the general purposes of the Act. Under section 6(c), the SEC may exempt a series of transactions from any provision of the Act or any rule or regulation thereunder if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Thus, applicants request relief under sections 6(c) and 17(b) because they wish to engage in a series of transactions rather than a single transaction.

3. The Investing Funds will retain their ability to invest their cash balances directly into money market instruments if they believe they can obtain a higher return. Each of the Money Market Funds has the right to discontinue selling shares to any of the Investing Funds if its board of trustees determines that such sales would adversely affect the portfolio management and operations of such Money Market Fund. Therefore, applicants believe that the proposal satisfies the standards for relief.

4. Section 17(d) and rule 17d–1 prohibit an affiliated person of an investment company, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates. Each Investing Fund, Janus Capital, and each of the Money Market Funds could be participants in a joint enterprise or other joint arrangement within the meaning of section 17(d)(1) and rule 17d–1.

5. Under rule 17d–1, the SEC may permit a proposed joint transaction if participation by a registered investment company is consistent with the provisions, policies, and purposes of the Act, and not on a basis different from or less advantageous than that of the other participants. Applicants believe that the proposal satisfies these standards.

6. Section 12(d)(1), as noted above, sets certain limits on an investment company's ability to invest in the shares of another company. The perceived abuses section 12(d)(1) sought to address include undue influence by an acquiring fund over the management of an acquired fund, layering of fees, and complex structures. Applicants believe that none of these concerns are presented by the proposed transactions and that the proposed transactions meet the section 6(c) standards for relief.

Applicants' Conditions

Applicants agree that the order granting the requested relief will be subject to the following conditions:

1. Shares of the Money Market Funds sold to and redeemed from the Investing Funds will not be subject to a sales load, redemption fee, or distribution fee under a plan adopted in accordance with rule 12b–1.

2. Applicants will cause Janus Capital and its affiliated persons to remit to the respective Investing Fund, or waive, an amount equal to the Reduction Amount. Any of these fees remitted or waived will not be subject to recoupment by Janus Capital or its affiliated persons at a later date.

3. For the purpose of determining any amount to be waived and/or expenses to be borne to comply with any Expense Waiver, the adjusted fees for an Investing Fund (gross fees minus Expense Waiver) will be calculated without reference to the amounts waived or remitted pursuant to condition 2. Adjusted fees then will be reduced by the amount waived pursuant to condition 2. If the amount waived pursuant to condition 2 exceeds adjusted fees, Janus Capital also will reimburse the Investing Fund in an amount equal to such excess.

4. Each of the Investing Funds will be permitted to invest uninvested cash in, and hold shares of, a Money Market Fund only to the extent that the Investing Fund's aggregate investment in such Money Market Fund does not exceed the greater of 5% of the Investing Fund's total net assets or $2.5 million.

5. Each Investing Fund will vote its shares of each Money Market Fund in the same proportion as the votes of all other shareholders of such Money Market Funds entitled to vote on the matter.

6. As shareholders of a Money Market Fund, the Investing Funds will receive dividends and bear their proportionate share of expenses on the same basis as other shareholders of such Money Market Funds. A separate account will be established in the shareholder records of each of the Money Market Funds for each of the Investing Funds.

For the SEC, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–11519 Filed 5–9–95; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21040; File No. 812–9338]

The Mutual Life Insurance Company of New York, et al.

May 4, 1995

AGENCY: Securities and Exchange Commission (the ''SEC'' or the ''Commission'').

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the ''1940 Act'').

APPLICANTS: The Mutual Life Insurance Company of New York (''Mutual of New York''), MONY Life Insurance Company of America (''MONY'', together with Mutual of New York, the ''Companies''), MONY Variable Account L (''Account L''), MONY America Variable Account L (''MONY Account L''), any other separate account established by the Companies in the future to support flexible premium, single premium, or scheduled premium variable life insurance polices (the ''Other Accounts,'' collectively, with Account L and MONY Account L, the ''Accounts'') and MONY Securities Corp.

RELEVANT 1940 ACT SECTIONS: Order requested under Section 6(c) of the 1940 Act for exemptions from Section 27(c)(2) of the 1940 Act and Rules 6e–2(c)(4)(v), 6e–3(T)(c)(4)(v), 6e–2(a)(2), and 6e–2(b)(15) thereunder.

SUMMARY OF APPLICATION: Applicants seek an order to permit them to deduct from premiums received under certain variable life insurance policies (the ''Contracts'') issued by the Accounts and the Companies a charge that is reasonable in relation to the Companies' increased federal income tax burden resulting from the Companies' receipt of such premiums in connection with the Contracts. Applicants also seek an order to permit any of the Accounts to derive its assets from both flexible and scheduled premium variable life insurance policies and nevertheless to qualify as a variable life insurance separate account, with respect to single premium or scheduled premium life insurance policies, for the purposes of Rule 6e–2.

FILING DATE: The application was filed on November 23, 1994.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing on this application by writing to the Secretary of the SEC and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on May 30, 1995 and should be accompanied by proof of service on Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, Edward P. Bank, Vice President and Deputy General Counsel, The Mutual Life Insurance Company of New York, 1740 Broadway, New York, New York, 10019.

FOR FURTHER INFORMATION CONTACT: Barbara J. Whisler, Senior Attorney, or Wendy Friedlander, Deputy Chief, both at (202) 942–0670, Office of Insurance Products, Division of Investment Management.

SUPPLEMENTARY INFORMATION: Following is a summary of the application. The complete application is available for a fee from the Commission's Public Reference Branch.

Applicants' Representations

1. Mutual of New York, a mutual life insurance company organized under the laws of New York in 1842, is the depositor of Account L for purposes of the 1940 Act. MONY, a stock life insurance company organized under Arizona law in 1969, is the depositor of MONY Account L for purposes of the 1940 Act. Mutual of New York is the issuer of Contracts which permit allocation of premiums to Account L and MONY is the issuer of Contracts which permit allocation of premiums to MONY Account L. Account L and MONY Account L have twelve subaccounts, not all of which are available under the Contracts. Each subaccount invests solely in a corresponding portfolio of either the MONY Series Fund, Inc., or the Enterprise Accumulation Trust (collectively, the ''Funds''). Each of the Funds is an open-end diversified management investment company registered under the 1940 Act. The Companies may elect to crate additional subaccounts in the future. The Accounts are, and will be registered with the Commission as unit investment trusts.

2. MONY Securities Corp., a wholly owned subsidiary of Mutual of New York, is registered with the Commission as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. MONY Securities Corp. will be the principal underwriter of the Contracts and may serve in the future as the principal underwriter for Contracts issued by the Other Accounts.

3. The Contracts are flexible premium variable life insurance policies. The Contracts issued by Account L and MONY Account L will be, and the Contracts issued by the Other Accounts are expected to be, issued in reliance on Rule 6e–3(T) under the 1940 Act. Applicants state that the Companies will deduct 1.25% of each premium payment to cover the Companies' estimated cost for the federal income tax treatment of deferred acquisition costs.

4. In the Omnibus Budget Reconciliation Act of 1990, Congress amended the Internal Revenue Code of 1986 (the ''Code'') by, among other things, enacting Section 848 thereof. Section 848 changed how a life insurance company must compute its itemized deductions from gross income for federal income tax purposes. Section 848 requires an insurance company to capitalize and amortize over a period of ten years part of the company's general expenses for the current year. Under prior law, these general expenses were deductible in full from the current year's gross income.

5. The amount of deductions that must be capitalized and amortized over ten years rather than deducted in the year incurred is based solely upon ''net premiums'' received in connection with certain types of insurance contracts. Section 848 of the Code defines ''net premium'' for a type of contract as gross premiums received by the insurance company on the contracts minus return premiums and premiums paid by the insurance company for reinsurance of its obligations under such contracts. Applicants state that the effect of Section 848 is to accelerate the realization of income from insurance contracts covered by that Section, and, accordingly, the payment of taxes on the income generated by those contracts.

6. The amount of general deductions that must be capitalized depends upon the type of contract to which the premiums received relate and varies according to a schedule set forth in Section 848. Applicants state that the Contracts are ''specified insurance contracts'' that fall into the category of life insurance contracts, and under Section 848, 7.7% of the year's net premiums received must be capitalized and amortized.

