For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[6]

Jonathan G. Katz,

Secretary.

[FR Doc. 95–16931 Filed 7–10–95; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21181; No. 812–9514]

Hartford Life Insurance Company, et al.

June 30, 1995.

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

ACTION: Notice of Application for an Order under the Investment Company Act of 1940 (''1940 Act'').

APPLICANTS: Hartford Life Insurance Company (''Hartford''), ITT Hartford Life and Annuity Insurance Company (''ITT-Hartford'') (collectively, ''Companies''), Separate Account VL–II of Hartford (''Account VL–II''), Separate Account VL III of ITT-Hartford (''Account VL–III'') (collectively, ''Separate Accounts''), any future separate accounts (''Future Accounts'') of the Companies offering variable life insurance contracts (''Future Contracts'') that are materially similar to the last survivor flexible premium variable life insurance contracts (''Contracts'') offered by the Separate Accounts, and Hartford Equity Sales Company (''HESCO'').

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

SUMMARY OF APPLICATION: Applicants seek an order to permit the issuance of the Contracts in which: (1) Premium payments attributable to the basic face amount in excess of the target premium and any premium payments attributable to the supplemental face amount may be subject to a lower sales load when compared to a subsequent year's premium payment attributable to the basic face amount up to the target premium; and (2) a deduction is made from premium payments of an amount that is reasonably related to the Companies' increased federal tax burden resulting from the application of Section 848 of the Internal Revenue Code of 1986, as amended (''Code'').

FILING DATE: The application was filed on March 3, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the Application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on July 24, 1995, 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 requestor's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549. Applicants, c/o Rodney J. Vessels, Esq., Counsel, ITT Hartford Life Insurance Companies, 200 Hopmeadow Street, Simsbury, Connecticut 06089.

FOR FURTHER INFORMATION CONTACT: Yvonne M. Hunold, Assistant Special Counsel, or Wendy Finck Friedlander, Deputy Chief, at (202) 942–0670, Office of Insurance Products (Division of Investment Management).

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.

Applicants' Representations

1. Hartford, a Connecticut stock life insurance company, offers life insurance in all states and the District of Columbia. Hartford is indirectly wholly-owned by Hartford Fire Insurance Company, a subsidiary of ITT Corporation.

2. ITT-Hartford, a Wisconsin stock life insurance company, offers life insurance and annuities in all states, except New York, and in the District of Columbia. ITT-Hartford is a wholly owned subsidiary of Hartford.

3. Account VL-II was established by Hartford as a separate account under the insurance laws of Connecticut. Account VL-III was established by ITT-Hartford as a separate account under the insurance laws of Wisconsin. The Separate Accounts have filed registration statements to register as unit investment trusts under the 1940 Act. Registration statements also have been filed under the Securities Act of 1933 in connection with the offering of the Contracts by the Separate Accounts. Each Separate Account presently is comprised of twenty-two sub-accounts (''Sub-Accounts''), which invest exclusively in certain open-end management investment companies or series of such companies (''Funds'').[1]

4. HESCO is the principal underwriter for the Contracts and for other variable insurance contracts issued by the Companies' other separate accounts. HESCO is registered as a broker-dealer under the Securities Exchange Act of 1934.

5. The Policies are last survivor flexible premium variable life insurance contracts that provide for allocation of premium payments to the Sub-Accounts or to a fixed account. The cash value and the death benefit under the Contracts may fluctuate depending on the investment experience of the Sub-Accounts. There are three Death Benefit Options, which are payable at the death of the last surviving insured: (a) face amount; (b) face amount plus account value; or (c) face amount plus a return of premiums. The minimum death benefit is equal to the account value multiplied by a specified percentage, which varies according to certain conditions. The Contracts will not lapse if the cash surrender value is sufficient to cover monthly fees and charges deducted from account value or the death benefit guarantee is in effect.

6. Certain fees and charges are deducted under the Contracts, including a premium expense and processing charge and a state premium tax charge as well as monthly issue charges, administrative charges, insurance charges, charges for optional rider benefits, charges for extra mortality risks, and a charge for mortality and expense risks. In addition, Applicants propose to deduct from premium payments a front-end sales load and a charge equal to 1.25% of each premium payment to cover the estimated cost of the federal income tax treatment under Section 848 of the Code, commonly referred to as the ''DAC Tax,'' both of which are discussed below.

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[6] 17 CFR 200.30–3(a)(12) (1994).

[1] The Funds include: (1) the Hartford Funds—Hartford Advisers Fund, Inc., Hartford Aggressive Growth Fund, Inc., Hartford Bond Fund, Inc., Hartford Dividend and Growth Fund, Inc., Hartford Index Fund, Inc., Hartford International Opportunities Fund, Inc., Hartford Mortgage Securities Fund, Inc., Hartford Stock Fund, Inc., and HVA Money Market Fund, Inc., which are managed by Hartford Investment Management Company; (2) The Putnam Funds—PCM Diversified Income Fund, PCM Global Asset Allocation Fund, PCM Global Growth Fund, PCM Growth and Income Fund, PCM High Yield Fund, PCM Money Market Fund, PCM New Opportunities Fund, PCM U.S. Government and High Quality Bond Fund, PCM Utilities Growth and Income Fund, and PCM Voyager Fund, which are managed by the Putnam Management Company, Inc.; and (3) the Fidelity Funds—the Equity-Income Portfolio, Overseas Portfolio and Asset Manager Portfolio, which are managed by Fidelity Management & Research Company.