

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25222; File No. 812-12606]

Hartford Life Insurance Company, et al., Notice of Application

October 23, 2001.

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

ACTION: Notice of an application for an order pursuant to section 11(a) of the Investment Company Act of 1940 (the "Act") approving the terms of an offer of a longevity reward rider (the "LRR") to owners of certain variable annuity contracts (the "Contracts").

SUMMARY OF APPLICATION: Hartford Life Insurance Company ("Hartford Life"), Hartford Life and Annuity Insurance Company ("Hartford Life and Annuity," together with Hartford Life, "Hartford"), Hartford Life Insurance Company Separate Account Three ("HL Account Three"), Hartford Life and Annuity Insurance Company Separate Account Three ("HLA Account Three," together with the HL Account Three, the "Separate Accounts"), and Hartford Securities Distribution Company, Inc. ("HSD") seek an order approving the terms of a proposed offer of a rider for certain existing variable annuity contract (the "Contracts") issued by Hartford Life and Hartford Life and Annuity that reduces or waives certain charges and imposes a new Contingent Deferred Sales Charge ("CDSC") on premium payments made before or after the rider's issue date (the "Rider Date").

APPLICANTS: Hartford Life, Hartford Life and Annuity, HL Account Three, HLA Account Three, and HSD (collectively, "Applicants").

FILING DATE: This application was filed on August 21, 2001.

HEARING OR NOTIFICATION 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 November 14, 2001, 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, Michael Stobart, Esq., Hartford Life Insurance Company, Inc., 200 Hopmeadow Street, Simsbury, CT 06089.

FOR FURTHER INFORMATION CONTACT: Rebecca A. Marquigny, Senior Counsel, or Lorna MacLeod, 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 SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. Hartford Life is a stock life insurance company originally incorporated under the laws of Massachusetts on June 5, 1902, and subsequently re-domiciled to Connecticut. Hartford life is engaged in the business of writing individual and group life insurance and annuity contracts in the District of Columbia and all states. Hartford Life is a subsidiary of Hartford Fire Insurance Company. Hartford Life is ultimately controlled by The Hartford Financial Services Group, Inc., a Delaware corporation whose stock is traded on the New York Stock Exchange. For purposes of the Act, Hartford Life is the depositor and sponsor of the HL Account Three, as those terms have been interpreted by the Commission with respect to variable life insurance and variable annuity separate accounts.

2. Hartford Life and Annuity is a stock life insurance company originally incorporated under the laws of Wisconsin on January 9, 1956, and subsequently redomiciled to Connecticut. Hartford Life and Annuity is engaged in the business of writing individual and group life insurance and annuity contracts in Puerto Rico, the District of Columbia and all states but New York. Hartford Life and Annuity is a subsidiary of Hartford Fire Insurance Company. Hartford Life and Annuity is ultimately controlled by The Hartford Financial Services Group, Inc., a Delaware corporation whose stock is

traded on the New York Stock Exchange. For purposes of the Act, Hartford Life and Annuity is the depositor and sponsor of the HLA Account Three, as those terms have been interpreted by the Commission with respect to variable life insurance and variable annuity separate accounts.

3. Hartford Life established the HL Account Three on June 22, 1994, and Hartford Life and Annuity established the HLA Account Three on June 22, 1994, as segregated investment accounts under Connecticut law. Under Connecticut law, the assets of the HL Account Three attributable to the Contracts, through which interests in HL Account Three are issued, are owned by Hartford Life, but are held separately from all other assets of Hartford Life for the benefit of the owners of, and the persons entitled to payment under, Contracts. Similarly, the assets of the HLA Account Three attributable to the Contracts, through which interests in the HLA Account Three are issued, are owned by Hartford Life and Annuity, but are held separately from all other assets of Hartford Life and Annuity for the benefit of the owners of, and the persons entitled to payment under, those Contracts. Consequently, such assets in each Separate Account are not chargeable with liabilities arising out of any other business that Hartford Life and Hartford Life and Annuity may conduct. Income, gains and losses, realized and unrealized, from the assets of each of these Separate Accounts are credited to or charged against that Separate Account without regard to the income, gains or losses arising out of any other business that Hartford Life and Hartford Life and Annuity may conduct. Each Separate Account is a "separate account" as defined by Rule 0-1(e) under the Act, and is registered with the Commission as a unit investment trust.

