

to the proposed rule change and none were received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which OCC consents, the Commission will:

- (a) By order approve such proposed rule change or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filings will also be available for inspection and copying at the principal office of OCC. All submissions should refer to the file number SR-OCC-95-13 and should be submitted by January 3, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-30299 Filed 12-12-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21571; 811-7105]

CUNA Mutual Funds, Inc.; Notice of Application

December 6, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: CUNA Mutual funds, Inc.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant seeks an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on July 28, 1995 and amended on October 27, 1995, and December 1, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 2, 1996, and should be accompanied by proof of service on applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicant, 100 East Pratt Street, Baltimore, MD 21202.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Staff Attorney, at (202) 942-0572, or Alison E. Baur, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end diversified management investment company that was organized under the laws of Maryland. Applicant consists of three portfolios, CUNA Mutual U.S. Government Income Fund, CUNA Mutual Cornerstone Fund, and Mutual Tax-Free Intermediate-Term Fund. On October 8, 1993, applicant registered under the Act as an investment company, and filed a registration statement to register its shares under the Securities Act of 1933. The registration statement was declared effective on December 30, 1993 and applicant began a public offering thereafter.

2. On March 27, 1995, applicant's board of directors approved the liquidation and dissolution of applicant.

The board of directors approved the liquidation because, among other things, they did not expect assets under management to rise to a level that would allow applicant to operate productively. At all times, affiliated persons of applicant held a majority of the outstanding shares of each portfolio.

3. Between March 17 and March 30, 1995, letters were sent to all public shareholders notifying them of applicant's intent to liquidate all accounts effective May 12, 1995. On May 12, 1995, the remaining public shareholders of each portfolio received cash distributions equal to the net asset value of their accounts as of the close of business on that day. CMC-T.Rowe Price Management, LLC ("CMC"), applicant's administrator and a shareholder of applicant, made the decision to absorb all the expenses and costs of the liquidation and winding up of the business of applicant. Accordingly, applicant's affiliated persons received their distributions after the public shareholders to ensure that all costs and expenses of the liquidation (such as brokerage, taxes, etc.) would be absorbed by the affiliated parties and not the public shareholders. CMC was the sole remaining shareholder on May 26, 1995, and did in fact bear all expenses and costs of winding up the business of applicant. CMC also paid all of applicant's organizational expenses.

4. The liquidation was approved by CMC, the sole remaining shareholder of applicant's stock, on May 26, 1995. On that date, CMC redeemed its shares at net asset value and received applicant's remaining assets.

5. With one exception, all portfolio securities were sold in the usual course. A total of \$2,071.17 in brokerage commissions was incurred. The one exception involved a cross transaction with an affiliated mutual fund which followed the procedures set forth in rule 17a-7 under the Act.¹

6. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administrative proceeding.

7. On June 30, 1995, applicant filed articles of dissolution with Maryland authorities.

8. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

¹ Rule 17a-7 exempts purchase or sales transactions between an investment company and other affiliated investment companies provided that certain conditions are met.

⁵ 17 CFR 200.30-3(a)(12) (1994).

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-30298 Filed 12-12-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21586; File No. 812-9386]

Massachusetts Mutual Life Insurance Company, et al.

December 7, 1995.

AGENCY: U.S. Securities and Exchange Commission ("Commission").

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

APPLICANTS: Massachusetts Mutual Life Insurance Company ("MassMutual"), Massachusetts Mutual Variable Life Separate Account I ("Separate Account") and MML Investors Services, Inc. ("MMLISI").

RELEVANT 1940 ACT SECTIONS: Order requested pursuant to Section 6(c) of the 1940 Act for exemptions from Sections 27(a)(3) and 27(c)(2) of the 1940 Act and Rules 6e-3(T)(b)(13)(ii) and 6e-3(T)(c)(4)(v) thereunder.

