Prudential

Prudential

The Prudential Insurance Company of America
751 Broad Street, Newark NJ 07102-3777
http://www.prudential.com

1999 Work/Life Facts

Opportunities for Women to Advance

- 23% of Prudential executives are women.
- Women lead three major business groups within Prudential.
- Women hold three seats on Prudential's board of directors, which represents 13% of the board.
- Women represented 70% of the 1999 entering management intern class.

Dependent Care Support

- Through the Prudential Foundation, the philanthropic arm of the company, our 1999 child care related grants topped $4,837,250 for programs covering before and after-school care, summer initiatives and parenting education.
- The Newark, NJ back-up child care center was used over 2,200 times by Prudential children in 1999.
- In 1999, Prudential introduced a national access program for child care that gives employees priority enrollment at a national network of full and back-up child care centers.
- Three additional back-up child care centers are expected to open by the end of 2000, with other locations being planned in 2001.
- Over 7,000 employees accessed child care, elder care and educational services through the LifeWorks© resource and referral program in 1999.
- LifeWorks© on-line, available to employees through Prudential's intranet site, was rolled out in 1998 and experienced over 16,000 hits since inception.
- A new work/life intranet site has been accessed by Prudential employees almost 20,000 times since it was introduced in late 1999.
- More than 22,000 Prudential employees, friends and family members participated in Prudential's 1999 Global Volunteer day.

- Prudential introduced a new Personal Volunteer Day in 1999, which allows employees to take a paid day off from work to volunteer.
- Prudential offers leave-of-absence policies that extend beyond what is required by family-leave laws and includes an option of up to 26 weeks leave for new parents.
- Prudential doubled its adoption benefit from $2,500 to $5,000 in 1999.
- Prudential employees can take advantage of discount agreements at a number of national and local child care providers.
- Prudential expanded its definition of eligible dependents for medical and dental coverage to include one qualified adult and also extended eligibility for medical coverage to all part-time employees who work 20 hours or more a week without a previous service requirement.
- A three-year $1.7 million grant from the Prudential Foundation supports the a multimedia-based, bilingual educational program created by the Children's Television Workshop. The program entitled "Sesame Street Beginnings: Language to Literacy" helps foster language development in children from birth to age three.
- In 1999, a $1.2 million grant from the Prudential Foundation supported the Prudential Positive Parenting program, a comprehensive parenting education initiative through the Child Welfare League of America.

Alternative Work Policies

- Prudential enhanced its guidelines to assist employees and managers in implementing business-based flexible work arrangements and published them, along with related tools and training, on the work/life intranet site for easy access.
- Nearly all Prudential employees can vary their starting and ending times to meet their individual needs.
- Prudential employees can participate in many flexible work arrangement options including compressed work weeks, telecommuting, remote work, job-sharing and part-time.
- Over half of Prudential's workforce has the ability to work remotely.
- Prudential's workforce includes over 3,000 part-time employees.

News Release

Prudential

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CENTS & SENSIBILITIES:

Prudential Securities' ***Investor Zone Update*** Finds
Women Gain Investing Confidence But 'Gender Gap' Remains Intact

NEW YORK, March 8, 1999 --An update to a benchmark 1995 study on women and investing released today by Prudential Securities found that womens' investing confidence has grown; they are less fearful of making mistakes with money; and they are more willing to consider taking risks on investments than they were three years ago. However, the study found that men still outnumber women as the most active and assertive investors, and that womens' improving confidence in their investing abilities is still tempered by a tendency toward caution.

"Our study clearly identified that women are growing more empowered financially," said Michelle Laughlin, senior vice president and treasury market strategist for Prudential Securities. "They are more confident in their abilities, more willing to take some investment risk and more optimistic about the future."

Kim Calero, president of the National Association of Female Executives (NAFE), said: "Women have had a major impact on 80% of all purchases made in the United States. However, they still have a long way to go. Women are taking a more assertive role in money issues, but until a balanced economic field is developed, they will not feel comfortable taking any size of investment risk. This is unfortunate because women tend to outlive men, and take time off to raise families or care for parents, while earning 75 cents to the dollar compared with men. Women need to invest more than ever to ensure a secure future."

Investor Zone Update was based on a telephone survey of 851 randomly selected households conducted in December 1998.

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An update to a 1995 study, ***Investor Zone Update*** placed investors into three different categories based on an extensive questionnaire that gauged their "confident" and "cautious" attitudes:

- o those in the ***Action*** zone are goal-oriented, willing to take risk and feel confident about making investment decisions;
- o those in the ***Comfort*** zone prefer "safe and guaranteed" investments, are more nervous about the unknown and are concerned about making mistakes;
- o those in the ***Cautious*** zone women are too occupied with the ups and downs of everyday living to spend time planning effectively for their financial futures.

The study found that women are now significantly more inclined to take risk than they were in November 1995. Then, 45% of them said they "think investing is just too risky." Now, only 25% agreed with that statement. More women today (38% vs.the 1995 figure of 26%) said they are "willing to take substantial risks in hopes of making substantial gains."

While ***Investor Zone Update*** found women to be nearly as confident as men in their financial acumen, the effects of their confidence was mediated by what the study defined as more "cautious" attitudes. Fifty-seven percent of women, compared with 42% of men, said they are "usually the one who gives in when plans conflict." Some 48% of women but only 34% of men said the "ups and downs of the stock market make me nervous." And 38% of women, compared with only 29% of men, said "conversations about money and investing are boring to me."

When the study was first done in 1995, 72% of women said they are "open to considering new investment opportunities and strategies, compared with 80% in 1998; 41% said they "often put off making financial decisions for fear of making a mistake", compared with 32% in 1998; and 69% said "financial terminology is confusing to me," compared with 58% in 1998.

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Both Men and Women Are More Confident

In fact, the study found that both men and women have become more confident in their abilities to invest, possibly because of the powerful bull market of the last four years. That suggests that a 'gender gap' still exists. Both sexes are:

- o optimistic about the future, (women 73%, men, 76%);
- o look forward to retirement (men, 71%, women 72 percent);
- o have a specific savings plan for retirement (men, 77%, women 69%);
- o and think it is very important to become an accomplished and active investor (women, 69%, men 71%).

More women today (43%) are members of the ***Action*** zone, compared with only 29% in 1995. But 64 percent of women are still in the ***Comfort*** zone, compared to 55 percent of men. Men still outnumber women as members of the Action zone (58% vs. 45%).

Who Does The Investing?

While decision-making is shared among couples, the study found that men still do most of the investing. Only 15% of married women describe themselves as the "main decision maker," and 78% said they share the decision-making responsibility. Among married men, about one-third say they are the main decision maker and two-thirds say they share the responsibility.

"It's important to remember that at some time in their lives, nearly everyone -- both men and women -- will be responsible for their financial futures. "We continue to recommend learning about the financial markets as a way of continuing to gain confidence and financial acumen," said Laughlin.

The National Association for Female Executives (NAFE) is the largest business womens' organization in the country, with 130,000 members nationwide, and the largest women's business owners' organization, with 26,000 members nationwide. NAFE provides the resources and services -- through education, networking, and public advocacy -- to empower its members to achieve career success and financial security. The professional achievements of its members demonstrate its founding principle: when a woman succeeds, a company succeeds.

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Prudential Securities Incorporated is a fully diversified, global securities firm based in New York City, serving clients in the US and overseas through more than 6,500 Financial Advisors. The fifth-largest brokerage firm, Prudential Securities is a subsidiary of the Prudential Insurance Company of America.

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* The survey conducted is based upon a random national sampling of the US population. The participants in the 1998 survey may not have necessarily been a participant in the 1995 survey. Comparison percentages made between the two surveys are based upon responses from households with incomes of $50,000 or more.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Mission

To help customers achieve financial security and peace of mind.

Vision

To be a leader among financial services companies in the delivery of insurance and investments to individuals and institutions both domestically and abroad.

The Prudential Insurance Company of America
Financial Facts

Full Year 1999

The Prudential Insurance Company of America ("Prudential") is one of the largest life insurance companies in the United States and one of the largest financial institutions in the world. Prudential serves more than 30 million customers worldwide offering a variety of products and services, including: life insurance, property and casualty insurance, mutual funds, annuities, pension and retirement related investments and administration, asset management, and securities brokerage.[1]

One of the cornerstones of Prudential's strength is our quality distribution network which includes nearly 7,700 insurance agents and financial planners, nearly 2,900 life planners, over 6,600 financial advisors and more than 39,000 real estate sales associates.

Strong Market Positions

Prudential maintains leading market positions in its key businesses:

Life Insurance. Prudential is a leading issuer of individual life insurance, with $347 million domestic and $402 million international annualized new business individual life insurance premiums in 1999. Prudential ranks 2nd in new variable life policies issued for the year ended December 31, 1999[2] with more than $1 trillion of coverage in force. Prudential also ranks 2nd in group life earned premiums.[3]

Property and Casualty. Prudential provides insurance for automobiles, homes, boats and personal liability. As of December 31, 1999, we insured 1.3 million automobiles and 1.1 million homes. Direct written premiums totaled $1.6 billion.

Investment Management. Prudential has over $300 billion of assets under management as of December 31, 1999 and ranks 6th in defined contribution assets under management.[4] In addition, Prudential Mutual Funds manages more than $69 billion of mutual fund assets and over $31 billion in Series Fund assets supporting our variable life insurance policies and annuity contracts.[5]

Annuities. Prudential is also one of the nation's foremost issuers of annuities. As of December 31, 1999, variable annuity assets under management totaled $22.6 billion which includes Series Fund assets.[5] Prudential ranked 14th in variable annuity sales for 1999.[6]

Retail Investment. Prudential Securities, a full service brokerage firm, ranks 6th in the retail securities registered representatives.[7] As of December 31, 1999, it had over 6,600 domestic and international financial advisors.

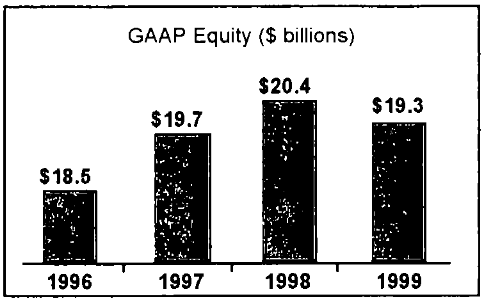
Real Estate Brokerage. Based on sales transaction volume—$76 billion in 1999—Prudential Real Estate Affiliates is one of the leading real estate residential and commercial brokerage networks in North America, and has more than 39,000 sales associates with over 1,500 offices across the United States and Canada.

