

the entry into force of CAFTA–DR from those CAFTA–DR countries that will provide reciprocal retroactive duty treatment or a benefit for textile or apparel goods that is equivalent to retroactive duty treatment.

Pursuant to Section 205(b) of the Act, I have determined that El Salvador will provide an equivalent benefit for textile or apparel goods of the United States within the meaning of Article 3.20 of the CAFTA–DR. I therefore determine that El Salvador is an eligible country for purposes of Section 205 of the Act.

**Rob Portman,**

*U.S. Trade Representative.*

[FR Doc. E6–3109 Filed 3–3–06; 8:45 am]

**BILLING CODE 3190–W6–P**

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request, Copies Available  
From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Rule 15c1–7; SEC File No. 270–146; OMB Control No. 3235–0134.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 15c1–7 (17 CFR 240.15c1–7) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) provides that any act of a broker-dealer designed to effect securities transactions with or for a customer account over which the broker-dealer (directly or through an agent or employee) has discretion will be considered a fraudulent, manipulative, or deceptive practice under the Federal securities laws, unless a record is made of the transaction immediately by the broker-dealer. The record must include (a) the name of the customer, (b) the name, amount, and price of the security, and (c) the date and time when such transaction took place. The Commission estimates that 500 respondents collect information annually under Rule 15c1–7 and that approximately 33,333 hours would be required annually for these collections.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

General comments regarding the estimated burden hours should be directed to the Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: [David\\_Rostker@omb.eop.gov](mailto:David_Rostker@omb.eop.gov). Any comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms should be directed to R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549. Comments must be submitted to the Office of Management and Budget within 30 days of this notice.

Dated: February 27, 2006.

**Nancy M. Morris,**  
*Secretary.*

[FR Doc. E6–3110 Filed 3–3–06; 8:45 am]

**BILLING CODE 8010–01–P**

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request, Copies Available  
From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Rule 22d–1; SEC File No. 270–275; OMB Control No. 3235–0310.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 [44 U.S.C. 3501–3520], the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget requests for extension of the previously approved collection of information discussed below.

Rule 22d–1 [17 CFR 270.22d–1] under the Investment Company Act of 1940 (the “Act”) (15 U.S.C. 80a *et seq.*) provides registered investment companies that issue redeemable securities (“funds”) an exemption from section 22(d) of the Investment Company Act to the extent necessary to permit scheduled variations in or elimination of the sales load on fund securities for particular classes of investors or transactions, provided

certain conditions are met. The rule imposes an annual burden per series of a fund of approximately 15 minutes, so that the total annual burden for the approximately 5,015 series of funds that might rely on the rule is estimated to be 1,254 hours.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study.

The collection of information required by rule 22d–1 is mandatory. Responses will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

General comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or e-mail to: [David\\_Rostker@omb.eop.gov](mailto:David_Rostker@omb.eop.gov); and (ii) R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 100 F Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: February 27, 2006.

**Nancy M. Morris,**  
*Secretary.*

[FR Doc. E6–3111 Filed 3–3–06; 8:45 am]

**BILLING CODE 8010–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–27253; File No. 812–13237]

### ING Life Insurance and Annuity Company, et al., Notice of Application

February 28, 2006.

**AGENCY:** The Securities and Exchange Commission (“Commission”).

**ACTION:** Notice of application for an order pursuant to Section 26(c) of the Investment Company Act of 1940 (“1940 Act” or “Act”), approving certain substitutions of securities and for an order of exemption pursuant to Section 17(b) of the Act.

*Applicants:* ING Life Insurance and Annuity Company, ING USA Annuity and Life Insurance Company, ReliaStar Life Insurance Company, ReliaStar Life Insurance Company of New York, and Security Life of Denver Insurance

Company (each a "Company" and together, the "Companies"), Variable Annuity Account B of ING Life Insurance and Annuity Company, Variable Annuity Account G of ING Life Insurance and Annuity Company, Variable Annuity Account I of ING Life Insurance and Annuity Company, Separate Account B of ING USA Annuity and Life Insurance Company, Separate Account EQ of ING USA Annuity and Life Insurance Company, Separate Account U of ING USA Annuity and Life Insurance Company, MFS ReliaStar Variable Account of ReliaStar Life Insurance Company, ReliaStar Select Variable Account of ReliaStar Life Insurance Company, Select\*Life Variable Account of ReliaStar Life Insurance Company, Separate Account N of ReliaStar Life Insurance Company, ReliaStar Life

Insurance Company of New York Separate Account NY-B, ReliaStar Life Insurance Company of New York Variable Annuity Funds A, B, C, D, E, F, G, H, I, M, P & Q, ReliaStar Life Insurance Company of New York Variable Life Separate Account I, Security Life Separate Account A1, Security Life Separate Account L1, Security Life Separate Account S-A1, and Security Life Separate Account S-L1 (each, an "Account" and together, the "Accounts"), ING Investors Trust, ING Partners, Inc., ING Variable Portfolios, Inc., ING Variable Products Trust, ING VP Balanced Portfolio, Inc., ING VP Intermediate Bond Portfolio, and ING VP Money Market Portfolio are collectively referred to herein as the "Applicants."

*Summary of Application:* The Applicants request an order, pursuant to

Section 26(c) of the 1940 Act, permitting the substitutions of securities issued by certain registered investment companies held by the Accounts to support certain in force variable life insurance policies and variable annuity contracts (collectively, the "Contracts") issued by the Companies. More particularly, the Applicants propose to substitute shares of certain series of ING Investors Trust, ING Partners, Inc., ING Variable Portfolios, Inc. and ING Variable Products Trust, and shares of the ING VP Balanced Portfolio, Inc., ING VP Intermediate Bond Portfolio, and ING VP Money Market Portfolio (the "Substitute Funds") for shares of certain registered investment companies currently held by subaccounts of the various Accounts (the "Replaced Funds") as follows:

| Replaced funds                                                         | Substitute funds                                              |
|------------------------------------------------------------------------|---------------------------------------------------------------|
| Pioneer Small Cap Value VCT Portfolio—Class I .....                    | ING Columbia Small Cap Value II Portfolio—I Class.            |
| PIMCO VIT StocksPlus Growth and Income Portfolio—Administrative Class. | ING EquitiesPlus Portfolio—Class S.                           |
| ING FMR Diversified Mid Cap Portfolio—Class S .....                    | ING FMR Diversified Mid Cap Portfolio—Class I.                |
| Neuberger Berman AMT Growth Portfolio—I Class                          |                                                               |
| Neuberger Berman AMT Mid-Cap Growth Portfolio—I Class                  |                                                               |
| Oppenheimer Aggressive Growth Fund/VA—Non-Service Shares               |                                                               |
| AIM V.I. Demographic Trends Fund—Series I .....                        | ING FMR Earnings Growth Portfolio—Class I.                    |
| Alager American Growth Portfolio—Class O                               |                                                               |
| Fidelity VIP Growth Portfolio—Initial Class                            |                                                               |
| Fidelity VIP Growth Portfolio—Service Class                            |                                                               |
| MFS VIT Emerging Growth Series—Initial Class                           |                                                               |
| Fidelity VIP Growth Portfolio—Service Class 2 .....                    | ING FMR Earnings Growth Portfolio—Class S.                    |
| ING FMR Earnings Growth Portfolio—Class S2                             |                                                               |
| Pioneer Small Company VCT Portfolio—Class II .....                     | ING FMR Small Cap Equity Portfolio—Class S.                   |
| Oppenheimer Balanced Fund/VA—Non-Service Shares .....                  | ING Franklin Income Portfolio—Class I.                        |
| Oppenheimer Balanced Fund—Class A .....                                | ING Franklin Income Portfolio—Class S.                        |
| Greenwich Street Appreciation Portfolio .....                          | ING Fundamental Research Portfolio—I Class.                   |
| Van Eck Worldwide Emerging Markets Fund—Initial Class .....            | ING JPMorgan Emerging Markets Equity Portfolio—Class I.       |
| Morgan Stanley UIF Value Portfolio—Class I .....                       | ING JPMorgan Value Opportunities Portfolio—Class S.           |
| Neuberger Berman AMT Limited Maturity Bond Portfolio—I Class .....     | ING Limited Maturity Bond Portfolio—Class S.                  |
| ING Liquid Assets Portfolio—Class S .....                              | ING Liquid Assets Portfolio—Class I.                          |
| Scudder VS I Money Market Portfolio                                    |                                                               |
| AIM V.I. Government Securities Fund—Series I .....                     | ING Lord Abbett U.S. Government Securities Portfolio—I Class. |
| Federated Fund for U.S. Government Securities II                       |                                                               |
| American Century VP International Fund—Class I .....                   | ING Marsico International Opportunities Portfolio—Class S.    |
| Oppenheimer Capital Appreciation Fund—Class A .....                    | ING Mercury Large Cap Growth Portfolio—Class S.               |
| American Century VP Balanced Fund—Class I .....                        | ING MFS Total Return Portfolio—Class I.                       |
| Neuberger Berman AMT Partners Portfolio—I Class .....                  | ING Neuberger Berman Partners Portfolio—I Class.              |
| Oppenheimer Main Street Fund/VA—Non-Service Shares                     |                                                               |
| MFS VIT Research Series—Initial Class .....                            | ING Oppenheimer Main Street Portfolio—Class I.                |
| MFS VIT Strategic Income Series—Initial Class .....                    | ING Oppenheimer Strategic Income Portfolio—I Class.           |
| Putnam VT Diversified Income Fund—Class IA .....                       | ING Oppenheimer Strategic Income Portfolio—S Class.           |
| Eaton Vance Income Fund of Boston—Class A .....                        | ING PIMCO High Yield Portfolio—Class S.                       |
| Morgan Stanley UIF High Yield Portfolio—Class I                        |                                                               |
| Oppenheimer High Income Fund/VA—Non-Service Shares                     |                                                               |
| Oppenheimer High Yield Fund—Class A                                    |                                                               |
| Pioneer Equity Income VCT Portfolio—Class II .....                     | ING Pioneer Equity-Income Portfolio—S Class.                  |
| Alger American Leveraged AllCap Portfolio—Class O .....                | ING Salomon Brothers Aggressive Growth Portfolio—I Class.     |
| Dreyfus Stock Index Fund—Initial Shares .....                          | ING Stock Index Portfolio—Class I.                            |
| MFS VIT Investors Trust Series—Initial Class .....                     | ING UBS U.S. Large Cap Equity Portfolio—I Class.              |
| Neuberger Berman AMT Guardian Portfolio—I Class .....                  | ING Van Kampen Comstock Portfolio—I Class.                    |
| Fidelity VIP Asset Manager: Growth Portfolio—Initial Class .....       | ING Van Kampen Equity and Income Portfolio—I Class.           |
| Dreyfus VIF Growth and Income Portfolio—Initial Shares .....           | ING Van Kampen Growth and Income Portfolio—Class I.           |
| Premier VIT OpCap Managed Portfolio .....                              | ING Van Kampen Growth and Income Portfolio—Class S.           |
| Fidelity VIP Asset Manager Portfolio—Initial Class .....               | ING VP Balanced Portfolio—Class I                             |
| Fidelity VIP Asset Manager Portfolio—Service Class                     |                                                               |
| Liberty Asset Allocation Fund VS—Class A                               |                                                               |
| Fidelity VIP High Income Portfolio—Initial Class .....                 | ING VP High Yield Bond Portfolio—Class I.                     |

