

Dated at Rockville, Maryland, this 16th day of February 2001.

For the Nuclear Regulatory Commission.

Stephen R. Monarque,

Project Manager, Section 1, Project Directorate II, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 01-4475 Filed 2-22-01; 8:45 am]

BILLING CODE 7590-01-P

OFFICE OF PERSONNEL MANAGEMENT

Proposed Collection; Comment Request for Review of a Revised Information Collection OPM 1530

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, May 22, 1995), this notice announces that the Office of Personnel Management (OPM) intends to submit to the Office of Management and Budget a request for review of a revised information collection. OPM 1530, Report of Medical Examination of Person Electing Survivor Benefits Under the Civil Service Retirement System, is used to collect sufficient information from the required medical examination regarding an annuitant's health. This information is used to determine whether the insurable interest survivor benefits election can be allowed.

Comments are particularly invited on: whether this information is necessary for the proper performance of functions of OPM, and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; and ways in which we can minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

Approximately 500 OPM Forms 1530 will be completed annually. We estimate it takes approximately 90 minutes to complete the form. The annual burden is 750 hours.

For copies of this proposal, contact Mary Beth Smith-Toomey on (202) 606-8358, or E-mail to mbtoomey@opm.gov.

DATES: Comments on this proposal should be received on or before April 24, 2001.

ADDRESSES: Send or deliver comments to: Ronald W. Melton, Chief, Operations Support Division, Retirement and Insurance Service, U.S. Office of

Personnel Management, 1900 E Street NW., Room 3349A, Washington, DC 20415.

FOR INFORMATION REGARDING

ADMINISTRATIVE COORDINATION CONTACT: Donna G. Lease, Team Leader, Forms Analysis and Design, Budget and Administrative Services Division, (202) 606-0623.

Office of Personnel Management.

Steven R. Cohen,

Acting Director.

[FR Doc. 01-4367 Filed 2-22-01; 8:45 am]

BILLING CODE 6325-50-U

SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (The S&P 500 (R) Protected Equity Fund, Inc., Common Stock, \$.10 Par Value) File No. 1-15437

February 15, 2001.

The S&P 500 (R) Protected Equity Fund, Inc. ("Issuer") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to section 12(d) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 12d2-2(d)² thereunder, to withdraw its Common Stock, \$.10 par value ("Security"), from listing and registration on the New York Stock Exchange ("NYSE").

The Security is currently listed and registered on the NYSE and designated for quotation on the National Market of the Nasdaq Stock Market ("Nasdaq National Market"). The Issuer believes that the dealer market of the Nasdaq National Market has proven a better trading environment for its Security than the auction market of the NYSE. As a result, the Issuer has determined to continue quotation of its Security on the Nasdaq National Market, while withdrawing it from listing and registration on the NYSE in order to avoid the continuing costs of maintaining such listing.

The Issuer's application relates solely to the withdrawal of its Security from listing on the NYSE and registration under Section 12(b) of the Act³ and shall have no effect upon the Security's continued designation for quotation on the Nasdaq National Market and obligation to be registered under Section 12(g) of the Act.⁴

The Issuer has stated in its application that it has complied with

the requirements of NYSE Rule 500 governing the voluntary withdrawal of common stock from listing and registration on the exchange.

Any interested person may, on or before March 9, 2001, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609, facts bearing upon whether the application has been made in accordance with the rules of the NYSE and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 01-4428 Filed 2-22-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24858; File No. 812-12188]

Lincoln Benefit Life Company, et al.

February 16, 2001.

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

ACTION: Notice of application for an order pursuant to section 26(b) of the Investment Company Act of 1940 (the "1940 Act").

Summary of Application: Applicants seek an order to permit the substitution of shares of certain management investment companies for shares of certain other management investment companies held by Lincoln Benefit Life Variable Annuity Account ("VA Account") and Lincoln Benefit Life Variable Life Account ("VL Account").

Applicants: Lincoln Benefit Life Company ("Lincoln Benefit"), VA Account and VL Account (together, the "Separate Account Applicants"), and IAI Retirement Funds, Inc. ("IAI Applicant").

Filing Date: The application was filed on July 25, 2000, and amended and restated on February 7, 2001.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request

¹ 15 U.S.C. 781(d).

² 17 CFR 240.12d2-2(d).