7. Applicants state that the increased tax burden on the Companies resulting from Section 848 may be quantified as follows: For each $10,000 of net premiums received by the Companies under the Contracts in a given year, the Companies' general deductions are reduced by $731.50 or (a) $770 (7.7% of $10,000) minus (b) $38.50 (one-half year's portion of the ten year amortization). This leaves $731.50 ($770 minus $38.50) subject to taxation at the corporate tax rate of 35%. This results in an increase in tax for the current year of $256.03 (.35 x $731.50). This increase will be partially offset by deductions that will be allowed during the next ten years as a result of amortizing the remainder of the $770 ($77 in each of the following nine years and $38.50 in the tenth year).

8. In the business judgment of the Companies, a discount rate of 8% is appropriate for use in calculating the present value of the Companies' future tax deductions resulting from the amortization described above. Applicants state that the Companies seek an after tax rate of return on the investment of their capital of 8%. To the extent that capital must be used by the Companies to meet their increased federal tax burden under Section 848 resulting from the receipt of premiums, such capital is not available to the Companies for investment. Thus, Applicants argue, the cost of capital used to satisfy the Companies' increased federal income tax burden under Section 848 is, in essence, the Companies' after tax rate of return on capital; and, accordingly, the rate of return on capital is appropriate for use in this present value calculation.

9. The Companies recognize that a charge of 1.25%, or, a charge at any level, could conceivably exceed the tax burden if, in the future, the Companies' corporate tax rate or targeted after tax rate of return were reduced. The Companies submit that, while it is difficult to predict, with certainty, whether or the extent to which the rate will be reduced, a measure of comfort is provided that the calculation of the Companies' increased tax burden attributable to the receipt of premiums will continue to be reasonable over time, even if the corporate tax or the targeted after tax rate of return applicable to the Companies is reduced. The Contracts provide that the Companies can decrease the charge under such circumstances. The Companies undertake to monitor the tax burden imposed on them and to reduce the charge to the extent of any significant decrease in the tax burden.

10. In determining the after tax rate of return used in arriving at the 8% discount rate, Applicants state that the Companies considered a number of factors, including: market interest rates; the Companies' anticipated long term growth rate; the risk level for this type of business; inflation; and available information about the rates of return obtained by other life insurance companies. The Companies represent that such factors are appropriate factors to consider in determining the Companies' cost of capital. Applicants state that the Companies first project their future growth rate based on the sales projections, the current interest rates, the inflation rate, and the amount

of capital that the Companies can provide to support such growth. The Companies then use the anticipated growth rate and the other factors enumerated above to set a rate of return on capital that equals or exceeds this rate of growth. Of these other factors, market interest rates, the acceptable risk level, the surplus level required by ratings agencies, and the inflation rate receive significantly more weight than information about the rates of return obtained by other companies. Applicants state that the Companies seek to maintain a ratio of capital to assets that is established based on the Companies' judgment of the risks represented by various components of the Companies' assets and liabilities. Applicants state that maintaining the ratio of capital to assets is critical to offering competitively priced products and, as to the Companies, to maintaining a competitive rating from various rating agencies. Consequently, Applicants state that the Companies' capital should grow at least at the same rate as do the Companies' assets.

11. Applying the 8% discount rate, and assuming a 35% corporate income tax rate, the present value of the tax effect of the increased deductions allowable in the following ten years amounts to a federal income tax savings of $174.60. Thus, the present value of the increased tax burden resulting from the effect of Section 848 on each $10,000 of net premiums received under the Contracts is $81.43, *i.e.*, $256.03 minus $174.60.

12. State premium taxes are deductible in computing federal income taxes. Thus, the Companies do not incur incremental federal income tax when they pass on state premium taxes to owners of the Contracts. Conversely, federal income taxes are not deductible in computing the Companies' federal income taxes. To compensate the Companies fully for the impact of Section 848, therefore, it would be necessary to allow them to impose an additional charge that would make them whole not only for the $81.43 additional federal income tax burden attributable to Section 848 but also for the federal income tax on the additional $81.43 itself. This federal income tax can be determined by dividing $81.43 by the complement of the 35% federal corporate income tax rate, *i.e.*, 65%, resulting in an additional charge of $125.28 for each $10,000 of net premiums, or 1.25%.

