEED?

Your Income Today	In 5 Years	In 10 Years	In 20 Years
\$50,000	\$61,050	\$74,542	\$111,129
\$100,000	\$122,100	\$149,084	\$222,258
\$200,000	\$244,200	\$298,168	\$444,516

Most financial planning experts believe you will need about 80% of your pre-retirement income to maintain your lifestyle in retirement, but this can vary greatly depending upon your activities.

Keep in mind that your purchasing power decreases over time due to inflation. Consider the effect of a 4% inflation rate (the average over the last 30 years) on your future income needs. Even if your expenses stay the same, today's \$100,000 annual income will have to grow to \$222,258 to maintain your current lifestyle 20 years from now.

Source: Social Security Administration, 2000 Trustees Report.

The Value of Professional Financial Advice

From investment performance fluctuations to financial products or even your lifestyle, change is the one constant that investors can expect. A financial professional can help you manage change by:

- Taking the time to fully understand you and your retirement goals
- Analyzing how changing market conditions may affect you
- Recommending financial products and investments that match your needs
- Helping you decide how to diversify your assets
- Delivering timely, practical information to help you make well-informed decisions
- Making investing more convenient

Before making recommendations, your financial professional should consider:

- **Your Age:** Younger investors can invest more aggressively than older investors, since the volatility of aggressive investing tends to even out over time.

- **Your Investment Objective:** What are your most important financial goals? Some seek capital growth, while others seek income and protection of the assets they've accumulated over the years.

- **Your Risk Tolerance:** Risk tolerance is your "comfort level" with subaccounts of differing volatility. Your tolerance for risk will have a bearing on the investments you choose.

- **Your Time Horizon:** How long can your money stay invested before you need it to pay living expenses? A year or two? Fifteen years? Your financial time-frame influences the types of investments you choose.

When it comes to investing for your life in retirement, you have a lot to gain through a partnership with a financial professional who understands your needs and goals. Meet with your financial professional at least once a year to determine if you are still on track.



Annuities and Taxation Issues

The power of tax deferral can help your money grow faster than a currently taxable investment earning a similar return. You pay no taxes on annuity earnings until they are withdrawn. This means all your money keeps working for you until it is withdrawn, without being reduced by annual taxation. Later, when you need your money, only your earnings are taxed.

Annuity Tax Issues

Although annuities generally allow your investment to be held on a tax-deferred basis, you should be aware of certain tax issues before you purchase an annuity. For example:

- Withdrawals from annuities, including partial withdrawals and surrenders, may be taxable.

If you take a taxable withdrawal before age 59½, you may have to pay a 10 percent penalty to the IRS on the amount of the gain withdrawn, in addition to your normal income taxes.



QUALIFIED VS. NON-QUALIFIED FUNDING OF ANNUITIES

When an annuity is purchased with pre-tax money, such as an IRA rollover, 401(k) or 403(b), it's known as a **qualified annuity**. Qualified money already has tax-deferred status; when invested into an annuity, it can be used to create a guaranteed stream of income payments, provide a death benefit, and provide other optional features available in an annuity. Certain qualified retirement plans permit a deduction for the amount contributed to the plan. Generally, the contributions cannot exceed a maximum percent of taxable income, or a dollar amount, whichever is less.

When an annuity is purchased with after-tax money, such as inheritance, a bonus or non-qualified deferred compensation, it's known as a **non-qualified annuity**. Both grow tax deferred. However, if the annuity has a qualified tax status, the IRS requires that you begin taking minimum distribution withdrawals at age 70½.

You pay no taxes on annuity earnings until they are withdrawn.

- Taxable distributions from an annuity are generally taxed at the contract owner's ordinary income-tax rate and do not get the benefit of the lower tax rates received by certain capital gains and dividends under current tax laws.

