REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("**Agreement**") is entered into by and between those state insurance Departments whose signatures are shown on the signature page of this agreement (collectively referred to herein as the "**Departments**"), and The Prudential Insurance Company of America, Pruco Life Insurance Company, Pruco Life Insurance Company of New Jersey, Prudential Retirement Insurance and Annuity Company, and Prudential Annuities Life Assurance Corporation (formerly known as American Skandia Life Assurance Corporation), (collectively ("**Prudential**" or "**the Company**") (the Departments and Company are collectively referred to herein as the ("**Parties**") as of this 27th day of January 2012.

RECITALS

WHEREAS, the Departments have regulatory jurisdiction over the business of insurance transacted in their respective states, including the authority to conduct market conduct examinations;

WHEREAS, the Departments, in each of their respective capacities, have undertaken a joint market conduct examination of the Company's settlement practices, procedures and policy administration relating to claims, including the Company's efforts to identify the owners and beneficiaries of unclaimed Proceeds (the "**Multi-State Examination**");

WHEREAS, as part of the Multi-State Examination, the Departments have reviewed numerous documents and information obtained during the course of the Multi-State Examination;

WHEREAS, the Departments have identified concerns regarding the adequacy of the Company's policies and procedures to ensure that life insurance and endowment policies, annuities, Retained Asset Accounts and other funds are timely paid out to Beneficiaries, and are

timely reported or remitted in accordance with the Unclaimed Property Laws and the Insurance Laws.

WHEREAS, the Company has fully cooperated with the Departments in the course of the Multi-State Examination by making its books and records available for examination, and its personnel and agents available to assist as requested by the Departments and Prudential represents that at all times relevant to this Agreement, the Company and its officers, directors, employees, agents, and representatives acted in good faith and in a manner they believed to be in the best interest of the Company's Policyholders;

WHEREAS, Prudential represents that it has policies and procedures to ensure payment of valid claims to Beneficiaries or, in the event that the Company's search identifies no living Beneficiary, to report and remit unclaimed Proceeds to the appropriate states in accordance with state unclaimed property laws;

WHEREAS, Prudential represents that, in anticipation of a potential demutualization, the Company undertook efforts beginning in 1998 to update Policyholder information to provide Policyholders with notice of the potential reorganization and, in furtherance of those efforts, hired a vendor to conduct an extensive address research project through which the addresses for Prudential's intermediate and weekly policies ("IWP") were updated by reference to the Social Security Death Master File ("DMF"), and ultimately 26,000 deceased IWP policyholders were identified, and Prudential paid $49 million in previously unpaid death benefits;

WHEREAS, beginning in 2002, Prudential represents that it undertook an initiative to systematically check its in-force individual life and individual annuity files against the DMF, and created the Prudential claim file for quarterly cross-checks of claims-made against its various lines of business, resulting in the discovery of over 107,000 previously unclaimed individual life and annuity death benefits and the payment or remittance of approximately $370 million in death benefits and interest;

WHEREAS, beginning in 2003, Prudential represents that it began periodic checks against the DMF annual updates of its group life insurance files for which it provided Recordkeeping services;

WHEREAS, as a result of the audit currently being conducted by Verus on behalf of several state departments or divisions of unclaimed property, Prudential represents it is undertaking efforts to match records within the scope of that audit against the DMF;

WHEREAS, Prudential represents that it has continued to perform periodic checks, no less than annually, of its individual life insurance files, individual annuity files, and group life insurance files for which Prudential provides Recordkeeping services, against the DMF annual updates, resulting in the discovery and payment or remittance of certain death benefits for which no claim had been made previously and;

WHEREAS, the Company denies any wrongdoing or activities that violate any Insurance Laws in the state of each Department or any other applicable laws, but in view of the complex issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the Parties hereto, the Company and the Departments desire to resolve differences between the Parties as to the interpretation and enforcement of Insurance Laws and all claims that the Departments have asserted or may assert with respect to the Company's claim settlement practices:

NOW, THEREFORE, the Parties agree as follows:

1. **Defined Terms.** Solely for the purpose of this Agreement, those capitalized terms in this Agreement not otherwise defined in the text shall have the following meanings:

a. "**Agreement**" means this Regulatory Settlement Agreement entered into among the Departments and Prudential.

b. "**Annuity Contract**" means a fixed or variable annuity contract, other than a fixed or variable annuity contract issued to fund an employment-based retirement plan where Prudential is not committed by the terms of the annuity

contract to pay death benefits to the beneficiaries of specific plan participants.

c. "**Beneficiary**" or "**Beneficiaries**" means the party or parties entitled to receive Proceeds payable pursuant to a Policy, Annuity Contract or Retained Asset Account.

d. "**Death Master File**" or "**DMF**" means a version of the United States Social Security Administration's Death Master File or any other database or service that is at least as comprehensive as the United States Social Security Administration's Death Master File for determining that a person has reportedly died. The Death Master File must include at least one full version of the file and may include update files.

e. "**Date of Death**" means the date on which a Policyholder identified by the DMF or any other source or record maintained by or located in the Company's records has died.

f. "**Date of Death Notice**" means the date the Company first has actual notice of the Date of Death of a Policyholder. For purposes of this Agreement and subject to Schedule A hereto, actual notice shall include, but not be limited to, information provided in the DMF or an equivalent database containing the same information as the DMF, or any other source or record maintained by or located in the Company's records.

g. "**Death Master File Match**" means a search of the Death Master File that results in a match of a unique biological individual under the criteria provided in the attached Schedule A.

h. "**Effective Date**" means the date this Agreement has been executed by the Company, and 20 Departments, including each of the Lead Departments.

i. "**Future Settlement Agreement**" means any settlement agreement entered into by any other insurer and the Departments concerning the subject matter of this

Agreement.

j. "**Insurance Laws**" means the Insurance Code, Rules, and Regulations in effect in each Department's state, and any official guidance issued by each Department.

k. "**Lead Departments**" means the Departments of California, Florida, Illinois, New Hampshire, New Jersey, North Dakota and Pennsylvania.

l. **"Maturity Age"** means the age of maturity or age of endowment set forth in the terms of a Policy. If a Policy does not specify an age of maturity or age of endowment, Maturity Age shall mean the limiting age under the Policy. The limiting age of the Policy is the terminal age of the mortality table specified in the Policy for calculating reserves and/or non-forfeiture values, or, if the Policy does not reference a mortality table for Policy reserves and/or non-forfeiture values, then the limiting age is the terminal age of the mortality table used in calculating the cost of insurance for the Policy.

m. **"Policy"** means any individual life policy or group policy or certificate of life insurance that is administered on Prudential's administrative systems for which Prudential performs Recordkeeping services and that provides a death benefit. The term "Policy" shall not include: 1) any policy or certificate of life insurance that provides a death benefit under any Federal employee benefit program, including without limitation the Servicemembers Group Life Insurance and Veterans Group Life Insurance Programs; 2) any life insurance policies or certificates where the determination as to whether a benefit is payable is contingent on the cause and manner of death; 3) those life insurance policies or certificates for which the applicable contestability period or suicide exclusion period has not expired at the time of the insured's death; 4) group life insurance policies, or certificates issued thereunder, where Prudential does not perform Recordkeeping functions; or 5) any benefits payable under health coverages

such as disability and long term care arising from the reported death of an insured person under such coverages.

n. **"Policyholder"** means an insured, annuitant, Retained Asset Account Owner or Annuity Contract Owner whose death results in the payment of Proceeds.

o. **"Proceeds"** means the money payable under a Policy, Annuity Contract or Retained Asset Account of the Company.

p. **"Prudential Records"** means Policyholder information maintained on Prudential's administrative systems concerning the Company's in-force Policies, Annuity Contracts, and Retained Asset Accounts, as well those Policies that lapsed and that are still within the applicable state dormancy period as measured from Date of Death.

q. **"Recordkeeping"** means information routinely obtained and maintained by Prudential in its administrative systems that permits it to determine its liability for, and to pay a claim on a Policy without being required to consult a third party, including without limitation, insured full name, date of birth, Social Security Number, coverage amount, coverage eligibility, premium payment status, and Beneficiary information.