³ 15 U.S.C. 781(b).

⁴ 15 U.S.C. 781(g).

⁵ 17 CFR 200.30-3(a)(1).

a hearing by writing to the Secretary of the SEC and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on March 13, 2001, and should be accompanied by proof of service on the 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 Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W. Washington, D.C. 20549-0609. Applicants, c/o Carol Watson, Esq., General Counsel, Lincoln Benefit Life Insurance Company, 2940 South 84th Street, Lincoln, Nebraska 68506. Copies to Jorden Burt Boros Ciccehetti Berenson & Johnson, LLP, 1025 Thomas Jefferson Street, N.W., Suite 400 East, Washington, D.C. 20007-0806, Attention: Joan E. Boros, Esq.

FOR FURTHER INFORMATION CONTACT: Joyce M. Pickholz, Senior Counsel, or Keith E. Carpenter, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, N.W., Washington, DC 20549 (tel. (202) 942-8090).

Applicants' Representations

1. Lincoln Benefit is a stock life insurance company organized under the laws of the state of Nebraska in 1938. Lincoln Benefit is an indirect wholly-owned subsidiary of the Allstate Corporation.

2. The VA Account and the VL Account are segregated asset accounts of Lincoln Benefit. Lincoln Benefit established the VA Account and the VL Account in 1992, in accordance with the laws of the state of Nebraska. The VA Account and the VL Account are registered as unit investment trusts under the 1940 Act. Lincoln Benefit issues certain variable annuity contracts through the VA Account and variable life insurance policies through the VL Account (together, "Contracts"). The variable interests under the Contracts are registered with the SEC under the Securities Act of 1933 (the "1933 Act").

3. The IAI Applicant was organized as a Minnesota corporation on September 16, 1993. The IAI Applicant currently issues shares in three investment portfolios: IAI Regional Portfolio, IAI

Balanced Portfolio, and IAI Reserve Portfolio (collectively the "Replaced Portfolios"). Shares of each of the Replaced Portfolios were sold only to the Separate Account Applicants for the purpose of funding certain Contracts. The IAI Applicant is registered as an open-end management investment company under the 1940 Act and its shares are registered as securities under the 1933 Act. The Replaced Portfolios are managed by Investment Advisors, Inc. ("IAI"). IAI is not affiliated with Lincoln.

4. Lincoln Benefit, on behalf of the Separate Account Applicants, proposes to substitute Class A shares of the Bond Portfolio of the Scudder Variable Life Investment Fund ("SVLIF") for shares of the IAI Reserve Portfolio. SVLIF was organized as a Massachusetts business trust on July 16, 1985. It offers its shares in nine series and two classes. Class A Shares, which the Separate Account Applicants purchase, are offered at net asset value and are not subject to Rule 12b-1 fees. SVLIF is registered as an open-end management investment company under the 1940 Act, and its shares are registered as securities under the 1933 Act. Both classes of shares are sold only to insurance company separate accounts to fund variable life insurance policies and variable annuity contracts. Scudder Kempter Investments, Inc. serves as investment adviser to, among others, the SVLIF Bond Portfolio.

5. Lincoln Benefit, on behalf of the Separate Account Applicants, also proposes to substitute Institutional Class shares of the Balanced Portfolio of the Janus Aspen Series ("JAS") for shares of the IAI Balanced Portfolio, and Institutional Class shares of the JAS Growth Portfolio for shares of the IAI Regional Portfolio. JAS was organized as a Delaware business trust on September 13, 1993. It offers its shares in thirteen portfolios and two or three classes, depending on the portfolio. Institutional Shares, which the Separate Account Applicants purchase, are offered at net asset value and are not subject to Rule 12b-1 fees. Institutional Shares are sold to insurance company separate accounts to fund variable life insurance policies and variable annuity contracts and to certain qualified plans. JAS is registered as an open-end management investment company under the 1940 Act and its shares are registered as securities under the 1933 Act. Janus Capital serves as investment adviser to, among others, the JAS Balanced Portfolio and the JAS Growth Portfolio. (The SVLIF Bond Portfolio, JAS Balanced Portfolio, and JAS Growth Portfolio, are referred to

collectively as the "Replacement Portfolios".)