| Replaced funds                                                  | Substitute funds                                          |
|-----------------------------------------------------------------|-----------------------------------------------------------|
| Fidelity VIP High Income Portfolio—Service Class                |                                                           |
| Scudder VS I International Portfolio—Class A .....              | ING VP Index Plus International Equity Portfolio—Class I. |
| Fidelity VIP Overseas Portfolio—Initial Class .....             | ING VP Index Plus International Equity Portfolio—Class S. |
| Fidelity VIP Overseas Portfolio—Service Class                   |                                                           |
| Fidelity VIP Overseas Portfolio—Service Class 2                 |                                                           |
| Putnam VT International Growth and Income Fund—Class IB         |                                                           |
| Fidelity VIP Growth Opportunities Portfolio—Initial Class ..... | ING VP Index Plus LargeCap Portfolio—Class I.             |
| Oppenheimer Core Bond Fund/VA—Non-Service Shares .....          | ING VP Intermediate Bond Portfolio—Class I.               |
| Oppenheimer Money Fund/VA .....                                 | ING VP Money Market Portfolio—Class I.                    |
| Oppenheimer Money Market Fund—Class A.                          |                                                           |
| Putnam VT Small Cap Value Fund—Class 1A .....                   | ING Wells Fargo Small Cap Disciplined Portfolio—Class I.  |
| Putnam VT Small Cap Value Fund—Class 1B .....                   | ING Wells Fargo Small Cap Disciplined Portfolio—Class S.  |

Applicants also seek an order of exemption pursuant to Section 17(b) of the 1940 Act to permit certain in-kind redemptions and purchases in connection with the substitutions.

**Filing Date:** The Application was filed on September 23, 2005. The Application was amended and restated on February 15, 2006.

**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 by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on March 27, 2006, 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 who wish to be notified of a hearing may request notification by writing to the Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090. Applicants, J. Neil McMurdie, Esquire, ING Americas U.S. Legal Services, 151 Farmington Avenue, TS31, Hartford, CT 06156-8975.

**FOR FURTHER INFORMATION CONTACT:** Alison White, Senior Counsel, or Joyce M. Pickholz, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 551-6795.

**SUPPLEMENTARY INFORMATION:** The following is a summary of the Application. The complete Application is available for a fee from the Public Reference Branch of the Commission, 100 F Street, NE., Room 1580, Washington, DC 20549.

#### Applicants' Representations

1. Each of the Companies is an indirect wholly owned subsidiary of

ING Groep, N.V. ("ING"). ING is a global financial services holding company based in The Netherlands which is active in the field of insurance, banking and asset management. As a result, each Company likely would be deemed to be an affiliate of the others.

2. ING Life Insurance and Annuity Company ("ING Life") is a stock life insurance company organized under the laws of the State of Connecticut in 1976 as Forward Life Insurance Company. Through a December 31, 1976 merger, ING Life's operations include the business of Aetna Variable Annuity Life Insurance Company (formerly known as Participating Annuity Life Insurance Company). Through a December 31, 2005 merger, ING Life's operations include the business of ING Insurance Company of America ("ING America"). Prior to May 1, 2002, ING Life was known as Aetna Life Insurance and Annuity Company ("Aetna"). ING Life is principally engaged in the business of issuing life insurance and annuities.

3. ING USA Annuity and Life Insurance Company ("ING USA") is an Iowa stock life insurance company which was originally organized in 1973 under the insurance laws of Minnesota. Through January 1, 2004 mergers, ING USA's operations include the business of Equitable Life Insurance Company of Iowa ("Equitable Life"), United Life and Annuity Insurance Company ("United Life and Annuity"), and USG Annuity and Life Company. Prior to January 1, 2004, ING USA was known as Golden American Life Insurance Company ("Golden"). ING USA is principally engaged in the business of issuing life insurance and annuities.

4. ReliaStar Life Insurance Company ("ReliaStar") is a stock life insurance company organized in 1885 and incorporated under the laws of the State of Minnesota. Through an October 1, 2002 merger, ReliaStar's operations include the business of Northern Life Insurance Company ("Northern"). ReliaStar is principally engaged in the business of issuing life insurance,

annuities, employee benefits and retirement contracts.

5. ReliaStar Life Insurance Company of New York ("ReliaStar NY") is a stock life insurance company which was incorporated under the laws of the State of New York in 1917. Through an April 1, 2002 merger, ReliaStar NY's operations include the business of First Golden American Life Insurance Company of New York ("First Golden"). ReliaStar NY is principally engaged in the business of issuing life insurance and annuities.

6. Security Life of Denver Insurance Company ("Security Life") is a stock life insurance company organized under the laws of the State of Colorado in 1929. Through an October 1, 2004 merger, Security Life's operations include the business of Southland Life Insurance Company ("Southland"). Security Life is principally engaged in the business of issuing life insurance and annuities.

7. Each of the Accounts is a segregated asset account of the Company that is the depositor of such Account, and is registered under the 1940 Act as a unit investment trust. Each of the respective Accounts is used by the Company of which it is a part to support the Contracts that it issues.

8. Variable Annuity Account B of ING Life Insurance and Annuity Company ("ING Life B") (File No. 811-2512) was established by Aetna in 1976 as a continuation of the separate account established in 1974 under the laws of the State of Arkansas by Aetna Variable Annuity Life Insurance Company to support certain Contracts.

9. Variable Annuity Account G of ING Life Insurance and Annuity Company ("ING Life G"), (formerly CLIAC Separate Account A) (File No. 811-5906), was originally established by Confederation Life Insurance and Annuity Company under the laws of the State of Georgia in 1988. ING Life G was transferred to Aetna in 1995 and re-established by Aetna under the laws of the State of Connecticut.

10. Variable Annuity Account I of ING Life Insurance and Annuity Company

("ING Life I"), (formerly ING Variable Annuity Account I of ING Insurance Company of America) (File No. 811-8582), was established by ING America (then known as Aetna Insurance Company of America) in 1994 under the laws of the State of Connecticut.

11. Separate Account B of ING USA Annuity and Life Insurance Company ("ING USA B") (File No. 811-5626) was established by Golden in 1988 under the laws of the State of Minnesota.

12. Separate Account EQ of ING USA Annuity and Life Insurance Company ("ING USA EQ"), (formerly Equitable Life Insurance Company of Iowa Separate Account A) (File No. 811-8524), was established by Equitable Life in 1988 under the laws of the State of Iowa.

13. Separate Account U of ING USA Annuity and Life Insurance Company ("ING USA U"), (formerly United Life and Annuity Separate Account One) (File No. 811-9026), was originally established by United Life and Annuity in 1994 under the laws of the State of Louisiana.

14. MFS ReliaStar Variable Account of ReliaStar Life Insurance Company ("MFS ReliaStar VA") (File No. 811-2997) was established by ReliaStar in 1979 under the laws of the State of Minnesota.

15. ReliaStar Select Variable Account of ReliaStar Life Insurance Company ("ReliaStar Select VA") (File No. 811-3341) was established by ReliaStar in 1981 under the laws of the State of Minnesota.

16. Select\*Life Variable Account of ReliaStar Life Insurance Company ("ReliaStar SL") (File No. 811-4208) was established by ReliaStar in 1984 under the laws of the State of Minnesota.

17. Separate Account N of ReliaStar Life Insurance Company ("ReliaStar Separate Account N"), formerly Separate Account One of Northern Life Insurance Company (File No. 811-9002), was established by Northern in 1994 under the laws of the State of Washington.

18. ReliaStar Life Insurance Company of New York Separate Account NY-B ("ReliaStar NY B"), formerly Separate Account NY-B of First Golden American Life Insurance Company of New York (File No. 811-7935), was established by First Golden in 1996 under the laws of the State of New York.

19. ReliaStar Life Insurance Company of New York Variable Annuity Funds A, B, & C ("ReliaStar NY A, B, & C"), formerly Bankers Security Variable Annuity Funds 001, 002, and 003 (File No. 811-02579), were established by Bankers Security Life Insurance Society

("Bankers Security") in 1975 under the laws of the State of New York.

20. ReliaStar Life Insurance Company of New York Variable Annuity Funds D, E, F, G, H & I ("ReliaStar NY D, E, F, G, H & I"), formerly Bankers Security Variable Annuity Funds 121, 122, 123, 124, 125 and 126 (File No. 811-02580), were established by Bankers Security Life Insurance Society ("Bankers Security") in 1975 (Funds 121, 122, 123), 1977 (Fund 124), 1978 (Fund 125) and 1981 (Fund 126) under the laws of the State of New York.

21. ReliaStar Life Insurance Company of New York Variable Annuity Funds M, P & Q ("ReliaStar NY M, P&Q"), formerly Bankers Security Variable Annuity Funds P&Q of Bankers Security Life Insurance Society ("Bankers Security") (File No. 811-3098), were established by Bankers Security in 1981 and 1982, respectively, under the laws of the State of New York.