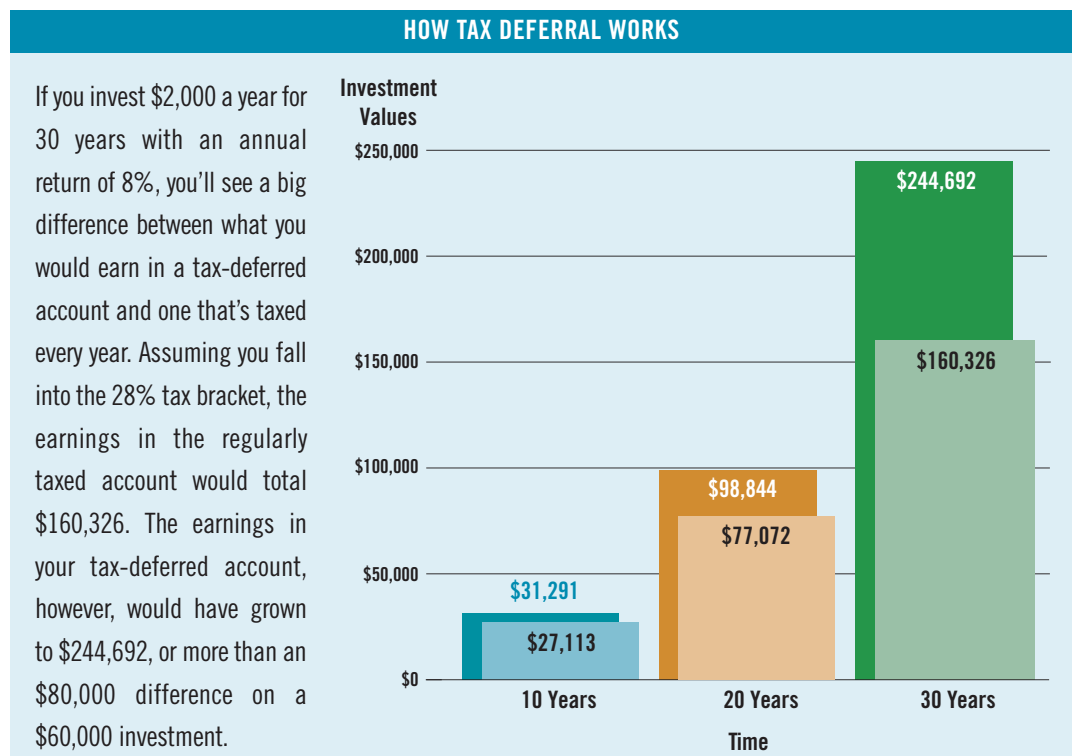
The death of a **contract owner** (and, in some cases, the death of an **annuitant**) may result in taxable distributions that must be made from the contract within a specified period of time.

Upon the death of the owner/annuitant of a contract:

- gains may be taxable to the beneficiary
- the annuity assets may be included in the owner's estate
- there is no step-up in the tax basis
- annuity assets will bypass probate, unless the contract owner's estate is the named beneficiary or no beneficiary is named.

Please note that there have been recent changes to the amount of tax payable on taxable income due to federal rate reductions for ordinary income, capital gains and dividends. If the taxable amount is illustrated as an investment in mutual funds, which are generally taxed at 15% through 2008, the value at the end of 30 years would be \$161,335.

This hypothetical example is not meant to represent the performance of any particular product. It does not include fees or expenses, which would lower the performance shown. For fees and expenses associated with a particular annuity, refer to the annuity's fees and expenses section in its brochure or prospectus.



Lower maximum tax rates on capital gains and dividends would make the return on the taxable investment more favorable, which would reduce the difference in performance between the accounts shown. You should consider your investment time horizon and income tax brackets, both current and anticipated, when making an investment decision, as these may further impact the results of the comparison.

The tax-deferral benefit offered by annuities provides no additional tax benefit if the annuities are held in tax-qualified accounts such as an IRA, 403(b) or 401(k). Special rules governing annuities issued in connection with a tax-qualified retirement plan restrict the amount that can be contributed to the contract during any year, the time when amounts can be paid from the contract, and the amount of any death benefit that may be allowed. In addition, the rules provide for different requirements when distributions, including death benefits, are made from these types of annuity contracts.

Please consult your tax advisor and consider all the tax consequences before purchasing an annuity.



Flexibility for Changing Needs

An annuity that is not tax-qualified can help you manage your changing financial needs throughout your lifetime.

You are generally not required to begin withdrawals until age 90, so your money can keep growing tax deferred until you need it. (This rule can vary.)

Transfers between subaccounts occur tax free (subject to certain transfer limitations and restrictions). This enables you to adjust your investment strategy as your goals or market conditions change without worrying about losing some of your earnings to taxes.

Annuity Contract Structure

FEES AND CHARGES

Variable Annuity Fees and Charges –

Variable annuities have other expenses you should be aware of, including the following:

Fixed Annuity Fees and Charges – When an annuity company sets the interest rate to be credited to an annuity contract, it usually considers not only the prevailing market rates, but also the costs of issuing and maintaining the annuity contract. In addition to

the surrender charges discussed on page four, some annuity contracts assess annual contract fees, such as an account maintenance fee. Generally, fixed annuity expenses to cover sales commissions, statements and customer service, and the insurer's profit, are based on the difference between the rate the insurer earns on its investments and the rate it is paying on the annuity.

