

PRIAC - Prudential Retirement Insurance and Annuity Company financial strength review

Prudential Retirement Insurance and Annuity Company (PRIAC) is a wholly-owned subsidiary of The Prudential Insurance Company of America, a Prudential Financial company. Prudential Financial companies, with approximately \$638 billion total assets under management as of June 30, 2008, serve individual and institutional customers worldwide.

Financial strength

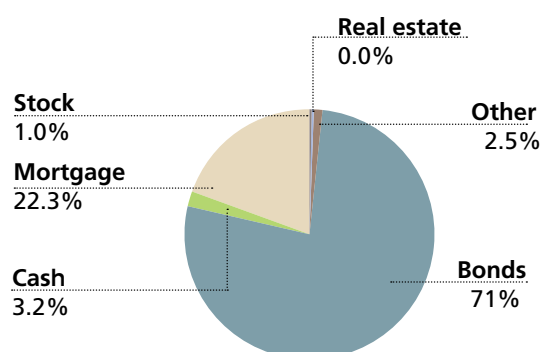
PRIAC has received the following ratings from major, independent rating agencies¹:

Rating agency	PRIAC financial strength rating	Financial strength rating category
Moody's Investors Service	Aa3 (Excellent)	4th highest of 21
Standard & Poor's	AA (Very strong)	3rd highest of 22
A.M. Best	A+ (Superior)	2nd highest of 16
Fitch	AA (Very strong)	3rd highest of 24

Portfolio size & diversity²

PRIAC maintains a large, well-diversified asset portfolio:

PRIAC	Assets	Surplus
General Account	\$21.1 billion	\$944.5 million



Recent events

- On May 3, 2007, Standard & Poor's Ratings Services raised its counterparty credit and financial strength ratings of Prudential's core operating insurance companies. S&P believes that "the 'AA' ratings on Prudential's core operating insurance companies reflect the group's very strong global franchise in its insurance and retirement businesses, very strong earnings performance reflecting management execution and economies of scale in its core business lines, and maintenance of its extremely strong capitalization and liquidity."
- On February 16, 2006, Fitch Ratings upgraded the insurance financial strength rating to AA (Very Strong) from AA- (Very Strong) of Prudential Financial, Inc.'s domestic operating insurance companies.
- On March 8, 2005, Moody's Investors Service assigned an insurance financial strength (IFS) rating of Aa3 (Excellent) to Prudential Retirement Insurance and Annuity Company (PRIAC).

Asset quality²

PRIAC focuses its General Account assets in high quality investments:

Bonds	% Bonds
Investment grade (NAIC class 1-2)	88.6%
Medium grade (NAIC class 3)	7.6%
High yield (NAIC class 4-6)	3.8%

Mortgages	% Mortgages
In good standing	99.9%
90 days overdue	0.1%



¹ Claims-paying ratings represent the opinions of rating agencies regarding the financial ability of an insurance company to meet its obligations under its insurance policies.

Moody's indicates that "Aa3" rated insurance companies offer excellent financial security. Insurance companies rated "Aaa" offer exceptional financial security. In addition, Moody's appends numerical modifiers 1, 2, 3 to each generic rating classification, with 1 being the highest and 3 being the lowest. While the credit policy of these companies is likely to change, such changes as can be visualized are most unlikely to impair their fundamentally strong position. "Aaa" is the highest Insurer Financial Strength Rating assigned by Moody's.

According to Standard & Poor's publications, an insurer rated "AA" has very strong financial security characteristics, differing only slightly from those rated higher. An insurer rated "AAA" has extremely strong financial security characteristics. "AAA" is the highest insurer financial strength rating assigned by Standard and Poor's.

A.M. Best considers "A+" rated companies to have a superior ability to meet their ongoing obligations to policyholders. "A++" is the highest rating assigned issued by A.M. Best.

Fitch indicates that "AA" companies are viewed as possessing very strong capacity to meet policyholder and contract obligations. Risk factors are modest, and the impact on any adverse business and economic factors is expected to be very small. According to Fitch, "AAA" is Exceptionally Strong. Insurers assigned this highest rating are viewed as possessing an exceptionally strong capacity to meet policyholder and contract obligations. For such companies, risk factors are minimal and the impact on any adverse business and economic factors is expected to be extremely small. "AAA" is the highest rating issued by Fitch.

Rating information current as of September 5, 2008. For current information on other Prudential Financial operating insurance companies, please visit the Investor Relations website at www.investor.prudential.com.

² As of 06/30/08

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