4. The assets of the HL Account Three support variable annuity Contracts, and interests in the HL Account Three offered through such Contracts have been registered under the Securities Act of 1933 (the "1933 Act") on Form N-4. The assets of the HLA Account Three support variable annuity Contracts, and interests in the HLA Account Three offered through such Contracts have been registered under the 1933 Act on Form N-4.

5. HSD is registered with the Commission as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. HSD is the principal underwriter for the Contracts and for other Hartford variable insurance products. HSD is an affiliate

of Hartford Life and Hartford Life and Annuity.

6. The Contracts are flexible premium deferred variable annuity contracts. The annuity Contract provide for the accumulation of values on variable basis, fixed basis, or both, during the accumulation period, and provide settlement or annuity payment options on a variable basis, fixed basis, or both.

7. At the end of the accumulation period, the Contract owner elects whether to receive a "lump sum" payment of the Contract's accumulated value, or to receive that value under one of several other payment options that Hartford offers. While some of these payment options provide payments for a period that includes the life of an "annuitant," others do not.

8. The Contracts incorporate many other features, including several "death benefit" options, partial and full surrender rights, transfer privileges, and other optional rider benefits.

9. In addition to any charges associated with the underlying mutual funds, the charges under the Contracts are as follows:

- A Contingent Deferred Sales Charge ("CDSC") may be assessed against each premium payment withdrawn or surrendered from a contract. The length of time from receipt of the premium payment to the time of withdrawal or surrender determines the amount of the CDSC. During the first seven Contract years, withdrawals or surrenders are deemed to be withdrawn first from premiums paid, in the order in which such premiums were received, and then from earnings. After the seventh Contract year, all withdrawals or surrenders are deemed to be withdrawn first from earnings, then from premium payments in the order in which such premiums were received. The CDSC is applied to premiums withdrawn in the percentage shown in the following table:

Length of time (in years) from premium payment	Surrender charge (percent)
1	6
2	6
3	5
4	5
5	4
6	3
7	2
8 or more	0

- Each Contract year, an amount equal to a specific percentage of total premium payments paid as of the date of the withdrawal ("Annual Withdrawal Amount") may be withdrawn without being subject to any otherwise applicable CDSC. The Annual

Withdrawal Amount under a Contract is currently 10%.

- An annual contract maintenance charge of \$30 is assessed on each Contract anniversary date or, when applicable, the date on which the Contract is fully surrendered. This fee will be waived if the Contract's account value exceeds \$50,000 on the Contract's anniversary date.

- An administrative charge is assessed on a daily basis at an annualized rate of 0.15% of the Contract's account value invested in the Separate Accounts.

- A mortality and expense risk charge is assessed on a daily basis at an annualized rate of 1.25% of the Contract's account value invested in the Separate Accounts.

- An optional Death Benefit Rider is available for an additional charge assessed on a daily basis at an annualized rate of 0.15% of the Contract's account value invested in the Separate Accounts.

- A charge corresponding to any applicable state premium taxes.

10. Hartford now proposes to offer a Longevity Reward Rider (the "LRR") to owners of certain existing Contracts. The additional benefits under the LRR include:

- A reduced mortality and expense risk charge assessed on a daily basis at an annualized rate of 1.15% of a Contract's account value invested in the Separate Accounts; and

- A new CDC schedule with a lower maximum percentage (5%) and of shorter duration (5 years), applies to the withdrawal or surrender of any premium payments made after the LRR is added to the Contract.

11. After the LRR is added to a Contract ("Rider Date"), a new five-year CDSC schedule ("New Schedule") applies to all withdrawals or surrenders made after the Rider Date and supplants the original CDSC schedules for the Contracts. Under the New Schedule, withdrawals or surrenders made during the first five years from the Rider Date are taken first from premiums paid, in the order such premiums were received, and then from earnings. After the fifth year from the Rider Date, all withdrawals or surrenders are taken first from earnings, then from premium payments, in the order such payments were received.

