

similar in all material respects to the Existing Contracts and are offered through any of the Accounts (the "Other Contracts", together, with the Existing Contracts, the "Contracts").

Additionally, where the Contract owner has selected an optional death benefit, the order would permit Applicants to deduct from the value of the Contract an age and gender based charge for the benefits selected. The charge would be deducted upon the occurrence of one of the following events: Upon the Contract anniversary; upon annuitization of the Contract; upon surrender of the Contract; or upon payment of the death benefit.

FILING DATE: The application was filed on May 10, 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 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 July 31, 1995 and should be accompanied by proof of service on Applicants in the form of an affidavit or, for lawyers, by 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, N.W., Washington, D.C. 20549. Applicants: Robert A. Picarello, Esq., S-321, Connecticut General Life Insurance Company, 900 Cottage Grove Road, Hartford, Connecticut 06152.

FOR FURTHER INFORMATION CONTACT: Barbara J. Whisler, Senior Counsel, or Wendy Friedlander, Deputy Chief, both at (202) 942-0670, Office of Insurance Products, Division of Investment Management.

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.

Applicants' Representations

1. CIGNA Life, a stock life insurance company domiciled in Connecticut, is a wholly owned subsidiary of Connecticut General Life Insurance Company, which is, in turn, wholly owned by CIGNA Holdings Inc. CIGNA Holdings Inc. is wholly owned by CIGNA Corporation. The Account, established July 6, 1994 under Connecticut law, is registered with the Commission as a unit investment trust. The Account will fund

the Existing Contracts issued by CIGNA Life. Applicants represent that the Other Accounts will be organized as unit investment trusts and will file registration statements under the 1940 Act and the Securities Act of 1933.

2. Cigna will serve as the distributor of and the principal underwriter for the Existing Contracts. The application states that Cigna is also expected to serve as the distributor of and the principal underwriter for the Other Contracts. Cigna is a wholly owned subsidiary of Connecticut General Corporation which, in turn, is a wholly owned subsidiary of CIGNA Corporation. Cigna is a broker dealer registered under the Securities Exchange Act of 1934, an investment advisor registered under the Investment Advisers Act of 1940, and a member of the National Association of Securities Dealers, Inc.

3. The Accounts are comprised of subaccounts (the "Subaccounts"). The assets of each Subaccount of an Account will be invested in a corresponding portfolio of one of five investment companies (the "Funds"). Currently, the Funds have seventeen portfolios available for investment. Applicants state that each of the Funds is a diversified, open-end management investment company. Applicants also state that the number and identity of available Funds and investment portfolios may change.

4. The Existing Contracts are combination fixed and variable annuity contracts issued on an individual basis. The Existing Contracts may be purchased on a nonqualified basis or with the proceeds from certain plans qualifying for favorable tax treatment under the Internal Revenue Code of 1986, as amended (the "Code"). The minimum initial premium is \$2,500 and the minimum for subsequent premiums is \$100. A minimum initial premium of \$2,000 will be permitted for an Individual Retirement Annuity under Section 408 of the Code.

5. The Existing Contracts provide for certain guaranteed death benefits at no charge if an optional death benefit is not selected. The guaranteed death benefit is the value of the Account plus the value of the fixed account as of the date CIGNA Life receives due proof of death and a payment election. If the owner of a Contract dies prior to the annuity date, the death benefit will be paid to the beneficiary.

6. CIGNA Life imposes an annual administrative fee of \$35 on Contracts having a Contract value of less than \$100,000. Until the earlier of the annuity date or a surrender of the Contract, the fee will be deducted pro

rata from all of the Subaccounts of the Account in which the owner of the Contract invests. Where a variable payout has been selected after the annuity date, the fee will be deducted proportionately and in installments from the annuity payments. Applicants state that the annual administrative fee partially compensates CIGNA Life for administrative services associated with the Contracts and the Account.

7. CIGNA Life also deducts a daily administrative expense charge equal annually to .10% of the average daily net asset value of the Account. Applicants represent that CIGNA Life does not anticipate a profit from either the annual administrative charge or from the daily administrative charge. Applicants also state that the charges are guaranteed not to increase for a Contract once that Contract has been issued. Finally, Applicants state that CIGNA Life will rely upon and comply with Rule 26a-1 under the 1940 Act in deducting both administrative charges.

8. A contingent deferred sales charge (the "Sales Charge") of up to 7% may be assessed by CIGNA Life upon withdrawal of a portion of the Account's value or upon surrender of the Contract within the first seven years of the Contract. The Sales Charge is a percentage of the amount withdrawn and is assessed against the balance remaining in the Account after withdrawal. The percentage declines depending upon how many years have passed since the withdrawn premium was originally made by the Contract owner. Applicants state that CIGNA Life guarantees that aggregate withdrawal charges under a Contract will not exceed 8.5% of total premiums paid.

9. CIGNA Life will impose a daily charge equal to an annual effective rate of 1.20% of the value of the net assets of the Account to compensate CIGNA Life for assuming certain mortality and expense risks in connection with the Contracts. Applicants state that approximately .70% of the 1.20% charge is attributable to mortality risk while approximately .50% is attributable to expense risk. The mortality and expense risk charge is guaranteed not to increase for a Contract once that Contract has been issued. If the mortality and expense risk charge is insufficient to cover actual costs of the risks assumed, CIGNA Life will bear the loss. Conversely, if the charge exceeds costs, this excess will be profit to CIGNA Life and will be available for any corporate purpose, including payment of expenses relating to the distribution of the Contracts. Applicants state that CIGNA Life expects a profit from the mortality and expense risk charge.