r. "**Retained Asset Account**" means any mechanism whereby the settlement of proceeds payable under a Policy or individual Annuity Contract including, but not limited to, the payment of cash surrender value, is accomplished by the insurer or an entity acting on behalf of the insurer establishing an account with check or draft writing privileges, where those proceeds are retained by the insurer, pursuant to a supplementary contract not involving annuity benefits.

s. **"Thorough Search"** means the minimum Company efforts to identify, locate and contact the Beneficiaries of a Policy, Retained Asset Account, or Annuity Contract after receiving a Date of Death Notice that indicates that the Policyholder has been

reported as dead. A Thorough Search shall include any methodology believed likely to locate a Beneficiary and, at a minimum:

(i) The Company shall use its best efforts to identify the Beneficiary and determine a current address for the Beneficiary based upon Prudential Records;

(ii) The Company shall make at least three (3) attempts to contact the Beneficiary in writing at the address in (i) above; provided that, if such writing is returned as undeliverable, the Company will not be required to send any additional mailings to that address and will within thirty (30) days attempt to locate Beneficiaries using online search or locator tools, such as Lexis Nexis Accurint;

(iii) If the Company obtains an updated address using online search or locator tools as described in (ii) above, the Company shall make at least three (3) attempts in writing to contact the Beneficiary at that address;

(iv) In the event that no response is received to the writings sent pursuant to ii. and iii. above, or a writing sent pursuant to ii. and iii. above is returned as undeliverable, the Company shall attempt to contact the Beneficiary at least three (3) times at the most current telephone number contained in Prudential Records or obtained through the Company's use of online search or locator tools.

(v) In the event that no response has been received to the attempted contacts described above, the Company shall attempt to contact the Beneficiary at the most current available email address, if any;

(vi) The Company shall maintain documentation of all attempts described in (i)-(v) to contact the Beneficiary.

Notwithstanding the above, the Company's obligation to conduct a Thorough Search

shall cease upon documented contact with a Beneficiary. In the event the Company fails to locate a Beneficiary, including through the efforts described above, the Company shall report and remit the policy proceeds in accordance with applicable state unclaimed property laws.

2. **Business Reforms.** In accordance with the implementation schedule described in Schedule B, Prudential will compare Prudential Records against the Death Master Update File every month and against the Complete Death Master File at least annually to identify Death Master File Matches for potential unclaimed death benefits. Prudential shall have no responsibility for errors, omissions or delays in information contained in the Death Master File. Furthermore:

a. The Company shall commence a Thorough Search within 120 days following the Date of Death, unless the Company receives a Date of Death Notice more than 120 days after the Date of Death, in which case the Company shall commence a Thorough Search within: (i) 45 days following its receipt of the Date of Death Notice for all group life insurance policies, or certificates issued thereunder; and (ii) 30 days following its receipt of the Date of Death Notice for all other Policies, Annuity Contracts and Retained Asset Accounts.

b. No further action will be required under this Agreement if at any point following a DMF match, Prudential determines that: (i) the Policyholder is not deceased; (ii) the unique biological individual identified on the Death Master File is not the Policyholder as reflected in a competent source or record maintained by or located in Prudential Records; or (iii) that no Proceeds are due under the applicable Policy, Annuity Contract, or Retained Asset Account.

c. In the event that a line of business conducts checks of its Policyholders against the DMF for Death Master File Matches at intervals more frequent than those provided for in this Agreement and such Death Master File Match results in action being taken with respect to a Policy, Annuity Contract, or Retained Asset

Account, then that line of business shall share the relevant Policyholder information among applicable lines of business.

d. In the event that Prudential locates the Beneficiary following a Thorough Search, Prudential shall provide the appropriate claims forms or instructions, if required, to the Beneficiary to make a claim, including instructions as to the need to provide an official death certificate if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. Prudential reserves the right to require satisfactory confirmation of death, including a death certificate, as due proof of death, before Proceeds are paid to a Beneficiary or a Beneficiary's legal representative if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. Nothing in this Agreement shall be construed to supersede Prudential's obligation to maintain effective procedures and resources to deter and investigate fraudulent insurance acts as required by applicable law.

