

be considered in future revisions to the document. Written comments may be submitted to Chief, Rules Review and Directives Branch, Division of Freedom of Information and Publication Services, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

The SRP Chapter 7, Revision 4 will be accessible indefinitely from the NRC Homepage on the World Wide Web—URL: <http://www.nrc.gov> under the “Nuclear Reactors” menu options by selecting “Standard Review Plan Chapter 7, Instrumentation and Controls,” beginning September 1997. Specific guidance is provided on-line to guide the user on the various options available for reading, commenting on, and downloading the document.

Chapter 7 of the SRP is available for inspection and copying at the NRC Public Document Room, 2120 L Street NW (Lower Level), Washington, DC 20555.

A limited number of copies of SRP Chapter 7 in the printed form on paper are available free, to the extent of supply, upon written request to the Office of Administration, Distribution Section, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by fax at (301) 415-2260.

Dated at Rockville, Maryland, this 22nd day of July, 1997.

For the Nuclear Regulatory Commission.

**Jared Wermiel,**

*Chief, Instrumentation and Controls Branch,  
Division of Reactor Controls and Human  
Factors, Office of Nuclear Reactor Regulation.*

[FR Doc. 97-20040 Filed 7-30-97; 8:45 am]

BILLING CODE 7590-01-P

## RAILROAD RETIREMENT BOARD

### Proposed Collection; Comment Request

**SUMMARY:** In accordance with the requirement of Section 3506 (c)(2)(A) of the Paperwork Reduction Act of 1995 which provides opportunity for public comment on new or revised data collections, the Railroad Retirement Board (RRB) will publish periodic summaries of proposed data collections.

**Comments are invited on:** (a) Whether the proposed information collection is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the RRB's estimate of the burden of the collection of the information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden related to

the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

**Title and purpose of information collection:** Application to Act as Representative Payee; OMB 3220-0052. Under Section 12 of the Railroad Retirement Act, the Railroad Retirement Board (RRB) may pay benefits to a representative payee when an employee, spouse or survivor annuitant is incompetent or is a minor. A representative payee may be a court-appointed guardian, a statutory conservator or an individual selected by the RRB. The producers pertaining to the appointment and responsibilities of a representative payee are prescribed in 20 CFR part 266.

The forms furnished by the RRB to apply for representative payee status, and for securing the information needed to support the application follow. RRB Form AA-5, Application for Substitution of Payee, obtains information needed to determine the selection of a representative payee who will serve in the best interest of the beneficiary. RRB Form G-478, Statement Regarding Patient's Capability to Manage Payments, obtains information about an annuitant's capability to manage payments. The form is completed by the annuitant's personal physician or by a medical officer, if the annuitant is in an institution. It is not required when a court has appointed an individual or institution to manage the annuitant's funds or, in the absence of such appointment, when the annuitant is a minor.

Completion is voluntary. One response is requested of each respondent. The RRB is proposing minor editorial changes to Forms AA-5 and G-478 to incorporate language required by the Paperwork Reduction Act of 1995. No other changes are proposed. The estimated completion time(s) is estimated at 17 minutes for Form AA-5 and 6 minutes for Form G-478. The RRB estimates that approximately 3,000 Form AA-5's and 2,000 Form G-478's are completed annually.

**ADDITIONAL INFORMATION OR COMMENTS:** To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago,

Illinois 60611-2092. Written comments should be received within 60 days of this notice.

**Chuck Mierzwa,**

*Clearance Officer.*

[FR Doc. 97-20205 Filed 7-30-97; 8:45 am]

BILLING CODE 7905-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-22765; File No. 812-10722]

### Aetna Life Insurance and Annuity Company, et al.

July 25, 1997.

**AGENCY:** Securities and Exchange Commission (“SEC” or “Commission”).

**ACTION:** Notice of application for exemptions under the Investment Company Act of 1940 (“1940 Act”).

**APPLICANTS:** Aetna Life Insurance and Annuity Company (“Aetna Annuity”) and its Variable Annuity Account B, Variable Annuity Account C, and Variable Life Account B; and Aetna Insurance Company of America (“Aetna of America”) and collectively with Aetna Annuity, “Aetna”) and its Variable Annuity Account I.

