Draft - 4/9/2001

ADR Repurchase Offer (Letter One) Variation Text

Letter One is headed "An important message to Alternative Dispute Resolution claimants". Letter Two is headed "Second notice to Alternative Dispute Resolution claimants". (All variations in Letter One would appear before the second bold line on the page headed "Keep this information for your records". These variations could also be repeated at the corresponding place in Letter Two.)

(zero or negative cost to repurchase)
This option DOES NOT require a payment from you to Prudential. The cost above is shown with a negative (minus) sign because under this option, Prudential will make a payment to you if you choose this option and Prudential demutualizes. Please note, this amount is generally reported to the IRS as income to you and may be subject to backup withholding.

(VLI or VRPU reactivations)
The value of the policy you will be obtaining varies according to performance of the underlying funds. The estimated range of shares shown was derived by updating the policy values (minus the cost of the option) using the fund allocation that was in place when the policy terminated. This estimate may change depending on the value of those funds at the time when Prudential actually demutualizes and this option is put into effect. Please call the telephone number shown below if you want more information or more current values.

(FIP reversal)
If you choose this option, you must give up the annuity contract you acquired with your initial choice of ADR relief. The amount you must pay for this option will be reduced by the value of the annuity contract you give up. (For example, if this option costs $10,000, and an annuity contract you acquired with your initial choice of ADR relief has a value of $6,000, the payment you would make for this option will be $4,000.) Please note that giving up the annuity contract you acquired will result in taxable gain to you to the extent the value of the annuity contract exceeds your cost basis. In general, cost basis is the gross premiums you paid for the contract less any untaxed amount you previously received. In addition, a 10% federal income tax penalty may apply to taxable gain if you have not yet reached age 59 ½. As a general rule, taxable gain will be subject to tax withholding unless you elect to have no taxes withheld. Your out-of pocket cost for this relief option will be higher if tax is withheld. Also, note that the cost of this relief option will be more than the amount shown above if you withdraw funds from the annuity contract prior to implementation of this option. Likewise, the cost will be less than the amount shown above if you deposit funds into the annuity contract prior to implementation of this option. The estimated range of shares shown for this option indicates the change in the number of shares you will receive if you choose this form of relief.

(BCR reversal)
If you choose this option, you must give up the policy, contract or mutual fund you acquired with your initial choice of ADR relief. The amount you must pay for this option will be reduced by the value of the policy, contract or mutual fund you give up. (If this

option costs $0, then the value of the policy, contract or mutual fund you give up will be paid to you, less any applicable tax withholding.) The estimated range of shares shown above for this option indicates the change in the number of shares you will receive if you choose this form of relief. Please contact your tax advisor to determine the tax consequences applicable to your individual situation. If you have any other questions about this option, please call the number below.

(zero incremental variable shares)
We expect that there will be no additional variable shares associated with this option. However, you may be entitled to receive fixed shares as described in the section below entitled "Your Compensation" if you do not own any other Prudential policy. Please call the telephone number shown below if you want more information.

(negative incremental variable shares)
We expect that you will actually get fewer shares (or equivalent value) from Prudential's demutualization if you choose this option. Here is why: To choose the option shown above, you must also give up the coverage you acquired with your initial choice of ADR relief. The compensation in connection with that policy is actually greater than the compensation you would receive with the policy you would be getting. However, you should consider your personal need for coverage before making your decision.

(reactivation of associated policy with same owner as the main policy in ADR)
Your ADR claim involved more than one policy, and the relief being offered under this option affects a policy that is not the one indicated at the top of this attachment. Please call the telephone number shown below if you want more information about which policies are affected by this option.

(reactivation of associated policy with different owner than the main policy in ADR)
Your ADR claim involved more than one policy, and the relief being offered under this option affects a policy that is not the one indicated at the top of this attachment and that you do not own. If you choose this option, you will be billed for the amount shown above. The expected amount of stock or other consideration that is associated with other policies you do not own will be distributed to the appropriate policy owners. You will not receive any additional compensation in demutualization with respect to those policies as a result of selecting this option. Please call the telephone number shown below if you want more information about which policies are affected by this option.

(disability status at rescission)
Our records indicate that, at the time your initial choice of ADR relief was implemented, premiums on your policy were being waived by Prudential because you were disabled. The cost shown for this option may include premiums that would have been due had your policy been in effect since the time that your initial choice of ADR relief was implemented. This cost does not take into consideration the possibility that more premiums may have been waived because you continued to be disabled during this period. If you believe that you would have remained qualified for Waiver of Premium during the period since your initial choice of ADR relief was implemented because of continuation of your disability, please call us at the telephone number shown below.