22. ReliaStar Life Insurance Company of New York Variable Life Separate Account I ("ReliaStar NY I") (File No. 811-3427) was established by ReliaStar NY in 1982 under the laws of the State of New York.

23. Security Life Separate Account A1 ("Security Life A1") (File No. 811-8196) was established by Security Life in 1993 under the laws of the State of Colorado.

24. Security Life Separate Account L1 ("Security Life L1") (File No. 811-8292) was established by Security Life in 1993 under the laws of the State of Colorado.

25. Security Life Separate Account S-A1 ("Security Life S-A1"), formerly Southland Separate Account A1 (File No. 811-8976), was originally established by Southland in 1994 under the laws of the State of Texas.

26. Security Life Separate Account S-L1 ("Security Life S-L1"), formerly Southland Separate Account L1 (File No. 811-9106), was originally established by Southland in 1994 under the laws of the State of Texas.

27. Certain of the Substitute Funds are series of ING Investors Trust, ING Partners, Inc., ING Variable Portfolios, Inc. or ING Variable Products Trust. ING VP Balanced Portfolio, Inc., ING VP Intermediate Bond Portfolio and ING VP Money Market Portfolio are also Substitute Funds.

28. ING Investors Trust, formerly known as the GCG Trust, was organized as a Massachusetts business trust on August 3, 1988. ING Investors Trust is registered under the 1940 Act as an open-end management investment company (File No. 811-5629).

29. ING Partners, Inc. ("ING Partners"), formerly known as Portfolio Partners, Inc., was organized as a Maryland Corporation in 1997 and

commenced operations on November 28, 1997. ING Partners is registered under the 1940 Act as an open-end management investment company (File No. 811-08319).

30. ING Variable Portfolios, Inc. ("ING Variable Portfolios"), formerly known as Aetna Variable Portfolios, Inc., was organized as a Maryland Corporation in 1996. ING Variable Portfolios is registered under the 1940 Act as an open-end management investment company (File No. 811-07651).

31. ING Variable Products Trust, formerly known as the Northstar Variable Trust, was organized as a Massachusetts business trust in 1993. ING Variable Product Trust is registered under the 1940 Act as an open-end management investment company (File No. 811-08220).

32. ING VP Balanced Portfolio, Inc., formerly known as Aetna Investment Advisers Fund, Inc., was organized as a Maryland Corporation in 1988. ING VP Balanced Portfolio is registered under the 1940 Act as an open-end management investment company (File No. 811-05773).

33. ING VP Intermediate Bond Portfolio, formerly known as Aetna Income Shares, was originally established as a Maryland Corporation in 1973. It was converted to a Massachusetts business trust in January, 1984. ING VP Intermediate Bond Portfolio is registered under the 1940 Act as an open-end management investment company (File No. 811-02361).

34. ING VP Money Market Portfolio, formerly known as Aetna Variable Encore Fund, was originally established as a Maryland Corporation in 1974. It was converted to a Massachusetts business trust on January, 1984. ING VP Money Market Portfolio is registered under the 1940 Act as an open-end management investment company (File No. 811-02565).

35. The Contracts are flexible premium variable annuity and variable life insurance contracts. The variable annuity Contracts provide for the accumulation of values on a variable basis, fixed basis, or both, during the accumulation period, and provide settlement or annuity payment options on a variable or fixed basis. The variable life insurance Contracts provide for the accumulation of values on a variable basis, fixed basis, or both throughout the insured's life and for a death benefit, upon the death of the insured. Under each of the prospectuses for the Contracts, each Company reserves the right to substitute shares of one fund or portfolio for shares of another.

A Contract owner may transfer all or any part of the Contract value from one subaccount to any other subaccount or a fixed account as long as the Contract remains in effect and at any time up to 30 days before the due date of the first

annuity payment for variable annuity contracts. For many of the Contracts, the Company issuing the Contract reserves the right to limit the number of transfers during a specified period.

### Comparison of Fees and Expenses

36. The comparative fees and expenses for each fund in the proposed substitutions are as follows:

|                                                               | Management fees<br>(percent) | Distribution<br>(12b-1)<br>fees<br>(percent) | Other<br>expenses<br>(percent) | Total<br>annual<br>expenses<br>(percent) | Expense<br>waivers<br>(percent) | Net<br>annual<br>expenses<br>(percent) |
|---------------------------------------------------------------|------------------------------|----------------------------------------------|--------------------------------|------------------------------------------|---------------------------------|----------------------------------------|
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING Columbia Small Cap Value II Portfolio—Class             | 0.75                         |                                              | 0.20                           | 0.95                                     |                                 | 0.95                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Pioneer Small Cap Value VCT Portfolio—Class I               | 0.75                         |                                              | 0.55                           | 1.30                                     | 0.05                            | 1.25                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING EquitiesPlus Portfolio—Class S                          | 0.30                         |                                              | <sup>1</sup> 0.44              | 0.74                                     | 0.09                            | 0.65                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • PIMCO VIT StocksPlus Growth and Income—Administrative Class | 0.40                         |                                              | 0.25                           | 0.65                                     |                                 | 0.65                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Diversified Mid Cap Portfolio—Class I <sup>2</sup>  | 0.65                         |                                              | 0.01                           | 0.66                                     |                                 | 0.66                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Diversified Mid Cap Portfolio—Class S <sup>2</sup>  | 0.65                         |                                              | 0.26                           | 0.91                                     |                                 | 0.91                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Diversified Mid Cap Portfolio—Class I <sup>2</sup>  | 0.65                         |                                              | 0.01                           | 0.66                                     |                                 | 0.66                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Neuberger Berman AMT Growth Portfolio—Class                 | 0.85                         |                                              | 0.11                           | 0.96                                     |                                 | 0.96                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Diversified Mid Cap Portfolio—Class I <sup>2</sup>  | 0.65                         |                                              | 0.01                           | 0.66                                     |                                 | 0.66                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Neuberger Berman AMT Mid-Cap Growth Portfolio—Class I       | 0.84                         |                                              | 0.08                           | 0.92                                     |                                 | 0.92                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Diversified Mid Cap Portfolio—Class I <sup>2</sup>  | 0.65                         |                                              | 0.01                           | 0.66                                     |                                 | 0.66                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Oppenheimer Aggressive Growth Fund/VA—Non-Service Shares    | 0.67                         |                                              | 0.02                           | 0.69                                     |                                 | 0.69                                   |
| Substituted Fund:                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Earnings Growth Portfolio—I Class                   | 0.58                         |                                              | 0.15                           | 0.73                                     | 0.05                            | 0.68                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • AIM V.I. Demographic Trends Fund—Series I                   | 0.77                         |                                              | 0.37                           | 1.14                                     | 0.13                            | 1.01                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Earnings Growth Portfolio—I Class                   | 0.58                         |                                              | 0.15                           | 0.73                                     | 0.05                            | 0.68                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Alger American Growth Portfolio—Class O                     | 0.75                         |                                              | 0.11                           | 0.86                                     |                                 | 0.86                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Earnings Growth Portfolio—Class I                   | 0.58                         |                                              | 0.15                           | 0.73                                     | 0.05                            | 0.68                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Growth Portfolio—Initial Class                 | 0.58                         |                                              | 0.10                           | 0.68                                     |                                 | 0.68                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Growth Portfolio—Service Class                 | 0.58                         | 0.10                                         | 0.10                           | 0.78                                     |                                 | 0.78                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Earnings Growth Portfolio—Class S                   | 0.58                         |                                              | <sup>3</sup> 0.40              | 0.98                                     | 0.05                            | 0.93                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Growth Portfolio—Service Class 2               | 0.58                         | 0.25                                         | 0.10                           | 0.93                                     |                                 | 0.93                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Earnings Growth Portfolio—Class I                   | 0.58                         |                                              | 0.15                           | 0.73                                     | 0.05                            | 0.68                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • MFS VIT Emerging Growth Series—Initial Class                | 0.75                         |                                              | 0.12                           | 0.87                                     |                                 | 0.87                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Earnings Growth Portfolio—Class S                   | 0.58                         |                                              | <sup>3</sup> 0.40              | 0.98                                     | 0.05                            | 0.93                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Earnings Growth Portfolio—Class S2                  | 0.58                         | 0.25                                         | <sup>3</sup> 0.40              | 1.23                                     | <sup>19</sup> 15                | 1.08                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING FMR Small Cap Equity Portfolio—Class S                  | 0.75                         |                                              | <sup>3</sup> 0.45              | 1.20                                     |                                 | 1.20                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |
| • Pioneer Small Company VCT Portfolio—Class II                | 0.75                         | 0.25                                         | 0.76                           | 1.76                                     | 0.28                            | 1.48                                   |
| Substitute Fund:                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING Franklin Income Portfolio—Class I                       | 0.65                         |                                              | 0.09                           | 0.74                                     |                                 | 0.74                                   |
| Replaced Fund:                                                |                              |                                              |                                |                                          |                                 |                                        |

