

with the Commission under the 1940 Act. Both the VIP Fund II, on behalf of the Substituted Portfolio, and Metropolitan Series, on behalf of the Replacement Portfolio, must agree on the terms of any in-kind redemption. If an agreement cannot be reached, the VIP Fund II will redeem Substituted Portfolio shares in cash.

62. The proposed substitutions, as described herein, are consistent with the general purposes of the 1940 Act as stated in the Findings and Declaration of Policy in section 1 of the 1940 Act. The proposed transactions do not present any of the conditions or abuses that the 1940 Act was designed to prevent. Securities to be provided by the Substituted Portfolio as redemption proceeds and subsequently contributed to the Replacement Portfolio to effect the in-kind purchases of Replacement Portfolio shares will be valued by the Replacement Portfolio at the values established by the Substituted Portfolio using its normal valuation procedures. Therefore, there will be no change in value to any Contract owner as a result of the Substitution. The Commission has granted relief to others based on similar facts.

63. Applicants submit that, for all of the reasons stated above, (a) the terms of the proposed in-kind redemptions and purchases of shares described above, including the consideration to be paid or received, are reasonable and fair to Contract owners and do not involve overreaching on the part of any person, (b) the proposed in-kind redemptions and purchases of shares described above are consistent with the policies of Metropolitan Series and the Replacement Portfolio, as well as VIP Fund II and the Substituted Portfolio, as recited in the registration statements (and 1940 Act reports filed with the Commission) of each, and (c) the proposed in-kind redemptions and purchases of shares described above are consistent with the general purposes of the 1940 Act.

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-25989; File No. 812-12905]

CUNA Mutual Life Insurance Company, et al.; Notice of Application

April 2, 2003.

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

ACTION: Notice of application for an order pursuant to section 26(c) of the Investment Company Act of 1940 (the "Act") approving certain substitutions of securities.

APPLICANTS: CUNA Mutual Life Insurance Company (the "Company"), CUNA Mutual Life Variable Annuity Account (the "Annuity Account"), and CUNA Mutual Variable Life Account (the "Life Account").

SUMMARY OF APPLICATION: Applicants request an order to permit the substitutions by the Company of Z Class shares of the Multi-Cap Growth Stock Fund (the "Replacing Fund") of the Ultra Series Fund ("Ultra Series") for Initial Class shares of the MFS Emerging Growth Series (the "Replaced Fund") of the MFS Variable Insurance Trust ("MFS Trust").

FILING DATE: The application was filed on November 22, 2002 and was amended and restated on March 28, 2003.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested person 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 April 25, 2003, 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 may request notification of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, c/o Margaret Gallardo-Cortez, Esq., Assistant Vice President and Associate General Counsel, CUNA Mutual Life Insurance Company, 5910 Mineral Point Road, Madison, WI 53701-0391. Copy to David S. Goldstein, Esq., Sutherland Asbill & Brennan LLP, 1275 Pennsylvania Avenue, NW., Washington, DC 20004-2415.

FOR FURTHER INFORMATION CONTACT: H. Yuna Peng, Attorney, at (202) 942-0676, or Lorna J. MacLeod, Branch 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 may be obtained for a fee from the Public Reference Branch of the Commission, 450 5th Street, NW., Washington, DC 20549-0102 (tel. (202) 942-8090).

Applicants' Representations

1. The Company is a mutual life insurance company organized under Iowa law in 1879 and incorporated on June 21, 1882. The Company, first organized as a fraternal benefit society with the name "Mutual Aid Society of the Evangelical Lutheran Synod of Iowa and Other States," changed its name to "Lutheran Mutual Aid Society" in 1911, and reorganized as a mutual life insurance company called "Lutheran Mutual Life Insurance Company" on January 1, 1938. On December 28, 1984, the Company changed its name to "Century Life of America." On January 1, 1997, the Company changed its name to "CUNA Mutual Life Insurance Company." As of December 31, 2002, the Company had assets in excess of \$5 billion.

2. The Company conducts a conventional life insurance business within the context of the credit union system and is authorized to transact the business of life insurance, including annuities, in all states other than New York and in Puerto Rico. For purposes of the Act, the Company is the depositor and sponsor of each of the Accounts as those terms have been interpreted by the Commission with respect to variable life insurance and variable annuity separate accounts.

3. Each Account is a "separate account" as defined by Rule 0-1(e) under the Act. Each Account is registered with the Commission as a unit investment trust. Each Account is comprised of a number of subaccounts and each subaccount invests exclusively in one of the insurance dedicated mutual fund portfolios made available as investment vehicles underlying the Contracts.

4. The Annuity Account is divided into 11 subaccounts. The assets of the Annuity Account support variable annuity contracts and interests in the Account offered through such contracts have been registered under the Securities Act of 1933.

5. The Life Account is divided into 11 subaccounts. The assets of the Life