The Prudential Insurance Company of America
Pruco Life Insurance Company,
both are Prudential companies

Prudential and your licensed financial professional want to help you achieve your long-term financial objectives. We value our relationship with our customers and want to continue to help you make informed decisions about your financial future.

We want to make sure you understand the facts about:

1. Replacing your existing annuity contract or using contract values, such as withdrawals or loans, to purchase another annuity contract, or
2. Redeeming your mutual fund shares to purchase an annuity contract, or
3. Replacing your existing life insurance policy (in whole or in part) or using policy values (also known as financing), such as dividends, loans, or withdrawals to purchase an annuity contract.

These transactions may be appropriate in some situations; however in many cases, they may not be in your long-term financial interest. They may result in loss of valuable insurance coverage or loss of contract/fund value.

Completing this form before you make your decision will help you compare the benefits and features of your current annuity contract, mutual fund investment or life insurance policy with your proposed annuity contract so that you can weigh the advantages and disadvantages and make the appropriate decision based on your individual situation. Your licensed financial professional will help you in completing this form.

If you have any questions about your current annuity, mutual fund or life insurance policy, please contact the financial institution that issued it.

We are presenting the information in this form based on our understanding of tax law. You may wish to consult with your tax adviser because neither we nor our representatives can provide tax advice.

On these pages, *I*, *you*, and *your* refer to the contract owner. *We*, *us*, and *our* refer to the Prudential company that will issue your contract.

About Replacing/Using Your Annuity Contract Values and Redeeming your Mutual Fund Shares

Carefully consider the following before you replace or use contract values from your existing annuity contract or redeem your mutual fund shares to purchase an annuity.

The product features of annuities and mutual funds:

- Compare the tax treatment of each product. For example, you should know that withdrawals from annuity contracts are subject to ordinary income tax and if the withdrawal is taken prior to age 59½ it may also be subject to a 10 percent federal income tax penalty.
- **If you are considering a variable annuity**, examine the investment options that may be valuable to you. You should consider the investment objectives, risks, performance, and strategies of the investment options available with each product, and how frequently you can move money among investment options or funds without a charge. Please refer to the applicable prospectus for this information.
- **If you are considering a fixed annuity**, compare the current rate being credited under each contract. Keep in mind that for an initial, limited period (for example, 1 year) additional interest may be credited. Consider whether each contract offers additional features such as a bailout rate and interest rate breakpoints. Also consider each contract's minimum interest rate guarantee.
- Find out what type of Death Benefit each product offers, if any. Some annuity contracts have enhanced Death Benefit protection, while mutual funds typically do not, unless such protection has been purchased separately.
- For annuity-to-annuity exchanges, consider the annuitization options for each annuity and the circumstances under which the contract annuitizes.
- Also consider the availability of charge-free amounts (for example, 10 percent each year) and access to funds without a surrender charge for certain purposes (for example, critical care access*). Amounts are still subject to income tax and tax penalties, if applicable.

**Critical Care access is not available in all states or on all annuities. The ability to exercise the nursing home option varies from state to state. Contract funds remaining in the contract will continue to accumulate tax-deferred. Withdrawals and surrenders of contract funds are subject to income taxation. An additional 10 percent federal income tax penalty may apply to taxable distributions withdrawn prior to age 59½. You should consult with your own tax adviser for advice regarding your particular situation.*

(continued)

About Replacing/ Using Your Annuity Contract Values and Redeeming your Mutual Fund Shares *(continued)*

The fees and expenses:

- **For a variable annuity**, consider any charges and fees, including mortality and expense charges, administrative charges, and investment management fees and applicable 12b-1 fees for the portfolio options. Consider also any penalties for withdrawals. Please refer to the applicable product prospectus.
- **For a fixed annuity**, consider any charges or fees, including penalties for withdrawals.
- **For mutual funds**, consider the initial sales load, 12b-1 fees, investment management fees, other expenses, and any cost of surrendering your current mutual fund shares. Please refer to the applicable fund prospectus.
- **Surrender charges**, your existing annuity or mutual fund may still be subject to surrender charges. This means that you may not receive the full value of the existing annuity or mutual fund upon surrender. There may also be surrender charges on any withdrawals made from an existing annuity contract. In addition, a new surrender charge schedule may be imposed on the new annuity contract. Certain annuity contracts offer bonus credits on your purchase payments; however, these contracts typically have higher costs, higher withdrawal charges, and/or longer withdrawal charge schedules as compared to annuity contracts without bonus credits.

