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SECTION 24(b)
RULE
PUBLIC AVAILABILITY 04-26-95

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

April 26, 1995

Christopher P. Nicholas, Esq.
Associate General Counsel
Metropolitan Life Insurance Company
One Madison Avenue
New York, New York 10010-3690

Re: Metropolitan Life Insurance Company
Metropolitan Life Separate Account E (File No. 2-90380)
Metropolitan Life Separate Account UL (File No. 33-32813)
Metropolitan Tower Life Insurance Company
Metropolitan Tower Separate Account Two (File No. 2-95019)

Dear Mr. Nicholas:

Enclosed is our response to your letters of April 21, 1995 and October 31, 1994. By incorporating our answer into the enclosed copies of your letters, we avoid having to recite or summarize the facts involved.

In any future correspondence on this matter, please refer to our Reference No. IP-2-95.

Sincerely,

Wendy Finck Friedlander

Wendy Finck Friedlander
Deputy Chief
Office of Insurance Products

Enclosure

APR 26 1995

PUBLIC

Our Reference No. IP-2-95
Metropolitan Life Insurance Company ("MetLife");
MetLife Separate Account E (File No. 2-90380);
MetLife Separate Account UL (File No. 33-32813);
Metropolitan Tower Life Insurance Company ("MetTower"); and
MetTower Separate Account Two (File No. 2-95019)

RESPONSE OF THE OFFICE OF INSURANCE PRODUCTS DIVISION OF INVESTMENT MANAGEMENT

By letters dated April 21, 1995 and October 31, 1994 (collectively, "Letters"), you seek assurance that the staff of the Division of Investment Management ("Division") will not recommend enforcement action to the Commission against MetLife, MetTower (collectively, "Insurance Companies"), MetLife Separate Account E, MetLife Separate Account UL, and MetTower Separate Account Two (collectively, "Separate Accounts") if post-effective amendments are not filed under the Securities Act of 1933 ("1933 Act") and the Investment Company Act of 1940 ("1940 Act"), and updated prospectuses for the Separate Accounts are not distributed to existing owners of certain variable life insurance contracts and existing owners or participants in certain variable annuity contracts, subject to the conditions set forth in your Letters.

You state that the Separate Accounts are registered as unit investment trusts under the 1940 Act and that their investment divisions invest solely in shares of the corresponding portfolios of Metropolitan Series Fund, Inc. ("Fund"), an investment company registered under the 1940 Act. You further state that the Separate Accounts fund certain flexible premium variable life insurance contracts that were issued in reliance on Rule 6e-3(T) under the 1940 Act, and certain flexible premium variable annuity contracts (collectively, "Contracts"). Interests under the Contracts are registered under the 1933 Act. You represent that sales of these Contracts have been terminated. Specifically, MetLife has discontinued the offer of: (a) certain MetLife Separate Account E variable annuity contracts ("VestMet Contracts") on July 9, 1993; 1/ and (b) certain MetLife Separate Account UL flexible premium variable life insurance contracts ("UL-II Contracts") on April 1, 1994. MetTower has discontinued the offer of its flexible premium variable life insurance contracts ("FPMLI Contracts") on May 1, 1992, and is not offering any variable life insurance contracts funded by any of its separate accounts, including MetTower's Separate Account Two. You represent that, as of March 31, 1995, the VestMet Contracts consist of 42,910 Contract Owners and participants, the UL-II Contracts consist of 13,066 Contract Owners, and the FPMLI Contracts consist of 36,202 Contract Owners.

You represent that, since the last post-effective amendment to the registration statement for each Contract was filed, no changes to the Contracts have been made, no endorsements or riders have been added, and the identity of

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1/ You explain in the April 21, 1995 Letter that, due to an administrative error, a number of VestMet Contracts were issued after submission of the October 31, 1994 Letter. You represent that the error has been corrected and that there will be no more sales of the VestMet Contracts.

the depositors of the Separate Accounts and the issuers of the Contracts have not changed. You further represent that at present neither Insurance Company has undergone any fundamental change in corporate structure or regulatory situs, and that the Separate Accounts will continue to fund the Contracts. No change in the investment media underlying any of the Contracts is anticipated.

