

**Effective January 1, 2008, American Skandia Life Assurance Corporation changed its name to Prudential Annuities Life Assurance Corporation. This was merely a name change, and did not otherwise affect any of the terms of the annuity contract.**

**We no longer offer certain of our variable annuity products and are not required to update the annuity prospectuses for such products. We maintain on this site, for your reference, the most recent annuity prospectuses for these products. These annuity prospectuses are not an offer, or a solicitation of an offer, to sell the annuity contracts described therein. Investors in these annuity products continue to receive certain updated information annually (e.g., fund annual and semi-annual reports and fund prospectuses).**

For more information about your annuity, please reference your quarterly statements, call the Annuity Service Center at 888-778-2888 or contact your Financial Professional.

"This notice is not part of the accompanying prospectus"



# AMERICAN SKANDIA LIFE ASSURANCE CORP.

## Single Premium Immediate Annuity

PROSPECTUS : MAY 1, 2006

*This Prospectus describes a single premium variable adjustable immediate annuity (the "Annuity") offered by American Skandia Life Assurance Corporation ("American Skandia", "we", "our" or "us"). The Annuity may be offered as an individual annuity contract or as an interest in a group annuity. This Prospectus describes the important features of the Annuity and what you should consider before purchasing the Annuity. **The Annuity or certain of its investment options may not be available in all states. Various rights and benefits may differ between states to meet applicable laws and/or regulations. For more information about variations applicable to your state, please refer to your Annuity contract or consult your Financial Professional. Certain capitalized terms are either defined in the Glossary of Terms or in the context of the particular section of this Prospectus.***

American Skandia offers several different variable adjustable immediate annuities which your Financial Professional may be authorized to offer to you. Each annuity has different features and benefits that may be appropriate for you based on your financial situation, your age and how you intend to use the annuity. The different features and benefits include variations in death benefit protection and the ability to access your Annuity's Income Base. The fees and charges you pay and compensation paid to your Financial Professional may also be different between each annuity.

### The Sub-accounts

Each Sub-account of American Skandia Life Assurance Corporation Variable Account B invests in a underlying mutual fund portfolio. Currently available portfolios are: AIM Variable Insurance Funds Inc., American Skandia Trust, Evergreen Variable Annuity Trust, First Defined Portfolio Fund LLC, Gartmore Variable Insurance Trust, ProFunds VP, The Prudential Series Fund, Rydex Variable Trust and Wells Fargo Variable Trust. See the following page for a complete list of Sub-accounts.

### Please Read This Prospectus

**Please read this Prospectus and the current Prospectus for the underlying mutual funds. Keep them for future reference.** If you are purchasing the Annuity as a replacement for existing variable annuity or variable life coverage, you should consider any surrender or penalty charges you may incur when replacing your existing coverage and that this Annuity may be subject to a surrender adjustment if you elect to surrender the Annuity or take a partial withdrawal. You should consider your

need to access the Annuity's Income Base and whether the Annuity's liquidity features will satisfy that need.

### Available Information

We have also filed a Statement of Additional Information that is available from us, without charge, upon your request. The contents of the Statement of Additional Information are described on page 64. This Prospectus is part of the registration statement we filed with the SEC regarding this offering. Additional information on us and this offering is available in the registration statement and the exhibits thereto. You may obtain copies of these materials at the prescribed rates from the SEC's Public Reference Section, 100 F Street N.E., Washington, D.C., 20549. (See SEC file number 333-91629 for VIAS and 333-91663 for VIAG). These documents, as well as documents incorporated by reference, may also be obtained through the SEC's Internet Website (<http://www.sec.gov>) for this registration statement as well as for other registrants that file electronically with the SEC.

### For Further Information call:

➔ 1-800-752-6342.

**This Annuity is NOT a deposit or an obligation of, or issued, guaranteed or endorsed by, any bank, is NOT insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board or any other agency. An investment in this Annuity involves investment risks, including possible loss of value, even with respect to amounts allocated to the AST Money Market Sub-account.**

**These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

**This Annuity provides certain credits to the owner based on the age of the youngest Annuitant, as described more fully on page 39. These credits are provided in lieu of varying the Annuity's expenses to primarily reflect the expected different persistency rates of the Annuitants' ages.**

Prospectus Dated: May 1, 2006  
VIASGPROS506

Statement of Additional Information Dated: May 1, 2006  
VIAPROS

**PLEASE SEE OUR PRIVACY POLICY AND OUR IRA, ROTH IRA AND FINANCIAL DISCLOSURE STATEMENTS ATTACHED TO THE BACK COVER OF THIS PROSPECTUS.**

# INVESTMENT OPTIONS

## American Skandia Trust

AST Advanced Strategies  
AST Aggressive Asset Allocation  
AST AllianceBernstein Core Value  
AST AllianceBernstein Managed Index 500  
AST AllianceBernstein Growth & Income  
AST American Century Income & Growth  
AST American Century Strategic Balanced  
AST Balanced Asset Allocation  
AST Capital Growth Asset Allocation  
AST Cohen & Steers Realty  
AST Conservative Asset Allocation  
AST DeAM Large-Cap Value  
AST DeAM Small-Cap Growth  
AST DeAM Small-Cap Value  
AST Federated Aggressive Growth  
AST First Trust Balanced Target  
AST First Trust Capital Appreciation Target  
AST Global Allocation Portfolio  
AST Goldman Sachs Concentrated Growth  
AST Goldman Sachs Mid-Cap Growth  
AST Goldman Sachs Small-Cap Value  
AST High Yield  
AST JPMorgan International Equity  
AST Large-Cap Value  
AST Lord Abbett Bond Debenture  
AST LSV International Value  
AST Marsico Capital Growth  
AST MFS Global Equity  
AST MFS Growth  
AST Mid-Cap Value  
AST Money Market  
AST Neuberger Berman Mid-Cap Growth  
AST Neuberger Berman Mid-Cap Value  
AST PIMCO Limited Maturity Bond  
AST PIMCO Total Return Bond  
AST Preservation Asset Allocation  
AST Small-Cap Growth  
AST Small-Cap Value  
AST T. Rowe Price Asset Allocation  
AST T. Rowe Price Large-Cap Growth  
AST T. Rowe Price Global Bond  
AST T. Rowe Price Natural Resources  
AST William Blair International Growth

## AIM Variable Insurance Funds

AIM V.I. Dynamics Fund — Series I shares  
AIM V.I. Financial Services Fund — Series I shares  
AIM V.I. Global Health Care Fund — Series I shares  
AIM V.I. Technology Fund — Series I shares

## Evergreen Variable Annuity Trust

Growth  
International Equity  
Omega

## First Defined Portfolio Fund, LLC

First Trust® 10 Uncommon Values  
Global Dividend Target 15  
NASDAQ® Target 15  
S&P® Target 24  
Target Managed VIP  
The Dow Target Dividend  
The Dow<sup>SM</sup> DART 10  
Value Line® Target 25

## Gartmore Variable Investment Trust

GVIT Developing Markets

## ProFund VP

Access VP High Yield  
Asia 30  
Banks  
Basic Materials  
Bear  
Biotechnology  
Bull  
Consumer Goods  
Consumer Services  
Europe 30  
Financials  
Health Care  
Industrials  
Internet  
Japan  
Large-Cap Growth  
Large-Cap Value  
Mid-Cap Growth  
Mid-Cap Value  
Oil & Gas  
OTC  
Pharmaceuticals  
Precious Metals  
Real Estate  
Rising Rates Opportunity  
Semiconductor  
Short Mid-Cap  
Short OTC  
Short Small-Cap  
Small-Cap Growth  
Small-Cap Value  
Technology  
Telecommunications  
U.S. Government Plus  
UltraBull  
UltraMid-Cap  
UltraOTC  
UltraSmall-Cap  
Utilities

## Rydex Variable Trust

Nova  
OTC  
Rydex Inverse S&P 500

## The Prudential Series Fund

SP William Blair International Growth

## Wells Fargo Variable Trust Advantage

Wells Fargo Advantage VT C&B Large Cap Value  
Wells Fargo Advantage VT Equity Income

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Contract described herein is no longer available for sale.

# Introduction

## ***Why Would I Choose to Purchase This Annuity?***

This Annuity is frequently used for retirement income. It is generally intended to be used to “roll-over” existing funds from an IRA, SEP-IRA, Roth IRA or a Tax Sheltered Annuity (or 403(b)). This Annuity may also be used in connection with retirement plans that do not qualify under the sections of the Code noted above. This Annuity also may be used as an annuitization or settlement option under any deferred annuity or life insurance policy issued by American Skandia. This Annuity allows you to invest your money in a number of variable investment options while receiving monthly payments from this Annuity.

## ***What Are Some of the Key Features of This Annuity?***

- One premium.
- Monthly payments that may increase, decrease, or remain the same.
- Adjustable benefits.
- First payment within 60 days of the date of issue.
- Monthly payments over the life of the Annuitant(s) after the first payment.

- Monthly payments are cushioned against market volatility using a special stabilization procedure.
- Death Benefit options. After an Annuitant’s death, the Annuity generally may provide Annuity Payments, or, alternatively, a lump sum, to the Beneficiary(ies).
- Optional Guarantee Feature. Monthly payments will not be less than a guaranteed payment amount (which is the initial payment amount) while the Annuitant(s) is alive.
- Transfers between investment options are tax free. Currently, you may generally make twenty transfers each year free of charge. We also offer several programs that enable you to manage your Income Base as your financial needs and investment performance change. Asset Allocation is required if you select the Optional Guarantee Feature.

## ***How Do I Purchase This Annuity?***

We sell this Annuity through licensed, registered Financial Professionals. We may require that you submit certain forms to us before we issue an Annuity, including evidence of the age of the Annuitant(s). Unless we agree otherwise and subject to our rules, the minimum Premium payment is \$35,000. Unless we agree otherwise and subject to our rules, the Annuitant (or the youngest Annuitant, as applicable) may not be older than age 90 on the issue date of this Annuity, except when the Annuity is used as an annuitization or settlement option.

Contract described herein is subject to the terms and conditions of the contract for which it is issued.

# Glossary of Terms

*Many terms used within this Prospectus are described within the text where they appear.*

**ANNUITANT** is the person(s) upon whose life(s) the Annuity is issued.

**ANNUITY** is the contract(s) or group certificate(s) offered pursuant to this Prospectus.

**ANNUITY DATE** is the date Annuity Payments are to begin.

**ANNUITY PAYMENTS** are the periodic payments due during the life of the Annuitant and any payments due for the benefit of a Beneficiary(ies) after the Annuitant's death.

**ANNUITY PAYMENT AMOUNT** is the dollar amount of each Annuity Payment. Annuity Payment Amounts can vary each month but cannot decrease while there is Cash Value.

**ANNUITY PAYMENT DATE** is the date each month Annuity Payments are payable. This date is the same day of the month as the Annuity Date which may be any date chosen by you between the 1<sup>st</sup> and the 28<sup>th</sup> day of the month following the 30<sup>th</sup> day after issue of the Annuity. The Annuity Payment Date may not be changed on or after the Issue Date.

**ANNUITY YEARS** are continuous 12-month periods commencing on the Issue Date and each anniversary of the Issue Date.

**BENCHMARK RATE** is an assumed rate of return used in determining the Annuity Factors and the Schedule of Units. We may use different rates for different classes of purchasers.

**BENEFICIARY(IES)** is the person(s) who may receive death proceeds or guaranteed payment under this Annuity when there is no longer a living Annuitant(s). Unless otherwise specified, the Beneficiary refers to all persons designated as such for your Annuity.

**CASH VALUE** is any amount available for surrender or as a lump sum death benefit.

**CODE** is the Internal Revenue Code of 1986, as amended from time to time.

**CREDITS** are an amount we add to your Income Base at the time the net Premium is allocated to a Sub-account.

**GUARANTEED ANNUITY PAYMENT AMOUNT** is the guaranteed minimum amount payable each Annuity Payment Date before the Inheritance Date. This amount is reduced proportionately by any partial surrender. This guaranteed amount is only available if the Optional Guarantee Feature is selected.

**INCOME BASE** (referred to as **Contract Value** in your contract) is the value of each allocation to a Sub-account, plus any earnings and any adjustments made based on whether the Annuitant(s) is alive and/or less any losses, distributions, and charges thereon. Income Base is determined separately for each Sub-account, and then totaled to determine the Income Base for your Annuity. The Income Base is always more than the Cash Value.

**INHERITANCE DATE** is the date we receive, at our office, due proof satisfactory to us of the Annuitant's death and all other requirements that enable us to make payments for the benefit of a Beneficiary. If there are joint Annuitants, the Inheritance Date refers to the death of the last surviving Annuitant.

**INHERITANCE PERIOD** is a variable period of time during which Annuity Payments are due.

**ISSUE DATE** is the effective date of your Annuity.

**NET INVESTMENT PERFORMANCE** is the investment performance of the Units in each Sub-account.

**OPTIONAL GUARANTEE FEATURE** is the option chosen by you to guarantee that while the Annuitant is alive, the Annuity Payment Amount will not be less than the Guaranteed Annuity Payment Amount.

**OWNER** is either an entity or person who may exercise the ownership rights provided under the Annuity. If a certificate representing interests in a group annuity contract is issued, the rights, benefits, and requirements of, and the events relating to, an Owner, as described in this Prospectus, will be your rights as participant in such group annuity contract. Unless otherwise specified, Owner refers to all persons or entities designated as such for your Annuity.

**PORTFOLIO** is a mutual fund or a series of a mutual fund in which the Sub-account where you have chosen to allocate your Income Base invests. When you allocate Income Base to a Sub-account, you are a beneficial owner of Portfolio shares and have a right to vote on matters that pertain to the Portfolio.

**PREMIUM** is cash consideration at or before the Issue Date you give to us for certain rights, privileges, and benefits in relation to our obligations under the Annuity.

**SEPARATE ACCOUNT** is an account owned by us where we allocate assets in relation to our obligations pursuant to the Annuity.

**SUB-ACCOUNT** is a division of a Separate Account where you chose to allocate your Income Base.

**SURRENDER ADJUSTMENT** is a reduction made to your contract values upon a full or partial surrender (including situations where the cash value is paid to a beneficiary).

**UNITS** are the measure used to determine benefits for a given Sub-account under this Annuity. When you choose a Sub-account the portion of the Net Premium you allocate to that investment, or the portion of the Income Base you transferred into that investment at some later date, is converted into Units.

**UNIT VALUE** is the measure we use to determine the performance of a Sub-account. It is the value of each Unit as of each Valuation Day. It also reflects the investment experience of the Portfolio minus any insurance charges and charges for taxes.

**VALUATION DAY** is any day the New York Stock Exchange is open for trading or any other day that the Securities and Exchange Commission requires securities to be valued.

**VALUATION PERIOD** is the period of time between the close of business of the New York Stock Exchange on successive Valuation Days.

**"we", "us", "our" or "the Company"** means American Skandia Life Assurance Corporation.

**"you" or "your"** means the Owner.

Contract described herein is no longer available for sale.



# Summary of Contract Fees and Charges

*Below is a summary of the fees and charges for the Annuity. Some fees and charges are assessed directly against your Annuity while other charges are assessed against assets allocated to the Sub-accounts. The fee that is assessed against the Annuity is the Transfer Fee, for transfers over maximum number permitted per year. The charges that are assessed against the Sub-accounts are the Mortality and Expense risk charge and a charge for Administration of the Annuity. Each Portfolio assesses a charge for investment management, other expenses and with some mutual funds, a 12b-1 charge. A summary is provided on the following page. The prospectus for each portfolio provides more detailed information about the expenses for the underlying mutual funds. Tax charges may vary by state and in certain states, a tax charge may be applicable.*

The following table provides a summary of the fees and charges you will pay if you surrender the Annuity or transfer Income Base among investment options. These fees and charges are described in more detail within this Prospectus.

## **YOUR TRANSACTION FEES AND CHARGES**

*(ASSESSED AGAINST THE ANNUITY)*

<b>FEE/CHARGE</b>	<b>AMOUNT DEDUCTED</b>
Contingent Deferred Sales Charge	There is a surrender adjustment to your contract value upon surrender or partial withdrawal. The surrender adjustment is calculated by discounting the value of future annuity payments. The applicable discount rate is the Benchmark Rate.*
Transfer Fee**	\$10
Tax Charge***	Up to 3.5% of your premium, depending on the requirements, of the applicable jurisdiction.

\* The applicable Benchmark Rate is set forth in your Annuity Contract.

\*\* Currently, we deduct the fee after the 20<sup>th</sup> transfer each Annuity Year. We guarantee that the number of charge free transfers per Annuity Year will never be less than 12.

\*\*\* This charge is generally taken at the time you purchase your contract.

The following table provides a summary of the periodic fees and charges you will pay while you own the Annuity, excluding the underlying mutual fund Portfolio annual expenses. These fees and charges are described in more detail within this Prospectus.

### **YOUR PERIODIC FEES AND CHARGES**

#### **ANNUAL FEES/CHARGES ASSESSED AGAINST THE ANNUITY**

<b>FEE/CHARGE</b>	<b>AMOUNT DEDUCTED</b>
Annual Maintenance Fee	There is no Annual Maintenance Fee.

#### **ANNUAL FEES/CHARGES OF THE SUB-ACCOUNT\***

(AS A PERCENTAGE OF THE AVERAGE DAILY NET ASSETS OF THE SUB-ACCOUNTS)

<b>FEE/CHARGE</b>	<b>AMOUNT DEDUCTED</b>
Mortality & Expense Risk Charge**	1.10%
Administration Charge**	0.15%
Total Annual Charges of the Sub-accounts	1.25% per year of the value of each Sub-account

#### **ANNUAL FEES/CHARGES OF THE SUB-ACCOUNTS WITH THE OPTIONAL GUARANTEE FEATURE\***

(AS A PERCENTAGE OF THE AVERAGE DAILY NET ASSETS OF THE SUB-ACCOUNTS)

<b>FEE/CHARGE</b>	<b>AMOUNT DEDUCTED</b>
Mortality & Expense Risk Charge**	2.10%
Administration Charge**	0.15%
Total Annual Charges of the Sub-accounts	2.25% per year of the value of each Sub-account

\* These charges are deducted daily and apply to Sub-accounts only.

\*\* The combination of the Mortality and Expense Risk Charge and Administration Charge is referred to as the "Insurance Charge" elsewhere in this Prospectus.

# Summary of Contract Fees and Charges *continued*

The following table provides the range (minimum and maximum) of the total annual expenses for the underlying mutual funds ("Portfolios") as of December 31, 2005. Each figure is stated as a percentage of the underlying Portfolio's average daily net assets.

**WITHOUT OPTIONAL GUARANTEE FEATURE:  
TOTAL ANNUAL PORTFOLIO OPERATING EXPENSES**

	MINIMUM	MAXIMUM
Total Portfolio Operating Expense	0.63%	2.48%

**WITH OPTIONAL GUARANTEE FEATURE:  
TOTAL ANNUAL PORTFOLIO OPERATING EXPENSES**

	MINIMUM	MAXIMUM
Total Portfolio Operating Expense	0.63%	1.33%

The following are the total annual expenses for each underlying mutual fund ("Portfolio") as of December 31, 2005, except as noted. The "Total Annual Portfolio Operating Expenses" reflect the combination of the underlying Portfolio's investment management fee, other expenses and any 12b-1 fees. Each figure is stated as a percentage of the underlying Portfolio's average daily net assets. There is no guarantee that actual expenses will be the same as those shown in the table. For certain of the Portfolios, a portion of the management fee has been waived and/or other expenses have been partially reimbursed. The existence of any such fee waivers and/or reimbursements have been reflected in the footnote. The following expenses are deducted by the underlying Portfolio before it provides American Skandia with the daily net asset value. The underlying Portfolio information was provided by the Portfolios and has not been independently verified by us. See the prospectuses or statements of additional information of the Portfolios for further details. The current prospectus and statement of additional information for the underlying Portfolios can be obtained by calling 1-800-752-6342.

Contract described herein is not being offered for sale.

**UNDERLYING MUTUAL FUND PORTFOLIO ANNUAL EXPENSES**

(AS A PERCENTAGE OF THE AVERAGE NET ASSETS OF THE UNDERLYING PORTFOLIOS)

For the year ended December 31, 2005

Underlying Portfolio	Management Fees	Other Expenses <sup>1</sup>	12b-1 Fees	Total Annual Portfolio Operating Expenses
<b>American Skandia Trust<sup>2,3</sup></b>				
AST Advanced Strategies	0.85%	0.18%	0.00%	1.03%
AST Aggressive Asset Allocation <sup>4</sup>	1.04%	0.29%	0.00%	1.33%
AST AllianceBernstein Core Value	0.75%	0.19%	0.00%	0.94%
AST AllianceBernstein Managed Index 500 <sup>5</sup>	0.60%	0.17%	0.00%	0.77%
AST AllianceBernstein Growth & Income	0.75%	0.13%	0.00%	0.88%
AST American Century Income & Growth	0.75%	0.18%	0.00%	0.93%
AST American Century Strategic Balanced	0.85%	0.23%	0.00%	1.08%
AST Balanced Asset Allocation <sup>4</sup>	0.95%	0.20%	0.00%	1.15%
AST Capital Growth Asset Allocation <sup>4</sup>	1.00%	0.20%	0.00%	1.20%
AST Cohen & Steers Realty	1.00%	0.18%	0.00%	1.18%
AST Conservative Asset Allocation <sup>4</sup>	0.94%	0.24%	0.00%	1.18%
AST DeAM Large-Cap Value	0.85%	0.22%	0.00%	1.07%
AST DeAM Small-Cap Growth	0.95%	0.20%	0.00%	1.15%
AST DeAM Small-Cap Value	0.95%	0.24%	0.00%	1.19%
AST Federated Aggressive Growth	0.95%	0.17%	0.00%	1.12%
AST First Trust Balanced Target	0.85%	0.19%	0.00%	1.04%
AST First Trust Capital Appreciation Target	0.85%	0.19%	0.00%	1.04%
AST Global Allocation <sup>6</sup>	0.86%	0.23%	0.00%	1.09%
AST Goldman Sachs Concentrated Growth	0.90%	0.16%	0.00%	1.06%
AST Goldman Sachs Mid-Cap Growth	1.00%	0.18%	0.00%	1.18%
AST Goldman Sachs Small-Cap Value	0.95%	0.22%	0.00%	1.17%
AST High Yield <sup>7</sup>	0.75%	0.19%	0.00%	0.94%
AST JPMorgan International Equity	0.88%	0.19%	0.00%	1.07%
AST Large-Cap Value <sup>8</sup>	0.75%	0.16%	0.00%	0.91%
AST Lord Abbett Bond Debenture	0.80%	0.17%	0.00%	0.97%
AST LSV International Value	1.00%	0.26%	0.00%	1.26%
AST Marsico Capital Growth	0.90%	0.13%	0.00%	1.03%
AST MFS Global Equity	1.00%	0.26%	0.00%	1.26%
AST MFS Growth	0.90%	0.18%	0.00%	1.08%
AST Mid-Cap Value <sup>9</sup>	0.95%	0.22%	0.00%	1.17%
AST Money Market <sup>10</sup>	0.50%	0.13%	0.00%	0.63%
AST Neuberger Berman Mid-Cap Growth <sup>11</sup>	0.90%	0.18%	0.00%	1.08%
AST Neuberger Berman Mid-Cap Value	0.89%	0.14%	0.00%	1.03%
AST PIMCO Limited Maturity Bond	0.65%	0.15%	0.00%	0.80%
AST PIMCO Total Return Bond	0.65%	0.15%	0.00%	0.80%
AST Preservation Asset Allocation <sup>4</sup>	0.89%	0.38%	0.00%	1.27%
AST Small-Cap Growth	0.90%	0.25%	0.00%	1.15%
AST Small-Cap Value <sup>12</sup>	0.90%	0.17%	0.00%	1.07%
AST T. Rowe Price Asset Allocation	0.85%	0.23%	0.00%	1.08%
AST T. Rowe Price Large-Cap Growth <sup>13</sup>	0.90%	0.21%	0.00%	1.11%
AST T. Rowe Price Global Bond	0.80%	0.21%	0.00%	1.01%
AST T. Rowe Price Natural Resources	0.90%	0.18%	0.00%	1.08%
AST William Blair International Growth	1.00%	0.18%	0.00%	1.18%
<b>AIM Variable Insurance Funds<sup>14</sup></b>				
AIM V.I. Dynamics Fund — Series I shares	0.75%	0.42%	0.00%	1.17%
AIM V.I. Financial Services Fund — Series I shares	0.75%	0.37%	0.00%	1.12%
AIM V.I. Global Health Care Fund — Series I shares	0.75%	0.33%	0.00%	1.08%
AIM V.I. Technology Fund — Series I shares	0.75%	0.37%	0.00%	1.12%
<b>Evergreen Variable Annuity Trust</b>				
Growth	0.70%	0.22%	0.00%	0.92%
International Equity	0.41%	0.30%	0.00%	0.71%
Omega	0.52%	0.19%	0.00%	0.71%

# Summary of Contract Fees and Charges *continued*

For the year ended December 31, 2005				
Underlying Portfolio	Management Fees	Other Expenses <sup>1</sup>	12b-1 Fees	Total Annual Portfolio Operating Expenses
<b>First Defined Portfolio Fund, LLC<sup>15,16</sup></b>				
First Trust <sup>®</sup> 10 Uncommon Values	0.60%	0.84%	0.25%	1.69%
Global Dividend Target 15	0.60%	0.76%	0.25%	1.61%
NASDAQ <sup>®</sup> Target 15	0.60%	0.98%	0.25%	1.83%
S&P <sup>®</sup> Target 24	0.60%	0.73%	0.25%	1.58%
Target Managed VIP	0.60%	0.63%	0.25%	1.48%
The Dow Target Dividend	0.60%	0.67%	0.25%	1.52%
The Dow <sup>SM</sup> DART 10	0.60%	0.74%	0.25%	1.59%
Value Line <sup>®</sup> Target 25	0.60%	0.64%	0.25%	1.49%
<b>Gartmore Variable Investment Trust<sup>17</sup></b>				
GVIT Developing Markets	1.05%	0.37%	0.25%	1.67%
<b>ProFund VP<sup>18</sup></b>				
Access VP High Yield	0.75%	1.13%	0.25%	2.13%
Asia 30	0.75%	0.82%	0.25%	1.82%
Banks	0.75%	1.03%	0.25%	2.03%
Basic Materials	0.75%	0.91%	0.25%	1.91%
Bear	0.75%	0.86%	0.25%	1.86%
Biotechnology	0.75%	0.92%	0.25%	1.92%
Bull	0.75%	0.78%	0.25%	1.78%
Consumer Goods	0.75%	1.08%	0.25%	2.08%
Consumer Services	0.75%	1.48%	0.25%	2.48%
Europe 30	0.75%	0.76%	0.25%	1.76%
Financials	0.75%	0.92%	0.25%	1.92%
Health Care	0.75%	0.89%	0.25%	1.89%
Industrials	0.75%	1.17%	0.25%	2.17%
Internet	0.75%	0.92%	0.25%	1.92%
Japan	0.75%	0.83%	0.25%	1.83%
Large-Cap Growth	0.75%	0.94%	0.25%	1.94%
Large-Cap Value	0.75%	1.00%	0.25%	2.00%
Mid-Cap Growth	0.75%	0.89%	0.25%	1.89%
Mid-Cap Value	0.75%	0.87%	0.25%	1.87%
Oil & Gas	0.75%	0.86%	0.25%	1.86%
OTC	0.75%	0.84%	0.25%	1.84%
Pharmaceuticals	0.75%	0.93%	0.25%	1.93%
Precious Metals	0.75%	0.86%	0.25%	1.86%
Real Estate	0.75%	0.89%	0.25%	1.89%
Rising Rates Opportunity	0.75%	0.73%	0.25%	1.73%
Semiconductor	0.75%	0.98%	0.25%	1.98%
Short Mid-Cap	0.75%	1.28%	0.25%	2.28%
Short OTC	0.75%	0.85%	0.25%	1.85%
Short Small-Cap	0.75%	0.90%	0.25%	1.90%
Small-Cap Growth	0.75%	0.85%	0.25%	1.85%
Small-Cap Value	0.75%	0.91%	0.25%	1.91%
Technology	0.75%	0.89%	0.25%	1.89%
Telecommunications	0.75%	0.91%	0.25%	1.91%
U.S. Government Plus	0.50%	0.84%	0.25%	1.59%
UltraBull	0.75%	0.88%	0.25%	1.88%
UltraMid-Cap	0.75%	0.91%	0.25%	1.91%
UltraOTC	0.75%	0.85%	0.25%	1.85%
UltraSmall-Cap	0.75%	0.91%	0.25%	1.91%
Utilities	0.75%	0.89%	0.25%	1.89%
<b>Rydex Variable Trust</b>				
Nova	0.75%	0.78%	0.00%	1.53%
OTC	0.75%	0.75%	0.00%	1.50%
Rydex Inverse S&P 500	0.90%	0.80%	0.00%	1.70%

For the year ended December 31, 2005				
Underlying Portfolio	Management Fees	Other Expenses <sup>1</sup>	12b-1 Fees	Total Annual Portfolio Operating Expenses
<b>The Prudential Series Fund</b>				
SP William Blair International Growth	0.85%	0.13%	0.00%	0.98%
<b>Wells Fargo Variable Trust<sup>19</sup></b>				
Wells Fargo Advantage VT C&B Large Cap Value	0.55%	0.37%	0.25%	1.17%
Wells Fargo Advantage VT Equity Income <sup>20</sup>	0.55%	0.25%	0.25%	1.05%

**1:** As noted above, shares of the Portfolios generally are purchased through variable insurance products. Many of the Portfolios and/or their investment advisers and/or distributors have entered into arrangements with us as the issuer of each Annuity under which they compensate us for providing ongoing services in lieu of the Trust providing such services. Amounts paid by a Portfolio under those arrangements are included under "Other Expenses." For more information see the prospectus for each underlying portfolio and, "Service Fees payable to American Skandia," later in this prospectus.

**2:** The total actual operating expenses for certain of the Portfolios listed above for the year ended December 31, 2005 were less than the amounts shown in the table above, due to fee waivers, reimbursement of expenses, and expense offset arrangements ("Arrangements"). These Arrangements are voluntary and may be terminated at any time. In addition, the Arrangements may be modified periodically. For more information regarding the Arrangements, please see the prospectus and statement of additional information for the Portfolios.

**3:** Until November 18, 2004, the Trust had a Distribution Plan under Rule 12b-1 to permit an affiliate of the Trust's Investment Managers to receive brokerage commissions in connection with purchases and sales of securities held by the Portfolios, and to use these commissions to promote the sale of shares of the Portfolio. The Distribution Plan was terminated effective November 18, 2004.

**4:** **a.** Each Asset Allocation Portfolio invests primarily in shares of one or more AST Portfolios (the "Underlying Portfolios"). The only management fee directly paid by an Asset Allocation Portfolio is a 0.15% fee paid to the investment managers. The management fee shown in the chart for each Asset Allocation Portfolio includes: (i) the 0.15% management fee to be paid by the Asset Allocation Portfolio to the investment managers plus (ii) a weighted average estimate of the management fees to be paid by the Underlying Portfolios to the investment managers, which are borne indirectly by investors in the Asset Allocation Portfolio. Each weighted average estimate was calculated based on the percentage of the Portfolio invested in each Underlying Portfolio as of December 31, 2005 using the management fee rates shown in the chart above.

**b.** The other expenses shown in the chart for each Asset Allocation Portfolio include: (i) an estimate of expenses other than management fees ("other expenses") paid by the Asset Allocation Portfolio plus (ii) a weighted average estimate of the other expenses to be paid by the Underlying Portfolios, which are borne indirectly by investors in the Asset Allocation Portfolio. Each weighted average estimate of the other expenses paid by the Underlying Portfolios is calculated based on the percentage of the applicable Asset Allocation Portfolio invested in each Underlying Portfolio using the other expense rates shown in the chart above. Descriptions of the types of costs that are included as other expenses for the Asset Allocation Portfolios and the Underlying Portfolios are set forth in the prospectus for the Asset Allocation Portfolios.

**5:** Effective December 5, 2005, the AST AllianceBernstein Growth + Value Portfolio merged into the AST AllianceBernstein Managed Index 500 Portfolio.

**6:** **a.** The AST Global Allocation Portfolio invests primarily in shares of other AST Portfolios (the "Underlying Portfolios"). The only management fee directly paid by the Portfolio is a 0.10% fee paid to the investment managers. The management fee shown in the chart for the Portfolio includes: (i) that 0.10% management fee paid by the Portfolio plus (ii) a weighted average estimate of the management fees paid by the Underlying Portfolios, which are borne indirectly by investors in the Portfolio. The weighted average estimate was calculated based on the percentage of the Portfolio invested in each Underlying Portfolio as of December 31, 2005 using the management fee rates shown in the chart above.

**b.** The other expenses shown in the chart for the AST Global Allocation Portfolio include: (i) an estimate of expenses other than management fees ("other expenses") paid by the Portfolio plus (ii) a weighted average estimate of the other expenses to be paid by the Underlying Portfolios, which are borne indirectly by investors in the Portfolio. Each weighted average estimate of the other expenses paid by the Underlying Portfolios is calculated based on the percentage of the Portfolio invested in each Underlying Portfolio using the other expense rates shown in the chart above. Descriptions of the types of costs that are included as other expenses for the Portfolio and the Underlying Portfolios are set forth in the prospectus for the Portfolio.

**7:** Effective March 20, 2006, Pacific Investment Management Company LLC became a Sub-advisor of the Portfolio along with Goldman Sachs Asset Management L.P. Prior to March 20, 2006, Goldman Sachs Asset Management L.P. served as the sole Sub-advisor of the Portfolio, then named the "AST Goldman Sachs High Yield Bond Portfolio."

**8:** Effective March 20, 2006, Dremman Value Management LLC became a Sub-advisor along with J.P. Morgan Investment Management, Inc. and Hotchkis & Wiley Capital Management, LLC. Between December 5, 2005 and March 20, 2006, J.P. Morgan Investment Management, Inc. and Hotchkis & Wiley Capital Management, LLC served as Co-Sub-advisors of the Portfolio. Prior to December 5, 2005, Hotchkis & Wiley Capital Management, LLC served as Sub-advisor of the Portfolio, then named the "AST Hotchkis & Wiley Large-Cap Value Portfolio."

**9:** Effective December 5, 2005, EARNEST Partners LLC and WEDGE Capital Management, LLP became Co-Sub-advisors of the Portfolio. Prior to December 5, 2005, GAMCO Investors, Inc. served as Sub-advisor of the Portfolio, then named the "AST Gabelli All-Cap Value Portfolio."

**10:** Effective December 5, 2005, Prudential Investment Management, Inc. became the Sub-advisor of the Portfolio. Prior to December 5, 2005, Wells Capital Management, Inc. served as Sub-advisor of the Portfolio.

**11:** Effective December 5, 2005, the AST Alger All-Cap Growth Portfolio merged into the AST Neuberger Berman Mid-Cap Growth Portfolio.

**12:** Effective March 20, 2006, Dremman Value Management LLC became a Sub-advisor along with Salomon Brothers Asset Management, Inc., J.P. Morgan Investment Management, Inc. and Lee Munder Capital Group. Between December 5, 2005 and March 20, 2006, Salomon Brothers Asset Management, Inc., J.P. Morgan Investment Management, Inc., Lee Munder Capital Group and Integrity Asset Management served as Sub-advisors of the Portfolio. Prior to December 5, 2005, J.P. Morgan Investment Management, Inc., Lee Munder Capital Group and Integrity Asset Management served as Sub-advisors of the Portfolio.

**13:** Effective December 5, 2005, T. Rowe Price Associates, Inc. became the Sub-advisor of the Portfolio. Prior to December 5, 2005, Alliance Capital Management, L.P. served as Sub-advisor of the Portfolio, then named the "AST AllianceBernstein Large-Cap Growth Portfolio."

**14:** The Fund's advisor has contractually agreed to waive advisory fees and/or reimburse expenses of Series I shares to the extent necessary to limit Total Annual Portfolio Operating Expenses (excluding certain items discussed below) of Series I shares to 1.30% of average daily net assets. In determining the advisor's obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the Total Annual Portfolio Operating Expenses to exceed the number reflected above: (i) interest; (ii) taxes; (iii) dividend expense on short sales; (iv) extraordinary items; (v) expenses related to a merger or reorganizations as approved by the Fund's Board of Trustees; and (vi) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Currently, the expense offset arrangements from which the Fund may benefit are in the form of credits that the Fund receives from banks where the Fund or its transfer agent has deposit accounts in which it holds uninvested cash. Those credits are used to pay certain expenses incurred by the Fund. The expense limitation agreement is in effect through April 30, 2007.

**15:** The Funds' Board of Trustees reserve the right to suspend payments under the 12b-1 Plan at any time. On May 1, 2003, 12b-1 payments were suspended for all Funds except the First Trust 10 Uncommon Values Portfolio. Payments under the 12b-1 Plan resumed effective May 1, 2004 for the Target Managed VIP Portfolio, the Dow Dart 10 Portfolio, the Global Dividend Target 15 Portfolio, the S&P Target 24 Portfolio, the Nasdaq Target 15 Portfolio and the Value Line Target 25 Portfolio.

**16:** For the period September 30, 2004 through December 31, 2007, First Trust has contractually agreed to waive fees and reimburse expenses of the Portfolios to limit the total annual fund operating expenses (excluding brokerage expense and extraordinary expense) to 1.37% for the First Trust 10 Uncommon Values Portfolio and 1.47% for each of the other Portfolios' average daily net assets. First Trust has entered into an agreement with First Defined Portfolio Fund, LLC that will allow First Trust to recover from the Portfolios any fees waived or reimbursed during the three year period of January 1, 2005 through December 31, 2007. However, First Trust's ability to recover such amounts is limited to the extent that it would not exceed the amount reimbursed or waived during such period.