e. The obligation to conduct a Thorough Search under the terms of this Agreement shall not abrogate the obligation of the Company to complete any due diligence within the timeframe required by any applicable law.

f. Prudential shall implement policies and procedures for conducting a Thorough Search.

g. To the extent permitted under applicable law, Prudential may disclose the minimum necessary personal information about a Policyholder or Beneficiary to a person whom Prudential reasonably believes may be able to assist Prudential locate the Policyholder or Beneficiary or a person otherwise entitled to payment of the claims Proceeds.

h. The Company shall conduct a Thorough Search for group life insurance policies, including group life insurance certificates issued thereunder, where a group life insurance claim is received for which the Company, from information in its administrative systems and/or the group policy claim form, is

able to determine that a benefit is due and is able to determine the benefit amount, but the beneficiary cannot be identified and/or located.

3. **Multi-State Examination Payment.** Without admitting any liability whatsoever, the Company agrees to pay the Departments the amount of $17 million (the "Payment") for the examination, compliance, and monitoring costs associated with the Multi-State Examination. The Lead Departments shall be responsible for allocating the Payment to the Departments. To be eligible to participate in the Payment allocation, a Department must sign the Agreement by March 31, 2012. The Company agrees to make Payment within ten (10) days after the Effective Date and the receipt of the allocation from the Departments, which will extinguish the Company's financial obligation to the Departments arising from the Multi-State Examination, except as set forth below in paragraphs 4(c) and 4(d).

4. **Regulatory Oversight.** Each of the Departments shall maintain independent regulatory oversight over the Company's compliance with the terms of this Agreement and in furtherance thereof, Prudential agrees to the following:

a. For a period of thirty-six (36) months following the Effective Date, the Company shall provide to the Lead Departments quarterly reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to each of the Lead Departments within forty five (45) days following the end of the applicable reporting period.

b. The Company may petition a Department to terminate or modify this Agreement in that state. Such a petition may include, but not be limited to, the following grounds: (i) the Agreement's terms, in whole or in part, are inconsistent with the statutes, rules or regulations then in effect in that state; (ii) that a Future Settlement Agreement with a company possessing substantial market share is more favorable than the Agreement; or (iii) Future Settlement Agreements have not been entered

into with companies possessing substantial market share. A Department will not unreasonably withhold its consent to the relief requested by the Company in its petition. Once made by the Company, the Multi-State Examination Payment, as allocated to each Department, is final and non-recoverable under any circumstances including the termination of this Agreement.

c. In addition to the payments set forth in Section 3, the reasonable costs and expenses of the Departments related to the monitoring of the Company's compliance with the Agreement, including the costs and expenses of conducting any reviews or examinations permitted by the Agreement, as well as participating in any meetings, presentations or discussions with the Company, shall be borne by the Company.

d. The monitoring of Company for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Departments pursuant to each of their respective state laws. Consistent with applicable law, each Department shall accord confidential treatment to the work papers, recorded information, documents, copies of work papers, and documents produced by, obtained by or disclosed by Company.

5. **Company Covenants**. The Company covenants and agrees with each of the Departments that it shall comply in all respects with the following terms and conditions:

a. Proceeds under a Policy shall be determined in accordance with the Policy terms.

b. Proceeds under Annuity Contracts shall be determined in accordance with the contract terms.

c. The value of a Retained Asset Account shall be the value of the account as of the date the Proceeds are paid to the Beneficiary.

d. Prudential shall not charge Beneficiaries for any fees or costs associated with a

search or verification conducted pursuant to this Agreement.