12. The New Schedule applies to all premium payments withdrawn or surrendered, whether made before or after the Rider Date, as shown in the following table. For premium payments made after the Rider Date, the five-year period runs from the date of that premium payments. For premium

payments made before the Rider Date, the five-year period runs from the Rider Date.

Length of time (in years) from premium payment	Surrender charge (percent)
1	5
2	4
3	3
4	2
5	1
6	0

13. The same exceptions that apply to the Contract's basic CDSC will also apply to the New Schedule.

Specifically, no CDSC will be imposed: (a) At the time an Annuity Payment Option commences; (b) upon the death of a Contract owner or annuitant; (c) upon amounts withdrawn to satisfy any applicable minimum distribution requirements under the Internal Revenue Code; or (d) for amounts withdrawn which are within the limits of the Annual Withdrawal Amount. The Annual Withdrawal Amount is currently 10%.

14. If withdrawn or surrendered after the Rider Date, premium payments made before the Rider Date are subject to a CDSC for an additional five years, even if they were no longer subject to a CDSC under the Contracts. For example, if the LRR were purchased in the eighth Contract year, the initial premium would no longer be subject to a CDSC under the Contract. However, upon purchase of the LRR, the initial premium becomes subject to a CDSC for five years after the Rider Date. Moreover, until withdrawals or surrenders are taken first from "earnings" and then from premiums (*i.e.*, five years after the Rider Date) more of the amount withdrawn or surrendered may be subject to a CDSC that would be the case under Contracts without the LRR because the surrender is deemed to be withdrawn first from premiums and then from earnings.

15. Except for the New Schedule, the LRR will not result in any increase in or imposition of any charge. Except for the potential application of the New Schedule to premium made before the Rider Date to which no CDSC would apply under the Contracts absent the LRR, every aspect of a Contract will be at least as favorable after the LRR is added as it was before.

16. Further, adding the LRR to a Contract will have no adverse tax consequences to Contract owners.

17. The LRR will only be available to Contract owners who: (a) Have maintained their Contracts for at least seven years, and either (b) have not

made any premium payments within the previous two years or (c) have a CDSC less than or equal to two percent of current Contract value. For those Contract owners electing the LRR who made premium payments prior to the Rider Date, that remain subject to a CDSC on the Rider Date, that charge will be waived and the New Schedule will apply. Contract owners will not be permitted to elect for the LRR to apply to part of a Contract and not to the rest. Any election of the LRR must apply to the whole Contract.

18. After an initial notification of the offer in prospectuses for the Contracts or other communication to Contract owners, the LRR will be offered by providing eligible owners who express an interest in learning the details of the offer, in addition to such prospectus, a separate document explaining the offer ("the Offering Document").

19. The Offering Document will advise Contract owners that the offer is specifically designed for those Contract owners who intend to continue to hold their Contracts as long-term investment vehicles. The Offering Document will state that the offer is not intended for all Contract owners, and that it is not appropriate for any Contract owner who anticipates surrendering all or a significant part of his or her Contract within the next five years. The Offering Document will encourage Contract owners to carefully evaluate their personal financial situation when deciding whether to accept or reject the offer of the LRR. In addition, the Offering Document will explain that the New Schedule will not apply to amounts withdrawn in a Contract year that do not exceed the Annual Withdrawal Amount, or to premium payments maintained until expiration of the New Schedule. In this regard, the Offering Document will state in plain English that, if a significant amount of the Contract's value is surrendered or withdrawn during the five years following the Rider Date, (a) the LRR's benefits may be more than offset by the New Schedule; and (b) a Contract owner may be worse off than if he or she had rejected the offer.

20. To accept the LRR, an owner must complete an election form. This election form will include the disclosure set forth in Condition No. 1 under "Conditions" below.

Applicants' Legal Analysis

1. Section 11(a) of the Act makes it unlawful for any registered open-end company, or any principal underwriter for such a company, to make or cause to be made an offer to the holder of a security of such company, or of any

other open-end investment company, to exchange that security for a security in the same or another such company on any basis other than the relative net asset values of the respective securities, unless the terms of the offer have first been submitted to and approved by the Commission.