Portfolio Name	Total Actual Annual Portfolio Operating Expenses After Expense Reimbursement
First Trust <sup>®</sup> 10 Uncommon Values	1.37%
Target Managed VIP	1.47%
S&P Target 24	1.47%
The Dow <sup>SM</sup> DART 10	1.47%
Value Line <sup>®</sup> Target 25	1.47%
Global Dividend Target 15	1.47%
Nasdaq Target 15	1.47%
Dow Target Dividend	1.47%

**17:** Effective January 1, 2006, the Fund implemented a performance fee structure and the management fee was lowered to 1.05%. Beginning January 1, 2007, the management fee may be adjusted, on a quarterly basis, upward or downward depending on the Fund's performance relative to its benchmark, the MSCI Emerging Markets Free Index. As a result, beginning January 1, 2007, if the management fee were calculated taking into account all base fee breakpoints and performance fee adjustments, the management fee could range from 0.95% at its lowest to 1.15% at its highest.

**18:** ProFund Advisors LLC has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse other expenses to the extent Total Annual Portfolio Operating Expenses, as a percentage of average daily net assets, exceed 1.98% (1.73% for ProFund VP U.S. Government Plus and 1.78% for ProFund VP Rising Rates Opportunity) through December 31, 2006. After such date, any of the expense limitations may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be repaid to ProFund Advisors LLC within three years of the waiver or reimbursement to the extent that recoupment will not cause the Portfolio's expenses to exceed any expense limitation in place at that time. A waiver or reimbursement lowers the expense ratio and increases overall returns to investors.

**19:** a: The Adviser of Wells Fargo Variable Trust has committed through April 30, 2007 to waive fees and/or reimburse expenses to the extent necessary to maintain the Fund's net operating expenses as shown.

Portfolio Name	Total Actual Annual Portfolio Operating Expenses After Expense Reimbursement
Wells Fargo Advantage VT C&B Large Cap Value	1.00%
Wells Fargo Advantage VT Equity Income	1.00%

b: In addition, the following name changes were made effective May 1, 2006:

Old Portfolio Name	New Portfolio Name
Advantage VT C&B Large Cap Value	Wells Fargo Advantage VT C&B Large Cap Value
Advantage VT Equity Income	Wells Fargo Advantage VT Equity Income

**20:** The Fund's investment adviser has implemented a breakpoint schedule for the Fund's management fee. The management fee charged to the Fund will decline as the Fund's assets grow and will continue to be based on a percentage of the Fund's average daily net assets. The breakpoint schedule for the Fund is as follows: 0.55% for assets under \$500 million, 0.50% for the next \$500 million in assets; 0.45% for the next \$2 billion in assets; 0.425% for the next \$2 billion; and 0.40% for assets over \$5 billion.



# Expense Examples

*These examples are designed to assist you in understanding the various expenses you may incur with the Annuity over certain periods of time based on specific assumptions. The examples reflect the surrender adjustment, Insurance Charge and the highest total annual portfolio operating expenses for any underlying Portfolio offered under the product. Below are examples showing what you would pay in expenses at the end of the stated time periods had you invested \$10,000 in the Annuity and received a 5% annual return on assets.*

*The examples are illustrative only — they should not be considered a representation of past or future expenses of the underlying mutual funds or their portfolios — actual expenses will be less than those shown if you allocate Income Base to any other available Sub-accounts.*

*Expense Examples are provided as follows: 1.) if you surrender the Annuity at the end of the stated time period; and 2.) if you do not surrender your Annuity. A table of accumulation values appears in Appendix A to this Prospectus.*

The examples also assume:

- that the Insurance Charge is assessed as 1.25% per year without the Optional Guarantee Feature and the Insurance Charge is assessed as 2.25% per year with the Optional Guarantee Feature
- that you allocate all of your Income Base to the Sub-account with the maximum total annual operating expenses, and those expenses remain the same each year
- you did not receive any Credits

Contract described herein is no longer available for sale.

## WITHOUT OPTIONAL GUARANTEE FEATURE:

### IF YOU SURRENDER YOUR ANNUITY AT THE END OF THE APPLICABLE TIME PERIOD:

1 YR	3 YRS	5 YRS	10 YRS
375	1,140	1,925	3,976

### IF YOU DO NOT SURRENDER YOUR ANNUITY:

1 YR	3 YRS	5 YRS	10 YRS
375	1,140	1,925	3,976

## WITH OPTIONAL GUARANTEE FEATURE:

### IF YOU SURRENDER YOUR ANNUITY AT THE END OF THE APPLICABLE TIME PERIOD:

1 YR	3 YRS	5 YRS	10 YRS
361	1,097	1,855	3,845

### IF YOU DO NOT SURRENDER YOUR ANNUITY:

1 YR	3 YRS	5 YRS	10 YRS
361	1,097	1,855	3,845



# Highlights

## **WHAT IS AN IMMEDIATE ANNUITY?**

An immediate annuity begins making periodic payments to you within one year after the Issue Date. This Annuity begins making payments within 59 days of the Issue Date.

## **WHAT IS A VARIABLE IMMEDIATE ANNUITY?**

A variable immediate annuity is an immediate annuity where some or all of the benefits depend upon the performance of the Sub-accounts and you assume the investment risk of such investment performance.

## **WHY IS THIS VARIABLE IMMEDIATE ANNUITY ADJUSTABLE?**

This Annuity is adjustable because (a) we adjust the Inheritance Period and (b) there is an adjustment feature which can increase Annuity Payment Amounts if and when its Cash Value exceeds specified targets.

## **HOW DOES THIS ANNUITY GENERALLY DIFFER FROM OTHER VARIABLE IMMEDIATE ANNUITIES?**

Most variable immediate annuities offer periodic payments that increase or decrease depending solely on the investment performance of one or more pools of underlying mutual fund portfolios. Changes to the Annuity Payment Amounts of this variable immediate annuity are designed to initially depend on changes to the Inheritance Period, which depend on the investment performance of one or more Portfolios.

We designed this Annuity to provide a "cushion" from volatile investment performance. As a result, negative investment performance does not automatically result in a decrease in the Annuity Payment Amount each month, and positive investment performance does not automatically result in an increase in the Annuity Payment Amount each month. Generally, other variable immediate annuities do not contain such a "cushion."

Many variable immediate annuities offer the option to assure payments for a "certain" period regardless of whether the

Annuitant is alive. If that option is elected, that number of payments are reduced on a constant basis over time. In comparison, this Annuity automatically includes an Inheritance Period that looks like a "certain" period but does not change based solely on time. We set the Inheritance Period initially when an Annuity is issued. However, as opposed to most other variable immediate annuities, the Inheritance Period in this Annuity subsequently *varies*, based on the Net Investment Performance of the Annuity, the Annuity Payment Amounts being paid out, and the increasing age of the Annuitant. With each Annuity Payment, the remaining Inheritance Period can decrease by one month, more than one month, less than one month, or can even increase.

## **HOW DOES THIS VARIABLE IMMEDIATE ANNUITY GENERALLY DIFFER FROM SYSTEMATIC WITHDRAWAL PROGRAMS?**

This variable immediate annuity offers a guarantee of income payments for life. This type of annuity contract is designed to transfer to an insurance company part of the risk of outliving one's assets. Generally, the insurer charges the purchaser for taking on the risk of this guarantee. The difference between this type of annuity contract and a systematic withdrawal program is that this guarantee and the tax advantages provided are not available with a program of systematic withdrawals.

## **WHAT IS THE OPTIONAL GUARANTEE FEATURE?**

This variable immediate annuity offers an Optional Guarantee Feature that, if chosen, guarantees that the Annuity Payment Amount, while the Annuitant is alive, will not be less than the Guaranteed Annuity Payment Amount. We charge an additional amount for this feature (please refer to this Annuity's "Summary of Contract Fees and Charges"). If you select this optional benefit, the Guaranteed Annuity Payment Amount will be available as of the Issue Date. Once selected, this feature remains part of your Annuity.

# Investment Options

## WHAT ARE THE INVESTMENT OBJECTIVES AND POLICIES OF THE PORTFOLIOS?

Each variable investment option is a Sub-account of American Skandia Life Assurance Corporation Variable Account B (see "What are Separate Accounts" for more detailed information). Each Sub-account invests exclusively in one Portfolio. You should carefully read the prospectus for any Portfolio in which you are interested. The following chart classifies each of the Portfolios based on our assessment of their investment style (as of the date of this Prospectus). The chart also provides a description of each Portfolio's investment objective (in italics) and a short, summary description of their key policies to assist you in determining which Portfolios may be of interest to you. There is no guarantee that any Portfolio will meet its investment objective.

The name of the advisor/sub-advisor for each Portfolio appears next to the description. Those portfolios whose name includes the prefix "AST" are portfolios of American Skandia Trust. The investment managers for AST are American Skandia Investment Services, Incorporated, a Prudential Financial Company, and Prudential Investments LLC, both of which are affiliated companies of American Skandia. However, a sub-advisor, as noted below, is engaged to conduct day-to-day investment decisions.

The Portfolios are not publicly traded mutual funds. They are only available as investment options in variable annuity contracts and variable life insurance policies issued by insurance companies, or in some cases, to participants in certain qualified retirement plans. However some of the Portfolios available as Sub-accounts under the Annuity are managed by the same portfolio advisor or sub-advisor as a retail mutual fund of the same or similar name that the Portfolio may have been modeled after at its inception. Certain retail mutual funds may also have been modeled after a Portfolio. While the investment objective and policies of the retail mutual funds and the Portfolios may be substantially similar, the actual investments will differ to varying degrees. Differences in the performance of the funds can be expected, and in some cases could be substantial. You should not compare the performance of a publicly traded mutual fund with the performance of any similarly named Portfolio offered as a Sub-account. Details about the investment objectives, policies, risks, costs and management of the Portfolios are found in the prospectuses for the underlying mutual funds. The current prospectus and statement of additional information for the underlying Portfolios can be obtained by calling 1-800-752-6342.

**IF YOU SELECT THE OPTIONAL GUARANTEE FEATURE NOT ALL OF THE PORTFOLIOS ARE AVAILABLE TO YOU. IF YOU PURCHASED YOUR ANNUITY PRIOR TO DECEMBER 5, 2005 AND CHOSE THE OPTIONAL GUARANTEE FEATURE, YOUR NET PREMIUM (PLUS ANY APPLICABLE CREDIT) WAS REQUIRED TO BE ALLOCATED IN ACCORDANCE WITH AN ASSET ALLOCATION MODEL, AND YOUR INCOME BASE ALSO HAD TO BE ALLOCATED IN ACCORDANCE WITH SUCH MODEL. IF YOU PURCHASED YOUR ANNUITY ON OR AFTER DECEMBER 5, 2005 AND YOU CHOSE THE OPTIONAL GUARANTEE FEATURE, YOU MUST ALLOCATE YOUR NET PREMIUM/INCOME BASE IN ACCORDANCE WITH THE THEN PERMITTED AND AVAILABLE INVESTMENT OPTION(S) WITH THIS FEATURE.**

**Effective March 16, 2001, the Nova, Ursa and OTC portfolios of Rydex Variable Trust are no longer offered as Sub-accounts under the Annuity.** Owners of Annuities issued on or after March 16, 2001 are not allowed to allocate Income Base to the Rydex Nova, Rydex Inverse S&P 500 or Rydex OTC Sub-accounts. Except as noted below, Owners of Annuities issued before March 16, 2001, and/or their authorized Financial Professionals, are no longer able to allocate additional Income Base or make transfers into the Rydex Nova, Rydex Ursa or Rydex OTC Sub-accounts. Annuity Owners and/or their authorized Financial Professionals who elect to transfer Income Base out of the Rydex Sub-accounts on or after March 16, 2001 are not allowed to transfer Income Base into the Rydex Sub-accounts at a later date. Asset allocation and rebalancing programs that were effective before March 16, 2001 and included one or more of the Rydex Sub-accounts are allowed to continue. However, no changes involving the Rydex Sub-accounts may be made to such programs.

## Investment Options *continued*

Effective as of the close of business **June 28, 2002**, the **AST Goldman Sachs Small-Cap Value Portfolio** is no longer offered as a Sub-account under the Annuity, except as follows: if at any time on or prior to June 28, 2002 you had any portion of your Income Base allocated to the AST Goldman Sachs Small-Cap Value Sub-account, you may continue to allocate Income Base and make transfers into and/or out of the AST Goldman Sachs Small-Cap Value Sub-account, including any electronic funds transfer, dollar cost averaging, asset allocation and rebalancing programs. If you never had a portion of your Income Base allocated to the AST Goldman Sachs Small-Cap Value Sub-account on or prior to June 28, 2002 or if you purchase your Annuity after June 28, 2002, you cannot allocate Income Base to the AST Goldman Sachs Small-Cap Value Sub-Account.

Effective **May 1, 2004**, the **SP William Blair International Growth Portfolio (formerly the SP Jennison International Growth Portfolio)** is no longer offered as a Sub-account under the Annuity, except as follows: if at any time prior to May 1, 2004 you had any portion of your Income Base allocated to the SP William Blair International Growth Sub-account, you may continue to allocate Income Base and make transfers into and/or out of the SP William Blair International Growth Sub-account, including any electronic funds transfer, dollar cost averaging, asset allocation and rebalancing programs. If you never had a portion of your Income Base allocated to the SP William Blair International Growth Sub-account prior to May 1, 2004 or if you purchase your Annuity on or after May 1, 2004, you cannot allocate Income Base to the SP William Blair International Growth Sub-Account.

Either of the above Sub-accounts may be offered to new Owners at some future date; however, at the present time, there is no intention to do so. We also reserve the right to offer or close each of the above Sub-accounts to all Owners that owned the Annuity prior to the respective close dates.

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>AST FUNDS</b>		
<b>Asset Allocation/ Balanced</b>	<b>AST Advanced Strategies Portfolio:</b> <i>seeks a high level of absolute return.</i> The Portfolio invests primarily in a diversified portfolio of equity and fixed income securities across different investment categories and investment managers. The Portfolio pursues a combination of traditional and non-traditional investment strategies.	Marsico Capital Management, LLC; T. Rowe Price Associates, Inc.; LSV Asset Management; William Blair & Company, L.L.C.; Pacific Investment Management Company LLC (PIMCO)
<b>Asset Allocation/ Balanced</b>	<b>AST Aggressive Asset Allocation Portfolio:</b> <i>seeks the highest potential total return consistent with its specified level of risk tolerance.</i> The Portfolio will invest its assets in several other American Skandia Trust Portfolios. Under normal market conditions, the Portfolio will devote between 92.5% to 100% of its net assets to underlying portfolios investing primarily in equity securities, and 0% to 7.5% of its net assets to underlying portfolios investing primarily in debt securities and money market instruments.	American Skandia Investment Services, Inc./ Prudential Investments LLC
<b>Large Cap Value</b>	<b>AST AllianceBernstein Core Value Portfolio:</b> <i>seeks long-term capital growth by investing primarily in common stocks.</i> The Sub-advisor expects that the majority of the Portfolio's assets will be invested in the common stocks of large companies that appear to be undervalued. Among other things, the Portfolio seeks to identify compelling buying opportunities created when companies are undervalued on the basis of investor reactions to near-term problems or circumstances even though their long-term prospects remain sound. The Sub-advisor seeks to identify individual companies with earnings growth potential that may not be recognized by the market at large.	AllianceBernstein L.P.
<b>Large Cap Value</b>	<b>AST AllianceBernstein Growth &amp; Income Portfolio:</b> <i>seeks long-term growth of capital and income while attempting to avoid excessive fluctuations in market value.</i> The Portfolio normally will invest in common stocks (and securities convertible into common stocks). The Sub-advisor will take a value-oriented approach, in that it will try to keep the Portfolio's assets invested in securities that are selling at reasonable valuations in relation to their fundamental business prospects. The stocks that the Portfolio will normally invest in are those of seasoned companies.	AllianceBernstein L.P.
<b>Large Cap Blend</b>	<b>AST AllianceBernstein Managed Index 500 Portfolio</b> ( <i>AST AllianceBernstein Growth + Value Portfolio merged into this Portfolio</i> ); <i>seeks to outperform the Standard &amp; Poor's 500 Composite Stock Price Index (the "S&amp;P 500") through stock selection resulting in different weightings of common stocks relative to the index.</i> The Portfolio will invest, under normal circumstances, at least 80% of its net assets in securities included in the S&P® 500.	AllianceBernstein L.P.

# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Large Cap Value</b>	<b>AST American Century Income &amp; Growth Portfolio:</b> <i>seeks capital growth with current income as a secondary objective.</i> The Portfolio invests primarily in common stocks that offer potential for capital growth, and may, consistent with its investment objective, invest in stocks that offer potential for current income. The Sub-advisor utilizes a quantitative management technique with a goal of building an equity portfolio that provides better returns than the S&P 500 Index without taking on significant additional risk and while attempting to create a dividend yield that will be greater than the S&P 500 Index.	American Century Investment Management, Inc.
<b>Asset Allocation/ Balanced</b>	<b>AST American Century Strategic Balanced Portfolio:</b> <i>seeks capital growth and current income.</i> The Sub-advisor intends to maintain approximately 60% of the Portfolio's assets in equity securities and the remainder in bonds and other fixed income securities. Both the Portfolio's equity and fixed income investments will fluctuate in value. The equity securities will fluctuate depending on the performance of the companies that issued them, general market and economic conditions, and investor confidence. The fixed income investments will be affected primarily by rising or falling interest rates and the credit quality of the issuers.	American Century Investment Management, Inc.
<b>Asset Allocation/ Balanced</b>	<b>AST Balanced Asset Allocation Portfolio:</b> <i>seeks the highest potential total return consistent with its specified level of risk tolerance.</i> The Portfolio will invest its assets in several other American Skandia Trust Portfolios. Under normal market conditions, the Portfolio will devote between 57.5% to 72.5% of its net assets to underlying portfolios investing primarily in equity securities, and 27.5% to 42.5% of its net assets to underlying portfolios investing primarily in debt securities and money market instruments.	American Skandia Investment Services, Inc./ Prudential Investments LLC
<b>Asset Allocation/ Balanced</b>	<b>AST Capital Growth Asset Allocation Portfolio:</b> <i>seeks the highest potential total return consistent with its specified level of risk tolerance.</i> The Portfolio will invest its assets in several other American Skandia Trust Portfolios. Under normal market conditions, the Portfolio will devote between 72.5% to 87.5% of its net assets to underlying portfolios investing primarily in equity securities, and 12.5% to 27.5% of its net assets to underlying portfolios investing primarily in debt securities and money market instruments.	American Skandia Investment Services, Inc./ Prudential Investments LLC
<b>Specialty</b>	<b>AST Cohen &amp; Steers Realty Portfolio:</b> <i>seeks to maximize total return through investment in real estate securities.</i> The Portfolio pursues its investment objective by investing, under normal circumstances, at least 80% of its net assets in securities of real estate issuers. Under normal circumstances, the Portfolio will invest substantially all of its assets in the equity securities of real estate companies, i.e., a company that derives at least 50% of its revenues from the ownership, construction, financing, management or sale of real estate or that has at least 50% of its assets in real estate. Real estate companies may include real estate investment trusts or REITs.	Cohen & Steers Capital Management, Inc.
<b>Asset Allocation/ Balanced</b>	<b>AST Conservative Asset Allocation Portfolio:</b> <i>seeks the highest potential total return consistent with its specified level of risk tolerance.</i> The Portfolio will invest its assets in several other American Skandia Trust Portfolios. Under normal market conditions, the Portfolio will devote between 47.5% to 62.5% of its net assets to underlying portfolios investing primarily in equity securities, and 37.5% to 52.5% of its net assets to underlying portfolios investing primarily in debt securities and money market instruments.	American Skandia Investment Services, Inc./ Prudential Investments LLC

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Large Cap Value</b>	<b>AST DeAM Large-Cap Value Portfolio:</b> <i>seeks maximum growth of capital by investing primarily in the value stocks of larger companies.</i> The Portfolio pursues its objective, under normal market conditions, by primarily investing at least 80% of the value of its assets in the equity securities of large-sized companies included in the Russell 1000 <sup>®</sup> Value Index. The Sub-advisor employs an investment strategy designed to maintain a portfolio of equity securities which approximates the market risk of those stocks included in the Russell 1000 <sup>®</sup> Value Index, but which attempts to outperform the Russell 1000 <sup>®</sup> Value Index through active stock selection.	Deutsche Asset Management, Inc.
<b>Small Cap Growth</b>	<b>AST DeAM Small-Cap Growth Portfolio:</b> <i>seeks maximum growth of investors' capital from a portfolio of growth stocks of smaller companies.</i> The Portfolio pursues its objective, under normal circumstances, by primarily investing at least 80% of its total assets in the equity securities of small-sized companies included in the Russell 2000 Growth <sup>®</sup> Index. The Sub-advisor employs an investment strategy designed to maintain a portfolio of equity securities which approximates the market risk of those stocks included in the Russell 2000 Growth <sup>®</sup> Index, but which attempts to outperform the Russell 2000 Growth <sup>®</sup> Index.	Deutsche Asset Management, Inc.
<b>Small Cap Value</b>	<b>AST DeAM Small-Cap Value Portfolio:</b> <i>seeks maximum growth of investors' capital.</i> The Portfolio pursues its objective, under normal market conditions, by primarily investing at least 80% of its total assets in the equity securities of small-sized companies included in the Russell 2000 <sup>®</sup> Value Index. The Sub-advisor employs an investment strategy designed to maintain a portfolio of equity securities which approximates the market risk of those stocks included in the Russell 2000 <sup>®</sup> Value Index, but which attempts to outperform the Russell 2000 <sup>®</sup> Value Index.	Deutsche Asset Management, Inc.
<b>Small Cap Growth</b>	<b>AST Federated Aggressive Growth Portfolio:</b> <i>seeks capital growth.</i> The Portfolio pursues its investment objective by investing primarily in the stocks of small companies that are traded on national security exchanges, NASDAQ stock exchange and the over-the-counter-market. Small companies will be defined as companies with market capitalizations similar to companies in the Russell 2000 Growth Index. Up to 25% of the Portfolio's net assets may be invested in foreign securities, which are typically denominated in foreign currencies.	Federated Equity Management Company of Pennsylvania/ Federated Global Investment Management Corp.
<b>Asset Allocation/ Balanced</b>	<b>AST First Trust Balanced Target Portfolio:</b> <i>seeks long-term capital growth balanced by current income.</i> The Portfolio normally invests approximately 65% of its total assets in equity securities and 35% in fixed income securities. Depending on market conditions, the equity portion may range between 60-70% and the fixed income portion between 30-40%. The Portfolio allocates its assets across a number of uniquely specialized investment strategies.	First Trust Advisors L.P.
<b>Asset Allocation/ Balanced</b>	<b>AST First Trust Capital Appreciation Target Portfolio:</b> <i>seeks long-term growth of capital.</i> The Portfolio normally invests approximately 80% of its total assets in equity securities and 20% in fixed income securities. Depending on market conditions, the equity portion may range between 75-85% and the fixed income portion between 15-25%. The Portfolio allocates its assets across a number of uniquely specialized investment strategies.	First Trust Advisors L.P.



# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Asset Allocation/ Balanced</b>	<b>AST Global Allocation Portfolio:</b> <i>seeks to obtain the highest potential total return consistent with a specified level of risk tolerance.</i> The Portfolio seeks to achieve its investment objective by investing in several other AST Portfolios ("Underlying Portfolios"). The Portfolio intends its strategy of investing in combinations of Underlying Portfolios to result in investment diversification that an investor could otherwise achieve only by holding numerous investments. It is expected that the investment objectives of such AST Portfolios will be diversified.	Prudential Investments LLC
<b>Large Cap Growth</b>	<b>AST Goldman Sachs Concentrated Growth Portfolio:</b> <i>seeks growth of capital in a manner consistent with the preservation of capital.</i> Realization of income is not a significant investment consideration and any income realized on the Portfolio's investments, therefore, will be incidental to the Portfolio's objective. The Portfolio will pursue its objective by investing primarily in equity securities of companies that the Sub-advisor believes have the potential to achieve capital appreciation over the long-term. The Portfolio seeks to achieve its investment objective by investing, under normal circumstances, in approximately 30-45 companies that are considered by the Sub-advisor to be positioned for long-term growth.	Goldman Sachs Asset Management, L.P.
<b>Mid Cap Growth</b>	<b>AST Goldman Sachs Mid-Cap Growth Portfolio:</b> <i>seeks long-term capital growth.</i> The Portfolio pursues its investment objective, by investing primarily in equity securities selected for their growth potential, and normally invests at least 80% of the value of its assets in medium capitalization companies. For purposes of the Portfolio, medium-sized companies are those whose market capitalizations (measured at the time of investment) fall within the range of companies in the Russell Mid Cap Growth Index. The Sub-advisor seeks to identify individual companies with earnings growth potential that may not be recognized by the market at large.	Goldman Sachs Asset Management, L.P.
<b>Small Cap Value</b>	<b>AST Goldman Sachs Small-Cap Value Portfolio:</b> <i>seeks long-term capital appreciation.</i> The Portfolio will seek its objective through investments primarily in equity securities that are believed to be undervalued in the marketplace. The Portfolio primarily seeks companies that are small-sized, based on the value of their outstanding stock. The Portfolio will have a non-fundamental policy to invest, under normal circumstances, at least 80% of the value of its assets in small capitalization companies. The 80% investment requirement applies at the time the Portfolio invests its assets. The Portfolio generally defines small capitalization companies as companies with a capitalization of \$4 billion or less. (see information above regarding limited availability of this option.)	Goldman Sachs Asset Management, L.P.
<b>Fixed Income</b>	<b>AST High Yield Portfolio</b> (formerly AST Goldman Sachs High Yield Portfolio): <i>seeks a high level of current income and may also consider the potential for capital appreciation.</i> The Portfolio invests, under normal circumstances, at least 80% of its net assets plus any borrowings for investment purposes (measured at time of purchase) in high yield, fixed-income securities that, at the time of purchase, are non-investment grade securities. Such securities are commonly referred to as "junk bonds".	Goldman Sachs Asset Management, L.P.; Pacific Investment Management Company LLC (PIMCO)

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>International Equity</b>	<b>AST JPMorgan International Equity Portfolio:</b> <i>seeks long-term capital growth by investing in a diversified portfolio of international equity securities.</i> The Portfolio seeks to meet its objective by investing, under normal market conditions, at least 80% of its assets in a diversified portfolio of equity securities of companies located or operating in developed non-U.S. countries and emerging markets of the world. The equity securities will ordinarily be traded on a recognized foreign securities exchange or traded in a foreign over-the-counter market in the country where the issuer is principally based, but may also be traded in other countries including the United States.	J.P. Morgan Investment Management Inc.
<b>Large Cap Value</b>	<b>AST Large-Cap Value Portfolio</b> (formerly AST Hotchkis and Wiley Large-Cap Value Portfolio): <i>seeks current income and long-term growth of income, as well as capital appreciation.</i> The Portfolio invests, under normal circumstances, at least 80% of its net assets in common stocks of large cap U.S. companies. The Portfolio focuses on common stocks that have a high cash dividend or payout yield relative to the market or that possess relative value within sectors.	Dreman Value Management LLC, Hotchkis and Wiley Capital Management, LLC; J.P. Morgan Investment Management Inc.
<b>Fixed Income</b>	<b>AST Lord Abbett Bond-Debenture Portfolio:</b> <i>seeks high current income and the opportunity for capital appreciation to produce a high total return.</i> To pursue its objective, the Portfolio will invest, under normal circumstances, at least 80% of the value of its assets in fixed income securities and normally invests primarily in high yield and investment grade debt securities, securities convertible into common stock and preferred stocks. The Portfolio may find good value in high yield securities, sometimes called "lower-rated bonds" or "junk bonds," and frequently may have more than half of its assets invested in those securities. At least 20% of the Portfolio's assets must be invested in any combination of investment grade debt securities, U.S. Government securities and cash equivalents. The Portfolio may also make significant investments in mortgage-backed securities. Although the Portfolio expects to maintain a weighted average maturity in the range of five to twelve years, there are no restrictions on the overall Portfolio or on individual securities. The Portfolio may invest up to 20% of its net assets in equity securities.	Lord, Abbett & Co. LLC
<b>International Equity</b>	<b>AST LSV International Value Portfolio:</b> <i>seeks capital growth.</i> The Portfolio pursues its objective by primarily investing at least 80% of the value of its assets in the equity securities of companies in developed non-U.S. countries that are represented in the MSCI EAFE Index. The target of this Portfolio is to outperform the unhedged US Dollar total return (net of foreign dividend withholding taxes) of the MSCI EAFE Index. The Sub-Advisor uses proprietary quantitative models to manage the Portfolio in a bottom-up security selection approach combined with overall portfolio risk management.	LSV Asset Management



# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Large Cap Growth</b>	<b>AST Marsico Capital Growth Portfolio:</b> <i>seeks capital growth.</i> Income realization is not an investment objective and any income realized on the Portfolio's investments, therefore, will be incidental to the Portfolio's objective. The Portfolio will pursue its objective by investing primarily in common stocks of larger, more established companies. In selecting investments for the Portfolio, the Sub-advisor uses an approach that combines "top down" economic analysis with "bottom up" stock selection. The "top down" approach identifies sectors, industries and companies that may benefit from the trends the Sub-advisor has observed. The Sub-advisor then looks for individual companies with earnings growth potential that may not be recognized by the market at large, utilizing a "bottom up" stock selection process. The Portfolio will normally hold a core position of between 35 and 50 common stocks. The Portfolio may hold a limited number of additional common stocks at times when the Portfolio manager is accumulating new positions, phasing out existing or responding to exceptional market conditions.	Marsico Capital Management, LLC
<b>International Equity</b>	<b>AST MFS Global Equity Portfolio:</b> <i>seeks capital growth.</i> Under normal circumstances the Portfolio invests at least 80% of its assets in equity securities of U.S. and foreign issuers (including issuers in developing countries). The Portfolio generally seeks to purchase securities of companies with relatively large market capitalizations relative to the market in which they are traded.	Massachusetts Financial Services Company
<b>Large Cap Growth</b>	<b>AST MFS Growth Portfolio:</b> <i>seeks long-term capital growth and future income.</i> Under normal market conditions, the Portfolio invests at least 80% of its total assets in common stocks and related securities, such as preferred stocks, convertible securities and depository receipts, of companies that the Sub-advisor believes offer better than average prospects for long-term growth. The Sub-advisor seeks to purchase securities of companies that it considers well-run and poised for growth. The Portfolio may invest up to 35% of its net assets in foreign securities.	Massachusetts Financial Services Company
<b>Mid Cap Value</b>	<b>AST Mid-Cap Value Portfolio</b> (formerly AST Gabelli All-Cap Value Portfolio): <i>seeks to provide capital growth by investing primarily in mid-capitalization stocks that appear to be undervalued.</i> The Portfolio has a non-fundamental policy to invest, under normal circumstances, at least 80% of the value of its net assets in mid-capitalization companies.	EARNEST Partners LLC/WEDGE Capital Management, LLP
<b>Fixed Income</b>	<b>AST Money Market Portfolio:</b> <i>seeks high current income while maintaining high levels of liquidity.</i> The Portfolio attempts to accomplish its objective by maintaining a dollar-weighted average maturity of not more than 90 days and by investing in securities which have effective maturities of not more than 397 days.	Prudential Investment Management, Inc.
<b>Mid Cap Growth</b>	<b>AST Neuberger Berman Mid-Cap Growth Portfolio</b> (AST Alger All-Cap Growth Portfolio merged into this Portfolio): <i>seeks capital growth.</i> Under normal market conditions, the Portfolio primarily invests at least 80% of its net assets in the common stocks of mid-cap companies. The Sub-adviser looks for fast-growing companies that are in new or rapidly evolving industries.	Neuberger Berman Management Inc.

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Mid Cap Value</b>	<b>AST Neuberger Berman Mid-Cap Value Portfolio:</b> <i>seeks capital growth.</i> Under normal market conditions, the Portfolio primarily invests at least 80% of its net assets in the common stocks of mid-cap companies. For purposes of the Portfolio, companies with equity market capitalizations that fall within the range of the Russell Midcap® Index at the time of investment are considered mid-cap companies. Some of the Portfolio's assets may be invested in the securities of large-cap companies as well as in small-cap companies. Under the Portfolio's value-oriented investment approach, the Sub-advisor looks for well-managed companies whose stock prices are undervalued and that may rise in price before other investors realize their worth.	Neuberger Berman Management Inc.
<b>Fixed Income</b>	<b>AST PIMCO Limited Maturity Bond Portfolio:</b> <i>seeks to maximize total return consistent with preservation of capital and prudent investment management.</i> The Portfolio will invest in a diversified portfolio of fixed-income securities of varying maturities. The average portfolio duration of the Portfolio generally will vary within a one- to three-year time frame based on the Sub-advisor's forecast for interest rates.	Pacific Investment Management Company LLC (PIMCO)
<b>Fixed Income</b>	<b>AST PIMCO Total Return Bond Portfolio:</b> <i>seeks to maximize total return consistent with preservation of capital and prudent investment management.</i> The Portfolio will invest in a diversified portfolio of fixed-income securities of varying maturities. The average portfolio duration of the Portfolio generally will vary within a three- to six-year time frame based on the Sub-advisor's forecast for interest rates.	Pacific Investment Management Company LLC (PIMCO)
<b>Asset Allocation/ Balanced</b>	<b>AST Preservation Asset Allocation Portfolio:</b> <i>seeks the highest potential total return consistent with its specified level of risk tolerance.</i> The Portfolio will invest its assets in several other American Skandia Trust Portfolios. Under normal market conditions, the Portfolio will devote between 27.5% to 42.5% of its net assets to underlying portfolios investing primarily in equity securities, and 57.5% to 72.5% of its net assets to underlying portfolios investing primarily in debt securities and money market instruments.	American Skandia Investment Services, Inc./ Prudential Investments LLC
<b>Small Cap Growth</b>	<b>AST Small-Cap Growth Portfolio:</b> <i>seeks long-term capital growth.</i> The Portfolio pursues its objective by primarily investing in the common stocks of small-capitalization companies, which is defined as a company with a market capitalization, at the time of purchase, no larger than the largest capitalized company included in the Russell 2000 Index during the most recent 11-month period (based on month-end data) plus the most recent data during the current month.	Eagle Asset Management/ Neuberger Berman Management Inc.
<b>Small Cap Value</b>	<b>AST Small-Cap Value Portfolio:</b> <i>seeks to provide long-term capital growth by investing primarily in small-capitalization stocks that appear to be undervalued.</i> The Portfolio will have a non-fundamental policy to invest, under normal circumstances, at least 80% of the value of its net assets in small capitalization stocks. The Portfolio will focus on common stocks that appear to be undervalued.	Lee Munder Investments, Ltd; J.P. Morgan Investment Management Inc.; Salomon Brothers Asset Management Inc; Dreman Value Management LLC

# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Asset Allocation/ Balanced</b>	<b>AST T. Rowe Price Asset Allocation Portfolio:</b> <i>seeks a high level of total return by investing primarily in a diversified portfolio of fixed income and equity securities.</i> The Portfolio normally invests approximately 60% of its total assets in equity securities and 40% in fixed income securities. This mix may vary depending on the sub-advisor's outlook for the markets. The Sub-advisor concentrates common stock investments in larger, more established companies, but the Portfolio may include small and medium-sized companies with good growth prospects. The fixed income portion of the Portfolio will be allocated among investment grade securities, high yield or "junk" bonds, foreign high quality debt securities and cash reserves.	T. Rowe Price Associates, Inc.
<b>Fixed Income</b>	<b>AST T. Rowe Price Global Bond Portfolio:</b> <i>seeks to provide high current income and capital growth by investing in high-quality foreign and U.S. dollar-denominated bonds.</i> The Portfolio will invest at least 80% of its total assets in fixed income securities, including high quality bonds issued or guaranteed by U.S. or foreign governments or their agencies and by foreign authorities, provinces and municipalities as well as investment grade corporate bonds and mortgage and asset-backed securities of U.S. and foreign issuers. The Portfolio generally invests in countries where the combination of fixed-income returns and currency exchange rates appears attractive, or, if the currency trend is unfavorable, where the Sub-advisor believes that the currency risk can be minimized through hedging. The Portfolio may also invest up to 20% of its assets in the aggregate in below investment-grade, high-risk bonds ("junk bonds"). In addition, the Portfolio may invest up to 30% of its assets in mortgage-backed (including derivatives, such as collateralized mortgage obligations and stripped mortgage securities) and asset-backed securities.	T. Rowe Price International, Inc.
<b>Large Cap Growth</b>	<b>AST T. Rowe Price Large-Cap Growth Portfolio</b> (formerly AST AllianceBernstein Large-Cap Growth): <i>seeks long-term growth of capital by investing predominantly in the equity securities of a limited number of large, carefully selected, high-quality U.S. companies that are judged likely to achieve superior earnings growth.</i> The Portfolio takes a growth approach to investment selection and normally invests at least 80% of its net assets in the common stocks of large cap companies.	T. Rowe Price Associates, Inc.
<b>Specialty</b>	<b>AST T. Rowe Price Natural Resources Portfolio:</b> <i>seeks long-term capital growth primarily through the common stocks of companies that own or develop natural resources (such as energy products, precious metals and forest products) and other basic commodities.</i> The Portfolio normally invests primarily (at least 80% of its total assets) in the common stocks of natural resource companies whose earnings and tangible assets could benefit from accelerating inflation. The Portfolio looks for companies that have the ability to expand production, to maintain superior exploration programs and production facilities, and the potential to accumulate new resources. At least 50% of Portfolio assets will be invested in U.S. securities, up to 50% of total assets also may be invested in foreign securities.	T. Rowe Price Associates, Inc.

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>International Equity</b>	<b>AST William Blair International Growth Portfolio:</b> <i>seeks long-term capital appreciation.</i> The Portfolio invests primarily in stocks of large and medium-sized companies located in countries included in the Morgan Stanley Capital International All Country World Ex-U.S. Index. Under normal market conditions, the portfolio invests at least 80% of its net assets in equity securities. The Portfolio's assets normally will be allocated among not fewer than six different countries and will not concentrate investments in any particular industry. The Portfolio seeks companies that historically have had superior growth, profitability and quality relative to local markets and relative to companies within the same industry worldwide, and that are expected to continue such performance.	William Blair & Company, L.L.C.
<b>Mid Cap Growth</b>	<b>AIM Variable Insurance Funds — AIM V.I. Dynamics Fund — Series I shares:</b> <i>seeks long-term capital growth.</i> The Portfolio pursues its objective by normally investing at least 65% of its assets in common stocks of mid-sized companies that are included in the Russell Midcap® Growth Index at the time of purchase.	AIM Advisors, Inc.
<b>Specialty</b>	<b>AIM Variable Insurance Funds — AIM V.I. Financial Services Fund — Series I shares:</b> <i>seeks capital growth.</i> The Portfolio normally invests at least 80% of its net assets in the equity securities and equity-related instruments of companies involved in the financial services sector. These companies include, but are not limited to, banks, insurance companies, investment and miscellaneous industries, and suppliers to financial services companies.	AIM Advisors, Inc.
<b>Specialty</b>	<b>AIM Variable Insurance Funds — AIM V.I. Global Health Care Fund — Series I shares:</b> (formerly AIM V.I. Health Sciences Fund) <i>seeks capital growth.</i> The Portfolio normally invests at least 80% of its net assets in securities of health care industry companies.	AIM Advisors, Inc.
<b>Specialty</b>	<b>AIM Variable Insurance Funds — AIM V.I. Technology Fund — Series I shares:</b> <i>seeks capital growth.</i> The Portfolio normally invests at least 80% of its net assets in the equity securities and equity-related instruments of companies engaged in technology-related industries. These include, but are not limited to, various applied technologies, hardware, software, semiconductors, telecommunications equipment and services and service-related companies in information technology.	AIM Advisors, Inc.
<b>Small Cap Growth</b>	<b>Evergreen VA Growth:</b> <i>seeks long-term capital growth.</i> The Portfolio invests at least 75% of its assets in common stocks of small- and medium-sized companies (i.e., companies whose market capitalizations fall within the market capitalization range of the companies tracked by the Russell 2000® Growth Index, measured at the time of purchase). The remaining portion of the Portfolio's assets may be invested in companies of any size. The Portfolio's managers employ a growth-style of equity management and will purchase stocks of companies that have demonstrated earnings, asset values or growth potential which they believe are not yet reflected in the stock's market price. The Portfolio's managers consider earnings growth above the average earnings growth of companies included in the Russell 2000® Growth Index as a key factor in selecting investments.	Evergreen Investment Management Company, LLC

# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>International Equity</b>	<b>Evergreen VA International Equity:</b> <i>seeks long-term capital growth and secondarily, modest income.</i> The Portfolio normally invests 80% of its assets in equity securities issued by established, quality, non-U.S. companies located in countries with developed markets and may purchase across all market capitalizations. The Portfolio normally invests at least 65% of its assets in securities of companies in at least three different countries (other than the U.S.). The Portfolio may also invest in emerging markets. The Portfolio's managers seek both growth and value opportunities, and the Portfolio intends to seek modest income from dividends paid by its equity holdings.	Evergreen Investment Management Company, LLC
<b>Specialty</b>	<b>Evergreen VA Omega:</b> <i>seeks long-term capital growth.</i> The Portfolio invests primarily, and under normal conditions substantially all of its assets, in common stocks and securities convertible into common stocks of U.S. companies across all market capitalizations. The Portfolio's managers employ a growth style of equity management. "Growth" stocks are stocks of companies that the Portfolio's managers believe have anticipated earnings ranging from steady to accelerated growth. The Portfolio may invest up to 25% of its assets in foreign securities.	Evergreen Investment Management Company, LLC
<b>Specialty</b>	<b>S&amp;P® Target 24:</b> <i>seeks to provide above-average total return.</i> The Portfolio seeks to achieve its objective by investing in common stocks issued by companies that have the potential for capital appreciation. The Portfolio invests primarily in the common stocks of twenty-four companies selected from a subset of the stocks included in the Standard & Poor's 500 Composite Stock Price Index. The subset of stocks will be taken from each of the eight largest economic sectors of the S&P 500 Index based on the sector's market capitalization.	First Trust Advisors L.P.
<b>Specialty</b>	<b>First Trust® 10 Uncommon Values:</b> <i>seeks to provide above-average capital appreciation.</i> The Portfolio seeks to achieve its objective by investing primarily in the ten common stocks selected by the Investment Policy Committee of Lehman Brothers Inc. ("Lehman Brothers") with the assistance of the Research Department of Lehman Brothers which, in their opinion have the greatest potential for capital appreciation during the next year. The stocks included in the Portfolio are adjusted annually on or about July 1st in accordance with the selections of Lehman Brothers.	First Trust Advisors L.P.
<b>Specialty</b>	<b>Global Dividend Target 15:</b> <i>seeks to provide above-average total return.</i> The Portfolio seeks to achieve its objective by investing in common stocks issued by companies that are expected to provide income and to have the potential for capital appreciation. The Portfolio invests primarily in the common stocks of the companies which are components of the DJIA, the Financial Times Industrial Ordinary Share Index ("FT Index") and the Hang Seng Index. The Portfolio primarily consists of common stocks of the five companies with the lowest per share stock prices of the ten companies in each of the DJIA, FT Index and Hang Seng Index, respectively, that have the highest dividend yield in the respective index on or about the applicable stock selection date.	First Trust Advisors L.P.

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Specialty</b>	<b>Nasdaq<sup>®</sup> Target 15:</b> <i>seeks to provide above-average total return.</i> The Portfolio seeks to achieve its objective by investing in common stocks issued by companies that are expected to have the potential for capital appreciation. The Portfolio invests primarily in the common stocks of fifteen companies selected from a pre-screened subset of the stocks included in the Nasdaq-100 Index <sup>®</sup> on or about the applicable stock selection date through a multi-step process.	First Trust Advisors L.P.
<b>Specialty</b>	<b>Target Managed VIP:</b> <i>seeks to provide above-average total return.</i> The Portfolio seeks to achieve its objective by investing in common stocks of companies that are identified by a model based on six uniquely specialized strategies — The Dow <sup>SM</sup> DART 5, the European Target 20, the Nasdaq <sup>®</sup> Target 15, the S&P Target 24, the Target Small Cap and the Value Line <sup>®</sup> Target 25.	First Trust Advisors L.P.
<b>Specialty</b>	<b>The Dow<sup>SM</sup> Target Dividend:</b> <i>seeks to provide above-average total return.</i> The Portfolio seeks to achieve its objective by investing in common stocks issued by companies that are expected to provide income and to have the potential for capital appreciation. The Portfolio invests primarily in the 20 common stocks from the Dow Jones Select Dividend Index <sup>SM</sup> with the best overall ranking on both the change in return on assets over the last 12 months and price-to-book ratio as of the close of business on or about the applicable stock selection date.	First Trust Advisors L.P.
<b>Specialty</b>	<b>The Dow<sup>SM</sup> DART 10:</b> <i>seeks to provide above-average total return.</i> The Portfolio seeks to achieve its objective by investing in common stocks issued by companies that are expected to provide income and to have the potential for capital appreciation. The Portfolio invests primarily in the common stocks of the ten companies in the DJIA that have the highest combined dividend yields and buyback ratios on or about the applicable stock selection date.	First Trust Advisors L.P.
<b>Specialty</b>	<b>Value Line<sup>®</sup> Target 25:</b> <i>seeks to provide above-average capital appreciation.</i> The Portfolio seeks to achieve its objective by investing in 25 of the 100 common stocks that Value Line <sup>®</sup> gives a #1 ranking for Timeliness <sup>™</sup> which have recently exhibited certain positive financial attributes as of the close of business on the applicable stock selection date through a multi-step process. Value Line <sup>®</sup> ranks 1,700 stocks of which only 100 are given their #1 ranking for Timeliness <sup>™</sup> which measures Value Line's view of their probable price performance during the next 6 to 12 months relative to the others. Value Line <sup>®</sup> bases their rankings on a long-term trend of earnings, prices, recent earnings, price momentum, and earnings surprise.	First Trust Advisors L.P.
<b>International Equity</b>	<b>GVIT Developing Markets:</b> <i>seeks long-term capital appreciation, under normal conditions by investing at least 80% of its total assets in stocks of companies of any size based in the world's developing economies.</i> Under normal market conditions, investments are maintained in at least six countries at all times and no more than 35% of total assets in any single one of them.	Gartmore Global Asset Management Trust/Gartmore Global Partners



# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<p><b>Each ProFund VP portfolio described below pursues an investment strategy that seeks to provide daily investment results, before fees and expenses, that match a widely followed index, increased by a specified factor relative to the index, or that match the inverse of the index or the inverse of the index multiplied by a specified factor. The investment strategy of some of the portfolios may magnify (both positively and negatively) the daily investment results of the applicable index. It is recommended that only those Annuity Owners who engage a financial advisor to allocate their account value using a strategic or tactical asset allocation strategy invest in these portfolios. The Portfolios are arranged based on the index on which its investment strategy is based.</b></p>		
<b>Specialty</b>	<b>ProFund VP Bull:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the S&amp;P 500<sup>®</sup> Index.</i>	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Bear:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the inverse (opposite) of the daily performance of the S&amp;P 500<sup>®</sup> Index. If ProFund VP Bear is successful in meeting its objective, its net asset value should gain approximately the same amount, on a percentage basis, as any decrease in the S&amp;P 500<sup>®</sup> Index when the Index declines on a given day. Conversely, its net asset value should lose approximately the same, on a percentage basis, as any increase in the Index when the Index rises on a given day.</i>	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP UltraBull:</b> <i>seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the S&amp;P 500<sup>®</sup> Index. If ProFund VP UltraBull is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, as the S&amp;P 500<sup>®</sup> Index when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, as the Index when the Index declines on a given day.</i>	ProFund Advisors LLC
<p><b>The S&amp;P 500<sup>®</sup> Index is a measure of large-cap U.S. stock market performance. It is a full free float-adjusted market capitalization weighted index of 500 U.S. operating companies and REITS selected by an S&amp;P U.S. Index Committee through a non-mechanical process that factors criteria such as liquidity, price, market capitalization and financial viability. Reconstitution occurs both on a quarterly and ongoing basis.</b></p>		
<b>Specialty</b>	<b>ProFund VP OTC:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the NASDAQ-100 Index<sup>®</sup>.</i>	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Short OTC:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the inverse (opposite) of the daily performance of the NASDAQ-100 Index<sup>®</sup>. If ProFund VP Short OTC is successful in meeting its objective, its net asset value should gain approximately the same amount, on a percentage basis, as any decrease in the NASDAQ-100 Index<sup>®</sup> when the Index declines on a given day. Conversely, its net asset value should lose approximately the same, on a percentage basis, as any increase in the Index when the Index rises on a given day.</i>	ProFund Advisors LLC

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Specialty</b>	<b>ProFund VP UltraOTC:</b> seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the NASDAQ-100 Index <sup>®</sup> . If ProFund VP UltraOTC is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, as the NASDAQ-100 Index <sup>®</sup> when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, as the Index when the Index declines on a given day.	ProFund Advisors LLC
<p><b>The NASDAQ-100 Index<sup>®</sup> includes 100 of the largest non-financial domestic and international issues listed on the NASDAQ Stock Market. To be eligible for inclusion companies cannot be in bankruptcy proceedings and must meet certain additional criteria including minimum trading volume and "seasoning" requirements. The Index is calculated under a modified capitalization-weighted methodology. Reconstitution and rebalancing occurs on an annual, quarterly and ongoing basis.</b></p>		
<b>Specialty</b>	<b>ProFund VP UltraSmall-Cap:</b> seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the Russell 2000 <sup>®</sup> Index. If ProFund VP UltraSmall-Cap is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, as the Russell 2000 Index <sup>®</sup> when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, as the Index when the Index declines on a given day.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Short Small-Cap:</b> seeks daily investment results, before fees and expenses, that correspond to the inverse (opposite) of the daily performance of the Russell 2000 <sup>®</sup> Index. If ProFund VP Short Small-Cap is successful in meeting its objective, its net asset value should gain approximately the same amount, on a percentage basis, as any decrease in the Russell 2000 Index when the Index declines on a given day. Conversely, its net asset value should lose approximately the same amount, on a percentage basis, as any increase in the Index when the Index rises on a given day.	ProFund Advisors LLC
<p><b>The Russell 2000 Index is a measure of small-cap U.S. stock market performance. It is an adjusted market capitalization weighted index containing approximately 2000 of the smallest companies in the Russell 3000 Index or approximately 8% of the total market capitalization of the Russell 3000 Index, which in turn represents approximately 98% of the investable U.S. equity market. All U.S. companies listed on the NYSE, AMEX or NASDAQ meeting an initial minimum (\$1) price are considered for inclusion. Reconstitution occurs annually. Securities are not replaced if they leave the index, however, new issue securities meeting other membership requirements may be added on a quarterly basis.</b></p>		
<b>Specialty</b>	<b>ProFund VP UltraMid-Cap:</b> seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the S&P MidCap 400 Index <sup>®</sup> . If ProFund VP UltraMid-Cap is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, as the S&P MidCap 400 Index when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, as the Index when the Index declines on a given day.	ProFund Advisors LLC



# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Specialty</b>	<b>ProFund VP Short Mid-Cap:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the inverse (opposite) of the daily performance of the S&amp;P MidCap 400 Index®. If ProFund VP Short Mid-Cap is successful in meeting its objective, its net asset value should gain approximately the same amount, on a percentage basis, as any decrease in the S&amp;P MidCap 400 Index when the Index declines on a given day. Conversely, its net asset value should lose approximately the same amount, on a percentage basis, as any increase in the Index when the Index rises on a given day.</i>	ProFund Advisors LLC
<b>The S&amp;P MidCap 400 Index is a measure of mid-size company U.S. stock market performance. It is a float-adjusted market capitalization weighted index of 400 U.S. operating companies and REITs. Securities are selected for inclusion in the index by the S&amp;P U.S. Index Committee through a non-mechanical process that factors criteria such as liquidity, price, market capitalization and financial viability. Reconstitution occurs both on a quarterly and ongoing basis.</b>		
<b>Small Cap Value</b>	<b>ProFund VP Small-Cap Value:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the S&amp;P SmallCap 600/Citigroup Value Index®. The S&amp;P SmallCap 600/Citigroup Value Index is designed to provide a comprehensive measure of small-cap U.S. equity "value" performance. It is an unmanaged float adjusted market capitalization weighted index comprised of stocks representing approximately half the market capitalization of the S&amp;P SmallCap 600 Index that have been identified as being on the value end of the growth-value spectrum.</i>	ProFund Advisors LLC
<b>Small Cap Growth</b>	<b>ProFund VP Small-Cap Growth:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the S&amp;P SmallCap 600/Citigroup Growth Index®. The S&amp;P SmallCap 600/Citigroup Growth Index is designed to provide a comprehensive measure of small-cap U.S. equity "growth" performance. It is an unmanaged float adjusted market capitalization weighted index comprised of stocks representing approximately half the market capitalization of the S&amp;P SmallCap 600 Index that have been identified as being on the growth end of the growth-value spectrum.</i>	ProFund Advisors LLC
<b>The S&amp;P SmallCap 600 Index is a measure of small-cap company U.S. stock market performance. It is a float adjusted market capitalization weighted index of 600 U.S. operating companies. Securities are selected for inclusion in the index by an S&amp;P committee through a nonmechanical process that factors criteria such as liquidity, price, market capitalization, financial viability, and public float.</b>		
<b>Large Cap Value</b>	<b>ProFund VP Large-Cap Value:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the S&amp;P 500/Citigroup Value Index®.</i>	ProFund Advisors LLC
<b>Large Cap Growth</b>	<b>ProFund VP Large-Cap Growth:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the S&amp;P 500/Citigroup Growth Index®.</i>	ProFund Advisors LLC
<b>The S&amp;P 500/Citigroup Growth Index is designed to provide a comprehensive measure of large-cap U.S. equity "growth" performance. It is an unmanaged float adjusted market capitalization weighted index comprised of stocks representing approximately half the market capitalization of the S&amp;P 500 Index that have been identified as being on the growth end of the growth-value spectrum.</b>		
<b>Mid Cap Value</b>	<b>ProFund VP Mid-Cap Value:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the S&amp;P MidCap 400/Citigroup Value Index®.</i>	ProFund Advisors LLC

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Mid Cap Growth</b>	<b>ProFund VP Mid-Cap Growth:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the S&P MidCap 400/Citigroup Growth Index®.	ProFund Advisors LLC
<p><b>The S&amp;P MidCap 400/Citigroup Growth Index is designed to provide a comprehensive measure of mid-cap U.S. equity “growth” performance. It is an unmanaged float adjusted market capitalization weighted index comprised of stocks representing approximately half the market capitalization of the S&amp;P MidCap 400 Index that have been identified as being on the growth end of the growth-value spectrum.</b></p>		
<b>Specialty</b>	<b>ProFund VP Asia 30:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the ProFunds Asia 30 Index. The ProFunds Asia 30 Index, created by ProFund Advisors, is composed of 30 companies whose principal offices are located in the Asia/Pacific region, excluding Japan, and whose securities are traded on U.S. exchanges or on the NASDAQ as depository receipts or ordinary shares. The component companies in the ProFunds Asia 30 Index are determined annually based upon their U.S. dollar-traded volume. Their relative weights are determined based on the modified market capitalization method.	ProFund Advisors LLC
<b>International Equity</b>	<b>ProFund VP Europe 30:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the ProFunds Europe 30 Index. The ProFunds Europe 30 Index, created by ProFund Advisors, is composed of companies whose principal offices are located in Europe and whose securities are traded on U.S. exchanges or on the NASDAQ as depository receipts or ordinary shares. The component companies in the ProFunds Europe 30 Index are determined annually based upon their U.S. dollar-traded volume. Their relative weights are determined based on a modified market capitalization method.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Japan:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Nikkei 225 Stock Average. The Fund determines its success in meeting this investment objective by comparing its daily return on a given day with the daily performance of the dollar-denominated Nikkei 225 futures contracts traded in the United States. The Fund seeks to provide a return consistent with an investment in the component equities in the Nikkei 225 Stock Average hedged to U.S. dollars.	ProFund Advisors LLC
<p><b>The Nikkei 225 Stock Average Index (Nikkei Index) is a modified price-weighted index of the 225 most actively traded and liquid Japanese companies listed in the First Section of the Tokyo Stock Exchange (TSE). The Nikkei Index is calculated from the prices of the 225 TSE First Section stocks selected to represent a broad cross-section of Japanese industries and the overall performance of the Japanese equity market. Nihon Keizai Shimbun, Inc. is the sponsor of the Index. Companies in the Nikkei Index are reviewed annually. Emphasis is placed on maintaining the Index's historical continuity while keeping the Index composed of stocks with high market liquidity. The sponsor consults with various market experts, considers company specific information and the overall composition of the Index.</b></p>		
<b>Specialty</b>	<b>ProFund VP Banks:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Banks Index. The Dow Jones U.S. Banks Index measures the performance of the banking sector of the U.S. equity market. Component companies include regional and major U.S. domiciled banks, savings and loans, engaged in a wide range of financial services, including retail banking, loans and money transmissions.	ProFund Advisors LLC

# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Specialty</b>	<b>ProFund VP Basic Materials:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Basic Materials Sector Index. The Dow Jones U.S. Basic Materials Sector Index measures the performance of the basic materials industry of the U.S. equity market. Component companies are involved in the production of aluminum, steel, non ferrous metals, commodity chemicals, specialty chemicals, forest products, paper products, as well as the mining of precious metals and coal.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Biotechnology:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Biotechnology Index. The Dow Jones U.S. Biotechnology Index measures the performance of the biotechnology subsector of the U.S. equity market. Component companies engage in research and development of biological substances for drug discovery and diagnostic development these companies derive most of their revenue from the sale of licensing of drugs and diagnostic tools.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Consumer Goods:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Consumer Goods Index. The Dow Jones U.S. Consumer Goods Index measures the performance of consumer spending in the goods industry of the U.S. equity market. Component companies include automobiles and auto parts and tires, brewers and distillers, farming and fishing, durable and non-durable household product manufacturers, cosmetic companies, food and tobacco products, clothing, accessories and footwear.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Consumer Services:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Consumer Services Index. The Dow Jones U.S. Consumer Services Index measures the performance of consumer spending in the services industry of the U.S. equity market. Component companies include airlines, broadcasting and entertainment, apparel and broadline retailers, food and drug retailers, media agencies, publishing, gambling, hotels, restaurants and bars, and travel and tourism.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Financials:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Financials Sector Index. The Dow Jones U.S. Financials Sector Index measures the performance of the financial services industry of the U.S. equity market. Component companies include regional banks; major U.S. domiciled international banks; full line, life, and property and casualty insurance companies; companies that invest, directly or indirectly in real estate; diversified financial companies such as Fannie Mae, credit card insurers, check cashing companies, mortgage lenders and investment advisers; securities brokers and dealers, including investment banks, merchant banks and online brokers; and publicly traded stock exchanges.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Health Care:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Health Care Index. The Dow Jones U.S. Health Care Index measures the performance of the healthcare industry of the U.S. equity market. Component companies include health care providers, biotechnology companies, medical supplies, advanced medical devices and pharmaceuticals.	ProFund Advisors LLC

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Specialty</b>	<b>ProFund VP Industrials:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Industrials Index. The Dow Jones U.S. Industrials Index measures the performance of the industrial industry of the U.S. equity market. Component companies include building materials, heavy construction, factory equipment, heavy machinery, industrial services, pollution control, containers and packaging, industrial diversified, air freight, marine transportation, railroads, trucking, land-transportation equipment, shipbuilding, transportation services, advanced industrial equipment, electric components and equipment, and aerospace.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Internet:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones Composite Internet Index. The Dow Jones Composite Internet Index measures the performance of stocks in the U.S. equity markets that generate the majority of their revenues from the Internet. The index is composed of two sub-groups: Internet Commerce — companies that derive the majority of their revenues from providing goods and/or services through an open network, such as a web site. Internet Services — companies that derive the majority of their revenues from providing access to the Internet or providing services to people using the Internet.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Oil &amp; Gas:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Oil & Gas Index. The Dow Jones U.S. Oil & Gas Index measures the performance of the oil and gas industry of the U.S. equity market. Component companies include oil drilling equipment and services, oil companies-major, oil companies-secondary, pipelines, liquid, solid or gaseous fossil fuel producers and service companies.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Pharmaceuticals:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Pharmaceuticals Index. The Dow Jones U.S. Pharmaceuticals Index measures the performance of the pharmaceuticals subsector of the U.S. equity market. Component companies include the makers of prescription and over-the-counter drugs such as birth control pills, vaccines, aspirin and cold remedies.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Precious Metals:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones Precious Metals Index. The Dow Jones Precious Metals Index measures the performance of the precious metals mining industry. Component companies include leading miners and producers of gold, silver and platinum-group metals whose securities are available to U.S. investors during U.S. trading hours. It is a float-adjusted market-capitalization weighted index.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Real Estate:</b> seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Real Estate Index. The Dow Jones U.S. Real Estate Index measures the performance of the real estate sector of the U.S. equity market. Component companies include those that invest directly or indirectly through development, management or ownership of shopping malls, apartment buildings and housing developments; and real estate investment trusts ("REITs") that invest in apartments, office and retail properties. REITs are passive investment vehicles that invest primarily in income-producing real estate or real estate related loans or interests.	ProFund Advisors LLC

# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Specialty</b>	<b>ProFund VP Semiconductor:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Semiconductor Index.</i> The Dow Jones U.S. Semiconductor Index measures the performance of the semiconductor subsector of the U.S. equity market. Component companies are engaged in the production of semiconductors and other integrated chips, as well as other related products such as semiconductor capital equipment and mother-boards.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Technology:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Technology Sector Index.</i> The Dow Jones U.S. Technology Sector Index measures the performance of the technology industry of the U.S. equity market. Component companies include those involved in computers and office equipment, software, communications technology, semiconductors, diversified technology services and Internet services.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Telecommunications:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Telecommunications Sector Index.</i> The Dow Jones U.S. Telecommunications Sector Index measures the performance of the telecommunications industry of the U.S. equity market. Component companies include fixed-line communications and wireless communications companies.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP Utilities:</b> <i>seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Utilities Sector Index.</i> The Dow Jones U.S. Utilities Sector Index measures the performance of the utilities industry of the U.S. equity market. Component companies include electric utilities, gas utilities and water utilities.	ProFund Advisors LLC
<b>Specialty</b>	<b>ProFund VP U.S. Government Plus:</b> <i>seeks daily investment results, before fees and expenses, that correspond to one and one-quarter times (125%) the daily price movement of the most recently issued 30-year U.S. Treasury bond ("Long Bond").</i> In accordance with its stated objective, the net asset value of ProFund VP U.S. Government Plus generally should decrease as interest rates rise. If ProFund VP U.S. Government Plus is successful in meeting its objective, its net asset value should gain approximately one and one-quarter times (125%) as much, on a percentage basis, as any daily increase in the price of the Long Bond on a given day. Conversely, its net asset value should lose approximately one and one-quarter as much, on a percentage basis, as any daily decrease in the price of the Long Bond on a given day.	ProFund Advisors LLC

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Specialty</b>	<p><b>ProFund VP Rising Rates Opportunity:</b> <i>seeks daily investment results, before fees and expenses, that correspond to one and one-quarter times (125%) the inverse (opposite) of the daily price movement of the most recently issued 30-year U.S. Treasury bond ("Long Bond").</i> In accordance with its stated objective, the net asset value of ProFund VP rising Rates Opportunity generally should decrease as interest rates fall. If ProFund VP Rising Rates Opportunity is successful in meeting its objective, its net asset value should gain approximately one and one-quarter times as much, on a percentage basis, as any daily decrease in the Long Bond on a given day. Conversely, its net asset value should lose approximately one and one-quarter times as much, on a percentage basis, as any daily increase in the Long Bond on a given day.</p>	ProFund Advisors LLC
<b>Specialty</b>	<p><b>Access VP High Yield Fund:</b> <i>seeks to provide investment results that correspond generally to the total return of the high yield market consistent with maintaining reasonable liquidity.</i> The Fund will achieve its high yield exposure primarily through credit default swaps (CDSs) but may invest in high yield debt instruments ("junk bonds"), interest rate swap agreements and futures contracts, and other debt and money market instruments without limitation, consistent with applicable regulations. Under normal market conditions, the Fund will invest at least 80% of its net assets in CDSs and other financial instruments that in combination have economic characteristics similar to the high yield debt market and/or in high yield debt securities. The Fund seeks to maintain exposure to the high yield bond markets regardless of market conditions and without taking defensive positions. ProFund Advisors does not conduct fundamental analysis in managing the Fund.</p>	ProFund Advisors LLC
<b>International Equity</b>	<p><b>The Prudential Series Fund — SP William Blair International Growth Portfolio:</b> <i>seeks long-term capital appreciation.</i> The Portfolio invests primarily in stocks of large and medium-sized companies located in countries included in the Morgan Stanley Capital International All Country World Ex-U.S. Index. Under normal market conditions, the portfolio invests at least 80% of its net assets in equity securities. The Portfolio's assets normally will be allocated among not fewer than six different countries and will not concentrate investments in any particular industry. The Portfolio seeks companies that historically have had superior growth, profitability and quality relative to local markets and relative to companies within the same industry worldwide, and that are expected to continue such performance. (see information above regarding limited availability of this option.)</p>	Prudential Investments LLC/ William Blair & Company, LLC
<b>Specialty</b>	<p><b>Rydex Variable Trust — Nova:</b> <i>seeks to provide investment results that match the performance of a specific benchmark on a daily basis. The fund's current benchmark is 150% of the performance of the S&amp;P 500® Index (the "underlying index").</i> If the Fund meets its objective, the value of the Fund's shares will tend to increase on a daily basis by 150% of the value of any increase in the underlying index. When the value of the underlying index declines, the value of the Fund's shares should also decrease on a daily basis by 150% of the value of any decrease in the underlying index (e.g., if the underlying index goes down by 5%, the value of the Fund's shares should go down by 7.5% on that day). Unlike a traditional index fund, as its primary investment strategy, the Fund invests to a significant extent in leveraged instruments, such as swap agreements, futures contracts and options on securities, futures contracts, and stock indices, as well as equity securities.</p>	Rydex Investments



# Investment Options *continued*

STYLE/ TYPE	INVESTMENT OBJECTIVES/POLICIES	PORTFOLIO ADVISOR/ SUB-ADVISOR
<b>Specialty</b>	<b>Rydex Inverse S&amp;P 500</b> (formerly known as <i>Rydex Variable Trust — Ursa</i> ): seeks to provide investment results that will inversely correlate to the performance of the S&P 500® Index (the “underlying index”). If the Fund meets its objective, the value of the Fund’s shares will tend to increase during times when the value of the underlying index is decreasing. When the value of the underlying index is increasing, however, the value of the Fund’s shares should decrease on a daily basis by an inversely proportionate amount (e.g., if the underlying index goes up by 5%, the value of the Fund’s shares should go down by 5% on that day). Unlike a traditional index fund, the Fund’s benchmark is to perform exactly opposite the underlying index, and the Ursa Fund will not own the securities included in the underlying index. Instead, as its primary investment strategy, the Fund invests to a significant extent in short sales of securities or futures contracts and in options on securities, futures contracts, and stock indices.	Rydex Investments
<b>Specialty</b>	<b>Rydex Variable Trust — OTC</b> : seeks to provide investment results that correspond to a benchmark for over-the-counter securities. The Fund’s current benchmark is the NASDAQ 100 Index® (the “underlying index”). If the Fund meets its objective, the value of the Fund’s shares should increase on a daily basis by the amount of any increase in the value of the underlying index. However, when the value of the underlying index declines, the value of the Fund’s shares should also decrease on a daily basis by the amount of the decrease in value of the underlying index. The Fund invests principally in securities of companies included in the underlying index. It also may invest in other instruments whose performance is expected to correspond to that of the underlying index, and may engage in futures and options transactions and enter into swap agreements. The Fund may also purchase U.S. Government securities.	Rydex Investments
<b>Large Cap Value</b>	<b>Wells Fargo Advantage VT C&amp;B Large Cap Value Fund</b> (formerly known as <i>Wells Fargo Advantage C&amp;B Large Cap Value</i> ): Seeks maximum long-term total return, consistent with minimizing risk to principal. The Portfolio will principally invest in large-capitalization securities, which they define as securities of companies with market capitalizations of \$1 billion or more. The Portfolio will seek total return by targeting companies they believe are undervalued, possess strong financial positions and have a consistency and predictability on their earnings growth.	Wells Fargo Funds Management, LLC
<b>Large Cap Value</b>	<b>Wells Fargo Advantage VT Equity Income Fund</b> (formerly Wells Fargo Advantage Equity Income): seeks long-term capital appreciation and above-average dividend income. The Portfolio invests in the common stocks of large U.S. companies with strong return potential and above-average dividend income. The Portfolio invests principally in securities of companies with market capitalizations of \$3 billion or more.	Wells Fargo Funds Management, LLC

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Contract described herein is no longer available for sale.



# Fees and Charges

The charges under the contracts are designed to cover, in the aggregate, our direct and indirect costs of selling, administering and providing benefits under the contracts. They are also designed, in the aggregate, to compensate us for the risks of loss we assume pursuant to the contracts. If, as we expect, the charges that we collect from the contracts exceed our total costs in connection with the contracts, we will earn a profit. Otherwise we will incur a loss. For example, American Skandia may make a profit on the Insurance Charge and the charge for the optional guarantee feature if, over time, the actual costs of providing the guaranteed insurance obligations under the Annuity are less than the amount we deduct for the charges. To the extent we make a profit on the charges, such profit may be used for any other corporate purpose, including payment of other expenses that American Skandia incurs in promoting, distributing, issuing and administering the Annuity.

The rates of certain of our charges have been set with reference to estimates of the amount of specific types of expenses or risks that we will incur. In most cases, this prospectus identifies such expenses or risks in the name of the charge; however, the fact that any charge bears the name of, or is designed primarily to defray a particular expense or risk does not mean that the amount we collect from that charge will never be more than the amount of such expense or risk. Nor does it mean that we may not also be compensated for such expense or risk out of any other charges we are permitted to deduct by the terms of the contract. A portion of the proceeds that American Skandia receives from charges that are deducted from the Separate Account include amounts based on market appreciation of the Sub-account values.

## WHAT ARE THE ANNUITY FEES AND CHARGES?

**Tax Charge:** Several states and some municipalities charge premium taxes or similar taxes on annuities that we are required to pay. The amount of tax will vary from jurisdiction to jurisdiction and is subject to change. Currently, the tax charge ranges up to 3 $\frac{1}{2}$ % of your premium and is designed to approximate the taxes that we are required to pay. We will deduct the charge at the time your Premium is applied to the Annuity.

We will pay company income taxes on the taxable corporate earnings created by this separate account product. While we may consider company income taxes when pricing our products, we do not currently include such income taxes in the tax charges you pay under the contract. We will periodically review the issue of charging for these taxes and may impose a charge in the future.

In calculating our corporate income tax liability, we derive certain corporate income tax benefits associated with the investment of company assets, including separate account assets, which are treated as company assets under applicable income tax law. These benefits reduce our overall corporate income tax liability. Under current law, such benefits may include foreign tax credits and corporate dividends received deductions. We do not pass these tax benefits through to holders of the separate account annuity contracts because (i) the contract owners are not the owners of the assets generating these benefits under applicable income tax law and (ii) we do not currently include company income taxes in the tax charges you pay under the contract.

We may assess a charge against the Sub-accounts equal to any taxes, which may be imposed upon the Separate Account.

**Transfer Fee:** Currently, you may make twenty (20) free transfers between investment options each Annuity Year. We will charge \$10.00 for each transfer after the twentieth in each Annuity Year. We do not consider transfers made as part of a rebalancing, asset allocation or similar program when we count the twenty free transfers. For a description of these programs see "Do You Offer Any Automatic Rebalancing Programs?" All transfers made on the same day will be treated as one (1) transfer. We may reduce the number of free transfers allowable each Annuity Year (subject to a minimum of twelve) without charging a Transfer Fee unless you make use of electronic means to transmit your transfer requests. We may eliminate the Transfer Fee for transfer requests transmitted electronically or through other means that reduce our processing costs. If enrolled in any program that does not permit transfer requests to be transmitted electronically, the Transfer Fee will not be waived.

**Insurance Charge:** We deduct an Insurance Charge daily. The charge is assessed against the average daily assets allocated to the Sub-accounts and is equal to 1.25% on an annual basis. The Insurance Charge is the combination of the Mortality & Expense Risk Charge (1.10%) and the Administration Charge (0.15%). If the Optional Guarantee Feature is selected the Insurance Charge is the combination of the Mortality & Expense Risk Charge (2.10%) and the Administration Charge (0.15%) and is equal to 2.25% on an annual basis.

The Insurance Charge is intended to compensate American Skandia for providing the insurance benefits under the Annuity, including the risk that persons we guarantee Annuity Payments to will live longer than our assumptions. The charge also covers administrative costs associated with providing the Annuity

benefits, including preparation of the contract, confirmation statements, annual account statements and annual reports, legal and accounting fees, as well as various related expenses. Finally, the charge covers the risk that our assumptions about the mortality risks and expenses under this Annuity are incorrect and that we have agreed not to increase these charges over time despite our actual costs. We may increase the portion of the total Insurance Charge that is deducted as an Administration Charge. However, any increase will only apply to an Annuity issued after the date of the increase. The charge for the Optional Guarantee Feature covers our risk that the Guaranteed Annuity Payment Amount may be higher than the Annuity Payment Amount at any time the Annuitant(s) is alive.

#### **WHAT CHARGES APPLY UPON A FULL OR PARTIAL SURRENDER?**

When you make a full or partial surrender of the Annuity the Cash Value is determined by discounting the value of future Annuity Payments. This procedure functions as a surrender charge and reduces the Cash Value payable to you. The applicable discount rate is equal to the Benchmark Rate as set forth in your Annuity Contract. The discount rate in effect on the Issue Date is not subject to change.

#### **WHAT FEES AND EXPENSES ARE INCURRED BY THE PORTFOLIOS?**

Each Portfolio incurs total annual operating expenses comprised of an investment management fee, other expenses and any distribution and service (12b-1) fees that may apply. These fees and expenses are reflected daily by each Portfolio before it provides American Skandia with the net asset value as of the close of business each day. More detailed information about fees and expenses can be found in the prospectuses for the Portfolios.

#### **EXCEPTIONS/REDUCTIONS TO FEES AND CHARGES**

We may reduce the portion of the total Insurance Charge that is deducted as an Administration Charge when an Annuity is sold to individuals or a group of individuals in a manner that reduces our administrative expenses under the Annuity. In reducing this portion of the charge we consider among other things: (a) the size and type of the group; (b) the number of annuities purchased by an Owner; (c) the amount of Premium; and/or (d) other transactions where administrative expenses are likely to be reduced. We will not discriminate unfairly between Annuity purchasers if and when we reduce any fees and charges.

Contract described herein is not intended for sale

# Purchasing Your Annuity

## WHAT ARE THE REQUIREMENTS FOR PURCHASING THE ANNUITY?

**Premium Payment:** Unless we agree otherwise and subject to our rules, you must make a minimum Premium payment of not less than \$35,000. We must receive the entire Premium payment amount before we invest your Net Premium (and any applicable Credits) in the Annuity.