6. **Miscellaneous.**

a. This Agreement shall not confer any rights upon any persons or entities other than the parties to it and is not intended to be used for any other purpose. Nor shall the Agreement be deemed to create any intended or incidental third party beneficiaries, and the matters addressed herein shall remain within the sole and exclusive jurisdiction of the Departments.

b. This Agreement does not impair, restrict, suspend, or disqualify Prudential from engaging in any lawful business in any jurisdiction based upon, or arising out of, the Multi-State Examination regarding any alleged act or omission of Prudential.

c. The Parties agree that this Agreement contains the entire agreement between them with regard to the Company's settlement practices or procedures as they relate to, and policy administration relating to, the matching of Policyholders against the DMF or any similar database and that there are no other understandings or agreements, verbal or otherwise, between the Parties, except as set forth herein. There have been no representations not set forth herein that any Party has relied upon in entering into this Agreement.

d. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is now or may be deemed in the future to be an admission of or evidence of liability or any wrongdoing by the Company.

e. The Parties represent and warrant that the person executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.

f. Each Department agrees to release the Company from all claims, demands, interest, penalties, actions or causes of action that each Department may have

by reason of any matter, cause or thing whatsoever, regarding or relating to the Company's claims settlement practices as they relate to matching Policyholders against the DMF or any similar database. Nothing in this Agreement shall preclude the Departments from conducting a Multi-State Examination to assess the Company's compliance with this Agreement. In addition to the payments set forth in Section 3, the cost of such an examination shall be borne by the Company in accordance with the Lead Departments' respective Insurance Law.

g. If the state of any Department adopts any Insurance Law addressing insurance companies' use of the Death Master File (or its equivalent) in connection with insurance companies' procedures concerning the payment of Proceeds to Beneficiaries, then Prudential's compliance with the terms of such Insurance Law of that state after the Effective Date of this Agreement shall be deemed to comply with those terms of this Agreement (i) which relate solely to the use of the Death Master File, and (ii) for the purposes of compliance herewith for that state alone.

h. In the event that any portion of this Agreement is enjoined or held invalid under a the laws of a Department's state, such enjoined or invalid portion shall be deemed to be severed only for the duration of the injunction, if applicable, and only with respect to that Department and its state, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.

i. No later than five years following the Effective Date, the Lead Departments will complete the Multi-State Examination with a final review concerning the Company's compliance with the Agreement. If that review confirms that the Company has fulfilled its obligations under the Agreement, the Multi-State Examination will be closed. The Agreement will terminate eight years following the Effective Date (the "Termination Date"), contingent upon closure of the Multi-State Examination and the Company's submission of its

prospective policies and procedures for DMF matching and beneficiary outreach, to be used after the Agreement ends. This submission shall be made to the New Jersey Division of Banking and Insurance six calendar months prior to the Termination Date.

j. Nothing in this Agreement shall be construed as an admission of any party's position as to the preemptive effect of the Employee Retirement Income Security Act of 1974, as periodically amended, on state laws as applied to employment based plans.

k. This Agreement does not abrogate obligations undertaken by the Company under any agreement with unclaimed property officials.

l. This Agreement may be executed in counterparts.

7. **Enforcement**. The failure to comply with any provision of this Agreement shall constitute a breach of the Agreement and a violation of an Order of each Department, and shall subject the Company to such administrative and enforcement actions and penalties as each Department deems appropriate, consistent with each Department's respective state laws.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

In Witnesses Whereof, the parties to this Regulatory Settlement Agreement have each caused their signatures to be set forth below on the date first set forth below.

PRUDENTIAL

By: _____

ANN KAPPLER
Vice President, Chief Legal Officer, Corporate Services

DATED: January 27, 2012

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: Kevin M. McCarty

KEVIN M. McCARTY
COMMISSIONER

DATE February 2, 2012

NEW JERSEY DEPARTMENT
OF BANKING AND INSURANCE

BY: _____

THOMAS B. CONSIDINE
COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT
OF INSURANCE