13. Based on prior experience, the Companies expect that all of their current and future deductions will be fully taken. It is the Companies' judgment that a charge of 1.25% would reimburse them for the impact of Section 848 on the Companies' federal income tax liabilities. Applicants represent that the charge to be deducted by the Companies pursuant to the relief requested is reasonably related to the increased federal income tax burden under Section 848, taking into account the benefit to the Companies' of the amortization permitted by Section 848, and the use by the Companies' of a discount rate of 8% in computing the future deductions resulting from such amortization, such rate being the equivalent of the Companies' cost of capital.

14. While the application states that the Companies believe that a charge of 1.25% of premium payments would reimburse them for the impact of Section 848 (as currently written) on the Companies' federal income tax liabilities, the application also states, however, that the Companies believe that they will have to increase this charge if any future change in, or interpretation of Section 848, or any successor provision, results in an increased federal income tax burden due to the receipt of premiums. Such an increase could result from a change in the corporate federal income tax rate, a change in the 7.7% figure, or a change in the amortization period.

Applicants' Legal Analysis

1. Applicants request an order of the Commission pursuant to Section 6(c) exempting them from the provisions of Section 27(c)(2) of the 1940 Act and Rules 6e–2(c)(4)(v) and 6e–3(T)(c)(4)(v) thereunder to the extent necessary to permit deductions to be made from premium payments received in connection with the Contracts. The deductions would be in an amount that is reasonable in relation to the Companies' increased federal income tax burden related to the receipt of such premiums. Applicants further request an exemption from Rule 6e–3(T)(c)(4)(v) of the 1940 Act to permit the proposed deductions to be treated as other than "sales load" for the purposes of Section 27 of the 1940 Act and the exemptions from various provisions of that Section found in Rule 6e–3(T)(b)(13).

2. Section 6(c) of the 1940 Act provides, in pertinent part, that the Commission may, by order upon application, conditionally or unconditionally exempt any person, security or transaction from any provision of the 1940 Act if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and the provisions of the 1940 Act.

Section 27(c)(2) and Rules 6e–3(T)(c)(4) and 6e–2(c)(4)(v)

1. Section 27(c)(2) of the 1940 Act prohibits the sale of periodic payment plan certificates unless the proceeds of all payments (except such amounts as are deducted for sales load) are held under an indenture or agreement containing in substance the provisions required by Sections 26(a)(2) and 26(a)(3) of the 1940 Act. Certain provisions of Rule 6e–3(T) provide a range of exemptive relief for the offering of flexible premium variable life insurance policies such as the Contracts. Rule 6e–3(T)(b)(13)(iii) provides, subject to certain conditions, exemptions from Section 27(c)(2) that include permitting a payment of certain administrative fees and expenses, the deduction of a charge for certain mortality and expense risks, and the "deduction of premium taxes imposed by any State or other governmental entity."

2. Rule 6e–2(c)(4)(v) defines "sales load" charged on any payment as the excess of the payment over certain specified charges and adjustments, including "a deduction approximately equal to state premium taxes." Rule 6e–3(T)(c)(4)(v) defines "sales load" charged during a contract period as the excess of any payments made during the period over the sum of certain specified charges and adjustments, including "a deduction for and approximately equal to state premium taxes."

3. Applicants submit that the deduction for federal income tax charges, proposed to be deducted in connection with the Contracts, is akin to a state premium tax charge in that it is an appropriate charge related to the Companies' tax burden attributable to premiums received. Thus, Applicants submit that the proposed deduction be treated as other than sales load, as is a state premium tax charge, for purposes of the 1940 Act.

4. Applicants argue that the requested exemptions from Rules 6e–2(c)(4) and 6e–3(T)(c)(4) are necessary in connection with Applicants' reliance on certain provisions of Rules 6e–2(b)(13) and 6e–3(T)(b)(13), and particularly on subparagraphs (b)(13)(i) of the Rules, which provide exemptions from Sections 27(a)(1) and 27(h)(1) of the 1940 Act. Issuers and their affiliates may only rely on Rules 6e–2(b)(13)(i) or 6e–3(T)(b)(13)(i) if they meet the respective Rule's alternative limitations on sales load as defined in Rules 6e–2(c)(4) or Rule 6e–3(T)(c)(4). Applicants state that, depending upon the load structure of a particular Contract, these

alternative limitations may not be met if the deduction for the increase in an issuer's federal tax burden is included in sales load. Although a deduction for an insurance company's increased federal tax burden does not fall squarely within any of the specified charges or adjustments which are excluded from the definition of ''sales load'' in Rules 6e–2(c)(4) and 6e–3(T)(c)(4), Applicants state that they have found no public policy reason for including these deductions in ''sales load''.

5. The public policy that underlies Rules 6e–2(b)(13)(i) and 6e–3(T)(b)(13)(i), like that which underlies Sections 27(a)(1) and 27(h)(1) of the 1940 Act, is to prevent excessive sales loads from being charged in connection with the sale of periodic payment plan certificates. Applicants submit that the treatment of a federal income tax charge attributable to premium payments as sales load would not in any way further this legislative purpose because such a deduction has no relation to the payment of sales commissions or other distribution expenses. Applicants state that the Commission has concurred with this conclusion by excluding deductions for state premium taxes from the definition of ''sales load'' in Rules 6e–2(c)(4) and 6e–3(T)(c)(4).

6. Applicants assert that the source for the definition of ''sales load'' found in the Rules supports this analysis. Applicants state that the Commission's intent in adopting such provisions was to tailor the general terms of Section 2(a)(35) of the 1940 Act to variable life insurance contracts. Just as the percentage limits of Sections 27(a)(1) and 27(h)(1) depend on the definition of ''sales load'' in Section 2(a)(35) for their efficacy, the percentage limits in Rules 6e–2(b)(13)(i) and 6e–3(T)(b)(13)(i) depend on Rules 6e–2(c)(4) and 6e–3(T)(c)(4), respectively, which do not depart, in principle, from Section 2(a)(35).

7. Section 2(a)(35) excludes deductions from premiums for ''issue taxes'' from the definition of ''sales load'' under the 1940 Act. Applicants submit that this suggests that it is consistent with the policies of the 1940 Act to exclude from the definition of ''sales load'' in Rules 6e–2 and 6e–3(T) deductions made to pay an insurance company's costs attributable to its tax obligations. Section 2(a)(35) also excludes administrative expenses or fees that are ''not properly chargeable to sales or promotional activities.'' Applicants argue that this suggests that the only deductions intended to fall within the definition of ''sales load'' are those that are properly chargeable to such activities. Because the proposed deductions will be used to compensate the Companies for their increased federal income tax burden attributable to the receipt of premiums, and are not properly chargeable to sales or promotional activities, this language in Section 2(a)(35) is another indication that not treating such deductions as ''sales load'' is consistent with the policies of the 1940 Act.

8. Applicants assert that the terms of the relief requested with respect to Contracts to be issued through the Accounts are consistent with the standards enumerated in Section 6(c) of the 1940 Act. Without the requested relief, the Companies would have to request and obtain exemptive relief for each Contract to be issued through one of the Other Accounts. Applicants state that such additional requests for exemptive relief would present no issues under the 1940 Act not already addressed in this request for exemptive relief.

9. Applicants assert that the requested relief is appropriate in the public interest because it would promote competitiveness in the variable life insurance market by eliminating the end for the Companies to file redundant exemptive applications, thereby reducing administrative expenses and maximizing efficient use of resources. The delay and expense involved in having to seek repeated exemptive relief would impair the ability of the Companies to take advantage fully of business opportunities as those opportunities arise. Additionally, Applicants state that the requested relief is consistent with the purposes of the 1940 Act and the protection of investors for the same reasons. If the Companies were required to seek exemptive relief repeatedly with respect to the same issues addressed in this application, investors would not receive any benefit or additional protection thereby and might be disadvantaged as a result of increased overhead expenses for the Companies.

Conditions for Relief

1. Applicants represent that the Companies will monitor the reasonableness of the charge to be deducted by the Companies pursuant to the requested exemptive relief.

2. Applicants represent that the registration statement for each Contract under which the charge referenced in paragraph one of this section is deducted will: (i) Disclose the charge; (ii) explain the purpose of the charge; and (iii) state that the charge is reasonable in relation to the Companies' increased federal income tax burden under Section 848 resulting from the receipt of premiums.

3. Applicants represent that the registration statement for each Contract under which the charge referenced in paragraph one of this section is deducted will contain as an exhibit an actuarial opinion as to: (i) The reasonableness of the charge in relation to the Companies' increased federal income tax burden under Section 848 resulting from the receipt of premiums; (ii) the reasonableness of the after tax rate of return that is used in calculating such charge; and (iii) the appropriateness of the factors taken into account by the Companies in determining the after tax rate of return.

Rules 6e–2(a)(2) and 6e–2(b)(15)

1. Applicants also request that the Commission, pursuant to Section 6(c) of the 1940 Act, grant exemptions from Rules 6e–2(a)(2) and 6e–2(b)(15) to the extent necessary to permit the Accounts to issue flexible premium variable life insurance policies under Rule 6e–3(T) without the Accounts losing the ability to rely on Rule 6e–2 with regard to single premium and scheduled premium variable life insurance policies issued by the Accounts.

2. Rules 6e–2(a)(2), in effect, requires that separate accounts such as the Accounts derive their assets, other than advances by the life insurance company, ''solely from the sale of variable life insurance contracts'' as that term is defined in the Rule. Rule 6e–2 defines a variable life insurance contract differently than Rule 6e–3(T) defines a flexible premium life insurance contract. Thus, Applicants note, a separate account that funds single premiums and scheduled premium variable life insurance contracts and flexible premium life insurance contracts would not be deemed to have its assets derived solely from the sale of ''variable life insurance contracts.'' Additionally, Applicants note that the exemptions afforded by Rules 6e–2(b)(15) are available only with respect to the ''variable life insurance separate accounts'' contemplated by Rule 6e–2, i.e., separate accounts that fund only scheduled premium variable life insurance contracts.

3. Applicants argue that no policy reason would justify prohibiting the use of the same Account as a funding vehicle for Contracts relying on Rule 6e–2 and Rule 6e–3(T). Applicants represent that the interests of flexible payment variable life policyholders and scheduled payment variable life policyholders and the regulatory frameworks of Rules 6e–2 and 6e–3(T) are sufficiently parallel that the use of

the same separate account to fund both types of policies should not prejudice the owners of any of the Contracts. Applicants also argue that the increased pooling, diversification, and economies of scale realized from the use of an Account should benefit the owners of the Contracts.

4. Applicants believe that the terms of the relief with respect to Contracts funded by Account L, MONY Account L or the Other Accounts are consistent with the standards enumerated in Section 6(c) of the 1940 Act. Without the requested relief, Applicants state that they would have to request and obtain exemptive relief in connection with the Contracts to the extent required. Any such additional requests for exemption, Applicants submit, would present no issues under the 1940 Act not already addressed in the application.

5. Applicants submit that the requested relief from Rules 6e–2(a)(2) and 6e–2(b)(15) is appropriate in the public interest because the relief will promote competitiveness in the variable life insurance market by eliminating the need for the Companies to file redundant exemptive applications, thereby reducing the Companies' administrative expenses and maximizing the efficient use of resources. Applicants argue that the delay and expense involved in having to repeatedly seek exemptive relief would impair the ability of the Companies to take advantage effectively of business opportunities as those opportunities arise. Applicants further submit that the requested relief is consistent with the purposes of the 1940 Act and the protection of investors for the same reasons. Thus, Applicants believe that the requested exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