Where allowed by law, we must approve any initial (or initial and any subsequent payments made in connection with a IRC Section 1035 exchange) and additional Premium payments of \$1,000,000 or more. We may apply certain limitations and/or restrictions on the Annuity as a condition of our acceptance, including changing the number of transfers allowable under the Annuity or restricting the Sub-accounts that are available. Other limitations and/or restrictions may apply.

Except as noted below, Premium payments must be submitted by check drawn on a U.S. bank, in U.S. dollars, and made payable to American Skandia. Premium payments may also be submitted via 1035 exchange or direct transfer of funds. Under certain circumstances, Premium payments may be transmitted to American Skandia via wiring funds through your Financial Professional's broker-dealer firm. We may reject any payment if it is received in an unacceptable form. Our acceptance of a check is subject to our ability to collect funds.

We may require certain information before we issue an Annuity, including, but not limited to, evidence satisfactory to us of the age of each Annuitant.

Once we agree to issue an Annuity, we invest your Net Premium (and any applicable Credits) in the Annuity. The Net Premium is your Premium minus any Tax Charges that may apply. We apply the Net Premium based on your instructions for allocating your Income Base among one or more Sub-accounts.

**Age Restrictions:** Unless we agree otherwise and subject to our rules, the Annuitant may not be greater than age 90 on the Issue Date. If there is more than one Annuitant named, the youngest Annuitant may not be greater than age 90 on the Issue Date. The Issue Date age restriction does not apply to the Annuity when it is used as an annuitization or settlement option from a deferred annuity or a life insurance policy issued by American Skandia.

**Use of the Annuity as an Annuitization or Settlement Option:** When this Annuity is used as an annuitization or settlement option from a deferred annuity or a life insurance policy

issued by American Skandia, the age restriction and "free-look" or "right to cancel" sections of this Annuity do not apply.

**Owner, Annuitant, and Beneficiary Designations:** We require you to name the Owner(s), Annuitant(s) and Beneficiary(ies) for your Annuity.

- **Owner:** We assume the Annuitant is also the Owner unless you indicate otherwise. Similarly, if there are joint Annuitants, we assume each Annuitant is a joint Owner. You may name more than one Owner in which case all ownership rights are held jointly. You may name a contingent Owner. Ownership rights pass to such a contingent Owner upon the death (or in the case of an entity, the dissolution) of the Owner. Unless you indicate otherwise, no rights pass to any contingent Owner until the death (or dissolution) of all Owners. All ownership rights pass to the Beneficiary as of the Inheritance Date unless you instruct us that ownership should remain with any then surviving Owners. If ownership rights vest in a Beneficiary and there is no prior irrevocable contingent Beneficiary designation, such Beneficiary may name a person or entity to receive any remaining Annuity Payments yet to be paid subsequent to such Beneficiary's death.
- **Annuitant:** The Annuitant is the person we agree to make Annuity Payments to and during whose life we continue to make such payments. You may name one or two Annuitants. The Annuitant can be, but does not have to be, the Owner. You must name an Annuitant who is a natural person. Because our assumptions about Annuity Payments are based on the age, life expectancy, and where permitted gender of the Annuitant(s), the Annuitant designation cannot be changed once your Annuity is issued.
- **Beneficiary:** The Beneficiary(ies) is/are the person(s) or entity(ies) you name to receive any remaining payments under the Annuity if there is any remaining Inheritance Period and if there is Cash Value due. Your beneficiary designation must be the exact name of your beneficiary, not only a reference to the beneficiary's relationship to you. For example, a designation of "surviving spouse" would not be acceptable. You may name one or more primary Beneficiaries and one or more contingent Beneficiaries. Payments to your Beneficiary(ies) will be made in equal proportions unless you notify us otherwise. We will make payment to a contingent Beneficiary if the primary Beneficiary dies before the Inheritance Date. If

no Beneficiary is alive as of the Inheritance Date or you do not make a Beneficiary designation, any remaining Annuity Payments will be made to you or your estate. Unless you indicate otherwise, no rights pass to any contingent Beneficiary until the death (or dissolution) of all Beneficiaries. If Annuity Payments are being made to a Beneficiary and the Beneficiary has not named a person or entity to receive Annuity Payments during any remaining Inheritance Period subsequent to his or her death, then such Annuity Payments will be made to the Beneficiary's estate. Beneficiary designations can be changed unless the Owner requests that the designation be made irrevocable.

Your choice of Annuitant(s) and Beneficiary(ies) can have significant tax implications. You should seek competent tax advice on the income, estate and gift tax implications of your designations.

#### **MAY I RETURN THE ANNUITY IF I CHANGE MY MIND?**

If after purchasing your Annuity you change your mind and decide that you do not want it, you may return it to us within a certain period of time known as a right to cancel period. This is often referred to as a "free-look". Depending on the state in which you purchased your Annuity, and, in some states, if you purchased the Annuity as a replacement for a prior contract, the right to cancel period may be ten (10) days, twenty-one (21) days or longer, measured from the time that you received your Annuity. If you return your Annuity during the applicable period, we will refund your current Income Base, less any Credits, plus any Tax Charge deducted, less applicable federal and state income tax withholding. This amount may be higher or lower than your original Premium. Where required by law, we will refund your current Income Base or the amount of your initial Premium, whichever is greater, less applicable federal and state income tax withholding. The same rules may apply to an Annuity that is purchased as an IRA. If you exercise your right to return the Annuity, we will not return any Credits we applied to your Annuity based on your Premium (see below).

If you are using the Annuity as an annuitization or settlement option from a deferred annuity or a life insurance policy issued by American Skandia, you do not have a right to cancel.

#### **WILL I RECEIVE CREDITS ON MY PREMIUM?**

We may credit additional amounts to your Annuity based on the age of the youngest Annuitant on the Issue Date. Credits are applied as a percentage of the Premium as shown in the table below. Any such Credit will increase the amount that is applied to your Annuity when determining the value upon which we base your Annuity Payments.

ANNUITANT'S AGE	CREDIT AMOUNT*
Age 59 and below 60	3%
Age 61 through Age 65	2%
Age 66 through Age 71	1%
Age 72 and older	0%

\* as a percentage of the Premium.

Credits are provided in higher amounts for younger Annuitants primarily to reflect the longer duration of time that we anticipate making Annuity Payments, and during which time we will deduct the Insurance Charge under the Annuity. Credits are provided in lieu of making specific variations in the Annuity's charges to reflect differences in anticipated persistency rates for each class of Annuitants based on their age on the Issue Date.

The life expectancies of younger Annuitants are greater than older Annuitants. Consequently, Credits are intended to offset a portion of the Insurance Charge deducted over time for these younger Annuitants since the Insurance Charge is deducted as a fixed annual percentage while the Annuity remains in force.

Credits are provided from our general account. Currently, Credits are applied to all Annuities; although we reserve the right to cease applying Credits for Annuities sold in the future. Any such decision will not effect your Annuity.

#### **How are Credits applied to my Annuity?**

Any Credits are applied to your Annuity at the time the qualifying Net Premium is applied to your Income Base. Credits are allocated to the investment options in the same ratio as the applicable Net Premium is applied.

- Any Credits applied to your Annuity can be recovered by us if you elect to "Free-Look" your Annuity. The amount returned to you will not include any Credits.
- We do not consider Credits to be "investment in the contract" for income tax purposes (see "Tax Considerations").

# Managing Your Annuity

## **ARE THERE RESTRICTIONS OR CHARGES ON TRANSFERS BETWEEN SUB-ACCOUNTS?**

You may make transfers between investment options. Transfers are not subject to taxation on any gain. We currently limit the number of Sub-accounts you can invest in at any one time to twenty (20) or, if asset allocation is required, the number of categories in the asset allocation model. We may require a minimum of \$500 in any Sub-account to which you allocate your Income Base at the time of any allocation or transfer. If you request a transfer and, as a result of the transfer, there would be less than \$500 in the Sub-account, we may transfer the remaining Income Base in the Sub-account pro rata to the other investment options to which you transferred.

We may impose specific restrictions on financial transactions (including transfer requests) for certain Portfolios based on the Portfolio's investment and/or transfer restrictions. We may do so to conform to any present or future restriction that is imposed by any portfolio that is available under this Annuity. Frequent transfers among Sub-accounts in response to short-term fluctuations in markets, sometimes called "market timing," can make it very difficult for a Portfolio manager to manage a Portfolio's investments. Frequent transfers may cause the Portfolio to hold more cash than otherwise necessary, disrupt management strategies, increase transaction costs, or affect performance. Immediate Annuities are generally purchased for purposes of receiving an income payment stream, for example as retirement income, as such we do not currently impose restrictions on frequent transfers among sub-accounts because we do not believe that immediate annuities are subject to market timing abuses in the way that other vehicles, such as mutual funds, may be.

Any purchase, redemption or transfer involving the Rydex or ProFunds VP Sub-accounts must be received by us no later than one hour prior to any announced closing of the applicable securities exchange (generally, 3:00 p.m. Eastern time) to be processed on the current Valuation Day. The "cut-off" time for such financial transactions involving a Rydex or ProFunds VP Sub-account will be extended to 1/2 hour prior to any announced closing (generally, 3:30 p.m. Eastern time) for transactions submitted electronically, including through American Skandia's Internet website ([www.americanskandia.prudential.com](http://www.americanskandia.prudential.com)).

Currently, we charge \$10.00 for each transfer after the twentieth (20<sup>th</sup>) transfer in each Annuity Year. Transfers made as part of an automatic rebalancing, asset allocation or similar program do not count toward the twenty free transfer limit. We may reduce the number of free transfers allowable each Annuity

Year (subject to a minimum of twelve) without charging a Transfer Fee unless you make use of electronic means to transmit your transfer requests. We may eliminate the Transfer Fee for transfer requests transmitted electronically or through other means that reduce our processing costs.

## **MAY I GIVE MY FINANCIAL PROFESSIONAL PERMISSION TO FORWARD TRANSACTION INSTRUCTIONS?**

Yes. Your Financial Professional may forward instructions regarding allocation of your Income Base and request financial transactions between investment options while you are living, subject to our rules, and unless you tell us otherwise. For annuities issued on or after July 21, 2006, subject to our rules, we will require affirmative consent from you in order to give your Financial Professional such authority. **If your Financial Professional has this authority, we deem that all transactions that are directed by your Financial Professional with respect to your Annuity have been authorized by you.**

You must contact us immediately if and when you revoke such authority. We will not be responsible for acting on instructions from your Financial Professional until we receive the notification that such person's authority has been revoked. We may also suspend, cancel or limit these privileges at any time. We will notify you if we do.

## **MAY I AUTHORIZE MY THIRD PARTY INVESTMENT ADVISOR TO MANAGE MY ACCOUNT?**

Yes. You may engage your own investment advisor to manage your account. These investment advisors may be firms or persons who also are appointed by us, or whose affiliated broker-dealers are appointed by us, as authorized sellers of the Annuity. **Even if this is the case, however, please note that the investment advisor you engage to provide advice and/or make transfers for you, is not acting on our behalf, but rather is acting on your behalf.** We do not offer advice about how to allocate your Income Base under any circumstance. As such, we are not responsible for any recommendations such investment advisors make, any investment models or asset allocation programs they choose to follow or any specific transfers they make on your behalf.

Any fee that is charged by your investment advisor is in addition to the fees and expenses that apply under your Annuity. If you authorize your investment advisor to withdraw amounts from your Annuity to pay for the investment advisor's fee, as with



any other withdrawal from your Annuity, you may incur adverse tax consequences and/or a surrender adjustment. **We are not a party to the agreement you have with your investment advisor and do not verify that amounts withdrawn from your Annuity, including amounts withdrawn to pay for the investment advisor's fee, are within the terms of your agreement with your investment advisor. You will, however, receive confirmations of transactions that affect your Annuity.** If your investment advisor has also acted as your Financial Professional with respect to the sale of your Annuity, he or she may be receiving compensation for services provided both as a Financial Professional and investment advisor. Alternatively, the investment advisor may compensate the Financial Professional from whom you purchased your Annuity for the referral that led you to enter into your investment advisory relationship with the investment advisor. If you are interested in the details about the compensation that your investment advisor and/or your Financial Professional receive in connection with your Annuity, you should ask them for more details.

We or an affiliate of ours may provide administrative support to licensed, registered Financial Professionals or investment advisors who you authorize to make financial transactions on your behalf. We may require Financial Professionals or investment advisors, who are authorized by multiple contract owners to make financial transactions, to enter into an administrative agreement with American Skandia as a condition of our accepting transactions on your behalf. The administrative agreement may impose limitations on the Financial Professional's or investment advisor's ability to request financial transactions on your behalf. These limitations are intended to minimize the detrimental impact of a Financial Professional who is in a position to transfer large amounts of money for multiple clients in a particular Portfolio or type of portfolio or to comply with specific restrictions or limitations imposed by a Portfolio(s) on American Skandia.

**Please Note:** Annuities where your Financial Professional or investment advisor has the authority to forward instruction on financial transactions are also subject to the restrictions on transfers between investment options that are discussed in the section entitled "ARE THERE RESTRICTIONS OR CHARGES ON TRANSFERS BETWEEN SUB-ACCOUNTS?". Since transfer activity directed by a Financial Professional or third party investment advisor may result in unfavorable consequences to all contract owners invested in the affected options we reserve the right to limit the investment options available to a particular Owner where such authority as described above has been given to a Financial

Professional or investment advisor or impose other transfer restrictions we deem necessary. The administrative agreement may limit the available investment options, require advance notice of large transactions, or impose other trading limitations on your Financial Professional. Your Financial Professional will be informed of all such restrictions on an ongoing basis. We may also require that your Financial Professional transmit all financial transactions using the electronic trading functionality available through our Internet Website ([www.americanskandia.prudential.com](http://www.americanskandia.prudential.com)). **Limitations that we may impose on your Financial Professional or investment advisor under the terms of the administrative agreement do not apply to financial transactions requested by an Owner on their own behalf, except as otherwise described in this Prospectus.**

#### **AM I REQUIRED TO PARTICIPATE IN AN ASSET ALLOCATION PROGRAM?**

If you purchased your Annuity prior to December 5, 2005 and chose the Optional Guarantee Feature, your Net Premium (plus any applicable Credit) was required to be allocated in accordance with an asset allocation model, and your Income Base also had to be allocated in accordance with such model. If you purchased your Annuity on or after December 5, 2005 and you chose the Optional Guarantee Feature, you must allocate your Net Premium/Income Base in accordance with the then permitted and available investment option(s) with this feature.

#### **ARE ANY ASSET ALLOCATION PROGRAMS AVAILABLE?**

We currently do not offer any asset allocation programs for use with your Annuity. Prior to December 5, 2005, we made certain asset allocation programs available. If you enrolled in one of the asset allocation programs prior to December 5, 2005, see the Appendix entitled, "Additional Information on the Asset Allocation Programs" for more information on how the programs are administered.

#### **DO YOU OFFER ANY OTHER AUTOMATIC REBALANCING PROGRAMS?**

Yes, if you do not elect the Optional Guarantee Feature, we offer an automatic rebalancing program that can periodically reallocate your Income Base among the Sub-accounts you choose. You can choose to have your Income Base rebalanced monthly, quarterly, semi-annually, or annually. On the appropriate date, Sub-accounts are rebalanced to the allocation percentages you requested. For example, over time the performance of the Sub-accounts will differ, causing your percentage allocations to shift. With

# Managing Your Annuity *continued*

automatic rebalancing, we transfer the appropriate amount from the “overweighted” Sub-accounts to the “underweighted” Sub-accounts to return your allocations to the percentages you request. If you request a transfer from or into any investment option participating in the automatic rebalancing program, we will assume that you wish to change your rebalancing percentages as well, and will automatically adjust the rebalancing percentages in accordance with the transfer unless we receive alternate instructions from you.

Contract described herein is no longer available for sale.



# Access To Cash Value

## **MAY I SURRENDER ALL OR PART OF MY ANNUITY?**

Yes. As long as the Annuitant is alive, you may surrender *all* of the Annuity for its Cash Value, if any. You also may surrender a *portion* of your Annuity (a minimum of \$1,000 is required) as long as the Annuitant is alive and the Cash Value remaining after the partial surrender is at least \$5,000. The Cash Value, if any, is always less than the Income Base. If you elect a partial surrender of the Annuity we will apply the surrender pro-rata among all Sub-accounts where you are invested. Such partial surrender will reduce proportionately all the Annuity's Contract and Cash Values, but will not affect the Inheritance Period. This includes the Guaranteed Annuity Payment Amount if you selected the Optional Guarantee Feature. We may request evidence satisfactory to us that the Annuitant is alive and other information to process the surrender request (see "Requirements for Surrender").

You may elect to return the Annuity during the free-look period. For additional information about surrendering during the free-look period, please refer to the section entitled "May I Return the Annuity if I Change My Mind?"

When you make a full or partial surrender of the Annuity the Cash Value is determined by discounting the value of future Annuity Payments. This procedure functions as a surrender charge in calculating the Cash Value payable to you. The applicable discount rate is equal to the Benchmark Rate as set forth in your Annuity Contract. The discount rate in effect on the Issue Date is not subject to change.

## **WHAT IF MY INHERITANCE PERIOD IS ZERO, MAY I STILL MAKE A FULL OR PARTIAL SURRENDER?**

No. If your Annuity has no Inheritance Period you may not make a full or partial surrender because there is no Cash Value.

**Requests for a Full or Partial Surrender:** To request the forms necessary to make a full or partial surrender from your Annuity, contact our Customer Service Team at 1-800-752-6342 or visit our Internet Website at [www.americanskandia.prudential.com](http://www.americanskandia.prudential.com). We must receive at our Office a request in writing and necessary representations in writing regarding tax withholdings for a full or partial surrender.

Contract described herein is no longer available for sale

# Valuing Your Investment

## HOW IS MY INCOME BASE DETERMINED?

The Income Base is determined separately for each Sub-account allocation. The Income Base is the sum of the values of each Sub-account allocation. The Income Base does not reflect any surrender adjustment that may apply to a withdrawal or surrender.

## HOW AND WHEN DO YOU VALUE THE SUB-ACCOUNTS?

When you allocate Account Value to a Sub-account, you are purchasing units of the Sub-account. Each Sub-account invests exclusively in shares of an underlying Portfolio. The value of the Units fluctuates with the market fluctuations of the Portfolios. The value of the Units also reflects the daily accrual for the Insurance Charge.

Each Valuation Day, we determine the price for a Unit of each Sub-account, called the "Unit Price." The Unit Price is used for determining the value of transactions involving Units of the Sub-accounts. We determine the number of Units involved in any transaction by dividing the dollar value of the transaction by the Unit Price of the Sub-account as of the Valuation Day.

### Example

Assume you allocate \$5,000 to a Sub-account. On the Valuation Day you make the allocation, the Unit Price is \$14.83. Your \$5,000 buys 337.154 Units of the Sub-account. Assume that later, you wish to transfer \$3,000 of your Income Base out of that Sub-account and into another Sub-account. On the Valuation Day you request the transfer, the Unit Price of the original Sub-account has increased to \$16.79. To transfer \$3,000, we sell 178.677 Units at the current Unit Price, leaving you 158.477 Units. We then buy \$3,000 of Units of the new Sub-account at the Unit Price of \$17.83. You would then have 168.255 Units of the new Sub-account.

## WHEN DO YOU PROCESS AND VALUE TRANSACTIONS?

American Skandia is generally open to process financial transactions on those days that the New York Stock Exchange (NYSE) is open for trading. There may be circumstances where the NYSE does not open on a regularly scheduled date or time or closes at an earlier time than scheduled (normally 4:00 p.m. EST). Financial transactions requested before the close of the NYSE which meet our requirements will be processed according to the value next determined following the close of business. Financial transactions requested on a non-business day or after the close of the NYSE will be processed based on the value next computed on the next

Valuation Day. There may be circumstances when the opening or closing time of the NYSE is different than other major stock exchanges, such as NASDAQ or the American Stock Exchange. Under such circumstances, the closing time of the NYSE will be used when valuing and processing transactions.

There may be circumstances where the NYSE is open, however, due to inclement weather, natural disaster or other circumstances beyond our control, our offices may be closed or our business processing capabilities may be restricted. Under those circumstances, your Income Base may fluctuate based on changes in the Unit Values, but you may not be able to transfer Income Base, or make a redemption request.

The NYSE is closed on the following nationally recognized holidays: New Year's Day, Martin Luther King, Jr. Day, Washington's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. On those dates, we will not process any financial transactions involving purchase or redemption orders.

American Skandia will also not process financial transactions involving redemption orders or transfers on any day that:

- trading on the NYSE is restricted;
- an emergency exists making redemption or valuation of securities held in the separate account impractical; or
- the SEC, by order, permits the suspension or postponement for the protection of security holders.

**Single Purchase Payment:** We are required to allocate your Single Purchase Payment to the Sub-accounts within two (2) business days after we receive all of our requirements at our office to issue the Annuity. If we do not have all the required information to allow us to issue your Annuity, we may retain the Purchase Payment while we try to reach you or your representative to obtain all of our requirements. If we are unable to obtain all of our required information within five (5) business days, we are required to return the Purchase Payment at that time, unless you specifically consent to our retaining the Purchase Payment while we gather the required information. Once we obtain the required information, we will invest the Purchase Payment and issue the Annuity within two (2) business days. During any period that we are trying to obtain the required information, your money is not invested.

**Scheduled Transactions:** "Scheduled" transactions include transfers under a rebalancing, or asset allocation program, required minimum distributions, substantially equal periodic payments under section 72(t) of the Code, or annuity payments.

Scheduled transactions are processed and valued as of the date they are scheduled, unless the scheduled day is not a Valuation Day. In that case, the transaction will be processed and valued on the next Valuation Day, unless (with respect to required minimum distributions, substantially equal periodic payments under Section 72(t) of the Code, and annuity payments only) the next Valuation Day falls in the subsequent calendar year, in which case the transaction will be processed and valued on the prior Valuation Day.

**Unscheduled Transactions:** “Unscheduled” transactions include any other non-scheduled transfers and requests for Partial Withdrawals or Free Withdrawals or Surrenders. Unscheduled transactions are processed and valued as of the Valuation Day we receive the request at our Office and have all of the required information.

**Transactions in ProFunds VP Sub-accounts:** Generally, purchase or redemption orders or transfer requests must be received

by us by no later than the close of the NYSE to be processed on the current Valuation Day. However, any purchase or redemption order or transfer request involving the ProFunds VP Sub-accounts must be received by us no later than one hour prior to any announced closing of the applicable securities exchange (generally, 3:00 p.m. Eastern time) to be processed on the current Valuation Day. The “cut-off” time for such financial transactions involving a ProFunds VP Sub-account will be extended to 1/2 hour prior to any announced closing (generally, 3:30 p.m. Eastern time) for transactions submitted electronically through American Skandia’s Internet website ([www.americanskandia.prudential.com](http://www.americanskandia.prudential.com)). You cannot request a transaction involving the purchase, redemption or transfer of Units in one of the ProFunds VP Sub-accounts between the applicable “cut-off” time and 4:00 p.m. Transactions received after 4:00 p.m. will be treated as received by us on the next Valuation Day.

Contract described herein is no longer available for sale

# Annuity Benefits

## WHAT ARE THE BENEFITS OF THIS ANNUITY?

The Annuity provides Annuity Payments for the life of the Annuitant(s), and a guarantee that Annuity Payments will be payable during any remaining Inheritance Period as of the Inheritance Date, even though no Annuitant is living in lieu of a lump sum distribution, if the Cash Value has not reached zero at any point between the date of death and the Inheritance Date, and if no conversion to fixed payments was authorized. If you choose the Optional Guarantee Feature, the Annuity provides an additional benefit: a guarantee that, while the Annuitant is alive, the Annuity Payment Amount will not be less than the initial Guaranteed Annuity Payment Amount.

**The following are key terms we use when describing the benefits of this Annuity:**

**Adjustment** is a change to the Annuity's benefits that occurs if, on an Annuity Payment Date, the Cash Value exceeds the Cash Value Trigger.

**Annuity Factors** are factors we apply to determine the Schedule of Units. Annuity Factors reflect assumptions regarding the costs we expect to bear in guaranteeing payments for the lives of the Annuitants and will depend on the Benchmark Rate, the Inheritance Period, the Annuitant's attained age and where permitted by law, gender. We may use different factors for different classes of Annuities.

**Benchmark Rate** is an assumed rate of return used in determining the Annuity Factors and the Schedule of Units. The Benchmark Rate is currently 4% but we may use a different rate for different classes of purchasers. The Benchmark Rate for the Optional Guarantee Feature is currently 3% but we may use a different rate for different classes of purchasers. The Benchmark Rate is set forth in the schedule page of your Annuity.

**Cash Value Trigger** is an amount we use to determine whether an Adjustment must be made to your Annuity's values. The initial Cash Value Trigger is a percentage of the Premium, generally 85% of Premium, and always equal to the Cash Value of your Annuity on the Issue Date. We reserve the right to change the Cash Value Trigger at any time.

**Inheritance Date** is the date we receive, at our office, due proof satisfactory to us of the Annuitant's death and all other requirements that enable us to make payments for the benefit of a Beneficiary. If there are joint Annuitants, the Inheritance Date refers to the death of the last surviving Annuitant.

**Inheritance Period**, as discussed in the "Glossary of Terms," is a variable period of time during which Annuity

Payments are due whether or not the Annuitant is still alive. The Inheritance Period is represented in months or partial months.

**Schedule of Units** is a schedule for each Sub-account of how many Units are expected to fund your Annuity's benefits as of each Annuity Payment Date. The schedule initially is assigned on the Issue Date and is based on the portion of the Net Premium you allocate to a Sub-account, the Benchmark Rate, and Annuity Factors. Subsequently, the Schedule of Units is adjusted for transfers (including rebalancings), Adjustments, or partial surrenders.

## HOW DO WE CALCULATE YOUR ANNUITY PAYMENT?

This Annuity attempts to cushion the Annuity Payment Amount from the immediate impact of Sub-account performance. This means that positive market performance will not always increase the Annuity Payment Amount, and negative market performance will not always decrease the Annuity Payment Amount. We accomplish this cushion through a "stabilization" process. The stabilization process adjusts the length of the Inheritance Period while generally maintaining a level Annuity Payment Amount. When cash values under the Annuity exceed a trigger, then an Adjustment is made to increase the Annuity Payment Amount.

**Adjustments do not change the Income Base of the Annuity.** If the Inheritance Period reaches zero and the Annuitant is still alive, Annuity Payments will continue. The Annuity Payment Amount will vary depending on Sub-account performance unless the guarantee feature is elected.

## INITIAL ANNUITY PAYMENT

The initial Annuity Payment Amount is calculated based on the Schedule of Units multiplied by the Unit Values on the Issue Date of the Annuity. We calculate this value when we issue the Annuity and this is the amount payable on the first Annuity Payment Date.

## Subsequent Annuity Payments

The amount of Subsequent Annuity Payments are determined one month in advance. On the Annuity Payment Date, based on your current allocations, we calculate the Inheritance Period and the Cash Value. We calculate these initial values as follows:

- The *Inheritance Period* is first reduced by one month (because one monthly period has passed) and then increased or decreased to reflect the difference between the value of the Units to be redeemed to fund the stable Annuity Payment Amount and the value of the Units in the Schedule of Units.

Generally, if Sub-account performance exceeds the Benchmark Rate, then the Inheritance Period will decrease less than one month, while if Sub-account performance is less than the Benchmark Rate, the Inheritance Period will decrease more than one month. Monthly Annuity Payment Amounts are stabilized while the Inheritance Period absorbs the immediate impact of market volatility.

- The *Cash Value* is determined based on the new Inheritance Period and the current Unit Values.

The next Annuity Payment Amount on each Annuity Payment Date will depend on whether the Inheritance Period is greater than or equal to zero and whether the Cash Value Trigger has been exceeded.

#### **Inheritance Period Greater Than Zero**

##### ***Cash Value Trigger not exceeded***

If the Cash Value Trigger has *not* been exceeded then we do not make an Adjustment. The next Annuity Payment Amount is equal to the then current Annuity Payment Amount. The Inheritance Period and the Cash Value initially calculated above are established. The stabilization process maintains a level Annuity Payment Amount.

##### ***Cash Value Trigger exceeded***

If the Cash Value Trigger has been exceeded then we make an Adjustment. The Cash Value of the Annuity is adjusted to be equal to the Cash Value Trigger and the Inheritance Period is decreased. The Schedule of Units is revised to reflect a higher Annuity Payment Amount to be paid on the next Annuity Payment Date.

**Adjustments do not change the Income Base of the Annuity.** The revised Annuity Payment Amount becomes the new stabilized payment amount until there is an Adjustment or the Inheritance Period becomes equal to zero.

#### **Inheritance Period Equal to Zero**

If the Inheritance Period is equal to zero, the Annuity does not have any Cash Value. Annuity Payments will continue until the Inheritance Date; however, the **Annuity Payment Amount may fluctuate each Annuity Payment Date with changes in Unit Values.** The next Annuity Payment Amount is established equal to the number of Units scheduled to be paid under the Schedule of Units multiplied by the current Unit Values.

**If you have selected the Optional Guarantee Feature, the Annuity Payment Amount will not be less than the initial Guaranteed Annuity Payment Amount.**

#### **CAN I DECREASE THE CASH VALUE TRIGGER?**

Unless you have selected the Optional Guarantee Feature, you can decrease the Cash Value Trigger to 25%, 50%, or 75% of the original Cash Value Trigger on any Annuity Payment Date.

Reducing the Cash Value Trigger increases the likelihood that your Annuity Payment Amount will increase. However, reducing the Cash Value Trigger may also result in using more Units to generate the larger monthly payment. This can also decrease the Inheritance Period more rapidly to support the higher Annuity Payment Amount during periods of poor market performance, which may effect the stability of future Annuity Payments. Any Adjustment to the Cash Value Trigger is permanent although you may continue to decrease the trigger in the future. **If you have selected the Optional Guarantee Feature, the Cash Value Trigger is set as of the Issue Date, and may NOT be changed.**

# Annuity Benefits *continued*

## CAN YOU ILLUSTRATE HOW ANNUITY PAYMENTS ARE MADE?

Shown below are examples of this Annuity, as a non-qualified annuity, without the Optional Guarantee Feature or Credits under different hypothetical interest rate scenarios for a randomly chosen male and female aged 65 with a 4% Benchmark Rate, and a \$50,000 Premium amount. We have deducted all fees and charges under this Annuity in these examples. These values are illustrative only and are hypothetical.

Male Age 65, 4% Benchmark Rate, \$50,000 Premium								
Hypothetical Rate of Return	Beginning Year 1				Beginning Year 5			
	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value
0%	\$278.96	211.32	\$50,000	\$42,500	\$278.96	132.90	\$ 34,857	\$24,404
4%	278.96	211.32	50,000	42,500	278.96	156.83	41,916	32,503
6%	278.96	211.32	50,000	42,500	278.96	166.53	45,789	36,713
8%	278.96	211.32	50,000	42,500	278.96	175.13	49,903	41,083
10%	278.96	211.32	50,000	42,500	299.05	161.47	53,912	42,500
12%	278.96	211.32	50,000	42,500	322.34	142.75	57,988	42,500
Hypothetical Rate of Return	Beginning Year 10				Beginning Year 20			
	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value
0%	\$175.01	0.00	\$21,173	\$ 0	\$104.26	0.00	\$ 8,332	\$ 0
4%	278.96	65.92	31,224	14,753	219.83	0.00	17,567	0
6%	278.96	118.14	39,816	28,948	278.96	44.25	26,839	12,990
8%	278.96	152.19	50,118	41,912	322.81	108.15	49,512	42,500
10%	355.11	115.47	59,803	42,500	555.16	61.30	68,412	42,500
12%	421.98	89.98	70,418	42,500	888.48	37.19	101,564	42,500

Female Age 65, 4% Benchmark Rate, \$50,000 Premium								
Hypothetical Rate of Return	Beginning Year 1				Beginning Year 5			
	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value
0%	\$258.24	236.78	\$50,000	\$42,500	\$258.24	144.79	\$ 35,656	\$24,173
4%	258.24	236.78	50,000	42,500	258.24	179.86	42,775	33,347
6%	258.24	236.78	50,000	42,500	258.24	193.11	46,680	37,896
8%	258.24	236.78	50,000	42,500	258.54	204.14	50,826	42,500
10%	258.24	236.78	50,000	42,500	279.62	178.24	54,810	42,500
12%	258.24	236.78	50,000	42,500	296.48	158.15	59,069	42,500
Hypothetical Rate of Return	Beginning Year 10				Beginning Year 20			
	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value
0%	\$162.01	0.00	\$22,625	\$ 0	\$ 96.51	0.00	\$ 8,891	\$ 0
4%	258.24	76.04	32,961	15,506	203.50	0.00	18,747	0
6%	258.24	147.89	41,792	32,064	258.24	74.90	29,798	19,391
8%	278.90	166.58	51,796	42,500	327.20	114.71	50,840	42,500
10%	335.80	125.86	61,417	42,500	544.61	65.36	72,073	42,500
12%	390.12	98.61	73,317	42,500	841.11	40.11	107,597	42,500



Below are examples of this Annuity, as a non-qualified annuity without Credits, with the Optional Guarantee Feature under different hypothetical interest rate scenarios for a randomly chosen male and female aged 65 with a 3% Benchmark Rate, and a \$50,000 Premium amount. As in the above examples we have deducted all fees and charges under this Annuity. These values are illustrative only and are hypothetical.

Male Age 65, 3% Benchmark Rate, \$50,000 Premium								
Hypothetical Rate of Return	Beginning Year 1				Beginning Year 5			
	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value
0%	\$249.37	221.37	\$50,000	\$42,500	\$249.37	148.67	\$34,550	\$25,151
4%	249.37	221.37	50,000	42,500	249.37	167.89	41,435	32,509
6%	249.37	221.37	50,000	42,500	249.37	175.80	45,210	36,410
8%	249.37	221.37	50,000	42,500	249.37	182.87	49,219	40,492
10%	249.37	221.37	50,000	42,500	264.57	173.21	53,211	42,500
12%	249.37	221.37	50,000	42,500	287.28	168.60	57,176	42,500
Hypothetical Rate of Return	Beginning Year 10				Beginning Year 20			
	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value
0%	\$249.37	0.00	\$20,319	\$ 0	\$249.37	0.00	\$ 7,773	\$ 0
4%	249.37	82.08	30,483	16,461	249.37	0.00	16,400	0
6%	249.37	124.93	38,634	28,285	249.37	44.13	25,015	11,687
8%	249.37	154.02	48,349	39,902	249.37	121.50	47,150	41,888
10%	309.45	126.69	57,540	42,500	469.02	69.38	64,353	42,500
12%	370.41	99.14	68,044	42,500	757.89	42.21	94,439	42,500

Female Age 65, 3% Benchmark Rate, \$50,000 Premium								
Hypothetical Rate of Return	Beginning Year 1				Beginning Year 5			
	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value
0%	\$228.98	248.47	\$50,000	\$42,500	\$228.98	166.84	\$35,323	\$25,380
4%	228.98	248.47	50,000	42,500	228.98	193.27	42,265	33,383
6%	228.98	248.47	50,000	42,500	228.98	203.62	46,069	37,519
8%	228.98	248.47	50,000	42,500	228.98	212.65	50,108	41,803
10%	228.98	248.47	50,000	42,500	246.35	191.81	54,055	42,500
12%	228.98	248.47	50,000	42,500	262.61	170.89	58,198	42,500
Hypothetical Rate of Return	Beginning Year 10				Beginning Year 20			
	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value	Annuity Payment Amount	Inheritance Period (months)	Income Base	Cash Value
0%	\$228.98	0.00	\$21,726	\$ 0	\$228.98	0.00	\$ 8,275	\$ 0
4%	228.98	99.00	32,143	17,870	228.98	0.00	17,460	0
6%	228.98	154.84	40,498	31,093	228.98	74.08	27,657	17,376
8%	236.22	183.14	50,351	42,500	267.55	130.23	48,732	42,500
10%	291.75	138.73	59,441	42,500	459.19	74.40	67,427	42,500
12%	340.24	109.31	70,699	42,500	713.90	45.82	99,672	42,500



# Annuity Benefits *continued*

## **WHEN ARE ANNUITY PAYMENTS MADE?**

Each Annuity Payment is payable monthly on the Annuity Payment Date. The initial Annuity Payment will be on a date of your choice of the 1<sup>st</sup> through the 28<sup>th</sup> day of the calendar month following the 30<sup>th</sup> day after the Issue Date of this Annuity. The Annuity Payment Date may not be changed after the Issue Date.

## **MAY I CONVERT ANNUITY PAYMENTS TO FIXED PAYMENTS?**

Yes. You may convert to fixed Annuity Payments but only after two (2) years from the Annuity's Issue Date. Before any Annuity Payment Date after this period, you may make an irrevocable election to convert to fixed Annuity Payments. If you elect fixed payments, on each Annuity Payment Date you will receive a fixed amount that will not vary with investment performance. The value of these payments depends on the Income Base at the time of the conversion, the then current Inheritance Period, the Annuitant's age, gender (where permitted), and an assumed interest rate of not less than 3% per year. The subsequent fixed Annuity Payment Amount may be greater than, equal to, or less than the current Annuity Payment Amount. The Inheritance Period on conversion will be fixed and subsequently reduced by one month each month.

**However, after you have elected this option under this Annuity you will not be permitted to make full or partial surrenders.**

## **WHO RECEIVES THE ANNUITY PAYMENT?**

We make Annuity Payments to the Annuitant. Subject to our rules, we may accept your instructions to forward Annuity Payments to an alternate payee.

## **WHAT HAPPENS WHEN THE ANNUITANT DIES?**

As of the Inheritance Date, if an Inheritance Period exists and was never zero at any time between the death of the last surviving Annuitant and the Inheritance Date, we will make Annuity Payments to the Beneficiary for the remainder of the Inheritance Period. As an alternative, a lump sum can be paid to the Beneficiary. *There is no guarantee that there will be any Inheritance Period after the date of death, which means there may be no amount due for the Beneficiary.* If there is no Inheritance Period as of the Inheritance Date, the Annuity terminates.