6. IAI has announced publicly that a management team led by its president and chief investment officer has agreed in principle to acquire most of the business of IAI from its parent. In connection with this transaction, IAI is exiting the mutual fund business and the IAI Applicant has decided to discontinue making the Replaced Portfolios available as underlying investment options for variable insurance products. The IAI Applicant intends to liquidate the Replaced Portfolios as soon as possible after a substitution order is obtained from the SEC.

7. The IAI Applicant wishes to close the Replaced Portfolios primarily because IAI is exiting the mutual fund business. Because the Replaced Portfolios have not attracted sufficient Contract owner ("Owner") interest, IAI has suffered annual operating losses on the Replaced Portfolios and has needed to provide continual fee and expense waivers for the IAI Reserve Portfolio since its inception. In addition, the Replaced Portfolios are not attracting meaningful asset growth and IAI does not foresee significant future growth in the Replaced Portfolios. The small size of the Replaced Portfolios also makes it difficult to manage their assets efficiently.

8. Lincoln Benefit has determined that in light of the impending closure of the Replaced Portfolios, it would be best for the company and the Owners to substitute the shares of the Replaced Portfolios with shares of other mutual funds having similar objectives that are currently available under the Contracts. Accordingly, Applicants request the SEC's approval to effect the following substitutions (collectively referred to as the "Substitutions"):

(a) shares of SVLIF Bond Portfolio (Class A) for shares of IAI Reserve Portfolio;

(b) shares of JAS Balanced Portfolio (Institutional Class) for shares of IAI Balanced Portfolio; and

(c) shares of JAS Growth Portfolio (Institutional Class) for shares of IAI Regional Portfolio. (The SVLIF Bond Portfolio, JAS Balanced Portfolio, and JAS Growth Portfolio are referred to collectively as the "Replacement Portfolios".)

9. Lincoln Benefit will redeem for cash all of the shares of each Replaced Portfolio that it currently holds on behalf of the Separate Account Applicants at the close of business on the date selected for the Substitutions. Lincoln Benefit, on behalf of each Separate Account Applicant, will

simultaneously place a redemption request with each Replaced Portfolio and a purchase order with the corresponding Replacement Portfolio, so that each purchase will be for the exact amount of the redemption proceeds. As a result, at all times monies attributable to Owners then invested in the Replaced Portfolios will remain fully invested and will result in no change in the amount of any Owner's contract value, death benefit or investment in the applicable Separate Account Applicant.

10. The full net asset value of the redeemed shares held by the Separate Account Applicants will be reflected in the Owners' accumulation unit or annuity unit values following the Substitutions. Lincoln Benefit and IAI have undertaken to assume all transaction costs and expenses relating to the Substitutions, including any direct or indirect costs of liquidating the assets of the Replaced Portfolios, so that the full net asset value of redeemed shares of the Replaced Portfolios held by the Separate Account Applicants will be reflected in the Owners' accumulation unit or annuity unit values following the Substitutions.

11. Applicants anticipate that until the Substitutions occur, IAI will conduct the trading of portfolio securities in accordance with the investment objectives and strategies stated in the Replaced Portfolios' prospectuses and in a manner that provides for the anticipated redemptions of shares held by the Separate Account Applicants.

12. As part of the Substitutions, Lincoln Benefit will combine the sub-accounts of the Separate Account Applicants currently invested in the Replaced Portfolios with the sub-accounts currently invested in the corresponding Replacement Portfolios. Applicants state that each of the Contracts gives Lincoln Benefit the right to eliminate or add sub-accounts, combine two or more sub-accounts, or substitute one or more underlying mutual funds or portfolios for others in which one or more sub-accounts are invested. These contractual provisions have also been disclosed in the prospectuses or statements of additional information relating to the contract. Lincoln Benefit will schedule the Substitutions to occur after the issuance of the requested order and any required state insurance department approvals.

13. Applicants represent that affected Owners will not incur any fees or charges as a result of the Substitutions, nor will the rights or obligations of Lincoln Benefit under the Contracts be altered in any way. The proposed Substitutions will not have any adverse

tax consequences to Owners. The proposed Substitutions will not cause Contract fees and charges currently being paid by existing Owners to be greater after the proposed Substitutions than before the proposed Substitutions. The proposed Substitutions will not be treated as transfers for the purpose of assessing transfer charges. Lincoln Benefit will not, with respect to shares substituted, exercise any right it may have under the Contracts to impose additional restrictions on transfers for a period of at least 30 days following the proposed Substitutions.

