

PRUDENTIAL PLC
Form 6-K
June 27, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the month of June, 2008

PRUDENTIAL PUBLIC LIMITED COMPANY

(Translation of registrant's name into English)

**LAURENCE POUNTNEY HILL,
LONDON, EC4R 0HH, ENGLAND**
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant
in connection with Rule 12g3-2(b): 82-

07.00am Friday 27 June 2008

Prudential decides not to proceed with a reattribution of its Inherited Estate

As previously announced, Prudential has been considering a reattribution of the Inherited Estate held in
the With-Profits Sub-Fund (WPSF) of The Prudential Assurance Company Limited (PAC).

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After extensive assessment, we have concluded that maintaining the current operating model for the WPSF is in the best long-term interest of both current and future policyholders and shareholders. As such, we have decided not to proceed with a reattribution.

Nick Prettejohn, Chief Executive, Prudential UK & Europe, said: "Our With-Profits Fund has been consistently the top performing life fund in the UK for the past one, three, five and 10 years. Our overriding priority is to maintain the long-term financial security of the With-Profits fund and to continue delivering strong performance for the benefit of our policyholders.

"After comprehensive and extremely complex analysis, we have concluded that our existing operating model is in the best long-term interests of both current and future policyholders and shareholders. This model continues to allow policyholders to share in any potential future distributions on a 90:10 basis.

"The whole of the Inherited Estate is required, and it will remain as the working capital of Prudential's With-Profits Sub-Fund, helping to support continued superior investment performance, security and the ongoing financial strength of the fund for the benefit of current and future policyholders."

Policyholders need take no action as a result of today's announcement.

ENDS

Enquiries: