

Internal Revenue Service

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Legend

Taxpayer =

Parent =

Old Parent =

New Corp =

Bank A =

Bank B =

Entity =

State 1 =

State 2 =

City 1 =

State 3 =

Date 1 =

Date 2 =

Date 3 =

m =

n =

p =

q =

Trustee =

Original Contract =

Insurance Company=

Dear

On August 2, 2004, your authorized representatives submitted a letter requesting several rulings concerning a group master life insurance policy that was purchased to provide employee benefits for Old Parent and its banking affiliates. Legal title of the policy is held by Entity. After subsequent communications and a taxpayer conference, it was determined that Entity should be treated as a partnership for federal tax purposes, and your authorized representatives submitted a revised request for rulings to which this letter responds.

FACTS

Taxpayer is incorporated in State 2 and is engaged in the banking business. It is a member of an affiliated group of corporations filing a consolidated U.S. federal income tax return for which Parent is the common parent. Taxpayer is subject to the audit jurisdiction of the Large/Midsize Operating Division in the State 2, City 1, District Office of the Internal Revenue Service. Taxpayer uses the accrual method of accounting, and the last day of its taxable year is December 31.

On Date 1, Old Parent and its banking affiliates entered into an agreement establishing Entity under State 3 law for the purpose of purchasing a group flexible premium variable life insurance policy (Original Contract) and approximately n associated unleveraged life insurance certificates (Original Certificates) insuring the lives of employees of Old Parent and its banking affiliates. The life insurance was purchased as a financing or cost recovery vehicle for pre-and post-retirement employee benefits. The Original Contract and Original Certificates were issued by Insurance Company in State 3 on Date 1. The banking affiliates have contributed funds to Entity, which have been used to pay insurance premiums relating to the Original Contract.

Old Parent has maintained an accounting of the premiums paid by each affiliate bank, upon which allocations of net realizable value and death benefits are made. The net realizable value includes the cash surrender value, contingency (mortality) reserve amounts, and deferred acquisition cost (DAC) reserve amounts. The net realizable value and death benefits were initially allocated to each bank proportionately, based on its percentage share of initial contributions (the Ownership Percentage). Upon the contribution of additional premiums, the Ownership Percentage was recalculated to account for the total contributions of each bank. If two banks merged, their initial and additional contributions were combined in order to determine the Ownership Percentage of the surviving bank. Death benefits are allocated to each bank based on relative Ownership Percentages.

Subsequent to the establishment of Entity and issuance of the Original Contract and Original Certificates, several of the banking affiliates were consolidated through merger transactions which ultimately resulted in Bank B and Bank A remaining as the only surviving banking affiliates. On Date 2, Old Parent engaged in a series of transactions, including contributing all of the outstanding stock of Bank A to New Corp, a newly formed wholly-owned subsidiary of Old Parent, and the pro rata distribution by Old Parent of the stock of New Corp to the public shareholders of Old Parent. Old Parent represents that it received a private letter ruling from the Service that the spin-off transaction would be treated as a tax-free distribution pursuant to §§ 355 and 368 of the Code. On Date 3, New Corp was acquired by a subsidiary of Parent, and Bank A was merged into Taxpayer, a second tier wholly owned subsidiary of Parent in a transaction intended to qualify under § 368(a) of the Code with Taxpayer succeeding to the rights and obligations of Bank A. Currently, Taxpayer and Bank B are the sole joint owners of Entity, the only assets of which are the Original Contract and Original Certificates, and each is entitled to its Ownership Percentage of the cash surrender value and death benefits of approximately p% and q%, respectively. As a result of the transactions described above, Taxpayer and Bank B, are no longer commonly owned, and have different business interests.

THE PROPOSED TRANSACTION

Taxpayer proposes the following two-step transaction (the Proposed Transaction):

1. Insurance Company will partition (Partition) the life insurance contracts by replacing the Original Contract with two Separate Contracts, and each Original Certificate with two Separate Certificates, each with terms identical to the Original Contract and the corresponding Original Certificates, except that the premiums paid, the death benefits, and the cash value will be partitioned between each Separate Contract and each Separate Certificate based on Taxpayer's and Bank B's respective ownership percentages of the Original Contract and each of the corresponding Original Certificates.

