

confirmation of their submissions, but they also receive custom responses via e-mail from the Office of Investor Education and Assistance which include an automatically generated file number.

Investor use of the SEC's complaint and question forms is strictly voluntary. Moreover, the SEC does not require investors to submit complaints, questions, tips, or other feedback. Absent the forms, investors would still have several ways to contact the agency, including telephone, facsimile, letters, and e-mail. Nevertheless, the SEC created its complaint and question forms to make it easier for investors to contact the agency with complaints, questions, or tips. The forms further streamline the workflow of SEC staff who record, process, and respond to investor contacts.

The staff of the SEC estimates that the total reporting burden for using the complaint and question forms is 5,000 hours. The calculation of this estimate depends on the number of investors who use the forms each year and the estimated time it takes to complete the forms: 20,000 respondents  $\times$  15 minutes = 5,000 burden hours.

Responses to the complaint and question forms are subject to the Freedom of Information Act (FOIA), which generally allows the SEC to make information available to the public upon request. An investor who submits a complaint or question form may request that his or her information not be released to the public by writing a letter asking that the information remain confidential under one of the exemptions described in FOIA (see 5 U.S.C. 552). The SEC determines whether the investor's claim of an exemption is valid when someone requests the investor's information under FOIA. The SEC often makes its files available to other governmental agencies, particularly United States Attorneys, state securities regulators, and state prosecutors. There is a likelihood that information supplied by investors will be made available to such agencies where appropriate. Whether or not the SEC makes its files available to other governmental agencies is, in general, a confidential matter between the SEC and such other governmental agencies.

The document retention period for the correspondence management system used by the Office of Investor Education and Assistance is four years.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or send an e-mail to: [David\\_Rostker@omb.eop.gov](mailto:David_Rostker@omb.eop.gov); and (ii) R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: April 4, 2005.

**Margaret H. McFarland,**

*Deputy Secretary.*

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**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-26829; File No. 812-13158]

### MetLife Investors Insurance Company, et al.; Notice of Application

April 7, 2005.

**AGENCY:** The Securities and Exchange Commission ("Commission").

**ACTION:** Notice of application for an order pursuant to Section 26(c) of the Investment Company Act of 1940 (the "Act") approving certain substitutions of securities and an order of exemption pursuant to Section 17(b) of the Act from Section 17(a) of the Act.

**APPLICANTS:** MetLife Investors Insurance Company ("MetLife Investors"), MetLife Investors Variable Annuity Account One ("VA Account One"), MetLife Investors Variable Life Account One ("VL Account One"), MetLife Investors Variable Life Account Eight ("VL Account Eight"), First MetLife Investors Insurance Company ("First MetLife Investors"), First MetLife Investors Variable Annuity Account One ("First VA Account One"), MetLife Investors Insurance Company of California ("MetLife Investors of California"), MetLife Investors Variable Annuity Account Five ("VA Account Five"), MetLife Investors Variable Life Account Five ("VL Account Five"), General American Life Insurance Company ("General American"), General American Separate Account Seven ("Separate Account Seven"), General American Separate Account Eleven ("Separate Account Eleven"), General American Separate Account Thirty Three ("Separate Account Thirty

Three"), General American Separate Account Fifty Eight ("Separate Account Fifty Eight"), General American Separate Account Fifty Nine ("Separate Account Fifty Nine"), New England Life Insurance Company ("New England"), New England Variable Life Separate Account ("NEVL Separate Account"), New England Variable Life Separate Account Four ("NEVL Separate Account Four"), New England Variable Life Separate Account Five ("NEVL Separate Account Five"), Metropolitan Life Insurance Company ("MetLife") (together with MetLife Investors, First MetLife Investors, MetLife Investors of California, General American and New England, the "Insurance Companies"), Metropolitan Life Separate Account DCVL ("Separate Account DCVL"), Security Equity Separate Account Thirteen ("Separate Account Thirteen"), Security Equity Separate Account Nineteen ("Separate Account Nineteen") (together with VA Account One, VL Account One, VL Account Eight, First VA Account One, VA Account Five, VL Account Five, Separate Account Seven, Separate Account Eleven, Separate Account Thirty Three, Separate Account Fifty Eight, Separate Account Fifty Nine, NEVL Separate Account, NEVL Separate Account Four, NEVL Separate Account Five, Separate Account DCVL and Separate Account Thirteen, the "Separate Accounts"), Met Investors Series Trust ("MIST") and Metropolitan Series Fund, Inc. ("Met Series Fund") (MIST and Met Series Fund are the "Investment Companies"). The Insurance Companies and the Separate Accounts are the "Substitution Applicants." The Insurance Companies, the Separate Accounts and the Investment Companies are the "Section 17 Applicants."

**FILING DATE:** The application was filed on January 24, 2005, and amended on April 5, 2005. Applicants represent that they will file an amendment to the application during the notice period to conform to the representations set forth herein.

**SUMMARY OF APPLICATION:** Applicants request an order to permit certain unit investment trusts to substitute (a) shares of Lord Abbett Growth & Income Portfolio for shares of AIM V.I. Premier Equity Fund, VIP Contrafund, VP Income and Growth Fund, Goldman Sachs Growth and Income Fund; (b) shares of Neuberger Berman Real Estate Portfolio for shares of Alliance Bernstein Real Estate Investment Portfolio; (c) shares of Janus Aggressive Growth Portfolio for shares of AllianceBernstein Premier Growth

Portfolio; (d) shares of MFS Research International Portfolio for shares of VP International Fund, Putnam VT International Equity Fund; (e) shares of MetLife Stock Index Portfolio for shares of Dreyfus Stock Index Portfolio; (f) shares of Oppenheimer Capital Appreciation Portfolio for shares of MFS Investors Trust Series, Oppenheimer Capital Appreciation Fund/VA; (g) shares of Lord Abbett Bond Debenture Portfolio for shares of VIP High Income Portfolio, MFS High Income Fund; (h) shares of T. Rowe Price Large Cap Growth Portfolio for shares of MFS Research Series, MFS Emerging Growth Series; (i) shares of Met/AIM Small Cap Growth Portfolio for shares of MFS New Discovery Series; (j) shares of PIMCO Total Return Portfolio for shares of Oppenheimer Strategic Bond Fund/VA; and (k) shares of Third Avenue Small Cap Value Portfolio for shares of SVS Dreman Small Cap Value Portfolio. The shares are held by certain of the Separate Accounts to fund certain group and individual variable annuity contracts and variable life insurance policies (collectively, the "Contracts") issued by the Insurance Companies (defined below).

**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 Secretary of the Commission 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 April 28, 2005 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 issued contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants: Richard C. Pearson, Esq., MetLife Investors Insurance Company, 22 Corporate Plaza Drive, Newport Beach, California 92660, and Robert N. Hickey, Esq., Sullivan & Worcester LLP, 1666 K Street, NW., Washington, DC 20006.

**FOR FURTHER INFORMATION CONTACT:**

Robert Lamont, Senior Counsel at 202-551-6758 or, Lorna MacLeod, Branch Chief, at 202-551-6795, Office of Insurance Products, Division of Investment Management.

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee from the Public Reference Branch of the Commission, 450 Fifth Street, NW., Washington, DC 20549 (tel. 202-942-8090).

**Applicants' Representations**

1. MetLife Investors is a stock life insurance company organized under the laws of Missouri. MetLife Investors is a wholly-owned subsidiary of MetLife, Inc. MetLife Investors is the depositor and sponsor of VA Account One, VL Account One and VL Account Eight.

2. VA Account One is registered under the Act as a unit investment trust. The assets of VA Account One support certain Contracts. Security interests in the Contracts have been registered under the Securities Act of 1933.

3. VA Account One is currently divided into 78 sub-accounts, 43 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 35 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with VA Account One (except, that, in some instances, VA Account One may own more than 5% of such investment company).

4. VL Account One is registered under the Act as a unit investment trust. The assets of VL Account One support certain Contracts. Security interests in the Contracts have been registered under the Securities Act of 1933.

