

funds with similar investment objectives; and (f) the fact that the costs of the reorganization will be borne by applicant's investment adviser, Smith Barney Advisers, Inc. ("Manager").

3. Applicant and the Portfolio were both advised by the Manager. Applicant therefore relied on the exemption provided by rule 17a-8 under the Act to effect the transaction.<sup>1</sup> Consequently, the Board determined, in accordance with rule 17a-8, that the proposed transaction was advisable and in the best interest of applicant's shareholders, and that the interests of applicant's existing shareholders would not be diluted as a result of the transaction.

4. Applicant solicited proxies pursuant to a proxy statement dated January 14, 1994, which was filed with the Commission and mailed to shareholders. On February 24, 1994, applicant's shareholders voted to approve the Plan.

5. As of March 3, 1994, applicant had 5,963,203 outstanding Class A shares, and 41,567 outstanding Class B shares, with net asset values of \$14.71 and \$14.68 per share, respectively. On that date, applicant's aggregate net assets amounted to \$88,308,192.

6. On March 4, 1994, all of applicant's assets and disclosed liabilities were transferred to the Portfolio in exchange for shares of Class A and Class B of the Portfolio. These shares subsequently were distributed to shareholders of applicant's respective classes *pro rata* in an amount equal to the value of their interests in applicant.

7. All expenses associated with the Plan, including the costs of preparing, printing, and mailing the related proxy material to applicant's shareholders, related legal fees, and governmental filing fees, were paid by the Manager.

8. At the time of the application, applicant had no shareholders, assets, or liabilities, nor was applicant a party to any litigation or administrative proceeding. Applicant is not engaged in, nor does it propose to engage in, any business activities other than those necessary for the winding-up of its affairs.

9. Applicant filed Articles of Transfer with the Maryland Department of Assessments and Taxation, which became effective on March 14, 1994. Applicant intends to file articles of dissolution upon receipt of the order requested by this application.

<sup>1</sup> Rule 17a-8 provides relief from the affiliated transaction prohibition of section 17(a) of the Act for a merger of investment companies that may be affiliated persons of each other solely by reason of having a common investment adviser, common directors, and/or common officers.

For the SEC, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 95-25505 Filed 10-13-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21403; File No. 812-9634]

### United Companies Life Insurance Company, et al.

October 6, 1995.

**AGENCY:** Securities and Exchange Commission ("SEC" or the "Commission").

**ACTION:** Notice of Application for Exemption under the Investment Company Act of 1940 (the "1940 Act").

**APPLICANTS:** United Companies Life Insurance Company ("United Life"), United Companies Separate Account One (the "Account"), and United Variable Services, Inc. ("United Variable").

**RELEVANT 1940 ACT SECTIONS:** Order requested under Section 6(c) of the 1940 Act for exemption from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act.

**SUMMARY OF APPLICATION:** Applicants seek an order permitting United Life to deduct from the assets of the Account, or from the assets of certain separate accounts that may be established by United Life in the future to support certain variable annuity contracts and certificates issued by United Life (the "Other Accounts", collectively, with the Account, the "Accounts"), the mortality and expense risk charge imposed under certain variable annuity contracts and certificates issued by United Life (the "Existing Contracts") and under any other variable annuity contracts and certificates issued by United Life which are substantially similar in all material respects to the Existing Contracts and are offered through any of the Accounts (the "Other Contracts", together, with the Existing Contracts, the "Contracts").

**FILING DATE:** The application was filed on June 16, 1995 and amended and restated on August 17, 1995.

**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 October 31, 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, NW., Washington, DC 20549. Applicants: Judith A. Hasenauer, Blazzard, Grodd & Hasenauer, P.C., 943 Post Road East, P.O. Box 5108, Westport, Connecticut 06881.

**FOR FURTHER INFORMATION CONTACT:** Barbara J. Whisler, Senior Counsel, or Wendy Friedlander, Deputy Chief, Both 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.

#### Applicant's Representations

1. United Life, a stock life insurance company domiciled in Louisiana, is a wholly owned subsidiary of United Companies Financial Corporation. The Account, established as a segregated asset account of United Life on November 2, 1994 under Louisiana law, will fund the Existing Contracts issued by United Life. The Account is, and the Other Accounts will be, registered with the Commission as a unit investment trust.

2. United Variable will serve as the distributor of the Existing Contracts. United Variable, a wholly owned subsidiary of United Life, is registered as a broker dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc.

3. The Accounts are comprised of subaccounts (the "Subaccounts"). The assets of each Subaccount initially will be invested in a corresponding portfolio of one of seven investment companies (the "Funds"). Currently, the Funds have eleven portfolios available to the subaccounts for investment. Applicants state that the number and identity of the available Funds and the funds' investment portfolios may change.

4. The Existing Contracts are combination variable deferred fixed and/or market value adjusted ("MVA") annuity contracts and certificates issued in connection with retirement plans which may qualify for favorable tax treatment under the Internal Revenue Code of 1986, as amended. The Existing Contracts described in the application are of two types: the "10 Year Contract" and the "7 Year Contract." The 10 Year Contracts and the 7 Year Contracts will be offered in different markets, and

differ as to the charges imposed and the death benefits provided. The minimum initial premium, for both the 7 and the 10 Year Contracts is \$5,000 except for qualified contracts for which the minimum initial premium is \$2,000. The minimum for subsequent premiums is \$500, or, if the automatic premium check option is elected, \$100.

5. The Existing Contracts provide for certain guaranteed death benefits during the accumulation period. Applicants state that, in states where the death benefit endorsement is approved, the death benefit for the 10 Year Contracts will be the Contract value in the fixed account and in the MVA account plus the greatest of (a), (b) or (c) where:

(a) Is the Contract value in the Account as of the end of the valuation period during which United Life receives due proof of death and an election of payment;

(b) Is the purchase payments allocated to the Account, less any withdrawals and transfers from the Account and any related contingent deferred sales charge and transfer fees (the "Net Purchase Payments"), accumulated at 6% annually up to the first Contract anniversary after the contract owner attains age 75, to a maximum of two times the Net Purchase Payments;

(c) Is the highest reset value up to the date of death. The reset value is equal to the Contract value in the Account on each 10th Contract anniversary prior to the Contract owner attaining age 85, plus purchase payments made after such Contract anniversary and allocated to the Account after such anniversary and any related contingent deferred sales charges and transfer fees.

6. Applicants state that, in states where the death benefit endorsement is approved, the death benefit for the 7 Year Contracts will be the Contract value in the fixed account and in the MVA account plus the greatest of (a), (b) or (c) where:

(a) Is the owner's Contract value in the Account as of the end of the valuation period during which United Life receives due proof of death and an election of payment;

(b) Is the purchase payments allocated to the Account, less any withdrawals and transfers from the Account and any related contingent deferred sales charge and transfer fees, accumulated at 4% annually up to the first anniversary after the owner attains age 75;

(c) Is the highest reset value up to the date of death. The reset value is equal to the owner's Contract value in the Account on each anniversary prior to the owner attaining age 80 plus purchase payments made after such anniversary and allocated to the Account less any withdrawals and transfers from the Account and any related contingent deferred sales charges and transfer fees.

7. In states where the death benefit endorsement is not approved, the death benefit for the Existing Contracts during

the accumulation period will be the greater of: (a) the purchase payments, less any withdrawals and related contingent deferred sales charges; or (b) the owner's contract value determined as of the end of the valuation period during which United Life receives due proof of death and an election of payment.

8. For the Existing Contracts, United Life imposes an annual administrative charge of .15% of the average daily net asset value of each subaccount of the Account. Applicants state that the annual administrative charge partially compensates United Life for expenses incurred in establishing and maintaining the contracts and the Account. Applicants state that United Life does not intend to profit from this charge and that the charge will be reduced to the extent that the charge is in excess of the amount necessary to reimburse United Life for its administrative expenses.

9. For the 10 Year Contracts, United Life deducts a contract and certificate maintenance charge of \$30 each Contract year from the Contract value. Applicants state that the charge is designed to reimburse United Life for expenses relating to the maintenance of the Contracts. If a Contract is surrendered on other than a Contract anniversary, the full charge will be deducted at the time of surrender. No charge is deducted during the annuity period. Applicants state that this charge has been set at a level so that, when considered in conjunction with the .15% annual administrative charge, United Life will not make a profit from the charges assessed for administration. The contract and certificate maintenance charge is not assessed against the 7 Year Contracts. Applicants state that they are relying on Rule 26a-1 under the 1940 Act with respect to the administrative charge and the contract and certificate maintenance charge.