The tax consequences:

This transaction may also have tax consequences. Withdrawals from an annuity contract are taken first from taxable earnings. Withdrawals from an annuity contract prior to age 59½ may also be subject to a 10 percent federal income tax penalty. The proposed annuity may be subject to less favorable tax treatment than your existing annuity contract due to changes in the tax laws after issuance of your existing annuity contract.

About Replacing/ Using Your Life Insurance Policy Values

Carefully consider the following information before you replace or use policy values from your existing life insurance policy to purchase an annuity.

While replacement or financing may be appropriate in some situations, in most cases it may not be. By replacing your existing coverage or financing using policy values, you may:

- **Sacrifice dividends and/or investment values**. Your existing policy is a valuable asset. It may have built up dividends and/or investment values which are not guaranteed and could increase in later years. If you decide to replace, you may forfeit these important values.
- **Incur new costs**. A significant percentage of the replaced policy's proceeds may be used to pay for expenses, which include commissions or deferred sales charges. There may also be surrender charges on any withdrawals taken from or upon surrender of the life policy. In addition, the annuity contract will typically impose a new surrender charge schedule on any withdrawals taken from the contract for a specified period of years.
- **Lose other valuable policy benefits**. Under certain circumstances, as defined in the policy, you may be giving up valuable benefits (e.g., favorable loan rates and amount or death benefit) that you may not want to lose.
- **Be subject to unfavorable tax consequences**. Replacement of a permanent policy may have tax consequences. For instance, withdrawals in excess of an insurance policy's cost basis may be taxable. Outstanding loans on a surrendered policy may be taxable. There may be other tax consequences for policies classified as a Modified Endowment Contract (MEC) and for annuity withdrawals including a 10 percent federal income tax penalty for withdrawals/distributions made prior to age 59½. Also, unlike the life insurance death benefit, the death benefit paid on an annuity contract is generally not income tax free. Therefore, we encourage you to consult a tax adviser for more information.
- **Reduce the death benefit payment to your beneficiaries**. Taking a loan or withdrawal may reduce the death benefit on your existing policy.
- **Have to pay loan interest**. Policy loans should be repaid. If not, the principal and accrued interest are deducted from your death benefit. If loans are not repaid and interest is not paid, you may jeopardize your existing insurance coverage and death benefit for your beneficiary. If your policy should terminate prior to death with an outstanding loan, the amount of the loan in excess of cost basis is immediately taxable.
- **Rely too much on non-guaranteed future dividends and investment earnings to pay for the new contract**. There are no guarantees that dividends and investment earnings will perform at the same level as today. Because they are not guaranteed, you would not rely on them to help pay for a new contract. You may have to make additional out-of-pocket payments when dividends and investment earnings change.

Securities are offered through Pruco Securities Corporation, member SIPC, 751 Broad Street, Newark, New Jersey 07102-3777, a Prudential company.

Prudential Financial

Purchase of an Annuity Disclosure

The Prudential Insurance Company of America
Pruco Life Insurance Company,
both are Prudential companies

1 Applicant Information

Proposed contract number

Name of applicant *(first, middle initial, last name)*

Fund 2

Owner's Social Security number/EIN: 151551111

Joint owner's Social Security number/EIN

2a Current Annuity Contract, Life Policy or Mutual Fund

A. Current surrender charges *(Must complete section A for annuities and mutual funds.)*

- The cost of surrendering or taking value from your current annuity contract or mutual fund share is $ 0.0
- The surrender charge schedule for your current annuity contract or mutual fund share is 0.00 %

This is based on: ☑ Contract date **or** ☐ Deposit date

B. Current annuity contract number 125412

Company name

Prudential Ins Co

1. ☑ Fixed **or** ☐ Variable
2. ☐ Single payment **or** ☑ Flexible payment
3. ☑ Effective interest rate 5.00 %

C. Current life policy number Issue date *month day year*

Company name

1. ☐ Replacement **or** ☐ Financing
2. ☐ Whole Life ☐ Variable Life ☐ Universal Life ☐ Other

D. Current mutual fund number

Company name

Type of shares: ☐ Class A ☐ Class B ☐ Class C ☐ Other

2b Current Annuity Contract, Life Policy or Mutual Fund

(Complete this section if more than one transfer is being submitted.)