**RELEVANT 1940 ACT SECTIONS:** Orders requested pursuant to Sections 26(b) and 17(b) of the 1940 Act.

**SUMMARY OF APPLICATION:** Applicants seek an order pursuant to Section 26(b) of the 1940 Act, approving the substitution of shares of certain unaffiliated registered management investment companies (“Replaced Funds”) with shares of certain Aetna-advised, registered management investment companies (“Substitute Funds”). Applicants also seek an order, pursuant to Section 17(b) of the 1940 Act, granting exemptions from Section 17(a) to permit Applicants to carry out the above-referenced substitutions in part by redeeming shares of the Replaced Funds in-kind, and using the redemption proceeds to purchase shares of the Substitute Funds, and to permit Applicants to combine certain subaccounts holding shares of the same Substitute Fund after the substitutions.

**FILING DATE:** The application was filed on July 18, 1997, and amended and restated on July 24, 1997.

**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 August 19, 1997, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons 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, N.W., Washington, DC 20549. Applicants, c/o Julie Rockmore, Esquire, Aetna Life Insurance and Annuity Company, 151 Farmington Avenue, RE4A, Hartford, CT 06156.

**FOR FURTHER INFORMATION CONTACT:** Megan L. Dunphy, Attorney, or Mark Amorosi, 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 Commission.

#### Applicants' Representations

1. Aetna Annuity, a stock life insurance company incorporated in Connecticut, is authorized to issue life insurance and annuities in the District of Columbia, Guam, Puerto Rico, the Virgin Islands and all states of the United States. Aetna Annuity is an indirect subsidiary of Aetna Inc., which is a holding company with shares traded on the New York Stock Exchange.

2. Aetna of America, a stock life insurance company incorporated in

Connecticut, is authorized to do business in the District of Columbia and all states of the United States except New York and North Carolina. Aetna of America is a wholly-owned subsidiary of Aetna Annuity.

3. Aetna Annuity's Variable Annuity Account B, Variable Annuity Account C and Variable Life Account B and Aetna of America's Variable Annuity Account I (collectively, the "Separate Accounts") are separate accounts established by Aetna pursuant to the insurance laws of Connecticut and are registered under the 1940 Act as unit investment trusts. The assets of each Separate Account support either variable Annuity contracts or variable life insurance policies issued by Aetna ("Products"). Interests in each of the Separate Accounts offered through such Products are registered under the Securities Act of 1933 ("1933 Act").

4. The variable annuity contracts and variable life policies are structured to allow the accumulation of assets to fund benefits payable under the Products (annuity payments or life insurance proceeds). The assets accumulate in variable or fixed investment options. The variable investment options are registered management investment companies or separate series of those companies ("Funds"). Contributions allocated to a given Fund through a Product are used to buy shares of that Fund. The shares of each Fund are held in a separate subaccount of a Separate Account.

5. Most of Aetna's variable annuity contracts are issued as group contracts where the owner of the contract is the employer, sponsor or trustee ("Sponsor") of a group retirement plan. Members of the group ("Participants") acquire an interest in the contract and have certain rights as determined by the group contract or the retirement plan. The remaining contracts are issued to or on behalf of individuals. All contracts

allow the owners (including Sponsors) of the Product ("Customers") or in the case of group contracts or policies, Participants, to allocate payments among the variable and fixed investment options available under the contract.

6. Variable life policies issued by Aetna Annuity include individual variable life, second to die, corporate variable universal life and group variable life policies. Premium payments under the policies accumulate in variable and fixed investment options in the same manner as for variable annuity contracts. Accumulated amounts are used to fund death benefits and withdrawals payable under the policies.

7. There are currently 53 different Funds offered as variable investment options under the various Products, of which 11 have Aetna Annuity as the investment adviser and its affiliate, Aeltus Investment Management, Inc., as the subadviser ("Aetna Funds"). The Funds are registered as management investment companies under the 1940 Act and the shares of each Fund are registered under the 1933 Act.

8. Aetna is organizing a new management investment company, Portfolio Partners, Inc. ("Portfolio Partners"), which will be authorized to issue shares in series ("Portfolios"), each having its own investment objectives and policies and its own assets. Aetna will serve as the investment adviser of Portfolio Partners and has contracted with unaffiliated third parties to manage the assets of each series of Portfolio Partners as subadviser.

9. Applicants propose to substitute shares of the Substitute Funds, five Portfolios and two Aetna Funds, for shares of the Replaced Funds, eleven unaffiliated Funds (see Table 1).

TABLE 1.—FUNDS TO BE REPLACED

Replaced fund	Substitute fund
1. Scudder Variable Life Investment Fund—International Portfolio (Class A Shares).	Portfolio Partners Scudder International Growth Portfolio.
2. MSF Emerging Growth Series .....	Portfolio Partners MFS Emerging Equities Portfolio.
3. MFS Research Series .....	Portfolio Partners MFS Research Growth Portfolio.
4. MFS Value Series .....	Portfolio Partners MFS Value Equity Portfolio.
5. American Century VP Capital Appreciation (Formerly TCI Growth) ....	Portfolio Partners MFS Research Growth Portfolio.
6. Alger American Small Capitalization Portfolio .....	Portfolio Partners MFS Emerging Equities Portfolio.
7. Alger American MidCap Growth Portfolio .....	Portfolio Partners T. Rowe Price Growth Equity Portfolio.
8. Alger American Growth Portfolio .....	Portfolio Partners T. Rowe Price Growth Equity Portfolio.
9. Neuberger & Berman AMT Growth Portfolio .....	Portfolio Partners MFS Value Equity Portfolio.
10. Janus Aspen Short-Term Bond Portfolio .....	Aetna Variable Encore Fund (money market).
11. Franklin Government Securities Trust .....	Aetna Income Shares (bond).

10. Applicants represent that the Substitute Funds have investment objectives the same as, similar to, or consistent with the objectives of the Replaced Funds. For each of the substitutions numbered 1–4 in Table 1 above, the Replaced Fund and Substitute Fund are “clone” funds of the same retail fund and have the same investment objectives, and the investment adviser of the Replaced Fund will continue to provide investment advice to the Substitute Fund as a sub-adviser to the Fund.

For each of the Substitutions numbered 5–9 in Table 1 above, Applicants state that the investment objectives of the Replaced Fund and Substitute Fund involved are not the same, but are substantially similar. For each substitution, Applicants have concluded that, the investment objectives of the Substitute Funds are sufficiently similar to those of the Replace Funds so that the investment objectives of Customers and Participants can be met.

In the substitutions numbered 10 and 11 in Table 1 above, Applicants state that the investment objectives of the two funds, although different, are generally consistent. For each substitution, Applicants have concluded that the investment objectives are sufficiently consistent with those of the Replace Funds so that the essential investment objectives of Customers and Participants can be met.

11. Applicants state that the proposed substitutions are part of an overall business plan of Aetna to make its Products more competitive and thus more attractive to Customers and more efficient to administer and oversee. Applicants represent that the proposed substitutions and related transactions will be in the best interest of Customers and Participants in that they will (i) continue to provide the benefits of third party asset management while increasing Aetna's ability to control the expenses associated with the management and administration of the Funds; (ii) replace Funds with higher than average volatility, performance inconsistency and/or below average performance; (iii) replace funds with insufficient assets to remain cost effective, and (iv) reduce costs and the potential for conflicts.

12. The prospectuses for each of the registration statements affected by the proposed substitution will be amended to describe the Substitute Funds, identify which Funds are being replaced and disclose the impact of the Substitutions on Fund fees and expenses. The amendments will be

distributed to all Customers and Participants.

13. Aetna will file with the Commission a new registration statement on Form N-1A, registering Portfolio Partners under the 1940 Act and registering shares in each Portfolio under the 1933 Act. Applicants state that copies of the Portfolio prospectuses will be distributed to Customers and Participants. Alternatively, Applicants may send summaries (Summaries) of the Portfolio prospectuses to Participants describing the material features of each Portfolio, including its investment objective and policies, risks, investment adviser, and to the extent applicable, past performance and a comparison of that performance to an appropriate index. The Summaries also will advise Participants that before they make any decision to transfer assets, they are entitled to review the Substitute Fund prospectuses and amendments to the prospectuses for their Products, and include instructions on how to obtain free copies.

14. Applicants state that the prospectuses for the Portfolios and amendments to the Product prospectuses will be accompanied by notices to all Customers and Participants advising them of the substitutions. The notice will be sent to all Customers and Participants at least 60 days prior to the date the substitutions (“Substitution Date”) will take place and will describe the Portfolios and their sub-advisers, the funds affected by the substitutions, the reasons for engaging in the substitutions, and the material terms and conditions of the substitutions. The notice also will advise Customers and Participants that they can transfer assets from any Replaced or Substitute Fund to any other funding options available under their Product, without charge and without limitation on the number of transfers from the date of the notice through a date at least 30 days following the date of the substitution, or withdraw assets from the Products subject to applicable deferred sales charges. Customers and Participants who had assets in Replaced Funds will be sent confirmation of the substitutions within five days following the Substitution Date confirming that the substitutions have been completed.

15. Applicants represent that the proposed substitutions will be effected by redeeming shares of the Replaced Funds on the Substitution Date at net asset value and using the proceeds to purchase shares of the Substitute Funds at net asset value on the same date. No transfer or similar charges will be imposed by Aetna and, at all times, all

contract and policy values will remain unchanged and fully invested.

16. The use of in-kind redemptions and contributions will be done in a manner consistent with the investment objectives and policies and diversification requirements of the applicable Substitute Fund, and Aetna Annuity and each Substitute Fund's subadviser will review the in-kind redemptions to assure that the assets proposed are suitable for the Substitute Fund. The assets subject to in-kind redemption and purchase will be valued based on the normal valuation procedures of the redeeming and purchasing Funds. Applicants state that any inconsistencies in valuation procedures between the Replaced Fund and the Substitute Fund will be reconciled so that the redeeming and purchasing values are the same.

17. Applicants state that after the substitutions have been completed, in several instances, there will be two or more subaccounts of the same Separate Account holding shares of the same Substitute Fund. In any such instance, Applicants intend to combine those two subaccounts into a single subaccount by transferring shares from one subaccount to the other. The transfers will be done at net asset value on the same date so that there is no financial impact to any Customer or Participant.

## **Terms and Conditions of the Transactions**

### **1. Terms**

The significant terms of the substitutions described in the application include:

a. The Substitute Funds have objectives, policies and restrictions sufficiently similar to the objectives of the Replaced Funds so that the Customers' and Participants' objectives will continue to be met.

b. Aetna will waive its fees and/or reimburse the Portfolios' expenses so that through April 30, 1999, the fees and expenses of the Portfolios will not exceed the fees and expenses set forth for those Funds in the application, which in all cases are less than those of the Replaced Funds. Aetna anticipates that after April 30, 1999, the fees and expenses of the Portfolios will continue to be less than or equal to those currently charged by the applicable Replaced Funds, assuming that the asset levels of the Portfolios do not decrease significantly.

c. Customers may transfer assets from the Replaced or Substitute Funds to any other Fund available under their Product without any charge from the

date of notice through a date at least 30 days following the Substitution Date.

d. The substitutions, in all cases, will be effected at the net asset value of the respective shares in conformity with Section 22(c) of the 1940 Act and Rule 22c-1 thereunder, without the imposition of any transfer or similar charge by Aetna.

e. The substitution will take place at relative net asset value with no change in the amount of any Customer's or Participant's contract or policy value or in the dollar value of his or her investment in such contract or policy. Customers and participants will not incur any fees or charges as a result of the proposed substitutions, nor will their rights or Aetna's obligations under the contracts be altered in any way. All expenses incurred in connection with the proposed substitutions, including legal, accounting and other fees and expenses, will be paid by Aetna. The proposed substitutions will not cause the contract fees and charges currently being paid by existing Customers and Participants to be greater after the proposed substitutions than before the proposed substitutions.

f. Redemptions in-kind will be done in a manner consistent with the investment objectives and policies and diversification requirements of the applicable Substitute Fund and Aetna Annuity and each Substitute Fund's subadviser will review the in-kind redemptions to assure that the assets proposed for the Fund are suitable for the Substitute fund. Consistent with Rule 17a-7(d) under the 1940 Act, no brokerage commissions, fees (except customary transfer fees) or other remuneration will be paid in connection with the in-kind transactions.

g. The substitutions will not be counted as new Fund selections in determining the limit on the total number of Funds that Customers and Participants can select during the life of a Product.

h. The substitutions will not alter in any way the annuity or life benefits, tax benefits or any contractual obligations of Aetna under the Products.

i. Customers and Participants may withdraw amounts under the Products or terminate their interest in a Product, under the conditions that currently exists, including payment of any applicable deferred sales charge.

j. Customers and Participants affected by the substitutions will be sent confirmation of the substitutions within five days following the Substitution Date identifying each substitution made on behalf of that Customer or Participant.

