

purchase payment credits withdrawn as follows:

Years since purchase payment made	Withdrawal charge (in percent)
0–1	5
2	4
3	3
4	2
5	1
6 or more	0

However, subject to the provisions of the Code, an owner may withdraw up to 20% of the contract value of his or her contract annually without Travelers Insurance/Travelers Life assessing the withdrawal charge.

28. In addition, should a group contract owner surrender its TRA contract (other than because of plan termination due to the dissolution or liquidation of the employer under U.S. Code Title 11 procedures), or should Travelers Insurance/Travelers Life discontinue the TRA contract, Travelers Insurance/Travelers Life will assess a market value adjustment on any contract value held in the Fixed Account. The market value adjustment will reflect the relationship between the interest rate credited to amounts in the Fixed Account at the time of termination and the interest rate credited on new deposits in the Fixed Account at the time of termination.

29. Each underlying fund has its own fees and expenses. Total annual operating expenses for the variable funding options range from .40% to 1.72% (based on the average daily net assets of the funding option, after expense reimbursement, as of December 31, 2001). Some of the underlying funds charge a 12b–1 fee against their assets.

30. Should an owner elect to participate in the CHART® program, the owner will be charged for the investment advisory services CitiStreet provides. This charge is equal to a maximum of .80% of the assets subject to the CHART® Program, and will be paid by quarterly withdrawals from the contract value allocated to the asset allocation funds.

31. As discussed below, Travelers Insurance/Travelers Life offers a Variable Annuitization Floor Benefit. If the owner elects this option during the annuitization period, Travelers Insurance/Travelers Life will deduct a charge upon election; the charge will vary based on market conditions, but will never increase an owner's annual separate account charge by more than 3%. An owner also may elect a liquidity benefit on certain options during the annuitization period (as discussed

below). If the owner elects the liquidity benefit and takes a withdrawal, Travelers Insurance/Travelers Life will charge a surrender charge of 5% on the amounts withdrawn.

32. If the owner or annuitant dies before a TRA contract's maturity date, Travelers Insurance/Travelers Life will pay the beneficiary a death benefit. The amount paid on death of the annuitant depends on the age of the annuitant on the contract date and the death benefit option selected. Under the standard death benefit, if the annuitant's age on the contract date was less than age 80, Travelers Insurance/Travelers Life will pay the beneficiary the greater of contract value or the total purchase payments made less any withdrawals (and related charges). If the annuitant's age on the contract date equaled or was greater than age 80, Travelers Insurance/Travelers Life will pay the beneficiary contract value.

33. Under the optional death benefit, if the annuitant's age on the contract date was less than age 70, Travelers Insurance/Travelers Life will pay the beneficiary the greater of contract value, total purchase payments less any withdrawals (and related charges), or maximum step-up value (described below) associated with contract date anniversaries beginning with the 5th and ending with the last before the annuitant's 76th birthday. If the annuitant's age on the contract date was between 70 to 75, Travelers Insurance/Travelers Life will pay the beneficiary the greater of contract value, total purchase payments less any withdrawals (and related charges), or the step-up death benefit value associated with the 5th contract date anniversary. If the annuitant's age on the contract date was between ages 76 to 80, Travelers Insurance/Travelers Life will pay the beneficiary the greater of contract value or total purchase payments less any withdrawals (and related charges). If the beneficiary was over age 80 on the contract date, Travelers Insurance/Travelers Life will pay the beneficiary contract value. Travelers Insurance/Travelers Life will establish a separate step-up death benefit value on the fifth contract date anniversary and on each subsequent contract date anniversary on or before the date the death is reported to the company. The step-up death benefit value initially equals the contract value on that anniversary. After a step-up death benefit value has been established, Travelers Insurance/Travelers Life will recalculate it each time a purchase payment is made or a withdrawal is taken.

34. If the annuitant is living on the maturity date, Travelers Insurance will pay the owner or his or her designated payee annuity payments beginning on that date. These payments may be in a single lump-sum payment, under any combination of five annuity/income options, or under any other option mutually agreed upon. Should the owner elect to apply his or her contract value to purchase an annuity, Travelers Insurance/Travelers Life, where permitted by law, will add an annuitization credit to the amount applied to purchase the annuity. The credit equals .5% of contract value if the owner annuitizes during contract years 2–5, 1% during contract years 6–10, and 2% after contract year 10.

35. Travelers Insurance/Travelers Life offers four annuity/income options on a fixed or variable basis; the fifth option is offered only on a fixed payment basis. For fixed annuities, an owner may elect to receive a level payment or a payment that will increase by a certain percentage chosen by the owner.

36. Travelers Insurance/Travelers Life will offer two optional annuity benefits. Under the variable annuitization floor benefit, Travelers Insurance/Travelers Life guarantees that, regardless of the performance of the funding options the owner selects, the owner's annuity payments will never be less than a certain percentage of the owner's first variable annuity payment. This percentage will vary depending on market conditions, but will never be less than 50%. As previously discussed, there is a charge for this benefit.

37. Under the liquidity benefit, if an owner selects any annuity option which guarantees payments for a minimum period of time (either a life annuity with a number of payments assured or a fixed annuity), the owner may take a lump sum payment any time after the first contract year. There is a surrender charge of 5% of the amount withdrawn under this option.

Comparison of the UA and TRA Contract Features

38. Applicants submit that the features and benefits of the TRA contract, in almost every respect, are more favorable than under the UA contract.

39. Applicants note that there is a higher threshold for purchase payments under the TRA contract than under the UA contract and that there are fewer funding options available under the UA contract than under the TRA contract. Asset allocation, systematic withdrawal programs, and a Managed Distribution Program are available in both the UA contract and the TRA contract. There is,