|                                                                             | Management fees<br>(percent) | Distribution<br>(12b-1)<br>fees<br>(percent) | Other<br>expenses<br>(percent) | Total<br>annual<br>expenses<br>(percent) | Expense<br>waivers<br>(percent) | Net<br>annual<br>expenses<br>(percent) |
|-----------------------------------------------------------------------------|------------------------------|----------------------------------------------|--------------------------------|------------------------------------------|---------------------------------|----------------------------------------|
| • Oppenheimer Balanced Fund/VA—Non-Service Shares .....                     | 0.72                         |                                              | 0.02                           | 0.74                                     |                                 | 0.74                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Franklin Income Portfolio—Class S .....                               | 0.65                         |                                              | <sup>3</sup> 0.34              | 0.99                                     |                                 | 0.99                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Oppenheimer Balanced Fund—Class A .....                                   | 0.71                         | 0.20                                         | 0.16                           | 1.07                                     |                                 | 1.07                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Fundamental Research Portfolio—I Class ....                           | 0.60                         |                                              | 0.20                           | 0.80                                     | 0.05                            | 0.75                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Greenwich Street Appreciation Portfolio .....                             | 0.73                         |                                              | 0.02                           | 0.75                                     |                                 | 0.75                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING JPMorgan Emerging Markets Equity Portfolio—Class I <sup>4</sup> ..... | 1.25                         |                                              | 0.02                           | 1.27                                     |                                 | 1.27                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Van Eck Worldwide Emerging Markets Fund—Initial Class .....               | 1.00                         |                                              | 0.39                           | 1.39                                     | 0.03                            | 1.36                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING JPMorgan Value Opportunities Portfolio—Class S .....                  | 0.40                         |                                              | <sup>5</sup> 0.40              | 0.80                                     | 0.02                            | 0.78                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Morgan Stanley UIF Value Portfolio .....                                  | 0.55                         |                                              | 0.40                           | 0.95                                     |                                 | 0.95                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Limited Maturity Bond Portfolio—Class S <sup>4</sup> ...              | 0.28                         |                                              | <sup>5</sup> 0.25              | 0.53                                     |                                 | 0.53                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Neuberger Berman AMT Limited Maturity Bond Portfolio—Class I .....        | 0.65                         |                                              | 0.08                           | 0.73                                     |                                 | 0.73                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Liquid Assets Portfolio—Class I <sup>4</sup> .....                    | 0.27                         |                                              | 0.02                           | 0.29                                     |                                 | 0.29                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • ING Liquid Assets Portfolio—Class S <sup>4</sup> .....                    | 0.27                         |                                              | <sup>5</sup> 0.27              |                                          | 0.54                            | 0.54                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Liquid Assets Portfolio—Class I <sup>4</sup> .....                    | 0.27                         |                                              | 0.02                           | 0.29                                     |                                 | 0.29                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Scudder VS I Money Market Portfolio .....                                 | 0.37                         |                                              | 0.16                           | 0.53                                     |                                 | 0.53                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Lord Abbett U.S. Government Securities Portfolio—I Class .....        | 0.47                         |                                              | 0.22                           | 0.69                                     |                                 | 0.69                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • AIM V.I. Government Securities Fund—Class I ...                           | 0.47                         |                                              | 0.40                           | 0.87                                     |                                 | 0.87                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Lord Abbett U.S. Government Portfolio—I Class .....                   | 0.47                         |                                              | 0.22                           | 0.69                                     |                                 | 0.69                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Federated Fund for U.S. Government Securities II .....                    | 0.60                         |                                              | 0.38                           | 0.98                                     |                                 | 0.98                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Marsico International Opportunities Portfolio—Class S .....           | 0.54                         |                                              | <sup>5</sup> 0.42              | 0.96                                     | 0.03                            | 0.93                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • American Century VP International Fund—Class I .....                      | 1.27                         |                                              |                                | 1.27                                     |                                 | 1.27                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Mercury Large Cap Growth Portfolio—Class S <sup>6</sup> .....         | 0.80                         |                                              | <sup>7</sup> 0.25              | 1.05                                     | 0.05                            | 1.00                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Oppenheimer Capital Appreciation Fund—Class A .....                       | 0.57                         | 0.24                                         | 0.28                           | 1.09                                     |                                 | 1.09                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING MFS Total Return Portfolio—Class I <sup>6</sup> .....                 | 0.64                         |                                              |                                | 0.64                                     |                                 | 0.64                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • American Century VP Balanced Fund—Class I ...                             | 0.90                         |                                              |                                | 0.90                                     |                                 | 0.90                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Neuberger Berman Partners Portfolio—I Class .....                     | 0.60                         |                                              | 0.07                           | 0.67                                     |                                 | 0.67                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |
| • Neuberger Berman AMT Partners Portfolio—I Class .....                     | 0.83                         |                                              | 0.08                           | 0.91                                     |                                 | 0.91                                   |
| Substitute Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Neuberger Berman Partners Portfolio—I Class .....                     | 0.60                         |                                              | 0.07                           | 0.67                                     |                                 | 0.67                                   |
| Replaced Fund:                                                              |                              |                                              |                                |                                          |                                 |                                        |

|                                                                              | Management fees<br>(percent) | Distribution<br>(12b-1)<br>fees<br>(percent) | Other<br>expenses<br>(percent) | Total<br>annual<br>expenses<br>(percent) | Expense<br>waivers<br>(percent) | Net<br>annual<br>expenses<br>(percent) |
|------------------------------------------------------------------------------|------------------------------|----------------------------------------------|--------------------------------|------------------------------------------|---------------------------------|----------------------------------------|
| • Oppenheimer Main Street Fund/VA—Non-Serv-<br>ice Shares .....              | 0.66                         | .....                                        | 0.01                           | 0.67                                     | .....                           | 0.67                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Oppenheimer Main Street Portfolio—Class<br>I <sup>6</sup> .....        | 0.64                         | .....                                        | .....                          | 0.64                                     | .....                           | 0.64                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • MFS VIT Research Series—Initial Class .....                                | 0.75                         | .....                                        | 0.13                           | 0.88                                     | .....                           | 0.88                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Oppenheimer Strategic Income Portfolio—I<br>Class .....                | 0.50                         | .....                                        | 0.04                           | 0.54                                     | .....                           | 0.54                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • MFS VIT Strategic Income Series—Initial Class ..                           | 0.75                         | .....                                        | 0.33                           | 1.08                                     | 0.18                            | 0.90                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Oppenheimer Strategic Income Portfolio—S<br>Class .....                | 0.50                         | .....                                        | <sup>8</sup> 0.29              | 0.79                                     | 0.04                            | 0.75                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Putnam VT Diversified Income Fund—Class IA ...                             | 0.69                         | .....                                        | 0.14                           | 0.83                                     | 0.02                            | 0.81                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING PIMCO High Yield Portfolio—Class S <sup>9</sup> .....                  | 0.49                         | .....                                        | <sup>10</sup> 0.25             | 0.74                                     | .....                           | 0.74                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Eaton Vance Income Fund of Boston—Class A ..                               | 0.63                         | .....                                        | 0.43                           | 1.06                                     | .....                           | 1.06                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING PIMCO High Yield Portfolio—Class S <sup>9</sup> .....                  | 0.49                         | .....                                        | <sup>11</sup> 0.25             | 0.74                                     | .....                           | 0.74                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Morgan Stanley UIF High Yield Portfolio—Class I                            | 0.45                         | .....                                        | 0.41                           | 0.86                                     | .....                           | 0.86                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING PIMCO High Yield Portfolio—Class S <sup>9</sup> .....                  | 0.49                         | .....                                        | <sup>10</sup> 0.25             | 0.74                                     | .....                           | 0.74                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Oppenheimer High Income Fund/VA—Non-Serv-<br>ice Shares .....              | 0.72                         | .....                                        | 0.03                           | 0.75                                     | .....                           | 0.75                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING PIMCO High Yield Portfolio—Class S <sup>9</sup> .....                  | 0.49                         | .....                                        | <sup>10</sup> 0.25             | 0.74                                     | .....                           | 0.74                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Oppenheimer High Yield Fund—Class A .....                                  | 0.61                         | 0.24                                         | 0.18                           | 1.03                                     | .....                           | 1.03                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Pioneer Equity-Income Portfolio—S Class ....                           | 0.65                         | .....                                        | <sup>10</sup> 0.45             | 1.10                                     | 0.15                            | 0.95                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Pioneer Equity Income VCT Portfolio—Class II ...                           | 0.65                         | 0.25                                         | 0.08                           | 0.98                                     | .....                           | 0.98                                   |
| Substituted Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Salomon Brothers Aggressive Growth Port-<br>folio—I Class .....        | 0.69                         | .....                                        | 0.13                           | 0.82                                     | .....                           | 0.82                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Alger American Leveraged AllCap Portfolio—<br>Class O .....                | 0.85                         | .....                                        | 0.12                           | 0.97                                     | .....                           | 0.97                                   |
| Substituted Fund:                                                            |                              |                                              |                                |                                          |                                 |                                        |
| • ING Stock Index Portfolio—Class I <sup>9</sup> .....                       | 0.25                         | .....                                        | .....                          | 0.25                                     | .....                           | 0.25                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Dreyfus Stock Index Fund—Initial Shares .....                              | 0.25                         | .....                                        | 0.01                           | 0.26                                     | .....                           | 0.26                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING UBS U.S. Large Cap Equity Portfolio—I<br>Class .....                   | 0.70                         | .....                                        | 0.15                           | 0.85                                     | .....                           | 0.85                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • MFS VIT Investors Trust Series—Initial Class ....                          | 0.75                         | .....                                        | 0.11                           | 0.86                                     | .....                           | 0.86                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Van Kampen Comstock Portfolio—I Class ...                              | 0.60                         | .....                                        | 0.35                           | 0.95                                     | 0.07                            | 0.88                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Neuberger Berman AMT Guardian Portfolio—<br>Class I .....                  | 0.85                         | .....                                        | 0.13                           | 0.98                                     | .....                           | 0.98                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Van Kampen Equity and Income Portfolio—I<br>Class .....                | 0.55                         | .....                                        | 0.02                           | 0.57                                     | .....                           | 0.57                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Asset Manager Growth Portfolio—Ini-<br>tial Class .....       | 0.58                         | .....                                        | 0.16                           | 0.74                                     | .....                           | 0.74                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Van Kampen Growth and Income Portfolio—<br>Class I <sup>12</sup> ..... | 0.66                         | .....                                        | 0.01                           | 0.67                                     | .....                           | 0.67                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Dreyfus VIF Growth and Income Portfolio—Serv-<br>ice Shares .....          | 0.75                         | .....                                        | 0.07                           | 0.82                                     | .....                           | 0.82                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |

|                                                                              | Management fees<br>(percent) | Distribution<br>(12b-1)<br>fees<br>(percent) | Other<br>expenses<br>(percent) | Total<br>annual<br>expenses<br>(percent) | Expense<br>waivers<br>(percent) | Net<br>annual<br>expenses<br>(percent) |
|------------------------------------------------------------------------------|------------------------------|----------------------------------------------|--------------------------------|------------------------------------------|---------------------------------|----------------------------------------|
| • ING Van Kampen Growth and Income Portfolio—<br>Class S <sup>12</sup> ..... | 0.66                         | .....                                        | <sup>13</sup> 0.26             | 0.92                                     | .....                           | 0.92                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Premier VIT OpCap Managed Portfolio .....                                  | 0.80                         | .....                                        | 0.12                           | 0.92                                     | .....                           | 0.92                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Balanced Portfolio—Class I .....                                    | 0.50                         | .....                                        | 0.09                           | 0.59                                     | .....                           | 0.59                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Asset Manager Portfolio—Initial<br>Class .....                | 0.53                         | .....                                        | 0.12                           | 0.65                                     | .....                           | 0.65                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Asset Manager Portfolio—Service<br>Class .....                | 0.53                         | 0.10                                         | 0.13                           | 0.76                                     | .....                           | 0.76                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Balanced Portfolio—Class I .....                                    | 0.50                         | .....                                        | 0.09                           | 0.59                                     | .....                           | 0.59                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Liberty Asset Allocation Fund VS—Class A .....                             | 0.60                         | .....                                        | 0.17                           | 0.77                                     | .....                           | 0.77                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP High Yield Bond Portfolio—Class I .....                             | 0.58                         | .....                                        | 0.25                           | 0.83                                     | 0.12                            | 0.71                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP High Income Portfolio—Initial Class ..                        | 0.58                         | .....                                        | 0.13                           | 0.71                                     | .....                           | 0.71                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP High Income Portfolio—Service<br>Class .....                  | 0.58                         | 0.10                                         | 0.13                           | 0.81                                     | .....                           | 0.81                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Index Plus International Equity Port-<br>folio—Class I .....        | 0.45                         | .....                                        | 0.22                           | 0.67                                     | 0.12                            | 0.55                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Scudder VS I International Portfolio—Class A .....                         | 0.87                         | .....                                        | 0.17                           | 1.04                                     | .....                           | 1.04                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Index Plus International Equity Port-<br>folio—Class S .....        | 0.45                         | .....                                        | <sup>14</sup> 0.47             | 0.92                                     | 0.12                            | 0.80                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Overseas Portfolio—Initial Class .....                        | 0.72                         | .....                                        | 0.19                           | 0.91                                     | .....                           | 0.91                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Overseas Portfolio—Service Class ...                          | 0.72                         | 0.10                                         | 0.19                           | 1.01                                     | .....                           | 1.01                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Overseas Portfolio—Service Class 2                            | 0.72                         | 0.25                                         | 0.19                           | 1.16                                     | .....                           | 1.16                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Index Plus International Equity Port-<br>folio—Class S .....        | 0.45                         | .....                                        | <sup>14</sup> 0.47             | 0.92                                     | 0.12                            | 0.80                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Putnam VT International Growth and Income<br>Fund—Class IB .....           | 0.80                         | 0.25                                         | 0.21                           | 1.26                                     | .....                           | 1.26                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Index Plus LargeCap Portfolio—Class I ..                            | 0.35                         | .....                                        | 0.09                           | 0.44                                     | .....                           | 0.44                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Fidelity VIP Growth Opportunities Portfolio—Ini-<br>tial Class .....       | 0.58                         | .....                                        | 0.14                           | 0.72                                     | .....                           | 0.72                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Intermediate Bond Portfolio—Class I .....                           | 0.40                         | .....                                        | 0.08                           | 0.48                                     | .....                           | 0.48                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Oppenheimer Core Bond Fund/VA—Non-Service<br>Shares .....                  | 0.72                         | .....                                        | 0.03                           | 0.75                                     | .....                           | 0.75                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Money Market Portfolio—Class I .....                                | 0.25                         | .....                                        | 0.09                           | 0.34                                     | .....                           | 0.34                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Oppenheimer Money Fund/VA .....                                            | 0.45                         | .....                                        | 0.03                           | 0.48                                     | .....                           | 0.48                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING VP Money Market Portfolio—Class I .....                                | 0.25                         | .....                                        | 0.09                           | 0.34                                     | .....                           | 0.34                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Oppenheimer Money Market Fund—Class A .....                                | 0.42                         | .....                                        | 0.31                           | 0.73                                     | .....                           | 0.73                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Wells Fargo Small Cap Disciplined Port-<br>folio—Class I .....         | 0.53                         | .....                                        | 0.34                           | 0.87                                     | .....                           | 0.87                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |
| • Putnam VT Small Cap Value Fund—Class 1A<br>Shares .....                    | 0.77                         | .....                                        | 0.10                           | 0.87                                     | .....                           | 0.87                                   |
| Substitute Fund:                                                             |                              |                                              |                                |                                          |                                 |                                        |
| • ING Wells Fargo Small Cap Disciplined Port-<br>folio—Class S .....         | 0.53                         | .....                                        | 0.59                           | 1.12                                     | .....                           | 1.12                                   |
| Replaced Fund:                                                               |                              |                                              |                                |                                          |                                 |                                        |



|                                                           | Management fees<br>(percent) | Distribution<br>(12b-1)<br>fees<br>(percent) | Other<br>expenses<br>(percent) | Total<br>annual<br>expenses<br>(percent) | Expense<br>waivers<br>(percent) | Net<br>annual<br>expenses<br>(percent) |
|-----------------------------------------------------------|------------------------------|----------------------------------------------|--------------------------------|------------------------------------------|---------------------------------|----------------------------------------|
| • Putnam VT Small Cap Value Fund—Class 1B<br>Shares ..... | 0.77                         | 0.25                                         | 0.10                           | 1.12                                     | .....                           | 1.12                                   |

<sup>1</sup> The “Other Expenses” of this portfolio includes a Shareholder Services Fee of 0.25%.

<sup>2</sup> This Fund is subject to a unified fee arrangement.

<sup>3</sup> The “Other Expenses” of this portfolio includes a Shareholder Services Fee of 0.25%.

<sup>4</sup> This Fund is subject to a unified fee arrangement.

<sup>5</sup> The “Other Expenses” of this portfolio includes a Shareholder Services Fee of 0.25%.

<sup>6</sup> This Fund is subject to a unified fee arrangement.

<sup>7</sup> The “Other Expenses” of this portfolio includes a Shareholder Services Fee of 0.25%. This Shareholder Services Fee is permanently capped at 0.25%. Other expenses in excess of this Shareholder Services Fee, if any, cover operating expenses such as the cost of Trustees who are not interested persons of Directed Services, Inc. (including the cost of the Trustees and Officers Errors and Omissions Liability Insurance coverage) and any taxes paid by the portfolios. The portfolios also bear any extraordinary expenses.

<sup>8</sup> The “Other Expenses” of this portfolio includes a Shareholder Services Fee of 0.25%.

<sup>9</sup> This Fund is subject to a unified fee arrangement.

<sup>10</sup> The “Other Expenses” of this portfolio includes a Shareholder Services Fee of 0.25%.

<sup>11</sup> The “Other Expenses” of this portfolio includes a Shareholder Services Fee of 0.25%. This Shareholder Services Fee is permanently capped at 0.25%.

<sup>12</sup> This Fund is subject to a unified fee arrangement.

<sup>13</sup> The “Other Expenses” of this portfolio includes a Shareholder Service Fee of 25%.

<sup>14</sup> The “Other Expenses” of this portfolio includes a Shareholder Services Fee of 0.25%.

### Investment Objectives and Policies

The investment objectives of each Replaced and Substitute Fund follow:

37. ING Columbia Small Cap Value Portfolio for the Pioneer Small Cap Value VCT Portfolio. The investment objective of the ING Columbia Small Cap Value Portfolio is long-term growth. The investment objective of the Pioneer Small Cap Value Portfolio is capital growth.

38. ING EquitiesPlus Portfolio for the PIMCO VIT StocksPlus Growth and Income Portfolio. The investment objective of each portfolio is to seek a total return which exceeds that of the Standard & Poor's 500 Composite Stock Price Index (“S&P 500”).

39. ING FMR Diversified Mid Cap Portfolio—Class I for the ING FMR Diversified Mid Cap Portfolio—Class S. The Substitute Fund is the same as the corresponding Replaced Fund with the exact same investment objective and policies and managed by the exact same investment adviser/sub-adviser, but with lower overall fees.

40. ING FMR Diversified Mid Cap Portfolio for the Neuberger Berman AMT Growth Portfolio. The ING FMR Diversified Mid Cap Portfolio seeks long-term growth of capital, and the Neuberger Berman AMT Growth Portfolio seeks growth of capital.

41. ING FMR Diversified Mid Cap Portfolio for the Neuberger Berman AMT Mid-Cap Growth Portfolio. The ING FMR Diversified Mid Cap Portfolio seeks long-term growth of capital, and the Neuberger Berman AMT Mid-Cap Growth Portfolio seeks growth of capital.

42. ING FMR Diversified Mid Cap Portfolio for the Oppenheimer Aggressive Growth Fund/VA. The ING

FMR Diversified Mid Cap Portfolio seeks long-term growth of capital, and the Oppenheimer Aggressive Growth Fund/VA seeks capital appreciation by investing in growth type companies.

43. ING FMR Earnings Growth Portfolio for the AIM V.I. Demographic Trends Fund. The investment objective of ING FMR Earnings Growth Portfolio and of the AIM V.I. Demographic Trends Fund is to seek long-term growth of capital.

44. ING FMR Earnings Growth Portfolio for the Alger American Growth Portfolio. The ING FMR Earnings Growth Portfolio seeks long-term growth of capital, and the Alger Portfolio seeks long-term capital appreciation.

45. ING FMR Earnings Growth Portfolio for the Fidelity VIP Growth Portfolio. The ING FMR Earnings Growth Portfolio seeks growth of capital over the long term, and the Fidelity VIP Growth Portfolio seeks capital appreciation.

46. ING FMR Earnings Growth Portfolio for the MFS VIT Emerging Growth Series. The investment objective of both the ING FMR Earnings Growth Portfolio and the MFS VIT Emerging Growth Portfolio is to seek growth of capital over the long term.