ADR Repurchase Confirmation (Letter Two) Variation Text

(All variations in Letter Two would appear where appropriate in the Confirmation Form)

(collateral assignment) (variable text, to be used only for score 2 policy adjustment ADR relief, for which such a collateral assignment is required)
Since the repurchase of your coverage will involve a policy adjustment, the following will apply: This Collateral Assignment is made in consideration for and as a condition to receiving a repurchase option providing a policy adjustment. This acknowledges that once adjustments are made to the price of the above policy, such adjustments may be recovered from the policy, as explained below. This assignment acknowledges that in return for the Company adjusting the price of the policy the Company has a priority interest in certain policy rights and values.

I/WE HEREBY ASSIGN, GRANT AND TRANSFER AS COLLATERAL TO THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, 751 Broad Street, Newark, New Jersey, or its insurance subsidiaries, successors and assigns ("Prudential"), a first lien priority interest in the following rights, benefits and privileges in the above policy to secure and obtain repayment to Prudential of the full amount of premium otherwise payable on the policy that is adjusted, now and hereafter (the Premium Price Adjustment), as provided under the repurchase option:

1. The right to collect and receive out of the cash surrender value of the policy the amount of premium price adjustment provided under the repurchase option.
   This right may be exercised on one or more occasions only in connection with and prior to the occurrence of any loan, withdrawal or surrender of any type concerning the policy. The cash surrender value includes but is not limited to, the policy's guaranteed cash value, loan value, dividends and dividend credits, paid-up additions, investment distributions, and other additions to the policy.

2. The right to collect and receive upon the death of the insured or policy maturity the amount of premium price adjustment provided under the repurchase option.
   This right may be exercised only with respect to any value in the policy beyond the face amount and policy rider death benefits as of the policy effective date, less any existing policy loan debt.

3. The right to change the policy's dividend option, if applicable, and mode of payment.

4. The policy may be modified only with the consent of Prudential.

(form of distribution) (variable text for policyholders who previously received a Stock Election Card)
You previously received from us a Stock Election Card along with the Policyholder Information Booklet you received with respect to Prudential policies you already own. Please call the number below to discuss how obtaining this coverage may affect the form of compensation you would receive if Prudential demutualizes.

(stock election) (variable text, to be used only if the policyholder owns no other eligible policies, and the total allocation of fixed and variable shares for this policyholder after the repurchase would be less than the threshold for the Stock Election Card) Prudential currently estimates that you will received cash equal in value to yy to zz shares of stock. If you prefer stock rather than cash, you must check the box and sign below.

(tax considerations - modified endowment contracts) (variable text, to be used only if the policy to be repurchased would be a MEC)
Prudential has determined that the life insurance policy you would be repurchasing will be a modified endowment contract ("MEC") under the tax law. While Prudential cannot give legal or tax advice, we think that it is important to make our policyholders aware of the tax consequences of owning a MEC. Therefore, Prudential is providing you with the following information.

> All MECs retain the most important advantage of life insurance; the death benefits will be received by beneficiaries free of federal and state income taxes; and the cash surrender value will accumulate income tax-free, unless there is a pre-death distribution. However, pre-death distributions from a MEC are subject to less favorable tax treatment than distributions from a contract that is not a MEC. Distributions include but are not limited to loans, surrenders, pledges, ownership changes, any assignment used as collateral for a loan, withdrawals or dividends taken in cash or left to accumulate. Such distributions will be treated as taxable income to the extent there is a gain in the policy. There is a gain in the policy whenever the cash value exceeds the cost basis in the policy. In general, cost basis equals the repurchase payment. In addition, a 10 percent federal income tax penalty may apply to taxable income received before age 59 ½. If you surrender your policy after age 59 ½, the MEC status of your policy will not result in any additional tax. In addition, if there is no gain in your policy when you surrender your policy or take a distribution, the MEC status of your policy will not result in adverse tax consequences. You should consult your tax advisor for further information about MECs.

If the policy to be repurchased would be a MEC, a fourth bullet point would be added under the heading "By signing this form you acknowledge" at the end of the Confirmation Form, as follows.

> that you understand that there are potentially adverse tax consequences of owning a Modified Endowment Contract (MEC).