14. Lincoln Benefit has supplemented the prospectuses for the Contracts to reflect the Substitutions. Within five days after the Substitutions, Lincoln Benefit will send to Owners written notice of the Substitutions, identifying the shares of the Replaced Portfolios that have been eliminated and the shares of the Replacement Portfolios that have been substituted. Lincoln Benefit will include in such mailing the applicable prospectus supplement for the Contracts of the Separate Account Applicants describing the Substitutions. Lincoln Benefit does not intend to mail a copy of the prospectus for the Replacement Portfolios to the Owners, because they already will have received a copy of those prospectuses in the ordinary course. Owners will be advised in the Notice that for a period of thirty-one days from the mailing of the Notice (the "Free Transfer Period"), Owners may transfer all assets, as substituted, to any other available subaccount without limitation or charge. In addition, Owners of VA Contracts, who as a result of the Substitutions are receiving variable annuity payments based on the Replacement Portfolios, will be permitted during the Free Transfer Period to transfer the substituted amounts to other sub-accounts, without limitation or charge, notwithstanding any limitation on such transfers in the variable annuity Contracts.

Applicants' Legal Analysis

1. Section 26(b) of the 1940 Act provides that "[i]t shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the [SEC] shall have approved such substitution." Section 26(b) of the 1940 Act was enacted as part of the Investment Company Act Amendments of 1970. Prior to the enactment of these amendments, a depositor of a unit investment trust could substitute new securities for those held by the trust by notifying the trust's security holders of the substitution within five (5) days

after the substitution. In 1966, the SEC, concerned with the high sales charges then common to most unit investment trusts and the disadvantageous position in which such charges placed investors who did not want to remain invested in the substituted security, recommended that Section 26 be amended to require that a proposed substitution of the underlying investments of a trust receive prior SEC approval.

2. Applicants submit that the purposes, terms, and conditions of the Substitution are consistent with the principles and purposes of Section 26(b) and do not entail any of the abuses that Section 26(b) is designed to prevent. Owners will be assessed no charges whatsoever in connection with the Substitutions and their annual fund expense ratios are expected to decrease, in most cases significantly. In addition, to the extent an Owner does not wish to participate in the Substitutions, he or she is free to transfer to any other option available under the relevant Contract prior to the Substitutions and after the Substitutions without any transfer fee. Moreover, as described below, Owners will be substituted into a Replacement Portfolio whose investment objectives, policies and expenses are substantially similar or identical in all material respects to those of the Replaced Portfolio.

3. Applicants submit that the Substitutions do not present the type of costly forced redemption or other harms that Section 26(b) was intended to guard against and is consistent with the protection of investors and the purposes fairly intended by the 1940 Act for the following reasons:

(a) the Substitutions will continue to fulfill Owners' objectives and risk expectations, because the SVLIF Bond Portfolio and JAS Balanced Portfolio have objectives, policies, and restrictions substantially identical in all material respects to the objectives, policies, and restrictions of the corresponding Replaced Portfolios and, of the Portfolios currently available under the Contracts, the JAS Growth Portfolio has investment objectives, policies and restrictions most similar to those of the IAI Regional Portfolio;

(b) after receipt of the Notice informing an Owner of the Substitutions, an Owner may request that his or her assets be reallocated to another sub-account at any time during the Free Transfer Period without any limitation or charges. This right will be granted to Owners of VA Contracts who are receiving variable payments based on the Replaced Portfolios, even though the relevant VA Contracts usually do not permit transfer during the Annuity

Period. The Free Transfer Period provides sufficient time for Owners to consider their reinvestment options;

(c) the Substitutions will be at net asset value of the respective shares, without the imposition of any transfer or similar charge;

(d) Lincoln Benefit and IAI have undertaken to assume all expenses and transaction costs, including, but not limited to, legal and accounting fees and any brokerage commissions, in connection with the Substitutions;

(e) the Substitutions will in no way alter the contractual obligations of Lincoln Benefit or the rights and privileges of Owners under the Contracts;

(f) the Substitutions will in no way alter the tax benefits to Owners;

(g) the Substitutions are expected to confer certain economic benefits on Owners by virtue of enhanced asset size and lower expenses, as described below; and