47. ING FMR Earnings Growth Portfolio—Class S for the ING FMR Earnings Growth Portfolio—Class S2. This Substitute Fund is the same as the corresponding Replaced Fund with the exact same investment objective and policies and managed by the exact same investment adviser/sub-adviser, but with lower overall fees.

48. ING FMR Small Cap Equity Portfolio for the Pioneer Small Company VCT Portfolio. The investment objective of both the ING FMR Small Cap Equity

Portfolio and the Pioneer Small Company VCT Fund is capital growth.

49. ING Franklin Income Portfolio for the Oppenheimer Balanced Fund/VA. The investment objective of the ING Franklin Income Portfolio is to maximize income while maintaining prospects for capital appreciation. The investment objective of the Oppenheimer Balanced Fund is high total investment return, which includes current income and capital appreciation.

50. ING Franklin Income Portfolio for the Oppenheimer Balanced Fund. The investment objective of the ING Franklin Income Portfolio is to maximize income while maintaining prospects for capital appreciation. The investment objective of the Oppenheimer Balanced Fund is high total investment return with preservation of principal.

51. ING Fundamental Research Portfolio for the Greenwich Street Appreciation Portfolio. The investment objective of ING Fundamental Research Portfolio is to maximize total return, while the investment objective for the Greenwich Street Portfolio is long-term appreciation of capital.

52. ING JPMorgan Emerging Markets Equity Portfolio for the Van Eck Worldwide Emerging Markets Fund. The investment objective of the ING JPMorgan Emerging Markets Equity Portfolio is capital appreciation, and the investment objective of the Van Eck Worldwide Emerging Markets Portfolio is long-term capital appreciation.

53. ING JPMorgan Value Opportunities Portfolio for the Morgan Stanley UIF Value Portfolio. The investment objective of the ING JPMorgan Value Opportunities Portfolio

is long-term capital appreciation. The investment objective of the Morgan Stanley UIF Value Portfolio is above-average returns over a market cycle of three to five years.

54. ING Limited Maturity Bond Portfolio for the Neuberger Berman AMT Limited Maturity Bond Portfolio. The investment objective of ING Limited Maturity Bond Portfolio is to seek the highest current income consistent with low risk to principal and liquidity. The investment objective of Neuberger Berman AMT Limited Maturity Bond Portfolio is to seek the highest available current income consistent with liquidity and low risk to principal.

55. ING Liquid Assets Portfolio—Class I for the ING Liquid Assets Portfolio—Class S. This Substitute Fund is the same as the corresponding Replaced Fund with the exact same investment objective and policies and managed by the exact same investment adviser/sub-adviser, but with lower overall fees.

56. ING Liquid Assets Portfolio for the Scudder VS I Money Market Portfolio. The investment objective of the ING Liquid Assets Portfolio is to seek the highest level of current income consistent with the preservation of capital and liquidity. The investment objective of the Scudder VS Money Market Portfolio is to maintain stability of capital and maintain the liquidity of capital and to provide current income.

57. ING Lord Abbett U.S. Government Portfolio for the AIM V.I. Government Securities Fund. The investment objective of the ING Lord Abbett U.S. Government Portfolio is high current income consistent with reasonable risk. The investment objective of AIM V.I. Government Securities Fund is to achieve a high level of current income consistent with reasonable concern for safety of principal.

58. ING Lord Abbett U.S. Government Portfolio for Federated Fund for U.S. Government Securities II. The investment objective of the ING Lord Abbett U.S. Government Portfolio is the highest current income consistent with reasonable risk. The investment objective of Federated Fund for U.S. Government Securities is current income.

59. ING Marsico International Opportunities Portfolio for the American Century VP International Fund. The investment objective of the ING Marsico International Opportunities Portfolio is long-term growth of capital. The investment objective for the American Century Portfolio is capital growth.

60. ING Mercury Large Cap Growth Portfolio for the Oppenheimer Capital Appreciation Fund. The investment objective of the ING Mercury Large Cap Growth Portfolio is long-term growth of capital. The investment objective of the Oppenheimer Capital Appreciation Fund is capital appreciation.

61. ING MFS Total Return Portfolio for the American Century VP Balanced Fund. The investment objective of the ING MFS Total Return Portfolio is above average income consistent with prudent employment of capital. The investment objective of the American Century VP Balanced Fund is long-term capital growth and current income.

62. ING Neuberger Berman Partners Portfolio for the Neuberger Berman AMT Partners Portfolio. The ING Neuberger Berman Partners Portfolio is patterned after the Neuberger Berman AMT Partners Portfolio, and the investment objective of each portfolio is growth of capital.

63. ING Neuberger Berman Partners Portfolio for the Oppenheimer Main Street Fund/VA. The investment objective of the ING Neuberger Berman Partners Portfolio is growth of capital. The objective for the Oppenheimer Main Street Fund is high total return (which includes growth in the value of its shares as well as current income).

64. ING Oppenheimer Main Street Portfolio for the MFS VIT Research Series. The investment objective of both the ING Oppenheimer Main Street Portfolio and MFS VIT Research Series is long-term growth and future income.

65. ING Oppenheimer Strategic Income Portfolio for the MFS VIT Strategic Income Series. The investment objective of both the ING Oppenheimer Strategic Income Portfolio and MFS VIT Strategic Income Series is high current income.

66. ING Oppenheimer Strategic Income Portfolio for the Putnam VT Diversified Income Fund. The ING Oppenheimer Strategic Income Portfolio seeks a high level of current income and the Putnam VT Diversified Income Fund seeks as high a level of current income as the investment adviser believes is consistent with preservation of capital.

67. ING PIMCO High Yield Portfolio for the Eaton Vance Income Fund of Boston. The ING PIMCO High Yield Portfolio seeks maximum total return, consistent with the preservation of capital and prudent investment management. The Eaton Vance Income Fund of Boston seeks to provide as much current income as possible.

68. ING PIMCO High Yield Portfolio for the Morgan Stanley UIF High Yield Portfolio. The ING PIMCO High Yield Portfolio seeks maximum total return,

consistent with the preservation of capital and prudent investment management. The Morgan Stanley UIF High Yield Portfolio seeks above-average total returns over a market cycle of three to five years.

69. ING PIMCO High Yield Portfolio for the Oppenheimer High Income Fund/VA. The ING PIMCO High Yield Portfolio seeks maximum total return, consistent with the preservation of capital and prudent investment management. The Oppenheimer High Income Fund/VA seeks a high level of current income.

70. ING PIMCO High Yield Portfolio for the Oppenheimer High Yield Fund. The ING PIMCO High Yield Portfolio seeks maximum total return, consistent with the preservation of capital and prudent investment management. The Oppenheimer High Yield Fund seeks a high level of current income.

71. ING Pioneer Equity-Income Portfolio for the Pioneer Equity Income VCT Portfolio. Both the ING Pioneer Equity-Income Portfolio and the Pioneer VCT Equity Income Portfolio seek current income and long-term growth of capital.

72. ING Salomon Brothers Aggressive Growth Portfolio for the Alger American Leveraged AllCap Portfolio. The ING Salomon Brothers Aggressive Growth Portfolio seeks long-term growth of capital. The Alger American Leveraged AllCap Portfolio seeks long-term capital appreciation.

73. ING Stock Index Portfolio for the Dreyfus Stock Index Fund. The investment objective of the ING Stock Index Portfolio and the Dreyfus Stock Index Fund is total return.

74. ING UBS U.S. Large Cap Equity Portfolio for the MFS VIT Investors Trust Series. The investment objective of both the ING UBS U.S. Large Cap Equity Portfolio and MFS VIT Investors Trust Series is long-term growth of capital and future income.

75. ING Van Kampen Comstock Portfolio for the Neuberger Berman AMT Guardian Portfolio. The investment objective of the ING Van Kampen Comstock Portfolio is capital growth and income. The investment objective of Neuberger Berman AMT Guardian Portfolio is long-term growth of capital and as a secondary objective, current income.

76. ING Van Kampen Equity and Income Portfolio for the Fidelity VIP Asset Manager: Growth Portfolio. The investment objective of the ING Van Kampen Equity and Income Portfolio is total return, consisting of long-term capital appreciation and current income. The investment objective of the

Fidelity VIP Asset Manager: Growth Portfolio is to maximize total return.

77. ING Van Kampen Growth and Income Portfolio for the Dreyfus VIF Growth and Income Portfolio. The investment objective of the ING Van Kampen Growth and Income Portfolio is long-term growth of capital and income. The investment objective of the Dreyfus VIF Growth and Income Portfolio is long-term capital growth, current income and growth of income consistent with reasonable investment risk.

78. ING Van Kampen Growth and Income Portfolio for the Premier VIT OpCap Managed Portfolio. The ING Van Kampen Growth and Income Portfolio seeks long-term growth of capital and income. The Premier VIT OpCap Managed Portfolio seeks growth of capital over time.

79. ING VP Balanced Portfolio for the Fidelity VIP Asset Manager Portfolio. The ING VP Balanced Portfolio seeks to maximize investment return, consistent with reasonable safety of principal. The Fidelity VIP II Asset Manager Portfolio seeks to obtain high total return with reduced risk over the long term.

80. ING VP Balanced Portfolio for the Liberty Asset Allocation Fund VS. The investment objective of the ING VP Balanced Portfolio is to maximize investment return consistent with reasonable safety of principal. The investment objective of the Liberty Asset Allocation Fund is high total investment return.

81. ING VP High Yield Bond Portfolio for the Fidelity VIP High Income Portfolio. The ING VP High Yield Bond Portfolio seeks a high level of current income and total return. The Fidelity VIP High Income Portfolio seeks a high level of current income, while also considering growth of capital.

82. ING VP Index Plus International Equity Portfolio for the Scudder VS I International Portfolio. The ING VP IndexPlus International Equity Portfolio seeks to outperform the total return performance of the Morgan Stanley Capital International EAFE Index ("MSCI EAFE"). The Scudder SV I International Portfolio seeks long-term growth of capital.