If the Annuity is used in connection with a tax qualified retirement plan or qualified contract (including individual retirement annuities), the beneficiary may only be entitled to a lump sum distribution after the death of the last surviving Annuitant or the period over which Annuity Payments can be paid may be shortened.

## **WHAT HAPPENS WHEN THE OWNER DIES?**

If any Owner dies before the Annuity Date, the Annuity will end and the Cash Value will be payable to the Beneficiary(s) after we have received all of our requirements to make settlement.

## **WHEN DO ANNUITY PAYMENTS FOR A BENEFICIARY START?**

If Annuity Payments are to be paid to a Beneficiary, Annuity Payments will begin as of the next Annuity Payment Date, or the Cash Value can then be paid. No amounts are payable to a Beneficiary until the death of the last surviving Annuitant. Evidence satisfactory to us of the death of all Annuitants must be provided before any amount becomes payable to a Beneficiary.

## **IF ANNUITY PAYMENTS ARE TO BE PAID TO A BENEFICIARY, WHAT DETERMINES THE ANNUITY PAYMENT EACH MONTH AND HOW LONG WILL THE ANNUITY PAYMENTS BE PAID TO THE BENEFICIARY?**

We make Annuity Payments to the Beneficiary. Each month we pay the current number of Units scheduled to be paid multiplied by the current Unit Value. The number of Units is determined as of the Inheritance Date and can only change as a result of a transfer (including rebalancings). As of the Inheritance Date, the length of the Inheritance Period no longer depends on investment performance. At that point it is fixed and subsequently decreases by one each month. Once the Inheritance Period ends, the Annuity terminates.

If there is an Inheritance Period remaining as of the Inheritance Date, the Beneficiary may elect to receive the Cash Value instead of Annuity Payments if, before the Inheritance Date, you did not elect, in writing, to prohibit commutation and all Beneficiaries agree in writing to such commutation. All requirements that would otherwise apply for Annuity Payments payable for the benefit of the Beneficiary will apply before we pay a Cash Value as an alternative.

## **WHAT DOCUMENTATION IS REQUIRED TO RECEIVE ANNUITY PAYMENTS?**

**Requirements for Annuity Payments While the Annuitant is Alive:** We must receive at our office necessary representations in writing regarding tax withholding. We also require, from time-to-time, evidence in writing satisfactory to us that the Annuitant is alive. We may withhold Annuity Payments until we receive our requirements or until we receive in writing due proof satisfactory to us of the Annuitant's death. Such withheld Annuity Payments will be maintained in our general account. We will

credit interest of at least 3% per year, compounded yearly, on each withheld Annuity Payment unless otherwise required by law. Should we subsequently receive the applicable requirements, we will pay the withheld Annuity Payments plus any interest credited in a lump sum for the benefit of the applicable payee (see "Payments and Payees").

**Requirements for Annuity Payments Payable to the Beneficiary:** We must receive at our Office:

- due proof satisfactory to us in writing of the death of all Annuitants and, if applicable, no Owner died before the Annuity Date;
- the Annuity; and
- all representations, in writing, that we require or which are mandated by applicable law or regulation in relation to making payments to a Beneficiary, including any required in relation to tax withholding.

Once Annuity Payments begin to be paid to a Beneficiary, we may require, from time-to-time, evidence in writing satisfactory to us that a natural person who is a Beneficiary is alive. We may withhold Annuity Payments until we receive such requirements, or until we receive in writing due proof satisfactory to us of such Beneficiary's death. We will credit interest of at least 3% per year, compounded yearly, on each withheld Annuity Payment unless otherwise required by law. Should we subsequently receive our requirements, we will pay the withheld Annuity Payments plus any interest credited in a lump sum for the benefit of the applicable payee (see "Payments and Payees").

**PAYMENTS AND PAYEES**

The payees of an Annuity Payment, Cash Value, or a partial or full surrender may provide us with an account at a financial institution to which we may electronically forward such payments. Subject to

our rules, we may, as a convenience, forward a payment for an Annuitant, Owner, or Beneficiary (or a person selected to receive remaining Annuity Payments after such Beneficiary's death) to an account for the benefit of an alternate person or entity. We must receive the request to forward payments to such alternate person or entity in writing from the person or entity that then has ownership rights.

We pay Annuity Payments to the Annuitant first designated on any application unless you instruct us to forward Annuity Payments to any other named Annuitant. We forward any partial or full surrender to the Owner unless you instruct us otherwise.

Before the Inheritance Date, we may split Annuity Payments among all the recipients if requested by the Owner in writing. We reserve the right to limit the number of payees. If a split payment has been selected and one of any several joint payees die but other joint payees survive; and we receive proof satisfactory to us of such death, any subsequent Annuity Payments will be split pro rata among accounts for the surviving payees. Such split Annuity Payments can be terminated by the Owner by forwarding a request to us in writing before the Inheritance Date.

Any amounts due on or after the Inheritance Date will be split among any named Beneficiaries in accordance with the Beneficiary designation. However, currently we will not accept an instruction to pay part as a lump sum and part as Annuity Payments. We will pay the lump sum and our liability under the Annuity will terminate if no election is received in writing by us at our Office before the Inheritance Date or if, as of the Inheritance Date, multiple Beneficiaries cannot agree as to whether amounts are to be received as Annuity Payments or a lump sum (assuming some amount is owed).

# Tax Considerations

The tax considerations associated with the Annuity vary depending on whether the contract is (i) owned by an individual and not associated with a tax-favored retirement plan (including contracts held by a non-natural person, such as a trust acting as an agent for a natural person), or (ii) held under a tax-favored retirement plan. We discuss the tax considerations for these categories of contracts below. The discussion is general in nature and describes only federal income tax law (not state or other tax laws). The discussion includes a description of certain spousal rights under the contract and under tax-qualified plans. Our administration of such spousal rights and related tax reporting accords with our understanding of the Defense of Marriage Act (which defines a "marriage" as a legal union between a man and a woman and a "spouse" as a person of the opposite sex). The information provided is based on current law and interpretations, which may change. It is not intended as tax advice. You should consult with a qualified tax advisor for complete information and advice. References to Purchase Payments below relates to your cost basis in your contract. Generally, your cost basis in a contract not associated with a tax-favored retirement plan is the amount you pay into your contract, or into annuities exchanged for your contract, on an after-tax basis less any withdrawals of such payments.

This contract may also be purchased as a non-qualified annuity by a 401(a) trust or custodial IRA or Roth IRA account, which can hold other permissible assets other than the annuity. The terms and administration of the trust or custodial account in accordance with the laws and regulations for 401(a) plans, IRAs or Roth IRAs, as applicable, are the responsibility of the applicable trustee or custodian.

## **CONTRACTS OWNED BY INDIVIDUALS (NOT ASSOCIATED WITH TAX-FAVORED RETIREMENT PLANS)**

### **Taxes Payable by You**

We believe the contract is an immediate annuity contract for tax purposes. Accordingly, as a general rule, you should not pay any tax until you receive money under the contract.

It is possible that the Internal Revenue Service (IRS) would assert that some or all of the charges for the optional benefits under the contract such as the Optional Guarantee Feature should be treated for federal income tax purposes as a partial withdrawal from the contract. If this were the case, the charge for this benefit could be deemed a withdrawal and treated as taxable to the extent there are earnings in the contract. Additionally, for

owners under age 59½, the taxable income attributable to the charge for the benefit could be subject to a tax penalty.

If the IRS determines that the charges for one or more benefits under the contract are taxable withdrawals, then the sole or surviving owner will be provided with a notice from us describing available alternatives regarding these benefits.

### **Taxes on Withdrawals and Surrender**

If you make a withdrawal from your contract or surrender it as an amount separate from your scheduled periodic annuity payments, the amount you receive will be taxed as ordinary income, rather than as return of purchase payments, until all gain has been withdrawn. You will generally be taxed on any withdrawals from the contract while you are alive even if the withdrawal is paid to someone else.

If you transfer your contract for less than full consideration, such as by gift, you will trigger tax on any gain in the contract. This rule does not apply if you transfer the contract to your spouse or under most circumstances if you transfer the contract incident to divorce.

### **Taxes on Annuity Payments**

A portion of each annuity payment you receive will be treated as a partial return of your Purchase Payments and will not be taxed. The remaining portion will be taxed as ordinary income. Generally, the nontaxable portion is determined by multiplying the annuity payment you receive by a fraction, the numerator of which is your Purchase Payments (less any amounts previously received tax-free) and the denominator of which is the total expected payments under the contract.

After the full amount of your Purchase Payments have been recovered tax-free, the full amount of the annuity payments will be taxable. If annuity payments stop due to the death of the annuitant before the full amount of your purchase payments have been recovered, a tax deduction may be allowed for the unrecovered amount.

### **Tax Penalty on Withdrawals and Annuity Payments**

Any taxable amount you receive under your contract may be subject to a 10% tax penalty. Amounts are not subject to this tax penalty if:

- the amount is paid on or after you reach age 59½ or die;
- the amount received is attributable to your becoming disabled;
- generally the amount paid or received is in the form of substantially equal payments not less frequently than annually (Please note that substantially equal payments must

continue until the later of reaching age 59½ or 5 years. Modification of payments during that time period will generally result in retroactive application of the 10% tax penalty.); or

- the amount received is paid under an immediate annuity contract (in which annuity payments begin within one year of purchase).

### Special Rules in Relation to Tax-Free Exchanges Under Section 1035

Section 1035 of the Internal Revenue Code of 1986, as amended (Code) permits certain tax-free exchanges of a life insurance, annuity or endowment contract for an annuity. If the annuity is purchased through a tax-free exchange of a life insurance, annuity or endowment contract that was purchased prior to August 14, 1982, then any purchase payments made to the original contract prior to August 14, 1982 will be treated as made to the new contract prior to that date. (See Federal Tax Status section in the Statement of Additional Information.)

Partial surrenders may be treated in the same way as tax-free 1035 exchanges of entire contracts, therefore avoiding current taxation of any gains in the contract as well as the 10% tax penalty on pre-age 59½ withdrawals. The IRS has reserved the right to treat transactions it considers abusive as ineligible for this favorable partial 1035 exchange treatment. We do not know what transactions may be considered abusive. For example we do not know how the IRS may view early withdrawals or annuitizations after a partial exchange. In addition, it is unclear how the IRS will treat a partial exchange from a life insurance, endowment, or annuity contract into an immediate annuity. As of the date of this prospectus, we will accept a partial 1035 exchange from a non-qualified annuity into an immediate annuity as a "tax-free" exchange for future tax reporting purposes, except to the extent that we, as a reporting and withholding agent, believe that we would be expected to deem the transaction to be abusive. However, some insurance companies may not recognize these partial surrenders as tax-free exchanges and may report them as taxable distributions to the extent of any gain distributed as well as subjecting the taxable portion of the distribution to the 10% tax penalty. We strongly urge you to discuss any transaction of this type with your tax advisor before proceeding with the transaction.

### Taxes Payable by Beneficiaries

The death benefit options are subject to income tax to the extent the distribution exceeds the cost basis in the contract. The value

of the death benefit, as determined under federal law, is also included in the owner's estate.

Generally, the same tax rules described above would also apply to amounts received by your beneficiary. Choosing any option other than a lump sum death benefit may defer taxes. Certain minimum distribution requirements may continue.

**Considerations for Contingent Annuitants:** There may be adverse tax consequences if a contingent annuitant succeeds an annuitant when the Annuity is owned by a trust that is neither tax exempt nor qualifies for preferred treatment under certain sections of the Code. In general, the Code is designed to prevent indefinite deferral of tax. Continuing the benefit of tax deferral by naming one or more contingent annuitants when the Annuity is owned by a non-qualified trust might be deemed an attempt to extend the tax deferral for an indefinite period. Therefore, adverse tax treatment may depend on the terms of the trust, who is named as contingent annuitant, as well as the particular facts and circumstances. You should consult your tax advisor before naming a contingent annuitant if you expect to use an Annuity in such a fashion.

### Reporting and Withholding on Distributions

Taxable amounts distributed from your annuity contracts are subject to federal and state income tax reporting and withholding. In general, we will withhold federal income tax from the taxable portion of such distribution based on the type of distribution. In the case of an annuity or similar periodic payment, we will withhold as if you are a married individual with 3 exemptions unless you designate a different withholding status. In the case of all other distributions, we will withhold at a 10% rate. You may generally elect not to have tax withheld from your payments. An election out of withholding must be made on forms that we provide.

State income tax withholding rules vary and we will withhold based on the rules of your State of residence. Special tax rules apply to withholding for nonresident aliens, and we generally withhold income tax for nonresident aliens at a 30% rate. A different withholding rate may be applicable to a nonresident alien based on the terms of an existing income tax treaty between the United States and the nonresident alien's country. Please refer to the Contracts Held By Tax Favored Plans section below for discussion regarding withholding rules for tax favored plans (for example, an IRA).

Regardless of the amount withheld by us, you are liable for payment of federal and state income tax on the taxable portion of

# Tax Considerations *continued*

annuity distributions. You should consult with your tax advisor regarding the payment of the correct amount of these income taxes and potential liability if you fail to pay such taxes.

## **Annuity Qualification**

*Diversification And Investor Control.* In order to qualify for the tax rules applicable to annuity contracts described above, the assets underlying the Sub-accounts of the annuity contract must be diversified, according to certain rules. We believe these diversification rules will be met.

An additional requirement for qualification for the tax treatment described above is that we, and not you as the contract owner, must have sufficient control over the underlying assets to be treated as the owner of the underlying assets for tax purposes. While we also believe these investor control rules will be met, *the Treasury Department may promulgate guidelines under which a variable annuity will not be treated as an annuity for tax purposes if persons with ownership rights have excessive control over the investments underlying such variable annuity. It is unclear whether such guidelines, if in fact promulgated, would have retroactive effect. It is also unclear what effect, if any, such guidelines may have on transfers between the investment options offered pursuant to this Prospectus. We will take any action, including modifications to your Annuity or the investment options, required to comply with such guidelines if promulgated.*

Please refer to the Statement of Additional Information for further information on these Diversification and Investor Control issues.

*Required Distributions Upon Your Death.* Upon your death, certain distributions must be made under the contract. The required distributions depend on whether you die before you start taking annuity payments under the contract or after you start taking annuity payments under the contract.

If you die on or after the annuity date, the remaining portion of the interest in the contract must be distributed at least as rapidly as under the method of distribution being used as of the date of death.

If you die before the Annuity Date, the entire interest in the contract must be distributed within 5 years after the date of death. However, if a periodic payment option is selected by your designated beneficiary and if such payments begin within 1 year of your death, the value of the contract may be distributed over the beneficiary's life or a period not exceeding the beneficiary's life expectancy. Your designated beneficiary is the person to whom benefit rights under the contract pass by reason of death,

and must be a natural person in order to elect a periodic payment option based on life expectancy or a period exceeding five years.

If the contract is payable to (or for the benefit of) your surviving spouse, that portion of the contract may be continued with your spouse as the owner.

*Changes In The Contract.* We reserve the right to make any changes we deem necessary to assure that the contract qualifies as an annuity contract for tax purposes. Any such changes will apply to all contract owners and you will be given notice to the extent feasible under the circumstances.

## **Additional Information**

You should refer to the Statement of Additional Information if:

- The contract is held by a corporation or other entity instead of by an individual or as agent for an individual.
- Your contract was issued in exchange for a contract containing purchase payments made before August 14, 1982.
- You transfer your contract to, or designate, a beneficiary who is either 37 1/2 years younger than you or a grandchild.
- You purchased more than one annuity contract from the same insurer within the same calendar year (other than contracts held by tax favored plans).

## **CONTRACTS HELD BY TAX FAVORED PLANS**

The following discussion covers annuity contracts held under tax-favored retirement plans.

Currently, the contract may be purchased for use in connection with individual retirement accounts and annuities (IRAs) which are subject to Sections 408(a) and 408(b) of the Code and Roth IRAs under Section 408A of the Code. In addition, this contract may be purchased for use in connection with a corporate Pension or Profit-sharing plan (subject to 401(a) of the Code), H.R. 10 plans (also known as Keogh Plans, subject to 401(a) of the Code), Tax Sheltered Annuities (subject to 403(b) of the Code, also known as Tax Deferred Annuities or TDAs), and Section 457 plans (subject to 457 of the Code) This description assumes that you have satisfied the requirements for eligibility for these products.

This contract may also be purchased as a non-qualified annuity by a 401(a) trust or custodial IRA or Roth IRA account, which can hold other permissible assets other than the annuity. The terms and administration of the trust or custodial account in accordance with the laws and regulations for 401(a) plans, IRAs or Roth IRAs, as applicable, are the responsibility of the applicable trustee or custodian.



**You should be aware that tax favored plans such as IRAs generally provide income tax deferral regardless of whether they invest in annuity contracts. This means that when a tax favored plan invests in an annuity contract, it generally does not result in any additional tax benefits (such as income tax deferral and income tax free transfers).**

### Types of Tax Favored Plans

*IRAs.* If you buy a contract for use as an IRA, we will provide you a copy of the prospectus and contract. The "IRA Disclosure Statement" contains information about eligibility, contribution limits, tax particulars, and other IRA information. In addition to this information (some of which is summarized below), the IRS requires that you have a "free look" after making an initial contribution to the contract. During this time, you can cancel the contract by notifying us in writing, and we will refund all of the purchase payments under the contract (or, if provided by applicable state law, the amount your contract is worth, if greater), less any applicable federal and state income tax withholding.

*Contributions Limits/Rollovers.* Because of the way the contract is designed, you may only purchase a contract for an IRA in connection with a "rollover" of amounts from a qualified retirement plan or transfer from another IRA; or as an annuitization of a deferred annuity issued by us and held as an IRA; or as a combination of a "rollover" to an IRA from a deferred annuity issued by us and held for purposes of a "qualified" retirement plan that is simultaneously being annuitized. This applies in connection with IRAs for you, a non-working spouse or one established for a divorced spouse receiving alimony (and no other income). You must make a minimum initial payment of \$35,000 to purchase a contract. You may not make additional contributions to your Annuity after purchase.

The "rollover" rules under the Code are fairly technical; however, an individual (or his or her surviving spouse) may generally "roll over" certain distributions from tax favored retirement plans (either directly or within 60 days from the date of these distributions) if he or she meets the requirements for distribution. At the time you buy an annuity, you can make your current year IRA contribution and your prior year IRA contribution under the Annuity (to the extent permitted by law). However, if you make such regular IRA contributions, you should note that you will not be able to treat the contract as a "conduit IRA," which means that you will not retain possible favorable tax treatment if you subsequently "roll over" the contract funds originally derived from a qualified retirement plan or TDA into another Section 401(a) plan or TDA.

*Required Provisions.* Contracts that are IRAs (or endorsements that are part of the contract) must contain certain provisions:

- You, as owner of the contract, must be the "annuitant" under the contract (except in certain cases involving the division of property under a decree of divorce);
- Your rights as owner are non-forfeitable;
- You cannot sell, assign or pledge the contract;
- The annual contribution you pay cannot be greater than the maximum amount allowed by law, including catch-up contributions if applicable (which does not include any roll-over amounts);
- The date on which required minimum distributions must begin cannot be later than April 1st of the calendar year after the calendar year you turn age 70½; and
- Death and annuity payments must meet "minimum distribution requirements" described below.

Usually, the full amount of any distribution from an IRA (including a distribution from this contract) which is not a roll-over is taxable. As taxable income, these distributions are subject to the general tax withholding rules described earlier. In addition to this normal tax liability, you may also be liable for the following, depending on your actions:

- A 10% "early distribution penalty" described below.
- Liability for "prohibited transactions" if you, for example, borrow against the value of an IRA; or
- Failure to take a minimum distribution described below.

*SEPs.* SEPs are a variation on a standard IRA, and contracts issued to a SEP must satisfy the same general requirements described under IRAs (above). There are, however, some differences:

- If you participate in a SEP, you generally do not include in income any employer contributions made to the SEP on your behalf up to the lesser of (a) \$44,000 in 2006 or (b) 25% of your taxable compensation paid by the contributing employer (not including the employer's SEP contribution as "compensation" for these purposes). However, for these purposes, compensation in excess of certain limits established by the IRS will not be considered. In 2006, this limit is \$220,000;
- SEPs must satisfy certain participation and nondiscrimination requirements not generally applicable to IRAs; and
- SEPs that contain a salary reduction or "SARSEP" provision prior to 1997 may permit salary deferrals up to \$15,000 in 2006 with the employer making these contributions to the SEP. However, no new "salary reduction" or "SAR-SEPs" can

## Tax Considerations *continued*

be established after 1996. Individuals participating in a SARSEP who are age 50 or above by the end of the year will be permitted to contribute an additional \$5,000 in 2006.

After, the amount is indexed for inflation. These Annuities are not available for SARSEPs.

You will also be provided the same information, and have the same "free-look" period, as you would have if you purchased the contract for a standard IRA.

**ROTH IRAs.** The "Roth IRA Disclosure Statement" contains information about eligibility, contribution limits, tax particulars and other Roth IRA information. Like standard IRAs, income within a Roth IRA accumulates tax-free, and contributions are subject to specific limits. Roth IRAs have, however, the following differences:

- Contributions to a Roth IRA cannot be deducted from your gross income;
- "Qualified distributions" from a Roth IRA are excludable from gross income. A "qualified distribution" is a distribution that satisfies two requirements: (1) the distribution must be made (a) after the owner of the IRA attains age 59½; (b) after the owner's death; (c) due to the owner's disability; or (d) for a qualified first time homebuyer distribution within the meaning of Section 72(t)(2)(F) of the Code; and (2) the distribution must be made in the year that is at least five tax years after the first year for which a contribution was made to any Roth IRA established for the owner or five years after a rollover, transfer, or conversion was made from a traditional IRA to a Roth IRA. Distributions from a Roth IRA that are not qualified distributions will be treated as made first from contributions and then from earnings, and taxed generally in the same manner as distributions from a traditional IRA.
- If eligible (including meeting income limitations and earnings requirements), you may make contributions to a Roth IRA after attaining age 70½, and distributions are not required to begin upon attaining such age or at any time thereafter.

Because the contract's minimum initial payment of \$35,000 is greater than the maximum annual contribution permitted to be made to a Roth IRA, you may only purchase a contract for a Roth IRA in connection with a "rollover" or "conversion" of amounts from another traditional IRA, conduit IRA, SEP, SIMPLE-IRA, or Roth IRA; or as an annuitization of a deferred annuity issued by us and held as an IRA; or as a combination of a "rollover" to a Roth IRA from a deferred annuity issued by us and held for purposes of a "qualified" retirement plan that is simultaneously being annuitized. This applies in connection with IRAs for you, a non-working

spouse or one established for a divorced spouse receiving alimony (and no other income). The Code permits persons who meet certain income limitations (generally, adjusted gross income under \$100,000), who are not married filing a separate return and who receive certain qualifying distributions from such non-Roth IRAs, to directly rollover or make, within 60 days, a "rollover" of all or any part of the amount of such distribution to a Roth IRA which they establish. This conversion triggers current taxation (but is not subject to a 10% early distribution penalty). At the time you buy an Annuity, you can make your current year Roth IRA contribution and your prior year Roth IRA contribution under the Annuity (to the extent permitted by law). You may not make additional contributions to your Annuity after purchase.

In addition, as of January 1, 2006, an individual receiving an eligible rollover distribution from a designated Roth account under an employer plan may roll over the distribution to a Roth IRA even if the individual is not eligible to make regular or conversion contributions to a Roth IRA. If you are considering rolling over funds from your Roth account under an employer plan, please contact your financial professional prior to purchase to confirm whether such rollovers are being accepted.

**TDA's.** You may own a TDA generally if you are either an employer or employee of a tax-exempt organization (as defined under Code Section 501(c)(3)) or a public educational organization, and you may make contributions to a TDA so long as the employee's rights to the annuity are nonforfeitable. Contributions to a TDA, and any earnings, are not taxable until distribution. Because of the way the contract is designed, you may only purchase a contract for a TDA in connection with a "rollover" of amounts from a qualified retirement plan or IRA or as a transfer from another TDA; or as an annuitization of a deferred annuity issued by us and held as a TDA; or as a combination of a "rollover" to a TDA from a deferred annuity issued by us and held for purposes of a "qualified" retirement plan that is simultaneously being annuitized. You may also make contributions to a TDA under a salary reduction agreement, generally up to a maximum of \$15,000 in 2006. Individuals participating in a TDA who are age 50 or above by the end of the year will be permitted to contribute an additional \$5,000 in 2006. After 2006, the amount is indexed for inflation. You may roll over TDA amounts to another TDA or an IRA. You may also roll over TDA amounts to a qualified retirement plan, a SEP and a 457 government plan. A contract may only qualify as a TDA if distributions (other than "grandfathered" amounts held as of December 31, 1988) may be made only on account of:

- Your attainment of age 59½;



- ++Your severance of employment;
- Your death;
- Your total and permanent disability; or
- Hardship (under limited circumstances, and only related to salary deferrals, not including earnings attributable to these amounts).

In any event, you must begin receiving distributions from your TDA by April 1<sup>st</sup> of the calendar year after the calendar year you turn age 70½ or retire, whichever is later.

These distribution limits do not apply either to transfers or exchanges of investments under the contract, or to any “direct transfer” of your interest in the contract to another TDA or to a mutual fund “custodial account” described under Code Section 403(b)(7).

Employer contributions to TDAs are subject to the same general contribution, nondiscrimination, and minimum participation rules applicable to “qualified” retirement plans.

### **Minimum Distribution Requirements and Payment Option**

If you hold the contract under an IRA (or other tax-favored plan), IRS minimum distribution requirements must be satisfied. This means that generally payments must start by April 1 of the year after the year you reach age 70½ and must be made for each year thereafter. For a Tax Sheltered Annuity, or a 401(a) plan for which the participant is not a greater than 5 percent owner of the employer, this required beginning date can generally be deferred to retirement, if later. Roth IRAs are not subject to these rules during the Owner’s lifetime. The amount of the payment must at least equal the minimum required under the IRS rules. Several choices are available for calculating the minimum amount. More information on the mechanics of this calculation is available on request. Please contact us at a reasonable time before the IRS deadline so that a timely distribution is made. Please note that there is a 50% tax penalty on the amount of any minimum distribution not made in a timely manner. Payments from your Annuity are designed to meet applicable minimum distribution requirements in relation to the amounts in your Annuity.

Effective 2006, in accordance with recent changes in laws and regulations, required minimum distributions will be calculated based on the sum of the contract value and the actuarial value of any additional death benefits and benefits from optional riders that you have purchased under the contract. As a result, the required minimum distributions may be larger than if the calculation were based on the contract value only, which may in turn result in an earlier (but not before the required beginning date) distribution of

amounts under the Contract and an increased amount of taxable income distributed to the contract owner, and a reduction of death benefits and the benefits of any optional riders.

Although the IRS rules determine the required amount to be distributed from your IRA each year, certain payment alternatives are still available to you. If you own more than one IRA, you can choose to satisfy your minimum distribution requirement for each of your IRAs by withdrawing that amount from any of your IRAs. If you inherit more than one Roth IRA from the same owner, similar rules apply.

### **Penalty for Early Withdrawals**

You may owe a 10% tax penalty on the taxable part of distributions received from an IRA, SEP, Roth IRA, TDA or qualified retirement plan before you attain age 59½. Amounts are not subject to this tax penalty if:

- the amount is paid on or after you reach age 59½ or die;
- the amount received is attributable to your becoming disabled; or
- generally the amount paid or received is in the form of substantially equal payments not less frequently than annually (Please note that substantially equal payments must continue until the later of reaching age 59½ or 5 years. Modification of payments during that time period will generally result in retroactive application of the 10% tax penalty.)

Other exceptions to this tax may apply. You should consult your tax advisor for further details.

### **Withholding**

Unless a distribution is an eligible rollover distribution that is “directly” rolled over into another qualified plan, IRA (including the IRA variations described above), SEP, 457 government plan or TDA, we will withhold federal income tax at the rate of 20%. This 20% withholding does not apply to distributions from IRAs and Roth IRAs. For all other distributions, unless you elect otherwise, we will withhold federal income tax from the taxable portion of such distribution at an appropriate percentage. The rate of withholding on annuity payments where no mandatory withholding is required is determined on the basis of the withholding certificate that you file with us. If you do not file a certificate, we will automatically withhold federal taxes on the following basis:

- For any annuity payments not subject to mandatory withholding, you will have taxes withheld by us as if you are a married individual, with 3 exemptions; and
- For all other distributions, we will withhold at a 10% rate.

# Tax Considerations *continued*

We will provide you with forms and instructions concerning the right to elect that no amount be withheld from payments in the ordinary course. However, you should know that, in any event, you are liable for payment of federal income taxes on the taxable portion of the distributions, and you should consult with your tax advisor to find out more information on your potential liability if you fail to pay such taxes. There may be additional state income tax withholding requirements.

## **ERISA Disclosure/Requirements**

ERISA (the "Employee Retirement Income Security Act of 1974") and the Code prevents a fiduciary and other "parties in interest" with respect to a plan (and, for these purposes, an IRA would also constitute a "plan") from receiving any benefit from any party dealing with the plan, as a result of the sale of the contract. Administrative exemptions under ERISA generally permit the sale of insurance/annuity products to plans, provided that certain information is disclosed to the person purchasing the contract. This information has to do primarily with the fees, charges, discounts and other costs related to the contract, as well as any commissions paid to any agent selling the contract.

Information about any applicable fees, charges, discounts, penalties or adjustments may be found in the applicable sections of this Prospectus.

Information about sales representatives and commissions may be found in the sections of this Prospectus addressing distribution of the Annuity.

Please consult your tax advisor if you have any additional questions.

## **Spousal Consent Rules for Retirement Plans — Qualified Contracts**

If you are married at the time your payments commence, you may be required by federal law to choose an income option that provides survivor annuity income to your spouse, unless your spouse waives that right. Similarly, if you are married at the time of your death, federal law may require all or a portion of the Death Benefit to be paid to your spouse, even if you designated someone else as your beneficiary. A brief explanation of the applicable rules follows. For more information, consult the terms of your retirement arrangement.

*Defined Benefit Plans and Money Purchase Pension Plans.* If you are married at the time your payments commence, federal law requires that benefits be paid to you in the form of a "qualified joint and survivor annuity" (QJSA), unless you and your spouse waive that right, in writing. Generally, this means that you will receive a reduced payment during your life and, upon your death, your spouse will receive at least one-half of what you were receiving for life. You may elect to receive another income option if your spouse consents to the election and waives his or her right to receive the QJSA. If your spouse consents to the alternative form of payment, your spouse may not receive any benefits from the plan upon your death. Federal law also requires that the plan pay a Death Benefit to your spouse if you are married and die before you begin receiving your benefit. This benefit must be available in the form of an annuity for your spouse's lifetime and is called a "qualified pre-retirement survivor annuity" (QPSA). If the plan pays Death Benefits to other beneficiaries, you may elect to have a beneficiary other than your spouse receive the Death Benefit, but only if your spouse consents to the election and waives his or her right to receive the QPSA. If your spouse consents to the alternate beneficiary, your spouse will receive no benefits from the plan upon your death. Any QPSA waiver prior to your attaining age 35 will become null and void on the first day of the calendar year in which you attain age 35, if still employed.

*Defined Contribution Plans (including 401(k) Plans and ERISA 403(b) Annuities).* Spousal consent to a distribution is generally not required. Upon your death, your spouse will receive the entire Death Benefit, even if you designated someone else as your beneficiary, unless your spouse consents in writing to waive this right. Also, if you are married and elect an annuity as a periodic income option, federal law requires that you receive a QJSA (as described above), unless you and your spouse consent to waive this right.

*IRAs, non-ERISA 403(b) Annuities, and 457 Plans.* Spousal consent to a distribution usually is not required. Upon your death, any Death Benefit will be paid to your designated beneficiary.

## **Additional Information**

For additional information about federal tax law requirements applicable to IRAs and Roth IRAs, see the "IRA Disclosure Statement" or "Roth IRA Disclosure Statement", as applicable.

# General Information

## HOW WILL I RECEIVE STATEMENTS AND REPORTS?

We send any statements and reports required by applicable law or regulation to you at your last known address of record. You should therefore give us prompt notice of any address change. We reserve the right, to the extent permitted by law and subject to your prior consent, to provide any prospectus, prospectus supplements, confirmations, statements and reports required by applicable law or regulation to you through our Internet Website at [www.americanskandia.prudential.com](http://www.americanskandia.prudential.com) or any other electronic means, including diskettes or CD ROMs. We send a confirmation statement to you each time a transaction is made affecting Income Base, such as transfers or withdrawals. We send monthly statements reflecting the processing done each Annuity Payment Date except after any conversion to fixed payments. You should review the information in these statements carefully. You may request additional reports. We reserve the right to charge up to \$50 for each such additional report. We may also send an annual report and a semi-annual report containing applicable financial statements for the Separate Account and the Portfolios, as of December 31 and June 30, respectively, to Owners or, with your prior consent, make such documents available electronically through our Internet Website or other electronic means.

## WHO IS AMERICAN SKANDIA?

American Skandia Life Assurance Corporation, a Prudential Financial Company, ("American Skandia") is a stock life insurance company domiciled in Connecticut with licenses in all 50 states, the District of Columbia and Puerto Rico. American Skandia is a wholly-owned subsidiary of American Skandia, Inc. ("ASI"), whose ultimate parent is Prudential Financial, Inc. American Skandia markets its products to broker-dealers and financial planners through an internal field marketing staff. In addition, American Skandia markets through and in conjunction with financial institutions such as banks that are permitted directly, or through affiliates, to sell annuities.

American Skandia offers a wide array of annuities, including (1) deferred and immediate variable annuities that are registered with the SEC, including fixed interest rate annuities that are offered as a companion to certain of our variable annuities and are registered because of their market value adjustment feature and (2) fixed annuities that are not registered with the SEC. In addition, American Skandia has in force a relatively small block of variable life insurance policies, but it no longer actively sells such policies.

Effective May 1, 2003, Skandia U.S. Inc., the sole shareholder of ASI, which is the parent of American Skandia, was purchased by Prudential Financial, Inc. Prudential Financial, Inc. is a New Jersey insurance holding company whose subsidiary companies serve individual and institutional customers worldwide and include The Prudential Insurance Company of America, one of the largest life insurance companies in the U.S. These companies offer a variety of products and services, including life insurance, property and casualty insurance, mutual funds, annuities, pension and retirement related services and administration, asset management, securities brokerage, banking and trust services, real estate brokerage franchises, and relocation services.

No company other than American Skandia has any legal responsibility to pay amounts that it owes under its annuity and variable life insurance contracts. However, Prudential Financial exercises significant influence over the operations and capital structure of American Skandia.

## WHAT ARE SEPARATE ACCOUNTS?

The separate accounts are where American Skandia sets aside and invests the assets of some of our annuities. The assets supporting our obligations under the Annuities are held in separate accounts established under the laws of the State of Connecticut. We are the legal owner of assets in the separate accounts. Assets supporting fixed annuity payments after a conversion are held in our general account. Income, gains and losses from assets allocated to these separate accounts are credited to or charged against each such separate account without regard to other income, gains or losses of American Skandia or of any other of our separate accounts. These assets may only be charged with liabilities, which arise from the annuity contracts issued by American Skandia. The amount of our obligation in relation to allocations to the Sub-accounts is based on the investment performance of such Sub-accounts. However, the obligations themselves are our general corporate obligations.

### Separate Account B

During the accumulation period, the assets supporting obligations based on allocations to the Sub-accounts are held in Sub-accounts of American Skandia Life Assurance Corporation Variable Account B, also referred to as "Separate Account B". Separate Account B was established by us pursuant to Connecticut law on November 25, 1987. Separate Account B also holds assets of other annuities issued by us with values and benefits that vary according to the investment performance of Separate Account B.

# General Information *continued*

Separate Account B consists of multiple Sub-accounts. Each Sub-account invests only in a single mutual fund or mutual fund portfolio. The name of each Sub-account generally corresponds to the name of the underlying Portfolio. Each Sub-account in Separate Account B may have several different Unit Prices to reflect the Insurance Charge under this Annuity, and the Distribution Charge (when applicable) and the charges for any optional benefits that are offered under other annuities issued by us through Separate Account B. Separate Account B is registered with the SEC under the Investment Company Act of 1940 ("Investment Company Act") as a unit investment trust, which is a type of investment company. The SEC does not supervise investment policies, management or practices of Separate Account B.

Prior to November 18, 2002, Separate Account B was organized as a single separate account with six different Sub-account classes, each of which was registered as a distinct unit investment trust under the Investment Company Act. Effective November 18, 2002, each Sub-account class of Separate Account B was consolidated into the unit investment trust formerly named American Skandia Life Assurance Corporation Variable Account B (Class 1 Sub-accounts), which was subsequently renamed American Skandia Life Assurance Corporation Variable Account B. Each Sub-account of Separate Account B has multiple Unit Prices to reflect the daily charge deducted for each combination of the applicable Insurance Charge, Distribution Charge (when applicable) and the charge for each optional benefit offered under Annuity contracts funded through Separate Account B. The consolidation of Separate Account B had no impact on Annuity Owners.

We reserve the right to make changes to the Sub-accounts available under the Annuity as we determine appropriate. We may offer new Sub-accounts, eliminate Sub-accounts, or combine Sub-accounts at our sole discretion. We may also close Sub-accounts to additional Purchase Payments on existing Annuity contracts or close Sub-accounts for Annuities purchased on or after specified dates. We may also substitute an underlying mutual fund or portfolio of an underlying mutual fund for another underlying mutual fund or portfolio of an underlying mutual fund, subject to our receipt of any exemptive relief that we are required to obtain under the Investment Company Act. We will notify Owners of changes we make to the Sub-accounts available under the Annuity.

