

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 (tel. (202) 942-8090).

Applicants' Representations

1. MLLIC is a stock life insurance company that is domiciled in Arkansas. Its operations include both life insurance and annuity products. MLLIC was incorporated under the laws of the State of Washington on January 27, 1986 and redomesticated to the State of Arkansas on August 31, 1991. As of December 31, 2002, MLLIC had assets of approximately \$13.1 billion. MLLIC is authorized to operate as a life insurance company in forty-nine states, the District of Columbia, the U.S. Virgin Islands, Guam, and Puerto Rico. MLLIC is a wholly owned subsidiary of Merrill Lynch Insurance Group, Inc. ("MLIG, Inc."). MLLIC is an indirect wholly owned subsidiary of Merrill Lynch & Co., Inc., a publicly held company whose shares are traded on the New York Stock Exchange. MLLIC is the depositor and sponsor of Separate Accounts 1 through 3.

2. Separate Account 1 is a separate investment account of MLLIC and is registered under the 1940 Act as a unit investment trust. Separate Account 1 serves as a funding vehicle for certain variable life insurance contracts issued by MLLIC (the "Second Generation MLLIC VLI Contracts"). Under the Second Generation MLLIC VLI Contracts and in the prospectuses for the Second Generation MLLIC VLI Contracts, MLLIC reserves the right to substitute shares of one portfolio for shares of another, including a portfolio of a different investment company. Separate Account 1 is a "separate account" as defined in Section 2(a)(37) of the 1940 Act.

3. Separate Account 2 is a separate investment account of MLLIC and is registered under the 1940 Act as a unit investment trust. Separate Account 2 serves as a funding vehicle for certain variable life insurance contracts issued by MLLIC (the "First Generation MLLIC VLI Contracts"). Under the First Generation MLLIC VLI Contracts and in the prospectuses for the First Generation MLLIC VLI Contracts, MLLIC reserves the right to substitute shares of one portfolio for shares of another, including a portfolio of a different investment company. Separate Account 2 is a "separate account" as defined in Section 2(a)(37) of the 1940 Act.

4. Separate Account 3 is a separate investment account of MLLIC and is registered under the 1940 Act as a unit investment trust. Separate Account 3 serves as a funding vehicle for variable annuity contracts issued by MLLIC (the "MLLIC Annuity Contracts"). Under the MLLIC Annuity Contracts and in the prospectuses for the MLLIC Annuity Contracts, MLLIC reserves the right to substitute shares of one portfolio for shares of another, including a portfolio of a different investment company. Separate Account 3 is a "separate account" as defined in Section 2(a)(37) of the 1940 Act.

5. MLNY is a stock life insurance company that is organized under the laws of the State of New York. MLNY is a wholly owned subsidiary of MLIG, Inc. MLNY is also an indirect wholly owned subsidiary of Merrill Lynch & Co., Inc. MLNY had approximately \$1.1 billion of assets under management as of December 31, 2002. MLNY is authorized to sell life insurance and annuities in nine states. MLNY is the depositor and sponsor of Separate Accounts 4 through 6.

6. Separate Account 4 is a separate investment account of MLNY and is registered under the 1940 Act as a unit investment trust. Separate Account 4 serves as a funding vehicle for certain variable life insurance contracts issued by MLNY (the "First Generation MLNY VLI Contracts"). Under the First Generation MLNY VLI Contracts and in the prospectuses for the First Generation MLNY VLI Contracts, MLNY reserves the right to substitute shares of one portfolio for shares of another, including a portfolio of a different investment company. Separate Account 4 is a "separate account" as defined in Section 2(a)(37) of the 1940 Act.

7. Separate Account 5 is a separate investment account of MLNY and is registered under the 1940 Act as a unit investment trust. Separate Account 5 serves as a funding vehicle for certain variable life insurance contracts issued by MLNY (the "Second Generation MLNY VLI Contracts"). Under the Second Generation MLNY VLI Contracts and in the prospectuses for the Second Generation MLNY VLI Contracts, MLNY reserves the right to substitute shares of one portfolio for shares of another, including a portfolio of a different investment company. Separate Account 5 is a "separate account" as defined in Section 2(a)(37) of the 1940 Act.

8. Separate Account 6 is a separate investment account of MLNY and is registered under the 1940 Act as a unit investment trust. Separate Account 6 serves as a funding vehicle for variable annuity contracts issued by MLNY (the

"MLNY Annuity Contracts"). Under the MLNY Annuity Contracts and in the prospectuses for the MLNY Annuity Contracts, MLNY reserves the right to substitute shares of one portfolio for shares of another, including a portfolio of a different investment company. Separate Account 6 is a "separate account" as defined in Section 2(a)(37) of the 1940 Act.

9. Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") serves as principal underwriter and distributor for the Variable Contracts. MLPF&S was organized in 1958 under the laws of the State of Delaware and is registered as a broker-dealer under the Securities Exchange Act of 1934 (the "1934 Act"). It is a member of the NASD. MLPF&S may enter into selling agreements with other broker-dealers registered under the 1934 Act whose representatives are authorized by applicable law to sell the Variable Contracts.

10. AllianceBernstein Variable Products Series Fund, Inc. ("AllianceBernstein Fund") is registered as an open-end management investment company under the 1940 Act and currently offers 19 separate investment portfolios, one of which would be involved in the proposed substitutions. The AllianceBernstein Fund issues a separate series of shares of common stock in connection with each portfolio, and has registered such shares under the Securities Act of 1933 ("1933 Act") on Form N-1A. Each separate series offers only two classes of shares, Class A shares and Class B shares. The distinction between Class A shares and Class B shares is the imposition of a distribution fee of an annual rate of 0.25% (capped at a maximum annual rate of 0.50%) of each series' average daily net assets attributable to the Class B shares pursuant to Rule 12b-1 under the 1940 Act. Shareholders that would be affected by the proposed substitutions are currently invested in Class A shares of the Substituted Portfolio. Alliance Capital Management, L.P. ("Alliance") serves as the investment adviser to each portfolio of the AllianceBernstein Fund. Alliance Capital Management Corporation, the sole general partner of Alliance, is an indirect wholly owned subsidiary of The Equitable Life Assurance Society of the United States, which is in turn a wholly owned subsidiary of AXA Financial, Inc., a holding company which is controlled by AXA. Alliance receives an investment advisory fee from each portfolio it manages.

11. Delaware VIP Trust ("Delaware Trust") is registered as an open-end management investment company under the 1940 Act and currently offers