83. ING VP Index Plus International Equity Portfolio for the Fidelity VIP Overseas Portfolio. The ING VP IndexPlus International Equity Portfolio seeks to outperform the total return performance of the MSCI EAFE. The Fidelity VIP Overseas Portfolio seeks long-term growth of capital.

84. ING VP Index Plus International Equity Portfolio for the Putnam VT International Growth and Income Fund. The ING VP IndexPlus International Equity Portfolio seeks to outperform the

total return performance of the MSCI EAFE. The Putnam VT International Growth and Income Fund seeks capital growth with current income as a secondary objective.

85. ING VP Index Plus LargeCap Portfolio for the Fidelity VIP Growth Opportunities Portfolio. The ING VP Index Plus LargeCap Portfolio seeks to outperform the total return performance of the S&P 500. The Fidelity VIP Growth Opportunities Portfolio seeks capital growth.

86. ING VP Intermediate Bond Portfolio for the Oppenheimer Core Bond Fund/VA. The ING VP Intermediate Bond Portfolio seeks to maximize total return consistent with reasonable risk. The Oppenheimer Core Bond Fund/VA seeks a high level of current income.

87. ING VP Money Market Portfolio for the Oppenheimer Money Fund/VA. The ING VP Money Market Portfolio seeks high current return, consistent with the preservation of capital and liquidity, through investment in high-quality money market instruments. The Oppenheimer Money Fund seeks maximum current income from investments in money market securities consistent with low capital risk and the maintenance of liquidity.

88. ING VP Money Market Portfolio for the Oppenheimer Money Market Fund. The ING VP Money Market Portfolio seeks to provide high current return, consistent with the preservation of capital and liquidity, through investment in high-quality money market instruments. The Oppenheimer Money Market Fund seeks the maximum current income that is consistent with stability of principal.

89. ING Wells Fargo Small Cap Disciplined Portfolio for the Putnam VT Small Cap Value Fund. The investment objective of the ING Wells Fargo Small Cap Disciplined Portfolio is long-term capital appreciation. The investment objective of the Putnam VT Small Cap Value Fund is capital appreciation.

#### Implementation of the Substitutions

90. Applicants will effect the Substitutions as soon as practicable following the issuance of the requested order. As of the Effective Date of the Substitutions, shares of each Replaced Fund will be redeemed for cash or in-kind. The Companies, on behalf of each Replaced Fund subaccount of each relevant Account, will simultaneously place a redemption request with the Replaced Fund and a purchase order with the corresponding Substitute Fund so that the purchase of Substitute Fund shares will be for the exact amount of the redemption proceeds. Thus,

Contract values will remain fully invested at all times. The proceeds of such redemptions will then be used to purchase the appropriate number of shares of the applicable Substitute Fund.

91. The Substitutions will take place at relative net asset value (in accordance with Rule 22c-1 under the 1940 Act) with no change in the amount of any affected Contract owner's account value or death benefit, or in the dollar value of his or her investment in the applicable Account. Any in-kind redemption of shares of a Replaced Fund or in-kind purchase of shares of the corresponding Substitute Fund will, except as noted below, take place in substantial compliance with the conditions of Rule 17a-7 under the 1940 Act. No brokerage commissions, fees or other remuneration will be paid by either the Replaced Fund or the corresponding Substitute Fund or by affected Contract owners in connection with the Substitutions. The transactions comprising the Substitutions will be consistent with the policies of each investment company involved and with the general purposes of the 1940 Act.

92. Affected Contract owners will not incur any fees or charges as a result of the Substitutions nor will their rights or the Companies' obligations under the Contracts be altered in any way. The Companies or their affiliates will pay all expenses and transaction costs of the Substitutions, including legal and accounting expenses, any applicable brokerage expenses, and other fees and expenses. In addition, the Substitutions will not impose any tax liability on affected Contract owners. The Substitutions will not cause the Contract fees and charges currently being paid by affected Contract owners to be greater after the Substitutions than before the Substitutions. Also, as described more fully below, after notification of the Substitutions and for 30 days after the Substitutions, affected Contract owners may reallocate to any other investment options available under their Contract the subaccount value of the Replaced Fund without incurring any administrative costs or allocation (transfer) charges.

93. Before the Effective Date of the Substitutions, all affected Contract owners will be notified of the Substitutions by means of supplements to the Contract prospectuses. Among other information regarding the Substitutions, the supplements will inform affected Contract owners that beginning on the date of the first supplement the Companies will not exercise any rights reserved by them under the Contracts to impose

restrictions or fees on transfers from the Replaced Funds (other than restrictions related to frequent or disruptive transfers) until at least 30 days after the Effective Date of the Substitutions. Following the date the order requested by the Application is issued, but before the Effective Date, affected Contract owners will receive a second supplement to the Contract prospectus or prospectus summary, as applicable, setting forth the Effective Date and advising affected Contract owners of their right, if they so choose, at any time prior to the Effective Date, to reallocate or withdraw accumulated value in the relevant Replaced Fund subaccounts under their Contracts or otherwise terminate their interest therein in accordance with the terms and conditions of their Contracts. If affected Contract Owners reallocate account value prior to the Effective Date or within 30 days after the Effective Date, there will be no charge for the reallocation of accumulated value from each Replaced Fund subaccount and the reallocation will not count as a transfer when imposing any applicable restriction or limit under the Contract on transfers. The Companies will not exercise any right they may have under the Contracts to impose additional restrictions or fees on transfers from the Replaced Funds under the Contracts (other than restrictions related to frequent or disruptive transfers) for a period of at least 30 days following the Effective Date of the Substitutions. Additionally, all current Contract Owners will be sent prospectuses of the Substitute Funds before the Effective Date.

94. Within five (5) business days after the Effective Date, affected Contract Owners will be sent a written confirmation ("Post-Substitution Confirmation") indicating that shares of the Replaced Funds have been redeemed and that the shares of Substitute Funds have been substituted. The Post-Substitution Confirmation will show how the allocation of the Contract Owner's account value before and immediately following the Substitutions have changed as a result of the Substitutions and detail the transactions effected on behalf of the respective affected Contract Owner because of the Substitutions.

#### **Applicant's Legal Analysis**

1. Applicants represent that each of the prospectuses for the Contracts expressly discloses the reservation of the Companies the right, subject to compliance with applicable law, to substitute shares of another open-end management investment company for

shares of an open-end management investment company held by a subaccount of an Account.

2. Registrants state that the Companies reserved this right of substitution both to protect themselves and their Contract owners in situations where either might be harmed or disadvantaged by circumstances surrounding the issuer of the shares held by one or more of its separate accounts and to afford the opportunity to replace such shares where to do so could benefit the Contract owners and Companies.

3. Applicants maintain that Contract owners will be better served by the proposed Substitutions. Applicants anticipate that the replacement of certain Replaced Funds will result in a Contract that is administered and managed more efficiently, and one that is more competitive with other variable products in both wholesale and retail markets. For all of the proposed substitutions, each Substitute Fund (or sub-adviser managing a similar fund for those Substitute Funds without a performance history) generally has had comparable or more consistent investment performance than the corresponding Replaced Fund that it would replace. Moreover, each Substitute Fund has fees that are the same as or less than the corresponding Replaced Fund. Applicants state that for all of the proposed substitutions, the investment objective and policies of each Substitute Fund are the same as, similar to, or consistent with the investment objective and policies of the corresponding Replaced Fund.

4. Applicants anticipate that Contract owners will be at least as well off with the proposed array of subaccounts to be offered after the proposed substitutions as they have been with the array of subaccounts offered before the substitutions. The proposed substitutions retain for Contract owners the investment flexibility which is a central feature of the Contracts. If the proposed substitutions are carried out, all Contract owners will be permitted to allocate purchase payments and transfer accumulated values and contract values between and among the remaining subaccounts as they could before the proposed substitutions. The number of available subaccounts varies from Contract to Contract, but the average number of available subaccounts in all Contracts is approximately 61 and the smallest number of available subaccounts in any one Contract after the Substitutions is nine, the same number of available subaccounts as before the Substitutions.

5. Applicants assert that each of the proposed substitutions is not the type of substitution which Section 26(c) was designed to prevent. Unlike traditional unit investment trusts where a depositor could only substitute an investment security in a manner which permanently affected all the investors in the trust, the Contracts provide each Contract owner with the right to exercise his or her own judgment and transfer contract values into other subaccounts. Moreover, the Contracts will offer Contract owners the opportunity to transfer amounts out of the subaccounts which invest in the Replaced Funds into any of the remaining subaccounts without cost or other disadvantage. The proposed substitutions, therefore, will not result in the type of costly forced redemption which Section 26(c) was designed to prevent.

6. Applicants maintain that by purchasing a Contract, Contract owners select much more than a particular investment company in which to invest their account values. They also select the specific types of insurance coverages offered by the various Companies under the Contracts as well as numerous other rights and privileges set forth in each Contract. Contract owners may also have considered the size, financial condition, type, and reputation of ING and the various Companies. These factors will not change because of the proposed substitutions.

7. Applicants maintain that the terms of the Substitutions, including the consideration to be paid and received by each Replaced Fund or Substitute Fund, are reasonable, fair and do not involve overreaching principally because the transactions do not cause owners' interests under a Contract to be diluted, and because the transactions will conform with the principal conditions enumerated in Rule 17a-7. The proposed transactions will take place at relative net asset value with no change in the amount of any Contract owner's Contract or cash value, accumulation value or death benefit or in the dollar value of his or her investment in any of the Accounts.

8. Applicants submit that the Substitutions by the Companies are consistent with the policies of each Substitute Fund and each Replaced Fund, as recited in the current registration statements and reports filed by each under the 1940 Act. Applicants also submit that the proposed substitutions are consistent with the general purposes of the Act.

9. Applicants submit that, to the extent that the Substitutions are deemed to involve principal transactions

between affiliates, the procedures and terms and descriptions described in the Application demonstrate that neither the Replaced Funds, the Substitute Funds, the Accounts nor any other Applicant will be participating in the Substitutions on a basis less advantageous than that of any other participant. Even though the Applicants may not rely on Rule 17a-7, Applicants believe that the Rule's conditions outline the type of safeguards that result in transactions that are fair and reasonable to registered investment company participants and preclude overreaching in connection with an investment company by its affiliated persons.