10. For the 10 Year Contracts, a contingent deferred sales charge (the "Sales Charge") of up to 8.5% will be assessed by United Life upon withdrawal of a portion of the Account's value or upon surrender of the Contract within the first ten years of the Contract. The Sales Charge is calculated at the time of withdrawal and is deducted from the balance remaining in the Account after withdrawal. The percentage declines depending upon how many years have passed since the withdrawn premium was originally made by the Contract owner. For the 7 Year Contracts, the Sales Charge may be up to 7% and will be assessed by United Life upon withdrawal of a portion of the Account's value or upon surrender of

the Contract within the first seven years of the Contract.

11. For the 10 Year Contracts, United Life will impose a daily charge equal to an annual effective rate of 1.52% of the value of the net assets of the Account to compensate United Life for assuming certain mortality and expense risks in connection with the 10 Year Contracts. Applicants state that approximately .80% of the 1.52% charge is attributable to mortality risk, approximately .45% is attributable to expense risk and approximately .27% is attributable to the enhanced death benefit. For assuming certain mortality and expense risks in connection with the 7 Year Contracts, United Life will impose a daily charge equal to an annual effective rate of 1.45%. Applicants state that approximately .80% of the 1.45% charge is attributable to mortality risk, approximately .45% is attributable to expense risk and approximately .20% is attributable to the enhanced death benefit. The mortality and expense risk charges for both the 10 Year Contracts and the 7 Year Contracts are guaranteed not to increase. If the mortality and expense risk charge is insufficient to cover actual costs of the risks assumed, United Life will bear the loss. Conversely, if the charge exceeds costs, this excess will be profit to United Life and will be available for any corporate purpose, including payment of expenses relating to the distribution of the Contracts. Applicants state that United Life expects a profit from the mortality and expense risk charges.

12. Applicants state that the mortality risk borne by United Life arises from: (a) The contractual obligation of United Life to make annuity payments regardless of how long all annuitants or any individual annuitant may live; and (b) the guarantee of annuity purchase rates for the annuity options under the Contracts. Additionally, Applicants state that United Life bears a mortality risk with respect to the death benefit and with respect to the waiver of the Sales Charge where premiums have been held less than 10 Contract years of the 10 Year Contracts and less than 7 Contract years for the 7 Year Contracts. Applicants state that the expense risk that the administrative charges assessed under the Contracts may be insufficient to cover actual administrative expenses incurred by United Life.

13. Currently, United Life permits twelve transfers to be made each Contract year among the subaccounts, the fixed account and the MVA account without charge. For each transfer in excess of the number of free transfers permitted, United Life will deduct, from the amount transferred, a transfer fee

equal to the lesser of \$25 or 2% of the amount transferred. Applicants state that the transfer fee is at cost, with no anticipation of profit to United Life.

14. Applicants state that premium taxes relating to the Contracts may be deducted when incurred from premium payments or Account value. Applicants state that premium taxes generally range from 0% to 4% and that it is the practice of United Life to pay such taxes when they become due and payable to the states.

#### Applicants' Legal Analysis and Conditions

1. Applicants request that the Commission, pursuant to Section 6(c) of the 1940 Act, grant exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act in connection with Applicants' assessment of the daily charge for the mortality and expense risks under the Contracts.

2. Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act, in pertinent part, prohibit a registered unit investment trust and any depositor thereof or underwriter therefor from selling periodic payment plan certificates unless the proceeds of all payments (other than sales load) are deposited with a qualified bank as trustee or custodian and held under arrangements which prohibit any payment to the depositor or principal underwriter except a fee, not exceeding such reasonable amount as the Commission may prescribe, for performing bookkeeping and other administrative services of a character normally performed by the bank itself.

3. Applicants assert that the charges for mortality and expense risks for both the 7 and the 10 Year Contracts are reasonable in relation to the risks assumed by United Life under the Contracts.

4. Applicants represent that the mortality and expense risk charges are within the range of industry practice with respect to comparable annuity products. Applicants state that this representation is based upon Applicants' analysis of the mortality risks taking into consideration such factors as: the guaranteed annuity purchase rates; the expense risks; the estimated present and future costs for certain product features; and the industry practice with respect to comparable variable annuity contracts. Applicants represent that United Life will maintain at its principal office, available to the Commission, a memorandum setting forth in detail the products analyzed and the methodology and the results of this analysis.

5. Applicants further represent that, before relying on the exemptive relief

requested in the application for the Other Contracts, Applicants will determine that any mortality and expense risk charges under the Other Contracts are reasonable in amount as determined by industry practice with respect to comparable annuity products and/or reasonable in relation to the risks assumed by United Life. Applicants represent that United Life will maintain a memorandum setting forth the basis for such conclusion with respect to the Other Contracts and that the memorandum will be available to the Commission upon request.