5. VL Account One is currently divided into 47 sub-accounts, 31 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 16 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with VL Account One (except, that, in some instances, VL Account One may own more than 5% of such investment company).

6. VL Account Eight serves as a separate account funding vehicle for certain Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

7. VL Account Eight is currently divided into 20 sub-accounts, 3 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 17 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with VL Account Eight (except, that, in some instances, VL

Account Eight may own more than 5% of such investment company).

8. First MetLife Investors is a stock life insurance company organized under the laws of New York. First MetLife Investors is an indirect wholly-owned subsidiary of MetLife, Inc. First MetLife Investors is the depositor and sponsor of First VA Account One.

9. First VA Account One is registered under the Act as a unit investment trust. The assets of First VA Account One support certain Contracts. Security interests in the Contracts have been registered under the Securities Act of 1933.

10. First VA Account One is currently divided into 72 sub-accounts, 43 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 29 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with First VA Account One (except, that, in some instances, First VA Account One may own more than 5% of such investment company).

11. MetLife Investors of California is a stock life insurance company organized under the laws of California. MetLife Investors of California is an indirect wholly-owned subsidiary of MetLife, Inc. MetLife Investors of California is the depositor and sponsor of VA Account Five and VL Account Five.

12. VA Account Five is registered under the Act as a unit investment trust. The assets of VA Account Five support certain Contracts. Security interests under the Contracts have been registered under the Securities Act of 1933.

13. VA Account Five is currently divided into 84 sub-accounts, 48 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 36 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with VA Account Five (except, that, in some instances, VA Account Five may own more than 5% of such investment company).

14. VL Account Five is registered under the Act as a unit investment trust. The assets of VL Account Five support certain Contracts. Security interests in the Contracts have been registered under the Securities Act of 1933.

15. VL Account Five is currently divided into 47 sub-accounts, 31 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 16 of which reflect the performance of registered investment companies

managed by advisers that are not affiliated with VL Account Five (except, that, in some instances, VL Account Five may own more than 5% of such investment company).

16. General American is a stock life insurance company organized under the laws of Missouri. General American is an indirect wholly-owned subsidiary of MetLife, Inc. General American is the depositor and sponsor of Separate Account Seven and Separate Account Eleven.

17. Separate Account Seven serves as a separate account funding vehicle for certain Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

18. Separate Account Seven is currently divided into 58 sub-accounts, 20 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 38 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with Separate Account Seven (except, that, in some instances, Separate Account Seven may own more than 5% of such investment company).

19. Separate Account Eleven is registered under the Act as a unit investment trust. The assets of Separate Account Eleven support certain Contracts. Security interests under the Contracts have been registered under the Securities Act of 1933.

20. Separate Account Eleven is currently divided into 50 sub-accounts, 34 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 16 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with Separate Account Eleven (except, that in some instances, Separate Account Eleven may own more than 5% of such investment company).

21. Separate Account Thirty Three serves as a separate account funding vehicle for certain Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

22. Separate Account Thirty Three is currently divided into 58 sub-accounts, 20 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 38 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with Separate Account Thirty Three (except, that, in some instances, Separate Account Thirty Three may own more than 5% of such investment company).

23. Separate Account Fifty Eight serves as a separate account funding vehicle for certain Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

24. Separate Account Fifty Eight is currently divided into 34 sub-accounts, 26 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 8 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with Separate Account Fifty Eight (except, that, in some instances, Separate Account Fifty Eight may own more than 5% of such investment company).

25. Separate Account Fifty Nine serves as a separate account funding vehicle for certain Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

26. Separate Account Fifty Nine is currently divided into 34 sub-accounts, 26 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 8 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with Separate Account Fifty Nine (except, that, in some instances, Separate Account Fifty Nine may own more than 5% of such investment company).

27. New England is a stock life insurance company organized under the laws of Delaware and re-domesticated in Massachusetts. General American is an indirect wholly-owned subsidiary of MetLife, Inc. New England is the depositor and sponsor of NEVL Separate Account, NEVL Separate Account Four and NEVL Separate Account Five.

28. NEVL Separate Account is registered under the Act as a unit investment trust. The assets of NEVL Separate Account support certain Contracts. Security interests under the Contracts have been registered under the Securities Act of 1933.

29. NEVL Separate Account is currently divided into 47 sub-accounts, 41 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 6 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with NEVL Separate Account (except, that in some instances, NEVL Separate Account may own more than 5% of such investment company).

30. NEVL Separate Account Four serves as a separate account funding vehicle for certain Contracts that are

exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

31. NEVL Separate Account Four is currently divided into 28 sub-accounts, 20 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 8 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with NEVL Separate Account Four (except, that, in some instances, NEVL Separate Account Four may own more than 5% of such investment company).

32. NEVL Separate Account Five serves as a separate account funding vehicle for certain Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

33. NEVL Separate Account Nine is currently divided into 28 sub-accounts, 20 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 8 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with NEVL Separate Account Five (except, that, in some instances, NEVL Separate Account Five may own more than 5% of such investment company).

34. MetLife is a stock life insurance company organized under the laws of New York. MetLife is a wholly-owned subsidiary of MetLife, Inc., a publicly traded company. MetLife is the depositor and sponsor of MetLife Separate Account DCVL.

35. Separate Account DCVL serves as a separate account funding vehicle for certain Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

36. Separate Account DCVL is currently divided into 50 sub-accounts, 20 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 30 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with Separate Account DCVL (except that in some instances, Separate Account DCVL may own more than 5% of such investment company).

37. Separate Account Thirteen is registered under the Act as a unit investment trust. The assets of Separate Account Thirteen support certain Contracts. Security interests under the Contracts have been registered under the Securities Act of 1933.

38. Separate Account Thirteen is currently divided into 18 sub-accounts,

3 of which reflect the investment performance of a corresponding series of MIST or Met Series Fund, and 15 of which reflect the performance of registered investment companies managed by advisers that are not affiliated with Separate Account Thirteen (except that in some instances, Separate Account Thirteen may own more than 5% of such investment company).

39. Separate Account Nineteen serves as a separate account funding vehicle for certain Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933 and Regulation D thereunder.

40. Separate Account Nineteen is currently divided into 1 sub-account, 0 of which reflects the investment performance of a corresponding series of MIST or Met Series Fund, and 1 of which reflects the performance of a registered investment company managed by an adviser that is not affiliated with Separate Account Nineteen (except that in some instances, Separate Account Nineteen may own more than 5% of such investment company).

41. MIST and Met Series Fund are each registered under the Act as open-

end management investment companies of the series type, and their securities are registered under the Securities Act of 1933.

42. Under the Contracts, the Insurance Companies reserve the right to substitute shares of one fund with shares of another.

43. Each Insurance Company, on its behalf and on behalf of the Separate Accounts, proposes to make certain substitutions of shares of eighteen funds (the "Existing Funds") held in sub-accounts of its respective Separate Accounts for certain series (the "Replacement Funds") of MIST and Met Series Fund. The proposed substitutions are as follows: (a) Shares of Lord Abnett Growth and Income Portfolio for shares of AIM V.I. Premier Equity Fund, VIP Contrafund, VP Income & Growth Fund, Goldman Sachs Growth and Income Fund; (b) shares of Neuberger Berman Real Estate Portfolio for shares of AllianceBernstein Real Estate Investment Portfolio; (c) shares of Janus Aggressive Growth Portfolio for shares of AllianceBernstein Premier Growth Portfolio; (d) shares of MFS Research International Portfolio for shares of VP International Fund, Putnam VT International Equity Fund; (e) shares of

MetLife Stock Index Portfolio for shares of Dreyfus Stock Index Portfolio; (f) shares of Oppenheimer Capital Appreciation Portfolio for shares of MFS Investors Trust Series, Oppenheimer Capital Appreciation Fund/VA; (g) shares of Lord Abnett Bond Debenture Portfolio for shares of VIP High Income Portfolio, MFS High Income Fund; (h) shares of T. Rowe Price Large Cap Growth Portfolio for shares of MFS Research Series, MFS Emerging Growth Series; (i) shares of Met/AIM Small Cap Growth Portfolio for shares of MFS New Discovery Series; (j) shares of PIMCO Total Return Portfolio for shares of Oppenheimer Strategic Bond Fund/VA; and (k) shares of Third Avenue Small Cap Value Portfolio for shares of SVS Dreman Small Cap Value Portfolio.