A. Current surrender charges *(Must complete section A for annuities and mutual funds.)*

- The cost of surrendering or taking value from your current annuity contract or mutual fund share is $
- The surrender charge schedule for your current annuity contract or mutual fund share is %

This is based on: ☐ Contract date **or** ☐ Deposit date

B. Current annuity contract number

Company name

1. ☐ Fixed **or** ☐ Variable
2. ☐ Single payment **or** ☐ Flexible payment
3. ☐ Effective interest rate %

C. Current life policy number Issue date *month day year*

Company name

1. ☐ Replacement **or** ☐ Financing
2. ☐ Whole Life ☐ Variable Life ☐ Universal Life ☐ Other

D. Current mutual fund number

Company name

Type of shares: ☐ Class A ☐ Class B ☐ Class C ☐ Other

3 Proposed Annuity

Proposed surrender charges *(These questions must be completed.)*

The surrender charge schedule for your proposed annuity contract is 7.00 %

This is based on: ☐ Contract date **or** ☑ Deposit date

Proposed annuity contract

1. ☐ Fixed **or** ☑ Variable
2. ☐ Single payment **or** ☑ Flexible payment
3. ☑ Deferred **or** ☐ Immediate
4. ☐ Proposed crediting rate ______ %. (Excluding any additional interest applied only in the first year. Rates are subject to market changes.)

4 About Replacements

(Read this section carefully for all replacements.)

What charges are made against each policy or contract?

The premiums for most traditional policies and fixed contracts have the charges built in. See your policy or contract. For variable policies and contracts refer to the prospectus for a complete description of the charges. Be sure to obtain a policy illustration to see the effects of the charges on policy values and benefits.

Does each policy or contract offer investment options?

Cash values, and in certain circumstances, death benefits, of variable life insurance policies depend upon the performance of underlying investment accounts. You must consider the investment objectives, risks, performance, and strategies of the investment options available with your current policy and your proposed policy or contract. Please refer to the prospectus for each.

Remember that replacement may appear to be beneficial today based on a comparison of illustrative (non-guaranteed) values, but since dividend scales, interest rates, and investment returns fluctuate, these results may not be achieved. Remember also that companies use different assumptions in preparing illustrations, and illustrations should not be relied upon exclusively to compare policy features and benefits.

5 Consider the Following

(Complete this section for all Life to Annuity replacement transactions.)

Please answer these questions if you are replacing your existing life insurance to purchase an annuity. These questions provide a summary of the factors you should consider in making your decision. For variable contracts, you should carefully review the prospectus before making a decision.

- If you replace this life insurance policy, will your remaining life insurance be adequate to cover your needs? ☐ Yes ☐ No
- Do you understand that the death benefit payable under the annuity contract may not be as large as may be payable under a life insurance policy and does not pass to your beneficiary income-tax free? ☐ Yes ☐ No
- Do you understand that charges may be imposed upon surrender of your life insurance policy? ☐ Yes ☐ No
- Do you understand the charges that will be imposed under the proposed annuity contract? ☐ Yes ☐ No
- Does your current life policy offer the opportunity to annuitize cash value? ☐ Yes ☐ No
- Do you understand that should you purchase life insurance in the future: 1) you will incur a new contestability period; 2) you may have to prove that you are in good health; 3) premiums may be higher due to the fact that you will be older than you were when you purchased your current life insurance policy? ☐ Yes ☐ No
- Do you understand that withdrawals from an annuity contract are taxed differently than a life insurance policy and may also be subject to a surrender charge? ☐ Yes ☐ No
- Depending upon the tax status of your policy, do you understand that by surrendering your life policy you will lose the ability to take tax-free loans? ☐ Yes ☐ No

6 Consider the Following

(Complete this section for all Life to Annuity financing transactions.)

Please answer these questions if you are financing using your existing life insurance to purchase an annuity. These questions provide a summary of the factors you should consider in making your decision. For variable contracts, you should carefully review the prospectus before making a decision.

- Do you understand that the proposed financing may reduce the death benefit under the policy? ☐ Yes ☐ No
- Do you understand that the death benefit payable under the contract may not be as large as may be payable under a life insurance policy and does not pass to your beneficiary income-tax free? ☐ Yes ☐ No
- Do you understand the charges that will be imposed under the proposed annuity contract? ☐ Yes ☐ No
- Do you understand that withdrawals from an annuity contract are taxed differently than a life insurance policy and may also be subject to a surrender charge? ☐ Yes ☐ No
- Do you understand that taking a loan or withdrawal from your life policy will reduce the death benefit if the loan or withdrawal is not repaid and that interest will accrue on the loan? ☐ Yes ☐ No
- Do you understand that if your policy lapses or is surrendered with an outstanding loan, you may have taxable income? ☐ Yes ☐ No

Since the values and premiums stated on this form may change over time, the estimated date upon which you must begin making premium/purchase payments from your own funds for the **current policy and/or proposed contract** may also change. The date when policies are estimated to terminate or payments to resume are based on the assumed continuation of current (or guaranteed factors, and the payment of any premiums or interest due on loans). The estimated dates may occur earlier or later depending upon a variety of factors, including:

- the actual dividends paid or investment returns on your policy, which are not guaranteed and can vary,
- whether you pay premium payments on your current policy and actual interest on loans when due, and
- the interest rate(s) and charges applicable.

Please indicate below the sources of funds that will be used to help fund your current policy or proposed contract.

☐ A **dividend** estimated to be in the amount of $____________ will be taken from the value of my current policy each ____________ (mode) starting in year __________ for _____ years. $__________ will be used to pay premiums for the current policy and $____________ will be used to pay premiums/purchase payments for proposed contract.

☐ A **loan** (include an Automatic Premium Loan election) in the amount of $______________ will be taken from the value of my current policy each _____________ (mode), bearing a current loan interest rate of ______%,* starting in year _________ for _____ years. $____________ will be used to pay premiums for the current policy and $_____________ will be used to pay premiums/purchase payments for proposed contract.

☐ A partial **surrender** or **withdrawal** in the amount of $______________ will be taken from the value of my current policy to help pay premiums/purchase payments for the proposed contract.

☐ Premiums of $_____________ will be paid **out of pocket** for the current policy. $____________ will be used to pay premiums/purchase payments for the proposed contract.

**This may be a variable rate. Ask your licensed financial professional.*

If the policy values of your CURRENT POLICY are used as a source of funding for the purchase of an annuity contract, your CURRENT POLICY will be terminated on _____________ (date) assuming there are no future changes in dividend or other non-guaranteed elements of your policies, and you use the policy values to pay premiums as described and you make no out-of-pocket payments. In order to maintain the desired death benefit from your current policy, you must begin making total out-of-pocket payments in the amount of $_____________ to be paid each _____________ (mode).

For variable contracts

Your licensed financial professional can provide you with an illustration on your current policy showing a range of hypothetical results based on the proposed financing and several investment return and charges scenarios, some of which may show the policy terminating. After the termination date any payments for both the current policy and the proposed contract will need to be made out of pocket.

THIS WORKSHEET IS A SUMMARY OF IMPORTANT FACTORS TO CONSIDER. IT MUST BE ACCOMPANIED BY A FULL POLICY ILLUSTRATION FOR YOUR CURRENT POLICY WHICH YOU SHOULD CAREFULLY CONSIDER BEFORE MAKING A DECISION.

7 Financial Professional's Signature

1. My primary reason for recommending this transaction is: gyjgyjgjh
2. The disadvantages of replacement or financing a new annuity for this customer are: jhhglghjkghj
3. The primary reason for and advantages of replacement or financing for this customer are: yghjkghjgh gjk
4. I do not believe that the existing policy can meet the customer's needs because: gfjkgfhjkgffhkgf

I have reviewed the above information with the customer, including the advantages/disadvantages of replacing/financing and the risk of financing, and certify that it is correct and that the proposed transaction is appropriate for the customer. Copies of all sales materials, illustrations, and supplements have been left with the client.

