

those provisions to the extent necessary to permit the waiver, modification and reinstatement of the sales load as described in this paragraph.

5. Applicants assert that the purpose of the proposed waiver of Sales Charge after the twentieth Policy year is to more closely reflect NEVLICO's expenses in connection with Policy sales. To the extent that NEVLICO determines that the full 4% Sales Charge on premiums made after the twentieth Policy year could generate more revenue than NEVLICO believes necessary, it may waive the charge. Applicants submit that it would not be in the interest of owners to require the imposition of a Sales Charge on premiums paid after the twentieth Policy year that is higher than Applicants deem necessary. Applicants assert that the policies and purposes of Section 27(a)(3) and Rule 6e-3(T)(b)(13)(ii) do not require such a result.

6. Section 27(e) of the Act and Rules 27e-1 and 6e-3(T)(b)(13)(vii), in effect, require a notice of right of withdrawal and refund, on Form N-271-1, to be provided to Policy owners entitled to a refund of sales load in excess of the limits permitted by Rule 6e-3(T)(b)(13)(v).

7. Applicants request exemptions from Section 27(e) of the Act and Rules 27e-1 and 6e-3(T)(b)(13)(vii) thereunder to the extent necessary to waive the requirements to provide notice to policy owners entitled to a refund of sales load in excess of the limits permitted by Rule 6e-3(T)(b)(13)(v).

8. The Policy limits the amount of the Deferred Sales Charge that may be deducted upon surrender, face amount reduction or lapse, by the excess sales load limits set forth in Rule 6e-3(T)(b)(13)(v). Thus, no excess sales load is ever paid by a Policy owner surrendering, effecting a face amount reduction, or lapsing in the first two Policy years.

9. Rule 27e-1 specifies in paragraph (e) that no notice need be mailed when there is otherwise no entitlement to receive any refund of sales load. Moreover, Rule 27e-1 and Rule 6e-2 were adopted in the context of front-end loaded products only and in the broader context of the companion requirements in Section 27 for the depositor or underwriter to maintain segregated funds as security to assure the refund of any excess sales load. In the context of the Policy's Deferred Sales Charge structure, where no excess sales load is ever paid or refunded, Form N-271-1 could at best confuse Policy owners, and could at worst encourage a Policy owner to surrender the Policy during

the first two Policy years when it may not be in the owner's best interest to do so. An owner of a Policy with a declining contingent deferred sales charge, unlike a front-end loaded policy, does not foreclose his or her opportunity, at the end of the first two Policy years, to receive a refund of monies spent. Not only has such an owner not paid any excess load, but also, because the deferred charge declines over the life of the Policy, he or she may never have to pay it. Encouraging a surrender during the first two Policy years could cost such an owner more in total sales load (relative to total premium) than he or she would otherwise pay if the Policy, which is designed as a long-term investment vehicle, were held for the period originally intended.

Applicants' Conclusion

For the reasons stated above, Applicants submit that the requested exemptions, in accordance with the standards of Section 6(c) of the Act, are consistent with the protection of investors and the purposes intended by the policy and provisions of the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2802]

Florida; Declaration of Disaster Loan Area

Pasco County and the contiguous Counties of Hernando, Hillsborough, Pinellas, Polk, and Sumter in the State of Florida constitute a disaster area as a result of damages caused by Hurricane Erin which occurred on August 2, 1995. Applications for loans for physical damages as a result of this disaster may be filed until the close of business on October 10, 1995, and for economic injury until the close of business on May 10 1996, at the address listed below:

U.S. Small Business Administration,
Disaster Area 2 Office, One Baltimore
Place, Suite 300, Atlanta, GA 30308
or other locally announced locations.

The interest rates are:

For Physical Damage:

Homeowners with credit available

elsewhere—8.000%

Homeowners without credit available

elsewhere—4.000%

Businesses with credit available
elsewhere—8.000%

Businesses and non-profit organizations
without credit available elsewhere—
4.000%

Others (including non-profit
organizations) with credit available
elsewhere—7.125%

For Economic Injury:

Businesses and small agricultural
cooperatives without credit available
elsewhere—4.000%

The number assigned to this disaster
for physical damage is 280208 and for
economic injury the number is 860400.

(Catalog of Federal Domestic Assistance
Program Nos. 59002 and 59008).

Dated: August 10, 1995.

Philip Lader,

Administrator.

[FR Doc. 95-20988 Filed 8-23-95; 8:45 am]

BILLING CODE 8025-01-P

[Declaration of Disaster Loan Area #2803]

Florida; Declaration of Disaster Loan Area

As a result of the President's major disaster declaration on August 10, 1995, and an amendment thereto on August 11, I find that Bay, Brevard, Escambia, Okaloosa, Santa Rosa, and Walton Counties in the State of Florida constitute a disaster area due to damages caused by Hurricane Erin which occurred on August 2-3, 1995. Applications for loans for physical damages may be filed until the close of business on October 8, 1995, and for loans for economic injury until the close of business on May 10, 1996 at the address listed below:

U.S. Small Business Administration,
Disaster Area 2 Office, One Baltimore
Place, Suite 300, Atlanta, GA 30308

or other locally announced locations. In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Calhoun, Gulf, Holmes, Indian River, Jackson, Orange, Osceola, Volusia, and Washington Counties in Florida, and Baldwin, Covington, Escambia, and Geneva Counties in Alabama.

Interest rates are:

For Physical Damage:

Homeowners with credit available
elsewhere—8.000%

Homeowners without credit available
elsewhere—4.000%

Businesses with credit available
elsewhere—8.000%