2. Thereafter, Entity will liquidate by distributing to each of Taxpayer and Bank B a Separate Contract and Separate Certificates representing each party's beneficial ownership of the Original Contract and Original Certificates.

Taxpayer makes the following representations:

1. Each Original Certificate is a life insurance contract, as that term is defined in § 7702(a) of the Code, because it is a life insurance contract under State 3 law, and it meets the cash value accumulation test of § 7702(b).

2. No Original Certificate is a "modified endowment contract," as that term is defined in § 7702A(a).

3. Under State 3 law, Entity is the legal owner of the Original Contract and Original Certificates.

4. No withdrawals or loans have been taken against the Original Contract and Original Certificates since issuance.

5. The available investment options provided in the Original Contract and Original Certificates will be identical to those provided in the Separate Contract and corresponding Separate Certificates; and the investment allocations as in effect with respect to the Original Contract and Original Certificates will be in effect with respect to the Separate Contract and corresponding Separate Certificates immediately after the Proposed Transaction.

6. The Separate Certificates will qualify as life insurance contracts under the applicable State 3 law.

REQUESTED RULINGS

1. The partition of the Original Contract and the Original Certificates will not constitute a sale or other disposition under § 1001, and neither the Entity nor Taxpayer or Bank B will recognize income on the distribution of the Separate Contracts and Separate Certificates.

2. The Partition will not be treated as an exchange of life insurance contracts for life insurance contracts pursuant to § 1035.

3. Taxpayer's investment in the contract for the Separate Certificates, for purposes of § 72(c)(1) and (e)(6), will, when the Partition is consummated, be based on its relative ownership share of Entity.

4. The Proposed Transaction will not result in a transfer for valuable consideration under § 101 of Code.

5. For purposes of § 7702, each Separate Certificate will have the same issue date as the corresponding Original Certificate.

6. The Separate Certificates will not fail to qualify as life insurance contracts under § 7702 by reason of the Partition of the Original Certificates and the distribution of those Certificates in liquidation of Entity.

7. The Partition will not be considered a change in the terms of the Original Certificates requiring adjustments in future determinations under § 7702(f)(7).

8. There will not be a material change under § 7702A(c)(3) by reason of the partition of the Original Contract and Certificates into the Separate Contract and Separate Certificates. Accordingly, the Original Certificates and Taxpayer's Separate Certificates will be considered as entered into on the same dates.

9. For purposes of § 7702A, each Separate Certificate will have the same issue date as each respective corresponding Original Certificate.

10. The Partition of the Original Contract and Original Certificates will not be treated as a reduction in benefits under § 7702A(c)(2)(A).

11. The Separate Certificates will not become modified endowment contracts by reason of the Partition of the Original Certificates and the distribution of the Separate Certificates in liquidation of Entity.

12. At the time the Partition is consummated, each of Taxpayer and Bank B will be allocated its relative ownership share of the accumulated amount paid under the Original Certificates. Likewise, for purposes of the 7-pay test of § 7702A(b), the sum of the seven annual net level premiums that will be treated as having been paid will be the

Separate Certificate's relative Ownership Percentage of the sum of the net level premiums paid on or before such time if the contract provided for paid-up future benefits after the payment of the 7 level annual payments.

13. For purposes of § 264, each Separate Contract and Separate Certificate will be treated as having the same issue, purchase, and premium paid dates as the Original Contract and corresponding Original Certificate.

14. For purposes of § 264(f)(4), if the insured individual was a person described in § 264(f)(4)(A) at the time first covered by the Original Contract and Original Certificates, § 264(f)(4)(A) will continue to apply to each respective Separate Contract and Separate Certificate.

LAW AND ANALYSIS

Ruling 1

Section 1001(a) provides that the gain from the sale or other disposition of property shall be the excess of the amount realized therefrom over the adjusted basis provided in § 1011 for determining gain, and the loss shall be the excess of the adjusted basis provided in such section for determining loss over the amount realized. Section 1.1001-1(a) of the Income Tax Regulations provides that, except as otherwise provided in Subtitle A of the Code, the gain or loss realized from the exchange of property for other property differing materially either in kind or in extent, is treated as income or as loss sustained. Accordingly, an inherent element of § 1001(a) is the general requirement that a transaction must be a sale, exchange or other disposition to result in a taxable event. Cottage Savings Association v. Commissioner, 499 U.S. 554, 559 (1991). In the instant case, the issue is whether the Partition constitutes a sale, exchange, or other disposition.