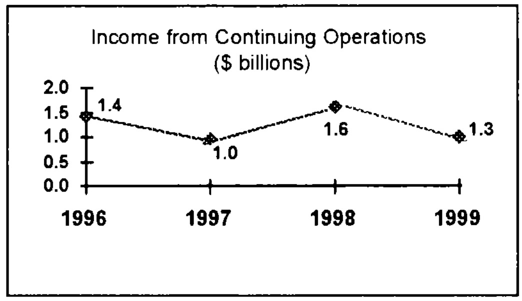
Notes:
Financial data included herein is from the December 31, 1999 Consolidated Financial Statements of The Prudential Insurance Company of America, Newark NJ and other internal sources unless otherwise noted. On December 10, 1998, Prudential announced that it entered into a definitive agreement to sell substantially all of its group medical and dental business to Aetna, Inc. for $1 billion. The transaction was approved by the Board of Directors of both companies and was completed in the third quarter of 1999. (1) Not all benefits and coverage(s) are available in every state. Certain conditions apply. Your Prudential Agent / Pruco Securities Registered Representative can provide information. Securities products and services are offered through Pruco Securities Corporation, 751 Broad Street, Newark, NJ 07102, Prudential Investment Management Services LLC, 100 Mulberry St., Gateway Center Three, Newark, NJ 07102 and Prudential Securities Incorporated, New York, NY 10292; all members of SIPC (Securities Investor Protection Corporation) and subsidiaries of The Prudential Insurance Company of America, 751 Broad St., Newark, NJ 07102. Property and casualty coverage written by Prudential Property and Casualty Insurance Company, 23 Main St., Holmdel, NJ 07733 and other affiliated companies; Real estate brokerage services are offered through independently owned and operated franchises of The Prudential Real Estate Affiliates, Inc. subsidiary of Prudential. Banking products and services provided through The Prudential Bank and Trust Company and The Prudential Savings Bank, F.S.B., subsidiaries of Prudential, members FDIC and Equal Housing Lenders. (2) LIMRA Sales Survey based on 1/1/99-12/31/99 data. Life insurance is issued by Prudential and certain subsidiaries of Prudential. (3) 1998 Annual Statements for Prudential and its peers based on 1998 statutory earned premiums (excluding SGLI and separate accounts). (4) Pensions & Investments, January 2000 based on assets as of 9/30/99. (5) For more complete information about Prudential's mutual funds, variable life insurance and variable annuities, including fees and expenses, contact a Prudential Agent / Pruco Securities Registered Representative or a Prudential Securities Financial Advisor for a prospectus. Read the prospectus carefully before investing or sending money. (6) VARDS ranking based on sales for period 1/1/99-12/31/99. (7) Prudential Securities Inc. company financials, market sources. Data as of 12/31/99.

Prudential

Financial Strength

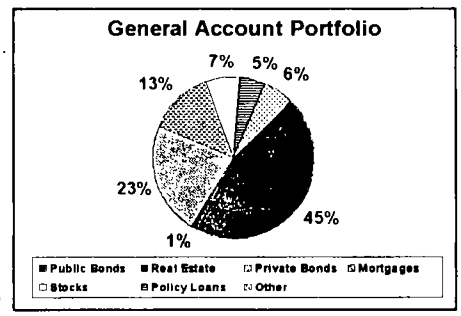
GAAP Results. Income from continuing operations was $1.3 billion and $1.6 billion for the years ended December 31, 1999 and 1998, respectively. Equity was $19.3 billion as of December 31, 1999.





Statutory Update. As of December 31, 1999, Prudential had $191.5 billion in statutory assets and $182.3 billion in statutory liabilities, including Asset Valuation Reserve. Prudential's General Account statutory assets support the company's traditional individual life insurance, fixed annuities, and fixed interest retirement products, such as Guaranteed Interest Contracts.

Prudential manages a high quality, well-diversified General Account portfolio, 45% of which is invested in public bonds, 23% in private bonds, 13% in mortgages, 7% in stocks, 5% in policy loans and 1% in real estate as of December 31, 1999. The remainder of the general account portfolio is composed of insurance receivables and non-invested assets.



Liquidity & Capitalization. Prudential has the largest statutory capital[8] base of any life insurance company in America with $12.6 billion as of December 31, 1999. Prudential maintains a highly liquid investment portfolio with over $65 billion of liquid assets [9] in its General Account as of December 31, 1999. The company's liquidity position is further enhanced by stringent client withdrawal provisions for a substantial portion of its liabilities.

Claims Paying Ability/Financial Strength. Ratings from the major rating agencies are in the "Excellent", "Very High", "Strong" or "Good" category.[10]

Rating Agency	Prudential
Standard & Poor's	A+ (strong)
Moody's	A1 (good)
Duff & Phelps	AA- (very high)
A.M. Best	A (excellent)

Note: The discussion regarding financial strength applies to the General Account assets of The Prudential Insurance Company of America. General Account refers to the statutory assets supporting Prudential's insurance products, and excludes the separate accounts that support variable life and variable annuities, as well as mutual funds and other securities products and services.