VARIABLE ANNUITY FEES AND CHARGES AT A GLANCE

TYPE	DESCRIPTION
Mortality & Expense (M&E) Risk Charge	Pays for insurance guarantees, including the death benefit and the ability to choose a payout option that can provide lifetime income at rates set in the contract at the time of purchase.
Administrative Fees	For services involved with maintaining a variable annuity contract, such as transfers among portfolios, preparation of contract statements and mailings, and marketing and distribution.
Maintenance Charge	Charged as a flat account maintenance fee and/or as a percentage of your account value. Some insurance companies waive the flat account maintenance fee on larger account values.
Underlying Portfolio	You will also indirectly pay fees and expenses imposed by the underlying portfolios in which variable annuities invest because these fees and expenses are reflected in the net asset value of portfolio shares. The fees and expenses of the portfolios include annual operating expenses such as management fees, 12b-1 (distribution) fees, cost of shareholder mailings, and other expenses.

Investor Checklist

Before you decide to purchase an annuity, consider the following questions and consult with your financial professional to be sure you can answer them to your satisfaction and benefit.

- Are you taking advantage of all your other tax-deferred opportunities, such as 401(k)s and IRAs?
- Will you use the annuity primarily to save for retirement or a similar long-term goal?
- Will the annuity help to address your retirement income needs?
- Are you investing in the annuity through a retirement plan or IRA (which would mean that you are not receiving any additional tax-deferral benefit from the annuity)? Are there features and benefits in the annuity contract, other than tax deferral, that make an annuity purchase appropriate?
- Do you understand the features of the variable annuity?
- Do you understand all of the fees and expenses of the annuity?
- Do you intend to keep your money in the annuity long enough to avoid paying any surrender charges if you have to withdraw money?
- Have you consulted with a tax advisor and considered all the tax consequences of purchasing an annuity, including the effect of annuity payments on your tax status in retirement or death benefit payments to your beneficiaries?

What Should You Consider In Selecting An Annuity?

Before investing in an annuity contract, you should learn about the specific annuity you are considering. Request a prospectus or any other available material from the insurance company or from your financial professional, and read it carefully. The prospectus contains important information about the annuity contract – including risks, surrender-charge schedule, other fees and charges, investment options, death benefits, annuity payout options, and other important information.

Compare the benefits and costs of the annuity to other annuities and to other types of financial products, such as mutual funds and life insurance.



Glossary

Accumulation Phase or Accumulation Period: The time period during which the owner of a deferred annuity makes payments into the contract and accumulates assets.

Annuity Commencement Date or Annuity Starting Date: The date income payments begin.

Annuity Payout: The form in which you choose to receive payment from an annuity. Common options include a lump sum, periodic withdrawals, and a stream of lifetime income.

Annuitant: The person who receives income from an annuity. The annuitant's life expectancy is used to figure the initial income amount the annuity pays.

Annuitization: The conversion of the accumulated value of an annuity into a stream of income, either for one or more lifetimes, or for a specified period of time.

Beneficiaries: The people who are named to receive life insurance proceeds or other assets upon an individual's death.

Cash Surrender Value or Cash Value: The amount that can be withdrawn from the contract after the deduction of any surrender charge. It is equal to the contract value less the surrender charge.

Contract Date or "Issue Date": The date an annuity contract becomes effective.

Contract Owner: The person(s) who pays the Purchase Payments and has certain rights under the contract, such as making withdrawals, surrendering the contract, and

changing the beneficiary or other terms of the contract.

Deferred Annuity: An annuity contract that is purchased either with a single premium or with periodic payments to help save for retirement. The contract holder determines the point at which accumulated principal and earnings are converted into a stream of income.

Fixed Annuity: An annuity contract that guarantees the contract owner will earn a stated rate of interest during the accumulation phase of a deferred annuity, and will receive a fixed amount of income on a regular schedule when the contract is annuitized.

Free-look Period: A specified number of days (e.g., 10) during which an annuity contract holder may revoke the contract purchase.

Guaranteed Death Benefit: The basic death benefit offered under variable annuity contracts. Upon the death of the owner and/or annuitant, a payment generally equal to the greater of the contract value or Purchase Payments less withdrawals, is made to the beneficiary. Many variable annuity contracts also offer enhanced death benefits.

