Contracts", together, with the Existing Contracts, the "Contracts").1

FILING DATE: The application was filed on October 28, 1994. Applicants represent that an amendment to the application will be filed during the notice period.

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 February 16, 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: Michael A. Chong, Counsel, C.M. Life Insurance Company, 140 Garden Street, Hartford, Connecticut 06154.

FOR FURTHER INFORMATION CONTACT: Barbara J. Whisler, Senior Attorney 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. C.M. LIfe, a stock life insurance company chartered under Connecticut law, is a wholly owned subsidiary of Connecticut Mutual Life Insurance Company. The Account, established August 3, 1994 under Connecticut law, is registered with the Commission as a unit investment trust. The Account will fund the Existing Contracts issued by C.M. Life. Applicants incorporate the registration statement on Form N–4 for the Existing Contracts (File No. 33–82752) into the application by reference.
- 2. SEI, a wholly owned subsidiary of SEI Corporation, is a broker dealer registered under the Securities Exchange Act of 1934 and a member of the National Association of Securities Dealers, Inc. SEI will serve as the distributor of the Contracts. SEI is an

affiliate of SEI Financial Management Company, the investment advisor for the Insurance Investment Products Trust (the "Trust"). The Trust is registered with the Commission as an open-end management investment company. Each subaccount of the Account will invest in a corresponding portfolio of the Trust.

3. The Existing Contracts are individual variable annuity deferred contracts. The Existing Contracts will be made available in connection with retirement plans which may qualify for favorite tax treatment under the Internal Revenue Code. The minimum initial premium is \$10,000 and the minimum for subsequent premiums is \$250. If the owner of the Contract has elected the automatic premium option, a minimum payment of \$100 will be accepted.

4. Applicants state that C.M. Life intends to advance premium taxes that may be due upon the payment of premiums. C.M. Life would then deduct these taxes from the value of the Contract upon annuitization or withdrawal. The application states that C.M. Life may, however, deduct any premium tax related to the Contracts when the tax is incurred. The application states that premium taxes generally range from 0% to 4%.

- 5. The Existing Contracts provide for certain guaranteed death benefits during the accumulation phase. C.M. Life presented permits unlimited transfers during the accumulation phase and six transfers during annuitization. The owner of an Existing Contract may transfer all or part of the interest in a subaccount to another subaccount; or, during annuitization, from a subaccount to the general account of C.M. Life. These transfers are permitted without charge so long as the designated number of transfers has not been exceeded. If transfers are made in excess of the free number of transfers, C.M. Life will deduct a transfer fee from the amount transferred equal to the lesser of \$20 or 2% of the amount transferred.
- 6. C.M. Life imposes an annual Contract fee of \$30 on Contracts having a Contract value of less than \$100,000. Applicants state that the annual Contract fee may be increased but represent that this fee will never exceed \$60 per Contract year. The application states that the fee, together with the annual administrative charge, will reimburse C.M. Life for expenses incurred in establishing and maintaining the Contracts and the Account. During annuitization, the annual Contract fee will be deducted pro rata from annuity payments regardless of Contract value and will, therefore, reduce each annuity payment. Applicants represent that the annual

Contract fee, together with the administrative charge, will not result in a profit to C.M. Life.

- 7. C.M. Life deducts an annual administrative charge equal to .15% of the average daily net asset value of the Account. Applicants represent that C.M. Life does not intend to profit from this charge and that C.M. Life will monitor the charge to ensure that it does not exceed expenses. Applicants state that they will rely upon Rule 26a–1 under the 1940 Act in deducting both the annual Contract fee and the annual administrative charge.
- 8. The application states that no frontend sales charge is deducted from premiums, nor is a contingent deferred sales charge deducted upon surrender. For certain of the Other Contracts, however, applicants state that there may be a contingent deferred sales charge (the "Sales Charge") of up to 7% imposed upon surrender or withdrawal within the first seven years of the Contract. The Sales Charge is a percentage of the amount of each purchase payment that is withdrawn. The percentage declines depending upon how many years have passed since the withdrawn purchase payment was originally made by the Contract owner.
- 9. C.M. Life will imposes a daily charge equal to an annual effective rate of .53% of the value of the net assets of the Account to compensate C.M. Life for assuming certain mortality and expense risks in connection with the Contracts. Applicants state that approximately .40% of the .53% charge is attributable to mortality risk while approximately .13% is attributable to expense risk. The application states that C.M. Life reserves the right to increase the charge to a maximum of 1.25%. If the mortality and expense risk charge is insufficient to cover actual costs of the risks undertaken, C.M. Life will bear the loss. Conversely, if the charge exceeds costs, this excess will be profit to C.M. Life and will be available for any corporate purpose, including payment of expenses relating to the distribution of the Contracts. The application states that C.M. Life expects a profit from the mortality and expense risk charge.
- 10. Applicants state that the mortality risk borne by C.M. Life consists of: (a) The risk of guaranteeing to make monthly annuity payments in accordance with the annuity option selected by the Contract owner regardless of how long the annuitant may live; (b) the risk of guaranteeing the annuity purchase rates, for either a fixed or a variable annuity, for the annuity options under the Contracts; and (c) the risk of guaranteeing a death benefit.

¹ Applicants represent that the application will be amended during the notice period to reflect this description of the Other Contracts.