44. The investment objectives, policies and restrictions of the Replacement Funds are in each case substantially the same as or sufficiently similar to the investment objectives, policies and restrictions of the respective Existing Funds. Set forth below is a description of the investment objectives and principal investment policies of each Existing Fund and its corresponding Replacement Fund.

Existing fund	Replacement fund
AIM V.I. Premier Equity Fund—seeks to achieve long-term growth of capital. Income is a secondary objective. The Fund normally invests at least 80% of its net assets in equity securities. The Fund may also invest in preferred stocks and debt instruments that have prospects for growth of capital and may invest up to 25% of its total assets in foreign securities. The portfolio managers focus on undervalued equity securities.	Lord Abnett Growth and Income Portfolio—seeks long-term growth of capital and income without excessive fluctuation in market value. The Portfolio normally invests 80% of its net assets in equity securities of large (at least \$5 billion of market capitalization), seasoned U.S. and multinational companies that are believed to be undervalued. The Portfolio may also invest in foreign securities.
VIP Contrafund Portfolio—seeks long-term capital appreciation. The Portfolio invests primarily in common stocks of large companies believed to be undervalued. The Portfolio may invest in both domestic and foreign securities.	
VP Income & Growth Fund—seeks to achieve capital growth by investing in common stocks. Income is a secondary objective. The portfolio managers select stocks primarily from the largest 1,500 publicly traded U.S. companies. Securities are ranked by their value as well as growth potential. The Fund seeks to provide better returns than the S&P 500 without taking on significant additional risks. The portfolio managers attempt to create a dividend yield for the Fund that will be greater than that of the S&P 500.	
Goldman Sachs Growth and Income Fund—seeks long-term growth of capital and growth of income. Normally, the Fund invests at least 65% of its total assets in equity securities that have favorable prospects for capital appreciation and/or dividend-paying ability. Up to 25% of the Fund's assets may be invested in foreign securities including securities of issuers in emerging market countries. The Fund may invest up to 35% of its total assets in fixed income securities.	
AllianceBernstein Real Estate Investment Portfolio <sup>1</sup> —seeks total return from long-term growth of capital and from income. The Portfolio invests, normally, at least 80% of its net assets in equity securities of real estate investment trusts and other real estate industry companies. The Portfolio seeks to invest in real estate companies whose underlying portfolios are diversified geographically and by property type. The Portfolio may invest up to 20% of its net assets in mortgage-backed securities.	Neuberger Berman Real Estate Portfolio <sup>1</sup> —seeks total return through investment in real estate securities, emphasizing both capital appreciation and current income. The Portfolio invests, normally, at least 80% of its assets in equity securities of real estate investment trusts and other securities issued by real estate companies. The Portfolio may invest up to 20% of its assets in investment grade or non-investment grade (minimum rating of B) debt securities.

Existing fund	Replacement fund
<p>AllianceBernstein Premier Growth Portfolio<sup>2</sup>—seeks growth of capital by pursuing aggressive investment policies. The Portfolio invests primarily in the securities of a small number of U.S. companies. The Portfolio looks for companies with superior growth prospects. The Portfolio may invest up to 20% of its assets in foreign securities and up to 20% of its assets in convertible securities which may be below investment grade.</p>	<p>Janus Aggressive Growth Portfolio<sup>2</sup>—seeks long-term growth of capital. The Portfolio invests primarily in common stocks selected for their growth potential. Investments may be made in companies of any size. The Portfolio may invest without limit in foreign securities and up to 35% of its assets in high yield/high risk debt securities.</p>
<p>VP International Fund<sup>3</sup>—seeks capital growth. The portfolio managers look for companies with earnings and revenue growth. The Fund's assets will be primarily invested in common stocks companies in at least three developed countries (excluding the U.S.).</p>	<p>MFS Research International Portfolio<sup>3</sup>—seeks capital appreciation. Normally, at least 65% of the Portfolio's net assets are invested in common stocks and related securities of foreign companies (including up to 25% of its net assets in emerging market issuers) located in at least five countries. The Portfolio seeks companies of any size with favorable growth prospects and attractive valuations.</p>
<p>Putnam VT International Equity Fund—seeks equity capital appreciation. The Fund invests mainly in common stocks of companies outside the U.S. Under normal circumstances, at least 80% of the Fund's net assets are invested in equity securities. The Fund invests mainly in mid- and large-sized companies, although it can invest in companies of any size. The Fund emphasizes investments in developed countries, although it can also invest in emerging market countries.</p>	<p>MetLife Stock Index Portfolio—seeks to equal the performance of the S&amp;P 500 Index. The Portfolio purchases the common stocks of all the companies in the S&amp;P 500 Index.</p>
<p>Dreyfus Stock Index Portfolio—seeks to match the total return of the S&amp;P 500 Index. The Fund generally invests in all 500 securities of the S&amp;P 500 Index proportion to their weighting in the S&amp;P 500 Index.</p>	<p>Oppenheimer Capital Appreciation Portfolio<sup>4</sup>—seeks capital appreciation. The Portfolio mainly invests in common stocks of growth companies of any market capitalization. The Portfolio currently focuses on the securities of mid-cap and large-cap companies. The Portfolio may also purchase the securities of foreign issuers.</p>
<p>MFS Investors Trust Series<sup>4</sup>—seeks mainly to provide long-term growth of capital and secondarily reasonable current income. Normally, the Series invests at least 65% of its net assets in common stocks and related equity securities. While the Series may invest in companies of any size, the Series generally focuses on companies with large market capitalizations believed to have substantial growth prospects and attractive valuations based on current and expected earnings and cash flow. The Series will also seek to generate gross income equal to approximately 90% of the dividend yield of the S&amp;P 500 Index. The Series may invest in foreign equity securities.</p>	<p>Lord Abnett Bond Debenture Portfolio—seeks to provide high current income and the opportunity for capital appreciation to produce a high total return. The Portfolio normally invests substantially all of its net assets in high yield and investment grade debt securities. Up to 80% of the Portfolio's total assets may be invested in junk bonds. 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. Up to 20% of the Portfolio's assets may be invested in foreign securities.</p>
<p>Oppenheimer Capital Appreciation Fund/VA—seeks capital appreciation. The Fund invests mainly in common stocks of growth companies of any market capitalization. The Fund currently focuses on the securities of mid-cap and large-cap domestic companies, but buys foreign stocks as well.</p>	<p>T. Rowe Price Large Cap Growth Portfolio—seeks long-term growth of capital and, secondarily, dividend income. Normally, the Portfolio invests at least 80% of its assets in the common stocks and other securities of large capitalization growth companies (i.e., those within the market capitalization range of the Russell 1000 Index). The investment adviser seeks companies that have the ability to pay increasing dividends through strong cash flow.</p>
<p>VIP High Income Portfolio—seeks a high level of current income, while also considering growth of capital. The Portfolio normally invests primarily in income-producing debt securities, preferred stocks and convertible securities, with an emphasis on lower-quality debt securities. The Portfolio may invest in domestic and foreign issuers.</p>	<p>MFS High Income Series—seeks high current income by investing primarily in a managed diversified portfolio of fixed income securities, some of which may involve equity features. Normally, the Series invests at least 80% of its net assets in high income fixed income securities (junk bonds). The Series may also invest in foreign securities (including emerging market securities.)</p>
<p>MFS Emerging Growth Series—seeks to provide long-term growth of capital. Normally the Series invests at least 65% of its net assets in common stocks and related securities of emerging growth companies of any size (currently invests primarily in large-cap companies). The Series may invest in foreign securities including emerging market securities.</p>	<p>MFS Research Series—seeks to provide long-term growth of capital and future income. The Series invests at least 80% of its net assets in common stocks and related securities. The Series focuses on large cap companies believed to have favorable prospects for long-term growth, attractive valuations and superior management. The Series may invest in companies of any size, in debt securities rated below investment grade, and in foreign securities, including emerging market securities.</p>

Existing fund	Replacement fund
<p>MFS New Discovery Series—seeks capital appreciation. The Series normally invests at least 65% of its net assets in equity securities of emerging growth companies. The Series generally focuses on smaller capitalization companies that have market capitalizations within the range of companies in the Russell 2000 Index at the time of purchase. The Series may also invest in foreign securities.</p>	<p>Met/AIM Small Cap Growth Portfolio—seeks long-term growth of capital. The Portfolio normally invests at least 80% of its net assets in equity related securities of small-cap companies. To be a small-cap company it will have a market capitalization at the time of purchase, no larger than the largest capitalized company included in the Russell 2000 Index. The Portfolio may invest up to 20% of its net assets in equity securities of issuers whose capitalizations are outside the range of market capitalization of company included in the Russell 2000 Index, in investment grade non-convertible debt securities and U.S.-government securities. The Portfolio may invest up to 25% of its total assets in foreign securities.</p>
<p>Oppenheimer Strategic Bond Fund/VA—seeks a high level of current income principally derived from interest on debt securities. The Fund invests in debt securities of issuers in three market sectors: foreign governments and companies (including emerging market issuers); U.S. government securities; and lower-grade, high yield securities of U.S. and foreign companies. The Fund may invest in securities of any maturity and may invest without limit in junk bonds.</p>	<p>PIMCO Total Return Portfolio—seeks maximum total return, consistent with the preservation of capital and prudent investment management. The Portfolio normally invests at least 65% of its assets in a diversified portfolio of fixed income instruments of varying maturities. The Portfolio invests primarily in investment grade debt obligations, U.S. government securities and commercial paper and other short-term obligations. Up to 20% of the Portfolio's net assets may be invested in securities denominated in foreign currencies and the Portfolio may invest beyond that limit in U.S. dollar-denominated securities of foreign issuers.</p>
<p>SVS Dreman Small Cap Value Portfolio<sup>5</sup>—seeks long-term capital appreciation. Normally, the Portfolio invests at least 80% of its net assets in undervalued stocks of small U.S. companies, which the Portfolio defines as companies that are similar in market value to those in the Russell 2000 Value Index. The Portfolio may also invest up to 20% of its net assets in securities of foreign companies in the form of dollar-denominated American Depositary Receipts.</p>	<p>Third Avenue Small Cap Value Portfolio<sup>5</sup>—seeks long-term capital appreciation. Normally, the Portfolio, which is non-diversified, invests at least 80% of its net assets in equity securities of small companies. The Portfolio considers a "small company" to be one whose market capitalization is no greater than or less than the range of capitalizations of companies in the Russell 2000 Index or the S&amp;P Small Cap 600 Index at the time of the investment. The Portfolio seeks to acquire common stocks of well-financed companies at a substantial discount to what the investment adviser believes is their true value.</p>

<sup>1</sup> As of December 31, 2004, neither AllianceBernstein Real Estate Investment Portfolio nor Neuberger Berman Real Estate Portfolio had any investments in mortgage-backed securities or debt securities including in non-investment grade debt securities. Each Portfolio had over 92% of its assets invested in real estate investment trusts, with the balance in cash or common stock equities.

<sup>2</sup> With respect to AllianceBernstein Premier Growth Portfolio and Janus Aggressive Growth Portfolio, although there is no restriction on Janus Aggressive Growth Portfolio's investment in foreign securities, normally the Portfolio does not invest more than approximately 20% of its assets in foreign securities. With respect to investments in high yield/high risk debt securities, neither Portfolio currently invests more than a minimal amount in such securities.

<sup>3</sup> As of December 31, 2004 MFS Research International Portfolio and VP International Fund had 2.8% and 0%, respectively, of their assets invested in emerging market issuers.

<sup>4</sup> With respect to MFS Investors Trust Series and Oppenheimer Capital Appreciation Portfolio, the S&P 500 Index is the benchmark for both Portfolios. Although income is not a stated objective of Oppenheimer Capital Appreciation Portfolio, approximately 72% of the Portfolio's assets are invested in dividend paying securities. Moreover, at December 31, 2003, 14 of the top 25 securities held by Oppenheimer Capital Appreciation Portfolio are held by MFS Investors Trust Series. Oppenheimer Capital Appreciation Portfolio's current yield as of December 31, 2003 was 1.1%. MFS Investors Trust Series' current yield as of December 31, 2003 was 1.6%.

<sup>5</sup> Although Third Avenue Small Cap Value Portfolio is classified as a non-diversified fund, its investments are similar to a diversified fund. As of December 31, 2004, Third Avenue Small Cap Portfolio's top ten holdings amounted to 21.32% of its portfolio with no holding in excess of 2.63%. SVS Dream Small Cap Value Portfolio's top ten holdings at December 31, 2004 amounted to 18.4% of its portfolio with no holding in excess of 3.1%. It is anticipated that the Third Avenue Small Cap Value Portfolio will continue to be managed as a diversified fund.

45. The following tables compare the total operating expenses of the Existing Fund and the Replacement Fund for each proposed substitution. The comparative expenses are based on actual expenses, including waivers, for the year ended December 31, 2003. In

some cases, the expense caps for certain Replacement Funds were decreased effective May 1, 2004, and the management fee was reduced effective January 1, 2005. In such cases the expenses of each Fund as of December 31, 2003, have been restated to reflect

the expense cap in effect as of May 1, 2004, or revised management fee, as the case may be. Where a Fund has multiple classes of shares involved in the proposed substitution, the expenses of each class are presented.

	AIM V.I. Premier Equity Fund (Class 1) (percent)	Lord Abbett Growth and Income Portfolio (Class A) (percent)
Management Fee .....	0.61	0.56
12b-1 Fee .....	.....	.....
Other Expenses .....	0.24	0.06
Total Expenses .....	0.85	0.62
Waivers .....	.....	.....
Net Expenses .....	0.85	0.62

	AllianceBernstein Premier Growth Portfolio (Class A) (percent)	Janus Aggressive Growth Portfolio (Class A) * (percent)
Management Fee .....	1.00	0.70
12b-1 Fee .....	.....	.....
Other Expenses .....	0.05	0.12
Total Expenses .....	1.05	0.82
Waivers .....	.....	.....
Net Expenses .....	1.05	0.82

\* Restated to reflect lowered management fee.

	AllianceBernstein Real Estate Investment Portfolio		Neuberger Berman Real Estate Portfolio	
	Class A (percent)	Class B (percent)	Class A (percent)	Class B (percent)
Management Fee .....	0.90	0.90	0.70	0.70
12b-1 Fee .....	.....	0.25	.....	0.25
Other Expenses .....	0.34	0.34	0.41	0.41
Total Expenses .....	1.24	1.49	1.11	1.36
Waivers .....	0.25	0.35	0.21	0.21
Net Expenses .....	0.89	1.14	0.90	1.15

	VP Income & Growth Fund (Class 1) (percent)	Lord Abbett Growth and Income Portfolio (Class A) (percent)
Management Fee .....	0.70	0.56
12b-1 Fee .....	.....	.....
Other Expenses .....	.....	0.06
Total Expenses .....	0.70	0.62
Waivers .....	.....	.....
Net Expenses .....	0.70	0.62

	VP International Fund (Class 1) (percent)	MFS Research International Portfolio (Class A) (percent)
Management Fee .....	1.33	0.80
12b-1 Fee .....	.....	.....
Other Expenses .....	0.01	0.31
Total Expenses .....	1.34	1.11
Waivers .....	.....	0.02
Net Expenses .....	1.34	1.09

	Dreyfus Stock Index Fund		MetLife Stock Index Fund	
	Initial (percent)	Service (percent)	Class A (percent)	Class B (percent)
Management Fee .....	0.25	0.25	0.25	0.25
12b-1 fee .....	.....	0.25	.....	0.25
Other Expenses .....	0.02	0.02	0.06	0.06
Total Expenses .....	0.27	0.52	0.31	0.56
Waivers .....	.....	.....	.....	.....
Net Expenses .....	0.27	0.52	0.31	0.56

	VIP High Income Portfolio		Lord Abbett Bond Debenture Portfolio *	
	Initial (percent)	Service 2 (percent)	Class A (percent)	Class B (percent)
Management Fee .....	0.58	0.58	0.53	0.53
12b-1 Fee .....	.....	0.25	.....	0.25
Other Expenses .....	0.11	0.12	0.07	0.06
Total Expenses .....	0.69	0.95	0.60	0.84

	VIP High Income Portfolio		Lord Abbett Bond Debenture Portfolio *	
	Initial (percent)	Service 2 (percent)	Class A (percent)	Class B (percent)
Waivers .....				
Net Expenses .....	0.69	0.95	0.60	0.84

\* Restated to reflect lowered management fee.

	VIP Contrafund Portfolio (Initial) (percent)	Lord Abbett Growth and Income (Class A) (percent)
Management Fee .....	0.58	0.56
12b-1 Fee .....		
Other Expenses .....	0.09	0.06
Total Expenses .....	0.67	0.62
Waivers .....		
Net Expenses .....	0.67	0.62

	Goldman Sachs Growth and Income Fund (percent)	Lord Abbett Growth and Income (Class A) (percent)
Management Fee .....	0.75	0.56
12b-1 Fee .....		
Other Expenses .....	0.45	0.06
Total Expenses .....	1.20	0.62
Waivers .....	0.30	
Net Expenses .....	0.90	0.62

	MFS High Income Series		Lord Abbett Bond Debenture Portfolio *	
	Initial (percent)	Service (percent)	Class A (percent)	Class B (percent)
Management Fee .....	0.75	0.75	0.53	0.53
12b-1 Fee .....		0.25		0.25
Other Expenses .....	0.15	0.15	0.07	0.06
Total Expenses .....	0.90	1.15	0.60	0.84
Waivers .....				
Net Expenses .....	0.90	1.15	0.60	0.84

\* Restated to reflect lowered management fee.

	MFS Emerging Growth Series (Initial) (percent)	T. Rowe Price Large Cap Growth Portfolio (Class A) (percent)
Management Fee .....	0.75	0.63
12b-1 Fee .....		
Other Expenses .....	0.12	0.16
Total Expenses .....	0.87	0.79
Waivers .....		
Net Expenses .....	0.87	0.79

	MFS Research Series (Initial) (Percent)	T. Rowe Price Large Cap Growth Portfolio (Class A) (Percent)
Management Fee .....	0.75	0.63
12b-1 Fee .....		
Other Expenses .....	0.12	0.16
Total Expenses .....	0.87	0.79
Waivers .....		
Net Expenses .....	0.87	0.79

	MFS New Discovery Series		Met/AIM Small Cap Growth Portfolio	
	Initial (Percent)	Service (Percent)	Class A (Percent)	Class B (Percent)
Management Fee .....	0.90	0.90	0.90	0.90
12b-1 Fee .....		0.25		0.25
Other Expenses .....	0.14	0.14	0.26	0.21
Total Expenses .....	1.04	1.29	1.16	1.36
Waivers .....			0.12	0.06
Net Expenses .....	1.04	1.29	1.04	1.30

	MFS Investors Trust Series (Initial) (Percent)	Oppenheimer Capital Appreciation Portfolio (Class A) (Percent)
Management Fee .....	0.75	0.63
12b-1 Fee .....		
Other Expenses .....	0.12	0.12
Total Expenses .....	0.87	0.75
Waivers .....		0.03
Net Expenses .....	0.87	0.72

	Oppenheimer Strategic Bond Fund/VA (Class A) (percent)	PIMCO Total Return Portfolio (Class A) (percent)
Management Fee .....	0.72	0.50
12b-1 Fee .....		
Other Expenses .....	0.05	0.09
Total Expenses .....	0.77	0.57
Waivers .....	0.02	
Net Expenses .....	0.75	0.59

	Oppenheimer Capital Appreciation Fund/VA (Class A) (Percent)	Oppenheimer Capital Appreciation Portfolio (Class A) (Percent)
Management Fee .....	0.65	0.63
12b-1 Fee .....		
Other Expenses .....	0.02	0.12
Total Expenses .....	0.67	0.75
Waivers .....		0.03
Net Expenses .....	0.67	0.72

	Putnam VT International Equity Fund		MFS Research International Portfolio	
	Class A (Percent)	Class B (Percent)	Class A (Percent)	Class B (Percent)
Management Fee .....	0.80	0.80	0.80	0.80
12b-1 Fee .....		0.25%		0.25
Other Expenses .....	0.22	0.22	0.31	0.34
Total Expenses .....	1.02	1.27	1.11	1.39
Waivers .....			0.02	0.06
Net Expenses .....	1.02	1.27	1.09	1.33

	SVS Dreman Small Cap Value Portfolio		Third Avenue Small Cap Value Portfolio	
	Class A (Percent)	Class B (Percent)	Class A (Percent)	Class B (Percent)
Management Fee .....	0.75	0.75	0.75	0.75
12b-1 Fee .....		0.25		0.25
Other Expenses .....	0.05	0.19	0.18	0.18
Total Expenses .....	0.80	1.19	0.93	1.18

	SVS Dreman Small Cap Value Portfolio		Third Avenue Small Cap Value Portfolio	
	Class A (Percent)	Class B (Percent)	Class A (Percent)	Class B (Percent)
Waivers .....	.....	.....	.....	.....
Net Expenses .....	0.80	1.19	0.93	1.18

46. Met Advisers, LLC or Met Investors Advisory, LLC is the adviser of each of the Replacement Funds. Each Replacement Fund currently offers up to three classes of shares, two of which, Class A and Class B, are involved in the substitutions. No Rule 12b-1 Plan has been adopted for any Replacement Fund's Class A shares. Each Replacement Fund's Class B shares has adopted a Rule 12b-1 distribution plan whereby up to 0.50% of a Fund's assets attributable to its Class B shares may be used to finance the distribution of the Fund's shares. Currently, payments under the plan are limited to 0.25% for Class B shares.

47. Met Investors Advisory, LLC has entered into agreement with MIST whereby, for the period ended April 30, 2006, and any subsequent year in which the agreement is in effect, the total annual operating expenses of the following Replacement Funds (excluding interest, taxes, brokerage commissions and Rule 12b-1 fees) will not exceed the amounts stated. These expense caps may be extended by the investment adviser from year to year as follows:

	Percent
Met/AIM Small Cap Growth Portfolio .....	1.05
Third Avenue Small Cap Value Portfolio .....	0.95
MFS Research International Portfolio .....	1.00
Oppenheimer Capital Appreciation Portfolio .....	0.75
Janus Aggressive Growth Portfolio .....	0.90
Neuberger Berman Real Estate Portfolio .....	0.90

48. The annuity contracts are individual flexible premium fixed and variable deferred and immediate annuity contracts. Many of the annuity contracts provide that a maximum of 12 transfers can be made every year without charge or that a \$10 contractual limit charge will apply or that no transfer charge will apply. During the accumulation period, Contract owners may transfer between the variable account options or from the variable account options to the fixed account option without limitation. Some of the Contracts have no contractual limitation

on transfers during the accumulation period. Some Contract owners may make transfers from the fixed account option subject to certain minimum transfer amounts (\$500 or the total interest in the account) and maximum limitations. Some of the Contracts have additional restrictions on transfers from the fixed account to the variable account. During the income period or under the immediate annuity, Contract owners may currently make unlimited transfers among investment portfolios and from investment portfolios to the fixed account option. No fees or other charges are currently imposed on transfers for most of the Contracts. Under certain annuity contracts, the Insurance Companies reserve the right to impose additional restrictions on transfers. Any transfer limits will be suspended in connection with the substitutions.