In United States v. Davis, 370 U.S. 65, 69 (1962), the Supreme Court concluded that the partition of property between two co-owners is a nontaxable event. Similarly published rulings concerning the division of jointly held property have concluded that if the division is characterized as a partition, the transaction is nontaxable.

In Rev. Rul. 55-77, 1955-1 C.B. 339, the taxpayer and five others owned undivided interests in real property. The taxpayer wanted to purchase the interest of one of the other tenants-in-common, but no price could be agreed on. The taxpayer brought a partition action in accordance with state law forcing the sale of the property. The taxpayer and four of the other tenants purchased the property at the partition sale. The local commissioner, appointed by the court, distributed the proceeds of the sale among the purchasing tenants in accordance with their respective interests prior to the partition sale, and conveyed the entire title to the property to the taxpayer and the four other tenants in common who purchased the property at the partition sale. The revenue

ruling concluded that the taxpayer neither realized a taxable gain nor sustained a deductible loss on the sale or sale of the undivided interest in the property that he owned immediately before the partition proceedings. Rev. Rul. 55-77 reasoned that this was because the taxpayer still owned the same interest that he owned before, he sold nothing.

Rev. Rul. 56-437, 1956-2 C.B. 507, concerned two situations involving joint ownership of personal property. In the first situation, the conversion of a joint tenancy in corporate stock into a tenancy in common for the purposes of eliminating a survivorship feature was held to be a nontaxable transaction for Federal income tax purposes. In the second situation, two joint tenants of corporate stock brought an action under state law compelling partition and the issuance of two separate stock certificates in each of their names. The Service ruled that this transaction also was nontaxable because there was no sale or exchange. Each of the stockholders received separate stock certificates representing the same relative ownership share in the corporation that they had held before.

After the Partition, the Separate Contract and Separate Certificates held by each of Taxpayer and Bank B will reflect the same relative Ownership Percentage in the Original Contract and Original Certificates that were held by Taxpayer and Bank B before the transaction. Moreover, the Separate Contract and Separate Certificates have, in the aggregate, the exact same terms as the Original Contract and Original Certificates, and each Separate Certificate insures the same life as the corresponding Original Certificate. This is analogous to the partition of corporate stock in Rev. Rul. 56-437. Accordingly, Taxpayer's receipt of the Separate Contract and Separate Certificates does not result in a sale, exchange or other disposition under § 1001(a).

Section 731(a)(1) provides that in the case of a distribution by a partnership to a partner gain shall not be recognized to such partner, except to the extent that any money distributed exceeds the adjusted basis of such partner's interest in the partnership immediately before the distribution. Section 731(b) provides that no gain or loss shall be recognized to a partnership on a distribution to a partner of property, including money.

Section 731(c)(1) provides inter alia, that for purposes of § 731(a)(1) the term money includes marketable securities, and that such securities shall be taken into account at their fair market value as of the date of the distribution. Section 731(c)(2)(A), in general provides that the term marketable securities means financial instruments and foreign currencies which are, as of the date of the distribution, actively traded (within the meaning of § 1092(d)(1)). Section 731(c)(2)(C) provides that the term financial instrument includes stocks and other equity interests, evidences of indebtedness, options, forward or futures contracts, notional principal contracts, and derivatives.

In the instant case, Entity will liquidate and distribute the Separate Contracts and the Separate Certificates. Since the Separate Contracts and the Separate Certificates are neither money nor marketable securities, neither the Entity nor the Taxpayer and Bank B will recognize gain on the transfer of the policies to the Taxpayer and Bank B in liquidation of Entity.

Ruling 2

Section 1035(a)(1) provides that no gain or loss shall be recognized on the exchange of a life insurance contract for another life insurance contract. Section 1035(a)(1) is a nonrecognition provision. In Ruling (1) we concluded that Taxpayer's receipt of the Separate Certificates for its Ownership Percentage in the Original Certificates is a nontaxable event. Therefore, the application of a nonrecognition provision is moot.