(h) at the time of the Substitutions, the aggregate fees and expenses under each Replacement Portfolio are expected to be lower than those of the corresponding Replaced Portfolio. Applicants agree that Lincoln Benefit will not increase the contract charges or the total separate account charges (net of any waiver or reimbursement) of the sub-accounts that invest in the Replacement Portfolios for those Contract Owners affected by the Substitutions for a period of two years from the Substitution Date. Lincoln Benefit further agrees that if the total operating expenses for any Replacement Portfolio (taking into account any expense waiver or reimbursement) for any fiscal quarter for the two-year period following the Substitution Date exceed on an annualized basis the relevant Maximum Portfolio Expense Limit as stated below (which is the net expense ratio for each corresponding Replaced Portfolio for the fiscal year ended December 31, 1999), Lincoln Benefit will make a corresponding reduction (through waiver or reimbursement) in the separate account expenses for that quarter of the sub-account that invests in such Replacement Portfolio for Contract Owners who were affected by the Substitution. The Maximum Portfolio Expense Limits for the Replacement Portfolios are: 1.01% for the SVLIF Bond Sub-account; 0.97% for the JAS Balanced Sub-account; and 0.88% for the JAS Growth Sub-account.

4. Applicants assert that the Replacement Portfolios and the Replaced Portfolios will have investment objectives and policies that

are substantially the same or identical in all material respects.

5. IAI Reserve Portfolio's investment objective is to provide high levels of capital stability and liquidity and, to the extent consistent with these primary objectives, a high level of current income. The IAI Reserve Portfolios pursues its objectives by investing primarily in a diversified portfolio of investment grade debt securities. In order to achieve the objectives of capital stability and liquidity, the IAI Reserve Portfolio maintains a dollar weighted average maturity of its investment portfolio of twenty-five (25) months or less.

6. SVLIF Bond Portfolio's investment objective seeks to provide a high level of income consistent with a high quality portfolio of debt securities. The SVLIF Bond Portfolio pursues its objective by investing at least 65% of its assets in bond. The SVLIF Bond Portfolio is permitted to invest in corporate bonds, U.S. government and agency bonds, mortgage and asset-backed securities and foreign debt securities. Under normal conditions, the SVLIF Bond Portfolio invests at least 65% of its assets in bonds rated in the top three grades of credit quality. While the SVLIF Bond Portfolio may invest in bonds of any maturity, its managers intend to seek to keep the average duration between four to six years.

7. IAI Balanced Portfolio's investment objective is to maximize total return. The IAI Balanced Portfolio pursues its objective by investing in a broadly diversified portfolio of stocks and debt securities. The IAI Balanced Portfolio's investments in common stocks are primarily in large capitalization companies (\$1 billion capitalization at the time of purchase) that IAI believes have solid competitive advantages and extremely high financial quality at attractive fundamental valuations. The IAI Balanced Portfolio is also permitted to invest in all types of debt securities, including securities issued by the U.S. government or its agencies, mortgage and asset-backed securities, zero coupon securities, payment-in-kind bonds and high-yield, non-investment grade debt securities commonly referred to as "Junk Bonds."

8. JAS Balanced Portfolio's investment objective is to seek long-term capital growth, consistent with preservation of capital and balanced by current income. Under normal conditions, JAS Balanced Portfolio pursues its objective by investing 40-60% of its assets in common stocks selected for their growth potential and 40-60% its assets in all types of debt and equity securities which Janus

Capital believes have income potential, including investing up to 35% of its assets in Junk Bonds. JAS Balanced Portfolio is also permitted to invest in foreign securities, indexed/structured securities, options, futures, swaps and special situations.

9. IAI Regional Portfolio's investment objective is capital appreciation. The IAI Regional Portfolio pursues its investment objective by investing primarily in the common stocks of issuers headquartered in Minnesota, Wisconsin, Iowa, Illinois, Nebraska, Montana, North Dakota and South Dakota.

10. JAS Growth Portfolios investment objective is to seek long-term capital growth in a manner consistent with the preservation of capital. The JAS Growth Portfolio pursues its investment objective by investing in the common stocks of issuers, of any size, selected by Janus Capital for their growth potential. The JAS Growth Portfolio generally invests in larger more established companies. The JAS Growth Portfolio is also permitted to invest up to 35% of its assets in Junk Bonds as well as foreign equity securities, debt securities, indexed/structured securities, options, futures, swaps and special situations. The JAS Growth Portfolio is also permitted to invest in derivatives for hedging and non-hedging purposes.