2. Section 11(c) of the Act, in pertinent part, effectively requires that any offer of exchange of the securities of a registered unit investment trust for the securities of any other investment company be approved by the Commission, regardless of the basis of the exchange.

3. Congress enacted Section 11 to prevent "switching" (*i.e.*, "the practice of inducing security holders of one investment company to exchange their securities for those of a different investment company) 'solely for the purpose of exacting additional selling charges.'" According to the Commission, "[I]nvestors in 'fixed trusts,' now known as unit investment trusts, were found to be particularly vulnerable to switching operations. In order to earn another sales commission, a UIT sponsor would often pressure unit holders into exchanging their units for those of another of the sponsor's trusts."

4. Applicants assert that the LRR would not involve "switching." Rather, the purpose of the LRR, as with other optional riders, is to enable Contract owners to enhance their Contracts without having to purchase a new variable annuity contract. In addition, because the LRR offers benefits to Contract owners, as described above, Applicants believe it cannot fairly be argued that the LRR's sole purpose is to exact additional selling charges (or any other type of charge).

5. Further, applicants assert that election of the LRR will not result in any duplicative charges and that the limited CDSC provided under the LRR is reasonable in relation to the benefits that the rider provides and the costs that Applicants will incur in providing those benefits. Applicants represent that those costs will include costs of developing and administering the LRR, the direct dollar costs of the charges that will be waived or reduced, the benefits that will be paid under the LRR, and the costs of distributing the LRR to Contract owners and educating them about it.

6. Applicants note that the New Schedule imposes a lower maximum CDSC and is shorter in duration than the schedules under the Contracts without the LRR. If the Contract owner makes no surrenders during the five years after the Rider Date, there is no possibility that a CDSC will be deducted that exceeds what would have been

deducted absent the LRR. Moreover, even if premium payments are withdrawn during that five-year period, the New Schedule will apply only if the amount withdrawn exceeds the Annual Withdrawal Amount.

7. Applicants argue that the LRR will be offered only to Contract owners who already have demonstrated an ability to maintain their Contracts for substantial periods of time. The income taxes that are generally payable when earnings are withdrawn from a Contract, as well as the potential tax penalties that may apply to withdrawals made prior to an owner reaching age 59½, serve as additional motivations that encourage most owners to hold their Contracts for a substantial number of years. Any CDSC will be waived with respect to any amounts necessary to meet the minimum distribution requirements applicable to the Contract under federal tax law.

8. Applicants assert that, given the conditions described above, few Contract owners who add the LRR to their Contracts will ever be assessed any additional CDSC.

9. Applicants state that the primary benefit of the LRR is the .010% reduction in mortality and expense risk charge to Contract owners, which benefit is guaranteed and cannot be reduced or withdrawn.

10. Further, Applicants state that additional premium payments made after the LRR is added to a Contract will be subject only to the 5%/5-year New Schedule rather than the Contract's regular 6%/7-year CDSC schedule that would have applied to those same premium payments under the Contracts if the LRR had not been added to the Contract. Applicants assert that this is a substantial benefit to any Contract owner—including a surviving spouse of the Contract owner who is eligible to continue the Contract after the Contract owner's death—who may have an interest in making further premium payments.

11. In light of these considerations, Applicants assert that there is not any public policy or purpose under Section 11 (or otherwise) that would preclude offering the LRR under the terms and conditions stated herein.

Applicants' Conditions

Applicants have consented to the following conditions:

1. The Offering Document will contain concise, plain English statements that: (a) The LRR is suitable only for Contract owners who expect to hold their Contract as long term investments; and (b) if a significant amount of the Contract's Value is

surrendered or withdrawn during the first five years after the Rider Date, the LRRs' benefits may be more than offset by that charge, and a Contract owner may be worse off if he or she had rejected the LRR.

2. The Offering Document will disclose in concise plain English the only aspect in which adding the LRR rider could disadvantage a Contract owner (*i.e.*, through the possible imposition of the New Schedule of CDSC).