49. Under the life insurance policies, policy owners may allocate account value among the General Account and the available investment portfolios. All or part of the account value may be transferred from any investment portfolio to another investment portfolio, or to the General Account. Generally, for Contracts that are exempt from registration under Section 4(2) of the Securities Act of 1933, there is no General Account. The minimum amount that can be transferred is the lesser of the minimum transfer amount (which currently ranges from \$1 to \$500), or the total value that is an investment portfolio or the General Account. Certain policies provide that twelve transfers in a policy year can be made without charge. A transfer fee of \$25 is payable for additional transfers in a policy year, but these fees are not currently charged. Other policies do not currently limit the number of transfers; however, the Insurance Companies reserve the right to limit transfers to four or twelve (depending on the policy) per policy year end and to impose a \$25 charge on transfers in excess of 12 per year or on any transfer. Under the policies, the Insurance Companies reserve the right to impose additional restrictions on transfers. All transfer limits will be suspended in connection with the substitutions.

50. The substitutions are expected to provide significant benefits to Contract owners, including improved selection of portfolio managers and simplification of fund offerings through the elimination of overlapping offerings. The Substitution Applicants believe that the sub-advisers to the Replacement Funds overall are better positioned to provide consistent above-average performance for their Funds than are the advisers or sub-advisers of the Existing Funds. At the same time, Contract owners will continue to be able to select among a large number of funds, with a full range of investment objectives, investment strategies, and managers.

51. In addition, there will be significant savings to Contract owners because certain costs, such as the costs of printing and mailing lengthy periodic reports and prospectuses for the Existing Funds will be substantially reduced. Further, many of the Existing Funds are smaller than their respective Replacement Funds. As a result, various costs such as legal, accounting, printing and trustee fees are spread over a larger base with each Contract owner bearing a smaller portion of the cost than would be the case if the Fund were smaller in size. (More detailed information regarding the amount of each Fund's assets can be found in the Application).

52. In addition, Contract owners with sub-account balances invested in shares of the Replacement Funds will, except as follows, have a lower total expense ratios taking into account fund expenses (including Rule 12b-1 fees, if any) and current fee waivers. In the following substitutions, the total operating expense ratios of the Replacement Funds are higher because expenses, other than the management fee, are somewhat higher.

- AllianceBernstein Real Estate Investment Portfolio/Neuberger Berman Real Estate Portfolio—total expenses of Class A and Class B shares are 1 basis point higher than those of AllianceBernstein Real Estate Investment Portfolio;
- Dreyfus Stock Index Fund/MetLife Stock Index Portfolio—total expenses of Class A and Class B shares are 4 basis points higher than those of Dreyfus Stock Index Fund;

- MFS New Discovery Series/Met/ AIM Small Cap Growth Portfolio—total expenses of Class B shares are 1 basis point higher than those of MFS New Discovery Series—Class A expenses are the same;

- Oppenheimer Capital Appreciation Portfolio/VA/Oppenheimer Capital Appreciation Portfolio—total expenses of Class A and Class B shares are 5 basis points higher than those of Oppenheimer Capital Appreciation Portfolio/VA;

- Putnam VT International Equity Fund/MFS Research International Portfolio—total expenses of Class A and Class B shares are 7 basis points and 6 basis points, respectively, higher than those of Putnam VT International Equity Fund; and

- SVS Dreman Small Cap Value Portfolio/Third Avenue Small Cap Value Portfolio—total expenses of Class A and Class B shares are 13 basis points higher than those of SVS Dreman Small Cap Value Portfolio—Class B expenses of Third Avenue Small Cap Value are lower.

Except as stated above for Contract owners with account balances in certain classes of 6 of the 18 funds involved in the substitutions, the substitutions will result in decreased expense ratios (ranging from 1 basis point to 31 basis points). Moreover, there will be no increase in Contract fees and expenses, including mortality and expense risk fees and administration and distribution fees charged to the Separate Accounts as a result of the substitutions.

53. The share classes of the Existing Funds and the Replacement Funds are identical with respect to the imposition of Rule 12b-1 fees currently imposed. While each Replacement Fund's Class B Rule 12b-1 fees can be raised to 0.50% of net assets by the Fund's Board of Trustees/Directors, the Rule 12b-1 fees of 0.25% of the Existing Funds' shares cannot be raised by the Fund's Board of Trustees, without shareholder approval, except as follows:

AllianceBernstein Real Estate Investment Portfolio can be raised by the Board 0.50%; Putnam VT International Equity Fund can be raised by the Board up to 0.35%.

Met Series Fund and MIST represent that, except as set forth in the following sentence, Rule 12b-1 fees for the Replacement Funds' Class B shares issued in connection with the proposed substitutions will not be raised above 0.25% of net assets without approval of a majority in interest of those Contract owners whose shares were involved in the proposed substitutions. The foregoing representation shall apply to the following substitutions only if the

Rule 12b-1 fees for the Replacement Funds' Class B shares exceed 0.35% or 0.50% of net assets as indicated: AllianceBernstein Real Estate Investment Portfolio/Neuberger Berman Real Estate Portfolio—0.50%; Putnam VT International Equity Fund/MFS Research International Portfolio—0.35%.

54. Further, in addition to any Rule 12b-1 fees, the investment advisers or distributors of the Existing Funds pay the Insurance Companies or one of the affiliates from 5 to 30 basis points for Class A (or their equivalent) shares sold to the Separate Accounts and, for Class B (or their equivalent) shares, Rule 12b-1 fees of 25 basis points plus additional amounts ranging from 5 to 25 basis points. Following the substitutions, these payments will not be made on behalf of the Existing Funds. Rather, 25 basis points in Rule 12b-1 fees (with respect to Class B shares) and profit distributions to members, if any, from the Replacement Funds' advisers will be available to the Insurance Companies. These amounts from investment advisory fees may be more or less than the fees being paid by the Existing Funds.

55. The Insurance Companies considered the performance history of each Fund and determined that no Contract owners would be materially adversely affected as a result of the substitutions. (More detailed information regarding the Funds' comparative performance histories can be found in the Application).

56. By a supplement to the prospectuses for the Contracts and the Separate Accounts, each Insurance Company will notify all owners of the Contracts of its intention to take the necessary actions, including seeking the order requested by this Application and to substitute shares of the funds as described herein. The supplement will advise Contract owners that from the date of the supplement until the date of the proposed substitution, owners are permitted to make one transfer of Contract value (or annuity unit exchange) out of the Existing Fund sub-account, to another sub-account without the transfer (or exchange) being treated as one of a limited number of permitted transfers (or exchanges) or a limited number of transfers (or exchanges) permitted without a transfer charge. The supplement also will inform Contract owners that for at least 30 days following the proposed substitutions, the Insurance Companies will permit Contract owners affected by the substitutions to make one transfer of Contract value (or annuity unit exchange) out of the Replacement Fund

sub-account to another sub-account without the transfer (or exchange) being treated as one of a limited number of permitted transfers (or exchanges) or a limited number of transfers (or exchanges) permitted without a transfer charge.

57. The proposed substitutions will take place at relative net asset value with no change in the amount of any Contract owner's Contract value, cash value, or death benefit or in the dollar value of his or her investment in the Separate Accounts.

58. The process for accomplishing the transfer of assets from each Existing Fund to its corresponding Replacement Fund will be determined on a case-by-case basis. In most cases, it is expected that the substitutions will be effected by redeeming shares of an Existing Fund for cash and using the cash to purchase shares of the Replacement Fund.

59. In certain other cases, it is expected that the substitutions will be effected by redeeming the shares of an Existing Fund in-kind; those assets will then be contributed in-kind to the corresponding Replacement Fund to purchase shares of that Fund. All in-kind redemptions from an Existing Fund of which any of the Substitution Applicants is an affiliated person will be effected in accordance with the conditions set forth in the Commission's no-action letter issued to *Signature Financial Group, Inc.* (available December 28, 1999). If an Existing Fund has not adopted the appropriate procedures set forth in *Signature*, redemptions will be in cash. In light of this fact, the Section 17 Applicants are not requesting relief with respect to those in-kind redemptions.