10. The boards of trustees or directors, as applicable of each Replaced Fund and ING Investors Trust, ING Partners, Inc., ING Variable Portfolios, Inc., ING Variable Products Trust, ING VP Balanced Portfolio, Inc., ING VP Intermediate Bond Portfolio, Inc. and ING VP Money Market Portfolio have adopted procedures, as required by paragraph (e)(1) of Rule 17a-7, pursuant to which the portfolios or funds of each may purchase and sell securities to and from their affiliates. The Companies and the investment advisers will carry out the Substitutions in conformity with the principal conditions of Rule 17a-7 and each Replaced Fund's and the Substitute Fund's procedures thereunder. Also no brokerage commission, fee, or other remuneration will be paid to any party in connection with the proposed transactions.

11. Except as noted below, applicants state that the Substitutions will take place in accordance with the requirements enumerated in Rule 17a-7 under the 1940 Act and with the approval of the applicable board of ING Investors Trust, ING Partners, Inc., ING Variable Portfolios, Inc., ING Variable Products Trust, ING VP Balanced Portfolio, Inc., ING VP Intermediate Bond Portfolio, Inc. and ING VP Money Market Portfolio, except that the Substitutions may be effected in cash or in-kind. Applicants further submit that the Substitutions are consistent with the investment policy of each Replaced Fund and each Substitute Fund, as recited in the current prospectuses relating to each.

12. With regard to the Substitutions involving in-kind transfers, the investment adviser of each Substitute Fund and the investment adviser to the corresponding Replaced Fund intend to value securities selected for transfer between the two funds in a manner that is consistent with the current methodology used to calculate the daily net asset value of the Replaced Fund.

Where a Replaced Fund's investment adviser employs certain third party, independent pricing services to value securities held by the Replaced Fund ("Vendor Pricing"), the investment adviser of each Substitute Fund and the corresponding Replaced Fund's investment adviser intend to employ Vendor Pricing to value securities held by the Replaced Fund that are selected for transfer to the Substitute Fund. Vendor Pricing may be used in each of the Substitutions. Generally, the redemption of securities from the Replaced Fund and subsequent transfer to the Substitute Fund will be done on a pro-rata basis. In the event that a Replaced Fund holds illiquid or restricted securities or assets that are not otherwise readily distributable or if a pro-rata transfer of securities would result in the parties holding odd lots, the investment advisers may agree to have a Replaced Fund transfer to the Substitute Fund an equivalent amount of cash instead of securities.

13. Applicants submit that the Substitutions are consistent with the general purposes of the 1940 Act. The proposed transactions do not present any of the issues or abuses that the 1940 Act is designed to prevent. Moreover, the proposed transactions will be effected in a manner consistent with the public interest and the protection of investors, as required by Section 6(c) of the 1940 Act. Contract owners will be fully informed of the terms of the Substitutions through the supplements and the Post-Substitution Confirmation and will have an opportunity to withdraw from the Replaced Fund through reallocation to another subaccount or otherwise terminate their interest thereof in accordance with the terms and conditions of their Contract prior to the Effective Date.

#### **Applicant's Conditions**

For purposes of the approval sought pursuant to Section 26(c) of the 1940 Act, the substitutions described in the application will not be completed unless all of the following conditions are met:

1. Each Substitute Fund has an investment objective and investment policies that are the same as, similar to or consistent with the investment objective and policies of the corresponding Replaced Fund, so that the objective of the Affected Contract Owners can continue to be met.

2. For two years following the implementation of the Substitutions described herein, the net annual expenses of each Substitute Fund will not exceed the net annual expenses of the corresponding Replaced Fund

immediately preceding the Substitutions. To achieve this limitation, Directed Services, Inc., ING Investments, LLC and ING Life, as applicable, will waive fees or reimburse the appropriate Substitute Fund in certain amounts to maintain expenses at or below the limit. Any adjustments or reimbursements will be made at least on a quarterly basis. In addition, the Companies will not increase the Contract fees and charges, including asset based charges such as mortality and expense risk charges deducted from the subaccounts, that would otherwise be assessed under the terms of the Contracts for a period of at least two years following the Substitutions.

3. The Shareholder Services Fee of the Class S shares of the ING Mercury Large Cap Growth Portfolio and the ING PIMCO High Yield Portfolio will be permanently capped at 0.25%.

4. Affected Contract Owners may reallocate amounts from any of the Replaced Funds without incurring a reallocation charge or limiting their number of future reallocations, or withdraw amounts under any Affected Contract or otherwise terminate their interest therein at any time prior to the Effective Date and for a period of at least 30 days following the Effective Date in accordance with the terms and conditions of such Contract. Any such reallocation will not count as a transfer when imposing any applicable restriction or limit under the Contract on transfers.

5. The Substitutions will be effected at the net asset value of the respective shares in conformity with Section 22(c) of the 1940 Act and Rule 22c-1 thereunder, without the imposition of any transfer or similar charge by Applicants.

6. The Substitutions will take place at relative net asset value without change in the amount or value of any Contract held by Affected Contract Owners. Affected Contract Owners will not incur any fees or charges as a result of the Substitutions, nor will their rights or the obligations of the Companies under such Contracts be altered in any way. In addition, the Companies will not increase the Contract fees and charges currently being assessed under the Contracts for a period of at least two years following the Substitutions.

7. The Companies or their affiliates will pay all expenses and transaction costs of the Substitutions, including legal and accounting expenses, any applicable brokerage expenses, and other fees and expenses. In addition, the Substitutions will not impose any tax liability on affected Contract owners.

8. The Substitutions will be effected so that investment of securities will be consistent with the investment objectives, policies and diversification requirements of the relevant Substitute Fund. No brokerage commissions, fees or other remuneration will be paid by any Replaced Fund or the corresponding Substitute Fund or Affected Contract Owners in connection with the Substitutions.

9. The Substitutions will not alter in any way the annuity, life or tax benefits afforded under the Contracts held by any Affected Contract Owner.

10. The Companies will send to their Affected Contract Owners within five (5) business days of the Substitutions a written Post-Substitution Confirmation which will include the before and after account values (which will not have changed as a result of the Substitutions) and detail the transactions effected on behalf of the respective Affected Contract Owner with regard to the Substitutions. With the Post-Substitution Confirmations the Companies will remind Affected Contract Owners that they may reallocate amounts from any of the Replaced Funds without incurring a reallocation charge or limiting their number of future reallocations for a period of at least 30 days following the Effective Date in accordance with the terms and conditions of their Contract.

11. The Commission shall have issued an order: (a) Approving the Substitutions under Section 26(c) of the 1940 Act; and (b) exempting the in-kind redemptions from the provisions of Section 17(a) of the 1940 Act as necessary to carry out the transactions described in this Application.

12. A registration statement for each Substitute Fund is effective, and the investment objectives and policies and fees and expenses for each of the Substitute Funds as described herein have been implemented.

13. Each Affected Contract Owner will have been sent a copy of: (a) A supplement to the Contract prospectus informing shareholders of this Application; (b) a prospectus for the appropriate Substitute Fund; and (c) a second supplement to the Contract prospectus setting forth the Effective Date and advising Affected Contract Owners of their right to reconsider the Substitutions and, if they so choose, any time prior to the Effective Date and for 30 days thereafter, to reallocate or withdraw amounts under their affected Contract or otherwise terminate their interest therein in accordance with the terms and conditions of their Contract.

14. The Companies shall have satisfied themselves, that: (a) The

Contracts allow the substitution of investment company shares in the manner contemplated by the Substitutions and related transactions described herein; (b) the transactions can be consummated as described in this Application under applicable insurance laws; and (c) any regulatory requirements in each jurisdiction where the Contracts are qualified for sales have been complied with to the extent necessary to complete the transactions.

15. Under the manager-of-managers relief granted to the ING Investors Trust, ING Partners and relied upon by certain of the other ING funds, a vote of the shareholders is not necessary to change a sub-adviser, except for changes involving an affiliated sub-adviser. Notwithstanding, after the Effective Date of the Substitutions the Applicants agree not to change a Substitute Fund's sub-adviser without first obtaining shareholder approval of either: (a) The sub-adviser change or (b) the Applicants' continued ability to rely on their manager-of-managers relief.

#### Conclusion

Applicants assert that for the reasons summarized above the proposed substitutions and related transactions meet the standards of Section 26(c) of the 1940 Act and are consistent with the standards of Section 17(b) of the 1940 Act and that the requested orders should be granted.

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

**Nancy M. Morris,**  
*Secretary.*

[FR Doc. E6-3116 Filed 3-3-06; 8:45 am]

**BILLING CODE 8010-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

##### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of March 6, 2006:

A Closed Meeting will be held on Thursday, March 9, 2006 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5

U.S.C. 552b(c)(3), (5), (7), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10) permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Glassman, as duty officer, voted to consider the items listed for the closed meeting in closed session.

• *The subject matter of the Closed Meeting scheduled for Thursday, March 9, 2006 will be:*

Institution and settlement of injunctive actions;  
Institution and settlement of administrative proceedings of an enforcement nature;  
Consideration of amicus participation; and  
Report of an investigation.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 551-5400.

Dated: March 1, 2006.

**Nancy M. Morris,**  
*Secretary.*

[FR Doc. 06-2121 Filed 3-2-06; 11:16 am]

**BILLING CODE 8010-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

##### Sunshine Act Meeting

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** [71 FR 10085, February 28, 2006].

**STATUS:** Closed Meeting.

**PLACE:** 100 F Street, NE., Washington, DC.

**DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING:** Thursday, March 2, 2006 at 2 p.m.

**CHANGE IN THE MEETING:** Additional Item.

The following item has been added to the 2 p.m. Closed Meeting scheduled for Thursday, March 2, 2006: a matter involving investigative techniques and procedures.

The Commission voted to consider the item listed for the closed meeting in closed session and determined that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.