Conclusion

Applicants submit that, for the reasons and upon the facts set forth above, the requested exemptions from Section 27(c)(2) of the 1940 Act and Rules 6e–2(c)(4)(v), 6e–3(T)(c)(4)(v), 6e–2(a)(2) and 6e–2(b)(15) thereunder to: (a) permit the Companies to deduct 1.25% of premium payments under the Contracts; and (b) to permit any of the Accounts to derive its assets from flexible premium, single premium and scheduled premium variable life insurance policies, and to nevertheless qualify as a variable life insurance separate account for the purposes of Rule 6e–2, meet the standards set forth in Section 6(c) of the 1940 Act. In this regard, Applicants assert that granting the relief requested in the application would be appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–11513 Filed 5–9–95; 8:45 am]

BILLING CODE 8010–01–M

SOCIAL SECURITY ADMINISTRATION

1994–95 Advisory Council on Social Security; Meeting

AGENCY: Social Security Administration.

ACTION: Notice of public meeting.

SUMMARY: In accordance with the Federal Advisory Committee Act, this notice announces a meeting of the 1994–95 Advisory Council on Social Security (the Council).

DATES: Friday, May 19, 1995, 9:00 a.m. to 5:00 p.m. and Saturday, May 20, 1995, 9:00 a.m. to 3:00 p.m.

ADDRESSES: National Rural Electric Cooperative Association, 1800 Massachusetts Avenue, N.W., Washington, D.C. 20036, (202) 857–9500.

FOR FURTHER INFORMATION CONTACT: By mail—Dan Wartonick, 1994–95 Advisory Council on Social Security, Suite 705, 1825 Connecticut Avenue, NW, Washington, DC 20009; By telephone—(202) 482–7117; By telefax—(202) 482–7123.

SUPPLEMENTARY INFORMATION:

I. Purpose

Under section 706 of the Social Security Act (the Act), the Secretary of Health and Human Services (the Secretary) appoints the Council every 4 years. The Council examines issues affecting the Social Security Old-Age, Survivors, and Disability Insurance (OASDI) programs, as well as the Medicare program and impacts on the Medicaid program, which were created under the Act.

In addition, the Secretary has asked the Council specifically to address the following:

- social Security financing issues, including developing recommendations for improving the long-range financial status of the OASDI programs;
- General program issues such as the relative equity and adequacy of Social Security benefits for persons at various income levels, in various family situations, and various age cohorts, taking into account such factors as the increased labor force participation of women, lower marriage rates, increased likelihood of divorce, and higher poverty rates of aged women.

In addressing these topics, the Secretary suggested that the Council may wish to analyze the relative roles of the public and private sectors in providing retirement income, how policies in both sectors affect retirement decisions and the economic status of the elderly, and how the disability insurance program provisions and the availability of health insurance and health care costs affect such matters.

The Council is composed of 12 members in addition to the chairman: Robert Ball, Joan Bok, Ann Combs, Edith Fierst, Gloria Johnson, Thomas Jones, George Kourpias, Sylvester Schieber, Gerald Shea, Marc Twinney, Fidel Vargas, and Carolyn Weaver. The chairman is Edward Gramlich.

The Council met previously on June 24–25 (59 FR 30367), July 29, 1994 (59 FR 35942), September 29–30 (59 FR 47146), October 21–22 (59 FR 51451), November 18–19 (59 FR 55272), January 27 (60 FR 3416), February 10–11 (60 FR 5433), March 8–9 (60 FR 10091), March 10–11 (60 FR 10090) and April 21–22 (60 FR 18419).

II. Agenda

The following topics will be presented and discussed:

- Options for ensuring the long-term financing of the Social Security program;
- Changes to Social Security benefits to ensure relative equity and adequacy; and
- Relative roles of the public and private sectors in providing retirement income.

The meeting is open to the public to the extent that space is available. Interpreter services for persons with hearing impairments will be provided. A transcript of the meeting will be available to the public on an at-cost-of duplication basis. The transcript can be ordered from the Executive Director of the Council.

(Catalog of Federal Domestic Assistance Program Nos. 93.802, Social Security—Disability Insurance; 93.803, Social Security—Retirement Insurance; 93.805, Social Security—Survivors Insurance.)

Dated: May 2, 1995.

David C. Lindeman,

Executive Director, 1994–95 Advisory Council on Social Security.

[FR Doc. 95–11428 Filed 5–9–95; 8:45 am]

BILLING CODE 4190–29–P