60. Contract owners will not incur any fees or charges as a result of the proposed substitutions, nor will their rights or an Insurance Company's obligations under the Contracts be altered in any way. All expenses incurred in connection with the proposed substitutions, including brokerage, legal, accounting, and other fees and expenses, will be paid by the Insurance Companies. In addition, the proposed substitutions will not impose any tax liability on Contract owners. The proposed substitutions will not cause the Contract fees and charges currently being paid by existing Contract owners to be greater after the proposed substitutions than before the proposed substitutions. No fees will be charged on the transfers made at the time of the proposed substitutions because the proposed substitutions will not be treated as a transfer for the purpose of assessing transfer charges or for determining the number of

remaining permissible transfers in a Contract year.

61. In addition to the prospectus supplements distributed to owners of Contracts, within five business days after the proposed substitutions are completed, Contract owners will be sent a written notice informing them that the substitutions were carried out and that they may make one transfer of all Contract value or cash value under a Contract invested in any one of the sub-accounts on the date of the notice to another sub-account available under their Contract at no cost and without regard to the usual limit on the frequency of transfers from the variable account options to the fixed account options. The notice will also reiterate that the Insurance Company will not exercise any rights reserved by it under the Contracts to impose additional restrictions on transfers or to impose any charges on transfers (other than with respect to "market timing" activities) until at least 30 days after the proposed substitutions. The Insurance Companies will also send each Contract owner current prospectuses for the Replacement Funds involved to the extent that they have not previously received a copy.

62. The Substitution Applicants agree that, to the extent that the annualized expenses of each Replacement Fund exceeds, for each fiscal period (such period being less than 90 days) during the twenty-four months following the substitutions, the 2003 net expense level of the corresponding Existing Fund, the Insurance Companies will, for each Contract outstanding on the date of the proposed substitutions, make a corresponding reduction in separate account (or sub-account) expenses on the last day of such fiscal period, such that the amount of the Replacement Fund's net expenses, together with those of the corresponding separate account (or sub-account) will, on an annualized basis, be no greater than the sum of the net expenses of the Existing Fund and the expenses of the separate account (or sub-account) for the 2003 fiscal year.

63. The Substitution Applicants further agree that the Insurance Companies will not increase total separate account charges (net of any reimbursements or waivers) for any existing owner of the Contracts on the date of the substitutions for a period of two years from the date of the substitutions.

#### Applicants' Legal Analysis

1. Section 26(c) of the Act requires the depositor of a registered unit investment trust holding the securities of a single

issuer to obtain Commission approval before substituting the securities held by the trust. Specifically, Section 26(c) states:

It 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 Commission shall have approved such substitution. The Commission shall issue an order approving such substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provision of this title.

2. The Substitution Applicants state that the proposed substitutions appear to involve substitutions of securities within the meaning of Section 26(c) of the Act. The Substitution Applicants, therefore, request an order from the Commission pursuant to Section 26(c) approving the proposed substitutions.

3. The Contracts expressly reserve to the applicable Insurance Company the right, subject to compliance with applicable law, to substitute shares of another investment company for shares of an investment company held by a sub-account of the Separate Accounts. The prospectuses for the Contracts and the Separate Accounts contain appropriate disclosure of this right.

4. Applicants request an order of the Commission pursuant to Section 26(c) of the Act approving the proposed substitutions by the Insurance Companies. The Applicants assert that the proposed substitutions are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

5. The Substitution Applicants represent that with respect to each proposed substitution, the Replacement Fund will have the same or lower management fee and current 12b-1 fee. In addition, Contract owners with balances invested in the Replacement Fund will have, taking into effect any applicable expense waivers, a lower expense ratio in many cases and, for others, a similar expense ratio. However, the Substitution Applicants propose to limit Contract charges attributable to Contract value invested in the Replacement Funds following the proposed substitutions, to a rate that would offset the expense ratio difference between the Existing Funds' 2003 net expense ratios and the net expense ratios for the Replacement Funds. The proposed Replacement Fund for each Existing Fund has an investment objective that is at least substantially similar to that of the Existing Fund. Moreover, the principal investment policies of the Replacement

Funds are similar to those of the corresponding Existing Funds. The Insurance Companies believe that the new sub-adviser will, over the long-term, be positioned to provide at least comparable performance to that of the Existing Fund's sub-adviser.

6. In addition, a number of the Existing Funds are currently either not available as investment options under any Contract previously or currently offered by the Insurance Companies or, if available, are available only for additional contributions and/or transfers from other investment options under Contracts not currently offered. The Substitution Applicants submit that, with respect to those Existing Funds with limited or no current availability, there is little likelihood additional significant assets, if any, will be allocated to such Funds, and, therefore, because of the costs of maintaining such Funds as investment options under the Contracts, it is in the interest of shareholders to substitute the applicable Replacement Funds which are currently being offered as investment options by the Insurance Companies.

7. The Substitution Applicants anticipate that Contract owners will be better off with the array of sub-accounts offered after the proposed substitutions than they have been with the array of sub-accounts offered prior to the substitutions. The proposed substitutions retain for Contract owners the investment flexibility which is a central feature of the Contracts. If the proposed substitutions are carried out, all Contract owners will be permitted to allocate purchase payments and transfer Contract values and cash values between and among approximately the same number of sub-accounts as they could before the proposed substitutions. Moreover, the elimination of the costs of printing and mailing prospectuses and periodic reports of the Existing Funds will benefit Contract owners.

8. The Substitution Applicants assert that none of the proposed substitutions is of the type that Section 26(c) was designed to prevent. Unlike traditional unit investment trusts where a depositor could only substitute an investment security in a manner which permanently affected all the investors in the trust, the Contracts provide each Contract owner with the right to exercise his or her own judgment and transfer Contract or cash values into other sub-accounts. Moreover, the Contracts will offer Contract owners the opportunity to transfer amounts out of the affected sub-accounts into any of the remaining sub-accounts without cost or other disadvantage. The proposed

substitutions, therefore, will not result in the type of costly forced redemption which Section 26(c) was designed to prevent.

9. The Substitution Applicants assert that the proposed substitutions also are unlike the type of substitution which Section 26(c) was designed to prevent in that by purchasing a Contract, Contract owners select much more than a particular investment company in which to invest their account values. They also select the specific type of insurance coverage offered by an Insurance Company under their Contract as well as numerous other rights and privileges set forth in the Contract. Contract owners may also have considered each Insurance Company's size, financial condition, relationship with MetLife, and its reputation for service in selecting their Contract. These factors will not change as a result of the proposed substitutions.

10. Section 17(a)(1) of the Act, in relevant part, prohibits any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from knowingly selling any security or other property to that company. Section 17(a)(2) of the Act generally prohibits the persons described above, acting as principals, from knowingly purchasing any security or other property from the registered company.

11. Section 2(a)(3) of the Act defines the term "affiliated person of another person" in relevant part as:

(A) any person directly or indirectly owning, controlling, or holding with power to vote, 5 per centum or more of the outstanding voting securities of such person; (B) any person 5 per centum or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such person; (C) any person directly or indirectly controlling, controlled by, or under common control with, such other person; \* \* \* (E) if such other person is an investment company, any investment adviser thereof. \* \* \*

Section 2(a)(9) of the Act states that any person who owns beneficially, either directly or through one or more controlled companies, more than 25% of the voting securities of a company shall be presumed to control such company.

12. Because shares held by a separate account of an insurance company are legally owned by the insurance company, the Insurance Companies and their affiliates collectively own of record substantially all of the shares of MIST and Met Series Fund. Therefore, MIST and Met Series Fund and their respective funds are arguably under the control of the Insurance Companies

notwithstanding the fact that Contract owners may be considered the beneficial owners of those shares held in the Separate Accounts. If MIST and Met Series Fund and their respective funds are under the control of the Insurance Companies, then each Insurance Company is an affiliated person or an affiliated person of an affiliated person of MIST and Met Series Fund and their respective funds. If MIST and Met Series Fund and their respective funds are under the control of the Insurance Companies, then MIST and Met Series Fund and their respective funds are affiliated persons of the Insurance Companies.