Notes: (8) Capital is statutory surplus plus Assets Valuation Reserve (AVR) Capital includes $1 billion in proceeds of Surplus Notes issued in 1993 and 1995, and accepted as surplus by the New Jersey Commissioner of Insurance. Some states do not recognize the $300 million issued in 1993 as surplus. (9) Based on Standard & Poor's liquidity model using December 31, 1999 Annual Statement values for immediately available liquid assets. Liquid assets include: cash, short term investments, U.S. Government and agency securities, mortgage backed and asset backed securities, investment grade corporates, public common and preferred stock. (10) Standard & Poor's rates a company's claims-paying ability. Ratings range from AAA (extremely strong) and A (strong) to BBB (good) and B (weak) to CCC (very weak) and CC (extremely weak). Moody's Investors Service rates a company's overall financial strength. Ratings range from Aaa (exceptional) and A (good) to Baa (adequate), B (poor) and Caa (very poor). Duff & Phelps rates a company's claims-paying ability. Ratings range from AAA (highest) and AA- (very high) to BBB (adequate), B (possessing risk) and CCC (substantial risk). A.M. Best rates the relative financial strength and operating performance of each insurer in comparison with others. Ratings range from A++ (superior) and A (excellent) to C++ (marginal) and C (weak).

Ratings information current as of 4/21/00.
For current ratings or other financial data, please call Investor Relations at (973) 802-2589.

IFS-2000-54418

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PRUDENTIAL MILESTONES

1875

The Prudential Friendly Society, founded by an insurance agent named John Fairfield Dryden, opens for business on October 13 in a basement office at 812 Broad Street in downtown Newark, N.J. It is the first company in the United States to make life insurance available to working-class people

279 policies are sold by the end of the year, some for as little as 3 cents a week in premium payments.

1876

First death claim, for $10, is paid.

5,000th policy is issued.

1877

The company changes its name to The Prudential Insurance Company of America.

First sales offices outside of Newark open in Paterson, Jersey City and Elizabeth, N.J.

Investment operations commence with the purchase of government securities for $3,240.

Revenues exceed expenses for the first time.

1878

First mortgage loans are made, totaling $8,700 on eight pieces of property in downtown Newark.

1879

Sales activities expand beyond New Jersey into New York City and Philadelphia.

1885

One millionth policy is sold to cover John Dryden.

1896

The Rock of Gibraltar is used as a company symbol for the first time, in an advertisement in Leslie's Weekly that reads, "The Prudential has the strength of Gibraltar."

1897

The Prudential begins paying dividends to policyowners in addition to stockholders.

1898

The company makes its first farm loan, for $700 to a Missouri farmer named Patrick O'Hara.

1909

First Canadian sales offices open in Toronto, Montreal and Quebec.

1911

Number of policies in force reaches 10 million.

1912

Disability insurance is introduced.

1915

The Prudential effectively converts from a stock to a mutual insurer after a majority of stockholders sell their stock back to the company.

1916

First group life insurance policy is written, covering employees of McCormick and Company of Baltimore.

1917 - 18

The Prudential pays claims of nearly $7 million on 23,000 policies held by servicemen who died in World War I.

1918

Record death claims of over $500,000 are paid in one day as a result of a flu epidemic sweeping the nation.

1923

Assets reach $1 billion.

1928

The first-ever group credit life insurance policy is issued to cover all personal loan borrowers of the National Bank of New York (now Citibank) under a blanket policy.

The Prudential enters the pension business, issuing its first group retirement contract to cover employees of the Cleveland Public Library.

1929-36

Policy loans and mortgage delinquencies rise to unprecedented levels during the Great Depression, but The Prudential continues to grow.

1941-46

Claims of more than $70 million are paid on nearly 100,000 policies as a result of casualties during World War II.

1943

The last privately held Prudential stock is sold back to the company.

1948

The Prudential launches a sweeping decentralization of administrative operations with the opening of a Western Home Office in Los Angeles. The company later opens additional regional home offices in Chicago, Minneapolis, Philadelphia, Jacksonville, Houston, Bostor and Northern New Jersey, and a Canadian Head Office in Toronto.

1950

First investment is made in common stocks, well before most other insurers add equities to their portfolios.

The Prudential becomes the first life insurance company to advertise on television, sponsoring "Prudential Family Playhouse."

1951

The Prudential pioneers major medical insurance, and its product quickly becomes the industry model.

1952

Individual health insurance, which was sold briefly at the beginning of the company's history, is reintroduced as "sickness and accident insurance."

1953

The State of New Jersey enacts legislation providing for the appointment of up to six Prudential directors by the state's chief justice.

1955

Prudential's first large-scale electronic computer is installed, representing one of the earliest investments in modem data-processing equipment among major U.S. corporations.

1956

A new type of "family insurance policy" is developed by The Prudential, covering all members of a family under a single policy.