Ruling 3

In both § 72(c)(1) and (e)(6), investment in the contract is defined as of any date as – (A) the aggregate amount of premiums or other consideration paid for the contract before such date, minus (B) the aggregate amount received under the contract before such date, to the extent that such amount was excludable from income under this subtitle or prior income tax laws.

For Federal income tax purposes, Entity is treated as a partnership, and Taxpayer and Bank B are treated as owning their respective shares of partnership property (p% for Taxpayer, q% for Bank B), which consists of the Original Contract and Original Certificates for which they have paid the premiums. The premiums paid also represent the investment in the contract for each Separate Certificate because there have been no withdrawals.

The distribution of the Separate Contract and Separate Certificates from Entity will be based on relative Ownership Percentage. Consequently, Taxpayer will be considered to have paid premiums for the Separate Certificates equal to p% of the total premiums paid for the Original Certificates; while Bank B will be considered to have paid premiums for the Separate Certificates equal to q% of the total premiums paid for the Original Certificates. Accordingly, Taxpayer's investment in the contract of the Separate Certificates will be based on its Ownership Percentage in the Original Certificates.

Ruling 4

Section 101(a)(1) of the Code generally provides that gross income does not include amounts received under a life insurance contract by reason of the insured's death. Section 101(a)(2) provides that this exclusion from gross income provided by §

101(a)(1) is limited to an amount equal to the sum of the actual value of the consideration and the premiums and other amounts subsequently paid by the transferee.

The term transfer for a valuable consideration is defined, for purposes of § 101(a)(2) of the Code, in § 1.101-1(b)(4) of the regulations as any absolute transfer for value of a right to receive all or a part of the proceeds of a life insurance policy. Additionally, § 101(a)(2)(A) provides that even if there has been a transfer for valuable consideration, the rule does not apply if the basis for purposes of determining gain or loss in the hands of the transferee is determined in whole or in part by reference to such basis in the hands of the transferor.

Ruling (1) concludes that the Partition will not be a sale, exchange or other disposition, and that the liquidating distribution of the Separate Contracts and Separate Certificates will not result in income to the Taxpayer and Bank B. Thus, the Proposed Transaction will not result in a transfer for a valuable consideration under § 101(a)(2) of the Code.

Rulings 5-7

The term "life insurance contract" is defined in § 7702(a), for purposes of the Code, to be a contract that is a life insurance contract under the applicable law, and that either: (1) meets the cash value accumulation test of § 7702(b) or (2) both (A) meets the guideline premium requirements of § 7702(c), and (B) falls within the cash value corridor of § 7702(d). Taxpayer represents that the Separate Certificates qualify as life insurance contracts under the applicable state law. Thus, to be life insurance contracts under § 7702(a), the Separate Certificates need only meet one of the mathematical tests. In general a contract meets the cash value accumulation test if, by the terms of the contract, the cash surrender value of such contract may not at any time exceed the net single premium which would have to be paid at such time to fund future benefits under the contract. The issue date of a potential life insurance contract is a factor in the application of the cash value accumulation test because the net single premium (at any time) to fund the future benefits under the contract depends on the insured's age at issue.

The Original Certificates and the Separate Certificates will be identical, including assignment of the same issue date by Insurance Company. The issue dates of the Original Certificates and the Separate Certificates will be the same, for purposes of the cash value accumulation test. The Separate Certificates will have the same dates assigned by Insurance Company and will in substance continue the coverage provided by the Original Certificates, with at most a minor administrative change.

The cash value accumulation test of § 7702(b) requires that, by the terms of the contract, the cash surrender value of the contract may not at any time exceed the net

single premium which would have to be paid at such time to fund future benefits under the contract. Taxpayer represents that the Original Certificates satisfy this test. The Separate Certificates will be considered to be issued on the same dates as the Original Certificates. In substance, the Proposed Transaction is a partition of the Original Certificates in which the Separate Certificates will have the same terms and the same issue dates as the Original Certificates, and in the aggregate, will provide the same cash value and death benefits. Accordingly, the Proposed Transaction will not cause the Separate Certificates to fail to meet the cash value accumulation test.

For purposes of testing under § 7702 after the Proposed Transaction, Taxpayer and Bank B will be allocated their relative Ownership Percentages of premiums paid, cash surrender value, death benefits, and allocations to the separate accounts paid under Original Certificates. This reflects that the Proposed Transaction is a partition. After the partition, determinations under § 7702 for Taxpayer's Separate Certificates will be made without regard to Taxpayer's relative ownership existing at the time of the Proposed Transaction.