## 2. Conditions

The substitutions described in the application will not be completed unless all of the following conditions are met:

a. The Commission will have issued an order approving the substitutions under Section 26(b) of the 1940 Act.

b. The Commission will have issued an order exempting the in-kind redemptions and the combination of subaccounts from the provisions of section 17(a) of the 1940 Act as necessary to carry out the substitutions as described in the application.

c. The Commission will have declared effective the amendments to the registration statements for the Products describing the substitutions.

d. The Commission will have declared the registration statement for Portfolio Partners and its Portfolios effective.

e. Each Customer will have been sent a copy of the effective prospectuses for the Substitute Funds and the effective amendments to the applicable Product prospectus.

f. Aetna will have satisfied itself, based on advice of counsel familiar with insurance laws, that the contracts involved in all the Products allow the substitutions of Funds as described in the application and that the transactions can be consummated as described herein under applicable insurance laws and under the various contracts and policies governing the Products.

g. Aetna will have complied with any regulatory requirements it believes necessary to complete the transactions in each jurisdiction where the Products are qualified for sale.

h. Aetna will have sent to Customers and Participants at least 60 days prior to the Substitution Date a notice, describing the terms of the substitutions and of Customers' and Participant's rights in connection with them.

i. Participants will have been sent amendments to the Product prospectuses and either prospectuses for the Portfolios or Summaries of them with written instructions on how to request a Portfolio prospectus, as provided in the relief granted to Aetna by the staff of the Commission. See Aetna Life Insurance and Annuity Company (pub. avail. Jan. 6, 1997).

## Applicants' Legal Analysis

1. Section 26(b) of the 1940 Act provides, in pertinent part, 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 Commission

shall have approved such substitution." Section 26(b) of the 1940 Act also provides that the Commission shall issue an order approving such substitution if the evidence establishes that the substitution is consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the 1940 Act.

2. Applicants request an order pursuant to section 26(b) of the 1940 Act approving the substitutions and related transactions. Applicants assert that the purposes, terms, and conditions of the proposed substitutions are consistent with the protection of investors and the purposes fairly intended by the 1940 Act. Applicants further assert that the proposed substitutions will not result in the type of costly forced redemption that section 26(b) was intended to guard against.

3. Section 17(a)(1) of the 1940 Act prohibits any affiliated person, or an affiliate of an affiliated person, of a registered investment company, from selling any security other property to such registered investment company. Section 17(a)(2) of the 1940 Act prohibits any affiliated person from purchasing any security or other property from such registered investment company.

4. Applicants state that redemptions and purchases in-kind involve the purchase of property from a registered investment company and the sale of property to a registered investment company by Aetna, an affiliated person of those investment companies. Similarly, in instances where Aetna combines two subaccounts into a single subaccount holding shares of the same Substitute Fund, the transfer of property could be said to involve purchase and sale transactions between the subaccounts by an affiliated person of each separate account.

5. Applicants request an order pursuant to section 17(b) of the 1940 Act exempting the in-kind redemptions and purchases and the combination of certain subaccounts from the provisions of Section 17(a). Section 17(b) of the 1940 Act provides that the Commission may grant an order exempting a proposed transaction from Section 17(a) if 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; and (3) the proposed transaction is consistent with the general purposes of the 1940 Act.

6. Applicants represent that the terms of the in-kind redemptions and purchases are reasonable and fair and do not involve overreaching on the part of any person concerned and that the interest of Customers and Participants will not be diluted. The in-kind redemptions and purchases will be done at values consistent with the policies of both the Replaced and Substitute Funds. Both Aetna and the proposed subadviser of the Substitute Funds will review all the asset transfers to assure that the assets meet the objectives of the Substitute Fund and that they are valued under the appropriate valuation procedures of the Replace Funds and the Substitute Fund. In-kind redemptions and purchases will reduce the brokerage costs that would otherwise be incurred in connection with the substitutions. The Applicants represent that the transactions are consistent with the policies of each investment company involved and the general purposes of the 1940 Act, and comply with the requirements of section 17(b).

7. Applicants represent that the combination of subaccounts is intended to reduce administrative costs and thereby benefit Customers with assets in those subaccounts. The purchase and sale transactions described in the application will be effected based on the net asset value of the Fund shares held in the subaccounts and the value of the units of the subaccount involved. Therefore, there will be no change in value to any Customer or Participant.