3. A Contract owner choosing to add the LRR will complete and sign the election form, which will prominently restate in concise plain English the statements required in Condition No. 1, and return it to Hartford. If the election form is more than 2 pages long, Hartford will use a separate document to obtain the Contract owner's acknowledgement of the statements referred to in Condition No. 1 above.

4. Applicants will maintain and make available the following separately identifiable records, for the time periods specified below, for review by the Commission upon request: (a) Records showing the level of LRR purchases and how it relates to the total number of Contract owners eligible to acquire the LRR (at least quarterly as a percentage of the number eligible); (b) copies of any form of Offering Document, prospectus disclosure, election form, acknowledgement form, or offering letter, regarding the offering of the LRR including the dates(s) used, and copies of any other written materials or scripts for presentations used by registered representatives regarding the LRR, including dates used; (c) records showing information about each LRR purchase that occurs, including the Contract number; the election form (and separate acknowledgement form, if any, used to obtain the Contract owner's acknowledgement of the statements required in Condition No. 1 above); the date such election or acknowledgement form was signed; the date of birth; address and telephone number of the Contract owner; the issue date of the LRR; the amount of the Contract's value on that date; persistency information relating to the Contract (date of any subsequent CDSCs and CDSC paid); the registered representative's name, CRD number, firm affiliation, branch office address and telephone number; the name of the registered representative's broker-dealer; and the amount of commission paid to the registered representative that relates to the LRR; and (d) logs showing any Contract owner complaints received by it about the LRR, state insurance department inquiries to it about the LRR, or litigation, arbitration or other

proceedings to which it is a party regarding the LRR.

5. Applicants will include the following information on the logs referred to in Condition No. 4(d) above: date of complaint or commencement of proceeding; name and address of the person making the complaint or commencing the proceeding; nature of the complaint or proceeding; and persons names or involved in the complaint or proceeding.

6. Applicants will retain (i) the records specified in Conditions Nos. 4(a) and 4(d) above for six years from creation of the record; (ii) the records specified in Condition No. 4(b) above for six years after the date of last use; and (iii) the records specified in Condition No. 4(c) for seven years from the Rider Date.

Conclusion

For the reasons discussed above, Applicants assert (1) that the LRR offers substantial benefits to Contract owners, will be advantageous for the majority of owners to whom it will be offered, and does not contravene any policy or purpose of Section 11 and (2) that approval of Applicant's offer of the LRR as described, and subject to the conditions set forth, in the application is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. Applicants submit that the requested order should therefore be granted.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25221; File No. 812-12464]

Golden American Life Insurance Company, et al.

October 23, 2001.

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

Summary of the Application

Applicants seek an order pursuant to Section 26(b) of the Investment Company Act of 1940 ("1940 Act"), approving substitution of shares of one registered management investment company with shares of another registered management investment company or transfer in-kind of

securities held by one registered management investment company. 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-reference substitution by means of in-kind redemption and purchase.

APPLICANTS: Golden American Life Insurance Company ("Golden American"), Golden American Life Insurance Company Separate Account B ("Golden Separate Account B"), Equitable Life Insurance Company of Iowa ("Equitable"), Equitable Life Insurance Company of Iowa Separate Account A ("Equitable Separate Account A"), United Life and Annuity Insurance Company ("United"), United Life and Annuity Insurance Company Account One ("United Separate Account One"), and The GCG Trust (the "GCG Trust") (collectively, the "Applicants").

FILING DATE: The application ("Application") was filed originally on March 1, 2001. It was subsequently amended and restated on September 26, 2001.

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 November 19, 2001, 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: For the Commission: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. For Applicants: Marilyn Talman, Esquire, Golden American Life Insurance Company, 1475 Dunwoody Drive, West Chester, Pennsylvania 19380.

FOR FURTHER INFORMATION CONTACT: Alison Toledo, Staff Attorney, or Lorna MacLeod, Branch Chief, Division of Investment Management, Office of Insurance Products, at 202-942-0670.

SUPPLEMENTARY INFORMATION: The following is a summary of the Application. The complete Application