Comments dfgedgfadgsdfgdfg

Surrender charge fee decreases 1 percent per year during the first 7 years of the contract.

Agent contract number ES5092 Office code TRNX4 Telephone number 2157842147

X Frank Maddaloni 03/07/2002

Financial professional's signature and date month day year

Note: This form must be completed in addition to any applicable state-required replacement forms.

8 Owner Signature(s)

By signing below, I (we) acknowledge that:

- I have read this Purchase of Annuity Disclosure form provided by my Prudential financial professional and that I understand the potential advantages and disadvantages of replacing/financing using my current contract/policy or redeeming my current mutual fund shares.
- I have reviewed the benefits, features, and prospectus (if applicable) of each product with my financial professional.
- I understand what the proposed transaction means for me.
- I believe this replacement of/financing using my existing annuity contract, life policy, or redemption of mutual fund shares will help achieve my financial objectives.
- I understand that there may be tax consequences as a result of this request and that this request (including tax reporting and withholding) cannot be reversed once processed.
- I have been encouraged to consult my tax adviser prior to making this decision.

X Fund 2 03/07/2002

Contract owner's signature and date month day year

X

Joint owner's signature (if applicable) and date month day year

Note: Your state may also require that you receive specific information about replacement or financing. Ask your licensed financial professional about whether your state requires such information and, if it does, review it carefully.

Standard mail to: **Prudential Annuity Service Center**
PO Box 7590
Philadelphia, PA 19101

Overnight mail to: **Prudential Annuity Service Center**
2101 Welsh Road
Dresher, PA 19025

If you have any questions, please call the Prudential Annuity Service Center at **(888) 778-2888**, Monday through Friday between 8:00 a.m. and 8:00 p.m. Eastern time.

Proposed contract number ____ Owner's Social Security number/EIN 151551111

Name of applicant *(first, middle initial, last name)*

Fund 2

9 Replacement Forms and Sales Material

(To be completed by financial professional.)

Replacement regulations of some states require that any application involving replacement activity be rejected if required forms and "sales material" are not submitted in good order with the application.

Sales material includes product specific brochures, illustrations, or similar type materials used in the sales presentation (including electronic materials). Sales material **does not** include fact finders, Asset Allocation Questionnaires and Output, or similar type of materials.

Please check below the sales material you used in your presentation. There is no need to submit a copy of these sales materials with this form.

- ☐ None
- ☐ Applicable Annuity Prospectus
- ☐ Investment Platform Brochure (ORD 00041)
- ☐ Annuity One Overview (ORD 000039)
- ☐ Annuity One Client Kit
- ☐ Strategic Partners Annuity One Product Updates Brochure (ORD 01069)
- ☐ Strategic Partners Advisor Overview (ORD 01013)
- ☐ Strategic Partners Advisor Client Kit
- ☐ Strategic Partners Select Overview (ORD 01015)
- ☐ Strategic Partners Select Client Kit
- ☐ Variable Investment Plan Booklet (ORD 97111)
- ☐ Variable Investment Option Digest (PRU728)
- ☐ Discovery Classic Client Brochure (ORD 97688)
- ☐ PIA Client Brochure (ORD 97687)

All products may not be available in all states.

Please list any other sales materials not shown above used in the presentation. *(A copy of these materials must be submitted with this form.)*

☐ Illustration (*Must be submitted.*)

☐ ____ ☐ ____

☐ ____ ☐ ____

10 Management Statement

(Must be completed and signed prior to submission.)

☐ I have reviewed and do not agree that the proposed transaction is appropriate. As an alternative, the applicant should consider: ____

____

☐ I have reviewed all the sales material received for submission, reviewed all the required forms for completion, verified the accuracy of the information, and agree that the proposed transaction is appropriate.

Comments ____

____

Registered Principal/Managing Director's name ____

Managing Director's contract number ____ Office code ____

X ____

Registered Principal/Managing Director's signature and date — *month* *day* *year*

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