You further state, however, that the Insurance Companies presently are considering certain assumption reinsurance arrangements in which all MetTower variable life insurance contracts, including the FPMLI Contracts, will be reinsured by MetLife and funded by MetLife Separate Account UL, subject to regulatory approvals and Contract Owner consent, as may be required. You further represent that no other change in the contractual terms of the affected Contracts will be made by MetLife and no interruption of investment performance will occur as a result of the reinsurance transactions. No charge or expense will be incurred by the Separate Accounts or the Fund in connection with the transfers of Fund shares and, therefore, cash values credited under the MetTower Contracts will not change. Finally, there will be no tax consequences, adverse or otherwise, to Contract Owners as a result of the reinsurance transactions.

You represent that, in conjunction with the assumption reinsurance arrangement and to the extent set forth in your Letters, each Insurance Company will file any necessary post-effective registration statements under the 1933 Act and 1940 Act with respect to the Separate Accounts affected thereby. In addition, after the successful completion of the proposed reinsurance arrangements, MetTower intends in the future to apply to the Commission to deregister its separate accounts, including Separate Account Two, under Section 8(f) of the 1940 Act.

Based on the facts and representations made in your Letters, and without necessarily agreeing with your legal analysis, we would not recommend any enforcement action.

We base our position particularly upon your representation that each Insurance Company will provide all existing Contract Owners with the following information:

1. In compliance with Rule 30d-2 under the 1940 Act, the information required in the annual and semi-annual reports of the Fund; in addition, current prospectuses for the Fund and any other periodic reports, all proxy materials, including proxy statements and related voting instructions, and other shareholder materials pertaining to the underlying portfolios of the Fund, as applicable.

2. Confirmations of Contract Owner transactions, including confirmation of premiums or purchase payments, changes in allocation of investment base among the investment divisions, reduction of insurance, reinstatement, surrenders, withdrawals, loans, due and unpaid loan interest added to loan principal, and loan repayments, as applicable.

3. Within 120 days after the close of the fiscal year with regard to variable life insurance Contracts, audited statutory financial statements for the issuing Insurance Company and audited financial statements for each Separate Account prepared on the basis of generally accepted accounting principles. Such audited financial statements will be not more than 16 months old and will include an opinion of an independent public auditor in the same form as would be required in post-effective amendments to the same registration statements for the Contracts.

   Within 120 days after the close of the fiscal year with regard to variable annuity Contracts, audited financial statements for MetLife 2/ in the form that would be required in a post-effective amendment to a registration statement for variable annuity contracts will be made available to existing variable annuity Contract Owners; such Contract Owners will be informed that, upon request, financial statements for the appropriate Insurance Company will be sent to them without charge.

4. At least once a year, a statement of the cash value and for VestMet Contracts, the number of units of each Contract owned by each Contract Owner. The statement will include, as applicable for the particular type of Contract, the cash value (and for flexible premium variable life insurance Contracts, cash surrender value), total monies loaned, total loan repayments, the interest charged to the loan balance, the loan balance, the death benefit, and the face amount of the Contract.

   Through the above information, existing Contract Owners will receive the same financial information that they would receive if annual post-effective amendments for the Contracts were filed. There will be no change in the amount of information received by the Contract Owners regarding the underlying portfolios of the Fund.

In addition, our position is based on your specific representations that:

1. The annual report of each Separate Account on Form N-SAR will be filed with the Commission in accordance with the requirements of Section 30 of the 1940 Act.

2. No new Contracts will be offered to the public, and the Insurance Companies do not currently contemplate commencement of such an offering in the future. If Contracts are again offered to the public by either Insurance Company, or if changes are made to any existing Contracts, then the appropriate Insurance Company will file a post-effective amendment relating to such Contracts and will comply with

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2/ MetTower does not issue variable annuity contracts and, therefore, has no variable annuity contracts outstanding.

the prospectus delivery and annual updating requirements of the 1933 Act in connection with the public offering of such Contracts.

3. In the event that the assumption reinsurance arrangement is effected, the Insurance Companies will not rely on any relief granted herein with respect to the Separate Accounts for any Contracts that are so reinsured. Rather, each Insurance Company will submit a new no-action request, unless it otherwise is able to come within all of the parameters set forth in *Great-West Life & Annuity Insurance Co.* (pub. avail. Oct. 23, 1990), with respect to such Contracts.

Please note that facts or conditions different from those presented in your Letters might require a different conclusion. Further, this response expresses only the Division's position on enforcement action and does not purport to express any legal conclusions on the questions presented.

Yvonne M. Hunold

Yvonne M. Hunold
Assistant Special Counsel
April 26, 1995

One Madison Avenue, New York, NY 10010-3690

Christopher P. Nicholas
Associate General Counsel
Law Department

Received on April 24, 1995

April 21, 1995

Securities Act of 1933
Sections 5 and 10(a)(3)
Investment Company Act of 1940

Yvonne M. Hunold, Esquire
Office of Insurance Products
and Legal Compliance
Division of Investment Management
Securities and Exchange Commission
Room 10165, Stop 10-6
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Metropolitan Life Insurance Company; Metropolitan Life Separate Account E and Metropolitan Life Separate Account UL, each of Metropolitan Life Insurance Company; Metropolitan Tower Life Insurance Company; and Metropolitan Tower Separate Account Two of Metropolitan Tower Life Insurance Company

Dear Ms. Hunold:

As you and I discussed on April 5, 1995 and subsequently, this letter supplements our no-action request dated October 31, 1994 (the "October Letter"), which was addressed to Brenda D. Sneed, Esq. of your office. Terms capitalized herein have the same meaning as defined in the October Letter unless otherwise defined herein.

You asked for the number of Policies Owners for each class of Policies as of a more recent date than that of the October Letter. As of March 31, 1995, the VestMet Policy consists of 42,910[1] Policy Owners and participants, the UL-II Policy consists of 13,066 Policy Owners, and the FPMLI Policy consists of 36,202 Policy Owners.

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[1]The number of VestMet Policy Owners and participants set forth herein is larger than the number set forth in the October Letter because, as a result of administrative error, a number of VestMet Policies were permitted to be issued to new participants in existing allocated plans that had previously authorized the VestMet Policies as an option for their participants. The error has been corrected both by communicating with the individuals who service the plans and by adjusting MetLife's administrative system to prevent the issuance by MetLife of the VestMet Policies. Thus, there will be no more sales of the VestMet Policies.

The October Letter stated in footnote 7 on page 4 thereof that the Insurance Companies were considering the possibility of entering into an assumption reinsurance arrangement whereby MetLife would reinsure all of the business of MTL. The footnote also stated that after the completion of such arrangement, MetLife and Separate Account UL intended in future periods to rely on the no-action relief requested in the October Letter by MTL with respect to the FPMLI Policies reinsured by MetLife. You have indicated to us that you would like us to set forth in greater detail the terms of the proposed reinsurance arrangement. You also indicated that the staff would not be inclined to grant the no-action request set forth in the October Letter unless MetLife agrees not to rely on such relief for the FPMLI Policies it reinsures but instead submits a no-action request with respect to such FPMLI Policies after the reinsurance arrangement is completed.

If appropriate relief is obtained from the Internal Revenue Service, it is the current intention of the Insurance Companies that Metropolitan Tower will enter into an assumption reinsurance agreement (the "Reinsurance Agreement") with MetLife relating to policies issued by MTL (the "MTL Policies"), including the FPMLI Policies.[2] Under the Reinsurance Agreement, MTL will agree to transfer, assign and cede all of its rights, title and interest under the MTL Policies, as well as its obligations and liabilities under the MTL Policies, to MetLife on an assumption reinsurance basis. MetLife will agree to assume all obligations and liabilities transferred to it to the maximum extent permitted by law. The parties anticipate that MetLife will assume the MTL Policies pursuant to the Reinsurance Agreement, notify each owner of an MTL Policy ("Policyowner") to be reinsured of its assumption of MTL's liabilities under the MTL Policy and will issue an assumption reinsurance certificate to each Policyowner. No fee or commission will be payable by MTL or MetLife to any other party with respect to the Reinsurance Agreement. The transactions contemplated pursuant to the Reinsurance Agreement are referred to herein as the "Reinsurance Transactions."

The Reinsurance Agreement will be subject to the satisfaction of various conditions, including the making of all required filings with and obtaining all necessary approvals of applicable state insurance authorities and any other regulatory approvals which may be required, the parties' having obtained from the Commission all necessary orders under the 1940 Act to

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[2]The Insurance Companies intend that all of the variable life policies issued by MTL, including both scheduled premium and flexible premium policies, will be reinsured by MetLife and funded by Separate Account UL. In connection with the reinsurance arrangement, the Insurance Companies and Separate Account UL will apply to the SEC for exemptive relief to fund both scheduled premium and flexible premium variable life policies through the same separate account.

permit the Reinsurance Transactions and there being effective registration statements under the 1933 Act relating to the policies being issued by MetLife in exchange for the MTL Policies as a result of the Reinsurance Transactions. Consequently, some Reinsurance Transactions may take place at a date or dates subsequent to the date of the initial Reinsurance Transaction because all required state authority approvals with respect to the Reinsurance Transactions may not have been obtained at the time of the initial Reinsurance Transaction. Until such time as any MTL Policy is the subject of a Reinsurance Transaction, such policy will continue to be insured and administered by MTL.

When all conditions of the Reinsurance Agreement as it relates to specified MTL Policies have been satisfied, MTL will withdraw from its separate accounts (the "MTL Separate Accounts"), including Separate Account Two, assets equal to the policy liabilities attributable to the variable portion of the MTL Policies covered by the Reinsurance Transactions. Pursuant to the Reinsurance Agreement, MTL will transfer said assets to MetLife. MTL will also transfer to MetLife assets in an amount equal to its general account statutory reserves with respect to the MTL Policies as of the effective date of the Reinsurance Transaction covering such policies.

Upon the assumption reinsurance of an MTL Policy, MetLife will (1) deposit into Separate Account UL all of the aforesaid assets derived from the appropriate MTL Separate Account relating to that policy and (2) issue an assumption certificate to the Policyowner. The assumption certificate will inform the Policyowner of the assumption by MetLife of all of MTL's liabilities under the MTL Policy. Since the charges against assets of Separate Account UL under the policies issued by MetLife will be identical to the charges against assets of the MTL Separate Accounts under the MTL Policies, the assumption certificate will inform the Policyowner that there will be no impact on the Policyowner's cash value, cash surrender value or death benefit by virtue of the Reinsurance Transaction. After the effective date of the Reinsurance Transaction applicable to the MTL Policy, a Policyowner will deal directly with MetLife and any further premiums the Policyowner wishes to or is required to apply to the MTL Policy will be forwarded directly to MetLife for allocation to MetLife Separate Account UL. MetLife will perform all policy administration, pay all claims and pay all commissions, overrides, service fees, taxes and expenses due and owing in connection with the MTL Policies, and will be in possession of all available files, records and correspondence relating to the MTL Policies.

No change in the contractual terms of the MTL Policies will be made by MetLife in connection with the Reinsurance Transactions other than changing the separate accounts and the depositor. The Reinsurance Transactions will not change the

amount of the cash value credited under the MTL Policies, which will continue to be affected only by the investment performance of the underlying portfolios of the Fund. Because shares of the Fund held by the MTL Separate Accounts will be deposited by MetLife into Separate Account UL on the dates the Reinsurance Transactions are effected, no interruption of investment performance will occur. No charge or expense will be incurred by the MTL Separate Accounts, Separate Account UL or the Fund in connection with the transfer of shares of the Fund, since the transfer will be made by book entry on the shareholder records of the Fund. Accordingly, cash values under the MTL Policies will be the same as they would have been had the Reinsurance Transactions not occurred. Finally, there will be no tax consequences, adverse or otherwise, to Policyowners as a result of the Reinsurance Transactions.

The Insurance Companies anticipate that one or more jurisdictions may require or the Insurance Companies may otherwise determine that owners of MTL Policies potentially covered by the Reinsurance Transactions be afforded the right to "opt-out" of the Reinsurance Transaction applicable to their MTL Policies by submitting a timely objection or, in some cases, by requiring an affirmative consent to the Reinsurance Transaction. Thus, a state may require that a Policyowner be permitted to object or specifically agree to the Reinsurance Transaction within a specified number of days before or after the effective date of the Reinsurance Transaction. If, under such an opt-out provision, timely objection from the owner was received by MetLife or the required affirmative consent was not received by MetLife, the Reinsurance Transaction applicable to that specific Policyowner would be canceled and, if the Reinsurance Transaction had already occurred, the assets equal to the policy liabilities attributable to such MTL Policy would be withdrawn by MetLife from Separate Account UL and transferred back to MTL for deposit into the appropriate MTL Separate Account. In the latter case, the Policyowner would be restored to the same position he or she would have had if the transaction had not taken place; the amount of cash value credited under the MTL Policy would remain unchanged. There will be no tax consequences to the Policyowner resulting from his or her election of the opt-out right.

In the future, MetLife may afford Policyowners who had previously opted out of the assumption reinsurance of their MTL Policies a second opportunity to have their MTL Policies assumed by MetLife by issuing to them a second assumption certificate which also would be subject to any state-mandated opt-out provision. Policyowners opting out of the assumption reinsurance of their MTL Policies would thereafter remain with MTL and have their MTL Policy cash values based on the MTL Separate Accounts so long as they continue to hold their MTL Policies and so long as the MTL Separate Accounts continue to be available as funding media thereunder. MTL may seek at a future date to deregister

the MTL Separate Accounts pursuant to Section 8(f) of the Act or to take such other steps as it deems appropriate to reduce the number of MTL Policies outstanding or the administrative burdens presented by such policies.

At the present time, it is not yet determined when the Reinsurance Agreement will be entered into. Relief must first be obtained from the Internal Revenue Service, and, for a variety of reasons, the Insurance Companies have not yet applied for such relief.

The Insurance Companies agree that each of them will, in conjunction with the assumption reinsurance arrangement and to the extent set forth in footnote 7 of the October Letter, file any necessary post-effective registration statements under the 1933 Act and 1940 Act with respect to the Accounts affected thereby, and, if the assumption reinsurance arrangement is effected, will not rely on any relief granted by the staff in response to the October Letter with respect to such Accounts for any Policies reinsured. With respect to such Policies, each Insurance Company will submit a new no-action request, unless it is otherwise able to come within all of the parameters set forth in the Great-West letter with respect to such Policies it issues.

With respect to representation number 3 of each Insurance Company set forth on page 6 of the October Letter as such representation relates to variable annuity Policy Owners, MetLife[3] additionally represents that, with regard to variable annuity Policies, within 120 days after the close of the fiscal year, audited financial statements for MetLife in the form that would be required in a post-effective amendment to a registration statement for variable annuity contracts will be made available to existing variable annuity Policy Owners. Such Policy Owners will be informed that, upon request, financial statements for MetLife will be sent to them without charge.

You have also asked us to clarify the meaning of the phrase "investment base" used in several places throughout the October Letter. This phrase was used in place of several different phrases set forth in the prospectuses of the variable products of the Insurance Companies, and is the amount at work earning a return under a Policy. The phrase is equivalent to "cash value" as used in Rule 6e-3(T) under the 1940 Act and in the prospectuses for the variable life Policies of MetLife and MTL, and is also referred to as "account balance" in the prospectus for the VestMet Policies. Rather than continually use both "cash value" and "account balance" in the October Letter, we chose to use "investment base" as a generic term for convenience.

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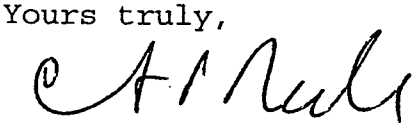
[3]MTL does not issue variable annuity contracts and therefore has no variable annuity contracts outstanding.

The Insurance Companies greatly appreciate the attention that the staff is giving to this matter. If we can provide any further input relating to this matter, please feel free to call me at any time at 212-578-4487. Thank you.

Yours truly,



Christopher P. Nicholas

cc: Thomas C. Lauerman, Esq.

One Madison Avenue, New York, NY 10010-3690

Received on November 07, 1994

Christopher P. Nicholas
Associate General Counsel
Law Department

October 31, 1994

Securities Act of 1933
Sections 5 and 10(a)(3)
Investment Company Act of 1940

Brenda D. Sneed, Esquire
Office of Insurance Products
and Legal Compliance
Division of Investment Management
Securities and Exchange Commission
Room 10162, Stop 10-6
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Metropolitan Life Insurance Company; Metropolitan Life Separate Account E and Metropolitan Life Separate Account UL, each of Metropolitan Life Insurance Company; Metropolitan Tower Life Insurance Company; and Metropolitan Tower Separate Account Two of Metropolitan Tower Life Insurance Company

Dear Ms. Sneed:

I am writing on behalf of Metropolitan Life Insurance Company ("MetLife"), Metropolitan Tower Life Insurance Company ("MTL") (MetLife and MTL being referred to herein collectively as the "Insurance Companies") and certain separate accounts of MetLife (the "MetLife Accounts") and MTL (the "MTL Account") (the MetLife Accounts and the MTL Account are hereinafter collectively referred to as the "Accounts")[1] to request that the staff (the "Staff") of the Securities and Exchange Commission (the "Commission") advise the Insurance Companies and the Accounts that it will not recommend that the Commission take any enforcement action against the Insurance Companies or the Accounts if post-effective amendments are not filed under the Securities Act of 1933 (the "1933 Act") and the Investment Company Act of 1940 (the "1940 Act"), and updated prospectuses for the Accounts are not distributed to existing owners of certain variable life insurance policies and existing owners of or participants in certain variable annuity contracts issued