13. Regardless of whether or not the Insurance Companies can be considered to control MIST and Met Series Fund and their respective funds, because the Insurance Companies own of record more than 5% of the shares of each of them and are under common control with each Replacement Fund's investment adviser, the Insurance Companies are affiliated persons of both MIST and Met Series Fund and their respective funds. Likewise, their respective funds are each an affiliated person of the Insurance Companies. In addition, the Insurance Companies, through their separate accounts own more than 5% of the outstanding shares of certain Existing Funds.

14. Because the substitutions may be effected, in whole or in part, by means of in-kind redemptions and purchases, the substitutions may be deemed to involve one or more purchases or sales of securities or property between affiliated persons. The proposed transactions may involve a transfer of portfolio securities by the Existing Funds to the Insurance Companies; immediately thereafter, the Insurance Companies would purchase shares of the Replacement Funds with the portfolio securities received from the Existing Funds. Accordingly, as the Insurance Companies and the Replacement Funds could be viewed as affiliated persons of one another under Section 2(a)(3) of the Act, it is conceivable that this aspect of the substitutions could be viewed as being prohibited by Section 17(a). Accordingly, the Section 17 Applicants have determined that it is prudent to seek relief from Section 17(a) in the context of this Application for the in-kind purchases and sales of the Replacement Fund shares.

15. Section 17(b) of the Act provides that the Commission may, upon application, grant an order exempting any transaction from the prohibitions of Section 17(a) if the evidence establishes that: (1) The terms of the proposed

transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned; (2) the proposed transaction is consistent with the policy of each registered investment company concerned, as recited in its registration statement and records filed under the Act; and (3) the proposed transaction is consistent with the general purposes of the Act.

16. The Section 17 Applicants submit that the terms of the proposed in-kind purchase transactions, including the consideration to be paid and received by each fund involved, are reasonable, fair and do not involve overreaching principally because the transactions will conform with all but two of the conditions enumerated in Rule 17a-7. The proposed transactions will take place at relative net asset value in conformity with the requirements of Section 22(c) of the Act and Rule 22c-1 thereunder with no change in the amount of any Contract owner's contract value or death benefit or in the dollar value of his or her investment in any of the Separate Accounts. Contract owners will not suffer any adverse tax consequences as a result of the substitutions. The fees and charges under the Contracts will not increase because of the substitutions. Even though the Separate Accounts, the Insurance Companies, MIST and Met Series Fund may not rely on Rule 17a-7, the Section 17 Applicants submit that the Rule's conditions outline the type of safeguards that result in transactions that are fair and reasonable to registered investment company participants and preclude overreaching in connection with an investment company by its affiliated persons.

17. The boards of MIST and Met Series Fund have adopted procedures, as required by paragraph (e)(1) of Rule 17a-7, pursuant to which the series of each may purchase and sell securities to and from their affiliates. The Section 17 Applicants will carry out the proposed Insurance Company in-kind purchases in conformity with all of the conditions of Rule 17a-7 and each series' procedures thereunder, except that: (1) The consideration paid for the securities being purchased or sold may not be entirely cash, and; (2) the boards of MIST and Met Series Fund will not separately review each portfolio security purchased by the Replacement Funds. Nevertheless, the circumstances surrounding the proposed substitutions will be such as to offer the same degree of protection to each Replacement Fund from overreaching that Rule 17a-7 provides to them generally in

connection with their purchase and sale of securities under that Rule in the ordinary course of their business. In particular, the Insurance Companies (or any of their affiliates) cannot effect the proposed transactions at a price that is disadvantageous to any of the Replacement Funds. Although the transactions may not be entirely for cash, each will be effected based upon (1) the independent market price of the portfolio securities valued as specified in paragraph (b) of Rule 17a-7, and (2) the net asset value per share of each fund involved valued in accordance with the procedures disclosed in its respective Investment Company's registration statement and as required by Rule 22c-1 under the Act. No brokerage commission, fee, or other remuneration will be paid to any party in connection with the proposed transactions.

18. The Section 17 Applicants submit that the sale of shares of the Replacement Funds for investment securities, as contemplated by the proposed Insurance Company in-kind purchases, is consistent with the investment policy and restrictions of the Investment Companies and the Replacement Funds because (1) the shares are sold at their net asset value, and (2) the portfolio securities are of the type and quality that the Replacement Funds would each have acquired with the proceeds from share sales had the shares been sold for cash. To assure that the second of these conditions is met, Met Investors Advisory LLC, MetLife Advisers, LLC and the sub-adviser, as applicable, will examine the portfolio securities being offered to each Replacement Fund and accept only those securities as consideration for shares that it would have acquired for each such fund in a cash transaction.

19. The Section 17 Applicants submit that the proposed Insurance Company in-kind purchases, as described herein, are consistent with the general purposes of the Act as stated in the Findings and Declaration of Policy in Section 1 of the Act. The proposed transactions do not present any of the conditions or abuses that the Act was designed to prevent. The Section 17 Applicants submit that the abuses described in Sections 1(b)(2) and (3) of the Act will not occur in connection with the proposed in-kind purchases.

#### Conclusion

Applicants assert that for the reasons summarized above the proposed substitutions and related transactions meet the standards of Section 26(c) of the Act and are consistent with the standards of Section 17(b) of the Act

and that the requested orders should be granted.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. E5-1737 Filed 4-12-05; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-26830; File No. 812-13130]

### John Hancock Life Insurance Company (U.S.A.), et al., Notice of Application

April 7, 2005.

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

**ACTION:** Notice of application for an order pursuant to Section 26(c) of the Investment Company Act of 1940 (the "Act"), approving the substitution of securities.

**APPLICANTS:** John Hancock Life Insurance Company (U.S.A.) ("JHLICO USA") (formerly The Manufacturers Life Insurance Company (U.S.A.)), John Hancock Life Insurance Company (U.S.A.) Separate Account A ("JHLICO USA Account A") (formerly The Manufacturers Life Insurance Company (U.S.A.) Separate Account A), John Hancock Life Insurance Company (U.S.A.) Separate Account H ("JHLICO USA Account H") (formerly The Manufacturers Life Insurance Company (U.S.A.) Separate Account H) (JHLICO USA Accounts A and H are collectively referred to herein as the "JHLICO USA Accounts"), John Hancock Life Insurance Company of New York ("JHLICO New York") (formerly The Manufacturers Life Insurance Company of New York) and John Hancock Life Insurance Company of New York Separate Account A ("JHLICO NY Account A" and collectively with the JHLICO USA Accounts, the "Separate Accounts") (formerly The Manufacturers Life Insurance Company of New York Separate Account A) (JHLICO USA, the JHLICO USA Accounts, JHLICO New York and JHLICO NY Account A are collectively referred to herein as "Applicants").

**SUMMARY OF APPLICATION:** Applicants seek an order approving each of the following substitutions of shares of series of John Hancock Trust ("JHT") (formerly Manufacturers Investment Trust) (the "Substitutions"): (1) Shares of JHT 500 Index Trust for shares of each of the following series of JHT: (a)

Select Growth Trust and (b) Core Value Trust; (2) shares of JHT Mid Cap Index Trust for shares of each of the following series of JHT: (a) Small-Mid Cap Trust and (b) Small-Mid Cap Growth Trust; (3) shares of JHT International Equity Index Trust A for shares of each of the following series of JHT: (a) International Equity Select Trust and (b) Global Equity Select Trust; (4) shares of JHT Investment Quality Bond Trust for shares of the following series of JHT: High Grade Bond Trust; and (5) shares of JHT U.S. Global Leaders Growth Trust for shares of the following series of JHT: Great Companies—America Trust.

**FILING DATE:** The Application was filed on October 19, 2004 and amended and restated on April 1, 2005 and April 5, 2005. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

**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 Secretary of the Commission 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 April 28, 2005, 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 requester's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, c/o John W. Blouch, Esq., Dykema Gossett, PLLC, 1300 I Street NW., Suite 300 West, Washington, DC 20005.

**FOR FURTHER INFORMATION CONTACT:** Jeffrey Foor, Staff Attorney, or Zandra Bailes, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 551-6795.

**SUPPLEMENTARY INFORMATION:** The following is a summary of the Application. The complete Application is available for a fee from the Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (202-942-8090).