***Values and benefits based on allocations to the Sub-accounts will vary with the investment performance of the underlying mutual funds or fund portfolios, as applicable. We do not guarantee the investment results of***

***any Sub-account. Your Income Base allocated to the Sub-accounts may increase or decrease. You bear the entire investment risk. There is no assurance that the Income Base of your Annuity will equal or be greater than the total of the Purchase Payments you make to us.***

## **WHAT IS THE LEGAL STRUCTURE OF THE PORTFOLIOS?**

Each Portfolio is registered as an open-end management investment company under the Investment Company Act. Shares of the Portfolios are sold to separate accounts of life insurance companies offering variable annuity and variable life insurance products. The shares may also be sold directly to qualified pension and retirement plans.

## **Voting Rights**

We are the legal owner of the shares of the Portfolios in which the Sub-accounts invest. However, under SEC rules, you have voting rights in relation to Income Base maintained in the Sub-accounts. If a Portfolio requests a vote of shareholders, we will vote our shares based on instructions received from Owners with Income Base allocated to that Sub-account. Owners have the right to vote an amount equal to the number of shares attributable to their contracts. If we do not receive voting instructions in relation to certain shares, we will vote those shares in the same manner and proportion as the shares for which we have received instructions. This voting procedure is sometimes referred to as "mirror voting" because, as indicated in the immediately preceding sentence, we mirror the votes that are actually cast, rather than decide on our own how to vote. In addition, because all the shares of a given mutual fund held within our separate account are legally owned by us, we intend to vote all of such shares when that underlying fund seeks a vote of its shareholders. As such, all such shares will be counted towards whether there is a quorum at the underlying fund's shareholder meeting and towards the ultimate outcome of the vote. Thus, under "mirror voting," it is possible that the votes of a small percentage of contractholders who actually vote will determine the ultimate outcome. We will furnish those Owners who have Income Base allocated to a Sub-account whose Portfolio has requested a "proxy" vote with proxy materials and with the necessary forms to provide us with their voting instructions. Generally, you will be asked to provide instructions for us to vote on matters such as changes in a fundamental investment strategy, adoption of a new investment advisory agreement, or matters relating to the structure of the Portfolio that require a vote of shareholders.



American Skandia Trust (the "Trust") has obtained an exemption from the Securities and Exchange Commission that permits its co-investment advisers, American Skandia Investment Services, Incorporated ("ASISI") and Prudential Investments LLC, subject to approval by the Board of Trustees of the Trust, to change sub-advisors for a Portfolio and to enter into new sub-advisory agreements, without obtaining shareholder approval of the changes. This exemption (which is similar to exemptions granted to other investment companies that are organized in a similar manner as the Trust) is intended to facilitate the efficient supervision and management of the sub-advisors by ASISI, Prudential Investments LLC and the Trustees. The Trust is required, under the terms of the exemption, to provide certain information to shareholders following these types of changes. We may add new Sub-accounts that invest in a series of underlying funds other than the Trust that is managed by an affiliate. Such series of funds may have a similar order from the SEC. You also should review the prospectuses for the other underlying funds in which various Sub-accounts invest as to whether they have obtained similar orders from the SEC.

#### **Material Conflicts**

It is possible that differences may occur between companies that offer shares of a Portfolio to their respective separate accounts issuing variable annuities and/or variable life insurance products. Differences may also occur surrounding the offering of a Portfolio to variable life insurance policies and variable annuity contracts that we offer. Under certain circumstances, these differences could be considered "material conflicts," in which case we would take necessary action to protect persons with voting rights under our variable annuity contracts and variable life insurance policies against persons with voting rights under other insurance companies' variable insurance products. If a "material conflict" were to arise between owners of variable annuity contracts and variable life insurance policies issued by us we would take necessary action to treat such persons equitably in resolving the conflict. "Material conflicts" could arise due to differences in voting instructions between owners of variable life insurance and variable annuity contracts of the same or different companies. We monitor any potential conflicts that may exist.

#### **Service Fees Payable to American Skandia**

American Skandia or our affiliates have entered into agreements with the investment adviser or distributor of many of the underlying Portfolios. Under the terms of these agreements, American Skandia provides administrative and support services to the

Portfolios for which it receives a fee of up to 0.75% (currently) of the average assets allocated to the Portfolios under the Annuity from the investment advisor, distributor and/or the fund. Any fees payable will be consistent with the services rendered or the expected cost savings resulting from the arrangement. These agreements may be different for each underlying mutual fund whose portfolios are offered as Sub-accounts.

In addition, the investment adviser, sub-advisor or distributor of the underlying Portfolios may also compensate us by providing reimbursement or paying directly for, among other things, marketing and/or administrative services and/or other services they provide in connection with the Annuity. These services may include, but are not limited to: co-sponsoring various meetings and seminars attended by broker-dealer firms' registered representatives and creating marketing material discussing the Annuity and the available options.

#### **Transfers, Assignments or Pledges**

Generally, vested rights in an Annuity may be transferred, assigned or pledged for loans at any time. However, these rights may be limited depending on the use of the Annuity. Generally, transfers, assignments or pledges to another person or entity may occur at any time prior to the death of the last surviving Annuitant. We generally will not accept transfers, assignments or pledges after such death. You must request a transfer or provide us a copy of the assignment in writing. A transfer or assignment is subject to our acceptance. Prior to receipt of this notice, we will not be deemed to know of or be obligated under any assignment prior to our receipt and acceptance thereof. We assume no responsibility for the validity or sufficiency of any assignment.

#### **WHO DISTRIBUTES ANNUITIES OFFERED BY AMERICAN SKANDIA?**

American Skandia Marketing, Incorporated ("ASM"), a wholly-owned subsidiary of American Skandia, Inc., is the distributor and principal underwriter of the securities offered through this prospectus. ASM acts as the distributor of a number of annuity and life insurance products we offer and co-distributor of American Skandia Trust.

ASM's principal business address is One Corporate Drive, Shelton, Connecticut 06484. ASM is registered as broker-dealer under the Securities Exchange Act of 1934 ("Exchange Act") and is a member of the National Association of Securities Dealers, Inc. ("NASD").

The Annuity is offered on a continuous basis. ASM enters into distribution agreements with broker-dealers who are registered under the Exchange Act and with entities that may offer the

# General Information *continued*

Annuity but are exempt from registration (“firms”). Applications for the Annuity are solicited by registered representatives of those firms. Such representatives will also be our appointed insurance agents under state insurance law. In addition, ASM may offer the Annuity directly to potential purchasers.

Commissions are paid to firms on sales of the Annuity according to one or more schedules. The individual representative will receive a portion of the compensation, depending on the practice of his or her firm. Commissions are generally based on a percentage of Purchase Payments made, up to a maximum of 7.0%. Alternative compensation schedules are available that provide a lower initial commission plus ongoing annual compensation based on all or a portion of Income Base. We may also provide compensation to the distributing firm for providing ongoing service to you in relation to the Annuity. Commissions and other compensation paid in relation to the Annuity do not result in any additional charge to you or to the Separate Account.

In addition in an effort to promote the sale of our products (which may include the placement of American Skandia or the Annuity on the preferred or recommended company or product list and/or access to the firms’ registered representatives), we or ASM may enter into compensation arrangements with certain broker-dealer firms with respect to certain or all registered representatives of such firms under which such firms may receive separate compensation or reimbursement for, among other things, training of sales personnel, marketing and/or administrative services and/or other services they provide. These services may include, but are not limited to: educating customers of the firm on the Annuity’s features; conducting due diligence and analysis, providing office access, operations and systems support; holding seminars intended to educate firm’s registered representatives and make them more knowledgeable about the Annuity; providing a dedicated marketing coordinator; providing priority sales desk support; and providing expedited marketing compliance approval. To the extent permitted by NASD rules and other applicable laws and regulations, ASM may pay or allow other promotional incentives or payments in the form of cash or non-cash compensation. These arrangements may not be offered to all firms and the terms of such arrangements may differ between firms. A list of firms to whom American Skandia pays an amount of greater than \$10,000 under these arrangements is provided in the Statement of Additional Information which is available upon request. You should note that firms and individual registered representatives and branch managers within some firms participating in one of these compensation arrangements might receive

greater compensation for selling the Annuity than for selling a different annuity that is not eligible for these compensation arrangements. While compensation is generally taken into account as an expense in considering the charges applicable to an annuity product, any such compensation will be paid by us or ASM and will not result in any additional charge to you. Overall compensation paid to the distributing firm does not exceed, based on actuarial assumptions, 8.5% of the total Purchase Payments made. Your registered representative can provide you with more information about the compensation arrangements that apply upon the sale of the Annuity.

On July 1, 2003, Prudential Financial combined its retail securities brokerage and clearing operations with those of Wachovia Corporation (“Wachovia”) and formed Wachovia Securities Financial Holdings, LLC (“Wachovia Securities”), a joint venture headquartered in Richmond, Virginia. Prudential Financial has a 38% ownership interest in the joint venture, while Wachovia owns the remaining 62%.

Wachovia and Wachovia Securities are key distribution partners for certain products of Prudential Financial affiliates, including mutual funds and individual annuities that are distributed through their financial advisors, bank channel and independent channel. In addition, Prudential Financial is a service provider to the managed account platform and certain wrap-fee programs offered by Wachovia Securities.

## FINANCIAL STATEMENTS

The financial statements of the separate account and American Skandia Life Assurance Corporation are included in the Statement of Additional Information.

## HOW TO CONTACT US

You can contact us by:

- calling our Customer Service Team at 1-800-752-6342 during our normal business hours, 8:30 a.m. EST to 8:00 p.m. EST, Monday through Friday, or Skandia’s telephone automated response system at 1-800-766-4530.
- writing to us via regular mail at American Skandia — Variable Annuities, P.O. Box 7960, Philadelphia, PA 19176 OR for express mail American Skandia — Variable Annuities, 2101 Welsh Road, Dresher, PA 19025. NOTE: Failure to send mail to the proper address may result in a delay in our receiving and processing your request.
- sending an email to [customer.service@prudential.com](mailto:customer.service@prudential.com); or visiting our Internet Website at [www.americanskandia.prudential.com](http://www.americanskandia.prudential.com).

- accessing information about your Annuity through our Internet Website at [www.americanskandia.prudential.com](http://www.americanskandia.prudential.com).

You can obtain account information by calling our automated response system and at [www.americanskandia.prudential.com](http://www.americanskandia.prudential.com), our Internet Website. Our Customer Service representatives are also available during business hours to provide you with information about your account. You can request certain transactions through our telephone voice response system, our Internet Website or through a customer service representative. You can provide authorization for a third party, including your attorney-in-fact acting pursuant to a power of attorney or your Financial Professional, to access your account information and perform certain transactions on your account. You will need to complete a form provided by us which identifies those transactions that you wish to authorize via telephonic and electronic means and whether you wish to authorize a third party to perform any such transactions. Please note that unless you tell us otherwise, we deem that all transactions that are directed by your Financial Professional with respect to your Annuity have been authorized by you. We require that you or your representative provide proper identification before performing transactions over the telephone or through our Internet Website. This may include a Personal Identification Number (PIN) that will be provided to you upon issue of your Annuity or you may establish or change your PIN through our automated response system and at [www.americanskandia.prudential.com](http://www.americanskandia.prudential.com), our Internet Website. Any third party that you authorize to perform financial transactions on your account will be assigned a PIN for your account.

Transactions requested via telephone are recorded. To the extent permitted by law, we will not be responsible for any claims, loss, liability or expense in connection with a transaction requested by telephone or other electronic means if we acted on such transaction instructions after following reasonable procedures to identify those persons authorized to perform transactions on your Annuity using verification methods which may include a request for your Social Security number, PIN or other form of electronic identification. We may be liable for losses due to unauthorized or fraudulent instructions if we did not follow such procedures.

American Skandia does not guarantee access to telephonic, facsimile, Internet or any other electronic information or that we will be able to accept transaction instructions via such means at all times. Regular and/or express mail will be the only means by which we will accept transaction instructions when telephonic, facsimile, Internet or any other electronic means are unavailable or delayed. American Skandia reserves the right to limit, restrict

or terminate telephonic, facsimile, Internet or any other electronic transaction privileges at any time.

## INDEMNIFICATION

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## LEGAL PROCEEDINGS

American Skandia is subject to legal and regulatory actions in the ordinary course of its business, including class action lawsuits. American Skandia's pending legal and regulatory actions include proceedings specific to us and proceedings generally applicable to business practices in the industry in which we operate. We are subject to class action lawsuits and other litigation alleging, among other things, that we made improper or inadequate disclosures in connection with the sale of annuity products or charged excessive or impermissible fees on these products, recommended unsuitable products to customers, mishandled customer accounts or breached fiduciary duties to customers. We are also subject to litigation arising out of our general business activities, such as our investments, contracts, leases and labor and employment relationships, including claims of discrimination and harassment. In some of our pending legal and regulatory actions, parties are seeking large and/or indeterminate amounts, including punitive or exemplary damages. The following is a summary of certain pending proceedings.

American Skandia is in discussions with various state insurance departments concerning a remediation program to correct errors in the administration of approximately 11,000 annuity contracts issued by us. The owners of these contracts did not receive notification that the contracts were approaching or past their designated annuitization date or default annuitization date (both dates referred to as the "contractual annuity date") and the contracts were not annuitized at their contractual annuity dates. Some of these contracts also were affected by data integrity errors resulting in incorrect contractual annuity dates. The lack of notice and the data integrity errors, as reflected on the annuities administrative system, all occurred before the acquisition of American Skandia by Prudential Financial, Inc. Certain state insurance departments have requested modifications to the remediation program that American Skandia anticipates will



# General Information *continued*

impact the overall cost of the program. The remediation and administrative costs of the remediation program would be subject to the indemnification provisions of the agreement pursuant to which Prudential Financial, Inc. acquired American Skandia (the "Acquisition Agreement").

With the approval of Skandia Insurance Company Ltd. (publ) ("Skandia"), an offer was made to the authorities investigating American Skandia and certain affiliated companies, the SEC and New York Attorney General, to settle the matters relating to market timing in variable annuities by paying restitution and a civil penalty of \$95 million in the aggregate. While not assured, American Skandia believes these discussions are likely to lead to settlements with these authorities. Any regulatory settlement involving American Skandia or any affiliates of American Skandia that Prudential Financial, Inc. acquired from Skandia would be subject to the indemnification provisions of the Acquisition Agreement. If achieved, settlement of the matters could involve continuing monitoring, changes to and/or supervision of business practices, findings that may adversely affect existing or cause additional litigation, adverse publicity and other adverse impacts to American Skandia's business.

American Skandia's litigation is subject to many uncertainties, and given its complexity and scope, its outcome cannot be predicted. It is possible that the results of operations or the cash flow of American Skandia in a particular quarterly or annual period could be materially affected by an ultimate unfavorable resolution of pending litigation and regulatory matters depending, in part, upon the results of operations or cash flow for such period. Management believes, however, that the ultimate outcome of all pending litigation and regulatory matters, after consideration of applicable reserves, should not have a material adverse effect on American Skandia's financial position.

It should be noted that the judgments, settlements and expenses associated with many of these lawsuits, administrative and regulatory matters, and contingencies, including the claims described above, may, in whole or in part, after satisfaction of

certain retention requirements, fall within Skandia's indemnification obligations to Prudential Financial, Inc. and its subsidiaries under the terms of the Acquisition Agreement. Those obligations of Skandia provide for indemnification of certain judgments, settlements, and costs and expenses associated with lawsuits and other claims against American Skandia ("matters"), and apply only to matters, or groups of related matters, for which the costs and expenses exceed \$25,000 individually. Those obligations only apply to such costs and expenses that exceed \$10 million in the aggregate, subject to reduction for insurance proceeds, certain accruals and any realized tax benefit applicable to such amounts, and those obligations do not apply to the extent that such aggregate exceeds \$1 billion.

## **CONTENTS OF THE STATEMENT OF ADDITIONAL INFORMATION**

The following are the contents of the Statement of Additional Information:

General Information Regarding American Skandia Life Assurance Corporation

- American Skandia Life Assurance Corporation Variable Account B

Principal Underwriter/Distributor

Payments Made to Promote Sale of Our Products Unit Price Determinations

- Voting Rights
- Modification
- Deferral Transactions
- Misstatement of Age or Sex
- Ending of Offer

Experts

Legal Experts

Financial Statements

## Appendix A — Condensed Financial Information About Separate Account B

*Separate Account B consists of multiple Sub-accounts. Each Sub-account invests only in a single mutual fund portfolio. All or some of these Sub-accounts were available during the periods shown as investment options for other variable annuities we offer pursuant to different prospectuses.*

**Unit Prices And Numbers Of Units:** *The following table shows: (a) the historical Unit Price, as of the dates shown, for Units in each of the Sub-accounts of Separate Account B that commenced operations prior to January 1, 2006 and are being offered pursuant to this Prospectus\* or which we offer pursuant to certain other prospectuses; and (b) the number of Units outstanding in each such Sub-account as of the dates shown. The unit values shown reflect the asset based charges for this Annuity, including the Insurance Charge. In the table, “BOP” refers to Beginning of Period and “EOP” refers to End of Period. The period for each year begins January 1 and ends December 31. The year in which operations commenced in each such Sub-account is noted in parentheses. To the extent a Sub-account commenced operations during a particular calendar year, the Unit Price as of the end of the period reflects only the partial year results from the commencement of operations until December 31<sup>st</sup> of the applicable year. The portfolios in which a particular Sub-account invests may or may not have commenced operations prior to the date such Sub-account commenced operations. The initial offering price for each Sub-account was \$10.00.*

\* **NOTE:** N/A indicates that the Sub-account is not available with the Optional Guarantee Feature.

Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus**

Sub-account	2005	2004	2003	2002	2001	2000
<b>AST Aggressive Asset Allocation Portfolio</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$10.00	—	—	—	—	—
Number of Units	171,403	—	—	—	—	—
<b>AST Capital Growth Asset Allocation Portfolio</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$10.01	—	—	—	—	—
Number of Units	403,183	—	—	—	—	—
<b>AST Balanced Asset Allocation Portfolio</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$10.02	—	—	—	—	—
Number of Units	405,782	—	—	—	—	—
<b>AST Conservative Asset Allocation Portfolio</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$10.03	—	—	—	—	—
Number of Units	53,897	—	—	—	—	—
<b>AST Preservation Asset Allocation Portfolio</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$10.04	—	—	—	—	—
Number of Units	215,279	—	—	—	—	—
<b>AST JP Morgan International Equity</b>						
BOP Unit Value	\$8.24	\$7.13	\$5.53	\$6.86	\$8.99	—
EOP Unit Value	\$9.04	\$8.24	\$7.13	\$5.53	\$6.86	\$8.99
Number of Units	1,051,557	553,542	362,254	153,652	136,976	33,897
<b>AST William Blair International Growth (1997)</b>						
BOP Unit Value	\$16.42	\$14.32	\$10.35	\$14.10	\$18.68	—
EOP Unit Value	\$18.90	\$16.42	\$14.32	\$10.35	\$14.10	\$18.68
Number of Units	2,113,594	1,953,908	1,166,396	7,064	5,277	6,782
<b>AST LSV International Value</b>						
BOP Unit Value	\$7.01	\$5.86	\$4.43	\$5.41	\$8.08	—
EOP Unit Value	\$7.87	\$7.01	\$5.86	\$4.43	\$5.41	\$8.08
Number of Units	402,497	233,045	91,736	32,967	29,954	20,311
<b>AST MFS Global Equity (1999)</b>						
BOP Unit Value	\$10.98	\$9.40	\$7.48	\$8.64	\$9.72	—
EOP Unit Value	\$11.67	\$10.98	\$9.40	\$7.48	\$8.64	\$9.72
Number of Units	218,705	213,485	123,219	46,925	49,536	23,151
<b>AST Small-Cap Growth</b>						
BOP Unit Value	\$15.97	\$17.38	\$12.12	\$18.70	\$20.25	—
EOP Unit Value	\$16.00	\$15.97	\$17.38	\$12.12	\$18.70	\$20.25
Number of Units	126,824	107,136	145,364	6,331	2,439	978

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
—	—	—	—	—	—
\$9.99	—	—	—	—	—
1,583	—	—	—	—	—
—	—	—	—	—	—
\$10.00	—	—	—	—	—
5,254,502	—	—	—	—	—
—	—	—	—	—	—
\$10.01	—	—	—	—	—
4,054,792	—	—	—	—	—
—	—	—	—	—	—
\$10.02	—	—	—	—	—
1,320,556	—	—	—	—	—
—	—	—	—	—	—
\$10.03	—	—	—	—	—
318,272	—	—	—	—	—
\$7.86	\$6.87	\$5.38	\$6.75	\$8.94	
\$8.54	\$7.86	\$6.87	\$5.38	\$6.75	\$8.94
1,664,852	428,765	400,112	249,219	122,439	22,558
\$15.74	\$13.86	—	\$13.93	\$18.64	
\$17.93	\$15.74	\$13.86	—	\$13.93	\$18.64
8,655,832	545,075	29,434	—	—	—
\$6.69	\$5.65	\$4.32	\$5.32	\$8.03	
\$7.43	\$6.69	\$5.65	\$4.32	\$5.32	\$8.03
487,950	122,795	72,406	77,974	40,323	11,907
\$10.48	\$9.06	\$7.29	\$8.50	\$9.66	
\$11.02	\$10.48	\$9.06	\$7.29	\$8.50	\$9.66
282,357	273,401	308,725	280,085	109,159	18,836
\$15.30	\$16.82	\$11.85	\$18.48	\$20.21	
\$15.18	\$15.30	\$16.82	\$11.85	\$18.48	\$20.21
148,854	67,370	64,850	59,039	1,419	—

Contract described herein is no longer available for sale.

Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

Sub-account	2005	2004	2003	2002	2001	2000
<b>AST DeAM Small-Cap Growth (1999)</b>						
BOP Unit Value	\$7.41	\$6.86	\$4.71	\$6.48	\$9.17	
EOP Unit Value	\$7.35	\$7.41	\$6.86	\$4.71	\$6.48	\$9.17
Number of Units	267,925	293,384	258,089	44,611	41,602	35,743
<b>AST Federated Aggressive Growth (2000)</b>						
BOP Unit Value	\$10.12	\$8.33	\$4.98	\$7.12	\$9.08	
EOP Unit Value	\$10.94	\$10.12	\$8.33	\$4.98	\$7.12	\$9.08
Number of Units	1,386,930	1,169,995	859,909	25,040	10,912	243
<b>AST Goldman Sachs Small-Cap Value (1997)</b>						
BOP Unit Value	\$20.52	\$17.29	\$12.41	\$13.65	\$12.58	
EOP Unit Value	\$21.27	\$20.52	\$17.29	\$12.41	\$13.65	\$12.58
Number of Units	29,033	28,076	35,022	41,406	40,847	14,220
<b>AST Small-Cap Value (1997)</b>						
BOP Unit Value	\$16.64	\$14.47	\$10.79	\$12.06	\$11.41	
EOP Unit Value	\$17.52	\$16.64	\$14.47	\$10.79	\$12.06	\$11.41
Number of Units	1,484,712	1,293,786	962,965	66,744	33,608	15,339
<b>AST DeAM Small-Cap Value (2002)</b>						
BOP Unit Value	\$13.13	\$10.89	\$7.69	—	—	
EOP Unit Value	\$13.12	\$13.13	\$10.89	\$7.69	—	—
Number of Units	187,206	138,078	131,066	124	—	—
<b>AST Goldman Sachs Mid-Cap Growth (2000)</b>						
BOP Unit Value	\$4.44	\$3.87	\$2.98	\$4.15	\$7.03	
EOP Unit Value	\$4.60	\$4.44	\$3.87	\$2.98	\$4.15	\$7.03
Number of Units	2,666,933	2,232,502	1,535,565	28,812	17,882	2,473
<b>AST Neuberger Berman Mid-Cap Growth (1994)</b>						
BOP Unit Value	\$7.14	\$6.23	\$4.83	\$7.11	\$9.71	
EOP Unit Value	\$8.00	\$7.14	\$6.23	\$4.83	\$7.11	\$9.71
Number of Units	771,461	555,160	371,267	56,712	51,711	36,882
<b>AST Neuberger Berman Mid-Cap Value (1993)</b>						
BOP Unit Value	\$16.76	\$13.82	\$10.26	\$11.62	\$12.13	
EOP Unit Value	\$18.55	\$16.76	\$13.82	\$10.26	\$11.62	\$12.13
Number of Units	1,303,740	1,116,503	781,348	69,657	56,219	16,574
<b>AST Alger All-Cap Growth (2000)</b> (merged into AST Neuberger Berman Mid-Cap Growth)						
BOP Unit Value	\$6.49	\$6.06	\$4.53	\$7.14	\$8.68	
EOP Unit Value	\$7.48	\$6.49	\$6.06	\$4.53	\$7.14	\$8.68
Number of Units	—	214,092	200,264	61,001	56,649	30,915
<b>AST Mid-Cap Value (2000)</b> (formerly AST Gabelli All-Cap Value)						
BOP Unit Value	\$11.63	\$10.21	\$7.61	\$9.72	\$10.07	
EOP Unit Value	\$12.11	\$11.63	\$10.21	\$7.61	\$9.72	\$10.07
Number of Units	192,419	256,401	140,873	38,982	26,857	12,895

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$7.07	\$6.61	\$4.58	\$6.38	\$9.12	
\$6.94	\$7.07	\$6.61	\$4.58	\$6.38	\$9.12
127,712	129,475	131,605	108,770	61,068	13,939
\$9.70	\$8.06	\$4.87	\$7.03	\$9.06	
\$10.38	\$9.70	\$8.06	\$4.87	\$7.03	\$9.06
5,867,755	324,340	79,226	22,544	18,122	7,308
\$19.58	\$16.67	\$12.09	\$13.43	\$12.50	
\$20.09	\$19.58	\$16.67	\$12.09	\$13.43	\$12.50
59,682	61,521	73,852	104,579	84,913	27,028
\$15.87	\$13.95	\$10.51	\$11.86	\$11.34	
\$16.55	\$15.87	\$13.95	\$10.51	\$11.86	\$11.34
4,687,842	465,784	275,971	223,133	120,504	13,253
\$12.78	\$10.70	\$7.63	—	—	
\$12.64	\$12.78	\$10.70	\$7.63	—	—
85,476	63,057	22,847	2,643	—	—
\$4.24	\$3.73	\$2.90	\$4.09	\$6.99	
\$4.34	\$4.24	\$3.73	\$2.90	\$4.09	\$6.99
8,890,703	457,010	175,708	159,494	121,887	15,210
\$6.81	\$6.01	\$4.71	\$7.00	\$9.65	
\$7.56	\$6.81	\$6.01	\$4.71	\$7.00	\$9.65
472,930	369,234	294,816	280,113	158,052	15,171
\$15.99	\$13.32	\$9.99	\$11.43	\$12.06	
\$17.52	\$15.99	\$13.32	\$9.99	\$11.43	\$12.06
3,716,512	537,445	370,965	345,614	232,052	50,760
\$6.19	\$5.84	\$4.41	\$7.03	\$8.63	
\$7.07	\$6.19	\$5.84	\$4.41	\$7.03	\$8.63
—	107,188	87,326	78,138	43,736	5,869
\$11.15	\$9.89	\$7.45	\$9.61	\$10.05	
\$11.49	\$11.15	\$9.89	\$7.45	\$9.61	\$10.05
187,691	194,765	166,080	167,501	99,742	13,329



Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

Sub-account	2005	2004	2003	2002	2001	2000
<b>AST T. Rowe Price Natural Resources (1995)</b>						
BOP Unit Value	\$17.81	\$13.75	\$10.42	\$11.18	\$11.24	
EOP Unit Value	\$23.11	\$17.81	\$13.75	\$10.42	\$11.18	\$11.24
Number of Units	254,041	192,336	75,013	4,994	1,879	—
<b>AST T. Rowe Price Large-Cap Growth</b> (formerly AST AllianceBernstein Large-Cap Growth)						
BOP Unit Value	\$6.19	\$5.93	\$4.86	\$7.12	\$8.46	
EOP Unit Value	\$7.12	\$6.19	\$5.93	\$4.86	\$7.12	\$8.46
Number of Units	512,012	326,194	263,698	106,056	106,762	97,356
<b>AST MFS Growth (1999)</b>						
BOP Unit Value	\$7.04	\$6.44	\$5.31	\$7.48	\$9.68	
EOP Unit Value	\$7.39	\$7.04	\$6.44	\$5.31	\$7.48	\$9.68
Number of Units	1,025,239	791,823	893,170	112,701	47,656	3,089
<b>AST Marsico Capital Growth (1997)</b>						
BOP Unit Value	\$9.67	\$8.46	\$6.50	\$7.80	\$10.09	
EOP Unit Value	\$10.20	\$9.67	\$8.46	\$6.50	\$7.80	\$10.09
Number of Units	7,048,021	6,717,404	4,075,719	228,033	182,904	114,992
<b>AST Goldman Sachs Concentrated Growth (1992)</b>						
BOP Unit Value	\$4.68	\$4.57	\$3.69	\$5.33	\$7.90	
EOP Unit Value	\$4.77	\$4.68	\$4.57	\$3.69	\$5.33	\$7.90
Number of Units	657,833	733,920	604,491	405,437	404,404	235,747
<b>AST DeAM Large-Cap Value (2000)</b>						
BOP Unit Value	\$11.18	\$10.02	—	—	—	
EOP Unit Value	\$12.07	\$11.18	\$10.02	—	—	—
Number of Units	242,789	191,637	52,491	—	—	—
<b>AST AllianceBernstein Growth + Value (2001)</b> (merged into AST AllianceBernstein Managed Index 500)						
BOP Unit Value	\$9.66	\$8.89	\$7.14	\$9.64	—	
EOP Unit Value	\$10.72	\$9.66	\$8.89	\$7.14	\$9.64	—
Number of Units	—	194,363	137,293	37,810	—	—
<b>AST AllianceBernstein Core Value (2001)</b>						
BOP Unit Value	\$12.28	\$10.91	\$8.61	\$10.05	—	
EOP Unit Value	\$12.79	\$12.28	\$10.91	\$8.61	\$10.05	—
Number of Units	635,232	603,508	453,569	82,054	18,453	—
<b>AST Cohen &amp; Steers Real Estate (1998)</b>						
BOP Unit Value	\$22.03	\$16.17	\$11.91	\$11.75	\$11.57	
EOP Unit Value	\$24.98	\$22.03	\$16.17	\$11.91	\$11.75	\$11.57
Number of Units	223,264	281,181	149,582	25,464	16,487	16,557
<b>AST AllianceBernstein Managed Index 500 (1998)</b>						
BOP Unit Value	\$8.99	\$8.28	\$6.59	\$8.41	\$9.46	
EOP Unit Value	\$9.20	\$8.99	\$8.28	\$6.59	\$8.41	\$9.46
Number of Units	851,019	642,882	554,156	90,506	39,414	9,941

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$14.40	\$11.23	N/A	N/A	N/A	
\$18.50	\$14.40	\$11.23	N/A	N/A	N/A
68,831	41,428	6,747	—	—	—
\$5.91	\$5.72	\$4.73	\$7.01	\$8.41	
\$6.73	\$5.91	\$5.72	\$4.73	\$7.01	\$8.41
309,011	307,367	267,109	281,204	226,785	54,734
\$6.72	\$6.21	\$5.17	\$7.36	\$9.62	
\$6.98	\$6.72	\$6.21	\$5.17	\$7.36	\$9.62
3,719,319	387,463	262,995	222,825	163,552	6,313
\$9.22	\$8.16	\$6.33	\$7.67	\$10.03	
\$9.63	\$9.22	\$8.16	\$6.33	\$7.67	\$10.03
29,347,496	2,016,277	925,591	653,466	333,789	39,110
\$4.46	\$4.40	\$3.60	\$5.24	\$7.85	
\$4.51	\$4.46	\$4.40	\$3.60	\$5.24	\$7.85
598,056	541,661	395,905	387,973	312,586	98,104
\$10.72	\$9.85	\$7.62	—	—	
\$11.45	\$10.72	\$9.85	\$7.62	—	—
249,861	199,601	56,053	6,218	—	—
\$9.31	\$8.65	\$7.02	\$9.56	—	
\$10.23	\$9.31	\$8.65	\$7.02	\$9.56	—
—	215,645	154,955	154,258	102,674	—
\$11.83	\$10.62	\$8.47	\$9.99	—	
\$12.20	\$11.83	\$10.62	\$8.47	\$9.99	—
869,597	303,689	216,416	100,344	20,330	—
\$14.12	\$10.47	N/A	N/A	N/A	
\$15.85	\$14.12	\$10.47	N/A	N/A	N/A
81,009	68,406	8,884	—	—	—
\$8.58	\$7.98	\$6.41	\$8.27	\$9.40	
\$8.69	\$8.58	\$7.98	\$6.41	\$8.27	\$9.40
567,060	343,296	293,662	251,407	71,715	—

Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

Sub-account	2005	2004	2003	2002	2001	2000
<b>AST American Century Income &amp; Growth (1997)</b>						
BOP Unit Value	\$9.48	\$8.52	\$6.70	\$8.47	\$9.36	
EOP Unit Value	\$9.79	\$9.48	\$8.52	\$6.70	\$8.47	\$9.36
Number of Units	626,417	613,910	339,653	124,168	113,372	70,887
<b>AST AllianceBernstein Growth &amp; Income (1992)</b>						
BOP Unit Value	\$11.24	\$10.25	\$7.84	\$10.35	\$10.53	
EOP Unit Value	\$11.63	\$11.24	\$10.25	\$7.84	\$10.35	\$10.53
Number of Units	5,200,126	4,119,501	3,076,626	142,152	205,232	34,439
<b>AST Large-Cap Value</b> (formerly AST Hotchkis & Wiley Large-Cap Value)						
BOP Unit Value	\$10.25	\$8.99	\$7.59	\$9.31	\$10.32	
EOP Unit Value	\$10.77	\$10.25	\$8.99	\$7.59	\$9.31	\$10.32
Number of Units	694,885	417,314	204,589	44,419	44,212	8,596
<b>AST Global Allocation (1993)</b>						
BOP Unit Value	\$9.55	\$8.71	\$7.38	\$8.84	\$10.14	
EOP Unit Value	\$10.09	\$9.55	\$8.71	\$7.38	\$8.84	\$10.14
Number of Units	80,896	78,619	61,801	34,451	38,208	30,678
<b>AST American Century Strategic Balanced (1997)</b>						
BOP Unit Value	\$10.56	\$9.81	\$8.36	\$9.38	\$9.87	
EOP Unit Value	\$10.91	\$10.56	\$9.81	\$8.36	\$9.38	\$9.87
Number of Units	173,191	146,721	115,095	5,490	4,905	1,725
<b>AST T. Rowe Price Asset Allocation (1994)</b>						
BOP Unit Value	\$11.39	\$10.37	\$8.47	\$9.52	\$10.12	
EOP Unit Value	\$11.77	\$11.39	\$10.37	\$8.47	\$9.52	\$10.12
Number of Units	558,395	357,085	222,150	13,799	13,152	2,412
<b>AST T. Rowe Price Global Bond (1994)</b>						
BOP Unit Value	\$14.73	\$13.73	\$12.32	\$10.84	\$10.70	
EOP Unit Value	\$13.89	\$14.73	\$13.73	\$12.32	\$10.84	\$10.70
Number of Units	938,585	657,913	289,862	36,987	16,390	—
<b>AST High Yield</b> (formerly AST Goldman Sachs High Yield Bond)						
BOP Unit Value	\$12.06	\$10.99	\$9.16	\$9.27	\$9.37	
EOP Unit Value	\$12.04	\$12.06	\$10.99	\$9.16	\$9.27	\$9.37
Number of Units	873,440	957,756	906,947	73,614	45,297	12,929
<b>AST Lord Abbett Bond-Debenture (2000)</b>						
BOP Unit Value	\$12.71	\$11.98	\$10.22	\$10.30	\$10.13	
EOP Unit Value	\$12.69	\$12.71	\$11.98	\$10.22	\$10.30	\$10.13
Number of Units	1,294,706	1,012,739	814,135	43,077	16,628	425
<b>AST PIMCO Total Return Bond (1994)</b>						
BOP Unit Value	\$13.72	\$13.23	\$12.72	\$11.80	\$10.97	
EOP Unit Value	\$13.88	\$13.72	\$13.23	\$12.72	\$11.80	\$10.97
Number of Units	1,924,370	3,074,732	2,301,863	362,294	275,317	37,918

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$9.04	\$8.22	\$6.53	\$8.33	\$9.30	
\$9.25	\$9.04	\$8.22	\$6.53	\$8.33	\$9.30
370,561	372,540	195,232	156,147	73,819	15,435
\$10.72	\$9.88	\$7.63	\$10.18	\$10.46	
\$10.98	\$10.72	\$9.88	\$7.63	\$10.18	\$10.46
26,378,598	1,731,512	976,756	865,643	388,642	65,572
\$9.78	\$8.66	\$7.39	\$9.16	\$10.25	
\$10.17	\$9.78	\$8.66	\$7.39	\$9.16	\$10.25
1,212,692	419,818	347,275	332,039	286,726	66,175
\$9.12	\$8.40	N/A	N/A	N/A	
\$9.53	\$9.12	\$8.40	N/A	N/A	N/A
269,714	290,887	303,295	—	—	—
\$10.08	\$9.46	\$8.14	\$9.23	\$9.81	
\$10.30	\$10.08	\$9.46	\$8.14	\$9.23	\$9.81
210,896	218,686	196,909	168,574	119,592	6,562
\$11.38	\$10.48	N/A	N/A	N/A	
\$11.65	\$11.38	\$10.48	N/A	N/A	N/A
52,235	39,231	2,741	—	—	—
\$14.05	\$13.23	\$12.00	\$10.67	\$10.63	
\$13.12	\$14.05	\$13.23	\$12.00	\$10.67	\$10.63
5,107,688	191,816	148,319	70,440	52,960	7,254
\$11.51	\$10.60	\$8.92	\$9.12	\$9.32	
\$11.37	\$11.51	\$10.60	\$8.92	\$9.12	\$9.32
610,956	545,726	346,126	268,835	267,028	78,621
\$12.18	\$11.60	\$9.99	\$10.18	\$10.11	
\$12.04	\$12.18	\$11.60	\$9.99	\$10.18	\$10.11
6,285,215	732,155	423,485	388,425	202,202	14,804
\$13.09	\$12.76	\$12.39	\$11.61	\$10.91	
\$13.11	\$13.09	\$12.76	\$12.39	\$11.61	\$10.91
5,088,435	2,344,332	1,558,557	1,051,720	910,141	188,746

Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

Sub-account	2005	2004	2003	2002	2001	2000
<b>AST PIMCO Limited Maturity Bond (1995)</b>						
BOP Unit Value	\$12.18	\$12.08	\$11.85	\$11.29	\$10.59	
EOP Unit Value	\$12.22	\$12.18	\$12.08	\$11.85	\$11.29	\$10.59
Number of Units	2,996,257	2,189,975	956,856	328,286	112,948	1,940
<b>AST Money Market (1992)</b>						
BOP Unit Value	\$10.46	\$10.51	\$10.57	\$10.57	\$10.32	
EOP Unit Value	\$10.62	\$10.46	\$10.51	\$10.57	\$10.57	\$10.32
Number of Units	3,179,376	1,663,940	1,245,396	403,604	179,509	29,567
<b>SP William Blair International Growth</b>						
BOP Unit Value	\$10.53	—	—	—	—	—
EOP Unit Value	\$12.10	\$10.53	—	—	—	—
Number of Units	32,119	18,568	—	—	—	—
<b>Gartmore Variable Investment Trust — GVIT Developing Markets (1996)</b>						
BOP Unit Value	\$12.52	\$10.59	\$6.71	\$7.53	\$8.19	
EOP Unit Value	\$16.26	\$12.52	\$10.59	\$6.71	\$7.53	\$8.19
Number of Units	351,335	264,541	122,136	6,530	6,555	3,293
<b>Wells Fargo Advantage VT C&amp;B Large Cap Value (formerly WFVT Advantage C&amp;B Large Cap Value)</b>						
BOP Unit Value	\$9.99	\$15.79	\$12.67	\$15.89	\$17.01	
EOP Unit Value	\$10.18	\$9.99	\$15.79	\$12.67	\$15.89	\$17.01
Number of Units	1,500	1,661	10,586	1,063	1,992	—
<b>Wells Fargo Advantage VT Equity Income (1999) (formerly WFVT Advantage Equity Income)</b>						
BOP Unit Value	\$17.32	\$9.10	\$7.34	\$9.79	\$10.59	
EOP Unit Value	\$18.02	\$17.32	\$9.10	\$7.34	\$9.79	\$10.59
Number of Units	23,574	19,612	1,838	246	1,095	327
<b>AIM V.I. — Dynamics (1999)</b>						
BOP Unit Value	\$6.96	\$6.22	\$4.57	\$6.80	\$9.99	
EOP Unit Value	\$7.61	\$6.96	\$6.22	\$4.57	\$6.80	\$9.99
Number of Units	135,001	188,184	137,600	18,808	15,825	22,264
<b>AIM V.I. — Technology (1999)</b>						
BOP Unit Value	\$3.32	\$3.21	\$2.24	\$4.27	\$7.98	
EOP Unit Value	\$3.35	\$3.32	\$3.21	\$2.24	\$4.27	\$7.98
Number of Units	77,941	78,567	42,720	30,448	35,767	25,984
<b>AIM V.I. — Global Health Care (1999) (formerly AIM V.I. — Health Sciences)</b>						
BOP Unit Value	\$11.34	\$10.68	\$8.46	\$11.35	\$13.14	
EOP Unit Value	\$12.12	\$11.34	\$10.68	\$8.46	\$11.35	\$13.14
Number of Units	106,295	92,506	59,116	19,405	27,104	32,969
<b>AIM V.I. — Financial Services (1999)</b>						
BOP Unit Value	\$12.72	\$11.85	\$9.26	\$11.02	\$12.38	
EOP Unit Value	\$13.30	\$12.72	\$11.85	\$9.26	\$11.02	\$12.38
Number of Units	48,007	44,091	48,538	7,204	8,536	9,786

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$11.62	\$11.65	\$11.53	\$11.11	\$10.53	
\$11.54	\$11.62	\$11.65	\$11.53	\$11.11	\$10.53
14,980,148	1,143,298	329,629	349,163	133,890	12,293
\$9.98	\$10.13	\$10.30	\$10.40	\$10.25	
\$10.03	\$9.98	\$10.13	\$10.30	\$10.40	\$10.25
1,333,707	234,402	35,505	12,049		34,578
\$10.52	—	—	—	—	—
\$11.97	\$10.52	—	—	—	—
28,433	6,604	—	—	—	—
\$12.74	\$10.88	\$0.00	\$0.00	\$0.00	
\$16.38	\$12.74	\$10.88	\$0.00	\$0.00	\$0.00
67,418	25,630	843	N/A	N/A	N/A
\$9.53	\$15.29	\$12.39	\$15.70	\$16.98	
\$9.61	\$9.53	\$15.29	\$12.39	\$15.70	\$16.98
2,115	2,185	15,958	8,384	4,150	—
\$16.60	\$8.77	\$7.15	\$9.63	\$10.52	
\$17.10	\$16.60	\$8.77	\$7.15	\$9.63	\$10.52
14,292	14,303	2,290	2,523	2,321	—
\$11.67	—	N/A	N/A	N/A	
\$12.63	\$11.67	—	N/A	N/A	N/A
5,547	1,825	—	—	—	—
—	—	N/A	N/A	N/A	
—	—	—	N/A	N/A	N/A
—	—	—	—	—	—
\$11.41	\$10.85	N/A	N/A	N/A	
\$12.06	\$11.41	\$10.85	N/A	N/A	N/A
16,531	5,057	1,330	—	—	—
\$11.11	\$10.46	N/A	N/A	N/A	
\$11.51	\$11.11	\$10.46	N/A	N/A	N/A
32,820	15,566	1,378	—	—	—



Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

Sub-account	2005	2004	2003	2002	2001	2000
<b>Evergreen VA — International Equity (2000)</b>						
BOP Unit Value	\$12.31	—	\$6.70	\$8.51	\$9.96	—
EOP Unit Value	\$14.10	\$12.31	—	\$6.70	\$8.51	\$9.96
Number of Units	130,750	62,400	—	6,031	12,525	350
<b>Evergreen VA — Special Equity (1999)</b> (merged into Evergreen VA Growth)						
BOP Unit Value	\$9.57	\$9.16	\$6.10	\$8.49	\$9.35	—
EOP Unit Value	\$8.53	\$9.57	\$9.16	\$6.10	\$8.49	\$9.35
Number of Units	—	92,559	69,344	5,427	5,085	—
<b>Evergreen VA — Omega (2000)</b>						
BOP Unit Value	\$9.75	\$9.21	—	\$9.04	—	—
EOP Unit Value	\$10.00	\$9.75	\$9.21	—	\$9.04	—
Number of Units	18,356	26,849	15,743	—	—	—
<b>Evergreen VA — Growth (2005)</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$11.47	—	—	—	—	—
Number of Units	64,775	—	—	—	—	—
<b>ProFund VP — Europe 30 (1999)</b>						
BOP Unit Value	\$7.90	\$7.00	\$5.11	\$6.97	\$9.30	—
EOP Unit Value	\$8.43	\$7.90	\$7.00	\$5.11	\$6.97	\$9.30
Number of Units	76,381	201,444	75,543	2,539	7,317	—
<b>ProFund VP — Asia 30 (2002)</b>						
BOP Unit Value	\$12.43	\$12.66	—	—	—	—
EOP Unit Value	\$14.67	\$12.43	\$12.66	—	—	—
Number of Units	83,233	63,254	47,272	—	—	—
<b>ProFund VP — Japan (2002)</b>						
BOP Unit Value	\$9.65	\$9.09	—	—	—	—
EOP Unit Value	\$13.51	\$9.65	\$9.09	—	—	—
Number of Units	165,707	87,251	28,579	—	—	—
<b>ProFund VP — Banks (2002)</b>						
BOP Unit Value	\$12.11	\$10.97	—	—	—	—
EOP Unit Value	\$11.94	\$12.11	\$10.97	—	—	—
Number of Units	44,665	12,480	8,886	—	—	—
<b>ProFund VP — Basic Materials (2002)</b>						
BOP Unit Value	\$12.00	\$11.02	—	—	—	—
EOP Unit Value	\$12.13	\$12.00	\$11.02	—	—	—
Number of Units	53,592	42,597	53,759	—	—	—
<b>ProFund VP — Biotechnology (2001)</b>						
BOP Unit Value	\$7.73	\$7.14	\$5.17	\$8.38	—	—
EOP Unit Value	\$9.11	\$7.73	\$7.14	\$5.17	\$8.38	—
Number of Units	73,804	32,726	20,329	460	3,279	—
<b>ProFund VP — Consumer Services (2002)</b>						
BOP Unit Value	\$9.67	\$9.10	—	—	—	—
EOP Unit Value	\$9.10	\$9.67	\$9.10	—	—	—
Number of Units	3,866	20,288	13,935	—	—	—

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$12.40	\$10.64	\$6.53	\$8.38	\$9.90	
\$14.06	\$12.40	\$10.64	\$6.53	\$8.38	\$9.90
86,193	83,727	81,555	110,606	81,120	860
\$9.13	\$8.83	\$5.94	\$8.35	\$9.29	
\$8.12	\$9.13	\$8.83	\$5.94	\$8.35	\$9.29
—	114,259	23,503	23,153	9,175	—
\$9.40	\$8.97	\$6.55	\$8.98	—	
\$9.54	\$9.40	\$8.97	\$6.55	\$8.98	—
62,448	84,876	19,658	23,388	6,609	—
—	—	—	—	—	—
\$11.39	—	—	—	—	—
62,076	—	—	—	—	—
\$12.39	\$11.09	N/A	N/A	N/A	
\$13.09	\$12.39	\$11.09	N/A	N/A	N/A
19,794	17,205	3,060	—	—	—
\$10.14	\$10.43	\$0.00	\$0.00	\$0.00	
\$11.84	\$10.14	\$10.43	\$0.00	\$0.00	\$0.00
27,061	28,325	1,873	N/A	—	—
\$10.35	—	N/A	—	—	
\$14.35	\$10.35	—	N/A	—	—
38,811	8,278	—	—	—	—
\$11.58	—	N/A	—	—	
\$11.30	\$11.58	—	N/A	—	—
10,959	20,936	—	—	—	—
\$12.43	—	N/A	—	—	
\$12.45	\$12.43	—	N/A	—	—
43,709	15,658	—	—	—	—
—	—	N/A	—	—	
—	—	—	N/A	—	—
—	—	—	—	—	—
\$10.69	—	N/A	—	—	
\$9.96	\$10.69	—	N/A	—	—
856	2,087	—	—	—	—

Contract described herein is no longer available for sale.

Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

Sub-account	2005	2004	2003	2002	2001	2000
<b>ProFund VP — Consumer Goods (2002)</b>						
BOP Unit Value	\$10.47	\$9.71	—	—	—	—
EOP Unit Value	\$10.31	\$10.47	\$9.71	—	—	—
Number of Units	6,876	7,578	3,821	—	—	—
<b>ProFund VP — Oil &amp; Gas (2001)</b>						
BOP Unit Value	\$0.00	—	—	—	—	—
EOP Unit Value	\$15.07	—	—	—	—	—
Number of Units	278,771	—	—	—	—	—
<b>ProFund VP — Financials (2001)</b>						
BOP Unit Value	\$10.77	\$9.88	\$7.76	\$9.23	—	—
EOP Unit Value	\$11.06	\$10.77	\$9.88	\$7.76	\$9.23	—
Number of Units	43,105	70,662	32,283	3,258	8,154	—
<b>ProFund VP — Health Care (2001)</b>						
BOP Unit Value	\$8.38	\$8.29	\$7.15	\$9.37	—	—
EOP Unit Value	\$8.77	\$8.38	\$8.29	\$7.15	\$9.37	—
Number of Units	83,943	91,641	23,591	1,235	2,564	—
<b>ProFund VP — Industrials (2002)</b>						
BOP Unit Value	\$11.27	\$10.08	—	—	—	—
EOP Unit Value	\$11.40	\$11.27	\$10.08	—	—	—
Number of Units	9,851	22,333	11,186	—	—	—
<b>ProFund VP — Internet (2002)</b>						
BOP Unit Value	\$18.08	\$15.10	—	—	—	—
EOP Unit Value	\$19.18	\$18.08	\$15.10	—	—	—
Number of Units	46,724	20,851	8,287	—	—	—
<b>ProFund VP — Pharmaceuticals (2002)</b>						
BOP Unit Value	\$8.02	\$8.95	—	—	—	—
EOP Unit Value	\$7.62	\$8.02	\$8.95	—	—	—
Number of Units	36,753	27,913	24,743	—	—	—
<b>ProFund VP — Precious Metals (2002)</b>						
BOP Unit Value	\$11.90	\$13.38	\$9.73	—	—	—
EOP Unit Value	\$14.84	\$11.90	\$13.38	\$9.73	—	—
Number of Units	200,315	102,230	89,687	1,179	—	—
<b>ProFund VP — Real Estate (2001)</b>						
BOP Unit Value	\$17.58	\$14.00	\$10.65	\$10.78	—	—
EOP Unit Value	\$18.54	\$17.58	\$14.00	\$10.65	\$10.78	—
Number of Units	31,980	53,006	18,355	2,230	2,306	—
<b>ProFund VP — Semiconductor (2002)</b>						
BOP Unit Value	\$7.23	\$9.58	—	—	—	—
EOP Unit Value	\$7.76	\$7.23	\$9.58	—	—	—
Number of Units	68,309	52,485	17,621	—	—	—

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$11.40	\$10.67	N/A	—	—	
\$11.10	\$11.40	\$10.67	N/A	—	—
8,502	9,175	4,737	—	—	—
\$0.00					
\$17.71					
31,117					
\$11.26	—	N/A	N/A	—	
\$11.45	\$11.26	—	N/A	N/A	—
24,234	15,974	—	—	—	—
\$10.65	—	N/A	N/A	—	
\$11.04	\$10.65	—	N/A	N/A	—
8,927	5,322	—	—	—	—
\$12.08	—	N/A	—	—	
\$12.10	\$12.08	—	N/A	—	—
3,013	4,381	—	—	—	—
—	—	N/A	—	—	—
—	—	—	N/A	—	—
—	—	—	—	—	—
\$9.44	—	N/A	—	—	
\$8.87	\$9.44	—	N/A	—	—
8,146	5,382	—	—	—	—
\$10.17	—	N/A	—	—	
\$12.56	\$10.17	—	N/A	—	—
98,463	93,541	—	—	—	—
\$13.06	—	N/A	N/A	—	
\$13.63	\$13.06	—	N/A	N/A	—
11,101	22,857	—	—	—	—
—	—	N/A	—	—	—
—	—	—	N/A	—	—
—	—	—	—	—	—

Contract described herein is no longer available for sale.

Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

Sub-account	2005	2004	2003	2002	2001	2000
<b>ProFund VP — Technology (2001)</b>						
BOP Unit Value	\$4.91	\$5.00	—	\$5.92	—	—
EOP Unit Value	\$4.91	\$4.91	\$5.00	—	\$5.92	—
Number of Units	109,698	88,720	74,180	—	12,704	—
<b>ProFund VP — Telecommunications (2001)</b>						
BOP Unit Value	\$5.04	\$4.41	—	\$7.11	—	—
EOP Unit Value	\$4.64	\$5.04	\$4.41	—	\$7.11	—
Number of Units	45,279	118,731	30,179	—	—	—
<b>ProFund VP — Utilities (2001)</b>						
BOP Unit Value	\$8.75	\$7.32	\$6.11	\$8.13	—	—
EOP Unit Value	\$9.77	\$8.75	\$7.32	\$6.11	\$8.13	—
Number of Units	213,813	79,702	18,902	491	—	—
<b>ProFund VP — Bull (2002)</b>						
BOP Unit Value	\$10.65	\$9.91	—	—	—	—
EOP Unit Value	\$10.80	\$10.65	\$9.91	—	—	—
Number of Units	384,503	412,259	394,427	—	—	—
<b>ProFund VP — Bear (2001)</b>						
BOP Unit Value	\$9.09	\$10.26	\$13.78	\$11.55	—	—
EOP Unit Value	\$8.86	\$9.09	\$10.26	\$13.78	\$11.55	—
Number of Units	35,612	16,155	28,299	2,012	—	—
<b>ProFund VP — Ultra Bull (2001)</b>						
BOP Unit Value	\$8.25	\$7.13	\$4.72	\$7.48	—	—
EOP Unit Value	\$8.36	\$8.25	\$7.13	\$4.72	\$7.48	—
Number of Units	82,031	305,666	56,257	2,988	—	—
<b>ProFund VP — OTC (2001)</b>						
BOP Unit Value	\$5.44	\$5.07	—	\$5.77	—	—
EOP Unit Value	\$5.38	\$5.44	\$5.07	—	\$5.77	—
Number of Units	234,956	293,311	257,947	—	—	—
<b>ProFund VP — Short OTC (2002)</b>						
BOP Unit Value	\$5.99	\$6.83	\$11.03	—	—	—
EOP Unit Value	\$5.97	\$5.99	\$6.83	\$11.03	—	—
Number of Units	77,757	77,280	40,617	934	—	—
<b>ProFund VP — UltraOTC (1999)</b>						
BOP Unit Value	\$0.87	\$0.77	—	\$1.25	\$4.06	—
EOP Unit Value	\$0.82	\$0.87	\$0.77	—	\$1.25	\$4.06
Number of Units	7,044,313	6,405,048	890,270	—	58,556	3,787
<b>ProFund VP — Mid-Cap Value (2002)</b>						
BOP Unit Value	\$11.80	\$10.30	—	—	—	—
EOP Unit Value	\$12.68	\$11.80	\$10.30	—	—	—
Number of Units	86,401	87,968	59,964	—	—	—

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
—	—	N/A	N/A	—	—
—	—	—	N/A	N/A	—
—	—	—	—	—	—
\$12.54	—	N/A	N/A	—	—
\$11.44	\$12.54	—	N/A	N/A	—
482	4,099	—	—	—	—
\$12.51	—	N/A	N/A	—	—
\$13.82	\$12.51	—	N/A	N/A	—
22,152	21,365	—	—	—	—
\$11.25	\$10.58	N/A	—	—	—
\$11.30	\$11.25	\$10.58	N/A	—	—
65,965	31,600	427	—	—	—
\$8.15	\$9.29	N/A	N/A	—	—
\$7.86	\$8.15	\$9.29	N/A	N/A	—
27,580	10,709	7,927	—	—	—
—	—	N/A	N/A	—	—
—	—	—	N/A	N/A	—
—	—	—	—	—	—
\$10.92	—	N/A	N/A	—	—
\$10.69	\$10.92	—	N/A	N/A	—
74,795	28,507	—	—	—	—
\$8.24	\$9.49	N/A	—	—	—
\$8.13	\$8.24	\$9.49	N/A	—	—
48,058	—	7,708	—	—	—
\$0.00	—	—	—	—	—
—	—	—	—	—	—
\$12.20	\$10.77	N/A	—	—	—
\$12.98	\$12.20	\$10.77	N/A	—	—
35,137	39,454	3,516	—	—	—

Contract described herein is no longer available for sale.



Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

<b>Sub-account</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>ProFund VP — Mid-Cap Growth (2002)</b>						
BOP Unit Value	\$10.70	\$9.75	—	—	—	—
EOP Unit Value	\$11.75	\$10.70	\$9.75	—	—	—
Number of Units	181,173	80,520	24,107	—	—	—
<b>ProFund VP — UltraMid-Cap (2002)</b>						
BOP Unit Value	\$12.13	\$9.62	—	—	—	—
EOP Unit Value	\$14.12	\$12.13	\$9.62	—	—	—
Number of Units	150,869	115,073	34,556	—	—	—
<b>ProFund VP — Small-Cap Value (2002)</b>						
BOP Unit Value	\$11.22	\$9.46	—	—	—	—
EOP Unit Value	\$11.52	\$11.22	\$9.46	—	—	—
Number of Units	53,564	123,988	105,751	—	—	—
<b>ProFund VP — Small-Cap Growth (2002)</b>						
BOP Unit Value	\$12.11	\$10.23	—	—	—	—
EOP Unit Value	\$12.86	\$12.11	\$10.23	—	—	—
Number of Units	341,834	237,000	65,882	—	—	—
<b>ProFund VP Large-Cap Growth</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$10.35	—	—	—	—	—
Number of Units	98,334	—	—	—	—	—
<b>ProFund VP Large-Cap Value</b>						
BOP Unit Value	\$10.37	—	—	—	—	—
EOP Unit Value	\$10.55	\$10.37	—	—	—	—
Number of Units	131,175	3,839	—	—	—	—
<b>ProFund VP Short Mid-Cap</b>						
BOP Unit Value	\$9.70	—	—	—	—	—
EOP Unit Value	\$8.67	\$9.70	—	—	—	—
Number of Units	975	571	—	—	—	—
<b>ProFund VP Short Small-Cap</b>						
BOP Unit Value	\$9.55	—	—	—	—	—
EOP Unit Value	\$9.15	\$9.55	—	—	—	—
Number of Units	11,578	7,859	—	—	—	—
<b>ProFund VP — UltraSmall-Cap (1999)</b>						
BOP Unit Value	\$12.28	\$9.49	\$4.82	\$8.50	\$9.32	—
EOP Unit Value	\$12.10	\$12.28	\$9.49	\$4.82	\$8.50	\$9.32
Number of Units	52,922	143,175	60,051	953	—	3,174

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$11.12	\$10.24	N/A	—	—	
\$12.09	\$11.12	\$10.24	N/A	—	—
34,564	21,341	3,933	—	—	—
\$13.86	—	N/A	—	—	
\$15.97	\$13.86	—	N/A	—	—
31,080	27,449	—	—	—	—
\$12.53	\$10.67	N/A	—	—	
\$12.74	\$12.53	\$10.67	N/A	—	—
21,091	31,732	4,223	—	—	—
\$12.23	\$10.44	N/A	—	—	
\$12.85	\$12.23	\$10.44	N/A	—	—
63,389	42,134	2,529	—	—	—
\$10.37	—	—	—	—	
\$10.23	\$10.37	—	—	—	—
22,429	554	—	—	—	—
\$10.36	—	—	—	—	
\$10.43	\$10.36	—	—	—	—
11,553	554	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	N/A	N/A	N/A	N/A
—	—	—	N/A	N/A	—
—	—	—	—	—	—

Contract described herein is no longer available for sale.

Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

Sub-account	2005	2004	2003	2002	2001	2000
<b>ProFund VP — U.S. Government Plus (2002)</b>						
BOP Unit Value	\$11.91	\$11.15	\$11.59	—	—	—
EOP Unit Value	\$12.83	\$11.91	\$11.15	\$11.59	—	—
Number of Units	119,421	42,782	20,058	1,005	—	—
<b>ProFund VP — Rising Rates Opportunity (2002)</b>						
BOP Unit Value	\$6.70	\$7.61	—	—	—	—
EOP Unit Value	\$6.09	\$6.70	\$7.61	—	—	—
Number of Units	302,975	266,169	78,428	—	—	—
<b>Access VP High Yield</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$10.59	—	—	—	—	—
Number of Units	299,437	—	—	—	—	—
<b>First Trust® 10 Uncommon Values (2000)</b>						
BOP Unit Value	\$4.38	\$3.99	\$2.95	\$4.73	\$7.44	—
EOP Unit Value	\$4.35	\$4.38	\$3.99	\$2.95	\$4.73	\$7.44
Number of Units	14,496	33,075	22,064	23,080	31,543	32,451
<b>First Trust Global Dividend Target 15</b>						
BOP Unit Value	\$16.05	\$0.00	—	—	—	—
EOP Unit Value	\$17.46	\$16.05	\$0.00	—	—	—
Number of Units	52,338	22,405	—	—	—	—
<b>First Trust Managed VIP</b>						
BOP Unit Value	\$14.64	\$0.00	—	—	—	—
EOP Unit Value	\$15.50	\$14.64	\$0.00	—	—	—
Number of Units	732,182	695,591	—	—	—	—
<b>First Trust NASDAQ Target 15</b>						
BOP Unit Value	\$12.54	\$0.00	—	—	—	—
EOP Unit Value	\$12.79	\$12.54	\$0.00	—	—	—
Number of Units	10,385	7,266	—	—	—	—
<b>First Trust S&amp;P Target 24</b>						
BOP Unit Value	\$13.34	\$0.00	—	—	—	—
EOP Unit Value	\$13.72	\$13.34	\$0.00	—	—	—
Number of Units	46,537	43,536	—	—	—	—
<b>First Trust The Dow Target 10</b>						
BOP Unit Value	\$12.35	\$0.00	—	—	—	—
EOP Unit Value	\$11.81	\$12.35	\$0.00	—	—	—
Number of Units	25,001	24,245	—	—	—	—
<b>First Trust The Dow Target Dividend</b>						
BOP Unit Value	—	—	—	—	—	—
EOP Unit Value	\$9.79	—	—	—	—	—
Number of Units	290,982	—	—	—	—	—
<b>First Trust Value Line Target 25</b>						
BOP Unit Value	\$16.61	\$0.00	—	—	—	—
EOP Unit Value	\$19.64	\$16.61	\$0.00	—	—	—
Number of Units	130,528	33,213	—	—	—	—

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$10.80	—	N/A	—	—	—
\$11.51	\$10.80	—	N/A	—	—
48,139	4,588	—	—	—	—
\$8.31	—	N/A	—	—	—
\$7.48	\$8.31	—	N/A	—	—
241,711	219,942	—	—	—	—
—	—	—	—	—	—
\$10.52	—	—	—	—	—
—	—	—	—	—	—
—	—	N/A	N/A	N/A	N/A
—	—	—	N/A	N/A	—
—	—	—	—	—	—
\$11.80	\$0.00	\$0.00	\$0.00	\$0.00	—
\$12.71	\$11.80	\$0.00	\$0.00	\$0.00	\$0.00
17,500	6,777	N/A	N/A	N/A	N/A
\$11.28	\$0.00	\$0.00	\$0.00	\$0.00	—
\$11.82	\$11.28	\$0.00	\$0.00	\$0.00	\$0.00
63,365	40,194	N/A	N/A	N/A	N/A
—	\$0.00	\$0.00	\$0.00	\$0.00	—
—	—	\$0.00	\$0.00	\$0.00	\$0.00
—	—	N/A	N/A	N/A	N/A
\$10.70	\$0.00	\$0.00	\$0.00	\$0.00	—
\$10.90	\$10.70	\$0.00	\$0.00	\$0.00	\$0.00
31,931	11,933	N/A	N/A	N/A	N/A
\$10.44	\$0.00	\$0.00	\$0.00	\$0.00	—
\$9.88	\$10.44	\$0.00	\$0.00	\$0.00	\$0.00
7,887	3,913	N/A	N/A	N/A	N/A
—	—	—	—	—	—
\$9.72	—	—	—	—	—
20,831	—	—	—	—	—
—	\$0.00	\$0.00	\$0.00	\$0.00	—
—	—	\$0.00	\$0.00	\$0.00	\$0.00
—	—	N/A	N/A	N/A	N/A

Contract described herein is no longer available for sale.

Appendix A — Condensed Financial Information About Separate Account B *continued***Variable Immediate Annuity (VIA-S&G) – Prospectus (continued)**

<b>Sub-account</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>Rydex Nova</b>						
BOP Unit Value	\$6.50	—	—	\$6.59	\$8.73	
EOP Unit Value	\$6.68	\$6.50	—	—	\$6.59	\$8.73
Number of Units	1,702	1,742	—	—	517	22,973
<b>Rydex OTC</b>						
BOP Unit Value	\$4.20	\$3.89	\$2.71	\$4.49	\$7.01	
EOP Unit Value	\$4.19	\$4.20	\$3.89	\$2.71	\$4.49	\$7.01
Number of Units	12,614	13,538	4,672	17,194	21,091	51,764
<b>Rydex Ursa</b>						
BOP Unit Value	\$9.98	—	—	\$12.43	\$10.94	
EOP Unit Value	\$9.78	\$9.98	—	—	\$12.43	\$10.94
Number of Units	—	—	—	—	—	—

Contract described herein is no longer available for sale.

Optional Guarantee Feature 2005	Optional Guarantee Feature 2004	Optional Guarantee Feature 2003	Optional Guarantee Feature 2002	Optional Guarantee Feature 2001	Optional Guarantee Feature 2000
\$12.16	—	N/A	N/A	N/A	
\$12.36	\$12.16	—	N/A	N/A	N/A
—	—	—	—	—	—
\$11.02	—	N/A	N/A	N/A	
\$10.89	\$11.02	—	N/A	N/A	N/A
—	—	—	—	—	—
\$8.21	—	N/A	N/A	N/A	
\$7.96	\$8.21	—	N/A	N/A	N/A
—	—	—	—	—	—

Contract described herein is no longer available for sale.



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Contract described herein is no longer available for sale.

# Appendix B — Additional Information on Asset Allocation Programs

## **Program Rules**

- Prior to December 5, 2005, you could elect an asset allocation program where the Sub-accounts for each asset class in each model portfolio were designated based on an evaluation of available Sub-accounts. Effective December 5, 2005, you can no longer enroll in an asset allocation program, but you will be permitted to remain in the program if you enrolled prior to the date. These Program Rules reflect how the asset allocation program will be administered as of December 5, 2005 for those Owners who have chosen to remain in their program. *Asset allocation is a sophisticated method of diversification that allocates assets among asset classes in order to manage investment risk and potentially enhance returns over the long term. However, asset allocation does not guarantee a profit or protect against a loss.*

## **How the Asset Allocation Program Works**

- Amounts will automatically be allocated in accordance with the percentages and to Sub-accounts indicated for the model portfolio that you previously chose. If you allocate your Income Base or transfer your Income Base among any Sub-accounts that are outside of your model portfolio, we will allocate these amounts according to the allocation percentages of the applicable model portfolio upon the next rebalancing. You will not be permitted to change from one model portfolio to another. Upon each rebalance, 100% of your Income Base allocated to the variable Sub-accounts will be allocated to the asset allocation program. Any Income Base not invested in the Sub-accounts will not be part of the program.
- **Additional Purchase Payments:** Unless otherwise requested, any additional Purchase Payments applied to the variable Sub-accounts in the Annuity will be allocated to the Sub-accounts according to the allocation percentages for the model portfolio you choose. Allocation of additional Purchase Payments outside of your model portfolio but into a Sub-account, will be reallocated according to the allocation percentages of the applicable model portfolio upon the next rebalancing.
- **Rebalancing Your Model Portfolio:** Changes in the value of the Sub-account will cause your Income Base allocated to the Sub-accounts to vary from the percentage allocations of the model portfolio you select. By selecting the asset allocation program, you have directed us to periodically (e.g., quarterly) rebalance your Income Base allocated to the Sub-accounts in accordance with the percentage allocations assigned to each Sub-account within your model portfolio at the time you elected the program or had later been modified with your consent. Some asset allocation programs will only require that a rebalancing occur when the percent of your Income Base allocated to the Sub-accounts are outside of the acceptable range permitted under such asset allocation program. Note — Any Income Base not invested in the Sub-accounts will not be affected by any rebalance.
- **Sub-account Changes Within the Model Portfolios:** From time to time you may be notified of a change in a Sub-account within your model portfolio. If you consent (in the manner that is then permitted or required) to the change, then it will be implemented upon the next rebalance. If you do not consent then rebalancing will continue in accordance with your unchanged model portfolio, unless the Sub-account is no longer available under your Annuity, in which case your lack of consent will be deemed a request to terminate the asset allocation program and the provisions under "Termination or Modification of the Asset Allocation Program" will apply.
- **Owner Changes in Choice of Model Portfolio:** You may not change from the model portfolio that you have elected to any other model portfolio.

## **Termination or Modification of the Asset Allocation Program:**

- You may request to terminate your asset allocation program at any time. Once you terminate your asset allocation program, you will not be permitted to re-enroll in the program. Any termination will be effective on the date that American Skandia receives your termination request in good order. If you have elected the guarantee feature, termination of your asset allocation program must coincide with (i) the enrollment in a then currently available and approved asset allocation program or other approved option, or (ii) the allocation of your entire Income Base to the then required investment option(s) available with this feature. American Skandia reserves the right to terminate or modify the asset allocation program at any time with respect to any programs.

## **Restrictions on Electing the Asset Allocation:**

- You cannot participate in auto-rebalancing or a DCA program while enrolled in an asset allocation program and Systematic Withdrawals can only be made as flat dollar amounts.

# PRIVACY NOTICE

*This notice describes how we handle information about you that we have relating to individual annuity products sold by the Prudential companies listed below. We call this information "customer data" or just "data". If you have other Prudential products or relationships, a separate privacy notice will describe the practices that apply to those products or relationships.*

## **DATA WE COLLECT**

We collect the data that you give us on account applications and through our websites. We also collect data about your account with us. We do this to serve you, including offering products and services to you. The data includes, for example:

- your name and address,
- investment goals, and
- account balance.

## **PROTECTING CUSTOMER DATA**

The only persons who are authorized to have access to customer data are those who need it to do their jobs. They must protect it and keep it confidential. We maintain physical, electronic, and procedural safeguards that comply with federal standards to protect customer data.

## **SHARING DATA**

We may share customer data with the Prudential companies and with other companies so that they can perform services for us or on our behalf. For example, this may include disclosures to:

- provide customer service,
- account maintenance,
- maintain software,
- service financial intermediaries who have relationships with our customers, or
- for administration.

We may also disclose customer data as permitted or required by law, for example:

- to law enforcement officials,
- in response to subpoenas,
- to regulators, or
- to prevent fraud.

We do not disclose data to other companies to allow them to market their products or services to you.

## **FORMER CUSTOMERS**

If your relationship with us ends, we will continue to handle data about you as this Notice describes.

## **AFFILIATES**

This Notice is provided to our annuity customers on behalf of the Prudential companies listed below.

American Skandia Life Assurance Corporation  
American Skandia Marketing, Incorporated  
The Prudential Insurance Company of America  
Pruco Life Insurance Company  
Pruco Life Insurance Company of New Jersey  
Prudential Investment Management Services LLC



*Prudential, Prudential Financial and the Prudential Financial logo are registered service marks of The Prudential Insurance Company of America, Newark, NJ and affiliates. The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ, 07102-3777.*

**Your Financial Security, Your Satisfaction & Your Privacy**

IFS-A104904

Ed. 06/2005

This disclosure is not part of the prospectus.

# American Skandia Life Assurance Corporation (American Skandia) Individual Retirement Annuity (IRA) Disclosure Statement

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This Disclosure Statement and your IRA Endorsement contain important information about your IRA. Please read these documents carefully. For additional information please consult Internal Revenue Service Publication 590, your Annuity Prospectus, or any district office of the Internal Revenue Service.

Except where otherwise indicated or required by law, references to "you" or "your" in this Disclosure Statement shall be understood to mean the IRA owner or a surviving spouse that elects to treat the Annuity as his or her own IRA.

## Revocation

You (the IRA owner or a designated beneficiary under an inherited IRA that has transferred the IRA from another annuity provider) may revoke your American Skandia IRA for a refund within seven (7) days after you receive it by mailing or delivering a written notice of cancellation to:

American Skandia Life Assurance Corporation  
P. O. Box 7040, Bridgeport, CT 06601-7038

### For Overnight delivery:

American Skandia Life Assurance Corporation  
One Corporate Drive, Shelton CT 06484.

The notice of cancellation shall be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the mail in the United States in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed.

The amount of the refund will equal the greater of (1) a full refund of the Purchase Payment (without regard to sales commissions (if any), administrative expenses or fluctuations in market value) or (2) the current Account Value of the Annuity as of the Valuation Day the refund request is received at our Office (without regard to sales commissions (if any) or administrative expenses).

After seven (7) days, the terms of your right to cancel will revert back to the terms of the Right to Cancel provision of your Annuity. Please refer to the Right to Cancel provision of your Annuity for additional information.

## IRA Requirements

An IRA is a personal savings plan that lets you save for retirement on a tax-advantaged basis. All IRAs must meet certain requirements as set forth in the Internal Revenue Code (the "Code"). This IRA is an Individual Retirement Annuity established pursuant to Code section 408(b). An individual retirement annuity must be issued in your name as the owner, and either you or your beneficiaries who survive you are the only ones who can receive the benefits or payments. An IRA must meet all of the following requirements:

1. Your interest in the Annuity, and that of any beneficiary following your death, must be nonforfeitable.
2. The Annuity must provide that you cannot transfer any portion of it to any person other than the insurance company.
3. There must be flexible premiums so that if your compensation changes, your payment can also change.
4. The Annuity must provide that annual contributions cannot exceed the maximum provided by law.
5. Distributions must begin by April 1 of the year following the year in which you reach age 70½.

This disclosure is not part of the Prospectus.

# American Skandia Life Assurance Corporation (American Skandia) Individual Retirement Annuity (IRA) Disclosure Statement *continued*

## Eligibility

You are eligible to establish and contribute to a traditional IRA if:

1. You (or, if you file a joint return, your spouse) received taxable compensation during the year, and
2. You were not age 70½ by the end of the year.