1959

Ground-breaking takes place for Prudential Center in Boston, a huge mixed- use real estate development project that will encompass an office tower, several apartment buildings, a shopping concourse and a hotel. The project represents Prudential's official entry into the property development business.

1962

After winning the right for insurers to manage investments outside their "general accounts," The Prudential is the first insurance company to issue a contract based on a "separate account," which provides much greater flexibility in managing money for pension funds and individuals.

The Prudential provides $114 million in private financing for the acquisition of Ethyl Corporation by Albemarie Paper Manufacturing, thus becoming one of the first institutions to invest in what later came to be known as a leveraged buyout.

1963

Dental insurance is sold by The Prudential for the first time.

1966

With $23.6 billion in assets at year-end, The Prudential surpasses Metropolitan Life as the largest insurance company in the United States.

1969

The Prudential enters the reinsurance business by joining with other large life insurers to provide coverage for jumbo jetliners.

1970

The Prudential is the first major insurance company to market variable annuities to individuals, which requires a large share of its agents to be licensed as registered representatives.

The Prudential Property Investment Separate Account, better known as PRISA, is established. It is the first open-end, commingled real estate equity fund designed for U.S. pension plans.

One of the most memorable slogans in advertising history – "Get a piece of the Rock" – makes its debut.

1971

Prudential Property and Casualty Company is founded to underwrite market automobile and homeowners' insurance.

1973

Prudential Reinsurance Company is established to manage Prudential's growing reinsurance business.

The Prudential moves beyond health insurance into the managed-care field, assuming management responsibilities for the Rhode Island Group Health Insurance Association, one of the nation's first federally qualified health maintenance organizations. PruCare of Houston, the first federally qualified HMO owned by an insurer, is established later in the year.

One of the largest and most complex computer application systems ever developed is completed to store and process information on nearly 11 million Prudential ordinary insurance policies.

1977

The Prudential Foundation is established to administer the company's expanding philanthropic activities.

1979

In the company's first overseas life insurance initiative, Sony Prudential Life Insurance Company is formed in Japan in a joint venture with Sony Corporation.

1981

The Prudential acquires the securities brokerage firm of Bache Halsey Stuart Shields Inc. and renames it Prudential-Bache Securities. The acquisition represents Prudential's first major diversification outside of the insurance business.

1983

Advancements in computer and communications technology enable the company to eliminate four of its U.S. regional home offices and transfer their functions to remaining regional headquarters facilities in Jacksonville, Minneapolis and the Los Angeles and Philadelphia areas.

Capital City Bank of Georgia is purchased and renamed The Prudential Bank and Trust Company.

1984

A major innovation in individual life insurance is introduced by the Prudential: Variable Appreciable Life. The flexible new product gives customers a range of investment options in which to invest their policy cash values.

Prudential's investment operations are reorganized under The Prudential Investment Corporation into a federation of semiautonomous business units to promote a more entrepreneurial, market-driven approach to investment management.

1985

Consolidated assets surpass $100 billion.

The company's role as a money manager for other institutions expands significantly with the acquisition of Jennison Associates Capital Corp., a major stock and bond manager for pension funds.

The Prudential Home Mortgage Company is founded to provide residential mortgage loans nationwide through large employers, banks, mortgage brokers and other third-party intermediaries.

PIC Europe, the first European investment unit of a U.S. insurance company, is established in London.

1986

The first national managed dental care program in the U.S., The Prudential Dental Maintenance Organization, is established.

Prudential Asia investments Limited is formed in Hong Kong to make direct investments throughout the Asia-Pacific region.

A new subsidiary is established in Spain to write pension business.

1987

The Prudential enters the residential real estate brokerage business by forming a new s ubsidiary, The Prudential Real Estate Affiliates, Inc., based in Costa Mesa, Calif.

Prudential Mutual Fund Management is created to market and administer Prudential's growing family of mutual funds.

The Prudential dissolves its joint venture with Sony Corporation and establishes a wholly-owned Japanese life insurance subsidiary, The Prudential Life Insurance Company Ltd. of Japan.

1988

The Prudential Investment Corporation opens a representative office in Japan.

1989

The Prudential acquires Merrill Lynch Realty and Merrill Lynch Relocation Management.

Cartersville Federal Savings Bank of Georgia is purchased and renamed the Prudential Savings Bank.

Prudential establishes new life insurance operations in Italy, Spain, Korea and Taiwan.

1990

After pioneering the concept in Canada, The Prudential introduces the Living Needs Benefit in the U.S., which enables policyowners who are terminally ill or permanently confined to a nursing home to collect life insurance benefits while they are still living.

Life insurance sales begin in Spain and Taiwan.

A new investment unit is established in Tokyo to manage Japanese and global securities for Japanese clients.

1991

1992

The Prudential sells the Empire State Building. Prudential buys the Johns Hopkins Health Plan which becomes a part of the Prudential HealthCare Plan.

Prudential-Bache Securities changes its name to Prudential Securities.

Life insurance sales begin in Italy and Korea.

Prudential of Japan introduces Living Needs Benefits in Japan.

1993

The Prudential Center for Health Care Research is founded, the first such facility operated by an insurer-based managed care company. The Center focuses on turning research into action to improve patient health.