#### Conclusion

Applicants assert that, for the reasons summarized above, the requested order approving the substitution and related transactions involving in-kind redemptions and the combination of certain separate account subaccounts should be granted.

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

**Jonathan G. Katz,**

Secretary.

[FR Doc. 97-20171 Filed 7-30-97; 8:45 am]

BILLING CODE 8010-01-M

#### SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22763; File No. 812-10398]

#### CUNA Mutual Life Insurance Company, et al.

July 24, 1997.

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

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

**APPLICANTS:** CUNA Mutual Life Insurance Company ("CUNA Mutual Life"), CUNA Mutual Life Variable Account ("Account"), Ultra Series Fund ("Fund"), CIMCO, Inc. ("CIMCO"), CUNA Mutual Life Insurance Company Pension Plan for Agents, CUNA Mutual Life Insurance Company Pension Plan for Home Office Employees, CUNA Mutual Life Insurance Company 401(k)/Thrift Plan for Agents, CUNA Mutual Life Insurance Company 401(k)/Thrift Plan for Home Office Employees, CUNA Mutual Pension Plan, CUNA Mutual Savings Plan and CUNA Mutual Thrift Plan. (The seven plans shall be referred to collectively as the "Plans." CUNA Mutual Life, the Account, the Fund, CIMCO and the Plans shall be referred to collectively as the "Applicants.")

**RELEVANT 1940 ACT SECTIONS:** Order requested under section 6(c) of the 1940 Act for exemptions from sections 9(a), 13(a) and 15(b) of the 1940 Act, and Rule 6e-3(T) thereunder; and an order requested under section 17(b) of the 1940 Act for exemptions from section 17(a) of the 1940 Act.

**SUMMARY OF APPLICATION:** CUNA Mutual Life, the Account and the Fund seek an order exempting them and certain other separate accounts established in the future by CUNA Mutual Life, or any life insurance company affiliate of CUNA Mutual Life ("future affiliated accounts") and other separate accounts established in the future by any other life insurance company ("future unaffiliated accounts," and together with the future affiliated accounts, the "future accounts"), from the provisions of sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act, and Rule 6e-3(T) thereunder, to the extent necessary to permit the Account and the future accounts to hold shares of the Fund at the same time that the Fund offers its shares to such future accounts, the Plans or other qualified pension or retirement plans (the "unaffiliated plans"). In addition, the Plans and CIMCO seek an order exempting them from Section 17(a) of the 1940 Act to the extent necessary to permit the Plans to purchase certain classes of shares of the Fund with investment securities of the Plans.

**FILING DATE:** The application was filed on October 15, 1996, and amended and restated on May 9, 1997 and July 23, 1997.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the Commission orders a

hearing. Interested persons may request a hearing on this application by writing to the Secretary of the SEC and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on August 18, 1997, and 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 interest, the reason for the request and the issues contested. Persons may request notification of the date of a hearing by writing to the Secretary of the SEC.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicants, Linda L. Lilledahl, Esq., Associate General Counsel, CUNA Mutual Group, 5910 Mineral Point Road, Madison, WI 53701-0391.

**FOR FURTHER INFORMATION CONTACT:** Megan Dunphy, Attorney, or Mark Amorosi, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

**SUPPLEMENTARY INFORMATION:** Following is a summary of the application; the complete application is available for a fee from the Public Reference Branch of the SEC.

#### Applications' Representations

1. CUNA Mutual Life, former Century Life of America, is principally engaged in the offering of life insurance contracts and is the depositor and sponsor of the Account. On July 1, 1990, CUNA Mutual Life entered into a permanent affiliation with CUNA Mutual Insurance Society ("CUNA Mutual"). All of the directors of CUNA Mutual Life are also directors of CUNA Mutual and many of the senior executive officers of CUNA Mutual Life hold similar positions with CUNA Mutual. However, both companies remain separate corporate entities and their respective owners retain their voting rights.

2. The Account, a separate account registered under the 1940 Act as a unit investment trust, was established on August 16, 1993 to serve as a funding vehicle to support variable life insurance contracts issued by CUNA Mutual Life. The Account is divided into subaccounts and invests in shares of open-end management investment companies with one or more investment portfolios or series, including the Fund.

3. The future accounts also would need to rely on the exemptions requested in the application. Any such future accounts would be registered under the 1940 Act as unit investment trusts.