Guaranteed Living Benefit: A benefit that protects against investment risks during the accumulation period of a deferred variable annuity by guaranteeing the level of account values or annuity payments.

Guarantee Period: The period during which the level of interest credited under a fixed annuity or fixed investment option within a variable annuity is guaranteed.

Immediate Annuity: An annuity that is purchased with a single lump sum. Income payments begin within a short period – less than 12 months. Immediate annuities can be either fixed or variable.

Income or Payout Options: Different ways by which a contract holder can receive income from an annuity. These include a lump-sum payment, systematic withdrawals, and annuitization.

Issuer: The insurance company that issues the annuity contract.

Lump Sum: The disbursement of the entire value of a profit-sharing plan, pension plan, annuity or similar account to the account owner or beneficiary. Lump-sum distributions may be rolled over into another tax-deferred account.

Market Value: The price at which buyers and sellers trade similar items in an open marketplace.

Partial Surrender: The withdrawal of an amount less than the entire cash surrender value of the contract.

Payout Phase or Payout Period: The period during which the money accumulated in a deferred annuity contract, or the Purchase Payment for an immediate annuity, is paid out as income payments.

Purchase Payments or Premiums: The amounts of money paid into an annuity contract.

Subaccount: The investment portfolios offered in a variable annuity. They allow you to invest in a variety of investment

types, including stocks, bonds, and cash. Subaccounts are not guaranteed and can lose money.

Systematic Withdrawal Plan: A plan that allows a variable annuity contract owner or other designated person to receive a specified amount each month or each quarter as a partial withdrawal from the annuity contract value prior to the annuity starting date. Unlike lifetime annuity payments, systematic withdrawals can continue only as long as the contract value is not exhausted and may be stopped at any time. The tax treatment of systematic withdrawals differs from that of annuity payments.

Transfer: The movement of assets from one subaccount and/or fixed investment option to another.

Variable Annuity: An annuity with a contract value or income payments that vary in dollar amount according to the investment performance of selected subaccounts.

Withdrawals: Distributions from an annuity other than scheduled annuity payments.

Withdrawal Charge or Surrender Charge: A fee you will pay if you cancel your annuity contract within the specified contract period. This generally is a descending fee that is reduced by one percent each year as the contract approaches maturity.

Withdrawal Fee: An administrative fee charged on withdrawals.

Key Contact Information

Prudential Financial

If you would like more information about how annuities may enhance your retirement, please call your licensed financial professional or 1-800-THE-ROCK. You can also visit www.prudential.com for more information.

Social Security Administration

For questions about your Social Security benefits:
1-800-772-1213
www.ssa.gov

Internal Revenue Service

For tax questions:
1-800-829-1040
www.irs.gov

Pension Benefit Guaranty Corporation (PBGC)

For questions about your pension:
1-800-400-7242
www.pbgc.gov

Administration on Aging

For information on government programs for the aging:
1-800-677-1116
www.aoa.dhhs.gov

Department of Health & Human Services

For information on public programs:
1-877-696-6775
www.hhs.gov

Centers for Medicare & Medicaid Services

For information concerning government programs for financing health care:
1-877-267-2323
www.cms.hhs.gov

American Association of Retired Persons (AARP)

For general information on issues concerning persons age 50 and over:
1-888-687-2277
www.aarp.org

National Association of Securities Dealers (NASD)

For investor information on financial professionals:
1-301-590-6500
www.nasd.com

Annuities issued by American Skandia Life Assurance Corporation and distributed by American Skandia Marketing, Incorporated, both located in Shelton, CT; or issued by Pruco Life Insurance Corporation (in New York, Pruco Life Insurance Company of New Jersey) and distributed by Pruco Securities, LLC, both located in Newark, NJ. All are Prudential Financial companies, and each is solely responsible for its financial condition and contractual obligations.

All guarantees are based on the claims-paying ability of the issuing company. Guarantees do not apply to the investment performance or safety of the underlying portfolio in the variable annuity. Annuity contracts contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Your licensed financial professional can provide you with costs and complete details.

Investors should consider the contract and the underlying portfolios' investment objectives, risks, charges and expenses carefully before investing. This and other important information is contained in the prospectuses that can be obtained from your financial professional. You should read the prospectuses carefully before investing.

Prudential does not provide legal or tax advice. You should contact your own tax or legal advisor in regard to your particular situation.

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