Capital Allocation Project prioritizes businesses into three sectors: Financial services for individuals and families, Health-care management and employee benefits, and Institutional asset management.

First quartile performance standards applied to all business units.

Prudential of Taiwan introduces Living Needs Benefit in Taiwan.

1994

December, Prudential's Board of Directors appoints Arthur F. Ryan as chairman and CEO.

Prudential of Korea introduces Living Needs Benefit in Korea.

1995

Prudential announces the reorganization of its businesses. Company creates new group to focus on money management; consolidates insurance operations.

1996

Prudential's group insurance department changes its name to Prudential HealthCare.

PRICOA Vita introduces Living Needs Benefit in Italy.

1997

October, Prudential and Bradesco Seguras announce the formation of Prudential-Bradesco Seguras, a Brazilian-based life insurance joint venture.

December, Prudential launches campaign to educate consumers about replacing life insurance policies.

1998

February, Prudential begins to explore full demutualization. The conversion process is expected to take up to two years to complete.

May, The New Jersey Demutualization Bill is introduced to the New Jersey Legislature. Enactment of the bill will enable Prudential to proceed with plans to explore demutualization.

June, Prudential provides all 10,000 life insurance agents with IBM Thinkpads.

Prudential acquires Merastar Insurance Company, which specializes in employer-sponsored insurance through payroll deduction.

June, Prudential reaches $100 million milestone in paid claims for Living Needs Benefit.

July, New Jersey Governor Christine Whitman signs 1998 Demutualization Bill into law.

> Prudential and Mitsui Trust and Banking Company Ltd., form a joint-venture, Prudential-Mitsui Trust Investments Co., Ltd., to sell investment trust (mutual funds) in Japan.

August, Prudential introduces PruTector, a group term life insurance product that provides guaranteed protection in connection with Prudential mutual funds and certain managed accounts.

October, Prudential announces the internal reorganization of its businesses into three principle customer groups: Retail, Institutional and International.

December, The Prudential Insurance Company of America and Aetna announce that they have entered into an agreement for Aetna to acquire Prudential HealthCare.

1999

February, Prudential announces the formation of Prudential Seguros, S.A., its life insurance affiliate in Buenos Aires.

March, Prudential opens Prumerica, its life insurance affiliate in Poland. The company uses Prudential's new international brand.

> Pricoa Vita S.P.A., Prudential's Italian life insurance affiliate changes name to Prumerica Life S.P.A.

> Prudential enters Long Term Care market.
> Prudential offers auto rate quotes via its web site.

April, Prudential Filipino insurance operations begin to sell products under international brand – Prumerica.

> PruTector now available in Florida.

June, Prudential expands its presence in Japan by entering the pension fund business.

August, Prudential HealthCare sold to Aetna.

November, Prudential renames Group Life & Disability To Group Insurance.

> Prudential agrees to acquire Apolo Operadora de Scociedades de Inversion, S.A. de C.V. (Apolo), a Mexican Investment Management Company. The acquisition forms Prudential Apolo Operadora de Sociedades de Inversion, S.A.de C.V.

December, Prudential acquires Hochman and Baker Inc., a firm which recruits and trains accounting professionals to become licensed to offer investment and insurance products to their tax and business clients. The company adds CPAs as a distribution channel for investment and insurance products.

2000

January, Prudential celebrates its 125th anniversary, launching itself energetically into the new millennium with a variety of programs which include, community service, volunteerism and literacy programs.

> Prudential acquires St. Paul Specialty Auto, enhancing the company's property and casualty business through its entry into the fast-growing non-standard auto insurance market.

- Prudential -

(As of January 2000)

Prudential

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THE PRUDENTIAL FOUNDATION

The Prudential Foundation is the nonprofit grant making organization of The Prudential Insurance Company of America. Founded in 1977, the Foundation has contributed more than $250 million to non-profits and community groups nationwide supporting a wide range of causes that help build children and families' self-sufficiency and foster healthy communities. The Foundation focuses its grant-making on three funding categories: Ready to Learn; Ready to Work; Ready to Live.

Ready to Learn focuses on education reform through its support of initiatives in early childhood education, professional development for teachers, school-based health and human services, arts education and literacy. The Foundation's activities within Newark, New Jersey public schools exemplify the Ready to Learn philosophy. The Newark Fund for Excellence in Public Education, established by the Foundation, supports reform efforts within Newark schools through $2.5 million in grants. In addition, through a $450,000 grant, "Reading Is Fundamental" programs in Head Start centers in Newark, Atlanta, Chicago, Detroit, Philadelphia, Houston and Denver are just a few examples of the Foundation's strong commitment to education.

Ready to Work provides support for initiatives that help people acquire job skills, create jobs, develop decent affordable housing and foster minority entrepreneurship. In partnership with New Jersey Institute of Technology, the Foundation provided $350,000 to establish the "Prudential Enterprise Development Center." The Center offers below-market rents, central support services, technical assistance and child care services to small to mid-sized Newark, New Jersey-based businesses which hire local residents. The Prudential Young Entrepreneur Program is another major Ready to Work initiative. This $2.5 million effort will provide urban young people with training, technical assistance and financial support to launch successful entrepreneurial enterprises in both Newark, New Jersey and Philadelphia, Pennsylvania.