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[1] The Accounts (and the classes of variable life insurance policies and variable annuity contracts) to which this no-action request pertains are as follows: Metropolitan Life Separate Account E ("Separate Account E") (File No. 2-90380); Metropolitan Life Separate Account UL ("Separate Account UL") (File No. 33-32813); and Metropolitan Tower Separate Account Two ("Separate Account Two") (File No. 2-95019).

through the Accounts, subject to the conditions set forth below.[2]

MetLife is a mutual life insurance company organized under the laws of the State of New York, and is authorized to engage in the sale of life insurance, accident and health insurance, and annuities. MTL, a wholly owned subsidiary of MetLife, is a stock life insurance company organized under the laws of the State of Delaware, and is authorized to engage in the sale of life insurance, accident and health insurance, and annuities. Each MetLife Account was established by MetLife under New York law, and is registered with the Commission as a unit investment trust under the 1940 Act. The MTL Account was established by MTL under Delaware law, and is registered with the Commission as a unit investment trust under the 1940 Act.[3] The Accounts fund certain flexible premium variable life insurance policies that were issued in reliance on Rule 6e-3(T) under the 1940 Act, and certain flexible premium variable annuity contracts (each, a "Policy"; together, the "Policies"). Interests under the Policies are registered under the 1933 Act.[4] Each Account consists of a number of investment divisions available for allocations of investment base (the amount at work earning a return under the Policy). The divisions invest in shares of the investment portfolios of the Metropolitan Series Fund, Inc. (the "Fund"), an investment company registered under the 1940 Act.[5]

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[2]The SEC Staff has provided such no-action assurance to a number of other insurers, including MTL, subject to certain conditions set forth therein. See Great-West Life & Annuity Insurance Co. (pub. avail. Oct. 23, 1990) (the "Great-West letter"); Monarch Life Insurance Company (pub. avail. June 9, 1992); The Equitable Life Assurance Society of the United States (pub. avail. August 30, 1990); Transamerica Occidental Life Insurance Co. (pub. avail. Mar. 16, 1990); MONY Life Insurance Company of America (pub. avail. Feb. 27, 1990); Century Life of America (pub. avail. Jan. 17, 1990); New York Life Insurance and Annuity Corp. (pub. avail. Nov. 15, 1989); Bankers National Life Insurance Co. (pub. avail. Apr. 28, 1989); and Metropolitan Tower Separate Account One (pub. avail. June 13, 1988).

[3] The Accounts are registered under the 1940 Act as follows: Separate Account E - File No. 811-4001; Separate Account UL - File No. 811-6025; Separate Account Two - File No. 811-4189.

[4] See note 1 above.

[5]Separate Account E also consists of investment divisions that invest in other registered investment companies. However, these investment divisions are not available under the Policies which are the subject of this no-action request.

Each investment division of an Account invests solely in shares of the corresponding portfolio of the Fund.

The Policies provide that, upon purchase of a Policy, the initial premium or purchase payment made by the owner of the Policy (the "Policy Owner") will be allocated among investment divisions of the Account which funds the Policy, in accordance with the Policy Owner's instructions. Under the Policies, subsequent premium or purchase payments may be made subject to certain conditions set forth in the applicable Policy. Under all Policies, unplanned payments may be made, subject to certain conditions. The Policies generally provide that a Policy Owner, subject to certain restrictions, may change the allocation of the investment base of the Policy, subject to certain conditions and limitations specified in the Policy. In addition, a Policy Owner may surrender the Policy to obtain net cash surrender value and, depending upon the terms of the Policy, may have the right to take out policy loans, and, for the variable life insurance policies and under certain circumstances, effect changes in the face amount under the Policy. At present, each class of Policies consists of more than 5000 Policy Owners.