Section 7702(f)(7)(A) provides, generally, that if there is a change in benefits under (or in other terms of) the contract which was not reflected in any previous determination or adjustment made under § 7702, there shall be proper adjustments made in future determinations under § 7702. In the instant case, there will be no change of benefits under the Separate Certificates. Taxpayer represents that the terms of the Separate Contracts and Separate Certificates and the Original Contract and Original Certificates will be identical. Taxpayer and Bank B will retain the same benefits and other terms both before and after the Proposed Transaction. Accordingly, the Proposed Transaction will not require adjustments in future determinations under § 7702(f)(7).

Rulings 8 - 12

Section 7702A(a) provides, in relevant part, that, for purposes of § 72, the term modified endowment contract means any contract meeting the requirements of § 7702 that is entered into on or after June 21, 1988, and fails the 7-pay test of § 7702A(b). Section 7702A(b) provides that, for purposes of § 7702A(a), a contract fails to meet the 7-pay test of this section if the accumulated amount paid under the contract at any time during the first 7 contract years exceeds the sum of the net level premiums which would have been paid on or before such time if the contract provided for paid-up future benefits after the payment of 7 level annual premiums.

As a general rule, § 7702A(c)(1) provides that the determination under § 7702A(b) of the 7 level annual premiums shall be made as of the time the contract is issued. Section 7702A fails to provide a definition concerning when a contract is issued. However, § 7702A(e)(3) states that, except as otherwise provided in § 7702A, the terms used in § 7702A shall have the same meaning as when used in § 7702.

Since the Separate Certificates will be treated as issued on the same dates as the Original Certificates for purposes of § 7702, the Separate Certificates should be treated as issued on the same dates as the Original Certificates for purposes of § 7702A unless there is an overriding reason to do otherwise.

If, however, there is a material change in the benefits under (or in other terms of) the contract which was not reflected in any previous determination under § 7702A, then (i) such contract shall be treated as a new contract entered into on the day on which such material change takes effect and (ii) appropriate adjustments shall be made in determining whether such contract meets the 7-pay test of § 7702A(b) to take into account the cash surrender value of the contract. (§7702A(c)(3)). There will be no material change between the Original Certificates and the Separate Certificates because the sum of the benefits under the Separate Certificates is equal to the sum of the benefits under the Original Certificates and the terms of the Original Certificates are identical to the terms of the Separate Certificates.

To apply the 7-pay test after the partition, Taxpayer and Bank B will be allocated their relative Ownership Percentage of the accumulated amount paid under the Original Certificates as of the time of the partition and the sum of the net level premiums which would have been paid on or before such time if the contract provided for paid-up future benefits after the payment of 7 level annual payments. Given Taxpayer's representation that the Original Certificates are not modified endowment contracts, the Separate Certificates will also not become modified endowment contracts by reason of the Proposed Transaction. After the partition, Taxpayer's and Bank B's Separate Certificates will be tested separately for modified endowment contract status.

Rulings 13 -14

Section 264 of the Code denies, in certain circumstances, an interest deduction with respect to indebtedness on life insurance policies. Section 264(a)(4), except as provided in § 264(e), provides that any interest paid or accrued on any indebtedness with respect to one or more life insurance policies owned by the taxpayer covering the life of any individual is not deductible. The exception in § 264(e) is for policies covering key persons.

Section 264(a)(3), except as provided in § 264(d), denies a deduction on any amount paid or accrued on indebtedness incurred or continued to purchase or carry a life insurance contract (other than a single premium contract) pursuant to a plan of purchase that contemplates the systematic direct or indirect borrowing of part or all of the increases in the cash value of such contract (either from the insurer or otherwise). Section 264(d)(1) provides generally that § 264(a)(3) shall not apply to any amount paid or accrued by a person during a taxable year on indebtedness incurred or continued as part of a plan referred to in § 264(a)(3), if no part of four of the annual premiums due

during the 7-year period (beginning with the date the first premium on the contract to which such plan relates was paid) is paid under such plan by reason of indebtedness. Section 264(f)(1) provides generally that no deduction shall be allowed for that portion of a taxpayer's interest expense, which is allocable to unborrowed cash values. Section 264(f)(4)(A) provides an exception from the general rule of § 264(f)(1) for any policy or contract owned by an entity engaged in a trade or business if such policy or contract covers only one individual and if such individual is (at the time first covered by the policy or contract) either (i) a 20-percent owner of such entity or (ii) an individual (not described in clause (i)) who is an officer, director, or employee of such trade or business. Under § 264(f)(4)(E), each of the certificates in this case will be treated as a separate contract for purposes of § 264(f)(4)(A) because, pursuant to §848(e)(2)(C), the Separate Contracts are not group life insurance contracts.