You can have a traditional IRA whether or not you are covered by any other retirement plan. However, you may not be able to deduct all of your contributions if you or your spouse are covered by an employer retirement plan. If both you and your spouse have compensation and are under age 70½, each of you can set up an IRA. You cannot both participate in the same IRA.

Compensation includes wages, salaries, tips, professional fees, bonuses, other amounts received for professional services and taxable alimony and separate maintenance payments. Compensation does not include earnings or profits from property (such as rental income, interest income, and dividend income), pension or annuity income, deferred compensation received, income from a partnership for which you do not provide services that are a material income producing factor, and any amounts you exclude from income, such as foreign earned income and housing costs.

## Contribution Limits

The most that can be contributed to your traditional IRA is the smaller of 100% of your compensation (defined earlier) that you must include in income for the year, or the limits described in the following table:

IRA Contribution Limits	
Year	Limit
2002-2004	\$3,000
2005-2007	\$4,000
2008	\$5,000
2009 and thereafter	\$5,000*

*\*For tax years 2009 and thereafter the \$5,000 contribution limit will be increased by cost of living adjustments (in \$500 increments).*

## Catch-up Contributions

Beginning with tax year 2002, individuals age 50 and older may make additional "catch-up" contributions to their traditional IRA. These "catch-up" contributions are in addition to the contribution limits listed above. The maximum "catch-up" contribution amounts are as follows:

IRA "Catch-up" Contribution Limits	
Year	Limit
2002-2005	\$500
2006 and thereafter	\$1,000

## Spousal IRA Contribution Limits

If you file a joint return and your taxable compensation is less than that of your spouse, the most that can be contributed for the year to your IRA is the smaller of the IRA contribution amount described in the "IRA Contribution Limit" chart above, or the total compensation includable in the gross income of both you and your spouse for that year, reduced by your spouse's IRA contribution for the year to a traditional IRA and any contributions for the year to a Roth IRA on behalf of your spouse.

This disclosure is not part of the Prospectus.

### Simplified Employee Pension (SEP) Contributions

A separate IRA may be established for use by your employer as part of a SEP arrangement. The SEP rules permit an employer to contribute to each participating employee's SEP-IRA up to 25% of the employee's compensation or \$44,000 (for 2006, indexed annually), whichever is less. The compensation taken into account is limited (\$220,000 for 2006, indexed annually). These contributions are funded by the employer. Your employer may contribute to your SEP-IRA on your behalf even if you are age 70 1/2 or over, and even if you are covered under a qualified plan for the year. You can make contributions to your SEP-IRA independent of employer SEP contributions. You can deduct them the same way as contributions to a traditional IRA. However, your deduction may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan. It is up to you and your employer to ensure that contributions in excess of normal IRA limits are made under a valid SEP-IRA.

### Timing of Contributions

Contributions can be made to your traditional IRA for a year at any time during the year or by the due date for filing your return for that year, not including extensions. You do not have to contribute to your traditional IRA every tax year, even if you can.

### Deducting Contributions

Generally, you can deduct the lesser of the contributions to your traditional IRA for the year or the general limit (or the spousal IRA limit, if applicable). However, if you or your spouse were covered by an employer sponsored retirement plan, you may not be able to deduct your traditional IRA contributions.

If you or your spouse is an active participant in an employer plan during the year, the contribution to your traditional IRA (or your spouse's traditional IRA) may not be deductible in whole or in part. If you are covered by a retirement plan at work, consult the table below to determine if your IRA contribution is deductible. If your modified adjusted gross income (AGI) is below the lower limit, your contribution is fully deductible. If your modified AGI is above the upper limit, your contribution is not deductible. If your modified AGI falls between the lower and upper limits, your contribution will be only partially deductible. Your Modified AGI is your AGI as shown on your income tax return, plus traditional IRA deductions, student loan interest deductions, deductions for qualified tuition and related expenses, foreign earned income exclusions (if you file Form 1040), foreign housing exclusions or deductions (if you file Form 1040), exclusions of qualified bond interest shown on IRS Form 8815 and exclusions of employer-paid adoption expenses shown on IRS Form 8839.

Year	Single		Married Filing Jointly	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit
2002	\$34,000	\$44,000	\$54,000	\$64,000
2003	\$40,000	\$50,000	\$60,000	\$70,000
2004	\$45,000	\$55,000	\$65,000	\$75,000
2005	\$50,000	\$60,000	\$70,000	\$80,000
2006	\$50,000	\$60,000	\$75,000	\$85,000
2007 and thereafter	\$50,000	\$60,000	\$80,000	\$100,000

If you are married and file a joint return and one spouse is an active participant in an employer sponsored retirement plan and the other spouse is not, a contribution to an IRA for the spouse that is not an active participant in an employer sponsored retirement plan will be fully deductible at modified AGI levels below \$150,000. This deduction will be phased out at modified AGI levels between \$150,000

This disclosure is not part of the Prospectus.



## American Skandia Life Assurance Corporation (American Skandia) Individual Retirement Annuity (IRA) Disclosure Statement *continued*

and \$160,000. If you are married filing separately, your deductible IRA contribution will be phased out between zero dollars and \$10,000 of modified AGI.

### **IRA Contribution Credit**

For tax years beginning after December 31, 2001, if you make eligible contributions to an employer-sponsored retirement plan, an eligible deferred compensation plan, or an IRA, you may be able to take a tax credit. The amount of the credit you can get is based on the contributions you make and your credit rate. Your credit rate can be between 10% and 50%, depending on your adjusted gross income. The maximum contribution taken into account is \$2,000 per taxpayer. On a joint return, up to \$2,000 is taken into account for each spouse. You cannot claim the credit if you are under age 18, are a full-time student, someone else claims an exemption for you on their tax return or if your AGI is above the following limits:

\$50,000 if your filing status is married filing jointly,

\$37,500 if your filing status is head of household, or

\$25,000 if your filing status is either single, married filing separately, or qualifying widow(er) with a dependent child.

The credit is not available for tax years beginning after 2006.

### **Rollover Contributions**

Generally, a rollover is a tax-free distribution to you of cash or other assets from one retirement plan that you contribute to another retirement plan.

1. Rollovers from one IRA to the same or another IRA: You can withdraw, tax-free, all or part of the assets from one traditional IRA if you reinvest them in the same or another traditional IRA. The rollover must be completed within 60 days after the date you receive the distribution from the first IRA. For distributions made after December 31, 2001, the IRS may waive the 60-day requirement where the failure to do so would be against equity or good conscience, such as in the event of a casualty, disaster, or other event beyond your reasonable control. Generally, if you make a tax-free rollover of any part of a distribution from a traditional IRA, you cannot, within a 1-year period, make a tax-free rollover of any later distribution from the same IRA. You also cannot make a tax-free rollover of any amount distributed, within the same 1-year period, from the IRA into which you made the tax-free rollover. The 1-year period begins on the date you receive the IRA distribution, not on the date you roll it over into an IRA.

Amounts that cannot be rolled over: Amounts that must be distributed each year under the required minimum distribution rules are not eligible for rollover. In addition, if you inherit a traditional IRA from someone other than your spouse, you cannot roll it over or allow it to receive a rollover contribution.

2. Rollovers from an employer retirement plan into an IRA: If you receive an eligible rollover distribution from your (or your deceased spouse's) employer's qualified pension, profit-sharing or stock bonus plan, annuity plan, tax sheltered annuity plan (403(b) plan), or governmental deferred compensation plan (governmental 457(b) plan), you can roll over all or part of it into a traditional IRA (the 60-day rule discussed above applies). In addition, you can roll over after-tax or nondeductible contributions from your qualified employer plan or 403(b) arrangement into a traditional IRA (such rollovers of after-tax contributions may only be done by a direct rollover from the distributing plan to the traditional IRA).

Amounts that cannot be rolled over: Required minimum distributions; hardship distributions; a series of substantially equal periodic payments paid over your life or life expectancy, the life or life expectancy of you and your beneficiary or for a period of 10 years or more; corrective distributions of excess contributions or excess deferrals; loans treated as distributions (unless your benefit is reduced (offset) to repay the loan); dividends on employer securities; or, generally, distributions you receive as a beneficiary are not eligible to be rolled over.

Withholding: If an eligible rollover distribution is paid directly to you, the payor must withhold 20% of it. The amount withheld is part of the distribution. If you rollover less than the full amount of the distribution, you may have to include in your income the amount you do not roll over. However, you can make up the withheld amount with funds from other sources. To avoid withholding you can request a direct rollover from the payor.

3. Rollover from an IRA to an employer retirement plan: You can rollover tax-free a distribution from your traditional IRA made after 2001 into a qualified plan, 403(b) plan, or governmental 457(b) plan. The part of the distribution that you can roll over is the part that would otherwise be taxable (includible in your income). Qualified plans may, but are not required to, accept such rollovers. Rules applicable to other rollovers, such as the 60-day rule apply.

### **Trustee to Trustee Transfers**

A transfer of funds in your traditional IRA from one trustee directly to another is not a rollover. Because there is no distribution to you, the transfer is tax-free and not reportable. Because the transfer is not a rollover, it is not affected by the 1-year waiting period requirement. This waiting period is discussed later in the section entitled, Rollover Contributions.

### **Distributions**

You may request a distribution from your IRA at any time. However, distributions received prior to your attaining age 59½ may be subject to a 10% additional tax. Distributions subject to the 10% additional tax must be reported on IRS Form 5329.

### **Exceptions to age 59½ rule**

If you receive a distribution prior to attaining age 59½, you may not have to pay the 10% additional tax if you meet one or more of the following:

- You have unreimbursed medical expense that are more than 7.5% of your adjusted gross income.
- The distributions are not more than the cost of your medical insurance if you are unemployed and meet certain requirements.
- You are disabled within the meaning of Code section 72(m)(7).
- You are the beneficiary of a deceased IRA owner.
- You are receiving distributions that are part of a series of substantially equal periodic payments.
- The distributions are not more than your qualified higher education expenses for yourself or other qualified individual.
- You use the distributions to buy, build, or rebuild a first home (subject to a \$10,000 lifetime limit).
- The distribution is due to an IRS levy of the qualified plan.

In addition, you generally can take a tax-free withdrawal of contributions if you do it before the due date for filing your tax return for the year in which you made them. You can do this if: (1) you did not take a deduction for the contribution; and (2) you withdraw any interest or other income earned on the contribution (you can take into account any loss on the contribution while it was in your IRA when calculating the amount that must be withdrawn). In this case, even if you are under 59½, the 10% additional tax may not apply.

### **Required Minimum Distributions**

If you are the owner of a traditional IRA, you must start receiving distributions from your IRA by April 1 of the year following the year you reach age 70½ (the "required beginning date"). After the year you reach age 70½, these minimum distributions are required by December 31 of each subsequent year. Minimum distributions during your lifetime are generally calculated by dividing the value of your IRA as of the end of the year preceding the year for which the required Minimum Distribution is being figured by a life expectancy factor found in Table III of IRS Publication 590. This table is often referred to as the Uniform Lifetime Table. IRA owners whose spouses are their sole designated beneficiary and are more than 10 years younger may be able to use the life expectancy factor found in Table II of IRS Publication 590 to calculate their lifetime minimum distributions. This table is often referred to as the Joint and Last Survivor Table.

You may elect to have us calculate and distribute minimum distributions annually if your Annuity is being used for certain qualified purposes under the Internal Revenue Code. We calculate such amounts assuming the minimum distribution amount is based solely on the value of your Annuity. The minimum distribution amounts applicable to you may depend on other annuities, savings or investments of which we are unaware. You may elect to have the minimum distribution paid out monthly, quarterly, semi-annually or annually. Required minimum distributions must be made in intervals of no longer than one year.

If you die before your required beginning date, minimum distributions for years after the year of your death are generally based on your designated beneficiary's life expectancy. If there is no designated beneficiary, the entire interest must be distributed by the end of the calendar year containing the fifth anniversary of your death. If you die after your required beginning date, minimum distributions for years after the year of your death are generally based on the longer of your designated beneficiary's life expectancy or your remaining life

## American Skandia Life Assurance Corporation (American Skandia) Individual Retirement Annuity (IRA) Disclosure Statement *continued*

expectancy. If there is no designated beneficiary, minimum distributions for years after the year of your death are generally based on your remaining life expectancy.

If your sole designated beneficiary is your surviving spouse, the spouse may treat the Annuity as his or her own IRA provided the spouse meets the requirements of the terms of the Annuity. Except as may be required by law, all provisions of the Annuity that do not specifically terminate upon your death will then be applied to the spouse. Your surviving spouse is deemed to have made this election if he or she makes a regular IRA contribution to the Annuity, makes a rollover to or from the Annuity, or fails to commence minimum distributions following your death.

Except where the Designated Beneficiary is a surviving Spouse that has elected to treat the Annuity as his or her own IRA, if the Annuity is an inherited IRA that has been transferred by a Designated Beneficiary from another annuity provider, distributions will be made to the Designated Beneficiary (or any successor Beneficiary if applicable upon the death of the Designated Beneficiary) in accordance with the rules governing Minimum Distributions on or after the owner's death. For this purpose, the original owner of the inherited IRA will be treated as the IRA owner in applying these provisions.

If distributions are less than the required Minimum Distribution for a year, you may have to pay a 50% excise tax on the amount not distributed as required. This requires that you file a Form 5329 with the IRS.

### **Taxation of Distributions**

In general, distributions from a traditional IRA are taxable in the year you receive them. Exceptions to the general rule are rollovers, tax-free withdrawals of contributions, and the return of nondeductible contributions.

Distributions from traditional IRAs that you include in income are taxed as ordinary income. Distributions from your traditional IRA may be fully or partly taxable, depending on whether your IRA includes any nondeductible contributions. If only deductible contributions were made to your traditional IRA (or IRAs, if you have more than one), distributions are fully taxable. If you made nondeductible contributions to any of your traditional IRAs, you have a cost basis (investment in the contract) equal to the amount of those contributions. These nondeductible contributions are not taxed when they are distributed to you. Only the part of the distribution that represents nondeductible contributions (your cost basis) is tax-free. If your traditional IRA includes nondeductible contributions and you receive a distribution, each distribution is partly nontaxable and partly taxable until all of your basis has been distributed. You must use IRS Form 8606 to figure how much of your distribution is tax-free.

### **Inherited IRAs**

The beneficiaries of a traditional IRA generally must include in their gross income any distributions they receive. If you inherit a traditional IRA from someone other than your spouse, you cannot treat it as your own IRA. You cannot rollover any part of it or roll any amount over into it. You cannot make any contributions to an inherited traditional IRA.

### **Prohibited Transactions**

Generally, a prohibited transaction is any improper use of your traditional IRA by you, your beneficiary, or any disqualified person. Disqualified persons include any fiduciary with respect to your IRA and members of your family (spouse, ancestor, lineal descendant, and any spouse of a lineal descendant). The following are examples of prohibited transactions with a traditional IRA.

- Borrowing money from it.
- Selling property to it.
- Receiving unreasonable compensation for managing it.
- Using it as security for a loan.
- Buying property for personal use with IRA funds.

Generally, if you or your beneficiary engages in a prohibited transaction in connection with your traditional IRA at any time during the year, the annuity stops being an IRA as of the first day of that year. If this occurs, the IRA is treated as distributing all of its assets to you at their fair market values on the first day of the year. You or your beneficiary may be required to include the fair market value of all of the IRA assets in your gross income for that year if you engage in a prohibited transaction.

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If you borrow money against your traditional IRA annuity, you must include in your gross income the fair market value of the Annuity as of the first day of your tax year. If you use part of your traditional IRA as security for a loan, that part is treated as a distribution and is included in your gross income. In both cases you may have to pay the 10% additional tax on early distributions, discussed above.

### **Excess Contributions**

Generally, an excess contribution is the amount contributed to your traditional IRAs that is more than the smaller of:

1. Your taxable compensation for the year, or
2. The maximum contribution limit (including any catch-up contributions).

The taxable compensation limit applies whether your contributions are deductible or nondeductible. Contributions for the year you reach age 70½ and any later year are also excess contributions.

In general, if the excess contribution for a year and any earnings on it are not withdrawn by the date your return for the year is due (including extensions), you are subject to a 6% tax. You must pay the 6% tax each year on excess amounts that remain in your traditional IRA at the end of your tax year. You will not have to pay the 6% tax if you withdraw an excess contribution made during a tax year and you also withdraw any interest or other income earned on the excess contribution. You can take into account any loss on the contribution while it was in the IRA when calculating the amount that must be withdrawn. You must complete your withdrawal by the date your tax return for that year is due, including extensions. Once the 6% tax has been imposed for a year, you can avoid an additional 6% tax for the following tax year if the excess contribution is (1) withdrawn before the end of the following tax year, or (2) treated as a current IRA contribution for the following year. Distributions of excess contributions must be reported on IRS Form 5329.

### **Restriction on Investments**

No portion of your IRA may be invested in life insurance contracts. In addition, you may not invest the assets of your IRA in collectibles within the meaning of Code Section 409(m)). If you invest in collectibles, the amount invested is considered distributed to you in the year invested and may be subject to the 10% additional tax discussed above.

### **Estate and Gift Taxes**

Any amount held in your IRA upon your death may be subject to estate taxes. Transfers of your IRA assets to a Beneficiary during your life may be subject to gift taxes.

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Contract described herein is no longer available for sale.

# American Skandia Life Assurance Corporation (American Skandia) Roth Individual Retirement Annuity (Roth IRA) Disclosure Statement

This Disclosure Statement and your Roth IRA Endorsement contain important information about your Roth IRA. Please read these documents carefully. For additional information please consult Internal Revenue Service (IRS) Publication 590, your Annuity, Prospectus, the Roth IRA Endorsement attached to your Annuity or any district office of the IRS.

Except where otherwise indicated or required by law, references to "you" or "your" in this Disclosure Statement shall be understood to mean the Roth IRA owner or a surviving Spouse that elects to treat the Annuity as his or her own Roth IRA.

## **Right to Cancel**

You (the Roth IRA owner or a designated beneficiary under an inherited Roth IRA that has transferred the Roth IRA from another annuity provider) may revoke your American Skandia Roth IRA for a refund within seven (7) days after you receive it by mailing or delivering a written notice of cancellation to:

AMERICAN SKANDIA LIFE ASSURANCE CORPORATION  
P. O. BOX 7040  
BRIDGEPORT, CT 06601-7040

## **For Overnight delivery:**

AMERICAN SKANDIA LIFE ASSURANCE CORPORATION  
ONE CORPORATE DRIVE  
SHELTON, CT 06484.

The notice of cancellation shall be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the mail in the United States in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed.

The amount of the refund will equal the greater of (1) a full refund of the Purchase Payment (without regard to sales commissions (if any), administrative expenses or fluctuations in market value) and (2) the current Account Value of the Annuity as of the Valuation Day the refund request is received at our Office (without regard to sales commissions (if any) or administrative expenses).

After seven (7) days, the terms of your right to cancel will revert back to the terms of the Right to Cancel provision of your Annuity. Please refer to the Right to Cancel provision of your Annuity for additional information.

## **What is a Roth IRA?**

A Roth IRA is an individual retirement plan that provides certain tax advantages. For instance, earnings within a Roth IRA are not subject to tax and Qualified Distributions (as defined below) from Roth IRAs are tax-free. Unlike a traditional IRA, you cannot deduct contributions to a Roth IRA. Also, you can make contributions to a Roth IRA after you reach age 70½ and can leave amounts in your Roth IRA as long as you live. Like a traditional IRA, however, your interest in your Roth IRA (and that of any Beneficiary following your death) is nonforfeitable and nontransferable to any person other than the issuer.

## **Eligibility**

Generally, you can contribute to a Roth IRA if you have taxable Compensation (as defined below) and your Modified AGI (as defined below) is less than:

- \$160,000 for married filing jointly or qualifying widow(er),

This disclosure is not part of the prospectus.

# American Skandia Life Assurance Corporation (American Skandia)

## Roth Individual Retirement Annuity (Roth IRA)

### Disclosure Statement *continued*

- \$10,000 for married filing separately and you lived with your spouse at any time during the year, and
- \$110,000 for single, head of household, or married filing separately and you did not live with your spouse at any time during the year.

**Compensation** — Compensation includes wages, salaries, tips, professional fees, bonuses and other amounts received for professional services. It also includes commissions, self-employment income, taxable alimony and separate maintenance payments.

**Modified AGI** — Your Modified AGI for Roth IRA purposes is your adjusted gross income (AGI) as shown on your income tax return, less any income resulting from the conversion of an IRA (other than a Roth IRA) to a Roth IRA plus traditional IRA deductions, student loan interest deductions, deductions for qualified tuition and related expenses, foreign earned income exclusions, foreign housing exclusions or deductions, exclusions of qualified bond interest shown on IRS Form 8815 and exclusions of employer-paid adoption expenses shown on IRS Form 8839.

**Contribution limit reduced** — If your modified AGI is above a certain limit, your contribution is gradually reduced. If you are married filing jointly; this limit is \$150,000. If you are single, head of household, qualifying widow(er) or married filing separately and you did not live with your spouse at any time during the year this limit is \$95,000. If you are married filing separately, your allowable Roth IRA contribution will be phased out between zero dollars and \$10,000 of modified AGI.

If contributions are made to both Roth IRAs and traditional IRAs, your contribution limit for Roth IRAs generally is the same as your limit would be if contributions were made only to Roth IRAs, but then reduced by all contributions (other than employer contributions under a SEP or SIMPLE IRA plan) for the year to all IRAs other than Roth IRAs.

**Roth IRA for your Spouse** — You can contribute to a Roth IRA for your spouse provided the contributions to a Roth IRA for your spouse satisfy the Spousal IRA limit (discussed in the section titled "Contribution Limits") and your modified AGI is less than the limits discussed above.

**Age limit for contributions** — There is no age limit for contributions.

#### Contribution Limits

The maximum amount that may generally be contributed to your Roth IRA is as follows:

Roth IRA Contribution Limits	
Year	Limit
2002-2004	\$3,000
2005-2007	\$4,000
2008	\$5,000
2009 and thereafter	\$5,000*

\* For tax years 2009 and thereafter the \$5,000 contribution limit will be increased by cost of living adjustments (in \$500 increments).

Beginning with tax year 2002, individuals age 50 and older may make additional "catch-up" contributions to their Roth IRA. These "catch-up" contributions are in addition to the contribution limits listed above. The maximum "catch-up" contribution amounts are as follows:

Roth IRA "Catch-up" Contribution Limits	
Year	Limit
2002-2005	\$500
2006 and thereafter	\$1,000

This disclosure is not part of the prospectus.



**Types of contributions accepted** — Contributions to your Roth IRA will only be accepted if made in cash (i.e., a check).

**Due date of contributions** — You can make contributions to your Roth IRA for a year at any time during the year or by the due date of your income tax return for that year (not including extensions).

**Refund of contributions** — Any refund of contributions must be applied before the close of the calendar year following the year of the refund toward the payment of future contributions, paid-up annuity additions, or the purchase of additional benefits.

**State income tax issues** — Some states have not conformed their laws to the new federal tax laws. These states may have laws that conflict with the limits discussed above. You should consult a tax advisor in your state to ensure that your state has approved these contribution limit increases.

### Conversions

You can convert a traditional IRA to a Roth IRA. The conversion is treated as a rollover, regardless of the conversion method used. You will owe taxes on the portion of the conversion which represents earnings and other amounts that were not previously taxed. You can convert amounts from a traditional IRA to a Roth IRA in any of the following three ways:

1. Rollover — You can receive a distribution from a traditional IRA and roll it over (contribute it) to a Roth IRA within 60 days after the distribution.
2. Trustee to trustee transfer — You can direct the trustee of the traditional IRA to transfer an amount from the traditional IRA to the trustee of the Roth IRA.
3. Same trustee transfer — If the trustee of the traditional IRA also maintains the Roth IRA, you can direct the trustee to transfer an amount from the traditional IRA to the Roth IRA.

**Requirements** — You can convert amounts from a traditional IRA into a Roth IRA if, for the tax year you make the withdrawal from the traditional IRA, both of the following requirements are met:

1. Your modified AGI is not more than \$100,000.
2. You are not a married individual filing a separate return.

The 10 percent early distribution penalty shall not apply to rollovers or conversions from a traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty. A traditional IRA to Roth IRA Rollover does not count towards the one rollover per 12 months rule described under Internal Revenue Code (Code) Section 408(d)(3).

### Recharacterizations

You may be able to treat a contribution made to one type of IRA as having been made to a different type of IRA. This is called recharacterizing the contribution. To recharacterize a contribution, you generally must have the contribution transferred from the first IRA (the one to which it was made) to the second IRA in a trustee-to-trustee transfer. If the transfer is made by the due date (including extensions) for your tax return for the year during which the contribution was made, you can elect to treat the contribution as having been originally made to the second IRA instead of the first IRA. The contribution will not be treated as having been made to the second IRA unless the transfer includes any net income allocable to the contribution, you report the recharacterization on your tax return for the year during which the contribution was made, and you treat the contribution as having been made to the second IRA on the date that it was actually made to the first IRA. No deduction is allowed for the contribution to the first IRA and any net income transferred with the recharacterized contribution is treated as earned in the second IRA.

### Reconversions

You cannot convert and reconvert an amount during the same taxable year, or if later, during the 30-day period following a recharacterization. If you reconvert during either of these periods, it will be a failed conversion.

### Rollovers/Transfers

Funds distributed from your Roth IRA may be rolled over to another Roth IRA of yours if the requirements of Code Section 408(d)(3) are met. A proper Roth IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after you receive the distribution. Generally, if you make a rollover of any part of a distribution from a Roth IRA, you cannot, within a 1-year period, make a rollover of any later distribution from that same Roth IRA. You also cannot make a rollover of any amount distributed, within the

# American Skandia Life Assurance Corporation (American Skandia) Roth Individual Retirement Annuity (Roth IRA) Disclosure Statement *continued*

same 1-year period, from the Roth IRA into which you made the rollover. Roth IRA assets may not be rolled over to other types of IRAs (e.g., traditional, SEP and SIMPLE IRAs, etc.).

**No Rollovers from Employer Plans** — You may not roll over distributions from your employer's qualified retirement plan, governmental 457 plan, or 403(b) arrangement into your Roth IRA. If distributions from such plans have been rolled over into a traditional IRA, however, you may be able to convert such traditional IRAs to Roth IRAs, subject to the general rules for traditional IRA to Roth IRA conversions described above.

## Distributions

You do not include in your gross income Qualified Distributions (defined below) or distributions that are a return of your regular contributions from your Roth IRA. You also do not include distributions from your Roth IRA that you roll over tax-free to another Roth IRA. You may have to include part of other distributions in your income.

**Qualified Distributions** — A Qualified Distribution is any payment or other distribution from your Roth IRA that meets the following requirements:

1. It is made after the 5-taxable-year period beginning with the first taxable year for which a contribution was made to a Roth IRA set up for your benefit, and
2. The payment or distribution is:
  - a. Made on or after the date you reach age 59½,
  - b. Made because you are disabled,
  - c. Made to a beneficiary or to your estate after your death, or
  - d. Used to buy, build, or rebuild a first home (subject to a \$10,000 lifetime limit).

**Nonqualified Distributions** — If you do not meet the requirements for a Qualified Distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under 59½, will be subject to a 10% additional tax unless you meet one of several exceptions discussed below in the section entitled "Additional tax for early distribution." However, when you take a nonqualified distribution, your basis (the contributions you deposited to the account) will generally be removed first. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your contributions. Special rules may apply to the distribution of conversion amounts.

## Beneficiary Payments

If you die, the entire amount remaining in your account will, at the election of your designated beneficiary or beneficiaries, either:

- (a) be distributed by December 31 of the year containing the fifth anniversary of your death, or
- (b) be distributed in equal or substantially equal payments over the life or life expectancy of your designated beneficiary or beneficiaries.

Your designated beneficiary or beneficiaries must elect either option (a) or (b) above by December 31 of the calendar year following the calendar year of your death. If no election is made, distribution will be made in accordance with (a). In the case of distributions under (b), distributions must commence by December 31 of the year following the year of your death. If your spouse is your designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If your sole designated beneficiary is your surviving spouse, the spouse also may treat the Annuity as his or her own Roth IRA provided the spouse meets the requirements of the terms of the Annuity Except as may be required by law, all provisions of the Annuity that do not specifically terminate upon your death will then be applied to the spouse. If there is no designated beneficiary, the entire interest must be distributed by the end of the calendar year containing the fifth anniversary of your death.

Except where the designated beneficiary is a surviving spouse that has elected to treat the Annuity as his or her own Roth IRA, if the Annuity is an inherited Roth IRA that has been transferred by a designated beneficiary from another annuity provider, distributions will be made to the designated beneficiary (or any successor beneficiary if applicable upon the death of the designated beneficiary) in accordance with the rules governing minimum distributions on or after the owner's death. For this purpose, the original owner of the inherited Roth IRA will be treated as the Roth IRA owner in applying these provisions.

If a distribution to your designated beneficiary is not a qualified distribution, it is generally includible in the beneficiary's gross income in the same manner as it would have been included in your income had it been distributed to you during your lifetime.

This disclosure is not part of the prospectus.

## Federal Excise and Additional Taxes

**Additional tax for early distribution** — If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional tax of 10 percent will apply to the amount includible in income, unless one of the exception situations discussed later in this section applies.

The 10% additional tax also applies (subject to the same exceptions) if you take a distribution from your Roth IRA within the 5-year period starting with the first day of your tax year in which you convert an amount from a traditional IRA to a Roth IRA. In this case, the 10% additional tax is paid on any amount attributable to the amount converted that you had to include in income at the time of the conversion. A separate 5-year period applies to each conversion, and is not necessarily the same as the 5-year period used to determine whether a distribution is Qualified Distribution. (Qualified Distributions are discussed above, in the section entitled “Qualified Distributions”).

You may not have to pay the 10% additional tax discussed in this section in the following situations:

- You have reached age 59½.
- You have unreimbursed medical expense that are more than 7.5% of your adjusted gross income.
- The distributions are not more than the cost of your medical insurance if you are unemployed and certain requirements are met.
- You are disabled within the meaning of Code section 72(m)(7).
- You are receiving distributions that are part of a series of substantially equal periodic payments.
- The distributions are not more than your qualified higher education expenses for yourself or other qualified individual.
- You use the distributions to buy, build, or rebuild a first home (subject to a \$10,000 lifetime limit).
- The distribution is due to an IRS levy of the qualified plan.
- The owner of the Roth IRA is deceased and you are the beneficiary.

**Excess contribution excise tax** — An excise tax of 6 percent is imposed upon any excess contribution you make to your Roth IRA. This tax will apply each year in which an excess remains in your Roth IRA. An excess contribution is any contribution amount which exceeds your contribution limit, excluding amounts properly and timely rolled over from a Roth IRA or properly converted from a traditional IRA. Contribution limits are discussed above, in the section entitled “Contribution Limits.”

**Excess accumulation excise tax** — One of the requirements listed above is your designated beneficiary(ies) is required to take certain minimum distributions after your death. An excise tax of 50 percent is imposed on the amount of any required minimum distribution which should have been taken but was not.

**Penalty reporting** — You must file Form 5329 with the Internal Revenue Service to report and remit any additional or excise taxes.

## Miscellaneous

**Commingling Assets** — The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.

**Life Insurance** — No portion of your Roth IRA may be invested in life insurance contracts.

**Collectibles** — You may not invest the assets of your Roth IRA in collectibles (within the meaning of Code Section 409(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service. However, specially minted United States gold and silver bullion coins and certain gold, silver, platinum or palladium bullion (as described in Code Section 408(m)(3)) are also permitted as Roth IRA investments.

**No required minimum distributions** — As the owner of your Roth IRA, you are not required to take minimum distributions from the Roth IRA commencing at age 70½ during your lifetime (as is required for traditional, SEP and SIMPLE IRAs).

**Estate and gift taxes** — Any amount held in your Roth IRA upon your death may be subject to estate taxes. Transfers of your Roth IRA assets to a beneficiary during your life may be subject to gift taxes.

**Special tax treatment** — Capital gains treatment and the favorable ten year forward averaging tax authorized in certain circumstances by IRC Section 402 do not apply to Roth IRA distributions.

**Prohibited Transactions** — If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Section 4975, your Roth IRA will lose its tax-exempt status and you or your beneficiary must generally include the value of the earnings in your account in your gross income for that taxable year. If you borrow money against your Roth IRA Annuity, you must include in your

**American Skandia Life Assurance Corporation (American Skandia)**  
**Roth Individual Retirement Annuity (Roth IRA)**  
**Disclosure Statement *continued***

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gross income the fair market value of the earnings in the Annuity as of the first day of your tax year. If you use part of your Roth IRA as security for a loan, that part is treated as a distribution and may be includible in your gross income. In both cases you may have to pay the 10% additional tax on early distributions, discussed above.

Contract described herein is no longer available for sale.

# American Skandia Life Assurance Corporation (A Prudential Financial Company)

## FINANCIAL DISCLOSURE

Single Premium Immediate Annuity  
Advisors Income Annuity (VIA-S) and Advisors Income  
Annuity with Guaranteed Income Option (VIA-G)

1. The Annuities and certain riders, endorsements, amendments or schedules made a part of the Annuities have not yet been approved by the Internal Revenue Service ("IRS") as to form for use as an Individual Retirement Annuity as described in Section 408(b) of the Internal Revenue Code ("Code") or as a Roth Individual Retirement Annuity ("Roth IRA") as described in Section 408A of the Code. When obtained, IRS approval is a determination only as to form and does not represent a determination of the merits of the applicable Annuity.

Please contact the Company with any questions regarding IRS approval.

2. Within seven days after you receive your Annuity, you may cancel it by delivering or mailing it to the representative through whom you bought it or to the Prudential Annuity Service Center at the address indicated on your IRA Disclosure Statement or Roth IRA Disclosure Statement, as applicable. The notice of cancellation shall be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the mail in the United States in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed. The amount of the refund will equal the greater of (1) the Premium (without regard to sales commissions (if any), administrative expenses or fluctuation in market value) and (2) the current Income Base of the Annuity as of the Valuation Day the refund request is received at our Office (without regard to sales commissions (if any) or administrative expenses). After seven (7) days, the terms of your right to cancel will revert back to the terms of the Right to Cancel provision of your Annuity. Please refer to the Right to Cancel provision of your Annuity for additional information.
3. Key financial information is fully disclosed in the prospectus for this Annuity. This includes all charges, which may be applied to your interest in determining the net amount available to you under the Annuity, and how those charges are computed; and how annual earnings are computed and allocated. This includes, but is not limited to, information on Annuity and variable investment option (referred to as "Sub-account" in your Annuity) expenses - such as insurance charges and portfolio management fees, which affect your Income Base. No charges are deducted from your Premium. Please note, in certain jurisdictions premium taxes may be required to be deducted from your Premium. Please consult the prospectus for more details.

When you make a full or partial surrender the Cash Value is determined by discounting the value of future annuity payments. This procedure functions as a surrender charge in calculating the cash value payable to you. The applicable discount rate used is the Benchmark Rate as set forth in your Annuity.

4. An additional tax of 10% may be imposed on distributions taken from the Annuity prior to the Owner reaching 59½ years of age.
5. Until such time as you may elect to convert to fixed Annuity Payments in accordance with the terms of the Annuity, values under the Annuity are dependent upon the investment results of one or more of the Sub-accounts and cannot be guaranteed or projected. The VIA-G Annuity, however, does guarantee that your monthly Annuity Payment Amount will not be less than a guaranteed amount. Please consult your prospectus for an illustrative example of the Optional Guarantee Feature. An investment in a variable annuity involves investment risks, including possible loss of value. Transfers between the Sub-accounts may be subject to some limitations and charges.

This disclosure is not part of the Prospectus.

AS-IRA/Roth VIA-SG-FD. (5/06)]

**American Skandia Life Assurance Corporation**  
**(A Prudential Financial Company) *continued***

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6. The amount paid to a broker dealer firm to cover both the individual representative's commission and other distribution expenses are set forth in your prospectus. In certain situations the actual amount may be less. Alternative compensation schedules may be available that provide a lower initial commission plus an annual trail commission based on all or a portion of the Income Base. We may also provide compensation to the distributing firm for providing ongoing service to you in relation to the Annuity. Any compensation paid in relation to the Annuity does not result in any additional charge to you or to the Sub-accounts.
7. From time to time we may offer various optional benefits and features that may be made part of your Annuity at a cost to you. Please refer to those sections of the prospectus that explain any optional benefits we make available for a detailed description of any fees, charges, or financial impact on your Annuity should you elect to purchase any optional benefits.

Contract described herein is no longer available for sale.

This disclosure is not part of the Prospectus.

PLEASE SEND ME A STATEMENT OF ADDITIONAL INFORMATION THAT CONTAINS FURTHER DETAILS ABOUT THE AMERICAN SKANDIA ANNUITY DESCRIBED IN PROSPECTUS VIAS/G-PROS (05/2006).

\_\_\_\_\_  
(print your name)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(city/state/zip code)

Contract described herein is no longer available for sale.



Variable Annuity Issued by:

AMERICAN SKANDIA LIFE  
ASSURANCE CORPORATION  
*A Prudential Financial Company*  
One Corporate Drive  
Shelton, Connecticut 06484  
Telephone: 1-800-752-6342  
<http://www.americanskandia.prudential.com>

Variable Annuity Distributed by:

AMERICAN SKANDIA  
MARKETING, INCORPORATED  
*A Prudential Financial Company*  
One Corporate Drive  
Shelton, Connecticut 06484  
Telephone: 203-926-1888  
<http://www.americanskandia.prudential.com>

**MAILING ADDRESSES:**

AMERICAN SKANDIA — VARIABLE ANNUITIES  
P.O. Box 7960  
Philadelphia, PA 19176

*EXPRESS MAIL:*

AMERICAN SKANDIA — VARIABLE ANNUITIES  
2101 Welsh Road  
Dresher, PA 19025

Contract described herein is no longer available for sale.