MetLife discontinued the offer of certain variable annuity Policies funded by Separate Account E ("VestMet Policies") on July 9, 1993, after all jurisdictions had approved a new variable annuity contract, also funded by Separate Account E and utilizing the same registration statement under the 1933 Act.[6] At present, the VestMet Policy consists of 42,732 Policy Owners and participants. MetLife discontinued the offer of the flexible premium variable life insurance Policies ("UL-II Policies") on April 1, 1994, after all jurisdictions had approved a new flexible premium variable life insurance policy, also funded by Separate Account UL but utilizing a different registration statement under the 1933 Act. At present, the UL-II Policy consists of 13,637 Policy Owners. MTL discontinued the offer of its flexible premium variable life insurance Policies ("FPMLI" Policies) on May 1, 1992, after all or almost all jurisdictions had approved the MetLife UL-II Policies. Thus, MTL is not offering any life insurance policies funded by any of its separate accounts, including Separate Account Two. At present, the FPMLI Policy consists of 37,441 Policy Owners.

Section 5 of the 1933 Act generally requires that an offer or sale of a security be preceded or accompanied by the delivery of a current prospectus. Section 10(a)(3) of the 1933 Act in effect requires, among other things, that the prospectus of a unit investment trust generally be updated at least annually to ensure that information included in the prospectus is not more

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[6]The new variable annuity contracts are not a subject of this no-action request.

than 16 months old. Until recently, the Insurance Companies were selling certain Policies to the public, and, primarily for that reason, filed post-effective amendments as required to keep the prospectuses for such Policies current. As described above, sales of any new Policies have now been terminated, and current prospectuses therefore need not be maintained for new sales. However, the Staff has taken the position that additional premium or purchase payments under variable contracts may constitute "sales" under Section 5 of the 1933 Act. MetLife and MTL believe that the continued preparation and filing of post-effective amendments to the registration statements and delivery of prospectuses for the Policies solely for existing Policy Owners would, however, be extremely costly and, in view of the information and materials that the Insurance Companies are prepared to distribute to Policy Owners, unnecessary and not in the public interest.

With respect to each Policy, since the last post-effective amendment to the registration statement for the Policy was filed, no changes to the Policy have been made, no endorsements or riders have been added to the Policy, and the identity of the depositor of the Account and the issuer of the Policy has not changed. Neither Insurance Company has undergone any fundamental change in corporate structure or regulatory situs, and the Accounts will continue to fund the Policies. No change in the investment media underlying any of the Policies is anticipated.[7]

In this regard, we note that, but for the number of existing Policy Owners of each class of the Policies (over 5,000), we believe that it would be appropriate for the Insurance Companies and the Accounts to forego filing post-effective amendments and to forego distributing updated prospectuses for the Policies to Policy Owners, in reliance on the Great-West line of no-action letters. The Insurance Companies will satisfy the conditions outlined therein. Nonetheless, in view of the fact that each

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[7]The Insurance Companies are presently considering the possibility of entering into an assumption reinsurance arrangement whereby MetLife would reinsure all of the business of MTL. If regulatory approval and any necessary Policy Owner consent is obtained, the FPMLI Policies would become funded by Separate Account UL. MetLife intends to file a registration statement under the 1933 Act with respect to the FPMLI Policies in connection with the reinsurance arrangement, and to deliver a copy of the definitive prospectus therefor to each FPMLI Policy Owner. After the successful completion of the proposed arrangement, MTL intends to apply to the SEC to deregister Separate Account Two, pursuant to Section 8(f) of the 1940 Act, and MetLife and Separate Account UL intend in future periods to rely on the no-action relief requested hereby with respect to the FPMLI Policies.

class of Policies has more than 5000 Policy Owners, the Insurance Companies have determined that no-action assurance from the Staff, while not necessarily required, may be appropriate under the circumstances.[8]

As previous requests for no-action have noted, an "updated" prospectus that includes information that is relevant at the time a variable insurance policy or annuity contract is sold may not be particularly useful to an existing owner. Such prospectuses require that the existing owner differentiate between information that has previously been provided, and updated information (such as financial statements). By providing updated information in a separate and streamlined disclosure vehicle, existing Policy Owners would receive required updated information in a more "user friendly" format. In addition, to assist Policy Owners in making informed choices among underlying investment portfolios, current prospectuses of the Fund will be sent to Policy Owners annually.

The Insurance Companies do not believe that the reasoning set forth above is in any way affected by the number of Policy Owners for a class of Policy. Indeed, insofar as the high cost to the insurance company of continuing to file post-effective amendments to print and distribute prospectuses has been a factor in the favorable responses to prior no-action requests, such costs are even more significant with a larger number of Policy Owners. Thus, the Insurance Companies respectfully submit that their requested no-action relief should be granted.