BY: _____

DAVE JONES
COMMISSIONER

DATE _____

NORTH DAKOTA INSURANCE
DEPARTMENT

BY: _____

ADAM HAMM
COMMISSIONER

DATE _____

ILLINOIS DEPARTMENT
OF INSURANCE

BY: _____

ANDREW BORON
DIRECTOR

DATE _____

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE
COMMISSIONER

DATE _____

NEW HAMPSHIRE INSURANCE
DEPARTMENT

BY: _____

ROGER A. SEVIGNY
COMMISSIONER

DATE _____

FLORIDA OFFICE OF
INSURANCE REGULATION

BY:_____

KEVIN M. McCARTY
COMMISSIONER

DATE_____

NEW JERSEY DEPARTMENT
OF BANKING AND INSURANCE

BY: _____

THOMAS B. CONSIDINE
COMMISSIONER

DATE_____

CALIFORNIA DEPARTMENT
OF INSURANCE

BY:_____

DAVE JONES
COMMISSIONER

DATE 1/30/12

NORTH DAKOTA INSURANCE
DEPARTMENT

BY:_____

ADAM HAMM
COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT
OF INSURANCE

BY:_____

ANDREW BORON
DIRECTOR

DATE_____

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE
COMMISSIONER

DATE_____

NEW HAMPSHIRE INSURANCE
DEPARTMENT

BY:_____

ROGER A. SEVIGNY
COMMISSIONER

DATE_____

FLORIDA OFFICE OF
INSURANCE REGULATION

BY:_____

KEVIN M. McCARTY
COMMISSIONER

DATE_____

NEW JERSEY DEPARTMENT
OF BANKING AND INSURANCE

BY: _____

THOMAS B. CONSIDINE
COMMISSIONER

DATE_____

CALIFORNIA DEPARTMENT
OF INSURANCE

BY:_____

DAVE JONES
COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE
DEPARTMENT

BY:_____

ADAM HAMM
COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT
OF INSURANCE

BY:_____

ANDREW BORON
DIRECTOR

DATE 2-1-12

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE
COMMISSIONER

DATE_____

NEW HAMPSHIRE INSURANCE
DEPARTMENT

BY:_____

ROGER A. SEVIGNY
COMMISSIONER

DATE_____

FLORIDA OFFICE OF
INSURANCE REGULATION

BY:_____

KEVIN M. McCARTY
COMMISSIONER

DATE_____

NEW JERSEY DEPARTMENT
OF BANKING AND INSURANCE

BY: _____

THOMAS B. CONSIDINE
COMMISSIONER

DATE_____

CALIFORNIA DEPARTMENT
OF INSURANCE

BY:_____

DAVE JONES
COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE
DEPARTMENT

BY:_____

ADAM HAMM
COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT
OF INSURANCE

BY:_____

ANDREW BORON
DIRECTOR

DATE_____

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE
COMMISSIONER

DATE_____

NEW HAMPSHIRE INSURANCE
DEPARTMENT

BY:_____
ROGER A. SEVIGNY
COMMISSIONER
DATE 1-30-12

FLORIDA OFFICE OF
INSURANCE REGULATION

BY:_____

KEVIN M. McCARTY
COMMISSIONER

DATE_____

NEW JERSEY DEPARTMENT
OF BANKING AND INSURANCE

BY: Tom Considine

THOMAS B. CONSIDINE
COMMISSIONER

DATE 1/30/12

CALIFORNIA DEPARTMENT
OF INSURANCE

BY:_____

DAVE JONES
COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE
DEPARTMENT

BY:_____

ADAM HAMM
COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT
OF INSURANCE

BY:_____

ANDREW BORON
DIRECTOR

DATE_____

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE
COMMISSIONER

DATE_____

NEW HAMPSHIRE INSURANCE
DEPARTMENT

BY:_____

ROGER A. SEVIGNY
COMMISSIONER

DATE_____

FLORIDA OFFICE OF
INSURANCE REGULATION

BY:_____

KEVIN M. McCARTY
COMMISSIONER

DATE_____

NEW JERSEY DEPARTMENT
OF BANKING AND INSURANCE

BY: _____

THOMAS B. CONSIDINE
COMMISSIONER

DATE_____

CALIFORNIA DEPARTMENT
OF INSURANCE

BY:_____

DAVE JONES
COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE
DEPARTMENT

BY:_____

ADAM HAMM
COMMISSIONER

DATE 1-31-12

ILLINOIS DEPARTMENT
OF INSURANCE

BY:_____

ANDREW BORON
DIRECTOR

DATE_____

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE
COMMISSIONER

DATE_____

NEW HAMPSHIRE INSURANCE
DEPARTMENT

BY:_____

ROGER A. SEVIGNY
COMMISSIONER

DATE_____

FLORIDA OFFICE OF
INSURANCE REGULATION

BY:_____

KEVIN M. McCARTY
COMMISSIONER

DATE_____

NEW JERSEY DEPARTMENT
OF BANKING AND INSURANCE

BY: _____

THOMAS B. CONSIDINE
COMMISSIONER

DATE_____

CALIFORNIA DEPARTMENT
OF INSURANCE

BY:_____

DAVE JONES
COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE
DEPARTMENT

BY:_____

ADAM HAMM
COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT
OF INSURANCE

BY:_____

ANDREW BORON
DIRECTOR

DATE_____

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE
COMMISSIONER

DATE 1/30/12

NEW HAMPSHIRE INSURANCE
DEPARTMENT

BY:_____

ROGER A. SEVIGNY