Ready to Live focuses on community-based programs which build strong families and help children become productive citizens; cultural programs that nourish the spirit; healthcare initiatives that nourish the body; and quality human services that foster self-sufficiency. In 1997, Children's Television Workshop (CTW) received a $1.5 million grant to create "*Sesame Street* A Is For Asthma," an asthma awareness initiative designed for young children, which distributes free program materials to child care service providers nationwide. The Foundation also supports, through a $1 million grant, The Child Welfare League of America's Prudential Positive Parenting Program, a national parent education initiative.

The Prudential Foundation is part of Prudential's Community Resources Division, a strategic combination of three units: the Foundation; the Social Investments Program, which originates and manages socially beneficial investments for Prudential; and Local Initiatives, which coordinates employee volunteerism and fosters community partnerships.

CONTACT: Dawn Kelly (973) 802-7134

01/27/00

Take a friend to vote.

LWV

THE LEAGUE OF WOMEN VOTERS

I took a friend to vote!

LWV

LEAGUE OF WOMEN VOTERS

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by GPA®

Break at Score Line
and Peel Away

UltraBak™
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Lifetime

Mary Dixon
Vice President, Public Affairs

October 18, 2000

Dear Friends,

Throughout 2000, Lifetime has worked to give women a voice in the presidential election with its Every Woman Counts project.

As part of this campaign, Lifetime teamed up with Prudential, The Center for Policy Alternatives, The White House Project, The League of Women Voters, and The National Council of Women's Organizations to hold events at both the Republican and Democratic National conventions.

Please enjoy the Every Woman Counts bags we distributed at the conventions.

Sincerely,

Mary Dixon

Mary Dixon

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dixon@lifetimetv.com

Prudential

The Prudential Insurance Company of America
751 Broad Street, Newark NJ 07102-3777
http://www.prudential.com

Work/Life Programs at Prudential

Child Care/Parenting Resources

- On-site centers and near-site centers
- Back-up care & Bright Horizons National Access
- Child care referral (LifeWorks)
- Discounts through national providers
- Family illness days
- After-school programs (LifeWorks/Bright Horizons)
- College scholarships (Pru Foundation)
- College preparation (LifeWorks)
- ABC dependent care grants (periodically offered)
- Dedicated Lactation/Family Resource Rooms being planned (Private space for lactation available in Employee Health)
- LifeWorks parenting seminars & materials

Adoption

- Adoption aid ($5,000 for eligible expenses)
- Adoption leave
- Adoption and consultation service (LifeWorks)

Leaves Of Absence (concurrent with FMLA, if applicable)

- Up to 26 Weeks parental leave
- Serious illness of a family member leave (up to 12 weeks within 24 months)
- Regular leave of absence (up to 12 weeks with manager approval for circumstances that do not fall within FMLA or other Prudential leaves)

Elder Care

- Consultation and referral (LifeWorks)
- ABC dependent care grants (periodically offered)

Alternative Work Arrangements

(Business Based Flexibility)

- Telecommuting
- Flextime
- Compressed work weeks
- Job Sharing
- Part-time with benefits

Continuous Learning

- Prudential Center for Learning & Innovation
- Tuition reimbursement
- Learning Labs & Learning Connection
- Industry study reimbursement

Employee Support Services

- LifeWorks Resource and Referral Service
- Employee Assistance Program
- On-site wellness centers
- Employee fitness centers
- Strengthen the Rock (referral bonuses)
- Employee Recreation Association

Community Outreach

- Comprehensive volunteerism program
- Personal Volunteer Day/Global Volunteer Day
- Community Giving & Matching Gifts
- Community Champions

The insurance coverage offered under Prudential Long Term Care℠ Insurance contains benefits, exclusions, limitations, eligibility requirements and specific terms and provisions under which the insurance coverage may be continued in force or discontinued. If you are considering LTC Insurance that is being offered to you as a member of a group or association call 1-800-732-0416. If you are not a member of a group and you would like more information contact your Prudential representative or call 1-888-888-ROCK (1-888-888-7625).

The Prudential Insurance Company of America is licensed in all states. All insurance policies may not be available in your state. Coverage is issued under Prudential Long Term Care℠ Insurance policy number GRP 98176, GRP 98177 and GRP 98178, and Group Contract Series 83500, however, policy numbers may vary by state.

Prudential

Prudential Long Term Care℠ Insurance is underwritten by The Prudential Insurance Company of America, 751 Broad Street, Newark NJ 07102, 1-800-732-0416. www.prudential.com

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Long Term Care Insurance

You're doing a great job taking care of everybody else...

INST-A001073

Prudential

Don't forget to take care of yourself.

We women have the best job on earth. And the toughest. In spending so much of our time meeting others' needs, we often overlook our own. Today's daily pressures can seem so overwhelming; it's difficult to think about tomorrow's demands. As the ultimate caregiver in the family, you know that if you don't do a particular task, most likely it won't get done.

That's why now is a good time to look into long term care. It really is a woman's issue.

