

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32393; 812-14606]

Minnesota Life Insurance Company, et al; Notice of Application

December 14, 2016

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of Application for an order pursuant to section 11(a) of the Investment Company Act of 1940, as amended (the “Act”), approving the terms of a proposed offer of exchange.

Applicants request an order approving the terms of a proposed offer of exchange of a new flexible variable universal life insurance policy for certain outstanding flexible variable universal life insurance policies.

Applicants: Minnesota Life Insurance Company (“Minnesota Life”), a stock life insurance company organized under the laws of Minnesota, Minnesota Life Variable Account (“Variable Life Account”) and Minnesota Life Individual Variable Universal Life Account (“Individual VUL Account,” and together with the Variable Life Account, the “Accounts”), each organized and registered under the Act as a unit investment trust and each a “separate account” as defined in section 2(a)(37) of the Act, and Securian Financial Services, Inc. (“Securian Financial”), a broker dealer registered under the Securities Exchange Act of 1934 (collectively, the “Applicants”).

Filing Dates: The application was filed on January 29, 2016 and amended on September 7, 2016, and November 30, 2016.

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 Commission’s Secretary 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 January 9, 2017, and

should be accompanied by proof of service on the applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, 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 Commission's Secretary.

Addresses: Secretary, U.S. Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090; Applicants, 400 Robert Street North, St. Paul, Minnesota 55101-2098.

For Further Information Contact: Bruce R. MacNeil, Senior Counsel, at (202) 551-6817, or Daniele Marchesani, Assistant Chief Counsel, at (202) 551-6821 (Division of Investment Management, Chief Counsel's Office).

Supplementary Information: The following is a summary of the application. The complete application may be obtained via the Commission's website by searching for the file number, or an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

#### Summary of the Application

1. Minnesota Life issues variable life insurance policies that are made available through the Variable Life Account (the "Old Policies") and the Individual VUL Account (the "New Policy," together with the Old Policies, the "Policies"). The New Policy and the Old Policies are each offered pursuant to a registration statement under the Securities Act of 1933. Securian Financial serves as principal underwriter for the Policies.

2. The Old Policies are variable adjustable life insurance policies that call for level scheduled premium payments for a specified time or until the policy becomes paid up. The New Policy is a flexible premium variable universal life insurance policy. A New Policy owner may

elect to pay a planned premium, and may change the amount and frequency of such planned premium payments at any time. Applicants propose to offer eligible owners of the Old Policies the opportunity to exchange their Old Policy for the New Policy by means of an offer of exchange (the “Exchange Offer”).<sup>1</sup> The differences between the New Policy and the Old Policies are described in detail in the application.

3. Applicants request that the Commission issue an order pursuant to section 11(a) of the Act approving the terms of the Exchange Offer. Any order approving the Exchange Offer would be subject to the terms and conditions stated in the application.

4. Applicants state that the Exchange Offer will remain open indefinitely until terminated upon two months’ notice. Applicants further represent that the Exchange Offer will be made by providing eligible owners of Old Policies with a prospectus for the New Policy, accompanied by a letter explaining the offer and sales literature that compares the two Policies (“Offering Communication”). Each Old Policy owner who expresses an interest in the Exchange Offer will be informed of new charges, differences in rates of charges, and differences in the calculation and assessment of charges under the New Policy. The effect on Old Policy owners of certain of these differences can only be ascertained by personalized illustrations, which will be provided to an Old Policy owner at the time the Exchange Offer is made.

5. Applicants represent that no surrender charge will be deducted upon the surrender of an Old Policy in connection with an exchange, and no premium loads will be deducted from

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<sup>1</sup> Applicants will make the Exchange Offer available to approximately 47,100 owners of Old Policies (i) who have held their Old Policy for at least ten years, (ii) whose Old Policy was not subject to a premium increase during the three years prior to the date of the exchange, (iii) whose Old Policy has a current face amount of at least \$10,000, and (iv) whose insured age is 75 or younger. Applicants state that the exchange is available only to Old Policies that do not have any outstanding loans and those loans can be repaid either in cash or by means of a partial surrender. Applicants indicate that new evidence of insurability will not be required as a condition of the exchange unless (i) the policy owner requests a face amount increase; or (ii) to add a rider that requires underwriting on the New Policy.

the proceeds of that surrender when applied to the purchase of the New Policy as part of the exchange. Upon acceptance of the Exchange Offer, a New Policy will be issued with the same face amount as the Old Policy surrendered in the exchange, and the cash value (of the Old Policy) will be applied without the deduction of any charges, as the initial premium for the New Policy that commences on the date of the exchange. Applicants state that each New Policy issued in the exchange will provide a 30-day free look period that commences on the date of the exchange.

6. Applicants represent that the terms of the proposed Exchange Offer do not present the abuses against which section 11 was intended to protect. Because the Exchange Offer involves a unit investment trust, Section 11(c) of the Act makes Section 11(a) inapplicable so that the requested relief is necessary to make the Exchange Offer, regardless of the basis of the exchange. As the Exchange Offer will be based on the relative net asset values or unit values of the interests being exchanged, however, it has not been proposed for the purpose of exacting additional selling charges and profits from investors by switching them from one security to another.

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

Brent J. Fields  
Secretary