COMMISSIONER

DATE_____

SCHEDULE A

RULES FOR IDENTIFYING DEATH MATCHES.

In comparing Prudential Records against the DMF, the Company shall use the methodology below as the minimum standard for determining what constitutes a match. The Company shall use the same match rules for Annuity Contracts, Policies and Retained Asset Accounts.

Category 1: "Exact Social Security Number Match" occurs when the Social Security Number contained in the data found in the Company's records matches exactly to the Social Security Number contained in the DMF.

Category 2: "Non-Social Security NumberMatch" occurs in any of the following circumstances:

1. The Social Security Number contained in the data found in the Company's records matches in accordance with the Fuzzy Match Criteria listed below to the Social Security Number contained in the DMF, the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly.

2. The Company's records do not include a Social Security Number or where the Social Security Number is incomplete (less than 7 digits) or otherwise invalid (i.e.111111111, 999999999, 123456789), and there is a First Name, Last Name, and Date of Birth combination in the data produced by the Company that is a match against the data contained in the DMF where the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly.

3. If there is more than one potentially matched individual returned as a result of the process

described in paragraphs 1 and 2, immediately above, then the Company shall run the Social Security Numbers obtained from the DMF for the potential matched individuals against Accurint for Insurance or an equivalent database. If a search of those databases shows that the Social Security Number is listed at the address in the Company's records for the insured, then a non-Social Security Number Match will be considered to have been made only for individuals with a matching address.

Fuzzy Match Criteria:

1. "First Name" fuzzy match includes one or more of the following:
    a. "First Name" "Nick Names:" "JIM" and "JAMES." the Company utilizes the pd Nickname database from Peacock Data, Inc. or an equivalent database, to identify matching First Names where a nickname is used on one or both sides of the match.
    b. "Initial" instead of full first name: "J FOX" and "JAMES FOX"
    c. Data entry mistakes with a maximum difference of one character with at least five characters in length: "HARRIETTA" and "HARRIETA"
    d. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" can't be reliably distinguished from one another: "ROBERT JOSEPH," _ Both "JOSEPH ROBERT" and "ROBERT JOSEPH"
    e. Use of interchanged "First Name" and "Middle Name:" "ALBERT E GILBERT" and "EARL A GILBERT"
    f. Compound "First Name:" "SARAH JANE" and "SARAH," or "MARY ANN" and "MARY"

2. A "Last Name" fuzzy match includes one or more of the following:
    a. Compound last name: "SMITH" and "SMITH-JONES"
    b. Blank spaces in last name: "VON HAUSEN" and "VONHAUSEN"
    c. Use of apostrophe or other punctuation characters in "Last Name:" "O'NEAL" and "ONEAL"

d. Data entry mistakes with a maximum difference of one character for last name with at least eight characters in length: "MACHIAVELLI" and "MACHIAVELI"

3. "Date Of Birth" fuzzy match includes one of the following:
   a. Two dates with a maximum of one digit in difference: "03/27/1945" and "03/27/1946"
      i. NOTE: *"0312711949"* and *"03127/1950"* are not a match under Rule 3(a)i.
      ii. Only 1 entry mistake per full date is allowable: *"03/2711945"* and "03/28/1946" are not a match
   b. Transposition of "Month" and "Date" portion of the "Date of Birth:" "05/11/1935" and "11/05/1935"
   c. If The Company's systems do not contain a complete "Date of Birth," then a "Date of Birth" exact match will be found to exist where the data that is available on The Company's systems does not conflict with the data contained in the DMF. By way of example, if The Company's systems only contain a month and year of birth, an exact "Date of Birth" match will exist if the DMF record contains the same month and year of birth.