SUMMARY OF THE APPLICATION:

Applicants seek an order: (1) to permit them to deduct from premium payments received in connection with certain flexible premium variable life insurance policies ("Policies") issued by MassMutual and any other flexible premium variable life insurance policies ("Other Policies") issued by MassMutual in the future and made available through the Separate Account or any other separate account established in the future by MassMutual to support flexible premium variable life insurance contracts ("Future Accounts"), an amount less than or approximately equal to the amount by which MassMutual's federal tax liabilities will be increased as a result of its receipt of those premium payments; and (2) to permit the deduction from premium payments in amounts less than or equal to the minimum planned premium under the Policies of a sales load that is greater than the sales load previously deducted from premium payments in amounts exceeding the minimum planned premium.

FILING DATES: The application was filed on December 23, 1994, and amended on June 28, 1995, and September 12, 1995.

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 by writing to the

Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on January 2, 1996, 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 writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Applicants, Thomas F. English, Esq., Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield, Massachusetts 01111.

FOR FURTHER INFORMATION CONTACT: Joyce Merrick Pickholz, Senior Counsel, or Wendy Finck Friedlander, Deputy Chief, Office of Insurance Products (Division of Investment Management), at (202) 942-0670.

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. MassMutual is a mutual life insurance company organized under Massachusetts law.

2. The Separate Account was established as a separate investment account of MassMutual for the purpose of investing net premium payments received under variable life insurance contracts. It is registered under the 1940 Act as a unit investment trust.

3. MMLISI serves as the principal underwriter for the Policies. MMLISI 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. MMLISI may serve as principal underwriter for Other Policies issued by MassMutual in the future.

4. The Policies are flexible premium variable life insurance policies available on a "Case" or on an individual basis. Insureds purchasing a Policy on a "Case basis" share a common employment or other institutional relationship. All Policies in any Case are aggregated for purposes of determining issue dates, policy dates, underwriting requirements and sales load percentages. Individual insureds with Case Policies may exercise all rights and privileges under the Policy through their employer or other sponsoring entity acting as Case administrator. After termination of the

employment or other relationship, an individual Policy owner may exercise such rights and privileges directly. The minimum Case premium is \$250,000 of first year annualized premiums for all Policies in a Case.

5. The sales load component of the premium deduction is based on the aggregate initial premiums paid for all Policies in a Case ("Initial Case Premium"). For Policies issued in a Case with an Initial Case Premium of at least \$1,000,000, the sales load remains level over the life of the Policies. For Policies issued in a Case with an Initial Case Premium of less than \$1,000,000, the sales load applied to any premium payment not exceeding the minimum planned Policy premium amount will be set at one level for the first five Policy years, and then reset at a lower, level amount after the fifth Policy year. During the first five Policy years, premiums are tracked on an annual cumulative basis for each Policy, and the sales load will be assessed at a higher level for premium payments made at or below the specified minimum planned Policy premium.

6. No surrender charge is imposed under the Policies.

7. MassMutual deducts a state premium tax charge from each premium payment made under the Policies. The level of such charge varies from state to state. Currently, state premium tax rates range from 2% to 3.5%.

8. MassMutual proposes to deduct from premium payments a charge for the federal tax burden imposed by deferred acquisition costs ("DAC tax") in the amount of 1% of premium payments. This amount is, at most, approximately equal to or less than the increase in MassMutual's federal income tax obligations based upon premiums received under the Policies.

9. In the Omnibus Budget Reconciliation Act of 1990 ("OBRA"), Congress amended Section 848 of the Internal Revenue Code of 1986 (the "Code"). In relevant part, Section 848 requires insurance companies to capitalize and amortize over a period of ten years certain general expenses for the current year. Under prior law, those expenses would have been deductible in full from an insurance company's gross income in the current tax year.

10. The amount of deductions that would have to be capitalized and amortized over ten years is based upon "net premiums" received in connection with certain types of insurance contracts ("specified contracts"). More specifically, an amount of expenses equal to a percentage of the current year's net premiums (*i.e.*, gross premiums minus return premiums and