

insurance contracts, and to Qualified Plans; (b) because of differences of tax treatment and other considerations, the interests of various contract owners participating in the Insurance Products Funds and the interests of Qualified Plans investing in the Insurance Products Funds may conflict; and (c) the Board will monitor its respective Insurance Products Fund for any material conflicts of interest and determine what action, if any, should be taken.

10. Each Insurance Products Fund will comply with all provisions of the 1940 Act requiring voting by shareholders (which, for these purposes, shall be the persons having a voting interest in the shares of the Insurance Products Fund), and, in particular, each such Insurance Products Fund will either provide for annual meetings (except to the extent that the Commission may interpret Section 16 of the 1940 Act not to require such meetings) or comply with Section 16(c) of the 1940 Act), as well as with Sections 16(a) and, if applicable, Section 16(b) of the 1940 Act. Further, each Insurance Products Fund will act in accordance with the Commission's interpretation of the requirements of Section 16(a) with respect to periodic elections of directors (or trustees) and with whatever rules the Commission may promulgate with respect thereto.

11. If and to the extent Rule 6e-2 and Rule 6e-3(T) are amended (or if Rule 6e-3 under the 1940 Act is adopted) to provide exemptive relief from any provisions of the 1940 Act or the rules thereunder with respect to mixed and shared funding on terms and conditions materially different from any exemptions granted in the order requested by Applicants, then the Insurance Products Funds and/or the Participating Insurance Companies, as appropriate, shall take such steps as may be necessary to comply with Rule 6e-2 and Rule 6e-3(T), as amended, and Rule 6e-3, as adopted, to the extent such rules are applicable.

12. No less than annually, the Adviser, the Participating Insurance Companies and Qualified Plans shall submit to the Boards such reports, materials or data as the Boards may reasonably request so that the Boards may carry out fully the obligations imposed upon them by these stated conditions. Such reports, materials, and data shall be submitted more frequently if deemed appropriate by the applicable Boards. The obligations of the Adviser, the Participating Insurance Companies and Qualified Plans to provide these reports, materials, and data to the Boards when it so reasonably requests,

shall be a contractual obligation of the Adviser, the Participating Insurance Companies and Qualified Plans under the agreements governing their participation in the Insurance Products Funds.

13. If a Qualified Plan becomes an owner of 10% or more of the assets of an Insurance Products Fund, such Qualified Plan will execute a fund participation agreement with the applicable Insurance Products Fund including the conditions set forth herein to the extent applicable. A Qualified Plan will execute an application containing an acknowledgment of this condition upon such Qualified Plan's initial purchase of the shares of the Insurance Products Fund.

Conclusion

For the reasons stated above, Applicants state that the requested exemptions, in accordance with the standards of Section 6(c), are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-5046 Filed 3-4-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36896; File No. SR-CBOE-96-05]

Self-Regulation Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Limitation of Liability of Index Reporting Authorities

February 27, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 7, 1996, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹ 15 U.S.C. § 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

I. Self-Regulatory Organization's Statement of the Terms of Substance of the IProposed Rule Change

The CBOE proposes to amend Exchange Rule 24.14, which provides for disclaimers of liability on behalf of designated index reporting authorities.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend Exchange Rule 24.14, which in its present form contains four separate disclaimers of liability on behalf of four different index reporting authorities.³ Index reporting authorities provide index values to the Exchange that serve as the basis for the various classes of index options listed and traded on the Exchange. Pursuant to the terms of the Exchange's contracts with certain index reporting authorities, the Exchange has agreed to include these specific liability disclaimers in its rules. Although the substance of each of these disclaimers is the same, they differ somewhat in their language, as reflected in the four paragraphs of existing Exchange Rule 24.14. The proposed rule change would combine the four existing disclaimers in a single paragraph in order to eliminate editorial differences among them, and add the CBOE and any other designated index reporting authorities as persons entitled to the benefit of the disclaimer.

2. Statutory Basis

The CBOE believes that the proposed rule change is consistent with Section 6(b) of the Act in general, and with Section 6(b)(5) in particular,⁴ in that by

³ In Exchange Rule 24.1(h), the CBOE defines the term "reporting authority" in respect of a particular index as the institution or reporting service designated by the Exchange as the official source for calculating the level of the index from the reported prices of the underlying securities that are the basis of the index and reporting such level.

⁴ 15 U.S.C. § 78f(b)(5) (1988).

retaining and clarifying existing disclaimers of liability that have been found to satisfy statutory standards, the proposed rule change will improve the basis on which index options are listed and traded on the CBOE, which, in turn, will serve to promote just and equitable principles of trade as well as to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The CBOE does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the CBOE consents, the Commission will:

A. By order approve the proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All submissions

should refer to File No. SR-CBOE-96-05 and should be submitted by March 26, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-5044 Filed 3-4-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36894; File No. SR-CBOE-96-06]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Arbitration Procedures

February 27, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on February 7, 1996, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is approving this proposal on an accelerated basis.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Currently, paragraph (c), "Pre-Hearing Exchange," of CBOE Rule 18.22, "General Provisions Governing Pre-hearing Proceeding," provides that, at least ten calendar days prior to the first hearing date, all parties must serve on each other copies of documents in their possession that they intend to present at the hearing and identify witnesses they intend to present at the hearing. The CBOE proposes to amend Exchange Rule 18.22(c) to provide that at least 20 calendar days prior to the first hearing date: (1) the parties shall serve on each other copies of documents in their possession that they intend to present at the hearing; (2) the parties may provide each other and the Director of Arbitration with a list of documents that have already been produced pursuant to other provisions of CBOE Rule 18.22 in lieu of the actual documents; and (3) the parties shall serve on each other and on the Director of Arbitration a list identifying witnesses they intend to present at the hearing by name, address,

and business affiliation. In addition, the CBOE proposes to amend CBOE Rule 18.22(g), "Power to Direct Appearances and Production of Documents," to clarify that arbitrators may direct the appearance of any CBOE member without resort to the subpoena process.

The text of the proposal is available at the Office of the Secretary, CBOE and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposal is to amend CBOE Rule 18.22(c) to conform the Exchange's rule to Section 20(c) of the Uniform Code of Arbitration ("Uniform Code"), as amended by the Securities Industry Conference on Arbitration ("SICA").¹ In addition, the CBOE proposes to amend CBOE 18.22(g) to clarify that arbitrators have power over members to direct appearance and produce documents without resort to the subpoena process. According to the CBOE, the proposed changes to CBOE Rule 18.22(c) have been adopted by the National Association of Securities Dealers ("NASD") and the New York Stock Exchange ("NYSE").²

Currently, CBOE Rule 18.22(c) requires the parties, at least ten calendar days prior to the first scheduled hearing date, to serve each other with any documents in their possession and to identify witnesses they intend to present at the hearing. The proposed amendment to Exchange Rule 18.22(c) allows parties to provide a list of documents that have been produced

¹ CBOE Rule 18.22(c) corresponds to SICA Uniform Code Section 20(c) (as amended January 7, 1993, and October 21, 1994).

² See Securities Exchange Act Release Nos. 36222 (September 13, 1995) 60 FR 48576 (September 19, 1995) (order approving File No. SR-NYSE-95-25); and 35525 (March 23, 1995), 60 FR 16219 (March 29, 1995) (order approving File No. SR-NASD-95-05) ("Arbitration Approval Orders").

⁵ 17 CFR 200.30-3(a)(12) (1994).