For purposes of §§ 7702 and 7702A, we concluded above that the issue dates of the Separate Contract and Certificates will be the issue dates of the Original Contract and Certificates. This followed from our earlier conclusion that the Proposed Transaction is a partition, not a taxable event under § 1001. The same logic applies to § 264. The issuance of the Separate Contracts and Certificates to Entity and the distribution of a Separate Contract and Separate Certificates to Taxpayer in lieu of its interest in the Original Contract and Certificates will be a nontaxable event under § 1001. Thus, the issue, purchase, and premium paid dates of the Separate Contracts and Certificates will be treated the same as the issue, purchase, and premium paid dates of the Original Certificates for purposes of § 264. Therefore, for purposes of determining whether the exception in § 264(f)(4)(A) applies to the Separate Certificates, the date that the insured was first covered under the Original Certificates (Date 1) will be used as the initial date of coverage under the Separate Certificates.

Conclusions

1. The partition of the Original Contract and the Original Certificates will not constitute a sale or other disposition under § 1001, and neither the Entity nor Taxpayer or Bank B will recognize income on the distribution of the Separate Contracts and Separate Certificates.
2. The Partition will not be treated as an exchange of life insurance contracts for life insurance contracts pursuant to § 1035.
3. Taxpayer's investment in the contract for the Separate Certificates, for purposes of § 72(c)(1) and (e)(6), will, when the Partition is consummated, be based on its relative ownership share of Entity.
4. The Proposed Transaction will not result in a transfer for valuable consideration under § 101 of Code.

5. For purposes of § 7702, each Separate Certificate will have the same issue date as the corresponding Original Certificate.

6. The Separate Certificates will not fail to qualify as life insurance contracts under § 7702 by reason of the Partition of the Original Certificates and the distribution of those Certificates in liquidation of Entity.

7. The Partition will not be considered a change in the terms of the Original Certificates requiring adjustments in future determinations under § 7702(f)(7).

8. There will not be a material change under § 7702A(c)(3) by reason of the partition of the Original Contract and Certificates into the Separate Contract and Separate Certificates. Accordingly, the Original Certificates and Taxpayer's Separate Certificates will be considered as entered into on the same dates.

9. For purposes of § 7702A, each Separate Certificate will have the same issue date as each respective corresponding Original Certificate.

10. The Partition of the Original Contract and Original Certificates will not be treated as a reduction in benefits under § 7702A(c)(2)(A).

11. The Separate Certificates will not become modified endowment contracts by reason of the Partition of the Original Certificates and the distribution of the Separate Certificates in liquidation of Entity.

12. At the time the Partition is consummated, each of Taxpayer and Bank B will be allocated its relative ownership share of the accumulated amount paid under the Original Certificates. Likewise, for purposes of the 7-pay test of § 7702A(b), the sum of the seven annual net level premiums that will be treated as having been paid will be the Separate Certificate's relative Ownership Percentage of the sum of the net level premiums paid on or before such time if the contract provided for paid-up future benefits after the payment of the 7 level annual payments.

13. For purposes of § 264, each Separate Contract and Separate Certificate will be treated as having the same issue, purchase, and premium paid dates as the Original Contract and corresponding Original Certificate.

14. For purposes of § 264(f)(4), if the insured individual was a person described in § 264(f)(4)(A) at the time first covered by the Original Contract and Original Certificates, § 264(f)(4)(A) will continue to apply to each respective Separate Contract and Separate Certificate.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent. A copy of this letter must be attached to any income tax return to which it is relevant.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,
/S/

Thomas M. Preston
Senior Counsel, Branch 4
Office of Associate Chief Counsel
(Financial Institutions and Products)