Each Insurance Company represents that it will comply with the conditions outlined in the Great-West line of no-action letters, in the manner set out below. Each Insurance Company represents that all existing Policy Owners will be provided with the following information:

1. In compliance with Rule 30d-2 under the 1940 Act, the information required in the annual and semi-annual reports of the Fund; in addition, current prospectuses for the Fund, and any other periodic reports, all proxy materials, including proxy statements and related voting instructions, and other shareholder materials pertaining to the underlying portfolios of the Fund, as applicable.

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[8]In New York Life Insurance and Annuity Corp. (pub. avail. Nov. 11, 1989), the Staff granted no-action relief comparable to that here requested in a case involving 13,713 variable life insurance policies. In Security Benefit Life Insurance Company (pub. avail. July 2, 1987), such no-action relief was granted with respect to two classes of policies having 28,019 and 21,529 participants (and 6,572 and 14,615 contract holders), respectively.

2. Confirmations of Policy Owner transactions, including confirmation of premiums or purchase payments, changes in allocation of investment base among the investment divisions, reduction of insurance, reinstatement, surrenders, withdrawals, loans, due and unpaid loan interest added to loan principal, and loan repayments, as applicable.

3. Within 120 days after the close of the fiscal year, with regard to variable life insurance Policies, audited statutory financial statements for the issuing Insurance Company and audited financial statements for each Account prepared on the basis of generally accepted accounting principles ("GAAP"). Such audited financial statements will be not more than 16 months old and will include an opinion of an independent public auditor in the same form as would be required in post-effective amendments to the registration statements for the Policies.

The Insurance Companies understand that the Staff has not interpreted the Great-West letter to require the distribution of life insurance company financial statements to variable annuity contract owners; accordingly, such financial statements will not be automatically sent to variable annuity Policy Owners.

4. At least once a year, a statement of the investment base and, for VestMet Policies, the number of units of each Policy owned by each Policy Owner. The statement will include, as applicable for the particular type of Policy, the cash value (and for flexible premium variable life Policies, cash surrender value), total monies loaned, total loan repayments, the interest charged to the loan balance, the loan balance, the death benefit, and the face amount of the Policy.

Through the above information, existing Policy Owners will receive the same financial information that they would receive if annual post-effective amendments for the Policies were filed. There will be no change in the amount of information received by the Policy Owners regarding the underlying portfolios of the Fund.

Although the Insurance Companies are requesting no-action assurance with respect to the filing of post-effective amendments and the delivery of updated prospectuses for the Accounts, they understand that Policy transactions generally are subject to the anti-fraud provisions of the federal securities laws, including Section 17(a) of the 1933 Act and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and the liability provisions of Section 12(2) of the 1933 Act.

The Insurance Companies further represent that:

1. The annual report of each Account on Form N-SAR will be filed with the Commission in accordance with the requirements of

Section 30 of the 1940 Act.

2. No new Policies will be offered to the public, and the Insurance Companies do not currently contemplate commencement of such an offering in the future, other than the assumption reinsurance arrangement discussed in note 6 above. If Policies are again offered to the public by either Insurance Company, or if changes are made to any existing Policies, then the appropriate Insurance Company will file a post-effective amendment relating to such Policies and will comply with the prospectus delivery and annual updating requirements of the 1933 Act in connection with the public offering of such Policies.

On the basis of the forgoing facts and undertakings, it is the view of the Insurance Companies that no meaningful purpose is served by the Insurance Companies' annual preparation and filing of updated post-effective amendments in order to create updated prospectuses for the Policies. No public interest is served by requiring the Insurance Companies to incur the cost and expense of preparing these materials which, under the circumstances, are unnecessary. Thus, the Insurance Companies and the Accounts respectfully request that, in keeping with the policies underlying the positions taken in the no-action letters cited above, the Staff of the Commission advise them that it will not recommend any action against the Insurance Companies or the Accounts if post-effective amendments are not filed and annual updated prospectuses for the Accounts are not delivered.

Thank you for your assistance, and for your expedited consideration of this matter. Should you have any questions concerning this letter, please call the undersigned at (212) 578-4487, or Robin Wagner at (212) 578-8717.

Sincerely yours,

Christopher P. Nicholas