11. According to the Applicants, no other investment option currently available under the Contracts has the same regional focus as the IAI Regional Portfolio. Further, Applicants state that they are not aware of any other mutual fund available for purchase by insurance company separate accounts that has that regional focus. From among the current investment options under the Contracts, JAS Growth Portfolio is the nearest match to the IAI Regional Portfolio, because both Portfolios have capital growth as a primary investment objective and both Portfolios use growth potential as a primary criteria in selecting stock in which to invest.

12. Accordingly, Lincoln Benefit has specifically determined that the Replacement Portfolios are appropriate investment vehicles for Owners who have allocated value to the Replaced Portfolios and that the Substitutions will be consistent with Owners' investment objectives and risk expectations.

13. Applicants submit that the fees and expenses of the Replacement Portfolios will be less than the Replaced Portfolios' fees and expenses, even though Lincoln Benefit is entitled to receive a service fee from the investment advisers for each of the

Replacement Portfolios in return for providing certain administrative services and Lincoln Benefit does not receive any such fees from IAI, the adviser to the Replaced Portfolios. Accordingly, Applicants assert that the proposed Substitution poses no concerns in connection with the fees and expenses that will arise therefrom.

EXPENSE RATIOS ¹

[As a percentage of average daily net assets]

	(In percent)
IAI Reserve Portfolio ² :	
Management Fee	0.45
Other Expenses	1.21
Total Expenses (before waiver)	1.66
Total Expenses (after waiver)	1.01
IAI Balanced Portfolio ³ :	
Management Fee	0.65
Other Expenses	0.34
Total Expenses (before waiver)	0.99
Total Expenses (after waiver)	0.977
IAI Regional Portfolio:	
Management Fee	0.65
Other Expenses	0.23
Total Expenses	0.88
SVLIF Bond Portfolio:	
Management Fee	0.475
Other Expenses	0.095
Total Expenses	0.57
Total Expenses	0.57
JAS Balanced Portfolio:	
Management Fee	0.65
Other Expenses	0.02
Total Expenses	0.67
Total Expenses	0.67
JAS Growth Portfolio:	
Management Fee	0.65
Other Expenses	0.02

EXPENSE RATIOS ¹—Continued

[As a percentage of average daily net assets]

	(In percent)
Total Expenses	0.67

¹ The Expense Ratios for the Replaced Portfolios and the SVLIF Bond Portfolio are based on expenses for the fiscal year ending December 31, 1999. The Expense Ratios for the JAS Portfolios are based on expenses for the fiscal year ending December 31, 1999, restated to show the effect of an amendment to the investment advisory agreement reducing the management fee for both Portfolios. The actual expense ratios for each JAS Portfolio in the fiscal year ending December 31, 1999 was 0.69% of average daily net assets, and the actual management fee was 0.67 of average daily net assets. The reduction in the management fee became effect on May 1, 2000.

² IAI voluntarily waived certain expenses for the IAI Reserve Portfolio and the IAI Balanced Portfolios in the fiscal year ending December 31, 1999, and intends to continue to waive expenses in the current fiscal year.

³ Each of the Replacement Portfolios has significantly more assets than the corresponding Replaced Portfolio. It is expected that the lower expense ratios should continue as a result of the significantly greater assets of the Replacement Portfolios.

³ See note 2 supra.

TOTAL NET ASSETS

[As of December 31, 1999]

	In millions
Replaced Portfolios ¹ :	
IAI Reserve	0.6
IAI Balanced	3.8
IAI Regional	13.4
Replacement Portfolios:	
SVLIF Bond	94.0
JAS Balanced	2,453.1

TOTAL NET ASSETS—Continued

[As of December 31, 1999]

	In millions
JAS Growth	2,942.7

¹ As of December 31, 2000, the total Net Assets (unaudited) of the Replaced Portfolios had declined to the following amounts: for IAI Reserve Portfolio, \$0.5 million; for IAI Balanced Portfolio, \$2.8 million; for IAI Regional Portfolio, \$8.2 million.

15. As shown in the following table, the total assets currently invested under the Contracts in the sub-accounts investing in the Replacement Portfolios are significantly greater than the total assets in the sub-accounts investing in the Replaced Portfolios.