6. Applicants state that, in determining that the portions of the mortality and expense risk charges attributable under the 10 Year Contracts and the 7 Year Contracts to the enhanced death benefit are reasonable in relation to the benefits provided and are within the range of industry practice for comparable benefits, United Life ran a large number of computer-generated trials at various issue ages to determine the cost of the benefit provided. In running the trials, Applicants state that the following methodology was used: (a) Hypothetical asset returns were projected using generally accepted actuarial simulation methods; (b) for each asset return pattern generated, hypothetical accumulated values were calculated by applying the projected asset returns to the initial value in a hypothetical account; and (c) the amount of the enhanced death benefit payable in the event of a hypothetical owner's death was compared to the Contract value for each year of each such trial. By analyzing the results of the trials, an actuarial equivalent cost factor for the benefit was derived. United Life determined from the results of the trials that the charge of .27% for 10 Year Contracts and .20% for 7 Year Contracts would be reasonable charges for the enhanced death benefits.

7. Applicants represent that United Life will maintain at its principal office and available to the Commission a memorandum setting forth in detail the methodology used in determining that the enhanced death benefit charges in each product are reasonable in relation to the benefits provided and are within the range of industry practice for comparable benefits. Before relying on the exemptive relief requested in the application for the Other Contracts, Applicants represent that they will determine that any portion of the mortality and expense risk charge attributable to enhanced death benefit charges under the Other Contracts is reasonable in relation to the related risks assumed by United Life.

Applicants further represent that United

Life will maintain and make available to the Commission upon request a memorandum setting forth in detail the methodology used in making that determination with respect to the Other Accounts.

8. Applicants acknowledge that the Sales Charge will likely be insufficient to cover all costs relating to the distribution of the Contracts. To the extent distribution costs are not covered by the Sales Charge, United Life will recover its distribution costs from the assets of the general account. These assets may include that portion of the mortality and expense risk charge which is profit to United Life. Applicants represent that United Life has concluded that there is a reasonable likelihood that the proposed distribution financing arrangement will benefit the Account and the owners of the Contracts. The basis for this conclusion is set forth in a memorandum which will be maintained by United Life at its principal office and will be made available to the Commission. Applicants also represent that, before relying on the exemptive relief requested in the application for the Other Contracts and the Other Accounts, the Applicants will determine that there is a reasonable likelihood that the distribution financing arrangement will benefit the Accounts and the investors in those Accounts. Applicants represent that United Life will maintain and make available to the Commission upon request a memorandum setting forth the basis of such conclusion.

9. United Life also represents that the Accounts will invest only in open-end management investment companies which undertake, in the event such company adopts a plan under Rule 12b-1 of the 1940 Act to finance distribution expenses, to have such plan formulated and approved by either the company's board of directors or the board of trustees, as applicable, a majority of whom are not interested persons of such company within the meaning of the 1940 Act.

#### Conclusion

Applicants assert that for the reasons and upon the facts set forth above, the requested exemptions from Sections 26(a)(2)(C) and 27(c)(1) of the 1940 Act are necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Jonathan G. Katz,  
Secretary.

[FR Doc. 95-25506 Filed 10-13-95; 8:45 am]

BILLING CODE 8010-01-M

## SMALL BUSINESS ADMINISTRATION

### Data Collection Available for Public Comments and Recommendations

**ACTION:** Notice and request for comments.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request an extension for a new, and/or currently approved information collection.

**DATES:** Comments should be submitted on or before December 15, 1995.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline White, Management Analyst, Small Business Administration, 409 3rd Street, SW., Suite 5000, Washington, DC 20416. Phone Number: 202-205-6629. Copies of this collection can also be obtained.

#### SUPPLEMENTARY INFORMATION:

*Title:* Nomination for the Small Business Prime Contractor of the Year Award and Nomination for the Small Business Sub-Contractor of the Year Award.

*OMB Control Number:* 3245-0096.  
*Expiration Date of Approval:* January 31, 1996.

*Type of Request:* Extension of a currently approved information collection.

*Description of Respondents:* Small businesses.

*Burden Per Response:* 4 hours.  
*Annual Responses:* 363.  
*Annual Burden:* 1,452.

*Comments:* Send all comments regarding this information collection to Lou Emma Jones, Small Business Administration, Office of Government Contracting, 409 3rd Street, SW., Suite 8800, Washington, DC 20416. Phone Number: 202-205-6460.