4. "Social Security Number" fuzzy match includes one of the following:
   a. Two Social Security Numbers with a maximum of two digits in difference, any number position: "123456789" and" 123466781"
   b. Two consecutive numbers are transposed: "123456789" and" 123457689"
   c. If a Social Security Number is less than nine digits in length (with a minimum of seven digits) and is entirely embedded within the other Social Security Number: "12345678" and "012345678."

SCHEDULE B

The Company's implementation of Business Reforms involving the frequency, and use of, the matching methodology described in Schedule A, shall proceed in the following manner:

(1) No later than twelve calendar months following the Effective Date, the Company shall confirm to the Lead Departments that it has completed the process required to effectuate the matching methodology contained in Schedule A (the "Confirmation Date"). During this twelve calendar month period, the Company will continue matching its in-force individual life policies, individual annuity contracts, and group life policies for which it provides recordkeeping services against the DMF update file according to its existing procedures. At present, the following products are matched: (i) on an annual basis -- individual life policies, individual annuities in accumulation phase and group universal and group variable universal life insurance issued to employer and association groups; and (ii) on a monthly basis -- individual annuities in a payout phase, Group life term life insurance issued to employer and association groups for which it provides full recordkeeping services, Group variable universal life non- corporate, trust and business owned policies (COLI, TOLI and BOLI), as well as policies on waiver of premium and Retirement Services' payout annuities attributable to defined benefit plans, as well as its structured settlements. Currently, Prudential's matching criteria requires an exact SSN, DOB and Last Name.

If a match is attained, Prudential will continue to share the applicable Policyholder information among its various lines of business according to existing procedures of conducting quarterly cross-checks of confirmed deaths against its various lines of business. Thereafter, Prudential then conducts due diligence to locate the beneficiary or next of kin and initiates the claims process to confirm the insured or contract owner's death, including the obtainment of a death certificate. If the death and liability is confirmed and a beneficiary is not located, Prudential remits the death payment to the applicable state in accordance with state unclaimed property laws.

In addition to the above, during the twelve calendar month period following the Effective Date, Prudential will be receiving monthly reports identifying matches as part of the resolution of its multi-state unclaimed property audit.

(2) Commencing on the Confirmation Date, the Company shall begin using Schedule A's matching methodology to compare Prudential Records against the DMF update file on a quarterly basis and perform Thorough Searches on any matches obtained during this process. Once a match is attained, the Company will continue to share applicable Policyholder information among its various lines of business according to existing procedures of conducting quarterly cross-checks of confirmed deaths against its various lines of business. Thereafter, Prudential then conducts due diligence to locate the

beneficiary or next of kin and initiates the claims process to confirm the insured or contract owner's death, including the obtainment of a death certificate. If the death and liability is confirmed and a beneficiary is not located, Prudential remits the death payment to the applicable state in accordance with state unclaimed property laws.

In addition to the above, during the twelve calendar month period following the Confirmation Date, Prudential will be receiving monthly reports identifying matches as part of the resolution of its multi-state unclaimed property audit.

(3) At the end of the fourth quarter following the Confirmation Date, the Company shall use Schedule A's matching methodology to compare Prudential Records against the full DMF file and perform Thorough Searches on any matches obtained during this process.

(4) No later than thirteen calendar months following the Confirmation Date, the Company shall begin using Schedule A's matching methodology to compare Prudential Records against the DMF update file on a monthly basis and perform Thorough Searches on any matches obtained during this process.

(5) No later than twenty four calendar months following the Confirmation Date, the Company shall use Schedule A's matching methodology to compare Prudential Records against the full DMF file and perform Thorough Searches on any matches obtained during this process.