TOTAL ASSETS INVESTED UNDER THE CONTRACTS

[As of December 31, 2000 (unaudited)]

	In millions
Replaced Portfolios:	
IAI Reserve	0.5
IAI Balanced	2.8
IAI Regional	8.2
Replacement Portfolios:	
SVLIF Bond	5.9
JAS Balanced	56.2
JAS Growth	101.3

16. The total returns of the Replacement Portfolios generally have been higher than the returns of corresponding Replaced Portfolios. Applicants submit that while there is no guarantee that past performance will continue, the return data provided support their view that the Substitutions are not expected to give rise to diminution in performance or other adverse effects on Contract values.

AVERAGE ANNUAL TOTAL RETURNS

[As of December 31, 1999]

Portfolio	One year (In percent)	Five years (In percent)	Ten years of since inception (In percent)
IAI Reserve	2.89	4.60	4.40 (since 4/7/94).
SVLIF Bond	-0.95	6.95	7.37 (since years).
IAI Balanced	3.87	11.62	10.150 (since 2/3/94).
JAS Balanced	26.76	24.68	20.62 (since 9/1/93).
IAI Regional	18.37	15.29	12.93 (since 1/31/91).
JAS Growth	43.98	29.89	24.28 (since 9/13/93).

Conclusion

For the reasons summarized above, Applicants assert that the requested order meets the standards set forth in section 26(b) of the 1940 Act, and should, therefore, be granted.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-4496 Filed 2-22-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43969; File No. SR-CBOE-01-02]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated To Amend Its Rules To Allow for \$0.50 Strike Price Intervals for Options Based on Certain Index Portfolio Shares

February 15, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 31, 2001, the Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE proposes to amend its rules to allow for \$0.50 strike price intervals for options based on certain Index Portfolio Shares ("IPs").

The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any

comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to establish \$0.50 strike price intervals for options based on certain IPSs. More specifically, the Exchange intends to list options on the iShares S&P 100 Index Fund (ticker symbol "OEF"), an IPS which currently trades on the Exchange. OEF is an exchange-traded fund that represents ownership in an open-end management company established to hold a portfolio of stocks replicating the S&P Index ("Index" or "S&P 100"). It holds substantially all of the securities of the Index in approximately the same proportions as reflected in the Index.

The Exchange will list options on OEF pursuant to the criteria set forth in *Interpretations and Policies .06* under CBOE Rule 5.3.³ However, the Exchange believes that it is appropriate to amend CBOE Rule 5.5, by adding *Interpretations and Policies .06*, to provide that options on OEF be set to \$0.50 or greater strike price intervals. These ½ point increments would correspond favorably to the 5-point increments in certain broad-based index options traded on the Exchange, such as the S&P 100 ("OEX") and S&P 500 ("SPX"), because the size of the OEF-based contract will be approximately one-tenth of the size of the option contracts on the OEX. Accordingly, the Exchange believes that to effectively compliment existing CBOE products and to help ensure efficient trading of OEF options, adopting \$0.50 strike price intervals for OEF options is necessary.

The Exchange recognizes that adding series of options for trading under the proposed rule change may result in a slight increase in message traffic; however, the Exchange represents that it has the necessary systems capacity to support any additional series of options that may be added under the proposed rule.

³ CBOE Rule 5.3 describes the criteria for underlying securities. Specifically, *Interpretations and Policies .06* under CBOE Rule 5.3 indicates which securities are deemed appropriate for options trading.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act⁵ in particular, in that it will permit trading in options based on OEF pursuant to strike intervals designed to promote just and equitable principles of trade, and thereby will provide investors with the ability to invest in options based on an additional CBOE product.

B. Self-Regulatory Organization's Statement on Burden on Competition

The CBOE does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were either solicited or received with respect to the proposed rule change.

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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A)⁶ of the Act and Rule 19b-4(f)(6)⁷ thereunder.⁸

A proposed rule change filed under Rule 19b-4(f)(6) may not become operative prior to 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange seeks to have the proposed rule change become operative on January 31, 2001, to allow

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

⁸ Under Rule 19b-4(f)(6)(iii), the Exchange must give written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing the rule change, or such shorter time as designated by the Commission. As required, the Exchange has provided the Commission with written notice of its intent to file the proposed rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.