Send comments regarding whether this information collection is necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to minimize this estimate, and ways to enhance the quality.

Georgia Greene,  
Chief, Administrative Information Branch.  
[FR Doc. 95-25591 Filed 10-13-95; 8:45 am]  
BILLING CODE 8025-01-P

## DEPARTMENT OF TRANSPORTATION

### Notice of Order Adjusting International Cargo Rate Flexibility Level

Policy Statement PS-109, implemented by Regulation ER-1322 of the Civil Aeronautics Board and adopted by the Department, established geographic zones of cargo pricing flexibility within which certain cargo rate tariffs filed by carriers would be subject to suspension only in extraordinary circumstances.

The Standard Foreign Rate Level (SFRL) for a particular market is the rate in effect on April 1, 1982, adjusted for the cost experience of the carriers in the applicable ratemaking entity. The first adjustment was effective April 1, 1983. By Order 95-7-49, the Department established the currently effective SFRL adjustments.

In establishing the SFRL for the two-month period beginning October 1, 1995, we have projected non-fuel costs based on the year ended June 30, 1995 data, and have determined fuel prices on the basis of the latest available experienced monthly fuel cost levels as reported to the Department.

By Order 95-10-8 cargo rates may be adjusted by the following adjustment factors over the April 1, 1982 level:

Atlantic—1.0727  
Western Hemisphere—1.0236  
Pacific—1.2106

**FOR FURTHER INFORMATION CONTACT:** Keith A. Shangraw (202) 366-2439.

By the Department of Transportation:  
October 5, 1995.

Mark L. Gerchick,

*Acting Assistant Secretary for Aviation and International Affairs.*

[FR Doc. 95-25597 Filed 10-13-95; 8:45 am]

BILLING CODE 4910-62-P

[Docket 37554]

### Notice of Order Adjusting the Standard Foreign Fare Level Index

Section 41509(e) of Title 49 of the United States Code requires that the Department, as successor to the Civil Aeronautics Board, establish a Standard Foreign Fare Level (SFFL) by adjusting the SFFL base periodically by percentage changes in actual operating costs per available seat-mile (ASM). Order 80-2-69 established the first interim SFFL, and Order 95-7-48 established the currently effective two-month SFFL applicable through September 30, 1995.

In establishing the SFFL for the two-month period beginning October 1, 1995, we have projected non-fuel costs

based on the year ended June 30, 1995 data, and have determined fuel prices on the basis of the latest available experienced monthly fuel cost levels as reported to the Department.

By Order 95-10-9 fares may be increased by the following adjustment factors over the October 1979 level:

Atlantic—1.4010  
Latin America—1.4087  
Pacific—1.5058

**FOR FURTHER INFORMATION CONTACT:** Keith A. Shangraw (202) 366-2439.

By the Department of Transportation:  
October 5, 1995.

Mark L. Gerchick,

*Acting Assistant Secretary for Aviation and International Affairs.*

[FR Doc. 95-25598 Filed 10-13-95; 8:45 am]

BILLING CODE 4910-62-P

## Federal Aviation Administration

### Noise Exposure Map Notice; Receipt of Noise Compatibility Program and Request for Review; Kenosha Regional Airport, Kenosha, WI

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice.

**SUMMARY:** The Federal Aviation Administration (FAA) announces its determination that the noise exposure maps submitted by The City of Kenosha for Kenosha Regional Airport under the provisions of title I of the Aviation Safety and Noise Abatement Act of 1979 (Pub. L. 96-193) and 14 CFR part 150 are in compliance with applicable requirements. The FAA also announces that it is reviewing a proposed noise compatibility program that was submitted for Kenosha Regional Airport under part 150 in conjunction with the noise exposure map, and that this program will be approved or disapproved on or before March 25, 1996.

**EFFECTIVE DATE:** The effective date of the FAA's determination on the noise exposure maps and of the start of its review of the associated noise compatibility program is September 27, 1995. The public comment period ends November 27, 1995.

**FOR FURTHER INFORMATION CONTACT:** John Michael Dougherty, Federal Aviation Administration, Airports District Office, room 102, 6020 28th Avenue South, Minneapolis, Minnesota 55450, (612) 725-4222. Comments on the proposed noise compatibility program should also be submitted to the above office.

**SUPPLEMENTARY INFORMATION:** This notice announces that the FAA finds