Studies show that 75% of the people who receive long term care are women.[1] And women are more likely to be the ones responsible for giving long term care to loved ones.[2]

So women need to make provisions for their own long term care as well as encourage family members – husbands, parents, siblings – to do the same. With proper planning, no woman will ever be a burden to her family, nor will she have to shoulder long term care responsibility for loved ones alone.

What is long term care?

Long term care is not medical care and generally is not covered by traditional health insurance plans. Long term care is assistance with the activities of daily living such as bathing, dressing, eating and getting around.

Long term care can be provided at home, with help from home health care workers, or with the support of an adult day care center in the community. Nursing homes also provide long term care. Whatever you choose, long term care is expensive – and getting more costly. In fact, most Americans can't afford to pay for long term care out of income or savings.

How can Prudential Long Term Care℠ Insurance help?

Whether you purchase a policy for yourself or for a loved one, Prudential Long Term Care Insurance helps provide the kind of care you need and want. Your policy will help fund the long term care choices you prefer. And Prudential's qualified Care Counselors can put you in touch with a variety of resources to assist you.

When should I consider long term care insurance?

Today, Prudential Long Term Care Insurance is available for individuals from ages 18 to 84. Because your eligibility depends upon age and health factors, the younger you are, the lower your premiums will be.

Be the ultimate caregiver

In our families, on the job, around our community, we women take care of everyone else. But the best way to take care of others is by first taking care of ourselves. Don't let the distractions of your busy life force you to put off making a critical, caring decision.

Contact your Prudential representative today to find out how Long Term Care Insurance can help you.

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[1] Health Care Finance Administration 1997 statistics.

[2] The Journal of Gerontology: Social Sciences, March 1996.

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INVESTMENT PLANNING FOR WOMEN

A REFERENCE GUIDE

Prudential Securities

file: reproductive rights

October 26, 2000

Ann
fyI - Heather

MEMORANDUM FOR BARBARA CHOW

FROM: **HEATHER HOWARD**

CC: **ANN O'LEARY**

SUBJECT: **EMERGENCY CONTRACEPTION OPTIONS**

Per your request, following is a review of our emergency contraception options. Attached is the draft language.

1) **No Helms language** barring the use of funds for emergency contraception – obviously this is our first choice.

2) **Parental involvement -** Our first compromise position is to add language regarding parental involvement. This language would require health centers to "encourage family participation in the decision of minors to seek emergency contraception." This construct is similar to language that has been included – to stave off much worse parental consent language -- in Labor-H for the Title X program for the last 3 fiscal years. The feeling is that most clinics do this anyway[1], and therefore it is not an onerous new restriction. In addition, because it is patterned after the Title X language in Labor-H, it does not establish a new precedent of treating emergency contraception differently.

   Obey has this language and is eager to try to compromise; at this point, however, the family planning groups have been urging him not to offer this language, because they feel this will then become the ceiling and everyone will deal down from this.

3) **Local control** – this is a distant second as a compromise position. This language would amend the Helms language to allow the use of funds for emergency contraception "when the distribution or provision of emergency contraception is expressly authorized by the local entity that has governing authority over the health center." This amendment fits in nicely with one of the main arguments raised against the Helms amendment – that decisions about what services are appropriate to be provided in school-based clinics are best left to local decision-makers, who can take into account the community's unique health needs and circumstances. The concern, however, is that this language would set a dangerous precedent in two ways: 1) it would treat emergency contraception differently from other contraception, and, 2) perhaps more important, it would set a dangerous local control precedent that we would undoubtedly see anti's attempt to apply to Title X (where we would want to argue for a national standard of what services are offered in family planning clinics).

   Obey does not have this language. We are keeping a close hold on it.

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[1] According to the National Assembly on School-Based Health Care, nearly all (94%) of school-based health centers require signed parental consent forms before a student can be seen; in addition, two-third of school-based health centers allow parents the option of selecting specific services that their child cannot receive.

EMERGENCY CONTRACEPTION

- **Option 1: No language – keep Helms amendment off**

- **Option 2: Parental Involvement language** (modeled on language included in Labor-H for Title X[1])

Substitute for Helms amendment:

At the appropriate place, insert the following:

Sec. XX. (a) None of the funds appropriated under this Act to carry out section 330 or title X of the Public Health Service Act (42 U.S.C. 254b, 300 et seq.), title V or XIX of the Social Security Act (42 U.S.C. 701 et seq., 1396 et seq.), or any other provision of law shall be available for distribution or provision of postcoital emergency contraception, or the provision of a prescription for postcoital emergency contraception on the premises or in the facilities of any elementary school or secondary school *unless the health center encourages family participation in the decision of minors to seek emergency contraception.*

(b) This section takes effect 1 day after the date of enactment of this Act.
(c) In this section:

(1) The terms 'elementary school' and 'secondary school' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) The term 'unemancipated minor' means an unmarried individual who is 17 years of age or younger and is a dependent, as fined in section 152(a) of the Internal Revenue Code of 1986.

- **Option 3: Local Control** (close hold on this language)

Add to the end of the Helms amendment:

, except when the distribution or provision of emergency contraception is expressly authorized by the local entity that has governing authority over the health center.

[1] The following language has been in Labor-HHS appropriations from FY 97 to FY 00: "None of the funds appropriated in this Act may be made available under Title X of the Public Health Service Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities."