FORM 497

Definitive materials filed under paragraph (a), (b), (c), (d), (e) or (f) of Securities Act Rule 497

Filing Date: **2005-05-02**
SEC Accession No. 0000950123-05-005405

(HTML Version on secdatabase.com)

FILER

NEW YORK LIFE INS & ANNUITY CORP VAR UNIV LIFE SEP ACC I

CIK:**906982**| IRS No.: **133044743** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **497** | Act: **33** | File No.: **033-64410** | Film No.: **05790604**

Mailing Address
51 MADISON AVENUE
10TH FLOOR
NEW YORK NY 10011

Business Address
51 MADISON AVE 10TH FL
C/O NEW YORK LIFE
INSURANCE & ANNUITY CO
NEW YORK NY 10010
2125765066

.
.
.

FLEXIBLE PREMIUM VARIABLE UNIVERSAL LIFE INSURANCE POLICIES
PROSPECTUS DATED MAY 1, 2005

VARIABLE PRODUCTS SERVICE CENTER ADDRESSES:

Variable Products Service Center Madison Square Station P.O. Box 922 New York, NY 10159 Telephone: 1-800-598-2019	OR	Variable Products Service Center 51 Madison Avenue Room 651 New York, New York 10010

This prospectus describes a flexible premium variable universal life insurance policy formerly issued by New York Life Insurance and Annuity Corporation ("NYLIAC"). We have discontinued sales of this policy. However, we will still accept additional premiums under existing policies.

POLICY FEATURES

LIFE INSURANCE PROTECTION--This policy offers lifetime insurance protection, with a life insurance benefit payable when the Primary Insured dies while the policy is in effect.

CHOICE OF LIFE INSURANCE BENEFIT OPTIONS--You can choose either a level life insurance benefit equal to the face amount of your policy or a life insurance benefit that varies and is equal to the sum of your policy's face amount and Cash Value. If you choose a benefit that varies, the life insurance benefit will increase or decrease depending on the performance of the investment options you select. Your policy's life insurance benefit will never be less than the face amount of your policy. The face amount appears on the Policy Data Page of your policy. Under both options, a higher life insurance benefit may apply if necessary for the policy to qualify as life insurance under the Internal Revenue Code. The policy proceeds we pay will be the sum of the life insurance benefit plus any rider death benefits less any loans (including any accrued loan interest).

FLEXIBLE PREMIUM PAYMENTS--You can decide the amount of premiums to pay and when to pay them, within limits. Although premium payments are flexible, we may require additional premium payments to keep the policy in effect. The policy may terminate if its cash surrender value is insufficient to pay the policy's monthly charges. The Cash Surrender Value of your policy will fluctuate depending on the performance of the investment options you have chosen. The Cash Surrender Value also will fluctuate to reflect the premium payments you make and the charges we deduct.

LOANS, WITHDRAWALS, AND SURRENDERS--You can borrow against or withdraw money from your policy, within limits. Loans and withdrawals will reduce the policy's proceeds and Cash Surrender Value. You can also surrender your policy at any time. The Cash Surrender Value of your policy may increase or decrease depending on the performance of the investment options you select. We do not guarantee the Cash Surrender Value for your policy. If you surrender your policy or take a partial withdrawal during the first fifteen Policy Years or within fifteen years after you increase the face amount, we may apply a surrender charge. Loans, withdrawals, and surrenders may have tax consequences.

FACE AMOUNT INCREASES AND DECREASES--You may increase or decrease the face amount of your policy, within limits. We will apply a new schedule of surrender charges to any increase in your policy's face amount. We may also deduct a surrender charge for any reduction in the face amount.

INVESTMENT OPTIONS--Your policy allows you to choose how you want to invest your premium payments. You have the option to choose from 29 Investment Divisions and a Fixed Account. Policy owners may invest in a total of twenty-one investment options from among the 29 Investment Divisions and the Fixed Account, at any time. The Investment Divisions available under your policy are:

- MainStay VP Balanced--Initial Class
- MainStay VP Basic Value--Initial Class
- MainStay VP Bond--Initial Class
- MainStay VP Capital Appreciation--Initial Class
- MainStay VP Cash Management
- MainStay VP Common Stock--Initial Class
- MainStay VP Convertible--Initial Class
- MainStay VP Floating Rate--Initial Class
- MainStay VP Government--Initial Class
- MainStay VP Growth--Initial Class

-- MainStay VP High Yield Corporate Bond--Initial Class
-- MainStay VP Income and Growth--Initial Class
-- MainStay VP International Equity--Initial Class
-- MainStay VP Mid Cap Core--Initial Class
-- MainStay VP Mid Cap Growth--Initial Class
-- MainStay VP Mid Cap Value--Initial Class
-- MainStay VP S&P 500 Index--Initial Class
-- MainStay VP Small Cap Growth--Initial Class
-- MainStay VP Total Return--Initial Class
-- MainStay VP Value--Initial Class
-- Alger American Small Capitalization--Class O Shares
-- Calvert Social Balanced Portfolio
-- Dreyfus IP Technology Growth--Initial Shares
-- Fidelity(R) VIP Contrafund(R)--Initial Class
-- Fidelity(R) VIP Equity-Income--Initial Class
-- Janus Aspen Series Balanced--Institutional Shares
-- Janus Aspen Series Worldwide Growth--Institutional Shares
-- T. Rowe Price Equity Income Portfolio
-- Van Kampen UIF Emerging Markets Equity--Class I
</Table>

----

* MainStay VP Basic Value was formerly known as "MainStay VP Dreyfus Large Company Value," Mainstay VP Income and Growth was formerly known as "MainStay VP American Century Income & Growth," and MainStay VP Growth was formerly known as "MainStay VP Eagle Asset Management Growth Equity."

We do not guarantee the investment performance of the Investment Divisions, which involve varying degrees of risk.

REPLACING EXISTING INSURANCE WITH ANY POLICY MAY NOT BE TO YOUR ADVANTAGE. IN ADDITION, IT MAY NOT BE TO YOUR ADVANTAGE TO BORROW TO PURCHASE THIS POLICY OR TO TAKE WITHDRAWALS FROM ANOTHER POLICY THAT YOU ALREADY OWN TO MAKE PREMIUM PAYMENTS UNDER THIS POLICY.

IMPORTANT NOTICES

THIS PROSPECTUS PROVIDES INFORMATION THAT A PROSPECTIVE INVESTOR SHOULD KNOW BEFORE INVESTING. PLEASE READ IT CAREFULLY AND RETAIN IT FOR FUTURE REFERENCE. THIS PROSPECTUS MUST BE ACCOMPANIED BY THE CURRENT PROSPECTUSES FOR THE MAINSTAY VP SERIES FUND, INC., THE ALGER AMERICAN FUND, THE CALVERT VARIABLE SERIES, INC., THE DREYFUS INVESTMENT PORTFOLIOS, THE FIDELITY VARIABLE INSURANCE PRODUCTS FUND, THE JANUS ASPEN SERIES, THE UNIVERSAL INSTITUTIONAL FUNDS, INC., AND THE T. ROWE PRICE EQUITY SERIES, INC. (THE "FUNDS", EACH INDIVIDUALLY A "FUND").

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE POLICIES INVOLVE RISKS, INCLUDING THE POTENTIAL RISK OF LOSS OF PRINCIPAL INVESTED. THE POLICIES ARE NOT DEPOSITS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK, AND ARE NOT FEDERALLY INSURED BY THE FDIC, THE FEDERAL RESERVE BOARD, OR ANY OTHER AGENCY.

TABLE OF CONTENTS

<Table>
<Caption>

</Table>

THIS PROSPECTUS IS NOT CONSIDERED AN OFFERING IN ANY JURISDICTION WHERE THE SALE OF THIS POLICY CANNOT LAWFULLY BE MADE. NYLIAC DOES NOT AUTHORIZE ANY INFORMATION OR REPRESENTATIONS REGARDING THE OFFERING OTHER THAN AS DESCRIBED IN THIS PROSPECTUS OR IN ANY ATTACHED SUPPLEMENT TO THIS PROSPECTUS OR IN ANY SUPPLEMENTAL SALES MATERIAL NYLIAC PRODUCES.

IN CERTAIN JURISDICTIONS, DIFFERENT PROVISIONS MAY APPLY TO THE POLICY. PLEASE REFER TO THE POLICY OR ASK YOUR REGISTERED REPRESENTATIVE FOR DETAILS REGARDING YOUR PARTICULAR POLICY.

THE INVESTMENT DIVISIONS OFFERED THROUGH THE NYLIAC VUL POLICY AND DESCRIBED IN THIS PROSPECTUS ARE DIFFERENT FROM MUTUAL FUNDS THAT MAY HAVE SIMILAR NAMES BUT ARE AVAILABLE DIRECTLY TO THE GENERAL PUBLIC. INVESTMENT RESULTS MAY DIFFER.

HOW TO REACH US FOR POLICY SERVICES

You can send service requests to us at the Variable Products Service Center (VPSC) addresses listed on the first page of this prospectus. In addition, as described below, you can contact us through the Internet at our Virtual Service Center (VSC) and through an automated telephone service called the Interactive Voice Response System (IVR). We make the VSC and IVR available at our discretion. In addition, availability of the VSC or IVR may be interrupted temporarily at certain times. We do not assume responsibility for any loss if service should become unavailable. All NYLIAC requirements must be met in order for us to process your service requests. Please review all service request forms carefully and provide all required information as applicable to the transaction. If all requirements are not met, we will not be able to process your service request. We will make every reasonable attempt to notify you in writing of this situation. It is important that you inform New York Life or NYLIAC of an address change so that you can receive important statements.

Faxed requests are not acceptable and will not be honored at any time. Additionally, we will not accept e-mails of imaged, signed service requests, other than those received through our Virtual Service Center that have passed all security protocols to identify the policy owner.

VIRTUAL SERVICE CENTER AND INTERACTIVE VOICE RESPONSE SYSTEM

Through the VSC and the IVR, you can get up-to-date information about your policy and request transfers. The VSC and IVR are not available to corporate policy owners or trusts that own policies.

To enable you to access the VSC and IVR, we will send you a Personal Identification Number (PIN). With your Social Security Number, the PIN will give you access to both the VSC on our Corporate website, www.newyorklife.com, and the IVR using the toll-free number, 1-800-598-2019. You should protect your PIN and your Social Security number, because our self-service options will be available to anyone who provides your Social Security number and your PIN; we will not be able to verify that the person providing electronic service instructions via the VSC or IVR is you or is authorized by you.

We will use reasonable procedures to make sure that the instructions we receive through the VSC and IVR are genuine. We are not responsible for any loss, cost, or expense for any actions we take based on instructions received through the IVR or the VSC that we believe are genuine. We will confirm all transactions in writing.

Service requests are binding on all owners if a policy is jointly owned. Transfer and loan requests received after 4:00 p.m. (Eastern Time) on a Business Day or on a non-Business Day, will be priced as of the next Business Day. We may revoke VSC and IVR privileges for certain policyowners. (See "Limits on Transfers.")

We make the VSC and the IVR available at our discretion. NYLIAC does not permit current and former Registered Representatives to have authorization to request transactions on behalf of their clients. Authorization to these Registered Representatives will be limited to accessing policy information only.

VSC

The VSC is available Monday through Saturday, from 7 a.m. until 10 p.m. (Eastern Time).

The VSC enables you to

-- e-mail your registered representative or the Variable Product Service Center;

-- obtain current policy values;

-- transfer assets between investment options;

-- change the allocation of future premium payments;

-- change your address;

-- obtain service forms; and

-- reset your PIN.

IVR

The IVR is available 24 hours a day, seven days a week. Calls may be recorded for your protection.

The IVR enables you to

-- obtain current policy values;

-- transfer assets between investment options;

-- change the allocation of future premium payments;

-- request a loan on your policy; and

-- speak with one of our Customer Service Representatives Monday through Friday from 9:00 a.m. to 6:00 p.m. (Eastern Time).

By completing a Telephone Request Form, you can authorize a third party to access your policy information and to make fund transfers, allocation changes, and other permitted transactions through a Customer Service Representative. The Customer Service Representative will require certain identifying information (Social Security number, address of record, date of birth) before taking any requests or providing any information to ensure that the individual giving instructions is authorized.

NYLIAC does not permit current and former Registered Representatives to have authorization to request transactions on behalf of their clients. Authorization to these Registered Representatives will be limited to accessing policy information only.

IVR

The IVR is available 24 hours a day, seven days a week. Calls may be recorded for your protection.

The IVR enables you to

-- obtain current policy values;

-- transfer assets between investment options;

-- change the allocation of future premium payments;

-- request a loan on your policy; and

-- speak with one of our Customer Service Representatives Monday through Friday from 9:00 a.m. to 6:00 p.m. (Eastern Time).

By completing a Telephone Request Form, you can authorize a third party to access, through a Customer Service Representative, to your policy information and to make fund transfers, allocation changes and other permitted transactions. The Customer Service Representative will require certain identifying information (eg., Social Security number, address of record, date of birth) before taking any requests or providing any information to ensure that the individual giving instructions is authorized.

Faxed requests are not acceptable and will not be honored at any time. Additionally, we will not accept emails of imaged, signed service requests, other than those received through our Virtual Service Center that have passed all security protocols to identify the policy owner.

DEFINITION OF TERMS

ACCUMULATION UNIT: An accounting unit used to calculate the values under the policy held in the Separate Account.

ACCUMULATION VALUE: The value of Accumulation Units in the Investment Divisions of the Separate Account. The Accumulation Value is equal to the sum of the products of the current Accumulation Unit value(s) for each of the Investment Divisions multiplied by the number of Accumulation Units held in the respective Investment Divisions.

ALLOCATION ALTERNATIVES: The 29 Investment Divisions of the Separate Account and the Fixed Account.

BENEFICIARY: The person(s) or entity(ies) you name to receive insurance proceeds after the Insured dies.

BUSINESS DAY: Generally, any day that the New York Stock Exchange ("NYSE") is open for trading. Our Business Day ends at 4:00 p.m. Eastern Time or the closing of regular trading on the NYSE, if earlier.

CASH SURRENDER VALUE: An amount payable to you upon surrender of the policy. This amount is equal to the Cash Value less any surrender charges, any deferred contract charges, and any Policy Debt. However, for purposes of determining whether the policy lapses, any deferred contract charge will not be considered during the deferral period.

CASH VALUE: The sum of the Accumulation Value and the value in the Fixed Account.

ELIGIBLE PORTFOLIOS ("PORTFOLIOS"): The mutual fund portfolios of the Funds that are available for investment through the Investment Divisions of the Separate Account. Portfolios described in this prospectus are different from portfolios available directly to the general public. Investment results will differ.

FIXED ACCOUNT: The Allocation Alternative that credits interest at fixed rates subject to a minimum guarantee. Amounts in the Fixed Account are part of NYLIAC's general account, which is subject to the claims of its general creditors.

FUND: An open-end management investment company.

GUIDELINE ANNUAL PREMIUM: On the Policy Date, it is the annual premium for the benefits provided, based on guaranteed mortality and expense risk charges and an interest rate of 4%. It is the same as "guideline level premium," as defined in Section 7702 of the Internal Revenue Code.

INVESTMENT DIVISION: A division of the Separate Account. Each Investment Division invests exclusively in shares of a specified Eligible Portfolio.

ISSUE DATE: The day we approve and issue the policy.

MONTHLY DEDUCTION DAY: The date we deduct your monthly contract charge, cost of insurance charge, and any rider charges from your policy's Cash Surrender Value. The first Monthly Deduction Day will be the monthly anniversary of the Policy Date on or following the Issue Date.

POLICY DATA PAGE: Page 2 of the policy, which contains the policy specifications.

POLICY DATE: The date we use as the starting point for determining policy anniversaries, Policy Years, and Monthly Deduction Days. Your Policy Date will be the same as your Issue Date, unless you request otherwise. Generally, you cannot choose a Policy Date that is more than six months before your policy's Issue Date. You can find your Policy Date on the Policy Data Page.

POLICY DEBT: The amount of the obligation from a policyowner to NYLIAC from outstanding loans. This amount includes any loan interest accrued to date.

POLICY YEAR: The twelve-month period starting with the Policy Date, and each twelve-month period thereafter.

PRIMARY INSURED: The person who is insured under the base policy.

SEPARATE ACCOUNT: NYLIAC Variable Universal Life Separate Account-I, a segregated asset account NYLIAC established to receive and invest net premiums paid under the policies.

SURRENDER CHARGE GUIDELINE ANNUAL PREMIUM: Same as Guideline Annual Premium, except that the calculation assumes 5% interest rate, Life Insurance Benefit Option 1, and assumes that there are no riders. It is used for purposes of calculating surrender charges.

BASIC QUESTIONS AND ANSWERS ABOUT US AND OUR POLICY

1. WHAT ARE NYLIAC AND NEW YORK LIFE?

New York Life Insurance and Annuity Corporation ("NYLIAC") is a stock life insurance company incorporated in Delaware in 1980. NYLIAC is licensed to sell life, accident, and health insurance and annuities in the District of Columbia and all states. In addition to the policies described in this prospectus, NYLIAC offers other life insurance policies and annuities. This prospectus includes NYLIAC's financial statements.

NYLIAC is a wholly-owned subsidiary of New York Life Insurance Company ("New York Life"), a mutual life insurance company founded in New York in 1845. NYLIAC held assets of $65.8 billion at the end of 2004. New York Life has invested in NYLIAC, and may, in order to maintain capital and surplus in accordance with state requirements, occasionally make additional contributions to NYLIAC.

2. WHAT TYPE OF VARIABLE LIFE INSURANCE POLICY IS DESCRIBED BY THIS PROSPECTUS?

In this prospectus, we describe a flexible premium variable universal life insurance policy. The policy provides for a death benefit, Cash Surrender Value, loan privileges, and flexible premiums. It is called "flexible" because you may select the timing and amount of premiums and adjust the death benefit by increasing or decreasing the face amount (subject to certain restrictions). It is called "variable" because the death benefit may, and the Cash Surrender Value will, go up or down depending on the performance of the Investment Division(s) to which Cash Value is allocated.

The policy is a legal contract between you and NYLIAC. The entire contract consists of the policy, the application, and any riders to the policy.

3. HOW IS THE POLICY AVAILABLE FOR ISSUE?

The policy is no longer available for issue.

4. WHAT IS THE CASH VALUE OF THE POLICY?

The Cash Value is determined by (1) the amount and timing of premiums, (2) the investment experience of the Investment Divisions you selected, (3) the interest credited to amounts in the Fixed Account, and (4) any partial withdrawals and charges imposed on the policy. You bear the investment risk of any depreciation in value of the assets underlying the Investment Divisions, but you also reap the benefit of any appreciation in their value.

5. HOW IS THE VALUE OF AN ACCUMULATION UNIT DETERMINED?

We calculate an Accumulation Unit value each day that the New York Stock Exchange ("NYSE") is open for regular trading. We do this at the close of the NYSE (currently 4:00 p.m. Eastern Time). We determine the value of an Accumulation Unit by multiplying the value of that unit on the prior day when the NYSE was open by the net investment factor. The net investment factor we use to calculate the value of an Accumulation Unit is equal to:

$$(a/b) - c$$

Where:a = the sum of:

(1) the net asset value of a Portfolio share held in the Separate Account for that Investment Division determined at the end of the current day on which we calculate the Accumulation Unit value, plus

(2) the per share amount of any dividends or capital gain distributions made by the Portfolio for shares held on the Separate Account for that Investment Division if the

ex-dividend date occurs since the end of the immediately preceding day on which we calculate an Accumulation Unit value for that Investment Division.

b = the net asset value of a Portfolio share held in the Separate Account for that Investment Division determined as of the end of the immediately preceding day on which we calculated an Accumulation Unit value for that Investment Division.

c = a factor representing the mortality and expense risk charges and the administrative charges. This factor is deducted on a daily basis and is currently equal, on an annual basis, to .70% (.60% for mortality and expense risk and .10% for administrative charges) of the daily net asset value of a Portfolio share in the Separate Account for that Investment Division.

The net investment factor may be greater or less than one. Therefore, the value of an Accumulation Unit may increase or decrease.

6. WHAT IS A NET PREMIUM AND HOW IS IT APPLIED?

When you give us a premium payment, we deduct the sales expense, state tax, and federal tax charges from your premium. We call the remainder the "net premium". You may allocate this net premium among the 30 Allocation Alternatives. The Allocation Alternatives consist of 29 Investment Divisions and the Fixed Account. However, at any time, you can only have money in a maximum of 21 Allocation Alternatives, including the Fixed Account. The 29 Investment Divisions are listed on the first page of the prospectus.

7. WHAT IS THE FIXED ACCOUNT?

As an alternative to the Investment Divisions, you can allocate or transfer amounts to the Fixed Account. We will credit any amounts in the Fixed Account with a fixed interest rate, which we declare periodically in advance at our sole discretion. This rate will never be less than 4% per year. Interest accrues daily and is credited on each Monthly Deduction Day. All net premiums allocated or amounts transferred less amounts

withdrawn, transferred from, or charged against the Fixed Account receive the interest rate in effect at that time. Different rates may apply to loaned and unloaned funds.

8. HOW LONG WILL THE POLICY REMAIN IN FORCE?

The policy does not automatically terminate if you do not pay the scheduled premiums. Payment of these premiums does not guarantee the policy will remain in force. The policy terminates only when the Cash Surrender Value is insufficient to pay the policy's monthly deductions or when there is any outstanding Policy Debt that exceeds the Cash Value less surrender charges and deferred contract charge, and a late period expires without sufficient payment. In New York, policies issued on or after May 1, 1995 will terminate at the Insured's age 100. Additional provisions apply to policies with a Guaranteed Minimum Death Benefit rider. See ADDITIONAL PROVISIONS OF THE POLICY--ADDITIONAL BENEFITS PROVIDED BY RIDER--GUARANTEED MINIMUM DEATH BENEFIT RIDER.

9. IS THE AMOUNT OF THE DEATH BENEFIT GUARANTEED?

As long as the policy remains in force, the death benefit will be equal to the amount calculated under the applicable life insurance benefit option you selected, plus any death benefit payable on the Primary Insured under a rider, and less any Policy Debt. See DEATH BENEFIT UNDER THE POLICY. Additional provisions apply to policies with a Guaranteed Minimum Death Benefit rider. See ADDITIONAL PROVISIONS OF THE POLICY--ADDITIONAL BENEFITS PROVIDED BY RIDER--GUARANTEED MINIMUM DEATH BENEFIT RIDER.

10. IS THE DEATH BENEFIT SUBJECT TO INCOME TAXES?

The Beneficiary may generally exclude the death benefit paid under a policy from his/her gross income for federal income tax purposes. See FEDERAL INCOME TAX CONSIDERATIONS.

11. DOES THE POLICY HAVE A CASH SURRENDER VALUE?

You can surrender the policy at any time and receive its Cash Surrender Value. We also allow partial withdrawals subject to certain restrictions. The Cash Surrender Value of a policy fluctuates with the investment performance of the Investment Divisions in which the policy has Accumulation Value and the amount held in the Fixed Account. It may increase or decrease daily.

For federal income tax purposes, you are not usually taxed on increases in the Cash Surrender Value until you actually surrender the policy. However, you may be taxed on all or a part of the amount distributed for certain partial withdrawals and policy loans. See CASH VALUE AND CASH SURRENDER VALUE--CASH SURRENDER VALUE, AND FEDERAL INCOME TAX CONSIDERATIONS.

12. WHAT IS A MODIFIED ENDOWMENT CONTRACT?

A modified endowment contract is a life insurance policy under which the cumulative premiums paid during the first seven Policy Years are greater than the cumulative premiums payable under a hypothetical policy providing for guaranteed benefits upon the payment of seven level annual premiums. Certain changes to the policy can subject

it to retesting for a new seven-year period. If your policy is determined to be a modified endowment contract, any distributions during your lifetime, including collateral assignments, loans, and partial withdrawals are taxable if there is a gain in the policy. In addition, you may also incur a penalty tax if the distribution occurs when you are not yet age 59 1/2.

13. CAN THE POLICY BECOME A MODIFIED ENDOWMENT CONTRACT?

The policy can become a modified endowment contract. We currently test a policy at issue to determine whether it will be classified as a modified endowment contract. This at-issue test examines the policy for the first seven contract years. We base the test on the benefits applied for in the policy application and the initial premium requested, and on the assumption that there are no increases in premiums or changes in benefit structure during the period. We also have procedures to monitor whether a policy may become a modified endowment contract after issue. See FEDERAL INCOME TAX CONSIDERATIONS--MODIFIED ENDOWMENT CONTRACT STATUS.

14. WHAT PREMIUMS ARE PAYABLE?

The Policy Data Page shows the amount and interval of any scheduled premiums. A scheduled premium (also known as a planned premium) does not have to be paid to keep the policy in force if there is enough Cash Surrender Value to cover the charges made on the Monthly Deduction Day. You may increase or decrease the amount of any scheduled premium subject to the limits we set. However, you may not make a premium payment that would exceed the guideline premium limitations under Section 7702 of the Internal Revenue Code and jeopardize the policy's qualification as "life insurance". You may also change the frequency of premiums subject to our minimum premium rules. Scheduled premiums end on the policy anniversary on which the Insured is age 95.

15. WHAT ARE UNSCHEDULED PREMIUMS?

While the Insured is living, you can pay unscheduled premiums (also known as unplanned premiums) at any time before the policy anniversary on which the Insured is age 95. Any unscheduled premiums must equal at least $50. However, you may not make a premium payment that would exceed the guideline premium limitations under Section 7702 of the Internal Revenue Code and jeopardize the policy's qualification as "life insurance". Unscheduled premiums also include the proceeds of an exchange made in accordance with Section 1035 of the Internal Revenue Code. If an unscheduled premium would result in an increase in the death benefit greater than the increase in the Cash Value, we reserve the right to require proof of insurability before accepting that premium and applying it to the policy. We also reserve the right to limit the number and amount of any unscheduled premiums. In certain states, an unscheduled premium may be made once each Policy Year. For details see GENERAL PROVISIONS OF THE POLICY--PREMIUMS.

16. WHEN ARE PREMIUMS PUT INTO THE FIXED ACCOUNT OR THE SEPARATE ACCOUNT?

On the Business Day we receive a premium, we first deduct a sales expense charge not to exceed the amount shown on the Policy Data Page. We also deduct the state tax and federal tax charges. We then will apply the balance of the premium (the net premium) to the Separate Account and the Fixed Account, in accordance with your

allocation election in effect at the time when the premium is received. We will do this before any other deductions that may be due are made. (Deductions are described in greater detail in Question 18, "Are there charges against the policy?")

17. HOW ARE NET PREMIUMS ALLOCATED AMONG THE ALLOCATION ALTERNATIVES?

You can allocate net premiums to a maximum of 21 of the 30 Allocation Alternatives which include the 29 variable Investment Divisions plus the Fixed Account. You can also raise or lower the percentages of the net premium (which must be in whole number percentages) allocated to each Allocation Alternative at the time you make a premium payment. We will allocate net premiums in accordance with your instructions.

18. ARE THERE CHARGES AGAINST THE POLICY?

We deduct three charges from each premium, whether scheduled or unscheduled. A sales expense charge not to exceed 5% is used to partially cover sales expenses. We also deduct 2% and 1.25% for state tax and federal tax charges, respectively. We allocate each premium, net of these charges, to the Fixed Account or the Investment Divisions. Each becomes a part of the Cash Value. See CHARGES UNDER THE POLICY--DEDUCTIONS FROM PREMIUMS.

On each Monthly Deduction Day, we make the following deductions from the policy's Cash Surrender Value:

(a) A monthly contract charge not to exceed, on an annual basis, the amount shown on the Policy Data Page (In the first Policy Year, the excess of the monthly charge over the amount of the monthly charge applicable in renewal years is deferred to the earlier of the first policy anniversary or surrender of the policy. However, if the policy is surrendered in the first Policy Year, the full amount deferred is deducted.);

(b) The monthly cost of insurance; and

(c) The monthly cost for any riders attached to the policy.

We may also make a deduction for any temporary flat extras as set forth on the Policy Data Page. A temporary flat extra is a charge per $1,000 of the net amount at risk made against the Cash Value for the amount of time specified on the Policy Data Page. It is designed to cover the risk of substandard mortality experience which is not permanent in nature.

The Monthly Deduction Day is shown on the Policy Data Page. The first Monthly Deduction Day will be the monthly anniversary of the Policy Date on or following the Issue Date. Subsequent Monthly Deduction Days will be on each monthly anniversary of the Policy Date.

Some deductions are made on a daily basis against the assets of the Investment Divisions. We assess daily charges, calculated at an annual rate of ..60% and .10% of the value of the assets of each Investment Division, for mortality and expense risks and administrative charges, respectively. We may change the mortality and expense risk charge at our option subject to a maximum charge of .90%. Similarly, we may calculate tax assessments daily. Currently, we are not making any charges for income taxes, but we may make charges in the future against the Investment Divisions for federal income taxes attributable to them.

Additionally, the value of the shares of each Portfolio reflects advisory fees, administration fees, and other expenses deducted from the assets of each Portfolio. Upon a surrender or requested decrease in the policy's face amount, including decreases caused by a change in the life insurance benefit option, we assess a surrender charge. A partial withdrawal or a change in the life insurance benefit option may result in a decrease in face amount. We deduct the surrender charge from the Cash Value at the time of surrender or decrease.

Partial withdrawals of Cash Value are also subject to a charge not to exceed the lesser of $25 or 2% of the amount withdrawn. See CHARGES UNDER THE POLICY AND FEDERAL INCOME TAX CONSIDERATIONS.

19. WHAT IS THE LOAN PRIVILEGE?

Using the policy as sole security, you can borrow any amount up to the loan value of the policy. The loan value on any given date is equal to (i) 90% of the Cash Value, less applicable surrender charges and less any deferred contract charges, less (ii) any Policy Debt.

20. DO I HAVE A RIGHT TO CANCEL?

You have the right to cancel the policy at any time during the free look period and receive a refund. The free look period begins on the date you receive the policy. It ends 20 days later (or as otherwise required by state law). You may return the policy to one of the Variable Products Service Centers listed on the first page of this prospectus, to any of our agency offices, or to the registered representative who sold you the policy.

21. CAN THE POLICY BE EXCHANGED, OR CAN ALL AMOUNTS BE ALLOCATED TO THE FIXED ACCOUNT?

You have the right during the first two Policy Years to either (1) exchange the policy for a permanent fixed benefit policy we offer for this purpose, or (2) transfer all of the policy's Accumulation Value to the Fixed Account. Similar rights are available during the first two years after an increase in the policy's face amount. Policies issued in Colorado, Massachusetts, and New York have special rights when NYLIAC changes the objective of an Investment Division. See your policy for additional details, as well as EXCHANGE PRIVILEGE, and OUR RIGHTS.

22. HOW IS A PERSON'S AGE CALCULATED?

When we refer to a person's age on any date, we mean his or her age on the nearest birthday. However, the cost of insurance charges will be based on the Insured's age on the birthday nearest to the prior policy anniversary.

CHARGES UNDER THE POLICY

We deduct certain charges to compensate us for providing the insurance benefits under the policy, for any riders, for administering the policy, for assuming certain risks, and for incurring certain expenses in distributing the policy.

DEDUCTIONS FROM PREMIUMS

When we receive a premium, whether scheduled or unscheduled, we will deduct a sales expense charge not to exceed the amount shown on the Policy Data Page. We will also deduct a state tax charge, which is an amount equal to the expected average state tax, and a federal tax charge. The net premium will be applied to the Separate Account and Fixed Account in accordance with your allocation election in effect at that time, and before any other deductions which may be due are made.

SALES EXPENSE CHARGE

We will deduct a sales expense charge not to exceed 5% of any premium and in addition to the surrender charge (for a discussion of the surrender charge, see SURRENDER CHARGES). The sales expense charge is currently eliminated after the tenth Policy Year. We reserve the right to impose this charge after Policy Year 10. The amount of the sales expense charge in a Policy Year is not necessarily related to our actual sales expenses for that particular year. To the extent that sales expenses are not covered by the sales expense charge and the surrender charge, they will be recovered from NYLIAC's surplus, including any amounts derived from the mortality and expense risk charge or the cost of insurance charge. For a discussion of the commissions paid under the policy, see SALES AND OTHER AGREEMENTS.

STATE TAX CHARGE

Some jurisdictions impose a tax on the premiums insurance companies receive from their policyholders ranging from 0% to 3.5% of your premium payments. The tax may be higher in certain U.S. territories. We currently deduct a charge of 2% of all premiums we receive to cover these state taxes. This charge may not reflect the actual tax charged in your state. We may increase the amount we deduct as a state tax charge to reflect changes in applicable law. Our right to increase this charge is limited in some jurisdictions by law.

FEDERAL TAX CHARGE

NYLIAC's federal tax obligations will increase based upon premiums received under the policies. We deduct 1.25% of each premium to cover this federal tax charge. We reserve the right to increase this charge consistent with changes in applicable law and subject to any required approval of the Securities and Exchange Commission (the "SEC").

CASH VALUE CHARGES

On each Monthly Deduction Day, we deduct a monthly contract charge, a cost of insurance charge, and a rider charge for the cost of any additional riders from the Policy's Cash Surrender Value. The first Monthly Deduction Day will be the monthly

anniversary of your Policy Date on or following the Issue Date. If the Policy Date is prior to the Issue Date, the deductions made on the first Monthly Deduction Day will cover the period from the Policy Date until the first Monthly Deduction Day. We deduct these charges from the Accumulation Value and the value in the Fixed Account in proportion to the non-loaned Cash Value in the Separate Account and the Fixed Account.

EXPENSE ALLOCATION

With the Expense Allocation feature, you have the choice of how to allocate the policy expenses. These include monthly cost of insurance, monthly cost of any riders on the policy, and the monthly contract charge. You can instruct NYLIAC, at the time of the application and at any time thereafter, to have the expenses deducted from the MainStay VP Cash Management Investment Division, the Fixed Account, or a combination of both.

If the values in the MainStay VP Cash Management Investment Division and/or the Fixed Account are insufficient to pay these charges, we will deduct as much of the charges as possible. The remainder of the charges will be deducted proportionately from each of the Investment Divisions. If you do not instruct us how you would like the expenses allocated, these charges will be deducted proportionately from each of the Investment Divisions including any unloaned amount in the Fixed Account.

MONTHLY CONTRACT CHARGE

In the first Policy Year, there is a charge currently equal to $312 on an annual basis to compensate us for costs incurred in providing certain administrative services including premium collection, recordkeeping, processing claims, and communicating with policyowners. In subsequent Policy Years, the charge currently is equal to $84 on an annual basis. These charges are not designed to produce a profit. These charges may increase or decrease, but they will never exceed $324 on an annual basis in the first Policy Year and $96 in each subsequent Policy Year. These charges are deducted on each Monthly Deduction Day. In the first Policy Year, we will defer the deduction of the excess of the annual charge over the amount of the annual charge applicable in renewal years (currently $228) until the earlier of (1) the first policy anniversary or (2) the date you surrender the policy.

CHARGE FOR COST OF INSURANCE PROTECTION

On each Monthly Deduction Day, we will deduct a charge for cost of insurance protection from the Cash Surrender Value of your policy. This charge covers the cost of providing life insurance benefits to you.

The cost of insurance charge is calculated by adding any applicable flat extra charge (which might apply to certain insureds based on our underwriting) to the monthly cost of insurance rate that applies to the Primary Insured at that time and multiplying the result by the net amount at risk on the Monthly Deduction Day. The net amount at risk is based on the difference between the current life insurance benefit of your policy and the policy's Cash Value. Your cost of insurance charge will vary from month to month depending upon changes in the net amount at risk as well as the cost of insurance rate. We calculate the cost of insurance separately for the initial face amount and for any increase in face amount. If you request and we approve an increase

in your policy's face amount, then a different rate class (and therefore cost of insurance charge) may apply to the increase, based on the Primary Insured's age and circumstances at the time of the increase.

We base the monthly cost of insurance rate we apply to your policy on our current monthly cost of insurance rates. We may change these rates from time to time based on changes in future expectations of such factors as mortality, investment income, expenses, and persistency. However, the current rates will never be more than the guaranteed maximum rates shown on the Policy Data Page. If the Primary Insured is age 17 or under when the policy is issued, we base the guaranteed rates on the 1980 Commissioner's Standard Ordinary Mortality Table. If the Primary Insured is age 18 or higher when the policy is issued, and is in a standard or better underwriting class, we base the guaranteed rates on the 1980 Commissioner's Standard Ordinary Smoker and Nonsmoker Mortality Tables appropriate to the Primary Insured's underwriting class.

We base the guaranteed rates for policies that insure Primary Insureds in substandard underwriting classes on higher rates than for standard or better underwriting classes. We base the current monthly cost of insurance rates on such factors as the sex, underwriting class, and issue age of the Primary Insured and the Policy Year. Changes to the current monthly cost of insurance rates will be based on changes in future expectations of such factors as mortality, investment income, expenses, and persistency.

GUARANTEED MINIMUM DEATH BENEFIT RIDER CHARGE

If you elect this optional benefit, we will charge you an amount equal to $0.01 per $1000 multiplied by the sum of your policy's face amount and the face or benefit amount of any riders. In addition to that charge, a premium commitment is required to maintain this benefit; that premium amount is shown on the Policy Data Page.

OTHER RIDER CHARGES

Each month we will deduct any charges for any optional riders you have chosen.

SEPARATE ACCOUNT CHARGES

MORTALITY AND EXPENSE RISK CHARGE

We deduct on a daily basis a mortality and expense risk charge from each Investment Division to cover our mortality and expense risk. The mortality risk we assume is that the group of lives insured under our policies may, on average, live for shorter periods of time than we estimated. The expense risk we assume is that our costs of issuing and administering policies may be more than we estimated. If these charges are insufficient to cover assumed risks, the loss will be deducted from NYLIAC's surplus. Conversely, if the charge proves more than sufficient, any excess will be added to the NYLIAC surplus. We may use these funds for any corporate purpose, including expenses relating to the sale of the policies, to the extent that surrender charges do not adequately cover sales expenses.

- Current Mortality and Expense Risk Charge -- We currently deduct on a daily basis a mortality and expense risk charge that is equal to an annual rate of 0.60% of the average daily net asset value of each Investment Division.

- Guaranteed Mortality and Expense Risk Charge -- While we may change the mortality and expense risk charge we deduct, we guarantee that this charge will never be more than an annual rate of 0.90% of the average daily net asset value of each Investment Division.

ADMINISTRATIVE CHARGE

We charge the Investment Divisions a daily charge for providing policy administrative services equal, on an annual basis, to 0.10% of the average daily net asset value of the Separate Account. This charge is not designed to produce a profit and is guaranteed not to increase.

OTHER CHARGES FOR FEDERAL INCOME TAXES

We do not currently make any charge against the Investment Divisions for federal income taxes attributable to them. However, we reserve the right to make such a charge to provide for the future federal income tax liability of the Investment Divisions. For more information on charges for federal income taxes, see FEDERAL INCOME TAX CONSIDERATIONS.

LOAN CHARGES

We currently charge an effective annual loan interest rate of 6.00% for all policies on and after May 19, 2000 and for all new and existing loans on their policy anniversaries following May 19, 2000, which is payable in arrears. We may increase or decrease this rate but we guarantee that the rate will never exceed 8.00%. When you request a loan, a transfer of funds will be made from the Separate Account to the Fixed Account so that the Cash Value in the Fixed Account is at least 106% of the requested loan plus any outstanding loans, including accrued loan interest. This percentage will change in accordance with changes in the loan interest rate, but will never exceed 108%.

When you take a loan against your policy, the loaned amount we hold in the Fixed Account may earn interest at a different rate from the rate we charge you for loan interest. Currently, the amount in the Fixed Account, which is collateral for an outstanding loan, is credited with interest at a rate that is 1% less than the effective annual loan interest rate during the first 10 Policy Years and 0.5% less than the effective rate in subsequent Policy Years. The rate we credit on loaned amounts will never be less than 2.00% less than the rate we charge for policy loans. We guarantee that the interest rate we credit on loaned amounts will always be at least 4.00%. (See "Policy Loan Privilege" for more information.)

FUND CHARGES

Each Investment Division of the Separate Account purchases shares of the corresponding Portfolio at net asset value. The net asset value reflects the investment advisory fees and other expenses that are deducted from the assets of the Portfolio. The advisory fees and other expenses are not fixed or specified under the terms of the policy, and they may vary from year to year. These fees and expenses are described in the Funds' prospectuses. The following chart reflects fees and charges that are provided by the Funds or their agents, which are based on 2004 expenses and may reflect estimated charges:

The chart on the following three pages summarizes the 2004 Separate Account charges applicable to a policy, as well as the charges at the Fund level:
<Table>
<Caption>

	MAINSTAY VP	MAINSTAY VP	MAINSTAY VP

	MAINSTAY VP BALANCED--INITIAL CLASS	BASIC VALUE(B)--INITIAL CLASS	MAINSTAY VP BOND--INITIAL CLASS	CAPITAL APPRECIATION--INITIAL CLASS	MAINSTAY VP CASH MANAGEMENT	COMMON STOCK--INITIAL CLASS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
SEPARATE ACCOUNT ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)						
Mortality and Expense Risk Charges.......	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Administrative Charges............	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Total Separate Account Annual Expenses...........	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
FUND ANNUAL EXPENSES(A) (as a % of average net assets for the fiscal year ended December 31, 2004)						
Advisory Fees........	0.55%	0.60%(d)	0.25%	0.36%	0.25%(e)	0.25%
Administration Fees...............	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Other Expenses.......	0.11%(c)	0.16%	0.09%	0.09%	0.10%	0.08%
Total Fund Annual Expenses...........	0.86%	0.96%	0.54%	0.65%	0.55%	0.53%

<Caption>

	MAINSTAY VP CONVERTIBLE--INITIAL CLASS	MAINSTAY VP FLOATING RATE--INITIAL CLASS	MAINSTAY VP GOVERNMENT--INITIAL CLASS	MAINSTAY VP GROWTH(B)--INITIAL CLASS	MAINSTAY VP HIGH YIELD CORPORATE BOND--INITIAL CLASS
<S>	<C>	<C>	<C>	<C>	<C>
SEPARATE ACCOUNT ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)					
Mortality and Expense Risk Charges.......	0.60%	0.60%	0.60%	0.60%	0.60%
Administrative Charges............	0.10%	0.10%	0.10%	0.10%	0.10%
Total Separate Account Annual Expenses...........	0.70%	0.70%	0.70%	0.70%	0.70%
FUND ANNUAL EXPENSES(A) (as a % of average net assets for the fiscal year ended December 31, 2004)					
Advisory Fees........	0.36%	0.40%	0.30%	0.50%(e)	0.30%
Administration Fees...............	0.20%	0.20%	0.20%	0.20%	0.20%
Other Expenses.......	0.10%	0.19%(c)	0.09%	0.15%	0.09%
Total Fund Annual Expenses...........	0.66%	0.79%	0.59%	0.85%	0.59%

</Table>

(a) The Fund or its agents provided the fees and charges, which are based on 2004 expenses and may reflect estimated charges. We have not verified the accuracy of the information provided by the agents.

(b) MainStay VP Basic Value was formerly known as "MainStay VP Dreyfus Large Company Value," MainStay VP Income and Growth was formerly known as "MainStay VP American Century Income & Growth," and MainStay VP Growth was formerly known as "MainStay VP Eagle Asset Management Growth Equity."

(c) The Portfolio's Other Expenses are based upon estimates of the expenses that the Portfolio will incur for the current fiscal year.

(d) The Advisory fee for the Portfolio is an annual percentage of the Fund's average daily net assets as follows: 0.60% up to $250 million and 0.55% in excess of $250 million. NYLIM has voluntarily agreed to waive its Management fee to 0.55% on assets up to $250 million and 0.50% on assets in excess of $250 million. If NYLIM's voluntary waiver had been in effect for the fiscal period ended December 31, 2004, the Management fee would have been 0.91% and Total Portfolio Operating Expenses would have been 1.16% for Initial Class Shares and 1.00% for Service Class Shares. This waiver may be discontinued at any time without notice.

(e) The Advisory fee for the Portfolio is an annual percentage of the Fund's average daily net assets as follows: 0.25% up to $500 million and 0.20% in excess of $500 million.

<Table>
<Caption>

<S>	MAINSTAY VP INCOME & GROWTH(B)-- INITIAL CLASS <C>	MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS <C>	MAINSTAY VP MID CAP CORE-- INITIAL CLASS <C>	MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS <C>	MAINSTAY VP MID CAP VALUE-- INITIAL CLASS <C>	MAINSTAY VP SMALL CAP GROWTH-- INITIAL CLASS <C>
SEPARATE ACCOUNT ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)						
Mortality and Expense Risk Charges	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Administrative Charges	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Total Separate Account Annual Expenses	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
FUND ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)(a)						
Advisory Fees	0.50%(f)	0.60%	0.85%(g)	0.75%(g)	0.70%(g)	0.90%(g)
Administration Fees	0.20%	0.20%	0.00%(g)	0.00%(g)	0.00%(g)	0.00%(g)
Other Expenses	0.20%	0.19%	0.19%	0.13%	0.11%	0.14%
Total Fund Annual Expenses	0.90%	0.99%	1.04%(h)	0.88%(h)	0.81%(h)	1.04%(h)

<Caption>

<S>	MAINSTAY VP S&P 500 INDEX-- INITIAL CLASS <C>	MAINSTAY VP TOTAL RETURN-- INITIAL CLASS <C>	MAINSTAY VP VALUE-- INITIAL CLASS <C>
SEPARATE ACCOUNT ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)			
Mortality and Expense Risk Charges	0.60%	0.60%	0.60%
Administrative Charges	0.10%	0.10%	0.10%
Total Separate Account Annual Expenses	0.70%	0.70%	0.70%
FUND ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)(a)			
Advisory Fees	0.10%(i)	0.32%	0.36%
Administration Fees	0.20%	0.20%	0.20%
Other Expenses	0.09%	0.10%	0.09%
Total Fund Annual Expenses	0.39%	0.62%	0.65%

</Table>

(f) The Advisory fee for the Portfolio is an annual percentage of the Fund's average daily net assets as follows: 0.50% up to $100 million, 0.45% from $100 million to $200 million and 0.40% in excess of $200 million.

(g) The fees designated as "Advisory Fees" reflect "Management Fees," which include both Advisory Fees and Administrative Fees for this Investment Division. Effective January 1, 2005, MainStay VP Small Cap Growth's Management Fee was reduced from 1.00% to 0.90%.

(h) NYLIM has voluntarily agreed to waive fees and/or reimburse the Portfolios for certain expenses so that Total Portfolio Operating Expenses do not exceed 0.98% of average daily net assets for MainStay VP Mid Cap Core, 0.97% for MainStay VP Mid Cap Growth, 0.89% for MainStay VP Mid Cap Value, and 0.95% for MainStay VP Small Cap Growth. For the fiscal period ended December 31, 2004, the Management Fee paid by MainStay VP Mid Cap Core was 0.79%, and Total Portfolio Operating Expenses for MainStay VP Mid Cap Core were 0.98%. For the fiscal period ended December 31, 2004, the Management Fee paid by MainStay VP Small Cap Growth was 0.81% and Total Portfolio Operating Expenses for MainStay VP Small Cap Growth were 0.95%. These agreements may be terminated by NYLIM at any time.

(i) The Advisory Fee for the Portfolio is an annual percentage of the Fund's average daily net assets as follows: 0.10% up to $1 billion and 0.075% in excess of $1 billion.

	ALGER AMERICAN SMALL CAPITALIZATION -- CLASS O SHARES	CALVERT SOCIAL BALANCED PORTFOLIO	DREYFUS IP TECHNOLOGY GROWTH --INITIAL SHARES	FIDELITY(R) VIP CONTRAFUND(R)-- INITIAL CLASS	FIDELITY(R) VIP EQUITY-INCOME-- INITIAL CLASS	JANUS ASPEN SERIES BALANCED-- INSTITUTIONAL SHARES
SEPARATE ACCOUNT ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)						
Mortality and Expense Risk Charges.......................	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Administrative Charges..........	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Total Separate Account Annual Expenses......................	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
FUND ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)(a)						
Advisory Fees...................	0.85%	0.425%	0.75%	0.57%	0.47%	0.55%
Administration Fees.............	0.00%	0.275%	0.00%	0.00%	0.00%	0.00%
Other Expenses..................	0.12%	0.21%	0.10%	0.11%	0.11%	0.01%
Total Fund Annual Expenses......	0.97%	0.91%(a)	0.85%	0.68%(j)	0.58%(j)	0.56%(k)

	JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES	T. ROWE PRICE EQUITY INCOME PORTFOLIO	VAN KAMPEN UIF EMERGING MARKETS EQUITY-- CLASS I
SEPARATE ACCOUNT ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)			
Mortality and Expense Risk Charges.......................	0.60%	0.60%	0.60%
Administrative Charges..........	0.10%	0.10%	0.10%
Total Separate Account Annual Expenses......................	0.70%	0.70%	0.70%
FUND ANNUAL EXPENSES (as a % of average net assets for the fiscal year ended December 31, 2004)(a)			
Advisory Fees...................	0.60%	0.85%	1.25%
Administration Fees.............	0.00%	0.00%	0.00%
Other Expenses..................	0.03%	0.00%	0.46%
Total Fund Annual Expenses......	0.63%(k)	0.85%(l)	1.71%(m)

(j) A portion of the brokerage commissions that the Fund pays may be reimbursed and used to reduce the Fund's expenses. In addition, through arrangements with the Fund's custodian, credits realized as a result of uninvested cash balances are used to reduce the Fund's custodian expenses. Including these reductions, the total class operating expenses would have been 0.66% for Fidelity(R) VIP Contrafund(R) and 0.57% for Fidelity(R) VIP Equity-Income. (See "Net Expense Ratio after FMR Reimbursement and Reductions" column for class' %.) These offsets may be discontinued at any time.

(k) All of the fees and expenses shown were determined based on net assets as of the fiscal year ended December 31, 2004, restated to reflect reductions in the Portfolio's management fees, effective July 1, 2004.

(l) The portfolio pays T. Rowe Price an annual fee that includes investment management services and ordinary, recurring operating expenses, but does not cover interest, taxes, extraordinary items, or fees and expenses for the portfolio's independent directors. The fee is based on portfolio average daily net assets and is calculated and accrued daily.

(m) Effective November 1, 2004, the Adviser has voluntarily agreed to limit the ratio of expenses to average net assets to the maximum ratio, excluding certain investment related expenses such as foreign country tax expenses and interest on borrowing, of 1.65% for Class I shares.

SURRENDER CHARGES

During the first 15 Policy Years, we will deduct a surrender charge from the Cash Value of your policy on a complete surrender or decrease in face amount, including decreases caused by a change in the life insurance benefit option or partial withdrawals on policies with Life Insurance Benefit Option 1. This surrender charge is in addition to the sales expense charge. See CHARGES UNDER THE POLICY--SALES EXPENSE CHARGE.

The maximum surrender charge is equal to the applicable percentage shown in the table below multiplied by 50% of the Surrender Charge Guideline Annual Premium. The maximum surrender charge for your policy is shown on the Policy Data Page. The maximum surrender charge will never exceed the amount of premiums paid.

The surrender charge in the first Policy Year is equal to:

(A) 25% of premiums paid to date up to the Surrender Charge Guideline Annual Premium for the first year; plus

(B) 5% of premiums paid in that year that are in excess of the Surrender Charge Guideline Annual Premium for the first year, but not in excess of the sum of the Surrender Charge Guideline Annual Premium through the sixth Policy Year.

The surrender charge in and after the second Policy Year is equal to the applicable percentage shown in the table below multiplied by the Base Surrender Charge. The Base Surrender Charge is equal to:

(A) 25% of the lesser of (i) the premiums paid to date or (ii) the Surrender Charge Guideline Annual Premium for the first Policy Year; plus

(B) 5% of the lesser of (i) premiums paid in excess of the Surrender Charge Guideline Annual Premium for the first Policy Year or (ii) the sum of the Surrender Charge Guideline Annual Premiums for the first six Policy Years minus the Surrender Charge Guideline Annual Premium for the first Policy Year.

YEAR	PERCENTAGE APPLIED
2-6	100%
7	90%
8	80%
9	70%
10	60%
11	50%
12	40%
13	30%
14	20%
15	10%
16+	0%

During the first two Policy Years, the surrender charge is further limited to the sum of:

(A) 30% of all premiums paid during the first two Policy Years up to one Surrender Charge Guideline Annual Premium; plus

(B) 10% of all premiums in the first two Policy Years in excess of one Surrender Charge Guideline Annual Premium, but not more than two Surrender Charge Guideline Annual Premiums; plus

(C) 9% of all premium payments in the first two Policy Years in excess of two Surrender Charge Guideline Annual Premiums; less

(D) any sales expense charges deducted from such premiums; less

(E) any surrender charge previously deducted.

Surrender charges and surrender charge periods are calculated separately for the initial face amount and for each increase in the face amount, except ones caused by a change in the life insurance benefit option. Premium payments after an increase will be allocated between the initial face amount and the increase based on the relative Surrender Charge Guideline Annual Premiums. A decrease in face amount will result in the imposition of a surrender charge equal to the difference between the surrender charge that would have been payable on a complete surrender prior to the decrease and the surrender charge that would be payable on a complete surrender after the decrease.

For example, assume a policy with a $100,000 face amount is to be decreased to a $50,000 face amount. If a complete surrender of the policy prior to the decrease would result in a surrender charge of $1,250, and a complete Surrender of the $50,000 remaining face amount after the decrease would result in a surrender charge of $750, the surrender charge imposed in connection with the decrease will be $500 ($1,250-$750). Where, because of increases in face amount, there are multiple schedules of surrender charges, the charge applied will be based first on the surrender charge associated with the last increase in face amount, then on each prior increase, in the reverse order in which the increases occurred, and then to the initial face amount.

The percentages specified above and/or the Policy Year that the surrender charge is reduced may vary for individuals having a life expectancy of less than 20 years either at the time the policy is issued or the face amount is increased.

Surrender charges may be significant upon early surrender. You should not purchase this policy unless you intend to hold the policy for an extended period of time.

EXCEPTIONS TO SURRENDER CHARGE

There are a number of exceptions to the imposition of a surrender charge, including but not limited to, cancellation of a policy by us, the payment of proceeds upon the death of the Insured, or a required Internal Revenue Code minimum distribution for the policy.

OTHER CHARGES

PARTIAL WITHDRAWAL CHARGE

If you make a partial withdrawal, we will charge a processing fee not to exceed the lesser of $25 or 2% of the amount withdrawn. If the partial withdrawal results in a decrease to your policy's face amount, we will deduct a surrender charge. See PARTIAL WITHDRAWALS.

TRANSFER CHARGE

We may impose a charge up to $30 per transfer for each transfer after the first twelve in any Policy Year. See CASH VALUE AND CASH SURRENDER VALUE--TRANSFERS.

HOW THE POLICY WORKS

This example assumes a 6% hypothetical gross annual investment return and current charges in the first Policy Year. It assumes a male insured issue age 35, a Scheduled Annual Premium of $3,000, an initial face amount of $250,000, and a selection of life insurance benefit option 1 by the policyowner. There is no guarantee that the current charges illustrated below will not change.

<Table>

<S>	<C>	<C>
Scheduled Annual Premium		$3,000.00
less:	Sales expense charge (5%)	150.00
	State tax charge (2%)	60.00
	Federal tax charge (1.25%)	37.50
equals:	Net premium	$2,752.50
plus:	Net investment performance (varies daily)	111.26
less:	Monthly contract charges ($7 per month currently)	84.00
less:	Charges for cost of insurance (varies monthly)	384.70
equals:	Cash Value	$2,395.06
less:	Surrender charge (25% of premium up to Surrender Charge Guideline Annual Premium plus 5% of excess premiums paid)	750.00
less:	Balance of first year monthly contract charge(1)	228.00
equals:	Cash Surrender Value(at end of year 1)	$1,417.06

</Table>

----

(1) In the first Policy Year, the excess of the annual charge over the annual charge applicable in renewal years is advanced to your Accumulation Value, and deduction is deferred to the earlier of the first policy anniversary or surrender of the policy.

THE SEPARATE ACCOUNT

NYLIAC Variable Universal Life Separate Account-I is a segregated asset account NYLIAC established to receive and invest your net premiums.

NYLIAC established the Separate Account on June 4, 1993 under the laws of Delaware, in accordance with the resolutions set forth by the NYLIAC Board of Directors. The Separate Account is registered as a unit investment trust with the SEC under the Investment Company Act of 1940. This registration does not mean that the SEC supervises the management or the investment practices or policies of the Separate Account.

Although the assets of the Separate Account belong to NYLIAC, these assets are held separately from the other assets of NYLIAC, and under applicable insurance law, cannot be charged for liabilities incurred in any other business operations of NYLIAC (except to the extent that assets in the Separate Account exceed the reserves and other liabilities of the Separate Account). These assets are not subject to the claims of our general creditors. The income, capital gains, and capital losses incurred on the assets of the Separate Account are credited to or are charged against the assets of the Separate Account, without regard to the income, capital gains, or capital losses arising out of any other business NYLIAC may conduct. Therefore, the investment performance

of the Separate Account is entirely independent of both the investment performance of NYLIAC's Fixed Account and the performance of any other Separate Account. The obligations under the policies are obligations of NYLIAC.

The Separate Account currently consists of 29 Investment Divisions available under this policy. The Investment Divisions invest exclusively in the corresponding Eligible Portfolios of the Funds. The income, capital gains, and capital losses incurred on the assets of an Investment Division are credited to or are charged against the assets of the Investment Division, without regard to the income, capital gains, or capital losses of any other Investment Division. The Investment Divisions of the Separate Account are designed to provide money to pay benefits under your policy, but they do not guarantee a minimum rate of return or protect against asset depreciation. They will fluctuate up and down depending on performance of the Eligible Portfolios.

FUNDS AND ELIGIBLE PORTFOLIOS

The portfolios of each Fund eligible for investment, along with their advisers and investment objectives, are listed in the following table. For more information about each of these portfolios, please read their prospectuses, which are found at the end of the policy's prospectus.

We receive payments or compensation from some or all of the Funds or their investments advisers, or from other service providers of the Funds (who may be affiliates of NYLIAC) in connection with administration, distribution and other services we provide with respect to the Eligible Portfolios and their availability through the policies. The amounts we receive, if any, may be substantial, may vary by Eligible Portfolio, and may depend on how much policy value is invested in the particular Eligible Portfolio or Fund. Currently, we receive payments or revenue under various arrangements in amounts ranging from 0.05% to 0.25% annually of the aggregate net asset value of the shares of some of the Eligible Portfolios held by the Investment Divisions. The compensation that your registered representative receives remains the same regardless of which Investment Divisions you choose or the particular arrangements applicable to those Investment Divisions.

<Table>
<Caption>

FUND	INVESTMENT ADVISER	INVESTMENT OBJECTIVE
<S>	<C>	<C>
MainStay VP Series Fund, Inc.:	Adviser: New York Life Investment Management LLC ("NYLIM")	
--MainStay VP Balanced --Initial Class	Subadviser: NYLIM	- Seeks high total return.
--MainStay VP Basic Value-- Initial Class (formerly MainStay VP Dreyfus Large Company Value--Initial Class)	Subadviser: The Dreyfus Corporation ("Dreyfus")	- Capital appreciation.
--MainStay VP Bond-- Initial Class	NYLIM	- Seeks highest income over the long term consistent with preservation of principal.

</Table>

<Table>
<Caption>

FUND	INVESTMENT ADVISER	INVESTMENT OBJECTIVE
<S>	<C>	<C>
MainStay VP Series Fund, Inc. (continued):		

--MainStay VP Capital Appreciation--Initial Class	Subadviser: MacKay Shields LLC ("MacKay")	- Seeks long-term growth of capital. Dividend income, if any, is an incidental consideration.
--MainStay VP Cash Management	Subadviser: MacKay	- Seeks as high a level of current income as is considered consistent with the preservation of capital and liquidity.
--MainStay VP Common Stock--Initial Class	NYLIM	- Seeks long-term growth of capital, with income as a secondary consideration.
--MainStay VP Convertible--Initial Class	Subadviser: MacKay	- Seeks capital appreciation together with current income.
--MainStay VP Floating Rate--Initial Class	Subadviser: NYLIM	- Seeks to provide high current income.
--MainStay VP Government--Initial Class	Subadviser: MacKay	- Seeks a high level of current income, consistent with safety of principal.
--MainStay VP Growth--Initial Class (formerly, MainStay VP Eagle Asset Management Growth Equity--Initial Class)	Subadviser: Eagle Asset Management, Inc.	- Seeks growth through long-term capital appreciation.
--MainStay VP High Yield Corporate Bond--Initial Class	Subadviser: MacKay	- Maximize current income through investment in a diversified portfolio of high yield, high risk debt securities which are ordinarily in the lower rating categories of recognized rating agencies (that is, rated Baa to B by Moody's or BBB to B by S&P). Capital appreciation is a secondary objective.
--MainStay VP Income & Growth--Initial Class (formerly, MainStay VP American Century Income Growth--Initial Class)	Subadviser: American Century Investment Management, Inc.	- Dividend growth, current income and capital appreciation.
--MainStay VP International Equity--Initial Class	Subadviser: MacKay	- Seeks long-term growth of capital by investing in a portfolio consisting primarily of non-U.S. equity securities. Current income is a secondary objective.
--MainStay VP Mid Cap Core--Initial Class	NYLIM	- Seeks long-term growth of capital by investing primarily in common stocks of U.S. companies with market capitalizations similar to those companies in the Russell Midcap(R) Index.
--MainStay VP Mid Cap Growth--Initial Class	Subadviser: MacKay	- Seeks long-term growth of capital by investing primarily in common stocks of U.S. companies with market capitalizations similar to those companies in the Russell Mid Cap Growth Index.
--MainStay VP Mid Cap Value--Initial Class	Subadviser: MacKay	- Realize maximum long-term total return from a combination of capital appreciation and income.
--MainStay VP S&P 500 Index--Initial Class	NYLIM	- Seeks to provide investment results that correspond to the total return performance (and reflect reinvestment of dividends) of publicly traded common stocks represented by the S&P 500(R) Index.

</Table>

<Table>
<Caption>

FUND	INVESTMENT ADVISER	INVESTMENT OBJECTIVE
<S>	<C>	<C>
MainStay VP Series Fund, Inc. (continued):		
--MainStay VP Small Cap Growth--Initial Class	Subadviser: MacKay	- Seeks long-term capital appreciation by investing primarily in equities of

		companies with market capitalizations similar to those in the Russell 2000(R) Index.
--MainStay VP Total Return--Initial Class	Subadviser: MacKay	- Seeks current income consistent with reasonable opportunity for future growth of capital and income.
--MainStay VP Value--Initial Class	Subadviser: MacKay	- Realize maximum long-term total return from a combination of capital growth and income.
The Alger American Fund:		
--Alger American Small Capitalization--Class O Shares	Fred Alger Management, Inc.	- Long-term capital appreciation by focusing on small, fast-growing companies that offer innovative products, services or technologies to a rapidly expanding marketplace.
Calvert Variable Series, Inc.:		
--Calvert Social Balanced Portfolio	Adviser: Calvert Asset Management Company, Inc. Subadvisers: Brown Capital Management, Inc. and SsgA Funds Management, Inc., New Amsterdam Partners, LLC	- CVS Social Balanced seeks to achieve a competitive total return through an actively managed Portfolio of stocks, bonds and money market instruments which offer income and capital growth opportunity and which satisfy the investment and social criteria.
Dreyfus Investment Portfolios:		
--Dreyfus IP Technology Growth Initial Shares	The Dreyfus Corporation	- The Portfolio seeks capital appreciation. To pursue this goal, the Portfolio normally invests at least 80% of its assets in the stocks of growth companies of any size that Dreyfus believes to be leading producers or beneficiaries of technological innovation.
Fidelity Variable Insurance Products Fund:		
--Fidelity(R) VIP Contrafund(R) Initial Class	Adviser: Fidelity Management & Research Company Subadvisers: FMR Co., Inc. ("FMRC") Fidelity Management & Research (UK) Inc. Fidelity Management & Research (Far East) Inc. Fidelity Investments Japan Limited	- Seeks long-term capital appreciation.
--Fidelity(R) VIP Equity-Income(R) Initial Class	Subadviser: FMRC	- Seeks reasonable income by investing primarily in income-producing equity securities. In choosing these securities, the Fund will also consider the potential for capital appreciation. The Fund's goal is to achieve a yield that exceeds the composite yield on the securities comprising the S&P 500(R).

</Table>

<Table>
<Caption>

FUND	INVESTMENT ADVISER	INVESTMENT OBJECTIVE
<S>	<C>	<C>
Janus Aspen Series:		
--Janus Aspen Series Balanced Institutional Shares	Janus Capital Management LLC	- Long-term capital growth, consistent with the preservation of capital and balanced by current income.
--Janus Aspen Series Worldwide Growth--Institutional Shares		- Long-term growth of capital in a manner consistent with the preservation of capital.

T. Rowe Price Equity Series, Inc.:		
--T. Rowe Price Equity Income Portfolio	T. Rowe Price Associates, Inc.	- Seeks to provide substantial dividend income and also long-term capital appreciation through investments in common stocks of established companies.
The Universal Institutional Funds, Inc.:		
--Van Kampen UIF Emerging Markets Equity--Class I	Van Kampen*	- Long-term capital appreciation by investing primarily in growth-oriented equity securities of companies in emerging market countries.

</Table>

----

* Morgan Stanley Investment Management, Inc., the investment adviser to the UIF portfolios, does business in certain instances using the name "Van Kampen."

You are responsible for choosing the Investment Divisions, and the amounts allocated to each, that are appropriate for your own individual circumstances and your investment goals, financial situation, and risk tolerance. Decisions regarding investment allocations should be carefully considered. YOU BEAR THE RISK OF ANY DECLINE IN THE VALUE OF YOUR POLICY RESULTING FROM THE PERFORMANCE OF THE PORTFOLIOS YOU HAVE CHOSEN.

In making your investment selections, we encourage you to thoroughly investigate all of the information regarding the Eligible Portfolios that is available to you, including each Fund's prospectus, statement of additional information, and annual and semi/annual reports. Other sources such as the Fund's website or newspapers and financial and other magazines provide more current information, including information about any regulatory actions or investigations relating to a Fund or Eligible Portfolio. After you select Investment Divisions for your initial premium, you should monitor and periodically re-evaluate your allocations to determine if they are still appropriate.

NYLIAC does not provide investment advice and does not recommend or endorse any particular Portfolio or Portfolios.

The Funds' shares may also be available to certain separate accounts we use to fund our variable annuity policies. This is called "mixed funding." Except for the MainStay VP Series Fund, shares of all other Funds may be available to separate accounts of insurance companies that are not affiliated with NYLIAC and, in certain instances, to qualified plans. This is called "shared funding." Although we do not anticipate that any difficulties will result from mixed and shared funding, it is possible that differences in tax treatment and other considerations may cause the interests of owners of various contracts participating in the Funds to be in conflict. The Board of Directors/Trustees of each Fund, each Fund's investment advisers, and NYLIAC are required to monitor events to identify any material conflicts that arise from the use of the

Funds for mixed and shared funding. In the event of a material conflict, we could be required to withdraw from an Eligible Portfolio. For more information about the risks of mixed and shared funding please refer to the relevant Fund prospectus.

ADDITIONS, DELETIONS, OR SUBSTITUTIONS OF INVESTMENTS

We may add, delete, or substitute the Eligible Portfolio shares held by any Investment Division, within certain limits. We may eliminate the shares of any of the Eligible Portfolios and substitute shares of another portfolio of a Fund, or of another registered open-end management investment company or other investment vehicles. We may do this if the shares of the Eligible Portfolios are no longer available for investment or, if we, at our sole discretion, decide that investment in an Eligible Portfolio is inappropriate given the purposes of the Separate Account. The new Eligible Portfolios may have higher fees and charges than the ones they replaced. We will not substitute shares attributable to your interest in an Investment Division until you have been notified of the change, as required by the Investment Company Act of 1940, and we obtain any necessary regulatory approvals.

The Separate Account may purchase other securities for other series or classes of policies, or may convert between series or classes of policies based on your request.

In the future, we may establish additional Investment Divisions for the Separate Account. Each additional Investment Division will purchase shares in a new portfolio of a Fund or in another mutual fund. We may establish new Investment Divisions and/or eliminate one or more Investment Divisions when marketing, tax, investment, or other conditions make it appropriate. We may decide whether or not the new Investment Divisions will be made available to existing policyowners.

If we make a substitution or change to the Investment Divisions, we may change your policy to reflect such substitution or change. We also reserve the right to: (a) operate the Separate Account as a management company under the Investment Company Act of 1940, (b) deregister it under such Act in the event such registration is no longer required, (c) combine the Separate Account with one or more other separate accounts, and (d) restrict or eliminate the voting rights of persons having voting rights as to the Separate Accounts, as permitted by law.

REINVESTMENT

We automatically reinvest all dividends and capital gain distributions from Eligible Portfolios in additional shares of the distributing Portfolio at their net asset value on the date they are paid.

OTHER POLICIES

We offer other variable life insurance policies which also may invest in the same (or many of the same) Eligible Portfolios offered under this Policy. These policies have different charges that could affect their Investment Divisions' performance, and they offer different benefits.

GENERAL PROVISIONS OF THE POLICY

This section of the prospectus describes the general provisions of the policy, and is subject to the terms of the policy. You may review a copy of the policy upon request.

WHEN LIFE INSURANCE COVERAGE BEGINS

If you have coverage under a conditional temporary coverage agreement and if the policy is issued, the policy will replace the temporary coverage. Your coverage under the policy will be deemed to have commenced on the Policy Date.

In all other cases, if the policy is issued, coverage under the policy will take effect when we receive the premium payment that you are required to make when the policy is delivered to you.

PREMIUMS

You can allocate a portion of each net premium to one or more Investment Divisions and the Fixed Account. You can have money in a maximum of 21 Allocation Alternatives, including the Fixed Account, at any given time. You select a premium payment schedule in the application and are not bound by an inflexible premium schedule. However, in no event can the premium be an amount that would exceed the guideline premium limitations under Section 7702 of the Internal Revenue Code and jeopardize the policy's qualification as "life insurance". ACCEPTANCE OF INITIAL AND ADDITIONAL PREMIUM PAYMENTS IS SUBJECT TO OUR SUITABILITY STANDARDS.

Premium payments can be mailed to NYLIAC, 75 Remittance Drive, Suite 3021, Chicago, IL 60675-3021 or to one of the Variable Products Service Center addresses listed on the first page of the prospectus.

Two premium concepts are very important under the policy: scheduled premiums and unscheduled premiums.

SCHEDULED PREMIUMS

The amount of the scheduled premium is shown on the Policy Data Page.

There is no penalty if the scheduled premium is not paid. Payment of the scheduled premium, however, does not guarantee coverage for any period of time. Instead, the continuance of the policy depends upon the policy's Cash Surrender Value. If the Cash Surrender Value becomes insufficient to pay certain monthly charges, and a late period expires without sufficient payment, the policy will terminate. See GENERAL PROVISIONS OF THE POLICY--TERMINATION.

Policies that are maintained at Cash Surrender Values just sufficient to cover fees and charges, or that are otherwise minimally funded, are more at risk for not being able to maintain such Cash Surrender Values. The risk arises because of market fluctuation and other performance-related risks. When determining the amount of your scheduled premium payments, you should consider funding your policy at a level that can maximize the investment opportunities within your policy and minimize the risks associated with market fluctuations. Your policy can lapse even if you pay all of the planned premiums on time.

UNSCHEDULED PREMIUMS

While the Insured is living, you can make unscheduled premium payments of at least $50 at any time prior to the policy anniversary on which the Insured is age 95. Unscheduled premiums also include the proceeds of an exchange made in accordance with Section 1035 of the Internal Revenue Code. If an unscheduled premium would result in an increase in the life insurance benefit greater than the increase in the Cash Value, we reserve the right to require proof of insurability before we accept and apply the payment to the policy. We also reserve the right to limit the number and amount of any unscheduled premiums. In certain states, unscheduled premiums may be made only once each Policy Year.

PAYMENTS RETURNED FOR INSUFFICIENT FUNDS

If your premium payment is returned by the bank for insufficient funds, we will reverse the investment options you have chosen and charge you a $20.00 fee for each returned payment. In addition, if we incur any losses as a result of a returned payment, including an electronic payment, we will deduct the amount from your Policy's Cash Value. If an electronic (Check-O-Matic) premium withdrawal is returned for insufficient funds for two consecutive months, this privilege will be suspended until you notify us to resume the arrangement and we agree.

TERMINATION

The policy does not terminate for failure to pay premiums since payments, other than the initial premium, are not specifically required. Rather, if on a Monthly Deduction Day, the Cash Surrender Value is less than the monthly deduction charge for the next policy month, the policy will continue for a late period of 62 days after that Monthly Deduction Day.

We allow a 62 day late period to pay any premium necessary to cover the overdue monthly deduction and/or excess policy loan. We will mail a notice to you at your last known address, and a copy to the last known assignee on our records, if any, at least 31 days before the end of the late period, which states this amount. During the late period, the policy remains in force. If we do not receive the required payment before the end of the late period, the policy will end and there will be no Cash Value or death benefit. If the Insured dies during the late period, we will pay the death benefit. However, the death benefit will be reduced by the amount of any Policy Debt and monthly deduction charges for the full policy month or months that run from the beginning of the late period through the policy month in which the Insured dies.

MATURITY DATE

For all policies issued prior to May 1, 1995 (except in New Jersey), the death benefit payable for all ages is based on the life insurance benefit option in effect and any decreases or increases made in the policy face amount as shown on the Policy Data Page. For all policies issued in New Jersey, and for policies issued on or after May 1, 1995 in all other states, a policy matures beginning on the anniversary on which the Insured is age 95 and the face amount of the policy, as shown on the Policy Data Page, will no longer apply. Instead, the death benefit under the policy will equal the Cash Value of the policy less any outstanding Policy Debt. You will be notified one year prior to maturity that, upon reaching attained age 95, you may elect either to receive the Cash Value of the policy at such time less any outstanding Policy Debt or to continue to hold the policy. Please consult your tax adviser regarding the tax implications of these options.

If you choose to continue the policy, we will continue to assess Separate Account and Fund charges on the Cash Value left in the Investment Divisions. Any amounts in the Fixed Account will be credited with interest at an annual rate of not less than 4%. No further monthly deductions will be made for cost of insurance. You may surrender the policy for an amount equal to the Cash Surrender Value of the policy by presenting a signed written request providing the information we request to one of the Variable Products Service Center addresses listed on the first page of this prospectus. (In New York, when the Insured reaches attained age 100, you will automatically receive the Cash Surrender Value of the policy.) If the policy is still in force upon the death of the Insured, these proceeds will be paid to the Beneficiary.

Any insurance on an other covered insured, provided by a rider attached to the policy which is still in effect, will end on the policy anniversary when the Insured is age 95. However, if an other covered insured is younger than age 70 when the rider ends, that insured can convert the term insurance at that time as provided in the rider.

DOLLAR COST AVERAGING

Dollar Cost Averaging is a systematic method of investing that allows you to purchase units of the Investment Divisions at regular intervals in fixed dollar amounts so that the cost of your units is averaged over time and over various market cycles. The main objective of Dollar Cost Averaging is to achieve an average cost per share that is lower than the average price per share in a fluctuating market. Since you transfer the same dollar amount to a given Investment Division on each transfer, you purchase more units in an Investment Division if the value per unit is low and fewer units if the value per unit is high. Therefore, you may achieve a lower than average cost per unit if prices fluctuate over the long term. Similarly, for each transfer out of an Investment Division, you sell more units in an Investment Division if the value per unit is low and fewer units if the value per unit is high. Dollar Cost Averaging does not assure a profit or protect against a loss in declining markets. Because it involves continuous investing regardless of price levels, you should consider your financial ability to continue investing during periods of low price levels.

If you decide to use the Dollar Cost Averaging feature, we ask you to specify:

-- the dollar amount you want to have transferred (minimum transfer: $100);

-- the Investment Division you want to transfer money from;

-- the Investment Divisions and/or Fixed Account you want to transfer money to;

-- the date on which you want the transfers to be made, within limits; and

-- how often you want us to make these transfers, either monthly, quarterly, semi-annually or annually.

You are not allowed to make Dollar Cost Averaging transfers from the Fixed Account, but you can make Dollar Cost Averaging transfers into the Fixed Account.

We will make all Dollar Cost Averaging transfers on the date you specify or on the next Business Day. You can specify any day of the month, except the 29th, 30th, or 31st of a month. We will not process a Dollar Cost Averaging transfer unless we have received a written request at the Variable Products Service Center at one of the addresses listed on the first page of this prospectus (or any other address we indicate to you in writing). NYLIAC must receive the request in writing no later than five Business Days prior to the date the transfer(s) are scheduled to begin. If your request

for this option is received less than five Business Days prior to the date you request it to begin, the transfer(s) will begin on the date you have specified in the month following receipt of your request.

The minimum Cash Value required to elect this option is $2,500. We will suspend this feature automatically if the Cash Value is less than $2,000 on a transfer date. Once the Cash Value equals or exceeds $2,000, the Dollar Cost Averaging transfers will resume automatically as last requested. However, once all money has been transferred to the Investment Divisions of your choice, or the individual separate account fund balance is less than $100.00, the Dollar Cost Averaging Plan will cease. A new request will be required to resume this feature.

You can cancel the Dollar Cost Averaging feature at any time by written request. You can not elect Dollar Cost Averaging if you have chosen Automatic Asset Reallocation. However, you have the option of alternating between these two policy features.

This feature is available to you at no additional cost.

AUTOMATIC ASSET REALLOCATION

If you choose the Automatic Asset Reallocation feature, we will automatically reallocate your assets among the Investment Divisions to maintain a pre-determined percentage invested in the Investment Division(s) you have selected. For example, you could specify that 50% of the amount you have in the Separate Account be allocated to a particular Investment Division and the other 50% be allocated to another Investment Division. Over time, the variations in each of these Investment Division's investment results would cause this balance to shift. If you elect the Automatic Asset Reallocation feature, we will automatically reallocate the amounts you have in the Separate Account among the various Investment Divisions so that they are invested in the percentages you specify.

You can choose to schedule the investment reallocations quarterly, semi-annually or annually, but not on a monthly basis. You may specify any day of the month with the exception of the 29th, 30th, or 31st of the month. The minimum Cash Value you must have allocated to the Separate Account in order to elect this option is $2,500. We will automatically suspend this feature if the Cash Value is less than $2,000 on a reallocation date. Once the Cash Value equals or exceeds this amount, Automatic Asset Reallocation will automatically resume as scheduled. There is no minimum amount that you must allocate among the Investment Divisions under this feature.

We will make all Automatic Asset Reallocation transfers on the date you specify or on the next Business Day. We will not process Automatic Asset Reallocation transfers unless we have received a written request at the Variable Products Service Center at one of the addresses listed on the cover page of this prospectus (or any other address we indicate to you in writing). NYLIAC must receive the request in writing no later than five Business Days prior to the date the transfer(s) are scheduled to begin. If your request for this option is received less than five Business Days prior to the date you request it to begin, the transfer(s) will begin on the date you have specified in the month following receipt of your request.

You can cancel the Automatic Asset Reallocation feature at any time by written request. You can not elect Automatic Asset Reallocation if you have chosen Dollar Cost

Averaging. However, you have the option of alternating between these two policy features.

This feature is available to you at no additional cost.

INTEREST SWEEP

You can direct that the interest earned in the Fixed Account be periodically transferred into the Investment Division(s) you specify. This automatic process is called Interest Sweep. If you choose the Interest Sweep feature, we will ask you to specify:

-- the date you want this feature to start;

-- the percentage you want to be transferred to each Investment Division; and

-- how often you want us to make these transfers, either monthly, quarterly, semi-annually, or annually.

We will begin to make Interest Sweep transfers when the amount in the Fixed Account is at least $2,500. You can specify any date that you want us to make these automatic transfers, with the exception of the 29th, 30th, or 31st of a month. We will not process an Interest Sweep transfer, unless we have received a written request at the Variable Products Service Center at one of the addresses listed on the cover page of this prospectus. NYLIAC must receive the request in writing no later than five Business Days prior to the date the transfer(s) are scheduled to begin. If your request for this option is received less than five Business Days prior to the date you request it to begin, the transfer(s) will begin on the date you have specified in the month following receipt of your request.

You cannot choose the Interest Sweep feature if you have instructed us to deduct any part of your policy expenses from the Fixed Account. If you want to elect the Interest Sweep feature and you want to allocate your expenses, you must allocate your expense deduction to the MainStay VP Cash Management Investment Division.

You can request Interest Sweep in addition to either the Dollar Cost Averaging or Automatic Asset Reallocation features. If an Interest Sweep transfer is scheduled for the same day as a Dollar Cost Averaging or Automatic Asset Reallocation transfer, we will process the Interest Sweep transfer first.

If an Interest Sweep transfer would cause more than the greater of (i) $5,000 or (ii) 20% of the amount you have in the Fixed Account at the beginning of the Policy Year to be transferred from the Fixed Account, we will not process the transfer and we will suspend the Interest Sweep feature. If the amount you have in the Fixed Account is less than $2,000, we will automatically suspend this feature. Once the amount you have in the Fixed Account equals or exceeds this amount, the Interest Sweep feature will automatically resume as scheduled. You can cancel the Interest Sweep feature at any time by written request.

This feature is available at no additional cost.

DEATH BENEFIT UNDER THE POLICY

The death benefit is the amount payable to the named Beneficiary when the Insured dies prior to the Insured's maturity date. Upon receiving due proof of death, we pay the Beneficiary the death benefit amount determined as of the date the Insured dies. All or part of the death benefit can be paid in cash or applied under one or more of our payment options described under ADDITIONAL PROVISIONS OF THE POLICY--PAYMENT OPTIONS.

The amount of the death benefit is determined by whether you have chosen Life Insurance Benefit Option 1 or Life Insurance Benefit Option 2.

Life Insurance Benefit Option 1--Provides a death benefit equal to the greater of (i) the face amount of the policy in force on the Insured's date of death (ii) or a percentage of the Cash Value equal to the minimum necessary for the policy to qualify as life insurance under Section 7702 of the Internal Revenue Code. (See the following table for these percentages.)

Life Insurance Benefit Option 2--Provides a death benefit equal to the greater of (i) the face amount of the policy in force on the Insured's date of death plus the Cash Value on the Insured's date of death or (ii) a percentage of the Cash Value equal to the minimum necessary for the policy to qualify as life insurance under Section 7702 of the Internal Revenue Code. (See the following table for these percentages.)

INSURED'S AGE ON POLICY ANNIVERSARY	IRC SECTION 7702 LIFE INSURANCE %	INSURED'S AGE ON POLICY ANNIVERSARY	IRC SECTION 7702 LIFE INSURANCE %
0-40	250	61	128
41	243	62	126
42	236	63	124
43	229	64	122
44	222	65	120
45	215	66	119
46	209	67	118
47	203	68	117
48	197	69	116
49	191	70	115
50	185	71	113
51	178	72	111
52	171	73	109
53	164	74	107
54	157	75-90	105
55	150	91	104
56	146	92	103
57	142	93	102
58	138	94	101
59	134	95 & Over	100
60	130		

The value of any additional benefits provided by rider on the Primary Insured's life is added to the amount of the death benefit. We pay interest on the death benefit from the date of death to the date the death benefit is paid or a payment option becomes effective. The interest rate equals the rate determined under the Interest Payment Option as described in ADDITIONAL PROVISIONS OF THE POLICY--PAYMENT OPTIONS. We subtract any outstanding Policy Debt, and any unpaid monthly deductions if the death occurs during the 62-day late period and then credit the interest. Under both life insurance benefit options, negative investment experience in the Investment Divisions will never result in a death benefit that will be less than the face amount, so long as the policy remains in force.

EXAMPLE 1:

The following example shows how the death benefit varies as a result of investment performance on a policy with Life Insurance Benefit Option 1 assuming age at death is 45:

	POLICY A	POLICY B
(1) Face amount......................................	$100,000	$100,000
(2) Cash Value on date of death (and no loans)........	$ 50,000	$ 40,000
(3) Internal Revenue Code ("IRC") Section 7702 Life Insurance Percentage on date of death............	215%	215%
(4) Cash Value multiplied by the IRC Percentage.......	$107,500	$ 86,000
(5) Death benefit = greater of (1) and (4)...........	$107,500	$100,000

EXAMPLE 2:*

The following example shows how the death benefit varies as a result of investment performance on a policy assuming age at death is 97 (past maturity date):

	POLICY A	POLICY B	POLICY C
(1) Face amount as shown on the Policy Data Page	$100,000	$100,000	$200,000
(2) Cash Surrender Value on date of death	$ 50,000	$110,000	$110,000
(3) Death benefit after maturity = Cash Surrender Value	$ 50,000	$110,000	$110,000

----

* For all policies issued in New Jersey and for policies issued on or after May 1, 1995 in all other states.

FACE AMOUNT CHANGES

Certain states may impose limitations on increasing or decreasing the face amount of your policy. Refer to your policy for details. You can apply in writing to have the face amount increased or decreased. The policy also contains a provision that permits cancellation of an increase in the face amount during the free look period. This period begins on the date the increase takes effect and ends 20 days later (or the amount of time required by state law but not less than 10 days).

The amount of an increase in face amount must be for at least $5,000 and is subject to our maximum retention limits. Evidence of insurability satisfactory to us is required for an increase. We reserve the right to limit increases, and the number of increases may be limited by state law. Generally, the Insured may not be older than age 80 as of the date of any increase in face amount. Any increase will take effect on the next Monthly Deduction Day on or after we approve the application for increase. An increase in face amount may affect the net amount at risk, which may increase the cost

of insurance charge, and will incur a new 15-year surrender charge period only on the amount of the increase.

Decreases in coverage are allowed. The face amount will be reduced by canceling insurance segments on a last purchased, first canceled basis and the appropriate surrender charge will be deducted from the Cash Value. (For a discussion of the charges associated with a decrease, see CHARGES UNDER THE POLICY--SURRENDER CHARGES.) Consult your tax adviser regarding the tax consequences of decreasing your coverage. A decrease in face amount is effective on the next Monthly Deduction Day following the receipt of a written request. The face amount may not be decreased to less than $50,000. We reserve the right to terminate the option of decreasing the face amount, and the number of decreases may be limited by state law.

LIFE INSURANCE BENEFIT OPTION CHANGES

You can change the life insurance benefit option of the policy while the Primary Insured is alive. Any change of option will take effect on the Monthly Deduction Day on or after the date we receive your signed request at one of the Variable Products Service Centers listed on the first page of this prospectus or such other location that we indicate to you in writing.

If you change from Option 1 to Option 2, the face amount of the policy will be decreased by the Cash Value, and a surrender charge will be assessed if a surrender charge is then currently applicable.

If you change from Option 2 to Option 1, the face amount of the policy will be increased by the Cash Value. No surrender charge schedule has been applied to those option changes since November 20, 1998. However, for policies issued on and before November 19, 1998 where a life insurance benefit change from Option 2 to Option 1 occurred, a surrender charge schedule was applied to any increase attributable to these changes. Effective May 19, 2000, this charge schedule will no longer be in effect.

CASH VALUE AND CASH SURRENDER VALUE

CASH VALUE

The Cash Value of your policy is the sum of the Accumulation Value and the value in the Fixed Account. Initially, the Cash Value equals the net amount of the first premium paid under the policy. This amount is allocated among the

Fixed Account and the Investment Divisions according to the allocation percentages requested in the application, or as subsequently changed by you.

TRANSFERS

All or part of the Cash Value can be transferred among Investment Divisions or from an Investment Division to the Fixed Account. We reserve the right to limit the number of transfers to the Fixed Account after the first two Policy Years. (In New Jersey and New York, no more than twelve transfers per Policy Year can be made from the Investment Divisions to the Fixed Account after the first two Policy Years.) The minimum amount that can be transferred from one Investment Division to another Investment Division, or to the Fixed Account, is the lesser of (i) $500 or (ii) the total value of the Accumulation

Units in the Investment Division from which the transfer is being made. If, after an ordered transfer, the value of the remaining Accumulation Units in an Investment Division or the value in the Fixed Account would be less than $500, the entire value will be transferred. There is no charge for the first twelve transfers in any one Policy Year. We may impose a charge of up to $30 for each transfer in excess of twelve per year. Any transfer made in connection with the Dollar Cost Averaging, Automatic Asset Reallocation, and Interest Sweep options will not count toward the twelve-transfer limit.

Transfers can also be made from the Fixed Account to the Investment Divisions in certain situations. (SEE THE FIXED ACCOUNT.)

REQUESTING A TRANSFER

You can request a transfer in four ways:

-- submit your request in writing on a form we approve to the Variable Products Service Center at one of the addresses listed on the first page of this prospectus (or any other address we indicate to you in writing);

-- use the IVR at 800-598-2019;

-- speak to a customer service representative at 800-598-2019 on Business Days between the hours of 9:00 a.m. and 6:00 p.m. (Eastern Time); or

-- make your request through the VSC.

Faxed requests are not acceptable and will not be honored at any time.

Transfer requests received after 4:00 p.m. (Eastern Time) will be priced as of the next Business Day. See "HOW TO REACH US FOR POLICY SERVICES" for information about the VPSC, VSC, and IVR.

It is important that you inform NYLIAC of an address change so that you can receive important policy statements.

All NYLIAC requirements must be met in order for us to process your service requests. Please review all service request forms carefully and provide all required information as applicable to the transaction. NYLIAC will not be able to process your request if information is missing.

Faxed requests are not acceptable and will not be honored at any time. Additionally, we will not accept e-mails of imaged, signed service requests, other than those received through our Virtual Service Center that have passed all security protocols that identify the policy owner.

Transfers from Investment Divisions will be made based on the Accumulation Unit values at the end of the Business Day that NYLIAC receives the transfer request. If, however, the date that they are received is not a Business Day, or if they are received other than through the mail after the closing of the New York Stock Exchange, then they are deemed received on the next Business Day. See ADDITIONAL PROVISIONS OF THE POLICY--WHEN WE PAY PROCEEDS.

LIMITS ON TRANSFERS

Procedures Designed to Limit Potentially Harmful Transfers--This policy is not intended as a vehicle for market timing. Accordingly, your ability to make transfers under the policy is subject to limitation if we determine, in our sole opinion, that the exercise of

that privilege may disadvantage or potentially hurt the rights or interests of other policyowners.

Any modification of the transfer privilege could be applied to transfers to or from some or all of the Investment Divisions. If not expressly prohibited by the policy, we may, for example:

- -- reject a transfer request from you or from any person acting on your behalf

- -- restrict the method of making a transfer

- -- charge you for any redemption fee imposed by an underlying Fund

- -- limit the dollar amount, frequency or number of transfers.

Currently, if you or someone acting on your behalf requests transfers into or out of one or more Investment Divisions on three or more days within any 60-day period and/or requests one transfer of $250,000 or more, we will send you a letter notifying you that a transfer limitation has been exceeded. If we receive an additional transfer request that exceeds either of these limits, we will process the transfer request. Thereafter, we will immediately suspend your ability to make transfers electronically and by telephone, regardless of whether you have received the warning letter. All subsequent transfer requests for your policy must then be made through the U.S. mail or an overnight courier. We will provide you with written notice when we take this action.

We currently do not include transfers to and from the Fixed Account, the first transfer into the Investment Divisions at the expiration of the free look period, the first transfer out of the MainStay VP Cash Management Investment Division within 60 days of the issuance of a policy, and transfers made pursuant to the Dollar Cost Averaging, Automatic Asset Reallocation, and Interest Sweep options in these limitations. However, we reserve the right to include them in the future.

WE MAY CHANGE THESE LIMITATIONS OR RESTRICTIONS OR ADD NEW ONES AT ANY TIME WITHOUT PRIOR NOTICE; YOUR POLICY WILL BE SUBJECT TO THESE CHANGES REGARDLESS OF THE ISSUE DATE OF YOUR POLICY. All transfers are subject to the limits set forth in the prospectus in effect on the date of the transfer request, regardless of when your policy was issued. Note, also, that any applicable transfer rules, either as indicated above or that we may utilize in the future, will be applied even if we cannot identify any specific harmful effect from any particular transfer.

We apply our limits on transfers procedures to all owners of this policy without exception.

Orders for the purchase of Fund portfolio shares are subject to acceptance by the relevant Fund. We will reject or reverse, without prior notice, any transfer request into an Investment Division if the purchase of shares in the corresponding Fund portfolio is not accepted by the Fund for any reason. For transfers into multiple Investment Divisions, the entire transfer request will be rejected or reversed if any part of it is not accepted by any one of the Funds. We will provide you with written notice of any transfer request we reject or reverse. You should read the Fund prospectuses for more details on their ability to refuse or restrict purchases or redemptions of their shares.

Risks Associated with Potentially Harmful Transfers--Our procedures are designed to limit potentially harmful transfers. However, we cannot guarantee that our procedures will be effective in detecting and preventing all transfer activity that could disadvantage

or potentially hurt the rights or interests of other policyowners. The risks described below apply to policyowners and other persons having material rights under the policies.

- -- We do not currently impose redemption fees on transfers or expressly limit the number or size of transfers in a given period. Redemption fees, transfer limits, and other procedures or restrictions may be more or less successful than our procedures in deterring or preventing potentially harmful transfer activity.

- -- Our ability to detect and deter potentially harmful transfer activity may be limited by policy provisions.

- -- (1) The underlying Fund portfolios may have adopted their own policies and procedures with respect to trading of their respective shares. The prospectuses for the underlying Fund portfolios, in effect at the time of any trade, describe any such policies and procedures. The trading policies and procedures of an underlying Fund portfolio may vary from ours and be more or less effective at preventing harm. Accordingly, the sole protection you may have against potentially harmful frequent transfers is the protection provided by the procedures described herein.

  (2) The purchase and redemption orders received by the underlying Fund portfolios reflect the aggregation and netting of multiple orders from owners of this policy and other variable policies issued by us. The

nature of these combined orders may limit the underlying Fund portfolios' ability to apply their respective trading policies and procedures. In addition, if an underlying Fund portfolio believes that a combined order we submit may reflect one or more transfer requests from owners engaged in potentially harmful transfer activity, the underlying Fund portfolio may reject the entire order and thereby prevent us from implementing any transfers that day. We do not generally expect this to happen.

-- Other insurance companies, which invest in the Fund portfolios underlying this policy, may have adopted their own policies and procedures to detect and prevent potentially harmful transfer activity. The policies and procedures of other insurance companies may vary from ours and be more or less effective at preventing harm. If their policies and procedures fail to successfully discourage potentially harmful transfer activity, there could be a negative effect on the owners of all of the variable policies, including ours, whose variable investment options correspond to the affected underlying Fund portfolios.

-- Potentially harmful transfer activity could result in reduced performance results for one or more Investment Divisions, due to among other things:

(1) an adverse effect on portfolio management, such as:

a) impeding a portfolio manager's ability to sustain an investment objective;

b) causing the underlying Fund portfolio to maintain a higher level of cash than would otherwise be the case; or

c) causing an underlying Fund portfolio to liquidate investments prematurely (or otherwise at an otherwise inopportune time) in order to pay withdrawals or transfers out of the underlying Fund portfolio.

(2) increased administrative and Fund brokerage expenses.

(3) dilution of the interests of long-term investors in an Investment Division if purchases or redemptions into or out of an underlying Fund portfolio are made when, and if, the underlying Fund portfolio's investments do not reflect an accurate value (sometimes referred to as "time-zone arbitrage" and "liquidity arbitrage").

INVESTMENT RETURN

The investment return of a policy is based on:

-- The Accumulation Units held in each Investment Division,

-- The investment experience of each Investment Division as measured by its actual net rate of return, and

-- The interest rate credited on Cash Values held in the Fixed Account.

The investment experience of an Investment Division reflects increases or decreases in the net asset value of the shares of the underlying Fund, any dividend or capital gains distributions declared by the Fund, and any charges against the assets of the Investment Division. This investment experience is determined each Business Day that the net asset value of the underlying Portfolio is determined. The actual net rate of return for an Investment Division measures the investment experience from the end of one Business Day to the end of the next Business Day.

CASH SURRENDER VALUE

The policy can be surrendered for its Cash Surrender Value at any time before the Insured dies. Unless a later effective date is selected, the surrender is effective on the date we receive the policy and a written request in proper form at one of the Variable Products Service Center addresses listed on the first page of this prospectus. The policy and written request for surrender are deemed received on the date that they are received by mail at NYLIAC's Variable Products Service Center or such other location that we indicate to you in writing. If, however, the date that they are received is not a Business Day, or if they are received other than through the mail after the closing of the New York Stock Exchange, they are deemed received on the next Business Day.

Because the Cash Value of the policy fluctuates with the performance of the Investment Divisions and the interest rate credited to the Fixed Account, and because certain surrenders or partial withdrawals are subject to a surrender charge, and because of charges made against the policy, the total amount paid upon surrender of the policy (taking into account any prior withdrawals) can be more or less than the total premiums.

Your policy may lapse without value if the cash surrender value is insufficient to cover the charges. Therefore, while premium payments are flexible, you may need to make additional premium payments so that the Cash Surrender Value of your policy is sufficient to pay the charges needed to keep your policy in effect.

PARTIAL WITHDRAWALS

The owner of a policy can make a partial withdrawal of the policy's Cash Surrender Value at any time while the Insured is living, by sending a written request to VPSC at: Madison Square Station, P.O. Box 922, New York, N.Y. 10159 (or any other address we indicate to you in writing) or by calling a service representative at (800) 598-2019. Faxed requests are not acceptable and will not be honored at any time. The minimum

partial withdrawal is $500 unless we agree otherwise. We will apply uniform rules in agreeing to partial withdrawals under $500. The amount available for a partial withdrawal is the policy's Cash Surrender Value at the end of the Business Day that we receive the request for the partial withdrawal at our Variable Products Service Center. The partial withdrawal will be made on a pro-rata basis from the Fixed Account and/or Investment Divisions, unless you indicate otherwise. If the portion of your request for a partial withdrawal from the Fixed Account or Investment Division is greater than the amount in the Fixed Account and/or Investment Division, we will reduce the partial withdrawal by that amount and pay you the entire value of that Fixed Account and/or Investment Division, less any surrender charge which may apply. Partial withdrawals will cause a reduction in the policy's face amount when Life Insurance Benefit Option 1 is in effect. We reserve the right to limit the amount and frequency of partial withdrawals, and state law limitations may also apply. Partial withdrawals and surrenders may be subject to surrender charges. See CHARGES UNDER THE POLICY.

We will charge a fee, not to exceed the lesser of $25 or 2% of the amount withdrawn, for processing a partial withdrawal. This fee will be deducted from the remaining balance of the Fixed Account and/or Investment Divisions based on the withdrawal allocation, or if the fee amount exceeds the remaining balance, it will be deducted from the Fixed Account and/or Investment Divisions on a pro rata basis. When you make a partial withdrawal, the death benefit, the Cash Value, and the Cash Surrender Value will be reduced by the amount of the withdrawal proceeds you receive as of the date you receive the payment and any applicable surrender charge.

POLICY LOAN PRIVILEGE

Using the policy as sole security, you can borrow any amount up to the loan value of the policy. The loan value on any given date is equal to (i) 90% of the Cash Value, less applicable surrender charges and less any deferred contract charges, less (ii) any Policy Debt. Certain of the provisions discussed below, applicable to policy loans, differ considerably in the state of New Jersey. New Jersey policyowners should review their policy for further details.

When you request a loan, a transfer of funds can be made from the Separate Account to the Fixed Account so that the Cash Value in the Fixed Account is at least 106% of the requested loan plus any outstanding loans, including accrued loan interest. This percentage will change in accordance with changes in the loan interest rate, but will never exceed 108%. We will transfer these funds from the Investment Divisions of the Separate Account in accordance with your instructions, or if you have not provided us with any instructions, in proportion to the amounts you have in each Investment Division. While any policy loan is outstanding, we will not allow you to make any partial withdrawals or transfer any funds from the Fixed Account if the partial withdrawal or transfer would cause the cash value of the Fixed Account to fall below 106% of all outstanding loans (or a different percentage based on the loan interest rate). Additionally, if the monthly deductions from Cash Value will cause the Cash Value of the Fixed Account to fall below the total amount of all outstanding policy loans, we will take these deductions from the Investment Divisions of the Separate Account in proportion to the amounts you have in each Investment Division.

LOAN INTEREST

The effective annual loan interest rate is 6% for all policies issued on and after May 19, 2000 and for all new and existing loans on their policy anniversaries following May 19, 2000, which is payable in arrears. We reserve the right to set a lower rate, which we will determine at least once every twelve months, but not more frequently than once in any three month period. Loan interest for the Policy Year that a loan is taken will be due on the next policy anniversary. Loan interest accrues each day and is payable on the earliest of the policy anniversary, on the date of death, surrender, or lapse, or on the date of a loan increase or loan repayment. Loan interest not paid in cash as of the policy anniversary, or prior to the expiration of the late period, will be charged as a new loan. An amount may need to be transferred to the Fixed Account to cover this increased loan amount. You should be aware that the larger the loan becomes relative to the cash value, the greater the risk that the remaining Cash Value may not be sufficient to support the policy charges and expenses, including any loan interest due, and the greater the risk of the policy lapsing. (See LOAN REPAYMENT below).

If we have set a loan interest rate lower than 6%, any subsequent increase in the interest rate will be subject to the following conditions:

(1) The effective date of any increase in the interest rate will not be earlier than one year after the effective date of the establishment of the previous rate.

(2) The amount by which the interest rate may be increased will not exceed one percent per year, but the rate of interest will in no event ever exceed 8%.

(3) We will give notice of the interest rate in effect when a loan is made and when sending notice of loan interest due.

(4) If a loan is outstanding 40 days or more before the effective date of an increase in the interest rate, we will notify you of that increase at least 30 days prior to the effective date of the increase.

(5) We will give notice of any increase in the interest rate when a loan is made during the 40 days before the effective date of the increase.

WHEN LOAN INTEREST IS DUE

The interest we charge on a loan accrues daily and is payable on the earliest of the following dates:

-- the policy anniversary;

-- the date you increase or repay a loan;

-- the date you surrender the policy;

-- the date the policy lapses; or

-- the date on which the last surviving insured dies.

Any loan interest due on a policy anniversary that you do not pay will be charged against the policy as an additional loan. You should be aware that the larger the loan becomes relative to the cash value, the greater the risk that the remaining Cash Value may not be sufficient to support the policy charges and expenses, including any loan

interest due, and the greater the risk of the policy lapsing. In addition, if the interest charged would cause the amount of the borrowing to exceed 90% of the Cash Surrender Value of the policy, the interest amount will be withdrawn on a pro rata basis across all investment Divisions.

LOAN REPAYMENT

All or part of an unpaid loan can be repaid before the Insured's death or before the policy is surrendered. Loan repayments are allocated to the Investment Divisions and/or the Fixed Account in accordance with premium allocations in effect at the time of the loan repayment, unless you indicate otherwise. If a loan is outstanding when the life insurance or surrender proceeds become payable, we will deduct the amount of any Policy Debt from these proceeds. In addition, if any Policy Debt exceeds the policy's Cash Surrender Value, we will mail a notice to you at your last known address and a copy to the last known assignee on our records. If you do not pay the necessary amount within 31 days after the day we mail you this notice, we will terminate your policy. This could result in a taxable gain to you.

INTEREST ON LOANED VALUE

The amount of any loan is held in the Fixed Account and earns interest at a rate we determine. Such rate will never be less than 2% less than the effective annual loan interest rate, and in no event less than 4%.

Currently, the amount in the Fixed Account that is collateral for an outstanding loan is credited with interest at a rate that is 1% less than the effective annual loan interest rate during the first 10 Policy Years and 0.5%

less than the effective rate in subsequent Policy Years. These rates are not guaranteed and can change at any time.

That portion of the policy's Cash Value held in the Fixed Account is not affected by the Separate Account's investment performance. The Cash Value is affected because the portion of the Cash Value equal to the policy loan is credited with an interest rate declared by us rather than a rate of return reflecting the investment performance of the Separate Account. Any interest credited on the loan amount in the Fixed Account remains in the Fixed Account unless you transfer amounts no longer needed as security to the Separate Account.

THE EFFECTS OF A POLICY LOAN

A loan, repaid or not, has a permanent effect on your Cash Value. This effect occurs because the investment result of each Investment Division applies only to the amount remaining in such Investment Divisions. The longer a loan is outstanding, the greater the effect on your Cash Value is likely to be. The effect could be favorable or unfavorable. If the Investment Divisions earn more than the annual interest rate for loaned amounts held in the Fixed Account, your Cash Value will not increase as rapidly as it would have had no loan been made. If the Investment Divisions earn less than the interest earned on loaned amounts held in the Fixed Account, then your Cash Value may be greater than it would have been had no loan been made. If not repaid, the aggregate amount of the outstanding loan principal and any accrued interest will reduce the Policy Proceeds that might otherwise be payable.

In addition, unpaid loan interest generally will be treated as a new loan under the Code. If the policy is a modified endowment contract a loan may result in taxable income to you. In addition, for all policies, if the loans taken, including unpaid interest, exceed the premiums paid, policy surrender or policy lapse will result in a taxable gain to you. (See FEDERAL INCOME TAX CONSIDERATIONS for more information).

EXCHANGE PRIVILEGE

At any time within 24 months of the Issue Date or after an increase in the face amount of the policy, you may request that the entire Accumulation Value of the policy be transferred to the Fixed Account to acquire fixed benefit life insurance protection on the life of the Insured. However, you may request such a transfer within 24 months after an increase in the face amount of the policy solely with respect to the lesser of that portion of the post-increase premiums attributable to the increase in the face amount of the policy or the Accumulation Value under the policy. The exchange will become effective when we receive proper written request.

At any time within 24 months of the Issue Date, you can exchange the policy for a policy on a permanent plan of life insurance that we or one of our affiliates offer for this purpose. We will not require evidence of insurability. The date of exchange will be the later of (a) the date you send us the policy along with a proper written request; or (b) the date we receive the policy at one of the Variable Products Service Centers listed on the first page of this prospectus, or such other location that we indicate to you in writing, and the necessary payment for the exchange. Upon an exchange of a policy, all riders and benefits will end unless we agree otherwise or unless required under state law. The exchanged policy will have the same Issue Date, issue age, and risk classification as the original policy. The amount applied to your new policy will be the policy's Accumulation Value as of the date of the exchange plus a refund of all cost of insurance charges. In order to exchange the policy, we will require: (a) that the policy be in effect on the date of exchange; (b) repayment of any Policy Debt; and (c) an adjustment, if any, for premiums and Cash Values of the policy and any new policy.

SPECIAL NEW YORK REQUIREMENTS. In the event of a material change in the investment policy of a Portfolio, you may convert your policy to a new flexible premium life insurance policy for an amount of insurance not to exceed the amount of the death benefit under your original policy on the date of conversion. The new policy will be based on the same issue age, gender, and class of risk as your original policy, but will not offer variable investment options such as the Investment Divisions. We will not require that you provide evidence of insurability to effect this conversion. You will have 60 days after the later of (1) the effective date of the change in the investment policy of the Portfolio and (2) the date you receive notification of such change. All riders attached to your original policy will end on the date of any such conversion.

YOUR VOTING RIGHTS

The Funds are not required to and typically do not hold annual stockholder meetings. Special stockholder meetings will be called when necessary.

To the extent required by law, whenever a special stockholder meeting is held, NYLIAC will vote the Portfolio shares held in the Separate Account in accordance with instructions received from policyowners having voting interests in the corresponding Investment Divisions. If, however, applicable laws or regulations change, and as a result, we determine that we are allowed to vote the Portfolio shares in our own right, we may elect to do so.

The number of votes which are available to a policyowner will be calculated separately for each Investment Division and will be determined by applying the policyowner's percentage interest in a particular Investment Division to the total number of votes attributable to the Investment Division.

The number of available votes of an Eligible Portfolio will be determined as of the date established by that Portfolio for determining shareholders eligible to vote at the meeting of the relevant Fund. Voting instructions will be solicited by written communication prior to such meeting in accordance with procedures established by the relevant Fund.

Fund shares for which no timely instructions are received will be voted in proportion to the timely voting instructions received from all policies participating in that Investment Division. Voting instructions to abstain on any item to be voted upon will be applied on a pro rata basis to reduce the votes eligible to be cast. Each person having a voting interest in an Investment Division will receive proxy material, reports, and other materials relating to the appropriate Portfolio.

OUR RIGHTS

We reserve the right to take certain actions in connection with our operations and the operations of the Separate Account. These actions will be taken in accordance with applicable laws (including obtaining any required approval of the SEC and any other required regulatory approvals). If necessary, we will seek your approval.

Specifically, we reserve the right to:

-- add or remove any Investment Division;

-- create new separate accounts;

-- combine the Separate Account with one or more other separate accounts;

-- operate the Separate Account as a management investment company or in any other form permitted by law;

-- deregister the Separate Account;

-- manage the Separate Account under the direction of a committee or discharge such committee at any time;

-- transfer the assets of the Separate Account to one or more other separate accounts; and

-- restrict or eliminate any of the voting rights of policyowners or other persons who have voting rights as to the Separate Account.

NYLIAC also reserves the right to change the names of the Separate Account.

DIRECTORS AND PRINCIPAL OFFICERS OF NYLIAC*

<Table>

<S>	<C>
DIRECTORS:	POSITIONS DURING LAST FIVE YEARS:
Frank M. Boccio..........................	Senior Vice President and Chief Administrative Officer, Life and Annuity of New York Life, January 2002 to date; Senior Vice President, Individual Policy Services, July 1995 to January 2002. Senior Vice President of NYLIAC, August 2001 to date; Director, December 1998 to date.
Michael G. Gallo.........................	Senior Vice President and Chief of Staff, Life and Annuity of New York Life, January 2005 to date, Senior Vice President in charge of Individual Life Department, 1995 to January 2005. Senior Vice President of NYLIAC, August 1995 to date; Director, May 1998 to date.
Solomon Goldfinger.......................	Senior Vice President and Chief Financial Officer, Life and Annuity of New York Life, January 2004 to date; Senior Vice President, Chief Financial Officer and Chief of Staff, January 1997 to January 2004. Chief Financial Officer of NYLIAC, September 2001 to date; Senior Vice President, April 1992 to date;

	Director, May 1998 to date.
Phillip J. Hildebrand....................	Executive Vice President and Co-Head, Life and Annuity of New York Life, January 2004 to date; Executive Vice President and Chief Distribution Officer, August 2001 to January 2004; Executive Vice President since March 1999. Executive Vice President of NYLIAC, June 1999 to date; Director, January 1997 to date.
Theodore A. Mathas.......................	Executive Vice President and Co-Head, Life and Annuity of New York Life, January 2004 to date; Senior Vice President and Chief Operating Officer, March 2001 to January 2004; Senior Vice President and Chief Operating Officer of the Agency Department, August 1999 to March 2001. Director of NYLIFE Securities, Inc., August 1997 to date. Executive Vice President and Chief Operating Officer of NYLIAC, December 2002 to date; Director, August 2001 to date.

</Table>

<Table>

<S>	<C>
John R. Meyer............................	Senior Vice President, Individual Annuity Department, New York Life, March 1999 to date. Director of NYLIAC, October 2003 to date, Senior Vice President, August 2002 to date.
Paul B. Morris...........................	Senior Vice President in Charge of Agency Department of New York Life, January 2004 to date; Senior Vice President, South Central Zone, 1996 to January 2004. Director of NYLIAC, April 2004 to date.
Anne F. Pollack..........................	Senior Vice President, New York Life, August 1997 to date; Chief Investment Officer, January 2002 to date; Deputy Chief Investment Officer, January 2001 to January 2002. Senior Vice President of NYLIAC, July 1997 to date; Chief Investment Officer, January 2002 to date; Deputy Chief Investment Officer, May 2001 to December 2001; Director, December 2001 to date.
Robert D. Rock...........................	Senior Vice President and Chief Investment Officer, Life and Annuity of New York Life, January 2004 to date; Senior Vice President of Individual Annuity, February 1991 to January 2004. Senior Vice President of NYLIAC, January 1991 to date; Director, January 1991 to date.
Frederick J. Sievert.....................	President, New York Life, October 2002 to date; Vice Chairman, January 1997 to September 2002. President of NYLIAC, May 1997 to date; Director, June 1992 to date.
Michael E. Sproule.......................	Executive Vice President, New York Life, March 2003 to date; Senior Vice President, March 1999 to March 2003; Chief Financial Officer, May 2002 to date; Acting Chief Financial Officer, August 2001 to May 2002. Director of NYLIAC, June 2002 to date.
Seymour Sternberg........................	Chairman of the Board and Chief Executive Officer, New York Life, April 1997 to date; also President, October 1995 to September 2002, and Chief Operating Officer, October 1995 to April 1997. Director of NYLIAC, November 1995 to date.

</Table>

<Table>

<S>	<C>
PRINCIPAL OFFICERS:	POSITIONS DURING LAST FIVE YEARS:
Jay S. Calhoun...........................	Senior Vice President and Treasurer, New York Life, March 1997 to date. Senior Vice President and Treasurer of NYLIAC, May 1997 to date.
Judith E. Campbell.......................	Senior Vice President and Chief Information Officer, New York Life, June 1997 to date. Senior Vice President and Chief Information Officer of NYLIAC, June 1997 to date.
John A. Cullen...........................	Senior Vice President, Controller and Chief Accounting Officer, New York Life, September 2002 to date; Vice President and Deputy Controller, December 1999 to August 2002; Vice President, March 1988 to August 2002. Senior Vice President of NYLIAC, December 2002 to date; Vice President, December 1999 to December 2002; Controller, December 1999 to December 2002.
Sheila K. Davidson.......................	Executive Vice President in charge of Law and Corporate Administration, New York Life, March 2005 to date. Senior Vice President and General Counsel, New York Life, May 2000 to March 2005; Senior Vice President in charge of Corporate Compliance, January

	1998 to May 2000. Senior Vice President and General Counsel of NYLIAC, August 2000 to date; Senior Vice President in charge of Corporate Compliance, May 1998 to August 2000.
Catherine A. Marrion......................	Vice President, Associate General Counsel and Assistant Secretary, New York Life, March 2001 to date; Corporate Vice President, Associate General Counsel and Assistant Secretary, December 1999 to March 2001. Secretary of NYLIAC, March 2000 to date; Assistant Secretary, June 1997 to March 2000.

</Table>

<Table>

<S>	<C>
Barbara J. McInerney....................................	Senior Vice President in charge of Corporate Compliance, New York Life, September 2000 to date; Vice President in charge of Corporate Compliance, September 1998 to September 2000. Senior Vice President in charge of Corporate Compliance of NYLIAC, August 2001 to date; Vice President in charge of Corporate Compliance, August 2000 to August 2001.
Angelo J. Scialabba.....................................	Vice President, New York Life, March 1998 to date. Vice President and Controller of NYLIAC, January 2005 to date.
Joel M. Steinberg.......................................	Senior Vice President and Chief Actuary, New York Life, September 2001 to date; Vice President and Actuary, March 1998 to September 2001. Senior Vice President and Chief Actuary of NYLIAC, December 2001 to date; Vice President and Actuary, May 1998 to December 2001.
Gary E. Wendlandt.......................................	Executive Vice President in charge of Investment Management, New York Life, May 1999 to date. Chief Executive Officer of New York Life Investment Management, LLC, December 1999 to date; Chairman, March 2000 to date. Executive Vice President of NYLIAC, March 2000 to date.

</Table>

----

* Principal business address is 51 Madison Avenue, New York, NY 10010.

THE FIXED ACCOUNT

The Fixed Account is supported by the assets in NYLIAC's General Account, which includes all of NYLIAC's assets except those assets specifically allocated to the Separate Account. NYLIAC has sole discretion to invest the assets of the Fixed Account subject to applicable law. The Fixed Account is not registered under the federal securities laws and is not generally subject to their provisions. NYLIAC has been advised that the staff of the SEC has not reviewed the disclosures in this prospectus relating to the Fixed Account.

INTEREST CREDITING

NYLIAC guarantees that it will credit interest at an annual rate of at least 4% to values in or transferred to the Fixed Account under the policies. NYLIAC may, at its sole discretion, credit a higher rate of interest to the Fixed Account, or to amounts allocated or transferred to the Fixed Account. The interest rate will be set by NYLIAC and can change daily. The interest rate may differ for loaned and non-loaned amounts in the Fixed Account.

TRANSFERS TO INVESTMENT DIVISIONS AND TO THE FIXED ACCOUNT

Amounts may be transferred from the Fixed Account to the Investment Divisions, subject to the following conditions.

1. Maximum Transfer. The maximum amount you are allowed to transfer from the Fixed Account to the Investment Divisions during any Policy Year is the greater of $5,000 or 20% of the value in the Fixed Account at the beginning of the Policy Year.

2. Minimum Transfer. The minimum amount that you may transfer from the Fixed Account to the Investment Divisions is the lesser of (i) $500 or (ii) the value in the Fixed Account. In most states, we will consider transfers of amounts less than this minimum.

3. Minimum Remaining Value. If, after a contemplated transfer, the remaining values in the Fixed Account would be less than $500, we have the right to include that amount in the transfer.

We reserve the right to limit transfers from the Investment Divisions to the Fixed Account after the first two Policy Years. In New Jersey and New York, after the first two Policy Years, you may not make more than 12 transfers to the Fixed Account in any one Policy Year. You should review your policy for further details. Certain limits apply to transfers into and out of Investment Divisions. See CASH VALUE AND CASH SURRENDER VALUE--LIMITS ON TRANSFERS.

See the policy for details and a description of the Fixed Account.

FEDERAL INCOME TAX CONSIDERATIONS

OUR INTENT

Our intent in the discussion in this section is to provide general information about federal income tax considerations related to the policies. This is not an exhaustive discussion of all tax questions that might arise under the policies. This discussion is not intended to be tax advice for you. Tax results may vary according to your particular circumstances, and you may need tax advice in connection with the purchase or use of your policy.

The discussion in this section is based on our understanding of the present federal income tax laws as they are currently interpreted by the Internal Revenue Service ("IRS"). We have not included any information about applicable state or other tax laws. Further, you should note that tax law changes from time to time. We do not know whether the treatment of life insurance policies under federal income tax or estate or gift tax laws will continue. Future legislation, regulations, or interpretations could adversely affect the tax treatment of life insurance policies. Lastly, there are many areas of the tax law where minimal guidance exists in the form of Treasury Regulations or Revenue Rulings. You should consult a tax advisor for information on the tax treatment of the policies, for the tax treatment under the laws of your state, or for information on the impact of proposed or future changes in tax legislation, regulations, or interpretations.

The ultimate effect of federal income taxes on values under the policy and on the economic benefit to you or the Beneficiary depends upon NYLIAC's tax status, upon the terms of the policy, and upon your circumstances.

TAX STATUS OF NYLIAC AND THE SEPARATE ACCOUNT

NYLIAC is taxed as a life insurance company under Subchapter L of the Internal Revenue Code. The Separate Account is not a separate taxable entity from NYLIAC and we take its operations into account in determining NYLIAC's income tax liability. As a result, NYLIAC takes into account applicable tax attributes of the assets of the Separate Account on its corporate income tax return, including corporate dividends received deductions and foreign tax credit that may be produced by assets of the Separate Account. All investment income and realized net capital gains on the assets of the Separate Account are reinvested and taken into account in determining policy Cash Values and are automatically applied to increase the book reserves associated with the policies. Under existing federal income tax law, neither the investment income nor any net capital gains of the Separate Account, are taxed to NYLIAC to the extent those items are applied to increase tax deductible reserves associated with the policies. Under existing federal income tax law, NYLIAC believes that Separate Account investment income and realized net capital gains should not be taxed to the extent that such income and gains are retained as part of the tax-deductible reserves under the policy.

CHARGES FOR TAXES

We impose a federal tax charge on Non-Qualified Policies equal to 1.25% of premiums received under the policy to compensate us for taxes we have to pay under Section 848 of the Internal Revenue Code in connection with our receipt of premiums under Non-Qualified Policies. No other charge is currently made to the Separate Account for our federal income taxes that may be attributable to the Separate Account. In the future, we may impose a charge for our federal income taxes that are attributable to the Separate Account. In addition, depending on the method of calculating interest on amounts allocated to the Fixed Account, we may impose a charge for the policy's share of NYLIAC's federal income taxes attributable to the Fixed Account.

Under current laws, we may incur state or local taxes (in addition to premium taxes) in several states. At present, we do not charge the separate account for these taxes. We, however, reserve the right to charge the Separate Account for the portion of such taxes, if any, attributable to the Separate Account or the policies.

DIVERSIFICATION STANDARDS AND CONTROL ISSUES

In addition to other requirements imposed by the Internal Revenue Code, a policy will qualify as life insurance under the Internal Revenue Code only if the diversification requirements of Internal Revenue Code Section 817(h) are satisfied by the Separate Account. We intend for the Separate Account to comply with Internal Revenue Code Section 817(h) and related regulations. To satisfy these diversification standards, the regulations generally require that on the last day of each calendar quarter, no more than 55% of the value of a Separate Account's assets can be represented by any one investment, no more than 70% can be represented by any two investments, no more than 80% can be represented by any three investments, and no more than 90% can be represented by any four investments. For purposes of these rules, all securities of the same issuer generally are treated as a single investment, but each U.S. Government agency or instrumentality is treated as a separate issuer. Under a "look through" rule, we are able to meet the diversification requirements by looking through the Separate

Account to the underlying Eligible Portfolio. Each of the Funds has committed to us that the Eligible Portfolios will meet the diversification requirements.

The Internal Revenue Service has stated in published rulings that a variable policyowner will be considered the owner of Separate Account assets if he or she possesses incidents of ownership in those assets, such as the ability to exercise investment control over the assets. In those circumstances, income and gains from the Separate Account assets would be includable in the variable policyowner's gross income. In connection with its issuance of temporary regulations under Internal Revenue Code Section 817(h) in 1986, the Treasury Department announced that such temporary regulations did not provide guidance concerning the extent to which policyowners could be permitted to direct their investments to particular Investment Divisions of a separate account and that guidance on this issue would be forthcoming. Regulations addressing this issue have not yet been issued or proposed. The ownership rights under your policy are similar to, but different in certain respects from, those described by the Internal Revenue Service in rulings in which it was determined that policyowners were not owners of Separate Account assets. For example, you have additional flexibility in allocating premium payments and policy Cash Values. These differences could result in your being treated as the owner of your policy's pro rata portion of the assets of the Separate Account. In addition, we do not know what standards will be set forth, if any, in the regulations or ruling which the Treasury Department has stated it expects to issue. We therefore reserve the right to modify the policy, as deemed appropriate by us, to attempt to prevent you from being considered the owner of your policy's pro rata share of the assets of the Separate Account. Moreover, in the event that regulations are adopted or rulings are issued, there can be no assurance that the Eligible Portfolios will continue to be available, will be able to operate as currently described in the Fund prospectuses, or that a Fund will not have to change an Eligible Portfolio's investment objective or investment policies.

LIFE INSURANCE STATUS OF POLICY

We believe that the policy meets the statutory definition of life insurance under Internal Revenue Code Section 7702 and that you and the Beneficiary of your policy will receive the same federal income tax treatment as that accorded to owners and beneficiaries of fixed benefit life insurance policies. Specifically, we believe that the Life Insurance Benefit under your policy will be excludable from the gross income of the Beneficiary subject to the terms and conditions of Section 101(a)(1) of the Internal Revenue Code. Pursuant to Section 101(g) of the Internal Revenue Code, amounts received by the policyowner may also be excludable from the policyowner's gross income when the Primary Insured has a terminal illness and benefits are paid under the Living Benefits Rider. (Life insurance benefits under a "modified endowment contract" as discussed below are treated in the same manner as life insurance benefits under life insurance policies that are not so classified.)

In addition, unless the policy is a "modified endowment contract," in which case the receipt of any loan under the policy may result in recognition of income to the policyowner, we believe that the policyowner will not be deemed to be in constructive receipt of the Cash Values, including increments thereon, under the policy until proceeds of the policy are received upon a surrender of the policy or a partial withdrawal.

We reserve the right to make changes to the policy if we think it is appropriate to attempt to assure qualification of the policy as a life insurance contract. If a policy were determined not to qualify as life insurance, the policy would not provide the tax advantages normally provided by life insurance.

MODIFIED ENDOWMENT CONTRACT STATUS

Internal Revenue Code Section 7702A defines a class of life insurance policies referred to as modified endowment contracts. Under this provision, the policies will be treated for tax purposes in one of two ways. Policies that are not classified as modified endowment contracts will be taxed as conventional life insurance policies, as described below. Taxation of pre-death distributions (including loans) from policies that are classified as modified endowment contracts and that are entered into on or after June 21, 1988 is somewhat different, as described below.

A life insurance policy becomes a "modified endowment contract" if, at any time during the first seven years, the sum of actual premiums paid exceeds the sum of the "seven-pay premium." Generally, the "seven-pay premium" is the level annual premium, such that if paid for each of the first seven years, will fully pay for all future life insurance and endowment benefits under a life insurance policy. For example, if the "seven-pay premium" was $1,000, the maximum premium that could be paid during the first seven years to avoid "modified endowment" treatment would be $1,000 in the first year, $2,000 through the first two years and $3,000 through the first three years, etc. Under this test, a policy may or may not be a modified endowment contract, depending on the amount of premium paid during each of the policy's first seven years. A policy received in exchange for a modified endowment contract will be taxed as a modified endowment contract even if it would otherwise satisfy the seven-pay test.

Certain changes in the terms of a policy, including a reduction in life insurance benefits will require a policy to be retested to determine whether the change has caused the policy to become a modified endowment contract. In addition, if a "material change" occurs at any time while the policy is in force, a new seven-pay test period will start and the policy will need to be retested to determine whether it continues to meet the seven-pay test. A "material change" generally includes increases in life insurance benefits, but does not include an increase in life insurance benefits which is attributable to the payment of premiums necessary to fund the lowest level of life insurance benefits payable during the first seven Policy Years, or which is attributable to the crediting of interest with respect to such premiums.

Because the policy provides for flexible premiums, NYLIAC has instituted procedures to monitor whether, under our current interpretation of the law, increases in Life Insurance Benefits or additional premiums cause either the start of a new seven-year test period or the taxation of distributions and loans. All additional premiums will be considered in these determinations.

If a policy fails the seven-pay test, all distributions (including loans) occurring in the Policy Year of failure and thereafter will be subject to the rules for modified endowment contracts. A recapture provision also applies to loans and distributions that are received in anticipation of failing the seven-pay test. Under the Internal Revenue Code, any distribution or loan made within two Policy Years prior to the date that a policy fails the seven-pay test is considered to have been made in anticipation of the failure.

POLICY SURRENDERS AND PARTIAL WITHDRAWALS

Upon a full surrender of a policy for its Cash Surrender Value, you will recognize ordinary income for federal tax purposes to the extent that the Cash Value less surrender charges and any uncollected additional contract charges, exceeds the investment in your policy (the total of all premiums paid but not previously recovered plus any other consideration paid for the policy). The tax consequences of a partial withdrawal from your policy will depend upon whether the partial withdrawal results in a reduction of future benefits under your policy and whether your policy is a modified endowment contract. If upon a full surrender of a policy the premium payments made exceed the surrender proceeds plus the amount of any outstanding loans, you will recognize a loss, which is not deductible for federal income tax purposes.

If your policy is not a modified endowment contract, the general rule is that a partial withdrawal from a policy is taxable only to the extent that it exceeds the total investment in the policy. An exception to this general rule applies, however, if a reduction of future benefits occurs during the first fifteen years after a policy is issued and there is a cash distribution associated with that reduction. In such a case, the Internal Revenue Code prescribes a formula under which you may be taxed on all or a part of the amount distributed. After fifteen years, cash distributions from a policy that is not a modified endowment contract will not be subject to federal income tax, except to the extent they exceed the total investment in the policy. We suggest that you consult with a tax advisor in advance of a proposed decrease in face amount or a partial withdrawal. In addition, any amounts distributed under a "modified endowment contract" (including proceeds of any loan) are taxable to the extent of any accumulated income in the policy. In general, the amount that may be subject to tax is the excess of the Cash Value (both loaned and unloaned) over the previously unrecovered premiums paid.

For purposes of determining the amount of income received upon a distribution (or loan) from a modified endowment contract, the Internal Revenue Code requires the aggregation of all modified endowment contracts issued to the same policyowner by an insurer and its affiliates within the same calendar year. Therefore, loans and distributions from any one such policy are taxable to the extent of the income accumulated in all the modified endowment contracts required to be so aggregated.

If any amount is taxable as a distribution of income under a modified endowment contract (as a result of a policy surrender, a partial withdrawal, or a loan), it may also be subject to a 10% penalty tax under Internal Revenue Code Section 72(v). Limited exceptions from the additional penalty tax are available for certain distributions to individuals who own policies. The penalty tax will not apply to distributions: (i) that are made on or after the date the taxpayer attains age 59 1/2; or (ii) that are attributable to the taxpayer's becoming disabled; or (iii) that are part of a series of substantially equal periodic payments (made not less frequently than annually) made for the life or life expectancy of the taxpayer.

POLICY LOANS AND INTEREST DEDUCTIONS

We believe that under current law any loan received under your policy will be treated as Policy Debt to you and that, unless your policy is a modified endowment contract, no part of any loan under your policy will constitute income to you. If your policy is a modified endowment contract (see discussion above) loans will be fully

taxable to the extent of the income in the policy (and in any other contracts with which it must be aggregated) and could be subject to the additional 10% penalty tax described above.

Internal Revenue Code Section 264 provides that interest paid or accrued on a loan in connection with a policy is generally nondeductible. Certain exceptions apply, however, with respect to policies covering key employees. In addition, in the case of policies not held by individuals, special rules may limit the deductibility of interest on loans that are not made in connection with a policy. We suggest consultation with a tax advisor for further guidance.

In addition, if your policy lapses or you surrender it with an outstanding loan, and the amount of the loan plus the Cash Surrender Value is more than the sum of premiums you paid, you will generally be liable for taxes on the excess. Such amount will be taxed as ordinary income.

CORPORATE OWNERS

Ownership of a policy by a corporation may affect the policyowner's exposure to the corporate alternative minimum tax. In determining whether it is subject to alternative minimum tax, a corporate policyowner must make two computations. First, the corporation must take into account a portion of the current year's increase in the "inside build up" or income on the contract gain in its corporate-owned policies. Second, the corporation must take into account a portion of the amount by which the death benefits received under any policy exceed the sum of (i) the premiums paid on that policy in the year of death, and (ii) the corporation's basis in the policy (as measured for alternative minimum tax purposes) as of the end of the corporation's tax year immediately preceding the year of death.

EXCHANGES OR ASSIGNMENTS OF POLICIES

If you change the policyowner or exchange or assign your policy, it may have significant tax consequences depending on the circumstances. For example, an assignment or exchange of the policy may result in taxable income to you. Further, Internal Revenue Code Section 101(a) provides, subject to certain exceptions, that where a policy has been transferred for value, only the portion of the life insurance benefit which is equal to the total consideration paid for the policy may be excluded from gross income. For complete information with respect to policy assignments and exchanges, a qualified tax advisor should be consulted.

REASONABLENESS REQUIREMENT FOR CHARGES

Another provision of the tax law deals with allowable charges for mortality costs and other expenses that are used in making calculations to determine whether a policy qualifies as life insurance for federal income tax purposes. For life insurance policies entered into on or after October 21, 1988, these calculations must be based upon reasonable mortality charges and other charges reasonably expected to be actually paid. The Treasury Department has issued proposed regulations and is expected to promulgate temporary or final regulations governing reasonableness standards for mortality charges.

LIVING BENEFITS RIDER (ALSO KNOWN AS ACCELERATED BENEFITS RIDER)

A Living Benefits Rider is available in connection with the policy. Amounts received under this rider will generally be excludable from your gross income under Section 101(g) of the Internal Revenue Code. The exclusion from gross income will not apply, however, if you are not the Primary Insured or if you do not have an insurable interest in the life of the Primary Insured either because the Primary Insured is your director, officer, employee, or because the Primary

Insured has a financial interest in a business of yours.

In some cases, there may be a question as to whether a life insurance policy that has an accelerated living benefit rider can meet certain technical aspects of the definition of "life insurance contract" under the Internal Revenue Code. We reserve the right (but we are not obligated) to modify the rider to conform with requirements the Internal Revenue Service may enact.

OTHER TAX ISSUES

Federal estate and state and local estate, inheritance, and other tax consequences of ownership or receipt of Policy Proceeds depend on the circumstances of each policyowner or Beneficiary.

WITHHOLDING

Under Section 3405 of the Internal Revenue Code, withholding is generally required with respect to certain taxable distributions under insurance policies. In the case of periodic payments (payments made as an annuity or on a similar basis), the withholding is at graduated rates (as though the payments were employee wages). With respect to non-periodic distributions, the withholding is at a flat rate of 10%. You can elect to have either non-periodic or periodic payments made without withholding except where your tax identification number has not been furnished to us, or where the Internal Revenue Service has notified us that a tax identification number is incorrect.

Different withholding rules apply to payments made to U.S. citizens living outside the United States and to non-U.S. citizens living outside of the United States. U.S. citizens who live outside of the United States generally are not permitted to elect not to have federal income taxes withheld from payments. Payments to non-U.S. citizens who are not residents of the United States generally are subject to 30% withholding, unless an income tax treaty between their country of residence and the United States provides for a lower rate of withholding or an exemption from withholding.

ADDITIONAL PROVISIONS OF THE POLICY

REINSTATEMENT OPTION

For a period of five (5) years after termination, you can request that we reinstate the policy during the Insured's lifetime. We will not reinstate the policy if it has been returned for its Cash Surrender Value. Note that a termination and later reinstatement may cause the policy to become a modified endowment contract.

Before we will reinstate the policy, we must receive the following:

-- A payment in an amount which is sufficient to keep the policy in force for at least 3 months. If the policy lapses before and is reinstated after the first policy anniversary, we must also receive an amount equal to 150% of any deferred contract charge not previously deducted. This payment will be in lieu of the payment of all premiums in arrears;

-- Any unpaid loan must be repaid or deducted from the Cash Value of the reinstated policy, together with loan interest at 6% compounded once each year from the end of the late period to the date of reinstatement. If a policy loan interest rate of less than 6% is in effect when the policy is reinstated, the interest rate for any unpaid loan at the time of reinstatement will be the same as the policy loan interest rate; and

-- Evidence of insurability satisfactory to us if the reinstatement is requested more than 30 days after termination.

If we do reinstate the policy, the face amount for the reinstated policy will be the same as it would have been if the policy had not terminated. The effective date of reinstatement will be the Monthly Deduction Day on or following the date we approve the request for reinstatement.

The Cash Value of the reinstated policy will be the Cash Value at the time the policy lapsed less the difference between the surrender charge assessed at the time of the lapse and the surrender charge that applies at the time the policy is reinstated.

ADDITIONAL BENEFITS PROVIDED BY RIDERS

The policy can include additional benefits that we approve based on our standards and limits for issuing insurance and classifying risks. None of these benefits depends on the investment performance of the Separate Account or the Fixed Account. An additional benefit is provided by a rider and is subject to the terms of both the policy and the rider. There is generally an additional charge for each rider you elect. The following riders are available.

ACCIDENTAL DEATH BENEFIT

This rider provides an additional death benefit if the Primary Insured's death was caused directly, and apart from any other cause, by accidental bodily injury. We will pay the additional death benefit if the Primary Insured dies within one year of such accident. No benefit is payable under the rider if the death of the Primary Insured occurs before the Primary Insured's first birthday or after the policy anniversary on which the Primary Insured is age 70. There is an additional charge for this rider.

CHILDREN'S INSURANCE RIDER

This rider provides a level term insurance benefit on the child, stepchild, or legally adopted child of the Primary Insured (a "covered child") who is proposed and accepted for coverage. A child born to, or legally adopted by, the Primary Insured while the rider is in effect is also a covered child. For a child to be covered under this rider, he or she must be age 18 or under when this rider is issued, or when that child would otherwise be covered. However, no child is covered under the rider until the 15(th) day after birth.

When you apply for this rider, you must specify how many units of insurance coverage will apply to each covered child. You may purchase 1 to 25 units of coverage on each covered child. Each unit provides $1,000 of level term insurance. The number of units must be the same for each child. Each child covered under this rider is issued in a standard risk class.

If the Primary Insured dies while this rider is in effect, the term insurance on each covered child will continue at no additional cost. This is known as paid-up insurance. Although paid-up insurance has no loan value, it does have cash value and can be surrendered for its cash value.

The term insurance coverage, or the paid-up insurance, on each covered child will end on the earlier of:

-- the policy anniversary on which the covered child is age 25; and

-- the policy anniversary on which the Primary Insured is, or would have been, age 65.

Within 31 days after the date on which the term insurance coverage ends, you or the covered child can convert the term insurance to any permanent plan of insurance we offer, without any evidence of insurability. The maximum face amount of the new policy is five times the amount of the term insurance coverage on the covered child. The premium rates for the new policy will be based on the age and sex of the covered child, and our premium rates in effect on the date of conversion.

There is an additional charge for this rider.

GUARANTEED INSURABILITY RIDER

This rider allows you to purchase additional insurance coverage on the Primary Insured, on a scheduled option date or alternative option date, without providing any evidence of insurability. The additional insurance coverage can either be a new policy on the life of the Primary Insured or an increase to the existing policy's face amount.

Scheduled option dates are the policy anniversaries on which the Primary Insured is age 22, 25, 28, 31, 34, 37, 40, 43, and 46. An alternative option date is the Monthly Deduction Day on or following the date that is three months after any of these events:

-- the marriage of the Primary Insured;

-- the birth of a living child to the Primary Insured; or

-- the legal adoption of a child by the Primary Insured.

If elected, the new policy or increase in face amount will take effect as of a scheduled or alternative option date. This date will always be a Monthly Deduction Day. When one of the events that would trigger an alternative option date occurs, we will automatically provide term insurance on the Primary Insured in an amount equal to the maximum amount you are eligible to purchase on the alternative option date. This term insurance coverage will begin on the date that the event which triggers the alternative option date occurs until the alternative option date. We do not provide term insurance for any period before or after a scheduled option date. If you purchase additional insurance coverage on an alternative option date, you may not purchase additional insurance coverage on the next scheduled option date.

In order to exercise this rider's benefit on an option date, the rider must be in effect on that date. The minimum amount of additional insurance coverage that you can purchase on each option date is $10,000 and the maximum amount is the lesser of $100,000 or a multiple of the policy's face amount based on the Primary Insured's age when the policy was issued. The multiples are set forth below:

AGE AT ISSUE	MULTIPLE
0-21	5 times face amount
22-37	2 times face amount
38-43	1 times face amount

This rider will end on the policy anniversary on which the Primary Insured is age 46. However, if any of the events that trigger an alternative option date occurs within three months before that anniversary, you will continue to have the right to purchase additional insurance coverage until that option date. We will also provide the automatic term insurance coverage up to that option date.

There is an additional charge for this rider.

GUARANTEED MINIMUM DEATH BENEFIT RIDER

We no longer offer this rider for sale. However, if you previously purchased this rider, we will deduct a charge equal to $0.01 per $1000 multiplied by the sum of your policy's face amount and the face or benefit amount of any riders. The face or benefit amount of a rider is the amount that is multiplied by the cost of insurance rate for that rider.

As long as this rider is in effect and the benefit period has not expired, this rider guarantees that your policy will not lapse even if the policy's Cash Surrender Value is insufficient to cover the current monthly deduction charges. Under this rider, if your total monthly deduction charges are greater than your policy's Cash Value, we will deduct as much of the monthly deduction charges from the Cash Value as possible. We will then waive any excess amount of these charges including the charge for this and any other rider. Generally, this rider is available with a benefit period up to the Primary Insured's age 70, 80, or 95. You can choose any one of these expiry dates as long as the benefit period is at least ten years.

In exchange for the guarantee provided by this rider, you must make certain premium payments into your policy. The premium you must pay under this rider is called the "Monthly Guaranteed Minimum Death Benefit (GMDB) premium." If you elected this rider, you will find the GMDB premium on the Policy Data Page. The monthly GMDB premium may change if you modify your policy or any of the riders attached to your policy. Although this premium is expressed as a monthly premium, you do not need to pay it on a monthly basis. Rather, we will perform a GMDB premium test each month to determine if you have made enough cumulative premium payments to keep the rider in effect.

GMDB PREMIUM TEST (PERFORMED ON EACH MONTHLY DEDUCTION DAY)

Cumulative premium payments to date	less	Cumulative partial withdrawals to date	must be at least equal to	Cumulative monthly GMDB premiums from the Policy Date to the date the test is performed

If your policy does not satisfy the GMDB premium test and your policy fails the test by an amount that is more than one monthly GMDB premium, we will notify you that your policy has failed this test. The rider will terminate unless you make a premium payment in an amount necessary to pass the GMDB premium test before the next Monthly Deduction Day. If the rider terminates, we will reinstate it if we receive the required premium payment before the Monthly Deduction Day that follows the date the rider terminated. If the rider terminates during a period when the rider benefit is in effect, your policy will enter the late period and will lapse unless the required payment is made.

Having this rider affects your ability to take policy loans in the following way:

(a) If you take a loan during the first two Policy Years, this rider will end.

(b) After the first two Policy Years, you can take loans within certain limits. On the day you take a loan (or when any unpaid loan interest is charged as an additional loan), the Cash Surrender Value of your policy less the new loan and the amount of any current outstanding loan balance must be greater than the cumulative monthly GMDB premiums required up to the time you take the loan, accumulated at an annual effective interest rate of 6.0% as of that date.

LIVING BENEFITS RIDER (ALSO KNOWN AS ACCELERATED BENEFITS RIDER)

Under this rider, if the Primary Insured has a life expectancy of twelve months or less, you can request a portion or all of the Policy Proceeds as an accelerated death benefit. You must elect this rider when you apply for your policy or after we issue your policy.

You can elect to receive an accelerated death benefit of 25%, 50%, 75%, or 100% of certain eligible proceeds from your Policy Proceeds. We will pay you an amount equal to the results of the following calculation:

<Table>
<Caption>

CALCULATION STEPS
STEP 1 Eligible Proceeds X Elected percentage
STEP 2 Result of Step 1 X Interest factor (varies)
STEP 3 Result of Step 1--Result of Step 2
STEP 4 Result of Step 3--Update loan--Administrative Fee

</Table>

Minimum accelerated benefit amount: $25,000.

Maximum accelerated benefit amount: $250,000 (total for all of your NYLIAC and affiliated companies' policies).

If you accelerate less than 100% of the eligible proceeds, the remaining face amount of your policy after we pay this benefit must be at least $50,000. We do not permit any subsequent acceleration.

When we make a payment under this rider, we will reduce your policy's face amount, Surrender Charge Premium, rider death benefits, monthly deductions, Cash Value, and any unpaid policy loan based on the percentage you elected.

MONTHLY DEDUCTION WAIVER

This rider provides for the waiver of monthly deduction charges if the Primary Insured becomes totally disabled. This rider will end on the policy anniversary on which the Primary Insured is age 65. In the event of the total disability (as defined in the rider), we will waive the following deductions from Cash Value on each Monthly Deduction Day:

-- the monthly cost of insurance for the base policy;

-- the monthly cost of riders, if any; and

-- the monthly contract charge.

You must provide proof that the Primary Insured has been totally disabled for at least six consecutive months before we waive any monthly deduction charges. We will waive the monthly deduction charges as long as the total disability continues. From time to time we may require proof that the Primary Insured is still totally disabled. We will pay for any medical examination necessary in connection with such proof.

In addition, the following special rules apply:

-- If the total disability begins on or before the policy anniversary on which the Primary Insured is age 60 and continues to the policy anniversary on which the Primary Insured is age 65, we will waive the monthly deduction charges under this policy for the remainder of time that the policy is in effect. We will not require any further proof of disability.

-- If the total disability begins after the policy anniversary on which the Primary Insured is age 60, we will waive the monthly deduction charges under this policy while the disability continues but only until the policy anniversary on which the Primary Insured is age 65.

We will not waive the monthly deduction charges for any disability that begins on or after the policy anniversary on which the Primary Insured is age

There is an additional charge for this rider.

SPOUSE'S PAID-UP INSURANCE PURCHASE OPTION

This rider allows a spouse who is the Beneficiary under the policy to purchase a new paid-up whole life insurance policy on his or her own life without evidence of insurability when the Primary Insured dies. This rider is included in the policy at no additional cost.

The maximum face amount of the new paid-up whole life policy is the lesser of:

-- the amount of the Policy Proceeds payable under this policy (not including any benefit payable under the Accidental Death Benefit Rider, and before any unpaid loan is deducted); or

-- $5,000,000.

If the Primary Insured's spouse dies at the same time as the Primary Insured or within 90 days after the Primary Insured's death and does not exercise the option under this rider, we will pay a benefit to the spouse's estate equal to the maximum amount of

insurance coverage that could have been purchased under this rider, minus the premium payment that would have been required for that insurance.

If someone other than the spouse (including a trust) is the owner and beneficiary under the policy, that person can also exercise the option and purchase a paid-up whole life policy on the life of the spouse. The owner must have an insurable interest in the life of the spouse, and the spouse must consent to the issuance of the new insurance in writing.

TERM INSURANCE ON OTHER COVERED INSURED RIDER

This rider provides term insurance on one or more members of the Primary Insured's immediate family (generally, the spouse and/or children of the Primary Insured). The Primary Insured can also be covered under this rider.

We refer to any person, including the Primary Insured, who is covered under this rider as an "Other Covered Insured" (OCI). The minimum amount of term insurance that you can apply for under this rider is $25,000.

You can convert the term insurance provided by this rider to any permanent plan of insurance we offer without any evidence of insurability. You can make a conversion on any Monthly Deduction Day prior to the policy anniversary on which the OCI is age 70, provided the policy is in effect.

The term insurance under this rider will end when the Primary Insured dies. However, provided the rider is in effect and you are not the Primary Insured under the policy, you can convert the term insurance on any living OCI under age 70 to any permanent plan of insurance we offer within 31 days after the Monthly Deduction Day on or following the date of the Primary Insured's death. The term insurance under this rider will also end if the base policy ends. In no event will this rider continue beyond the policy anniversary on which the Primary Insured is age 95.

There is an additional charge for this rider.

PAYMENT OPTIONS

The beneficiary can elect to have the death benefit proceeds paid into an interest-bearing account opened in the beneficiary's name. Within seven days of our receipt of due proof of death and payment instructions at the Variable Products Service Center, we will provide the beneficiary with a checkbook to access these funds from the account. The beneficiary can withdraw all or a portion of the death benefit proceeds at any time, and will receive interest on the proceeds remaining in the account. The account is part of our general account, is not FDIC insured, and is subject to the claims of our creditors. We may receive a benefit from the amounts held in the account.

Death benefits will be paid in one sum, or if elected, all or part of the death benefit can be placed under one or more of the options described in this section. If we agree, the death benefit may be placed under some other method of payment instead. Any death benefits paid in one sum will bear interest compounded each year from the Insured's death to the date of payment. We set the interest rate each year. This rate will be at least 3% per year, and will not be less than required by law.

While the Insured is living, you can elect or change an option. You can also elect or change one or more Beneficiaries who will be the payee or payees under that option. After the Insured dies, any person who is to receive proceeds in one sum (other than an assignee) can elect an option and name payees. The person who elects an option can also name one or more successor payees to receive any amount remaining at the death of the payee. Naming these payees cancels any prior choice of successor payees. A payee who did not elect the option does not have the right to advance or assign payments, take the payments in one sum, or make any other change. However, the payees may be given the right to do one or more of these things if the person who elects the option tells us in writing and we agree.

If we agree, a payee who elects Option 1A, 1B, or 2 may later elect to have any amount we still have, or the present value of any elected payments, placed under some other option described in this section. When any payment under an option would be less than $100, we may pay any unpaid amount or present value in one sum.

PAYEES

Only individuals who are to receive payments in their own behalf may be named as payees or successor payees, unless we agree otherwise. We may require proof of the age or the survival of a payee.

It may happen that when the last surviving payee dies, we still have an unpaid amount, or there are some payments that remain to be made. If so, we will pay the unpaid amount with interest to the date of payment, or pay the present value of the remaining payments, to that payee's estate in one sum. The present value of the remaining payments is based on the interest rate used to compute them, and is always less than their sum.

PROCEEDS AT INTEREST OPTIONS (OPTIONS 1A AND 1B)

The policy proceeds may be left with us at interest. We will set the interest rate each year. This rate will be at least 3% per year.

For the Interest Accumulation Option (Option 1A), we credit interest each year on the amount we still have. This amount can be withdrawn at any time in sums of $100 or more. We pay interest to the date of withdrawal on sums withdrawn.

For the Interest Payment Option (Option 1B), we pay interest once each month, every 3 months, every 6 months, or once each year, as chosen, based on the amount we still have.

LIFE INCOME OPTION (OPTION 2) (NOT AVAILABLE IN MASSACHUSETTS AND MONTANA)

We make equal payments each month during the lifetime of the payee or payees. We determine the amount of the monthly payment by applying the death benefit to purchase a corresponding single premium life annuity policy, which is being issued when the first payment is due. Payments are based on the appropriately adjusted annuity premium rate in effect at that time, but will not be less than the corresponding minimum amount shown in the appropriate Option 2 table of your policy. These minimum amounts are based on the 1983 Table "a" with Projection Scale G and with interest compounded each year at 3%.

When asked, we will state in writing what the minimum amount of each monthly payment would be under these options. It is based on the gender and adjusted age of the payee(s). To find the adjusted age in the year the first payment is due, we increase or decrease the payee's age at that time, as follows:

1995 AND EARLIER	1996-2005	2006-2015	2016-2025	2026-2035	2036 AND LATER
+2	+1	0	-1	-2	-3

For Option 2, we make a payment each month while the payee is living. Payments do not change, and are guaranteed for 10 years, even if both payees die sooner.

BENEFICIARY

A Beneficiary is any person(s) and/or entity(ies) you name to receive the death benefit after the Insured dies. You name the Beneficiary when you apply for the policy. There may be different classes of beneficiaries, such as primary and secondary. These classes set the order of payment. There may be more than one Beneficiary in a class.

A revocable Beneficiary may be changed during the Insured's lifetime by writing to one of the Variable Products Service Centers listed on the first page of this prospectus or such other location that we indicate to you in writing. Generally, the change will take effect as of the date the request is signed. If no Beneficiary is living when the Insured dies, unless provided otherwise, the Death Benefit is paid to the policyowner or, if deceased, the policyowner's estate.

ASSIGNMENT

While the Insured is living, the policy can be assigned as collateral for a loan or other obligation. For an assignment to be binding on us, we must receive a signed copy of it at one of the Variable Products Service Centers listed on the first page of this prospectus or such other location that we indicate to you in writing. We are not responsible for the validity of any assignment.

TRANSFER OF OWNERSHIP

The current policy owner (on non-qualified plans) has the right to transfer ownership to another party/entity. The person having the right to transfer the ownership of the policy must do so by using the Company's approved "Transfer of Ownership" form in effect at the time of the request. When the Company records the change, it will take effect as of the date the form was signed, subject to any payment made or other action taken by the Company before recording. Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who becomes the owner of an existing account. This means the new owner will be required to provide their name, address, date of birth, and other identifying information. A transfer of ownership request on any variable product requires that the new owner(s) submit financial and suitability information as well.

LIMITS ON OUR RIGHTS TO CHALLENGE THE POLICY

Except for any increases in face amount, other than one due solely to a change in the life insurance benefit option, we must bring any legal action to contest the validity of a policy within two years from its Issue Date (unless a state has different require-

ments). After that we cannot contest its validity, except for failure to pay premiums unless the Insured died within that two year period. For any increase in the face amount, other than one due solely to a change in the life insurance benefit option, we must bring legal action to contest that increase within two years from the effective date of the increase.

MISSTATEMENT OF AGE OR SEX

If the Insured's age or sex is misstated in the policy application, the Cash Value (except in Pennsylvania), Cash Surrender Value, and the death benefit will be adjusted to reflect the correct age and sex. The death benefit will be adjusted based on what the policy would provide according to the most recent mortality charge for the correct date of birth or correct sex.

SUICIDE

If the death of the Primary Insured is a result of suicide within two years (or less where required by law) from the Issue Date (or with respect to an increase in face amount, the effective date of the increase), and while the policy is in force, we pay a limited death benefit in one sum to the Beneficiary. The limited death benefit is the amount of premiums, less any Policy Debt, or amounts withdrawn. For any increases in the face amount, the limited death benefit will be the monthly deductions made for that increase. If the limited death benefit for the entire policy is payable, there will be no additional payment for the increase.

WHEN WE PAY PROCEEDS

If the policy is still in effect, NYLIAC will pay any Cash Surrender Value, loan proceeds, partial withdrawals, or the death benefit proceeds generally within seven days after we receive all of the necessary requirements at one of the Variable Products Service Centers listed on the first page of this prospectus or such other location that we indicate to you in writing. But we can delay payment of the Cash Surrender Value or any partial withdrawal from the Separate Account, loan proceeds attributable to the Separate Account, or the death benefit during any period that:

-- It is not reasonably practicable to determine the amount because the NYSE is closed (other than customary weekend and holiday closings), trading is restricted by the SEC, or the SEC declares that an emergency exists; or

-- The SEC, by order, permits us to delay payment in order to protect our policyowners.

-- Federal laws designed to combat terrorism and prevent money laundering by criminals might in certain circumstances require us to reject a premium payment and/or "freeze" a policy. If these laws apply in a particular situation, we would not be allowed to pay any request for transfers, withdrawals, surrenders, loans, or death benefits. If a policy or account is frozen, the cash value would be moved to a special segregated interest bearing account and held in that account until instructions are received from the appropriate federal regulator.

-- If you have submitted a recent check or draft, we have the right to defer payment of any surrender, withdrawal, loan, death benefit proceeds, or payments under a settlement option until such check or draft has been honored.

We may delay paying any surrender value or loan proceeds on the Fixed Account for up to 6 months from the date the request is received at one of the Variable Products Service Centers listed on the first page of this prospectus. We can delay payment of the entire death benefit if payment is contested. We investigate all death claims arising within the two-year contestable period. Upon receiving the information from a completed investigation, we generally make a determination within five days as to whether the claim should be authorized for payment. Payments are made promptly after authorization. If payment of a Cash Surrender Value or partial withdrawal value is delayed for 30 days or more, we add interest at an annual rate of 3%. We add interest to a death benefit from the date of death to the date of payment at the same rate as is paid under the Interest Payment Option.

RECORDS AND REPORTS

New York Life or NYLIAC maintains all records and accounts relating to the Separate Account and the Fixed Account. Each year we will mail to you at your last known address of record a report showing the Cash Value, Cash Surrender Value, and outstanding loans (including accrued loan interest) as of the latest policy anniversary. This report contains any additional information required by any applicable law or regulation. We will also mail you a report each quarter showing this same information as of the end of the previous quarter. This quarterly statement reports transactions that you have requested or authorized. Please review it carefully. If you believe it contains an error, we must be notified within 15 days of the date of the statement.

It is important that you inform NYLIAC of an address change so that you can receive these policy statements. (Please refer to the section on "How To Reach Us for Policy Services.") In the event your statement is returned from the US Postal Service as undeliverable, we reserve the right to suspend mailing future correspondence and also suspend current transaction processing until a better address is obtained. Additionally, no new service requests can be processed until a valid current address is provided.

Reports and promotional literature may contain the ratings New York Life and NYLIAC have received from independent rating agencies. Both companies are among only a few companies that have consistently received among the highest possible ratings from the four major independent rating companies for financial strength and stability: A.M. Best, Fitch, Moody's Investor's Services Inc. and Standard and Poor's. However, neither New York Life nor NYLIAC guarantees the investment performance of the Investment Divisions.

DISTRIBUTION AND COMPENSATION ARRANGEMENTS

NYLIFE Distributors LLC (NYLIFE Distributors), the underwriter and distributor of the policies, is registered with the SEC and the NASD as a broker-dealer. The firm is an indirect wholly-owned subsidiary of New York Life, and an affiliate of NYLIAC. Its principal business address is 169 Lackawanna Avenue, Parsippany, New Jersey 07054.

The policies are sold by registered representatives of NYLIFE Securities, Inc. ("NYLIFE Securities"), a broker-dealer that is an affiliate of NYLIFE Distributors, and by registered representatives of unaffiliated broker-dealers. Your registered representative is also a licensed insurance agent with New York Life. He or she may be qualified to

offer other forms of life insurance, annuities, and other investment products. In certain circumstances, NYLIFE Securities registered representatives can sell both products manufactured and issued by New York Life or its affiliates and products provided by other companies.

The selling broker-dealer, and in turn your registered representative, will receive compensation for selling you this policy or any other investment product. Compensation may consist of commissions, asset-based compensation, allowances for expenses, and other compensation programs. The amount of compensation received by your registered representative will vary depending on the policy that he or she sells, on sales production goals, and on the specific payment arrangements of the relevant broker-dealer.

The average commission rate paid to broker-dealers on a present value basis over 30 years is 6.9% per year.(1) Broker-dealers receive commission not to exceed 50% of the premiums paid up to a policy's commission Target Premium during Policy Year 1, 8% in Policy Year 2, 6.25% in Policy Years 3 and 4, 6.5% in Policy Years 5 and 6, 5.5% in Policy Year 7, 5.0% in Policy Years 8-10, 3.5% in Policy Years 11-15, plus 3.5% of premiums paid in excess of such amount in Policy Years 1-15. The "commission Target Premium" is the calculation of the maximum commission payable based on the policyowner's age at the inception of the policy, gender, and face amount of the policy. Commissions in excess of the percentage payable on renewal premiums are available for premiums paid in connection with most increases in a policy's face amount. Broker-dealers may also receive an allowance for expenses that ranges generally from 0% to 41% of first year premiums paid.

The total commissions paid during the fiscal years ended December 31, 2004, 2003, and 2002 were $2,075, $3,104, and $2,574 respectively. NYLIFE Distributors did not retain any of these commissions.

New York Life also has other compensation programs where registered representatives, managers, and employees involved in the sales process receive additional compensation related to the sale of products manufactured and issued by New York Life or its affiliates. NYLIFE Securities registered representatives who are members of the General Office management team receive compensation based on a number of sales-related incentive programs designed to compensate for education, supervision, training, and recruiting of agents.

Unaffiliated broker-dealers may receive sales support for products manufactured and issued by New York Life or its affiliates from Brokerage General Agents ("BGAs") who are not employed by New York Life. BGAs receive commissions on the policies based on a percentage of the commissions the registered representative receives and an allowance for expenses based on first year premiums paid.

NYLIFE Securities registered representatives can qualify to attend New York Life-sponsored educational, training, and development conferences based on the sales they make of life insurance, annuities, and investment products during a particular twelve-month period. In addition, qualification for recognition programs sponsored by New York Life depends on the sale of products manufactured and issued by New York Life or its affiliates.

----

1 Assumes a discount rate of 6%. Additional assumptions for the VUL product are Male Issue Age 36, issued preferred, with a planned annual premium of $2,750 and an initial face amount of $250,000.

NYLIAC has discontinued sales of these policies. Premium payments on existing policies, however, are accepted on a continuous basis.

LEGAL PROCEEDINGS

NYLIAC is a defendant in individual and/or alleged class action lawsuits arising from its agency sales force, insurance (including variable contracts registered under the federal securities law), investment, and/or other operations, including actions involving retail sales practices. Most of these actions seek substantial or unspecified compensatory and punitive damages. NYLIAC is from time to time involved in various governmental, administrative, and investigative proceedings and inquiries.

Notwithstanding the uncertain nature of litigation and regulatory inquiries, the outcome of which cannot be predicted, NYLIAC believes that, after provisions made in the financial statements, the ultimate liability that could result from litigation and proceedings would not have a material adverse effect on NYLIAC's financial position; however, it is possible that settlements or adverse determinations in one or more actions or other proceedings in the future could have a material adverse effect on NYLIAC's operating results for a given year.

FINANCIAL STATEMENTS

The balance sheet of NYLIAC as of December 31, 2004 and 2003, and the statement of income, of stockholder's equity, and of cash flows for each of the three years in the period ended December 31, 2004 (including the report of independent auditors), and the Separate Account statement of assets and liabilities as of December 31, 2004, and the statement of operations, statement of changes in net assets and financial highlights for each of the periods indicated in the Financial Statements (including the report of independent auditors) are included. The independent accountants are PricewaterhouseCoopers

LLP, 300 Madison Avenue, New York, NY 10017.

Actuarial matters in this prospectus have been examined by Julie Chen, MAAA, Associate Actuary. An opinion on actuarial matters is filed with the SEC as an exhibit to the registration statements.

(THIS PAGE INTENTIONALLY LEFT BLANK)

NYLIAC VARIABLE UNIVERSAL LIFE SEPARATE ACCOUNT-I

FINANCIAL STATEMENTS

GROUP 1 POLICIES:	Variable Universal Life Survivorship Variable Universal Life - Series 1
GROUP 2 POLICIES:	Variable Universal Life 2000 - Series 1 Single Premium Variable Universal Life - Series 1
GROUP 3 POLICIES:	Pinnacle Variable Universal Life Pinnacle Survivorship Variable Universal Life
GROUP 4 POLICIES:	Variable Universal Life 2000 - Series 2 Survivorship Variable Universal Life - Series 2 Single Premium Variable Universal Life - Series 2 Single Premium Variable Universal Life - Series 3 Variable Universal Life Provider

STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2004

	MAINSTAY VP BOND-- INITIAL CLASS	MAINSTAY VP CAPITAL APPRECIATION-- INITIAL CLASS	MAINSTAY VP CASH MANAGEMENT
ASSETS:			
Investment at net asset value	$ 26,627,917	$231,885,420	$ 33,288,111
LIABILITIES:			
Liability to New York Life Insurance and Annuity Corporation for:			
Mortality and expense risk charges	33,201	323,288	39,630
Administrative charges	3,503	43,035	4,037
Total net assets	$ 26,591,213	$231,519,097	$ 33,244,444
TOTAL NET ASSETS REPRESENTED BY:			
Total Net Assets of Policyowners:			
Group 1 Policies	$ 13,637,015	$174,254,011	$ 15,070,844
Group 2 Policies	9,679,569	53,192,883	11,506,795
Group 3 Policies	527,861	248,802	2,255,295
Group 4 Policies	2,746,768	3,823,401	4,411,510
Net assets retained in the Separate Accounts by New York Life Insurance and Annuity Corporation	--	--	--
Total net assets	$ 26,591,213	$231,519,097	$ 33,244,444
Group 1 variable accumulation unit value	$ 18.88	$ 19.60	$ 1.41
Group 2 variable accumulation unit value	$ 13.96	$ 7.41	$ 1.11
Group 3 variable accumulation unit value	$ 11.95	$ 9.42	$ 1.04
Group 4 variable accumulation unit value	$ 11.66	$ 10.57	$ 1.02

Identified Cost of Investment..........................	$ 27,192,227	$236,341,443	$ 33,288,993

</Table>

Not all investment divisions are available under all policies.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

<Table>
<Caption>

	MAINSTAY VP COMMON STOCK-- INITIAL CLASS	MAINSTAY VP CONVERTIBLE-- INITIAL CLASS	MAINSTAY VP GOVERNMENT-- INITIAL CLASS	MAINSTAY VP HIGH YIELD CORPORATE BOND-- INITIAL CLASS	MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS	MAINSTAY VP MID CAP CORE-- INITIAL CLASS	MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$ 99,830,541	$ 32,023,251	$ 20,120,850	$ 87,841,375	$ 22,600,707	$ 18,320,292	$ 23,283,675
	134,833	36,962	25,310	110,310	28,293	21,605	24,846
	16,153	2,729	2,981	13,367	3,450	2,840	2,829
	$ 99,679,555	$ 31,983,560	$ 20,092,559	$ 87,717,698	$ 22,568,964	$ 18,295,847	$ 23,256,000
	$ 65,116,620	$ 11,056,373	$ 11,675,783	$ 53,870,007	$ 13,645,658	$ 5,164,514	$ 6,126,418
	30,883,679	16,830,358	5,838,837	24,317,069	6,258,445	3,914,322	6,775,319
	341,761	259,491	164,801	544,393	--	--	--
	3,337,495	3,837,338	2,413,138	8,986,229	2,664,861	2,594,402	4,691,325
	--	--	--	--	--	6,622,609	5,662,938
	$ 99,679,555	$ 31,983,560	$ 20,092,559	$ 87,717,698	$ 22,568,964	$ 18,295,847	$ 23,256,000
	$ 26.99	$ 18.52	$ 17.63	$ 24.45	$ 18.82	$ 13.25	$ 11.33
	$ 10.16	$ 13.02	$ 13.56	$ 15.65	$ 11.58	$ 13.43	$ 11.81
	$ 10.25	$ 12.27	$ 11.45	$ 15.78	$ --	$ --	$ --
	$ 11.72	$ 12.39	$ 11.24	$ 15.06	$ 14.04	$ 14.21	$ 13.31
	$109,709,309	$ 29,606,450	$ 20,813,636	$ 82,015,362	$ 18,469,856	$ 14,724,550	$ 18,562,847

</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)
As of December 31, 2004

<Table>
<Caption>

	MAINSTAY VP MID CAP VALUE-- INITIAL CLASS	MAINSTAY VP S&P 500 INDEX-- INITIAL CLASS	MAINSTAY VP SMALL CAP GROWTH-- INITIAL CLASS
<S>	<C>	<C>	<C>
ASSETS:			
Investment at net asset value.......................	$ 28,945,228	$235,390,254	$ 20,513,088
LIABILITIES:			
Liability to New York Life Insurance and Annuity Corporation for:			
Mortality and expense risk charges.................	31,945	303,412	22,904
Administrative charges.............................	3,517	36,460	2,526
Total net assets................................	$ 28,909,766	$235,050,382	$ 20,487,658
TOTAL NET ASSETS REPRESENTED BY:			
Total Net Assets of Policyowners:			
Group 1 Policies.................................	$ 8,566,109	$146,431,795	$ 4,958,185
Group 2 Policies.................................	9,228,481	69,081,342	6,396,160
Group 3 Policies.................................	--	817,388	--
Group 4 Policies.................................	4,861,566	18,719,857	3,819,155
Net assets retained in the Separate Accounts by New York Life Insurance and Annuity Corporation.......	6,253,610	--	5,314,158

Total net assets	$ 28,909,766	$235,050,382	$ 20,487,658
Group 1 variable accumulation unit value	$ 12.51	$ 29.91	$ 10.63
Group 2 variable accumulation unit value	$ 12.59	$ 9.82	$ 10.93
Group 3 variable accumulation unit value	$ --	$ 11.11	$ --
Group 4 variable accumulation unit value	$ 12.75	$ 12.10	$ 12.67
Identified Cost of Investment	$ 23,604,111	$211,459,763	$ 17,348,536

</Table>

Not all investment divisions are available under all policies.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

<Table>
<Caption>

<S>	MAINSTAY VP TOTAL RETURN-- INITIAL CLASS <C>	MAINSTAY VP VALUE-- INITIAL CLASS <C>	MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH-- INITIAL CLASS <C>	MAINSTAY VP DREYFUS LARGE COMPANY VALUE-- INITIAL CLASS <C>	MAINSTAY VP EAGLE ASSET MANAGEMENT GROWTH EQUITY-- INITIAL CLASS <C>	ALGER AMERICAN LEVERAGED ALL CAP-- CLASS O SHARES <C>	ALGER AMERICAN SMALL CAPITALIZATION-- CLASS O SHARES <C>
	$ 59,724,579	$ 67,700,102	$ 6,919,477	$ 8,512,765	$ 17,161,809	$ 63,693	$ 32,356,448
	82,502	87,671	7,608	9,255	20,594	--	41,059
	10,955	11,020	433	443	879	--	4,187
	$ 59,631,122	$ 67,601,411	$ 6,911,436	$ 8,503,067	$ 17,140,336	$ 63,693	$ 32,311,202
	$ 44,038,306	$ 44,899,466	$ 1,780,357	$ 1,805,491	$ 3,482,994	$ --	$ 16,480,154
	13,594,180	17,691,336	4,140,592	5,346,285	12,185,972	--	12,816,281
	100,913	1,035,907	91,127	117,569	214,075	63,693	1,310,980
	1,897,723	3,974,702	899,360	1,233,722	1,257,295	--	1,703,787
	--	--	--	--	--	--	--
	$ 59,631,122	$ 67,601,411	$ 6,911,436	$ 8,503,067	$ 17,140,336	$ 63,693	$ 32,311,202
	$ 20.69	$ 21.86	$ 9.75	$ 10.57	$ 6.74	$ --	$ 10.59
	$ 10.12	$ 13.08	$ 10.16	$ 11.28	$ 9.15	$ --	$ 8.00
	$ 10.88	$ 11.25	$ 11.86	$ 11.76	$ 9.08	$ 12.90	$ 12.62
	$ 11.53	$ 11.48	$ 12.55	$ 11.85	$ 10.29	$ --	$ 13.72
	$ 62,256,656	$ 61,461,107	$ 6,024,906	$ 7,413,577	$ 17,300,441	$ 59,274	$ 24,781,910

</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)
As of December 31, 2004

<Table>
<Caption>

<S>	AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II <C>	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II <C>	AMERICAN CENTURY VP VALUE-- CLASS II <C>	CALVERT SOCIAL BALANCED <C>
ASSETS:				
Investment at net asset value	$ 706	$ 53,357	$ 973,233	$ 3,935,737
LIABILITIES:				
Liability to New York Life Insurance and Annuity Corporation for:				
Mortality and expense risk charges	--	--	--	4,693
Administrative charges	--	--	--	381

Total net assets	$ 706	$ 53,357	$ 973,233	$ 3,930,663
TOTAL NET ASSETS REPRESENTED BY:				
Total Net Assets of Policyowners:				
Group 1 Policies	$ --	$ --	$ --	$ 1,517,524
Group 2 Policies	--	--	--	1,962,214
Group 3 Policies	706	53,357	973,233	--
Group 4 Policies	--	--	--	450,925
Net assets retained in the Separate Accounts by New York Life Insurance and Annuity Corporation	--	--	--	--
Total net assets	$ 706	$ 53,357	$ 973,233	$ 3,930,663
Group 1 variable accumulation unit value	$ --	$ --	$ --	$ 15.09
Group 2 variable accumulation unit value	$ --	$ --	$ --	$ 10.70
Group 3 variable accumulation unit value	$ 10.39	$ 13.74	$ 14.48	$ --
Group 4 variable accumulation unit value	$ --	$ --	$ --	$ 12.03
Identified Cost of Investment	$ 697	$ 47,453	$ 889,362	$ 3,709,194

</Table>

Not all investment divisions are available under all policies.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

<Table>
<Caption>

DREYFUS IP TECHNOLOGY GROWTH-- INITIAL SHARES	DREYFUS VIF DEVELOPING LEADERS-- INITIAL SHARES	FIDELITY(R) VIP CONTRAFUND(R)-- INITIAL CLASS	FIDELITY(R) VIP EQUITY-INCOME-- INITIAL CLASS	FIDELITY(R) VIP GROWTH-- INITIAL CLASS	FIDELITY(R) VIP INDEX 500-- INITIAL CLASS	FIDELITY(R) VIP INVESTMENT GRADE BOND-- INITIAL CLASS
$ 7,239,490	$ 279,398	$120,476,079	$ 48,591,992	$ 316,474	$ 906,431	$ 28,145
7,918	--	155,812	59,854	--	--	--
815	--	17,665	6,657	--	--	--
$ 7,230,757	$ 279,398	$120,302,602	$ 48,525,481	$ 316,474	$ 906,431	$ 28,145
$ 3,085,834	$ --	$ 71,267,963	$ 27,122,348	$ --	$ --	$ --
2,429,086	--	40,911,126	16,305,611	--	--	--
75,148	279,398	1,376,143	400,942	316,474	906,431	28,145
1,640,689	--	6,747,370	4,696,580	--	--	--
--	--	--	--	--	--	--
$ 7,230,757	$ 279,398	$120,302,602	$ 48,525,481	$ 316,474	$ 906,431	$ 28,145
$ 8.79	$ --	$ 21.71	$ 18.57	$ --	$ --	$ --
$ 9.13	$ --	$ 12.73	$ 12.84	$ --	$ --	$ --
$ 11.56	$ 14.20	$ 13.26	$ 12.46	$ 9.36	$ 10.78	$ 11.18
$ 11.64	$ --	$ 13.25	$ 12.36	$ --	$ --	$ --
$ 6,688,730	$ 229,030	$101,742,460	$ 42,926,500	$ 272,391	$ 843,890	$ 27,920

<Caption>

FIDELITY(R) VIP MID CAP-- INITIAL CLASS
$ 1,800,238
--
--
$ 1,800,238
$ --

--
1,800,238
--
--

$ 1,800,238
============
$ --
============
$ --
============
$ 16.10
============
$ --
============
$ 1,566,163
============

</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)
As of December 31, 2004

<Table>
<Caption>

<S>	FIDELITY(R) VIP OVERSEAS-- INITIAL CLASS <C>	JANUS ASPEN SERIES BALANCED-- INSTITUTIONAL SHARES <C>	JANUS ASPEN SERIES MID CAP GROWTH-- INSTITUTIONAL SHARES <C>	JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES <C>
ASSETS:				
Investment at net asset value......................	$ 525,354	$105,303,238	$ 113,709	$101,355,919
LIABILITIES:				
Liability to New York Life Insurance and Annuity Corporation for:				
Mortality and expense risk charges..............	--	133,336	--	136,182
Administrative charges..........................	--	10,911	--	13,270
	------------	------------	------------	------------
Total net assets..............................	$ 525,354	$105,158,991	$ 113,709	$101,206,467
	============	============	============	============
TOTAL NET ASSETS REPRESENTED BY:				
Total Net Assets of Policyowners:				
Group 1 Policies................................	$ --	$ 43,708,037	$ --	$ 52,682,901
Group 2 Policies................................	--	54,628,623	--	45,284,311
Group 3 Policies................................	525,354	335,230	113,709	240,715
Group 4 Policies................................	--	6,487,101	--	2,998,540
Net assets retained in the Separate Accounts by New York Life Insurance and Annuity Corporation..................................	--	--	--	--
	------------	------------	------------	------------
Total net assets..............................	$ 525,354	$105,158,991	$ 113,709	$101,206,467
	============	============	============	============
Group 1 variable accumulation unit value.........	$ --	$ 21.52	$ --	$ 15.95
	============	============	============	============
Group 2 variable accumulation unit value.........	$ --	$ 12.17	$ --	$ 8.71
	============	============	============	============
Group 3 variable accumulation unit value.........	$ 12.83	$ 11.63	$ 12.57	$ 9.91
	============	============	============	============
Group 4 variable accumulation unit value.........	$ --	$ 11.72	$ --	$ 10.63
	============	============	============	============
Identified Cost of Investment.......................	$ 470,480	$101,013,867	$ 96,809	$126,959,772
	============	============	============	============

</Table>

Not all investment divisions are available under all policies.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

<Table>
<Caption>

MFS(R) INVESTORS TRUST	MFS(R) NEW DISCOVERY	MFS(R) RESEARCH	MFS(R) UTILITIES	NEUBERGER BERMAN AMT MID-CAP	T. ROWE PRICE EQUITY	T. ROWE PRICE LIMITED-	VAN ECK WORLDWIDE

SERIES-- INITIAL CLASS	SERIES-- INITIAL CLASS	SERIES-- INITIAL CLASS	SERIES-- INITIAL CLASS	GROWTH-- CLASS I	INCOME PORTFOLIO	TERM BOND PORTFOLIO	ABSOLUTE RETURN
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
$ 58,227	$ 62,164	$ 80	$ 18,636	$ 83,418	$ 34,876,957	$ 162,093	$ --
--	--	--	--	--	36,963	--	--
--	--	--	--	--	2,599	--	--
$ 58,227	$ 62,164	$ 80	$ 18,636	$ 83,418	$ 34,837,395	$ 162,093	$ --
$ --	$ --	$ --	$ --	$ --	$ 10,984,328	$ --	$ --
--	--	--	--	--	17,806,316	--	--
58,227	62,164	80	18,636	83,418	625,577	162,093	--
--	--	--	--	--	5,421,174	--	--
--	--	--	--	--	--	--	--
$ 58,227	$ 62,164	$ 80	$ 18,636	$ 83,418	$ 34,837,395	$ 162,093	$ --
$ --	$ --	$ --	$ --	$ --	$ 13.61	$ --	$ --
$ --	$ --	$ --	$ --	$ --	$ 13.78	$ --	$ --
$ 10.72	$ 11.22	$ 11.70	$ 16.76	$ 12.12	$ 12.47	$ 10.64	$ 9.87
$ --	$ --	$ --	$ --	$ --	$ 12.55	$ --	$ --
$ 55,154	$ 54,184	$ 77	$ 15,227	$ 69,156	$ 30,013,769	$ 166,601	$ --

<Caption>

VAN ECK WORLDWIDE HARD ASSETS
<S> <C>
$ 30,491
--
--
$ 30,491
$ --
--
30,491
--
--
$ 30,491
$ --
$ --
$ 14.11
$ --
$ 27,391

</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)
As of December 31, 2004

<Table>
<Caption>

	VAN KAMPEN UIF EMERGING MARKETS DEBT-- CLASS I	VAN KAMPEN UIF EMERGING MARKETS EQUITY-- CLASS I	VAN KAMPEN UIF U.S. REAL ESTATE-- CLASS I
<S>	<C>	<C>	<C>
ASSETS:			
Investment at net asset value.........................	$ 23,554	$22,575,751	$ 16,976
LIABILITIES:			

Liability to New York Life Insurance and Annuity Corporation for:			
Mortality and expense risk charges	--	30,010	--
Administrative charges	--	3,193	--
Total net assets	$ 23,554	$22,542,548	$ 16,976
TOTAL NET ASSETS REPRESENTED BY:			
Total Net Assets of Policyowners:			
Group 1 Policies	$ --	$12,535,948	$ --
Group 2 Policies	--	8,674,052	--
Group 3 Policies	23,554	75,079	16,976
Group 4 Policies	--	1,257,469	--
Net assets retained in the Separate Accounts by New York Life Insurance and Annuity Corporation	--	--	--
Total net assets	$ 23,554	$22,542,548	$ 16,976
Group 1 variable accumulation unit value	$ --	$ 13.45	$ --
Group 2 variable accumulation unit value	$ --	$ 13.83	$ --
Group 3 variable accumulation unit value	$ 12.05	$ 14.88	$ 16.37
Group 4 variable accumulation unit value	$ --	$ 15.29	$ --
Identified Cost of Investment	$ 21,901	$15,000,126	$ 14,885

</Table>

Not all investment divisions are available under all policies.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

(THIS PAGE INTENTIONALLY LEFT BLANK)

STATEMENT OF OPERATIONS
For the year ended December 31, 2004

<Table>
<Caption>

<S>	MAINSTAY VP BOND-- INITIAL CLASS <C>	MAINSTAY VP CAPITAL APPRECIATION-- INITIAL CLASS <C>	MAINSTAY VP CASH MANAGEMENT <C>	MAINSTAY VP COMMON STOCK-- INITIAL CLASS <C>	MAINSTAY VP CONVERTIBLE-- INITIAL CLASS <C>
INVESTMENT INCOME (LOSS):					
Dividend income	$ 948,146	$ 564,031	$ 311,302	$ 1,333,032	$ 605,162
Mortality and expense risk charges	(130,998)	(1,251,636)	(173,429)	(503,046)	(136,998)
Administrative charges	(14,208)	(167,803)	(18,477)	(60,923)	(9,938)
Net investment income (loss)	802,940	(855,408)	119,396	769,063	458,226
REALIZED AND UNREALIZED GAIN (LOSS):					
Proceeds from sale of investments	4,000,628	10,358,763	26,369,405	4,435,458	1,528,185
Cost of investments sold	(3,786,841)	(11,990,392)	(26,370,404)	(6,477,150)	(1,743,066)
Net realized gain/(loss) on investments	213,787	(1,631,629)	(999)	(2,041,692)	(214,881)
Realized gain distribution received	285,018	--	--	--	--
Change in unrealized appreciation (depreciation) on investments	(404,575)	10,280,633	31	10,488,760	1,429,485
Net gain (loss) on investments	94,230	8,649,004	(968)	8,447,068	1,214,604
Net increase (decrease) in net assets resulting from operations	$ 897,170	$ 7,793,596	$ 118,428	$ 9,216,131	$ 1,672,830

</Table>

<Table>
<Caption>

MAINSTAY VP
AMERICAN

<S>	MAINSTAY VP S&P 500 INDEX-- INITIAL CLASS <C>	MAINSTAY VP SMALL CAP GROWTH-- INITIAL CLASS <C>	MAINSTAY VP TOTAL RETURN-- INITIAL CLASS <C>	MAINSTAY VP VALUE-- INITIAL CLASS <C>	CENTURY INCOME & GROWTH-- INITIAL CLASS <C>
INVESTMENT INCOME (LOSS):					
Dividend income......................	$ 3,506,663	$ --	$ 998,651	$ 737,320	$ 113,909
Mortality and expense risk charges....	(1,129,680)	(78,938)	(317,006)	(328,806)	(26,961)
Administrative charges...............	(136,941)	(8,878)	(42,447)	(41,753)	(1,527)
Net investment income (loss)......	2,240,042	(87,816)	639,198	366,761	85,421
REALIZED AND UNREALIZED GAIN (LOSS):					
Proceeds from sale of investments.....	9,966,378	789,380	3,131,223	3,764,310	943,597
Cost of investments sold.............	(9,676,119)	(696,398)	(2,892,194)	(3,598,271)	(894,789)
Net realized gain/(loss) on investments....................	290,259	92,982	239,029	166,039	48,808
Realized gain distribution received...	--	--	--	--	--
Change in unrealized appreciation (depreciation) on investments.......	18,283,970	1,688,097	2,322,792	5,813,929	569,274
Net gain (loss) on investments....	18,574,229	1,781,079	2,561,821	5,979,968	618,082
Net increase (decrease) in net assets resulting from operations....................	$ 20,814,271	$ 1,693,263	$ 3,201,019	$ 6,346,729	$ 703,503

</Table>

Not all investment divisions are available under all policies.

(a) For the period February 13, 2004 (Commencement of Operations) through December 31, 2004.

(b) For the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

<Table>
<Caption>

<S>	MAINSTAY VP GOVERNMENT-- INITIAL CLASS <C>	MAINSTAY VP HIGH YIELD CORPORATE BOND-- INITIAL CLASS <C>	MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS <C>	MAINSTAY VP MID CAP CORE-- INITIAL CLASS <C>	MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS <C>	MAINSTAY VP MID CAP VALUE-- INITIAL CLASS <C>
	$ 832,319	$ 5,836,334	$ 195,668	$ 80,320	$ --	$ 221,175
	(99,287)	(390,314)	(88,020)	(65,701)	(78,504)	(104,648)
	(11,743)	(47,321)	(10,854)	(8,822)	(9,055)	(11,626)
	721,289	5,398,699	96,794	5,797	(87,559)	104,901
	2,889,176	8,463,151	1,169,501	412,924	778,415	885,809
	(2,807,376)	(9,744,553)	(970,234)	(345,462)	(741,494)	(773,437)
	81,800	(1,281,402)	199,267	67,462	36,921	112,372
	--	--	--	375,345	--	247,151
	(267,240)	4,821,822	2,736,944	2,456,410	3,951,062	3,322,803
	(185,440)	3,540,420	2,936,211	2,899,217	3,987,983	3,682,326
	$ 535,849	$ 8,939,119	$ 3,033,005	$ 2,905,014	$ 3,900,424	$ 3,787,227

</Table>

<Table>
<Caption>

<S>	MAINSTAY VP DREYFUS LARGE COMPANY VALUE-- INITIAL CLASS <C>	MAINSTAY VP EAGLE ASSET MANAGEMENT GROWTH EQUITY-- INITIAL CLASS <C>	ALGER AMERICAN LEVERAGED ALL CAP-- CLASS O SHARES <C>	ALGER AMERICAN SMALL CAPITALIZATION-- CLASS O SHARES <C>	AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II(B) <C>	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II <C>	AMERICAN CENTURY VP VALUE-- CLASS II <C>
	$ 78,742	$ 38,302	$ --	$ --	$ 239	$ 1,432	$ 1,607

(32,665)	(78,968)	--	(144,518)	--	--	--
(1,533)	(3,337)	--	(14,798)	--	--	--
44,544	(44,003)	--	(159,316)	239	1,432	1,607
795,832	1,863,690	218,453	3,745,096	14,074	594,685	9,671
(802,490)	(2,708,181)	(209,901)	(3,108,925)	(14,022)	(579,384)	(7,697)
(6,658)	(844,491)	8,552	636,171	52	15,301	1,974
--	--	--	--	--	--	1,475
758,460	427,820	1,648	3,824,409	9	(750)	57,602
751,802	(416,671)	10,200	4,460,580	61	14,551	61,051
$ 796,346	$ (460,674)	$ 10,200	$ 4,301,264	$ 300	$ 15,983	$ 62,658

</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

STATEMENT OF OPERATIONS (CONTINUED)
For the year ended December 31, 2004

<Table>
<Caption>

<S>	CALVERT SOCIAL BALANCED <C>	DREYFUS IP TECHNOLOGY GROWTH-- INITIAL SHARES <C>	DREYFUS VIF DEVELOPING LEADERS-- INITIAL SHARES <C>	FIDELITY(R) VIP CONTRAFUND(R)-- INITIAL CLASS <C>	FIDELITY(R) VIP EQUITY- INCOME-- INITIAL CLASS <C>
INVESTMENT INCOME (LOSS):					
Dividend income..........................	$ 64,440	$ --	$ 449	$ 326,544	$ 589,868
Mortality and expense risk charges........	(17,606)	(24,522)	--	(550,651)	(215,158)
Administrative charges...................	(1,437)	(2,313)	--	(63,056)	(23,994)
Net investment income (loss)..........	45,397	(26,835)	449	(287,163)	350,716
REALIZED AND UNREALIZED GAIN (LOSS):					
Proceeds from sale of investments.........	349,659	1,349,224	6,484	2,920,397	2,450,021
Cost of investments sold.................	(386,933)	(1,139,353)	(4,501)	(3,225,817)	(2,376,326)
Net realized gain/(loss) on investments........................	(37,274)	209,871	1,983	(305,420)	73,695
Realized gain distribution received.......	--	--	--	--	140,913
Change in unrealized appreciation (depreciation) on investments..........	263,610	(47,810)	18,578	15,619,330	4,051,882
Net gain (loss) on investments........	226,336	162,061	20,561	15,313,910	4,266,490
Net increase (decrease) in net assets resulting from operations...	$ 271,733	$ 135,226	$ 21,010	$15,026,747	$ 4,617,206

</Table>

<Table>
<Caption>

<S>	JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES <C>	MFS(R) INVESTORS TRUST SERIES-- INITIAL CLASS <C>	MFS(R) NEW DISCOVERY SERIES-- INITIAL CLASS <C>	MFS(R) RESEARCH SERIES-- INITIAL CLASS(A) <C>	MFS(R) UTILITIES SERIES-- INITIAL CLASS <C>
INVESTMENT INCOME (LOSS):					
Dividend income..........................	$ 988,065	$ 338	$ --	$ --	$ 68
Mortality and expense risk charges........	(513,184)	--	--	--	--
Administrative charges...................	(50,614)	--	--	--	--
Net investment income (loss)..........	424,267	338	--	--	68
REALIZED AND UNREALIZED GAIN (LOSS):					
Proceeds from sale of investments.........	6,139,589	2,991	655	681	1,656
Cost of investments sold.................	(10,409,063)	(3,111)	(636)	(658)	(1,171)
Net realized gain/(loss) on investments........................	(4,269,474)	(120)	19	23	485
Realized gain distribution received.......	--	--	--	--	--
Change in unrealized appreciation (depreciation) on investments..........	7,910,065	5,766	6,871	3	2,634

Net gain (loss) on investments........	3,640,591	5,646	6,890	26	3,119
Net increase (decrease) in net assets resulting from operations...	$ 4,064,858	$ 5,984	$ 6,890	$ 26	$ 3,187

</Table>

Not all investment divisions are available under all policies.

(a) For the period February 13, 2004 (Commencement of Operations) through December 31, 2004.

(b) For the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

<Table>
<Caption>

FIDELITY(R) VIP GROWTH--INITIAL CLASS	FIDELITY(R) VIP INDEX 500--INITIAL CLASS	FIDELITY(R) VIP INVESTMENT GRADE BOND--INITIAL CLASS	FIDELITY(R) VIP MID CAP--INITIAL CLASS	FIDELITY(R) VIP OVERSEAS--INITIAL CLASS	JANUS ASPEN SERIES BALANCED--INSTITUTIONAL SHARES	JANUS ASPEN SERIES MID CAP GROWTH--INSTITUTIONAL SHARES
$ 672	$ 16,073	$ 3,713	$ --	$ 3,662	$ 2,269,458	$ --
--	--	--	--	--	(504,356)	--
--	--	--	--	--	(42,155)	--
672	16,073	3,713	--	3,662	1,722,947	--
4,735	740,861	68,566	951,053	421,506	6,532,668	165,121
(4,076)	(688,895)	(69,745)	(796,248)	(324,976)	(7,086,453)	(163,735)
659	51,966	(1,179)	154,805	96,530	(553,785)	1,386
--	--	2,671	--	--	--	--
9,884	(7,289)	(2,073)	100,356	(34,909)	6,474,058	14,278
10,543	44,677	(581)	255,161	61,621	5,920,273	15,664
$ 11,215	$ 60,750	$ 3,132	$ 255,161	$ 65,283	$ 7,643,220	$ 15,664

</Table>
<Table>
<Caption>

NEUBERGER BERMAN AMT MID-CAP GROWTH--CLASS I	T. ROWE PRICE EQUITY INCOME PORTFOLIO	T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO	VAN ECK WORLDWIDE ABSOLUTE RETURN(B)	VAN ECK WORLDWIDE HARD ASSETS	VAN KAMPEN UIF EMERGING MARKETS DEBT--CLASS I	VAN KAMPEN UIF EMERGING MARKETS EQUITY--CLASS I
$ --	$ 450,470	$ 6,179	$ --	$ 888	$ 1,416	$ 121,861
--	(121,961)	--	--	--	--	(98,002)
--	(8,216)	--	--	--	--	(10,430)
--	320,293	6,179	--	888	1,416	13,429
4,318	1,696,454	112,270	12,444	430,336	328	2,016,582
(3,668)	(1,478,721)	(113,285)	(12,607)	(430,671)	(314)	(1,638,724)
650	217,733	(1,015)	(163)	(335)	14	377,858
--	702,727	--	--	--	662	--
11,014	2,731,173	(2,118)	--	2,567	(19)	3,658,564
11,664	3,651,633	(3,133)	(163)	2,232	657	4,036,422
$ 11,664	$ 3,971,926	$ 3,046	$ (163)	$ 3,120	$ 2,073	$ 4,049,851

<Caption>

VAN
KAMPEN

UIF U.S. REAL ESTATE-- CLASS I
<S> <C>
$ 97
--
--
97
175,742
(192,853)
(17,111)
112
1,766
(15,233)
$ (15,136)

</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

STATEMENT OF CHANGES IN NET ASSETS
For the years ended December 31, 2004
and December 31, 2003

<Table>
<Caption>

	MAINSTAY VP BOND-- INITIAL CLASS		MAINSTAY VP CAPITAL APPRECIATION-- INITIAL CLASS	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:				
Operations:				
Net investment income (loss).................	$ 802,940	$ 876,825	$ (855,408)	$ (786,514)
Net realized gain (loss) on investments......	213,787	215,156	(1,631,629)	(1,438,891)
Realized gain distribution received..........	285,018	609,025	--	--
Change in unrealized appreciation (depreciation) on investments.............	(404,575)	(801,095)	10,280,633	46,732,604
Net increase (decrease) in net assets resulting from operations...............	897,170	899,911	7,793,596	44,507,199
Contributions and (Withdrawals):				
Payments received from policyowners..........	5,127,834	5,896,006	46,644,779	51,120,846
Cost of insurance............................	(1,974,337)	(2,088,752)	(20,152,929)	(20,510,719)
Policyowners' surrenders.....................	(1,004,054)	(1,530,458)	(10,585,251)	(9,680,674)
Net transfers from (to) Fixed Account........	(207,113)	414,346	(3,567,421)	(3,384,419)
Transfers between Investment Divisions.......	(1,010,591)	(260,676)	(8,271,223)	(3,824,291)
Policyowners' death benefits.................	(64,714)	(64,348)	(349,129)	(360,461)
Net contributions and (withdrawals)........	867,025	2,366,118	3,718,826	13,360,282
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account...	(1,273)	(981)	(1,813)	(53,098)
Increase (decrease) in net assets........	1,762,922	3,265,048	11,510,609	57,814,383
NET ASSETS:				
Beginning of year............................	24,828,291	21,563,243	220,008,488	162,194,105
End of year..................................	$ 26,591,213	$ 24,828,291	$231,519,097	$220,008,488

<Caption>

	MAINSTAY VP CASH MANAGEMENT	
	2004	2003
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		

Net investment income (loss)	$ 119,396	$ 50,501
Net realized gain (loss) on investments	(999)	(955)
Realized gain distribution received	--	--
Change in unrealized appreciation (depreciation) on investments	31	(834)
Net increase (decrease) in net assets resulting from operations	118,428	48,712
Contributions and (Withdrawals):		
Payments received from policyowners	12,448,927	14,413,998
Cost of insurance	(3,285,963)	(3,574,234)
Policyowners' surrenders	(1,992,243)	(17,563,310)
Net transfers from (to) Fixed Account	689,583	11,767,263
Transfers between Investment Divisions	(9,316,568)	(14,263,194)
Policyowners' death benefits	(10,267)	(101,844)
Net contributions and (withdrawals)	(1,466,531)	(9,321,321)
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account	(305)	(282)
Increase (decrease) in net assets	(1,348,408)	(9,272,891)
NET ASSETS:		
Beginning of year	34,592,852	43,865,743
End of year	$ 33,244,444	$ 34,592,852

</Table>
<Table>
<Caption>

<S>	MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS 2004 <C>	MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS 2003 <C>	MAINSTAY VP MID CAP CORE-- INITIAL CLASS 2004 <C>	MAINSTAY VP MID CAP CORE-- INITIAL CLASS 2003 <C>
INCREASE (DECREASE) IN NET ASSETS:				
Operations:				
Net investment income (loss)	$ 96,794	$ 138,305	$ 5,797	$ (10,505)
Net realized gain (loss) on investments	199,267	1,093,034	67,462	(16,816)
Realized gain distribution received	--	--	375,345	--
Change in unrealized appreciation (depreciation) on investments	2,736,944	1,479,703	2,456,410	2,166,680
Net increase (decrease) in net assets resulting from operations	3,033,005	2,711,042	2,905,014	2,139,359
Contributions and (Withdrawals):				
Payments received from policyowners	3,400,705	2,159,627	2,173,307	958,937
Cost of insurance	(1,204,447)	(809,522)	(555,027)	(233,331)
Policyowners' surrenders	(669,575)	(300,239)	(262,561)	(84,574)
Net transfers from (to) Fixed Account	550,325	(96,535)	718,288	186,389
Transfers between Investment Divisions	5,042,319	1,157,871	3,978,733	1,027,433
Policyowners' death benefits	(20,643)	(1,880)	(343)	(1,177)
Net contributions and (withdrawals)	7,098,684	2,109,322	6,052,397	1,853,677
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account	(3,116)	(3,284)	(2,807)	(2,359)
Increase (decrease) in net assets	10,128,573	4,817,080	8,954,604	3,990,677
NET ASSETS:				
Beginning of year	12,440,391	7,623,311	9,341,243	5,350,566
End of year	$ 22,568,964	$ 12,440,391	$ 18,295,847	$ 9,341,243

<Caption>

<S>	MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS 2004 <C>	MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS 2003 <C>
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Net investment income (loss)	$ (87,559)	$ (45,050)
Net realized gain (loss) on investments	36,921	(57,947)
Realized gain distribution received	--	--
Change in unrealized appreciation		

(depreciation) on investments	3,951,062	2,929,943
Net increase (decrease) in net assets resulting from operations	3,900,424	2,826,946
Contributions and (Withdrawals):		
Payments received from policyowners	4,063,369	1,769,994
Cost of insurance	(1,102,918)	(416,775)
Policyowners' surrenders	(354,903)	(146,950)
Net transfers from (to) Fixed Account	810,548	463,350
Transfers between Investment Divisions	3,679,932	2,770,032
Policyowners' death benefits	(19,783)	(383)
Net contributions and (withdrawals)	7,076,245	4,439,268
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account	(2,671)	(2,816)
Increase (decrease) in net assets	10,973,998	7,263,398
NET ASSETS:		
Beginning of year	12,282,002	5,018,604
End of year	$ 23,256,000	$ 12,282,002

</Table>

Not all investment divisions are available under all policies.

(a) For the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

<Table>
<Caption>

	MAINSTAY VP COMMON STOCK-- INITIAL CLASS		MAINSTAY VP CONVERTIBLE-- INITIAL CLASS		MAINSTAY VP GOVERNMENT-- INITIAL CLASS		MAINSTAY VP HIGH YIELD CORPORATE BOND-- INITIAL CLASS	
	2004	2003	2004	2003	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$ 769,063	$ 356,106	$ 458,226	$ 425,993	$ 721,289	$ 805,850	$ 5,398,699	$ 4,291,549
	(2,041,692)	(2,392,201)	(214,881)	(244,504)	81,800	394,766	(1,281,402)	(957,717)
	--	--	--	--	--	--	--	--
	10,488,760	19,497,925	1,429,485	4,079,420	(267,240)	(958,137)	4,821,822	12,948,268
	9,216,131	17,461,830	1,672,830	4,260,909	535,849	242,479	8,939,119	16,282,100
	17,681,267	19,207,452	6,111,081	5,772,912	3,651,326	4,386,418	12,592,811	11,052,809
	(7,183,174)	(7,155,219)	(2,095,304)	(1,900,550)	(1,373,413)	(1,618,625)	(5,697,631)	(4,827,998)
	(3,766,871)	(3,673,583)	(1,107,111)	(756,385)	(605,886)	(1,361,350)	(3,258,825)	(2,038,068)
	(1,381,493)	(1,148,334)	555,928	311,562	(193,775)	(370,273)	955,831	315,804
	(2,389,848)	(1,746,427)	800,283	1,066,155	(1,703,216)	(1,214,687)	4,329,684	7,276,018
	(114,695)	(117,464)	(34,581)	(43,168)	(36,975)	(9,846)	(63,720)	(170,065)
	2,845,186	5,366,425	4,230,296	4,450,526	(261,939)	(188,363)	8,858,150	11,608,500
	(6,932)	(20,378)	(1,813)	(4,131)	(742)	(136)	(12,224)	(22,117)
	12,054,385	22,807,877	5,901,313	8,707,304	273,168	53,980	17,785,045	27,868,483
	87,625,170	64,817,293	26,082,247	17,374,943	19,819,391	19,765,411	69,932,653	42,064,170
	$ 99,679,555	$ 87,625,170	$ 31,983,560	$ 26,082,247	$ 20,092,559	$ 19,819,391	$ 87,717,698	$ 69,932,653

</Table>

<Table>
<Caption>

	MAINSTAY VP MID CAP VALUE-- INITIAL CLASS		MAINSTAY VP S&P 500 INDEX-- INITIAL CLASS	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
	$ 104,901	$ 72,432	$ 2,240,042	$ 1,322,578
	112,372	(93,138)	290,259	(1,023,500)
	247,151	--	--	--
	3,322,803	3,518,887	18,283,970	40,421,525
	3,787,227	3,498,181	20,814,271	40,720,603
	4,146,731	3,050,936	45,156,365	45,120,156
	(1,211,398)	(824,038)	(16,947,572)	(16,039,774)
	(661,285)	(170,889)	(10,010,034)	(7,577,716)
	1,114,598	333,257	1,030,365	(1,173,887)
	4,595,172	1,309,028	(1,889,824)	(568,212)
	(21,689)	(25,387)	(457,667)	(263,220)
	7,962,129	3,672,907	16,881,633	19,497,347
	(3,696)	(3,096)	(13,681)	(46,828)
	11,745,660	7,167,992	37,682,223	60,171,122
	17,164,106	9,996,114	197,368,159	137,197,037
	$ 28,909,766	$ 17,164,106	$235,050,382	$197,368,159

<Caption>

	MAINSTAY VP SMALL CAP GROWTH-- INITIAL CLASS		MAINSTAY VP TOTAL RETURN-- INITIAL CLASS	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
	$ (87,816)	$ (52,344)	$ 639,198	$ 637,734
	92,982	(23,801)	239,029	(19,376)
	--	--	--	--
	1,688,097	3,263,793	2,322,792	8,056,658
	1,693,263	3,187,648	3,201,019	8,675,016
	4,114,185	2,272,386	10,290,394	10,765,921
	(1,048,642)	(534,137)	(4,887,051)	(4,987,012)
	(415,259)	(128,351)	(2,894,346)	(2,616,802)
	597,398	324,122	(130,883)	(1,113,710)
	1,934,204	2,393,409	(967,312)	(327,837)
	(25,207)	(1,303)	(112,176)	(142,032)
	5,156,679	4,326,126	1,298,626	1,578,528
	(1,335)	(3,148)	(3,148)	(10,468)
	6,848,607	7,510,626	4,496,497	10,243,076
	13,639,051	6,128,425	55,134,625	44,891,549
	$ 20,487,658	$ 13,639,051	$ 59,631,122	$ 55,134,625

</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)
For the years ended December 31, 2004
and December 31, 2003
<Table>
<Caption>

	MAINSTAY VP VALUE-- INITIAL CLASS		MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH-- INITIAL CLASS	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:				

Operations:				
Net investment income (loss).................	$ 366,761	$ 482,497	$ 85,421	$ 46,987
Net realized gain (loss) on investments......	166,039	(631,028)	48,808	(41,137)
Realized gain distribution received..........	--	--	--	--
Change in unrealized appreciation (depreciation) on investments.............	5,813,929	11,991,950	569,274	1,015,362
Net increase (decrease) in net assets resulting from operations................	6,346,729	11,843,419	703,503	1,021,212
Contributions and (Withdrawals):				
Payments received from policyowners..........	11,917,828	11,782,422	1,592,857	1,203,051
Cost of insurance............................	(4,825,509)	(4,617,303)	(422,449)	(341,063)
Policyowners' surrenders.....................	(2,498,054)	(2,224,492)	(217,097)	(93,482)
Net transfers from (to) Fixed Account........	(345,486)	(473,287)	117,966	23,804
Transfers between Investment Divisions.......	(516,866)	98,702	(72,193)	621,087
Policyowners' death benefits.................	(117,203)	(114,444)	(18,916)	(1,615)
Net contributions and (withdrawals)........	3,614,710	4,451,598	980,168	1,411,782
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account...	(4,927)	(12,481)	(442)	(869)
Increase (decrease) in net assets........	9,956,512	16,282,536	1,683,229	2,432,125
NET ASSETS:				
Beginning of year............................	57,644,899	41,362,363	5,228,207	2,796,082
End of year..................................	$ 67,601,411	$ 57,644,899	$ 6,911,436	$ 5,228,207

<Caption>

<S>	MAINSTAY VP DREYFUS LARGE COMPANY VALUE-- INITIAL CLASS 2004 <C>	2003 <C>
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Net investment income (loss).................	$ 44,544	$ 18,919
Net realized gain (loss) on investments......	(6,658)	(103,004)
Realized gain distribution received..........	--	--
Change in unrealized appreciation (depreciation) on investments.............	758,460	1,150,595
Net increase (decrease) in net assets resulting from operations................	796,346	1,066,510
Contributions and (Withdrawals):		
Payments received from policyowners..........	2,045,201	1,617,804
Cost of insurance............................	(514,364)	(389,359)
Policyowners' surrenders.....................	(450,669)	(182,944)
Net transfers from (to) Fixed Account........	252,303	73,766
Transfers between Investment Divisions.......	634,561	386,861
Policyowners' death benefits.................	(3,633)	(880)
Net contributions and (withdrawals)........	1,963,399	1,505,248
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account...	(368)	(969)
Increase (decrease) in net assets........	2,759,377	2,570,789
NET ASSETS:		
Beginning of year............................	5,743,690	3,172,901
End of year..................................	$ 8,503,067	$ 5,743,690

</Table>
<Table>
<Caption>

<S>	CALVERT SOCIAL BALANCED 2004 <C>	2003 <C>	DREYFUS IP TECHNOLOGY GROWTH-- INITIAL SHARES 2004 <C>	2003 <C>
INCREASE (DECREASE) IN NET ASSETS:				
Operations:				
Net investment income (loss).................	$ 45,397	$ 41,683	$ (26,835)	$ (10,600)
Net realized gain (loss) on investments......	(37,274)	(145,201)	209,871	(72,302)

Realized gain distribution received	--	--	--	--
Change in unrealized appreciation (depreciation) on investments	263,610	612,700	(47,810)	882,983
Net increase (decrease) in net assets resulting from operations	271,733	509,182	135,226	800,081
Contributions and (Withdrawals):				
Payments received from policyowners	762,425	730,758	1,939,022	956,845
Cost of insurance	(278,546)	(262,139)	(574,276)	(252,509)
Policyowners' surrenders	(142,537)	(293,120)	(155,762)	(67,703)
Net transfers from (to) Fixed Account	71,691	(28,271)	316,414	248,807
Transfers between Investment Divisions	(26,639)	2,724	1,373,719	1,562,711
Policyowners' death benefits	(1,378)	(111)	(10,370)	(2,942)
Net contributions and (withdrawals)	385,016	149,841	2,888,747	2,445,209
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account	(223)	(508)	(95)	(606)
Increase (decrease) in net assets	656,526	658,515	3,023,878	3,244,684
NET ASSETS:				
Beginning of year	3,274,137	2,615,622	4,206,879	962,195
End of year	$ 3,930,663	$ 3,274,137	$ 7,230,757	$ 4,206,879

<Caption>

	DREYFUS VIF DEVELOPING LEADERS--INITIAL SHARES	
	2004	2003(A)
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Net investment income (loss)	$ 449	$ 35
Net realized gain (loss) on investments	1,983	627
Realized gain distribution received	--	--
Change in unrealized appreciation (depreciation) on investments	18,578	31,791
Net increase (decrease) in net assets resulting from operations	21,010	32,453
Contributions and (Withdrawals):		
Payments received from policyowners	47,343	2,605
Cost of insurance	(7,049)	(4,726)
Policyowners' surrenders	--	--
Net transfers from (to) Fixed Account	14,212	2,610
Transfers between Investment Divisions	68,609	102,331
Policyowners' death benefits	--	--
Net contributions and (withdrawals)	123,115	102,820
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account	--	--
Increase (decrease) in net assets	144,125	135,273
NET ASSETS:		
Beginning of year	135,273	--
End of year	$ 279,398	$ 135,273

</Table>

Not all investment divisions are available under all policies.

(a) For the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

NYLIAC VUL SEPARATE ACCOUNT-I

	MAINSTAY VP EAGLE ASSET MANAGEMENT GROWTH EQUITY-- INITIAL CLASS		ALGER AMERICAN LEVERAGED ALL CAP-- CLASS O SHARES		ALGER AMERICAN SMALL CAPITALIZATION-- CLASS O SHARES		AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II
	2004	2003	2004	2003	2004	2003	2004(G)
	$ (44,003)	$ (42,323)	$ --	$ --	$ (159,316)	$ (117,181)	$ 239
	(844,491)	(454,709)	8,552	664	636,171	(139,422)	52
	--	--	--	--	--	--	--
	427,820	3,682,736	1,648	3,410	3,824,409	7,294,458	9
	(460,674)	3,185,704	10,200	4,074	4,301,264	7,037,855	300
	4,522,456	4,826,840	16,171	1,527	6,086,408	5,635,083	2,172
	(1,268,177)	(1,285,538)	(4,788)	(1,700)	(2,055,338)	(1,839,721)	(2,392)
	(638,464)	(495,251)	--	--	(1,398,406)	(816,525)	--
	(29,134)	(18,860)	--	88	(223,624)	(175,549)	--
	(1,315,925)	(164,618)	3,637	28,286	(137,788)	950,174	626
	(5,285)	(7,062)	--	--	(43,360)	(23,130)	--
	1,265,471	2,855,511	15,020	28,201	2,227,892	3,730,332	406
	631	(2,808)	--	--	(5,014)	(7,799)	--
	805,428	6,038,407	25,220	32,275	6,524,142	10,760,388	706
	16,334,908	10,296,501	38,473	6,198	25,787,060	15,026,672	--
	$17,140,336	$16,334,908	$ 63,693	$ 38,473	$32,311,202	$25,787,060	$ 706

	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II		AMERICAN CENTURY VP VALUE-- CLASS II	
	2004	2003	2004	2003
	$ 1,432	$ 3	$ 1,607	$ 19
	15,301	215	1,974	229
	--	--	1,475	--
	(750)	6,659	57,602	26,286
	15,983	6,877	62,658	26,534
	3,290	--	115,320	4,079
	(2,990)	(1,771)	(11,550)	(2,881)
	--	--	--	--
	2,961	1,200	62	5,634
	(173,661)	201,344	618,196	154,714
	--	--	--	--
	(170,400)	200,773	722,028	161,546
	--	--	--	--
	(154,417)	207,650	784,686	188,080
	207,774	124	188,547	467
	$ 53,357	$ 207,774	$ 973,233	$ 188,547

FIDELITY(R) VIP CONTRAFUND(R)-- INITIAL CLASS		FIDELITY(R) VIP EQUITY-INCOME-- INITIAL CLASS		FIDELITY(R) VIP GROWTH-- INITIAL CLASS	
2004	2003	2004	2003	2004	2003

<S>	<C>	<C>	<C>	<C>	<C>	<C>
	$ (287,163)	$ (140,909)	$ 350,716	$ 299,217	$ 672	$ 300
	(305,420)	(713,465)	73,695	(375,544)	659	(52,783)
	--	--	140,913	--	--	--
	15,619,330	20,053,173	4,051,882	8,160,845	9,884	81,553
	15,026,747	19,198,799	4,617,206	8,084,518	11,215	29,070
	20,397,002	19,750,276	8,744,418	7,661,192	44,953	48
	(7,521,078)	(7,013,663)	(3,064,920)	(2,655,408)	(5,036)	(2,594)
	(4,185,074)	(3,394,907)	(1,506,291)	(1,398,279)	--	--
	(568,790)	(816,288)	910,567	(126,049)	--	250
	4,381,238	1,236,699	1,691,989	1,584,600	7,834	129,852
	(111,298)	(76,104)	(20,837)	(73,832)	--	--
	12,392,000	9,686,013	6,754,926	4,992,224	47,751	127,556
	(14,960)	(22,441)	(2,939)	(8,746)	--	--
	27,403,787	28,862,371	11,369,193	13,067,996	58,966	156,626
	92,898,815	64,036,444	37,156,288	24,088,292	257,508	100,882
	$120,302,602	$ 92,898,815	$ 48,525,481	$ 37,156,288	$ 316,474	$ 257,508

<Caption>

	FIDELITY(R) VIP INDEX 500-- INITIAL CLASS		FIDELITY(R) VIP INVESTMENT GRADE BOND-- INITIAL CLASS	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
	$ 16,073	$ 2,112	$ 3,713	$ 2,772
	51,966	(26,900)	(1,179)	(265)
	--	--	2,671	975
	(7,289)	93,938	(2,073)	1,435
	60,750	69,150	3,132	4,917
	232,110	117,717	4,507	13,628
	(26,535)	(13,077)	(2,216)	(5,059)
	--	--	--	--
	27,753	120,743	(66,393)	(365)
	(990)	231,846	--	24,600
	--	--	--	--
	232,338	457,229	(64,102)	32,804
	--	--	--	--
	293,088	526,379	(60,970)	37,721
	613,343	86,964	89,115	51,394
	$ 906,431	$ 613,343	$ 28,145	$ 89,115

</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)
For the years ended December 31, 2004
and December 31, 2003

<Table>
<Caption>

	FIDELITY(R) VIP MID CAP-- INITIAL CLASS		FIDELITY(R) VIP OVERSEAS-- INITIAL CLASS		JANUS ASPEN SERIES BALANCED-- INSTITUTIONAL SHARES	
	2004	2003	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:						
Operations:						
Net investment income (loss).............	$ --	$ 2,052	$ 3,662	$ 126	$ 1,722,947	$ 1,431,803
Net realized gain (loss) on investments...	154,805	(17,721)	96,530	1,295	(553,785)	(166,872)
Realized gain distribution received.......	--	--	--	--	--	--
Change in unrealized appreciation (depreciation) on investments..........	100,356	166,314	(34,909)	90,002	6,474,058	9,568,785

Net increase (decrease) in net assets resulting from operations............	255,161	150,645	65,283	91,423	7,643,220	10,833,716
Contributions and (Withdrawals):						
Payments received from policyowners.......	354,162	54,864	156,646	43,105	21,504,020	23,004,147
Cost of insurance.........................	(73,111)	(48,586)	(13,168)	(9,834)	(7,383,831)	(7,768,782)
Policyowners' surrenders..................	(220,985)	--	--	--	(4,398,848)	(3,678,487)
Net transfers from (to) Fixed Account.....	12,342	45,981	1,000	181	(1,209,772)	(416,925)
Transfers between Investment Divisions....	840,682	36,567	(193,168)	383,075	(5,687,509)	(1,341,897)
Policyowners' death benefits..............	--	--	--	--	(118,601)	(103,194)
Net contributions and (withdrawals).....	913,090	88,826	(48,690)	416,527	2,705,459	9,694,862
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account........................	--	--	--	--	(7,255)	(11,286)
Increase (decrease) in net assets.....	1,168,251	239,471	16,593	507,950	10,341,424	20,517,292
NET ASSETS:						
Beginning of year.........................	631,987	392,516	508,761	811	94,817,567	74,300,275
End of year...............................	$ 1,800,238	$ 631,987	$ 525,354	$ 508,761	$105,158,991	$94,817,567

</Table>

<Table>
<Caption>

<S>	NEUBERGER BERMAN AMT MID-CAP GROWTH--CLASS I 2004 <C>	2003 <C>	T. ROWE PRICE EQUITY INCOME PORTFOLIO 2004 <C>	2003 <C>	T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO 2004 <C>	2003 <C>
INCREASE (DECREASE) IN NET ASSETS:						
Operations:						
Net investment income (loss).................	$ --	$ --	$ 320,293	$ 194,534	$ 6,179	$ 6,740
Net realized gain (loss) on investments......	650	(289)	217,733	(72,769)	(1,015)	1,996
Realized gain distribution received..........	--	--	702,727	--	--	526
Change in unrealized appreciation (depreciation) on investments.............	11,014	4,365	2,731,173	3,621,208	(2,118)	(2,894)
Net increase (decrease) in net assets resulting from operations...............	11,664	4,076	3,971,926	3,742,973	3,046	6,368
Contributions and (Withdrawals):						
Payments received from policyowners..........	14,442	--	7,172,129	5,683,966	2,096	23,541
Cost of insurance............................	(4,688)	(1,755)	(1,938,028)	(1,427,788)	(5,474)	(9,019)
Policyowners' surrenders.....................	--	--	(1,306,945)	(554,668)	--	--
Net transfers from (to) Fixed Account........	132	131	661,880	409,217	(106,796)	(365)
Transfers between Investment Divisions.......	22,647	27,178	5,305,135	2,137,466	--	162,944
Policyowners' death benefits.................	--	--	(10,494)	(23,560)	--	--
Net contributions and (withdrawals)........	32,533	25,554	9,883,677	6,224,633	(110,174)	177,101
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account...	--	--	(2,492)	(3,330)	--	--
Increase (decrease) in net assets........	44,197	29,630	13,853,111	9,964,276	(107,128)	183,469
NET ASSETS:						
Beginning of year............................	39,221	9,591	20,984,284	11,020,008	269,221	85,752
End of year..................................	$ 83,418	$ 39,221	$34,837,395	$20,984,284	$ 162,093	$ 269,221

</Table>

Not all investment divisions are available under all policies.

(a) For the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

JANUS ASPEN SERIES MID CAP GROWTH-- INSTITUTIONAL SHARES		JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES		MFS(R) INVESTORS TRUST SERIES-- INITIAL CLASS		MFS(R) NEW DISCOVERY SERIES-- INITIAL CLASS		MFS(R) RESEARCH SERIES-- INITIAL CLASS
2004	2003	2004	2003	2004	2003	2004	2003(D)	2004(F)
$ --	$ --	$ 424,267	$ 411,384	$ 338	$ 325	$ --	$ --	$ --
1,386	(11)	(4,269,474)	(3,179,097)	(120)	(426)	19	5	23
--	--	--	--	--	--	--	--	--
14,278	2,661	7,910,065	20,369,394	5,766	10,066	6,871	1,109	3
15,664	2,650	4,064,858	17,601,681	5,984	9,965	6,890	1,114	26
180,694	--	21,773,467	24,508,031	980	--	33,469	--	735
(3,677)	(344)	(7,430,235)	(7,741,063)	(2,991)	(2,099)	(655)	(164)	(681)
--	--	(4,231,514)	(3,703,583)	--	--	--	--	--
54,382	149	(1,683,720)	(1,221,648)	--	--	--	--	--
(160,597)	22,423	(5,572,441)	(4,262,139)	--	--	659	20,851	--
--	--	(143,802)	(95,331)	--	--	--	--	--
70,802	22,228	2,711,755	7,484,267	(2,011)	(2,099)	33,473	20,687	54
--	--	(9,480)	(19,791)	--	--	--	--	--
86,466	24,878	6,767,133	25,066,157	3,973	7,866	40,363	21,801	80
27,243	2,365	94,439,334	69,373,177	54,254	46,388	21,801	--	--
$ 113,709	$ 27,243	$101,206,467	$94,439,334	$ 58,227	$ 54,254	$ 62,164	$ 21,801	$ 80

<Caption>

MFS(R) UTILITIES SERIES-- INITIAL CLASS	
2004	2003(A)
$ 68	$ 80
485	87
--	--
2,634	775
3,187	942
599	2,477
(1,656)	(994)
--	--
--	2,604
11,947	(470)
--	--
10,890	3,617
--	--
14,077	4,559
4,559	--
$ 18,636	$ 4,559

</Table>
<Table>
<Caption>

VAN ECK WORLDWIDE ABSOLUTE RETURN	VAN ECK WORLDWIDE HARD ASSETS		VAN KAMPEN UIF EMERGING MARKETS DEBT-- CLASS I		VAN KAMPEN UIF EMERGING MARKETS EQUITY-- CLASS I		VAN KAMPEN UIF U.S. REAL ESTATE-- CLASS I	
2004(G)	2004	2003(E)	2004	2003(B)	2004	2003	2004	2003(C)

$ --	$ 888	$ --	$ 1,416	$ --	$ 13,429	$ (73,012)	$ 97	$ --
(163)	(335)	6	14	5	377,858	(225,765)	(17,111)	26
--	--	--	662	--	--	--	112	--
--	2,567	532	(19)	1,672	3,658,564	5,481,429	1,766	324
(163)	3,120	538	2,073	1,677	4,049,851	5,182,652	(15,136)	350
(1)	5,134	--	1,710	--	3,447,555	3,132,878	5,100	3,472
(887)	(3,767)	(69)	(328)	(129)	(1,303,882)	(1,084,588)	(1,930)	(344)
--	--	--	--	--	(577,471)	(497,548)	--	--
--	7,502	--	--	--	36,120	(106,879)	7,070	--
1,051	14,104	3,929	--	18,551	51,107	844,883	18,292	102
--	--	--	--	--	(13,294)	(35,175)	--	--
163	22,973	3,860	1,382	18,422	1,640,135	2,253,571	28,532	3,230
--	--	--	--	--	(5,682)	(5,958)	--	--
--	26,093	4,398	3,455	20,099	5,684,304	7,430,265	13,396	3,580
--	4,398	--	20,099	--	16,858,244	9,427,979	3,580	--
$ --	$ 30,491	$ 4,398	$ 23,554	$ 20,099	$22,542,548	$16,858,244	$ 16,976	$ 3,580

<Caption>

<S> <C> <C>
</Table>

The notes to the financial statements are an integral part of, and should be read in conjunction with, the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1-- Organization and Accounting Policies:

NYLIAC VUL Separate Account-I ("VUL Separate Account-I") was established on June 4, 1993 under Delaware law by New York Life Insurance and Annuity Corporation ("NYLIAC"), a wholly-owned subsidiary of New York Life Insurance Company. VUL Separate Account-I funds Group 1 policies (Variable Universal Life ("VUL") and Survivorship Variable Universal Life ("SVUL") - Series 1), Group 2 policies (Variable Universal Life 2000 ("VUL 2000") - Series 1 and Single Premium Variable Universal Life ("SPVUL") - Series 1), Group 3 policies (Pinnacle Variable Universal Life ("Pinnacle VUL") and Pinnacle Survivorship Variable Universal Life ("Pinnacle SVUL")) and Group 4 policies (Variable Universal Life 2000 ("VUL 2000") - Series 2, Single Premium Variable Universal Life ("SPVUL") - Series 2 and 3, Survivorship Variable Universal Life ("SVUL") - Series 2 and Variable Universal Life Provider ("VUL Provider")). All of these policies are designed for individuals who seek lifetime insurance protection and flexibility with respect to premium payments and death benefits. In addition, SVUL Series 1 and 2 and Pinnacle SVUL policies provide life insurance protection on two insureds with proceeds payable upon the death of the last surviving insured. These policies are distributed by NYLIFE Distributors LLC and sold by registered representatives of NYLIFE Securities Inc. and by registered representatives of broker-dealers who have entered into dealer agreements with NYLIFE Distributors LLC. NYLIFE Securities Inc. is a wholly-owned subsidiary of NYLIFE LLC and NYLIFE Distributors LLC is a wholly-owned subsidiary of New York Life Investment Management Holdings LLC ("NYLIM Holdings"). NYLIFE LLC and NYLIM Holdings are both wholly-owned subsidiaries of New York Life Insurance Company. VUL Separate Account-I is registered under the Investment Company Act of 1940, as amended, as a unit investment trust.

The assets of VUL Separate Account-1 are invested in the shares of the MainStay VP Series Fund Inc., the Alger American Fund, the American Century Variable Portfolios, Inc., the Calvert Variable Series, Inc., the Dreyfus Investment Portfolios, the Dreyfus Variable Investment Fund, the Fidelity(R) Variable Insurance Products Fund, the Janus Aspen Series, the MFS(R) Variable Insurance Trust(SM), the Neuberger Berman Advisers Management Trust, the T. Rowe Price Equity Series, Inc., the T. Rowe Price Fixed Income Series, Inc., the Van Eck Worldwide Insurance Trust, and the Universal Institutional Funds, Inc. (collectively, "Funds"). These assets are clearly identified and distinguished from the other assets and liabilities of NYLIAC. These assets are the property of NYLIAC; however, the portion of the assets attributable to the policies will not be charged with liabilities arising out of any other business NYLIAC may conduct. The Fixed Account and the Enhanced DCA Fixed Account represents the general assets of NYLIAC. NYLIAC's Fixed Account and the Enhanced DCA Fixed Account may be charged with liabilities arising out of other business NYLIAC may conduct.

New York Life Investment Management LLC ("NYLIM"), a wholly-owned subsidiary of NYLIM Holdings, provides investment advisory services to the MainStay VP Series Fund, Inc. for a fee. NYLIM retains several sub-advisers, including MacKay

Shields LLC, a wholly-owned subsidiary of NYLIM Holdings, American Century Investment Management, Inc., The Dreyfus Corporation, Eagle Asset Management, Inc., and Lord, Abbett & Co., to provide investment advisory services to certain Portfolios of the MainStay VP Series Fund, Inc.

VUL Separate Account-1 offers forty-eight variable Investment Divisions, with their respective fund portfolios, in which Policyowners can invest premium payments. Twenty-seven of these Investment Divisions are available to Group 1, Group 2 and Group 4 policies; forty-two of these Investment Divisions are available for Group 3 policies.

The following Investment Divisions are available for all Group 1, Group 2 and Group 4 policies: MainStay VP Bond, MainStay VP Capital Appreciation, MainStay VP Cash Management, MainStay VP Common Stock (formerly MainStay VP Growth Equity), MainStay VP Convertible, MainStay VP Government, MainStay VP High Yield Corporate Bond, MainStay VP International Equity, MainStay VP Mid Cap Core, MainStay VP Mid Cap Growth, MainStay VP Mid Cap Value (formerly MainStay VP Equity Income), MainStay VP S&P 500 Index (formerly MainStay VP Indexed Equity), MainStay VP Small Cap Growth, MainStay VP Total Return, MainStay VP Value, MainStay VP American Century Income & Growth, MainStay VP Dreyfus Large Company Value, MainStay VP Eagle Asset Management Growth Equity, Alger American Small Capitalization -- Class O Shares, Calvert Social Balanced, Dreyfus IP Technology Growth - Initial Shares, Fidelity(R) VIP Contrafund(R) - Initial Class, Fidelity(R) VIP Equity-Income - Initial Class, Janus Aspen Series Balanced - Institutional Shares, Janus Aspen Series Worldwide Growth - Institutional Shares, T. Rowe Price Equity Income Portfolio, and Van Kampen UIF Emerging Markets Equity - Class I.

The following Investment Divisions are available for Group 3 policies: MainStay VP Bond, MainStay VP Capital Appreciation, MainStay VP Cash Management, MainStay VP Common Stock (formerly MainStay VP Growth Equity), MainStay VP Convertible, MainStay VP Government, MainStay VP High Yield Corporate Bond, MainStay VP S&P 500 Index (formerly MainStay VP Indexed Equity), MainStay VP Total Return, MainStay VP Value, MainStay VP American Century Income & Growth, MainStay VP Dreyfus Large Company Value, MainStay VP Eagle Asset Management Growth Equity, Alger American Leveraged All Cap - Class O Shares, Alger American Small Capitalization - Class O Shares, American Century VP Inflation Protection - Class II, American Century VP International - Class II, American Century VP Value - Class II, Dreyfus IP Technology Growth - Initial Shares, Dreyfus VIF Developing Leaders - Initial Shares (formerly known as Dreyfus VIF Small Cap), Fidelity(R) VIP Contrafund(R) - Initial Class, Fidelity(R) VIP Equity-Income - Initial Class, Fidelity(R) VIP Growth - Initial Class, Fidelity(R) VIP Index 500 - Initial Class, Fidelity(R) VIP Investment Grade Bond - Initial Class, Fidelity(R) VIP Mid Cap - Initial Class, Fidelity(R) VIP Overseas - Initial Class, Janus Aspen Series Balanced - Institutional Shares, Janus Aspen Series Mid Cap Growth - Institutional Shares (formerly known as Janus Aspen Series Aggressive Growth), Janus Aspen Series Worldwide

Growth - Institutional Shares, MFS(R) Investors Trust Series - Initial Class, MFS(R) New Discovery Series - Initial Class, MFS(R) Research Series - Initial Class, MFS(R) Utilities Series - Initial Class, Neuberger Berman AMT Mid-Cap Growth - Class I, T. Rowe Price Equity Income Portfolio, T. Rowe Price Limited-Term Bond Portfolio, Van Eck Worldwide Absolute Return, Van Eck Worldwide Hard Assets, Van Kampen UIF Emerging Markets Debt - Class I, Van Kampen UIF Emerging Markets Equity - Class I, and Van Kampen UIF U.S. Real Estate - Class I.

All investments into the MainStay VP Series funds by VUL Separate Account-1 will be made into the Initial Class of shares unless otherwise indicated. Each Investment Division of VUL Separate Account-I will invest exclusively in the corresponding eligible portfolio.

For SVUL, VUL 2000, SPVUL, VUL Provider, Pinnacle VUL and Pinnacle SVUL policies, any/all premium payments received during the Free Look Period are allocated to the General Account of NYLIAC. Subsequent premium payments for all policies will be allocated to the Investment Divisions of VUL Separate Account-I in accordance with the Policyowner's instructions. Pinnacle VUL and SVUL policies issued on and after October 14, 2002 can have premium payments made in the first 12 policy months allocated to an Enhanced DCA Fixed Account.

In addition, for all SVUL, VUL 2000, SPVUL, VUL Provider, Pinnacle VUL, Pinnacle SVUL and VUL policies, the Policyowner has the option, within limits, to transfer amounts between the Investment Divisions of VUL Separate Account-I and the Fixed Account of NYLIAC.

No Federal income tax is payable on investment income or capital gains of VUL Separate Account-I under current Federal income tax law.

Security Valuation--The investments are valued at the net asset value of shares of the respective Fund portfolios.

Security Transactions--Realized gains and losses from security transactions are reported on the identified cost basis. Security transactions are accounted for as of the date the securities are purchased or sold (trade date).

Distributions Received--Dividend income and capital gain distributions are recorded on the ex-dividend date and reinvested in the corresponding portfolio.

In December 2003, the Accounting Standards Executive Committee issued Statement of Position 03-5 ("SOP"), "Financial Highlights of Separate Accounts: An Amendment to the Audit Guide Audits of Investment Companies". This SOP, which was adopted as of January 1, 2003, provides guidance on reporting financial highlights. Upon adoption of this SOP, the investment income ratio disclosed in Note 6 has been restated for the years 2001 and 2002. The SOP requires disclosure, in Note 6, of the investment income to average net assets ratio; the disclosure requirement for the years 2001 and 2002 was the net investment income to average net assets ratio.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2--Investments (in 000's):

At December 31, 2004, the investments of VUL Separate Account-I are as follows:

<Table>
<Caption>

<S>	MAINSTAY VP BOND-- INITIAL CLASS <C>	MAINSTAY VP CAPITAL APPRECIATION-- INITIAL CLASS <C>	MAINSTAY VP CASH MANAGEMENT <C>	MAINSTAY VP COMMON STOCK-- INITIAL CLASS <C>	MAINSTAY VP CONVERTIBLE-- INITIAL CLASS <C>
Number of shares..................	2,001	10,783	33,289	4,866	2,843
Identified cost...................	$ 27,192	$236,341	$ 33,289	$109,709	$ 29,606

</Table>

<Table>
<Caption>

<S>	MAINSTAY VP S&P 500 INDEX-- INITIAL CLASS <C>	MAINSTAY VP SMALL CAP GROWTH-- INITIAL CLASS <C>	MAINSTAY VP TOTAL RETURN-- INITIAL CLASS <C>	MAINSTAY VP VALUE-- INITIAL CLASS <C>	MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH-- INITIAL CLASS <C>
Number of shares..................	9,653	1,883	3,584	4,112	603
Identified cost...................	$211,460	$ 17,349	$ 62,257	$ 61,461	$ 6,025

</Table>

Investment activity for the year ended December 31, 2004, was as follows:

<Table>
<Caption>

<S>	MAINSTAY VP BOND-- INITIAL CLASS <C>	MAINSTAY VP CAPITAL APPRECIATION-- INITIAL CLASS <C>	MAINSTAY VP CASH MANAGEMENT <C>	MAINSTAY VP COMMON STOCK-- INITIAL CLASS <C>	MAINSTAY VP CONVERTIBLE-- INITIAL CLASS <C>
Purchases.........................	$ 5,955	$ 13,216	$ 25,017	$ 8,050	$ 6,220
Proceeds from sales...............	4,001	10,359	26,369	4,435	1,528

</Table>

<Table>
<Caption>

<S>	MAINSTAY VP S&P 500 INDEX-- INITIAL CLASS <C>	MAINSTAY VP SMALL CAP GROWTH-- INITIAL CLASS <C>	MAINSTAY VP TOTAL RETURN-- INITIAL CLASS <C>	MAINSTAY VP VALUE-- INITIAL CLASS <C>	MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH-- INITIAL CLASS <C>

Purchases.........................	$ 29,100	$ 5,863	$ 5,068	$ 7,748	$ 2,011
Proceeds from sales..............	9,966	789	3,131	3,764	944

</Table>

Not all investment divisions are available under all policies.

<Table>
<Caption>

MAINSTAY VP GOVERNMENT-- INITIAL CLASS	MAINSTAY VP HIGH YIELD CORPORATE BOND-- INITIAL CLASS	MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS	MAINSTAY VP MID CAP CORE-- INITIAL CLASS	MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS	MAINSTAY VP MID CAP VALUE-- INITIAL CLASS
1,894	8,875	1,602	1,396	2,006	2,351
$ 20,814	$ 82,015	$ 18,470	$ 14,725	$ 18,563	$ 23,604

</Table>

<Table>
<Caption>

MAINSTAY VP DREYFUS LARGE COMPANY VALUE-- INITIAL CLASS	MAINSTAY VP EAGLE ASSET MANAGEMENT GROWTH EQUITY-- INITIAL CLASS	ALGER AMERICAN LEVERAGED ALL CAP-- CLASS O SHARES	ALGER AMERICAN SMALL CAPITALIZATION-- CLASS O SHARES	AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II	AMERICAN CENTURY VP VALUE-- CLASS II
758	1,547	2	1,597	--	7	111
$ 7,414	$ 17,300	$ 59	$ 24,782	$ 1	$ 47	$ 889

</Table>

<Table>
<Caption>

MAINSTAY VP GOVERNMENT-- INITIAL CLASS	MAINSTAY VP HIGH YIELD CORPORATE BOND-- INITIAL CLASS	MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS	MAINSTAY VP MID CAP CORE-- INITIAL CLASS	MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS	MAINSTAY VP MID CAP VALUE-- INITIAL CLASS
$ 3,346	$ 22,727	$ 8,374	$ 6,853	$ 7,775	$ 9,208
2,889	8,463	1,170	413	778	886

</Table>

<Table>
<Caption>

MAINSTAY VP DREYFUS LARGE COMPANY VALUE-- INITIAL CLASS	MAINSTAY VP EAGLE ASSET MANAGEMENT GROWTH EQUITY-- INITIAL CLASS	ALGER AMERICAN LEVERAGED ALL CAP-- CLASS O SHARES	ALGER AMERICAN SMALL CAPITALIZATION-- CLASS O SHARES	AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II	AMERICAN CENTURY VP VALUE-- CLASS II
$ 2,806	$ 3,086	$ 233	$ 5,815	$ 15	$ 426	$ 735
796	1,864	218	3,745	14	595	10

</Table>

NOTE 2--Investments (in 000's) (Continued):

<Table>
<Caption>

	CALVERT SOCIAL BALANCED	DREYFUS IP TECHNOLOGY GROWTH-- INITIAL SHARES	DREYFUS VIF DEVELOPING LEADERS-- INITIAL SHARES	FIDELITY(R) VIP CONTRAFUND(R)-- INITIAL CLASS	FIDELITY(R) VIP EQUITY-INCOME-- INITIAL CLASS
<S>	<C>	<C>	<C>	<C>	<C>

Number of shares	2,102	830	7	4,526	1,915
Identified cost	$ 3,709	$ 6,689	$ 229	$101,742	$ 42,927

</Table>

<Table>
<Caption>

<S>	JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES <C>	MFS(R) INVESTORS TRUST SERIES-- INITIAL CLASS <C>	MFS(R) NEW DISCOVERY SERIES-- INITIAL CLASS <C>	MFS(R) RESEARCH SERIES-- INITIAL CLASS <C>	MFS(R) UTILITIES SERIES-- INITIAL CLASS <C>
Number of shares	3,785	3	4	--	1
Identified cost	$126,960	$ 55	$ 54	$ --	$ 15

</Table>

Investment activity for the year ended December 31, 2004, was as follows:

<Table>
<Caption>

<S>	CALVERT SOCIAL BALANCED <C>	DREYFUS IP TECHNOLOGY GROWTH-- INITIAL SHARES <C>	DREYFUS VIF DEVELOPING LEADERS-- INITIAL SHARES <C>	FIDELITY(R) VIP CONTRAFUND(R)-- INITIAL CLASS <C>	FIDELITY(R) VIP EQUITY- INCOME-- INITIAL CLASS <C>
Purchases	$ 780	$ 4,215	$ 130	$ 15,037	$ 9,704
Proceeds from sales	350	1,349	6	2,920	2,450

</Table>

<Table>
<Caption>

<S>	JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES <C>	MFS(R) INVESTORS TRUST SERIES-- INITIAL CLASS <C>	MFS(R) NEW DISCOVERY SERIES-- INITIAL CLASS <C>	MFS(R) RESEARCH SERIES-- INITIAL CLASS <C>	MFS(R) UTILITIES SERIES-- INITIAL CLASS <C>
Purchases	$ 9,267	$ 1	$ 34	$ 1	$ 13
Proceeds from sales	6,140	3	1	1	2

</Table>

Not all investment divisions are available under all policies.

<Table>
<Caption>

<S>	FIDELITY(R) VIP GROWTH-- INITIAL CLASS <C>	FIDELITY(R) VIP INDEX 500-- INITIAL CLASS <C>	FIDELITY(R) VIP INVESTMENT GRADE BOND-- INITIAL CLASS <C>	FIDELITY(R) VIP MID CAP-- INITIAL CLASS <C>	FIDELITY(R) VIP OVERSEAS-- INITIAL CLASS <C>	JANUS ASPEN SERIES BALANCED-- INSTITUTIONAL SHARES <C>	JANUS ASPEN SERIES MID CAP GROWTH-- INSTITUTIONAL SHARES <C>
	10	7	2	60	30	4,317	4
	$ 272	$ 844	$ 28	$ 1,566	$ 470	$101,014	$ 97

</Table>

<Table>
<Caption>

<S>	NEUBERGER BERMAN AMT MID-CAP GROWTH-- CLASS I <C>	T. ROWE PRICE EQUITY INCOME PORTFOLIO <C>	T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO <C>	VAN ECK WORLDWIDE ABSOLUTE RETURN <C>	VAN ECK WORLDWIDE HARD ASSETS <C>	VAN KAMPEN UIF EMERGING MARKETS DEBT-- CLASS I <C>	VAN KAMPEN UIF EMERGING MARKETS EQUITY-- CLASS I <C>	VAN KAMPEN UIF U.S. REAL ESTATE-- CLASS I <C>
	5	1,561	33	--	2	3	2,043	1
	$ 69	$ 30,014	$ 167	$ --	$ 27	$ 22	$ 15,000	$ 15

</Table>

<Table>
<Caption>

FIDELITY(R) VIP GROWTH-- INITIAL CLASS	FIDELITY(R) VIP INDEX 500-- INITIAL CLASS	FIDELITY(R) VIP INVESTMENT GRADE BOND-- INITIAL CLASS	FIDELITY(R) VIP MID CAP-- INITIAL CLASS	FIDELITY(R) VIP OVERSEAS-- INITIAL CLASS	JANUS ASPEN SERIES BALANCED-- INSTITUTIONAL SHARES	JANUS ASPEN SERIES MID CAP GROWTH-- INSTITUTIONAL SHARES
$ 53	$ 989	$ 11	$ 1,864	$ 376	$ 10,959	$ 236
5	741	69	951	422	6,533	165

</Table>

<Table>
<Caption>

NEUBERGER BERMAN AMT MID-CAP GROWTH-- CLASS I	T. ROWE PRICE EQUITY INCOME PORTFOLIO	T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO	VAN ECK WORLDWIDE ABSOLUTE RETURN	VAN ECK WORLDWIDE HARD ASSETS	VAN KAMPEN UIF EMERGING MARKETS DEBT-- CLASS I	VAN KAMPEN UIF EMERGING MARKETS EQUITY-- CLASS I	VAN KAMPEN UIF U.S. REAL ESTATE-- CLASS I
$ 37	$ 12,614	$ 8	$ 13	$ 454	$ 4	$ 3,671	$ 204
4	1,696	112	12	430	--	2,017	176

</Table>

NOTE 3--Expenses and Related Party Transactions:

Deductions from Premiums:

NYLIAC deducts premium expense charges from all premiums received for certain VUL Separate Account-I policies. Premium expense charges are expressed as a percentage of the payment received.

- State and Federal Tax Charge: NYLIAC deducts 2% from all premium payments for VUL, SVUL, VUL 2000, SPVUL Series 3 and VUL Provider, Pinnacle VUL, and Pinnacle SVUL policies to pay state premium taxes. NYLIAC deducts 1.25% from all premium payments for non-qualified VUL, SVUL, VUL 2000, SPVUL Series 3 and VUL Provider, Pinnacle VUL, and Pinnacle SVUL policies to cover federal taxes.

- Sales Expense Charge: NYLIAC deducts a sales expense charge from all premium payments for VUL, SVUL, VUL 2000, VUL Provider, Pinnacle VUL, and Pinnacle SVUL policies to partially cover the expenses associated with selling the policies.

  For VUL policies, currently 5% of any premium payment for the first 10 policy years is deducted; NYLIAC reserves the right to impose this charge after the 10th policy year.

  For SVUL policies, currently 8% of any premium payments in policy years 1-10, up to the target premium, is deducted. Once the target premium is reached NYLIAC expects to deduct 4% from any premium payments in any given policy year. Beginning with the 11th policy year, NYLIAC expects to deduct 4% of any premium payments up to the target premium, and no charge for premium payments in excess of the target premium in that year. The initial target premium is determined at the time the policy is issued, and it is indicated on the policy data page.

  For VUL 2000 policies, currently 2.75% of any premium payments in a policy year, up to the surrender charge premium, is deducted. Once the premium payments equal the surrender charge premium for a policy year, NYLIAC deducts a sales expense charge of 1.25% from any additional premium payments in that policy year. The initial surrender charge premium is determined at the time the policy is issued and can be found on the policy data page.

  For VUL Provider policies, currently 6.75% of any premium payment up to the target premium is deducted in policy years 1-5. Once the target premium is reached, 4.25% of any premium payment is deducted. Beginning with the 6th policy year, NYLIAC expects to deduct 2.75% of any premium payments up to the target premium; once the target premium is reached 0.75% of any premium payment is deducted. The initial target premium is determined at the time the policy is issued, and is indicated on the policy data page.

For Pinnacle VUL and Pinnacle SVUL policies, the percentage of premiums deducted varies depending on the age of the policy and whether the total premium payment in a given policy year is above or below the target premium. For premium payments up to the target premium, the sales expense charge in the first policy year is currently 56.75%, in policy years 2-5 the charge is 26.75%, for policy year 6 the charge is 1.75%, and for policy years 7 and beyond the charge is 0.75%. For premium payments in excess of the target premium the charge is currently 2.75% for policy years 1-5, 1.75% for policy year 6 and 0.75% for policy years 7 and beyond. The initial target premium is determined at the time the policy is issued, and it is indicated on the policy data page.

Deductions from Cash Value:

NYLIAC deducts certain monthly charges from the cash value of VUL Separate Account-I policies. These charges include the monthly contract charge, the administrative charge, the cost of insurance charge, the per thousand face amount charge, the deferred sales expense charge, and the mortality and expense risk charge and are recorded as cost of insurance in the accompanying statement of changes in net assets. (Not all charges are deducted from all products, as shown below).

- Monthly Contract Charge: A monthly contract charge is assessed on certain VUL Separate Account-I policies to compensate NYLIAC for certain administrative services such as premium collection, record keeping, claims

processing and communicating with policyholders. Outlined below is the current schedule for VUL, SVUL, VUL 2000, VUL Provider, Pinnacle VUL, and Pinnacle SVUL:

<Table>
<Caption>

POLICY	MONTHLY CONTRACT CHARGE POLICY YEAR 1	MONTHLY CONTRACT CHARGE SUBSEQUENT POLICY YEARS
<S>	<C>	<C>
VUL	$N/A	$ 7
SVUL	60	10
VUL 2000	30	10
VUL Provider	30	10
Pinnacle VUL*	100	25
Pinnacle SVUL*	100	25

</Table>

----

* If the target face amount falls below $1 million, the contract charge will not exceed $25 per month.

- Administrative Charge: An administrative charge is assessed on VUL 2000, SPVUL, and SVUL (Series 2)** policies monthly. This charge compensates NYLIAC for providing administrative policy services.

  For VUL 2000 policies, the administrative charge is expressed as a percentage of the amount of cash value in the Separate Account and varies based on the amount of cash value in the Separate Account. The Separate Account administrative charge percentage currently ranges from 0% to .20%.

  For SPVUL policies, the current administrative charge is made monthly at an annualized rate of .60% of the policy's cash value for the first three policy years. This charge is waived in the fourth and subsequent policy years if the cash value of the policy exceeds $200,000. If the cash value of the policy does not exceed $200,000, this charge will range from .10% to .60% depending on the cash value of the policy.

  For SVUL (Series 2)** the administrative charge is .10%, based on the amount of cash value in the Separate Account.

- Cost of Insurance Charge: A charge to cover the cost of providing life insurance benefits is assessed monthly on all VUL Separate Account-I policies. This charge is based on such factors as issue age of the insured, duration, gender, underwriting class, face amount, any riders included and the cash value of the policy.

- Per Thousand Face Amount Charge: NYLIAC assesses a monthly per thousand face amount charge on SVUL, Pinnacle VUL, Pinnacle SVUL, and VUL Provider policies.

  For SVUL (Series 1) policies, this charge is $0.04 per $1,000 of the policy's initial face amount. For SVUL (Series 2) policies, this charge is $0.04 per $1,000 of the policy's current face amount. For both series of SVUL policies this charge is assessed for the first 3 policy years and will always be at least $10 per month and will never be more than $100 per month.

For Pinnacle VUL and Pinnacle SVUL policies, this charge is $0.03 per $1,000 of the policy's face amount plus any term insurance benefit for the first 5 policy years. NYLIAC does not expect to deduct this charge in policy year 6 and beyond.

For VUL Provider policies, this charge is $0.07 per $1,000 of the policy's face amount plus any term insurance benefit for the first 5 policy years. NYLIAC does not expect to deduct this charge in policy year 6 and beyond.

- Deferred Sales Expense Charge: NYLIAC assesses a monthly deferred sales expense charge on SPVUL policies. This charge is deducted from the policy's cash value for a 10-year period after a premium payment is applied. The deferred sales expense charge is expressed as a percentage of the policy's cash value for Series 1 and 2. The current .90% deferred sales expense is comprised of .40% for sales expenses, .30% for state taxes and .20% for federal taxes. For SPVUL Series 3*** currently the deferred sales expense charge is equal to 0.40%.

- Mortality and Expense Risk Charge: NYLIAC deducts a mortality and expense risk charge from VUL 2000 (Series 2)**, SPVUL (Series 2)**, SVUL (Series 2)**, Pinnacle VUL, and Pinnacle SVUL policies. The mortality and expense risk charge is a percentage of the amount of cash value in the Separate Account. On SPVUL (Series 2)** and VUL 2000 (Series 2)** policies, NYLIAC deducts a .50% mortality and expense risk charge and for SVUL (Series 2)** policies, the mortality and expense risk charge deducted is .60%. In policy years 1-20, the Pinnacle VUL and Pinnacle SVUL mortality and expense risk charge percentage currently ranges

----

** Series 2 VUL 2000, SPVUL, and SVUL designates policies issued on and after May 10, 2002 where approved.

*** Series 3 SPVUL designates policies issued on and after May 16, 2003 where approved.

from .25% to .55%; and in policy years 21 and beyond, the percentage ranges from .05% to .35%. If the policy has an Alternative Cash Surrender Value I (ACSV I), the mortality and expense risk is increased by .30% in policy years 1-10. For Alternative Cash Surrender Value II (ACSV II), the mortality and expense risk is increased by .55% in policy years 1-10.

For VUL Provider policies, the mortality and expense risk charge currently ranges from .70% to .05% (it declines based on the cash value in the Separate Account and duration). If the VUL Provider policy has the Alternative Cash Surrender Value (ACSV) the mortality and expense risk charge currently ranges from 1.0% to .05%. NYLIAC guarantees that the mortality and expense risk charge on VUL Provider policies will never exceed an annual rate of 1.00%.

Separate Account Charges:

NYLIAC assesses a mortality and expense risk charge based on the variable accumulation value of the investment divisions. These charges are made daily at an annual rate of 0.70%**** for VUL, 0.70%**** for SVUL (Series 1), 0.50% for VUL 2000 (Series 1) and 0.50% for SPVUL (Series 1).

The amount of these charges retained in the Investment Divisions represents funds of NYLIAC. Accordingly, NYLIAC participates in the results of each Investment Division ratably with the Policyowners. These charges are disclosed in the accompanying statement of operations.

Surrender Charges:

Surrender charges are assessed by NYLIAC for VUL, SVUL, VUL 2000, VUL Provider and SPVUL policies on complete surrenders, decreases in face amount including decreases caused by a change in life insurance benefit option and some partial withdrawals. Surrender charges are paid to NYLIAC. The amount of this charge is included in surrenders in the accompanying statement of changes in net assets. In addition, a new surrender charge period will apply to face increases.

For VUL and VUL 2000 policies, this charge is deducted during the first 15 policy years. For VUL Provider this charge is deducted for the first 10 years. For VUL, the maximum surrender charge is shown on the policy's data page. For VUL 2000 and VUL Provider, the maximum surrender charge is the lesser of 50% of total premium payments or a percentage of the surrender charge premium. This percentage is based on the policy year in which the surrender or decrease in face amount takes place.

Initially for VUL 2000 (Series 2)** policies, the maximum surrender charge is the lesser of 50% of total premium paid less the monthly contract charge incurred during the first three policy years or 100% of the surrender charge premium. Beginning in year four, the maximum surrender charge is the lesser of 50% of total premium payments less the sum of all monthly contract charges incurred in the first three policy years (which will never exceed $636) or a specified percentage of the surrender charge premium, which declines each policy year from 93% in the fourth year to 0% in year sixteen and later.

For SVUL policies, the surrender charge is deducted during the first 15 policy years if the younger insured is less than age 85 at the time the policy was issued. If the younger insured is age 85 or older at the time of issue, the charge is deducted during the first 8 policy years. The maximum surrender charge on SVUL policies varies based on the policy's target premium, age of the younger insured and year of surrender. The target premium is shown on the policy data page.

For SPVUL policies, the surrender charge is deducted during the first 9 policy years. This charge is equal to a percentage of the cash value of the policy minus any withdrawal taken using the surrender charge free window, or the initial single premium minus any partial withdrawals for which the surrender charge was assessed. The applicable surrender charge percentage is based on the amount of time elapsed from the date the initial single premium was accepted to the effective date of the surrender or partial withdrawal. For Series 1 and 2 the surrender charge percentage declines each policy year from 9% in the first year to 0% in year ten and later. For Series 3, the percentage declines each year from 7.5% in the first year to 0% in year 10 and after.

NOTE 4 --Distribution of Net Income:

VUL Separate Account-I does not expect to declare dividends to Policyowners from accumulated net investment income and realized gains. The income and gains are distributed to Policyowners as part of withdrawals of amounts (in the form of surrenders, death benefits or transfers) in excess of the net premium payments.

** Series 2 VUL 2000, SPVUL and SVUL designates policies issued on and after May 10, 2002 where approved.

**** Includes a .10% administrative service charge.

(THIS PAGE INTENTIONALLY LEFT BLANK)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5--Unit Transactions (in 000's):

The changes in units outstanding for the years ended December 31, 2004 and 2003 were as follows:

<Table>
<Caption>

	MAINSTAY VP BOND-- INITIAL CLASS		MAINSTAY VP CAPITAL APPRECIATION-- INITIAL CLASS	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES				
Units issued	100	150	1,685	2,147
Units redeemed	(168)	(153)	(1,823)	(1,850)
Net increase (decrease)	(68)	(3)	(138)	297
GROUP 2 POLICIES				
Units issued	149	193	1,874	2,432
Units redeemed	(85)	(103)	(1,251)	(1,260)

Net increase (decrease).............	64	90	623	1,172
GROUP 3 POLICIES				
Units issued..........................	21	22	9	7
Units redeemed........................	(2)	(1)	(2)	(1)
Net increase (decrease).............	19	21	7	6
GROUP 4 POLICIES				
Units issued..........................	127	132	234	161
Units redeemed........................	(35)	(39)	(56)	(33)
Net increase (decrease).............	92	93	178	128

</Table>

Not all investment divisions are available under all policies.

(a) For Group 3 policies, represents the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For Group 3 policies, represents the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For Group 3 policies, represents the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For Group 3 policies, represents the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For Group 3 policies, represents the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For Group 3 policies, represents the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For Group 3 policies, represents the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

<Table>
<Caption>

<S> <C> <C> <C> <C> <C> <C> <C> <C>

MAINSTAY VP CASH MANAGEMENT		MAINSTAY VP COMMON STOCK-- INITIAL CLASS		MAINSTAY VP CONVERTIBLE-- INITIAL CLASS		MAINSTAY VP GOVERNMENT-- INITIAL CLASS	
2004	2003	2004	2003	2004	2003	2004	2003
1,878	9,971	394	513	113	119	80	104
(3,156)	(16,117)	(431)	(465)	(51)	(68)	(122)	(192)
(1,278)	(6,146)	(37)	48	62	51	(42)	(88)
3,681	5,365	696	960	287	365	111	151
(5,637)	(5,594)	(452)	(534)	(185)	(155)	(131)	(130)
(1,956)	(229)	244	426	102	210	(20)	21
2,097	3,768	15	3	4	9	6	6
(1,558)	(5,115)	(2)	(2)	(1)	(1)	(3)	(3)
539	(1,347)	13	1	3	8	3	3
5,478	2,975	163	131	196	136	90	126
(3,560)	(2,038)	(36)	(24)	(39)	(18)	(27)	(33)
1,918	937	127	107	157	118	63	93

</Table>

NOTE 5--Unit Transactions (in 000's) (Continued):

<Table>
<Caption>

MAINSTAY VP MAINSTAY VP

	HIGH YIELD CORPORATE BOND-- INITIAL CLASS		INTERNATIONAL EQUITY-- INITIAL CLASS	
	2004	2003	2004	2003
GROUP 1 POLICIES				
Units issued	314	565	269	140
Units redeemed	(290)	(307)	(77)	(78)
Net increase (decrease)	24	258	192	62
GROUP 2 POLICIES				
Units issued	399	467	264	149
Units redeemed	(159)	(121)	(58)	(33)
Net increase (decrease)	240	346	206	116
GROUP 3 POLICIES				
Units issued	26	10	--	--
Units redeemed	(21)	(7)	--	--
Net increase (decrease)	5	3	--	--
GROUP 4 POLICIES				
Units issued	398	212	168	43
Units redeemed	(71)	(29)	(22)	(5)
Net increase (decrease)	327	183	146	38

</Table>

Not all investment divisions are available under all policies.

(a) For Group 3 policies, represents the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For Group 3 policies, represents the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For Group 3 policies, represents the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For Group 3 policies, represents the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For Group 3 policies, represents the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For Group 3 policies, represents the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For Group 3 policies, represents the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

<Table>
<Caption>

	MAINSTAY VP MID CAP CORE-- INITIAL CLASS		MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS		MAINSTAY VP MID CAP VALUE-- INITIAL CLASS		MAINSTAY VP S&P 500 INDEX-- INITIAL CLASS	
	2004	2003	2004	2003	2004	2003	2004	2003
	259	97	283	254	344	164	804	1,065
	(23)	(14)	(44)	(22)	(66)	(44)	(799)	(841)
	236	83	239	232	278	120	5	224
	170	85	264	237	280	225	1,641	2,186
	(27)	(16)	(53)	(33)	(70)	(54)	(961)	(885)
	143	69	211	204	210	171	680	1,301
	--	--	--	--	--	--	61	55
	--	--	--	--	--	--	(28)	(16)
	--	--	--	--	--	--	33	39
	157	47	280	99	255	137	1,070	487

(23)	(7)	(47)	(13)	(41)	(24)	(152)	(80)
-----	-----	-----	-----	-----	-----	-----	-----
134	40	233	86	214	113	918	407
=====	=====	=====	=====	=====	=====	=====	=====

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5--Unit Transactions (in 000's) (Continued):

<Table>
<Caption>

<S>	MAINSTAY VP SMALL CAP GROWTH-- INITIAL CLASS 2004 <C>	2003 <C>	MAINSTAY VP TOTAL RETURN-- INITIAL CLASS 2004 <C>	2003 <C>
GROUP 1 POLICIES				
Units issued..........................	177	211	336	404
Units redeemed........................	(41)	(23)	(382)	(443)
Net increase (decrease).............	136	188	(46)	(39)
GROUP 2 POLICIES				
Units issued..........................	239	254	306	390
Units redeemed........................	(69)	(41)	(177)	(175)
Net increase (decrease).............	170	213	129	215
GROUP 3 POLICIES				
Units issued..........................	--	--	10	--
Units redeemed........................	--	--	(1)	--
Net increase (decrease).............	--	--	9	--
GROUP 4 POLICIES				
Units issued..........................	228	105	105	56
Units redeemed........................	(42)	(15)	(24)	(12)
Net increase (decrease).............	186	90	81	44

</Table>

Not all investment divisions are available under all policies.

(a) For Group 3 policies, represents the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For Group 3 policies, represents the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For Group 3 policies, represents the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For Group 3 policies, represents the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For Group 3 policies, represents the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For Group 3 policies, represents the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For Group 3 policies, represents the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

<Table>
<Caption>

MAINSTAY VP VALUE-- INITIAL CLASS	MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH-- INITIAL CLASS	MAINSTAY VP DREYFUS LARGE COMPANY VALUE-- INITIAL CLASS	MAINSTAY VP EAGLE ASSET MANAGEMENT GROWTH EQUITY-- INITIAL CLASS

2004	2003	2004	2003	2004	2003	2004	2003
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
311	401	40	62	63	53	100	105
(310)	(365)	(14)	(9)	(22)	(20)	(44)	(49)
1	36	26	53	41	33	56	56
322	435	104	116	141	154	370	465
(177)	(176)	(48)	(48)	(63)	(54)	(343)	(220)
145	259	56	68	78	100	27	245
27	47	10	33	4	5	3	8
(8)	(9)	(35)	(1)	--	--	--	(1)
19	38	(25)	32	4	5	3	7
192	135	53	26	77	33	91	54
(42)	(26)	(10)	(5)	(11)	(4)	(31)	(11)
150	109	43	21	66	29	60	43

</Table>

NOTE 5--Unit Transactions (in 000's) (Continued):

<Table>
<Caption>

	ALGER AMERICAN LEVERAGED ALL CAP-- CLASS O SHARES		ALGER AMERICAN SMALL CAPITALIZATION-- CLASS O SHARES		AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II	
	2004	2003	2004	2003	2004(g)	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES							
Units issued..........................	--	--	272	407	--	--	--
Units redeemed........................	--	--	(278)	(218)	--	--	--
Net increase (decrease).............	--	--	(6)	189	--	--	--
GROUP 2 POLICIES							
Units issued..........................	--	--	374	486	--	--	--
Units redeemed........................	--	--	(248)	(248)	--	--	--
Net increase (decrease).............	--	--	126	238	--	--	--
GROUP 3 POLICIES							
Units issued..........................	2	3	24	78	--	--	17
Units redeemed........................	--	--	(3)	(2)	--	(13)	--
Net increase (decrease).............	2	3	21	76	--	(13)	17
GROUP 4 POLICIES							
Units issued..........................	--	--	103	33	--	--	--
Units redeemed........................	--	--	(16)	(5)	--	--	--
Net increase (decrease).............	--	--	87	28	--	--	--

</Table>

Not all investment divisions are available under all policies.

(a) For Group 3 policies, represents the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For Group 3 policies, represents the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For Group 3 policies, represents the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For Group 3 policies, represents the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For Group 3 policies, represents the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For Group 3 policies, represents the period February 13, 2004 (Commencement of Operations) through December 31, 2004.

(g) For Group 3 policies, represents the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

<Table>
<Caption>

	AMERICAN CENTURY VP VALUE-- CLASS II		CALVERT SOCIAL BALANCED		DREYFUS IP TECHNOLOGY GROWTH-- INITIAL SHARES		DREYFUS VIF DEVELOPING LEADERS-- INITIAL SHARES		FIDELITY(R) VIP CONTRAFUND(R)-- INITIAL CLASS	
	2004	2003	2004	2003	2004	2003	2004	2003(a)	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	--	--	16	25	195	141	--	--	574	638
	--	--	(13)	(26)	(29)	(10)	--	--	(409)	(461)
	--	--	3	(1)	166	131	--	--	165	177
	--	--	35	47	91	136	--	--	835	919
	--	--	(24)	(40)	(31)	(20)	--	--	(395)	(417)
	--	--	11	7	60	116	--	--	440	502
	53	15	--	--	2	2	10	11	51	38
	(1)	--	--	--	(1)	--	(1)	--	(3)	(2)
	52	15	--	--	1	2	9	11	48	36
	--	--	25	13	113	55	--	--	363	199
	--	--	(5)	(2)	(27)	(9)	--	--	(72)	(40)
	--	--	20	11	86	46	--	--	291	159

</Table>

NOTE 5--Unit Transactions (in 000's) (Continued):

<Table>
<Caption>

	FIDELITY(R) VIP EQUITY-INCOME-- INITIAL CLASS		FIDELITY(R) VIP GROWTH-- INITIAL CLASS	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES				
Units issued...........................	298	288	--	--
Units redeemed.........................	(157)	(210)	--	--
Net increase (decrease).............	141	78	--	--
GROUP 2 POLICIES				
Units issued...........................	315	397	--	--
Units redeemed.........................	(156)	(140)	--	--
Net increase (decrease).............	159	257	--	--
GROUP 3 POLICIES				
Units issued...........................	27	63	7	14
Units redeemed.........................	(61)	(3)	(1)	--
Net increase (decrease).............	(34)	60	6	14
GROUP 4 POLICIES				
Units issued...........................	291	110	--	--
Units redeemed.........................	(42)	(19)	--	--

Net increase (decrease).............	249	91	--	--

</Table>

Not all investment divisions are available under all policies.

(a) For Group 3 policies, represents the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For Group 3 policies, represents the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For Group 3 policies, represents the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For Group 3 policies, represents the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For Group 3 policies, represents the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For Group 3 policies, represents the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For Group 3 policies, represents the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

<Table>
<Caption>

	FIDELITY(R) VIP INDEX 500-- INITIAL CLASS		FIDELITY(R) VIP INVESTMENT GRADE BOND-- INITIAL CLASS		FIDELITY(R) VIP MID CAP-- INITIAL CLASS		FIDELITY(R) VIP OVERSEAS-- INITIAL CLASS		JANUS ASPEN SERIES BALANCED-- INSTITUTIONAL SHARES	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	--	--	--	--	--	--	--	--	340	419
	--	--	--	--	--	--	--	--	(474)	(342)
	--	--	--	--	--	--	--	--	(134)	77
	--	--	--	--	--	--	--	--	1,024	1,299
	--	--	--	--	--	--	--	--	(787)	(701)
	--	--	--	--	--	--	--	--	237	598
	26	53	--	4	85	11	14	46	11	14
	(5)	(2)	(5)	--	(22)	(5)	(18)	(1)	(5)	(3)
	21	51	(5)	4	63	6	(4)	45	6	11
	--	--	--	--	--	--	--	--	311	270
	--	--	--	--	--	--	--	--	(75)	(67)
	--	--	--	--	--	--	--	--	236	203

</Table>

NOTE 5--Unit Transactions (in 000's) (Continued):

<Table>
<Caption>

	JANUS ASPEN SERIES MID CAP GROWTH-- INSTITUTIONAL SHARES		JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES		MFS(R) INVESTORS TRUST SERIES-- INITIAL CLASS	
	2004	2003	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES						
Units issued..........................	--	--	613	816	--	--

Units redeemed.........................	--	--	(695)	(753)	--	--
Net increase (decrease).............	--	--	(82)	63	--	--
GROUP 2 POLICIES						
Units issued...........................	--	--	1,335	1,836	--	--
Units redeemed.........................	--	--	(1,022)	(1,003)	--	--
Net increase (decrease).............	--	--	313	833	--	--
GROUP 3 POLICIES						
Units issued...........................	21	2	5	3	--	--
Units redeemed.........................	(15)	--	(1)	(1)	(1)	--
Net increase (decrease).............	6	2	4	2	(1)	--
GROUP 4 POLICIES						
Units issued...........................	--	--	177	126	--	--
Units redeemed.........................	--	--	(46)	(26)	--	--
Net increase (decrease).............	--	--	131	100	--	--

</Table>

Not all investment divisions are available under all policies.

(a) For Group 3 policies, represents the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For Group 3 policies, represents the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For Group 3 policies, represents the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For Group 3 policies, represents the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For Group 3 policies, represents the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For Group 3 policies, represents the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For Group 3 policies, represents the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

<Table>
<Caption>

MFS(R) NEW DISCOVERY SERIES-- INITIAL CLASS		MFS(R) RESEARCH SERIES-- INITIAL CLASS	MFS(R) UTILITIES SERIES-- INITIAL CLASS		NEUBERGER BERMAN AMT MID-CAP GROWTH-- CLASS I		T. ROWE PRICE EQUITY INCOME PORTFOLIO		T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO	
2004	2003(d)	2004(f)	2004	2003(a)	2004	2003	2004	2003	2004	2003
--	--	--	--	--	--	--	377	196	--	--
--	--	--	--	--	--	--	(86)	(48)	--	--
--	--	--	--	--	--	--	291	148	--	--
--	--	--	--	--	--	--	411	432	--	--
--	--	--	--	--	--	--	(148)	(120)	--	--
--	--	--	--	--	--	--	263	312	--	--
4	2	--	1	--	3	3	13	37	--	18
--	--	--	--	--	--	--	(24)	(8)	(11)	(1)
4	2	--	1	--	3	3	(11)	29	(11)	17
--	--	--	--	--	--	--	321	154	--	--
--	--	--	--	--	--	--	(51)	(26)	--	--
--	--	--	--	--	--	--	270	128	--	--

</Table>

NOTE 5--Unit Transactions (in 000's) (Continued):

<Table>
<Caption>

<S>	VAN ECK WORLDWIDE ABSOLUTE RETURN 2004(G)	VAN ECK WORLDWIDE HARD ASSETS 2004	VAN ECK WORLDWIDE HARD ASSETS 2003(E)	VAN KAMPEN UIF EMERGING MARKETS DEBT--CLASS I 2004	VAN KAMPEN UIF EMERGING MARKETS DEBT--CLASS I 2003(B)	VAN KAMPEN UIF EMERGING MARKETS EQUITY--CLASS I 2004	VAN KAMPEN UIF EMERGING MARKETS EQUITY--CLASS I 2003	VAN KAMPEN UIF U.S. REAL ESTATE--CLASS I 2004	VAN KAMPEN UIF U.S. REAL ESTATE--CLASS I 2003(C)
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES									
Units issued..................	--	--	--	--	--	141	215	--	--
Units redeemed................	--	--	--	--	--	(97)	(120)	--	--
Net increase (decrease)......	--	--	--	--	--	44	95	--	--
GROUP 2 POLICIES									
Units issued..................	--	--	--	--	--	122	221	--	--
Units redeemed................	--	--	--	--	--	(90)	(86)	--	--
Net increase (decrease)......	--	--	--	--	--	32	135	--	--
GROUP 3 POLICIES									
Units issued..................	--	2	--	--	2	5	--	1	--
Units redeemed................	--	--	--	--	--	--	--	--	--
Net increase (decrease)......	--	2	--	--	2	5	--	1	--
GROUP 4 POLICIES									
Units issued..................	--	--	--	--	--	65	26	--	--
Units redeemed................	--	--	--	--	--	(13)	(5)	--	--
Net increase (decrease)......	--	--	--	--	--	52	21	--	--

</Table>

Not all investment divisions are available under all policies.

(a) For Group 3 policies, represents the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
(b) For Group 3 policies, represents the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
(c) For Group 3 policies, represents the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
(d) For Group 3 policies, represents the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
(e) For Group 3 policies, represents the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
(f) For Group 3 policies, represents the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
(g) For Group 3 policies, represents the period April 8, 2004 (Commencement of Operations) through December 31, 2004.

(THIS PAGE INTENTIONALLY LEFT BLANK)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's):

The following table presents financial highlights for each Investment Division as of December 31, 2004, 2003, 2002, 2001, and 2000:

<Table>
<Caption>

	MAINSTAY VP BOND--INITIAL CLASS				
	2004	2003	2002	2001	2000

<S>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)					
Net Assets..	$13,637	$14,432	$13,958	$12,184	$8,626
Units Outstanding.................................	722	790	793	753	578
Variable Accumulation Unit Value..................	$ 18.88	$ 18.26	$ 17.59	$ 16.18	$14.91
Total Return......................................	3.4%	3.8%	8.7%	8.5%	9.0%
Investment Income Ratio...........................	3.4%	4.1%	4.6%	5.4%	
GROUP 2 POLICIES(b)					
Net Assets..	$ 9,680	$ 8,491	$ 6,999	$ 3,868	$ 597
Units Outstanding.................................	694	630	540	325	55
Variable Accumulation Unit Value..................	$ 13.96	$ 13.48	$ 12.96	$ 11.89	$10.94
Total Return......................................	3.6%	4.0%	9.0%	8.7%	9.3%
Investment Income Ratio...........................	3.8%	4.3%	5.7%	9.6%	
GROUP 3 POLICIES					
Net Assets..	$ 528	$ 292	$ 55	$ 7	$ --
Units Outstanding.................................	44	25	5	1	--
Variable Accumulation Unit Value..................	$ 11.95	$ 11.48	$ 10.99	$ 10.04	$ --
Total Return......................................	4.1%	4.5%	9.5%	0.4%	--
Investment Income Ratio...........................	4.4%	5.2%	6.3%	53.8%	
GROUP 4 POLICIES					
Net Assets..	$ 2,747	$ 1,614	$ 552	$ --	$ --
Units Outstanding.................................	236	144	52	--	--
Variable Accumulation Unit Value..................	$ 11.66	$ 11.20	$ 10.72	$ --	$ --
Total Return......................................	4.1%	4.5%	7.2%	--	--
Investment Income Ratio...........................	4.4%	5.4%	16.2%	--	

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

	MAINSTAY VP CAPITAL APPRECIATION--INITIAL CLASS					MAINSTAY VP CASH MANAGEMENT	
	2004	2003	2002	2001	2000	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$174,254	$171,100	$131,204	$185,293	$225,952	$15,071	$16,841
	8,889	9,027	8,730	8,468	7,873	10,726	12,004
	$ 19.60	$ 18.95	$ 15.03	$ 21.88	$ 28.70	$ 1.41	$ 1.40
	3.4%	26.1%	(31.4%)	(23.8%)	(11.3%)	0.1%	--
	0.3%	0.2%	0.1%	0.1%		0.8%	0.7%
	$ 53,193	$ 46,871	$ 30,458	$ 29,631	$ 15,454	$11,507	$13,640
	7,176	6,553	5,381	3,603	1,436	10,323	12,279
	$ 7.41	$ 7.15	$ 5.66	$ 8.22	$ 10.76	$ 1.11	$ 1.11
	3.6%	26.4%	(31.2%)	(23.6%)	(11.2%)	0.3%	0.2%
	0.3%	0.2%	0.1%	0.1%		0.8%	0.7%
	$ 249	$ 171	$ 89	$ 72	$ --	$ 2,255	$ 1,680
	26	19	13	7	--	2,166	1,627
	$ 9.42	$ 9.05	$ 7.12	$ 10.30	$ --	$ 1.04	$ 1.03
	4.2%	27.0%	(30.9%)	3.0%	--	0.8%	0.7%
	0.3%	0.3%	0.1%	0.3%		0.8%	0.7%
	$ 3,823	$ 1,868	$ 443	$ --	$ --	$ 4,412	$ 2,431
	362	184	55	--	--	4,317	2,399
	$ 10.57	$ 10.15	$ 7.99	$ --	$ --	$ 1.02	$ 1.01
	4.2%	27.0%	(20.1%)	--	--	0.8%	0.7%
	0.3%	0.3%	0.3%	--		0.9%	0.6%

<Caption>

MAINSTAY VP CASH MANAGEMENT		
2002	2001	2000

<S>	<C>	<C>	<C>
	$25,473	$46,014	$40,729
	18,149	32,996	30,117
	$ 1.40	$ 1.39	$ 1.35
	0.6%	3.0%	5.5%
	1.4%	3.7%	
	$13,871	$12,365	$ 3,264
	12,508	11,244	3,067
	$ 1.11	$ 1.10	$ 1.06
	0.8%	3.8%	5.0%
	1.3%	3.4%	
	$ 3,050	$ 523	$ --
	2,974	517	--
	$ 1.03	$ 1.01	$ --
	2.0%	1.0%	--
	1.2%	2.1%	
	$ 1,472	$ --	$ --
	1,462	--	--
	$ 1.01	$ --	$ --
	1.0%	--	--
	1.0%	--	

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

	MAINSTAY VP COMMON STOCK--INITIAL CLASS				
	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)					
Net Assets..	$65,117	$60,036	$46,902	$60,962	$69,704
Units Outstanding.................................	2,413	2,450	2,402	2,348	2,211
Variable Accumulation Unit Value..................	$ 26.99	$ 24.50	$ 19.53	$ 25.96	$ 31.53
Total Return......................................	10.1%	25.5%	(24.8%)	(17.7%)	(4.0%)
Investment Income Ratio...........................	1.4%	1.1%	0.9%	0.7%	
GROUP 2 POLICIES(b)					
Net Assets..	$30,884	$25,743	$17,351	$15,533	$ 7,403
Units Outstanding.................................	3,038	2,794	2,368	1,598	628
Variable Accumulation Unit Value..................	$ 10.16	$ 9.21	$ 7.33	$ 9.72	$ 11.78
Total Return......................................	10.3%	25.7%	(24.6%)	(17.5%)	(3.8%)
Investment Income Ratio...........................	1.5%	1.2%	1.1%	1.0%	
GROUP 3 POLICIES					
Net Assets..	$ 342	$ 181	$ 135	$ 178	$ --
Units Outstanding.................................	33	20	18	18	--
Variable Accumulation Unit Value..................	$ 10.25	$ 9.24	$ 7.31	$ 9.65	$ --
Total Return......................................	10.9%	26.4%	(24.2%)	(3.5%)	--
Investment Income Ratio...........................	1.8%	1.5%	0.9%	1.8%	
GROUP 4 POLICIES					
Net Assets..	$ 3,337	$ 1,665	$ 429	$ --	$ --
Units Outstanding.................................	285	158	51	--	--
Variable Accumulation Unit Value..................	$ 11.72	$ 10.57	$ 8.36	$ --	$ --
Total Return......................................	10.9%	26.4%	(16.4%)	--	--
Investment Income Ratio...........................	1.8%	1.5%	3.2%	--	

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

	MAINSTAY VP CONVERTIBLE--INITIAL CLASS					MAINSTAY VP GOVERNMENT--INITIAL CLASS				
	2004	2003	2002	2001	2000	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$11,056	$ 9,403	$7,003	$6,864	$4,815	$11,676	$12,095	$13,456	$8,224	$4,168
	597	535	484	434	295	662	704	792	528	284
	$ 18.52	$ 17.58	$14.48	$15.83	$16.30	$ 17.63	$ 17.18	$ 16.98	$15.57	$14.70
	5.4%	21.4%	(8.5%)	(2.9%)	(5.7%)	2.6%	1.2%	9.1%	5.9%	11.4%
	2.1%	2.5%	2.9%	4.1%		4.1%	4.3%	3.8%	5.5%	
	$16,830	$14,680	$9,942	$7,252	$2,692	$ 5,839	$ 5,949	$ 5,589	$2,237	$ 150
	1,293	1,191	981	656	237	431	451	429	188	13
	$ 13.02	$ 12.33	$10.14	$11.06	$11.36	$ 13.56	$ 13.19	$ 13.01	$11.91	$11.22
	5.6%	21.6%	(8.3%)	(2.6%)	(5.5%)	2.8%	1.4%	9.3%	6.1%	11.6%
	2.1%	2.5%	3.3%	5.2%		4.2%	4.3%	4.3%	8.7%	
	$ 259	$ 209	$ 94	$ 52	$ --	$ 165	$ 120	$ 90	$ --	$ --
	21	18	10	5	--	14	11	8	--	--
	$ 12.27	$ 11.57	$ 9.46	$10.28	$ --	$ 11.45	$ 11.08	$ 10.88	$ --	$ --
	6.1%	22.2%	(8.1%)	2.8%	--	3.3%	1.9%	8.8%	--	--
	2.2%	2.8%	3.6%	11.9%		4.6%	4.5%	4.4%	--	
	$ 3,837	$ 1,791	$ 336	$ --	$ --	$ 2,413	$ 1,656	$ 631	$ --	$ --
	310	153	35	--	--	215	152	59	--	--
	$ 12.39	$ 11.67	$ 9.55	$ --	$ --	$ 11.24	$ 10.87	$ 10.67	$ --	$ --
	6.1%	22.2%	(4.5%)	--	--	3.3%	1.9%	6.7%	--	--
	2.5%	3.5%	10.0%	--		4.8%	5.9%	10.4%	--	

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

	MAINSTAY VP HIGH YIELD CORPORATE BOND--INITIAL CLASS				
	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)					
Net Assets..	$53,870	$47,585	$30,983	$29,909	$26,361
Units Outstanding.................................	2,203	2,179	1,921	1,879	1,726
Variable Accumulation Unit Value..................	$ 24.45	$ 21.84	$ 16.13	$ 15.92	$ 15.28
Total Return......................................	11.9%	35.4%	1.2%	4.2%	(6.5%)
Investment Income Ratio...........................	7.6%	8.3%	10.7%	12.0%	
GROUP 2 POLICIES(b)					
Net Assets..	$24,317	$18,335	$ 9,959	$ 5,199	$ 1,398
Units Outstanding.................................	1,554	1,314	969	514	144
Variable Accumulation Unit Value..................	$ 15.65	$ 13.95	$ 10.28	$ 10.12	$ 9.70
Total Return......................................	12.2%	35.7%	1.6%	4.3%	(6.4%)
Investment Income Ratio...........................	7.6%	8.6%	12.7%	16.0%	
GROUP 3 POLICIES					
Net Assets..	$ 544	$ 411	$ 271	$ 234	$ --
Units Outstanding.................................	34	29	26	23	--
Variable Accumulation Unit Value..................	$ 15.78	$ 14.00	$ 10.27	$ 10.06	$ --
Total Return......................................	12.7%	36.4%	2.1%	0.6%	--
Investment Income Ratio...........................	6.5%	7.6%	11.3%	101.5%	
GROUP 4 POLICIES					

Net Assets..	$ 8,986	$ 3,601	$ 851	$ --	$ --
Units Outstanding.................................	597	270	87	--	--
Variable Accumulation Unit Value..................	$ 15.06	$ 13.36	$ 9.79	$ --	$ --
Total Return......................................	12.7%	36.4%	(2.1%)	--	--
Investment Income Ratio...........................	9.5%	11.0%	29.2%	--	

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

	MAINSTAY VP INTERNATIONAL EQUITY--INITIAL CLASS					MAINSTAY VP MID CAP CORE--INITIAL CLASS			
	2004	2003	2002	2001	2000	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$13,646	$8,605	$5,894	$ 5,424	$ 6,250	$11,787	$7,136	$ 4,625	$4,832
	725	533	471	412	405	890	654	570	515
	$ 18.82	$16.15	$12.51	$ 13.18	$ 15.44	$ 13.25	$10.91	$ 8.11	$ 9.38
	16.5%	29.1%	(5.1%)	(14.6%)	(18.6%)	21.4%	34.6%	(13.5%)	(6.2%)
	1.1%	2.0%	1.4%	1.3%		0.6%	0.5%	0.3%	0.3%
	$ 6,258	$3,310	$1,670	$ 1,038	$ 650	$ 3,914	$1,640	$ 653	$ 160
	540	334	218	129	69	292	149	80	17
	$ 11.58	$ 9.92	$ 7.67	$ 8.06	$ 9.42	$ 13.43	$11.04	$ 8.19	$ 9.45
	16.8%	29.4%	(4.7%)	(14.4%)	(18.5%)	21.6%	34.8%	(13.4%)	(5.5%)
	1.2%	2.3%	1.7%	1.5%		0.7%	0.6%	0.4%	1.0%
	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
	--	--	--	--	--	--	--	--	--
	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
	--	--	--	--	--	--	--	--	--
	--	--	--	--		--	--	--	--
	$ 2,665	$ 526	$ 59	$ --	$ --	$ 2,594	$ 566	$ 73	$ --
	190	44	6	--	--	183	49	9	--
	$ 14.04	$11.96	$ 9.20	$ --	$ --	$ 14.21	$11.63	$ 8.58	$ --
	17.3%	30.0%	(8.0%)	--	--	22.2%	35.5%	(14.2%)	--
	1.6%	3.4%	5.6%	--		0.8%	0.8%	1.1%	--

</Table>

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

	MAINSTAY VP MID CAP GROWTH--INITIAL CLASS				MAINSTAY VP MID CAP VALUE--INITIAL CLASS			
	2004	2003	2002	2001	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)								
Net Assets...........................	$11,789	$7,461	$ 3,688	$4,730	$14,820	$9,718	$ 6,585	$5,620
Units Outstanding....................	1,041	802	570	518	1,185	907	787	570

Variable Accumulation Unit Value.....	$ 11.33	$ 9.30	$ 6.47	$ 9.12	$ 12.51	$10.72	$ 8.37	$ 9.86
Total Return.........................	21.8%	43.8%	(29.1%)	(8.8%)	16.7%	28.1%	(15.1%)	(1.4%)
Investment Income Ratio.............	--	--	--	--	1.0%	1.1%	1.1%	1.1%
GROUP 2 POLICIES(b)								
Net Assets...........................	$ 6,775	$3,517	$ 1,074	$ 344	$ 9,228	$5,632	$ 2,954	$ 962
Units Outstanding....................	574	363	160	36	733	523	352	97
Variable Accumulation Unit Value.....	$ 11.81	$ 9.68	$ 6.72	$ 9.46	$ 12.59	$10.76	$ 8.39	$ 9.87
Total Return.........................	22.0%	44.1%	(28.9%)	(5.4%)	17.0%	28.3%	(15.0%)	(1.3%)
Investment Income Ratio.............	--	--	--	--	1.0%	1.2%	1.4%	3.0%
GROUP 3 POLICIES								
Net Assets...........................	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Units Outstanding....................	--	--	--	--	--	--	--	--
Variable Accumulation Unit Value.....	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Total Return.........................	--	--	--	--	--	--	--	--
Investment Income Ratio.............	--	--	--	--	--	--	--	--
GROUP 4 POLICIES								
Net Assets...........................	$ 4,691	$1,304	$ 256	$ --	$ 4,862	$1,814	$ 458	$ --
Units Outstanding....................	353	120	34	--	381	167	54	--
Variable Accumulation Unit Value.....	$ 13.31	$10.85	$ 7.50	$ --	$ 12.75	$10.84	$ 8.41	$ --
Total Return.........................	22.6%	44.8%	(25.0%)	--	17.5%	29.0%	(15.9%)	--
Investment Income Ratio.............	--	--	--	--	1.2%	1.5%	3.4%	--

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

	MAINSTAY VP S&P 500 INDEX--INITIAL CLASS					MAINSTAY VP SMALL CAP GROWTH--INITIAL CLASS			
	2004	2003	2002	2001	2000	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$146,432	$133,315	$99,916	$121,766	$120,772	$10,272	$8,132	$ 4,477	$5,104
	4,895	4,890	4,665	4,392	3,800	967	831	644	536
	$ 29.91	$ 27.26	$ 21.42	$ 27.73	$ 31.77	$ 10.63	$ 9.78	$ 6.95	$ 9.51
	9.7%	27.3%	(22.8%)	(12.7%)	(9.9%)	8.6%	40.7%	(26.9%)	(4.9%)
	1.6%	1.4%	1.3%	1.1%		--	--	--	--
	$ 69,081	$ 56,757	$35,382	$ 29,324	$ 14,201	$ 6,396	$4,170	$ 1,442	$ 385
	7,035	6,355	5,053	3,241	1,373	585	415	202	40
	$ 9.82	$ 8.93	$ 7.00	$ 9.05	$ 10.35	$ 10.93	$10.04	$ 7.12	$ 9.73
	9.9%	27.6%	(22.6%)	(12.6%)	(9.8%)	8.9%	41.0%	(26.8%)	(2.7%)
	1.7%	1.5%	1.5%	1.4%		--	--	--	--
	$ 817	$ 410	$ 9	$ --	$ --	$ --	$ --	$ --	$ --
	74	41	1	--	--	--	--	--	--
	$ 11.11	$ 10.06	$ 7.85	$ --	$ --	$ --	$ --	$ --	$ --
	10.5%	28.2%	(21.5%)	--	--	--	--	--	--
	1.6%	3.1%	3.1%	--		--	--	--	--
	$ 18,720	$ 6,886	$ 1,890	$ --	$ --	$ 3,819	$1,337	$ 209	$ --
	1,547	629	221	--	--	301	115	26	--
	$ 12.10	$ 10.95	$ 8.54	$ --	$ --	$ 12.67	$11.58	$ 8.17	$ --
	10.5%	28.2%	(14.6%)	--	--	9.4%	41.7%	(18.3%)	--
	2.2%	2.0%	4.4%	--		--	--	--	--

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

<S>	MAINSTAY VP TOTAL RETURN--INITIAL CLASS				
	2004	2003	2002	2001	2000
	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)					
Net Assets..	$44,038	$42,609	$36,510	$43,693	$46,997
Units Outstanding.................................	2,129	2,175	2,215	2,197	2,095
Variable Accumulation Unit Value..................	$ 20.69	$ 19.59	$ 16.48	$ 19.89	$ 22.43
Total Return......................................	5.6%	18.8%	(17.0%)	(11.3%)	(5.0%)
Investment Income Ratio...........................	1.7%	1.9%	2.5%	2.6%	
GROUP 2 POLICIES(b)					
Net Assets..	$13,594	$11,610	$ 8,019	$ 6,514	$ 2,178
Units Outstanding.................................	1,343	1,214	998	673	200
Variable Accumulation Unit Value..................	$ 10.12	$ 9.57	$ 8.03	$ 9.68	$ 10.89
Total Return......................................	5.8%	19.1%	(16.9%)	(11.1%)	(4.8%)
Investment Income Ratio...........................	1.8%	2.1%	2.9%	4.0%	
GROUP 3 POLICIES					
Net Assets..	$ 101	$ 3	$ 1	$ --	$ --
Units Outstanding.................................	9	--	--	--	--
Variable Accumulation Unit Value..................	$ 10.88	$ 10.23	$ 8.55	$ --	$ --
Total Return......................................	6.4%	19.7%	(14.5%)	--	--
Investment Income Ratio...........................	1.7%	2.2%	1.0%	--	
GROUP 4 POLICIES					
Net Assets..	$ 1,898	$ 914	$ 362	$ --	$ --
Units Outstanding.................................	165	84	40	--	--
Variable Accumulation Unit Value..................	$ 11.53	$ 10.84	$ 9.06	$ --	$ --
Total Return......................................	6.4%	19.7%	(9.4%)	--	--
Investment Income Ratio...........................	2.2%	2.5%	13.3%	--	

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

<S>	MAINSTAY VP VALUE--INITIAL CLASS					MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH--INITIAL CLASS				
	2004	2003	2002	2001	2000	2004	2003	2002	2001	2000
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$44,899	$40,618	$31,545	$37,813	$33,582	$1,780	$1,371	$ 711	$ 652	$ 377
	2,054	2,053	2,017	1,895	1,678	183	157	104	76	40
	$ 21.86	$ 19.78	$ 15.64	$ 19.95	$ 20.01	$ 9.75	$ 8.72	$ 6.82	$ 8.54	$ 9.40
	10.5%	26.5%	(21.6%)	(0.3%)	12.1%	11.9%	27.8%	(20.1%)	(9.1%)	(6.0%)
	1.2%	1.6%	1.4%	1.5%		1.9%	1.9%	1.2%	1.0%	
	$17,691	$14,265	$ 8,835	$ 5,849	$ 870	$4,141	$3,183	$ 2,008	$1,716	$ 761

1,353	1,208	948	493	73	407	351	284	194	78
$ 13.08	$ 11.81	$ 9.32	$ 11.86	$ 11.87	$10.16	$ 9.07	$ 7.08	$ 8.84	$ 9.71
10.7%	26.7%	(21.4%)	(0.1%)	12.3%	12.1%	28.1%	(19.9%)	(9.0%)	(11.2%)
1.2%	1.7%	1.8%	2.7%		1.9%	1.6%	1.3%	1.2%	
$ 1,036	$ 736	$ 274	$ 296	$ --	$ 91	$ 350	$ 9	$ --	$ --
92	73	35	29	--	8	33	1	--	--
$ 11.25	$ 10.11	$ 7.94	$ 10.05	$ --	$11.86	$10.52	$ 8.18	$ --	$ --
11.3%	27.4%	(21.0%)	0.5%	--	12.7%	28.7%	(18.2%)	--	--
1.6%	1.8%	1.4%	8.1%		0.7%	1.8%	1.2%	--	
$ 3,975	$ 2,025	$ 708	$ --	$ --	$ 899	$ 323	$ 68	$ --	$ --
346	196	87	--	--	72	29	8	--	--
$ 11.48	$ 10.31	$ 8.10	$ --	$ --	$12.55	$11.14	$ 8.66	$ --	$ --
11.3%	27.4%	(19.0%)	--	--	12.7%	28.7%	(13.4%)	--	--
1.4%	2.1%	4.4%	--		2.4%	2.2%	3.7%	--	

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

	MAINSTAY VP DREYFUS LARGE COMPANY VALUE--INITIAL CLASS				
	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)					
Net Assets..	$1,805	$1,238	$ 725	$ 691	$ 72
Units Outstanding.................................	171	130	96	70	7
Variable Accumulation Unit Value..................	$10.57	$ 9.56	$ 7.52	$ 9.82	$10.36
Total Return......................................	10.6%	27.1%	(23.4%)	(5.2%)	3.6%
Investment Income Ratio...........................	1.1%	0.9%	0.7%	1.2%	
GROUP 2 POLICIES(b)					
Net Assets..	$5,346	$4,035	$ 2,364	$2,001	$ 560
Units Outstanding.................................	474	396	296	192	51
Variable Accumulation Unit Value..................	$11.28	$10.18	$ 8.00	$10.42	$10.96
Total Return......................................	10.8%	27.3%	(23.2%)	(4.9%)	6.0%
Investment Income Ratio...........................	1.1%	1.0%	0.7%	1.1%	
GROUP 3 POLICIES					
Net Assets..	$ 118	$ 63	$ 10	$ --	$ --
Units Outstanding.................................	10	6	1	--	--
Variable Accumulation Unit Value..................	$11.76	$10.56	$ 8.26	$ --	$ --
Total Return......................................	11.4%	27.9%	(17.4%)	--	--
Investment Income Ratio...........................	1.0%	1.3%	0.7%	--	
GROUP 4 POLICIES					
Net Assets..	$1,234	$ 407	$ 74	$ --	$ --
Units Outstanding.................................	104	38	9	--	--
Variable Accumulation Unit Value..................	$11.85	$10.64	$ 8.31	$ --	$ --
Total Return......................................	11.4%	27.9%	(16.9%)	--	--
Investment Income Ratio...........................	1.4%	1.4%	1.8%	--	

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

<S>	MAINSTAY VP EAGLE ASSET MANAGEMENT GROWTH EQUITY--INITIAL CLASS					ALGER AMERICAN LEVERAGED ALL CAP-- CLASS O SHARES			ALGER AMERICAN SMALL CAPITALIZATION-- CLASS O SHARES		
	2004	2003	2002	2001	2000	2004	2003	2002	2004	2003	2002
	$ 3,483	$ 3,207	$ 2,214	$ 2,750	$ 1,967	$ --	$ --	$ --	$16,480	$14,286	$ 8,883
	517	461	405	359	213	--	--	--	1,556	1,562	1,373
	$ 6.74	$ 6.95	$ 5.47	$ 7.67	$ 9.25	$ --	$ --	$ --	$ 10.59	$ 9.15	$ 6.47
	(3.0%)	27.2%	(28.7%)	(17.1%)	(7.5%)	--	--	--	15.8%	41.4%	(26.7%)
	0.2%	0.2%	0.1%	--		--	--	--	--	--	--
	$12,186	$12,283	$ 7,827	$ 7,326	$ 3,130	$ --	$ --	$ --	$12,816	$10,177	$ 6,027
	1,332	1,305	1,060	709	251	--	--	--	1,601	1,475	1,237
	$ 9.15	$ 9.41	$ 7.39	$ 10.34	$ 12.45	$ --	$ --	$ --	$ 8.00	$ 6.90	$ 4.87
	(2.8%)	27.4%	(28.6%)	(16.9%)	(10.4%)	--	--	--	16.0%	41.6%	(26.6%)
	0.2%	0.2%	0.1%	--		--	--	--	--	--	--
	$ 214	$ 191	$ 96	$ 21	$ --	$ 64	$ 38	$ 6	$ 1,311	$ 894	$ 51
	24	21	13	2	--	5	3	1	104	83	7
	$ 9.08	$ 9.30	$ 7.26	$ 10.11	$ --	$12.90	$11.92	$ 8.85	$ 12.62	$ 10.82	$ 7.60
	(2.3%)	28.1%	(28.2%)	1.1%	--	8.2%	34.7%	(11.5%)	16.6%	42.3%	(26.2%)
	0.3%	0.2%	0.1%	--		--	--	--	--	--	--
	$ 1,257	$ 655	$ 159	$ --	$ --	$ --	$ --	$ --	$ 1,704	$ 430	$ 66
	122	62	19	--	--	--	--	--	124	37	8
	$ 10.29	$ 10.54	$ 8.23	$ --	$ --	$ --	$ --	$ --	$ 13.72	$ 11.77	$ 8.27
	(2.3%)	28.1%	(17.7%)	--	--	--	--	--	16.6%	42.3%	(17.3%)
	0.3%	0.2%	0.2%	--		--	--	--	--	--	--

<Caption>

<S>	ALGER AMERICAN SMALL CAPITALIZATION-- CLASS O SHARES	
	2001	2000
	$10,628	$12,193
	1,203	966
	$ 8.83	$ 12.62
	(30.0%)	(27.7%)
	--	
	$ 5,640	$ 3,724
	850	394
	$ 6.64	$ 9.46
	(29.8%)	(27.6%)
	--	
	$ 28	$ --
	3	--
	$ 10.31	$ --
	3.1%	--
	--	
	$ --	$ --
	--	--
	$ --	$ --
	--	--
	--	

</Table>

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

<S>	AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II			AMERICAN CENTURY VP VALUE--CLASS II		
	2004	2004	2003	2002	2004	2003	2002

GROUP 1 POLICIES(a)							
Net Assets..................................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Units Outstanding...........................	--	--	--	--	--	--	--
Variable Accumulation Unit Value............	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Total Return................................	--	--	--	--	--	--	--
Investment Income Ratio.....................	--	--	--	--	--	--	--
GROUP 2 POLICIES(b)							
Net Assets..................................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Units Outstanding...........................	--	--	--	--	--	--	--
Variable Accumulation Unit Value............	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Total Return................................	--	--	--	--	--	--	--
Investment Income Ratio.....................	--	--	--	--	--	--	--
GROUP 3 POLICIES							
Net Assets..................................	$ 1	$ 53	$ 208	$ --	$ 973	$ 189	$ --
Units Outstanding...........................	--	4	17	--	67	15	--
Variable Accumulation Unit Value............	$10.39	$13.74	$11.98	$ 9.63	$14.48	$12.68	$ 9.84
Total Return................................	3.9%	14.8%	24.4%	(3.7%)	14.2%	28.8%	(1.6%)
Investment Income Ratio.....................	4.6%	3.0%	--	--	0.4%	--	--
GROUP 4 POLICIES							
Net Assets..................................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Units Outstanding...........................	--	--	--	--	--	--	--
Variable Accumulation Unit Value............	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Total Return................................	--	--	--	--	--	--	--
Investment Income Ratio.....................	--	--	--	--	--	--	--

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

	CALVERT SOCIAL BALANCED					DREYFUS IP TECHNOLOGY GROWTH-- INITIAL SHARES				DREYFUS VIF DEVELOPING LEADERS-- INITIAL SHARES	
	2004	2003	2002	2001	2000	2004	2003	2002	2001	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$1,518	$1,377	$ 1,178	$1,275	$1,248	$3,086	$1,633	$ 320	$ 279	$ --	$ --
	101	98	99	94	85	351	185	54	29	--	--
	$15.09	$14.04	$ 11.85	$13.58	$14.70	$ 8.79	$ 8.81	$ 5.88	$ 9.77	$ --	$ --
	7.5%	18.5%	(12.7%)	(7.6%)	(3.8%)	(0.2%)	49.9%	(39.8%)	(2.3%)	--	--
	1.7%	1.9%	2.9%	3.9%		--	--	--	--	--	--
	$1,962	$1,712	$ 1,379	$ 914	$ 400	$2,429	$1,884	$ 550	$ 191	$ --	$ --
	183	172	165	95	39	266	206	91	19	--	--
	$10.70	$ 9.93	$ 8.36	$ 9.57	$10.33	$ 9.13	$ 9.13	$ 6.08	$10.08	$ --	$ --
	7.7%	18.7%	(12.6%)	(7.4%)	(3.6%)	0.0%	50.2%	(39.7%)	0.8%	--	--
	1.8%	2.0%	3.4%	5.8%		--	--	--	--	--	--
	$ --	$ --	$ --	$ --	$ --	$ 75	$ 53	$ 24	$ 5	$ 279	$ 135
	--	--	--	--	--	6	5	3	--	20	11
	$ --	$ --	$ --	$ --	$ --	$11.56	$11.51	$ 7.63	$12.59	$14.20	$12.75
	--	--	--	--	--	0.5%	51.0%	(39.4%)	25.9%	11.3%	27.5%
	--	--	--	--		--	--	--	--	0.2%	--
	$ 451	$ 185	$ 59	$ --	$ --	$1,641	$ 637	$ 68	$ --	$ --	$ --
	37	17	6	--	--	141	55	9	--	--	--
	$12.03	$11.11	$ 9.31	$ --	$ --	$11.64	$11.59	$ 7.68	$ --	$ --	$ --
	8.3%	19.3%	(6.9%)	--	--	0.5%	51.0%	(23.2%)	--	--	--
	2.4%	2.6%	16.8%	--		--	--	--	--	--	--

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

<S>	FIDELITY(R) VIP CONTRAFUND(R)--INITIAL CLASS 2004	2003	2002	2001	2000
GROUP 1 POLICIES(a)					
Net Assets	$71,268	$59,024	$43,637	$44,376	$43,916
Units Outstanding	3,282	3,117	2,940	2,691	2,321
Variable Accumulation Unit Value	$ 21.71	$ 18.94	$ 14.84	$ 16.49	$ 18.92
Total Return	14.7%	27.6%	(10.0%)	(12.8%)	(7.3%)
Investment Income Ratio	0.3%	0.4%	0.8%	0.8%	
GROUP 2 POLICIES(b)					
Net Assets	$40,911	$30,734	$19,700	$15,235	$ 7,568
Units Outstanding	3,214	2,774	2,273	1,586	688
Variable Accumulation Unit Value	$ 12.73	$ 11.08	$ 8.67	$ 9.61	$ 11.00
Total Return	14.9%	27.8%	(9.8%)	(12.6%)	(7.1%)
Investment Income Ratio	0.3%	0.4%	0.7%	0.5%	
GROUP 3 POLICIES					
Net Assets	$ 1,376	$ 641	$ 177	$ 168	$ --
Units Outstanding	104	56	20	17	--
Variable Accumulation Unit Value	$ 13.26	$ 11.48	$ 8.94	$ 9.86	$ --
Total Return	15.5%	28.5%	(9.3%)	(1.4%)	--
Investment Income Ratio	0.3%	0.4%	0.8%	--	
GROUP 4 POLICIES					
Net Assets	$ 6,747	$ 2,500	$ 523	$ --	$ --
Units Outstanding	509	218	59	--	--
Variable Accumulation Unit Value	$ 13.25	$ 11.47	$ 8.93	$ --	$ --
Total Return	15.5%	28.5%	(10.7%)	--	--
Investment Income Ratio	0.2%	0.2%	--	--	

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

<S>	FIDELITY(R) VIP EQUITY-INCOME--INITIAL CLASS 2004	2003	2002	2001	2000	FIDELITY(R) VIP GROWTH--INITIAL CLASS 2004	2003	2002	2001	FIDELITY(R) VIP INDEX 500--INITIAL CLASS 2004	2003	2002	2001
	$27,122	$22,122	$16,081	$17,855	$15,911	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
	1,461	1,320	1,241	1,137	956	--	--	--	--	--	--	--	--
	$ 18.57	$ 16.76	$ 12.95	$ 15.71	$ 16.64	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --

10.8%	29.4%	(17.7%)	(5.6%)	7.6%	--	--	--	--	--	--	--	--
1.4%	1.7%	1.7%	1.5%		--	--	--	--	--	--	--	--
$16,306	$12,853	$ 7,626	$ 5,786	$ 2,272	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
1,270	1,111	855	536	199	--	--	--	--	--	--	--	--
$ 12.84	$ 11.57	$ 8.92	$ 10.79	$ 11.41	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
11.0%	29.7%	(17.3%)	(5.4%)	7.8%	--	--	--	--	--	--	--	--
1.4%	1.6%	1.4%	1.1%		--	--	--	--	--	--	--	--
$ 401	$ 732	$ 47	$ 1	$ --	$ 316	$ 258	$ 101	$ 150	$ 906	$ 613	$ 87	$ 102
32	66	6	--	--	34	28	15	15	84	63	11	10
$ 12.46	$ 11.17	$ 8.57	$ 10.32	$ --	$ 9.36	$ 9.05	$ 6.82	$ 9.75	$10.78	$ 9.74	$ 7.59	$ 9.76
11.5%	30.3%	(17.1%)	3.2%	--	3.4%	32.8%	(30.1%)	(2.5%)	10.6%	28.4%	(22.2%)	(2.4%)
2.8%	0.3%	0.5%	--		0.2%	0.2%	0.3%	--	1.7%	0.7%	1.3%	--
$ 4,697	$ 1,449	$ 334	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
380	131	39	--	--	--	--	--	--	--	--	--	--
$ 12.36	$ 11.09	$ 8.51	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
11.5%	30.3%	(14.9%)	--	--	--	--	--	--	--	--	--	--
0.9%	0.9%	--	--		--	--	--	--	--	--	--	--

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

	FIDELITY(R) VIP INVESTMENT GRADE BOND--INITIAL CLASS			FIDELITY(R) VIP MID CAP--INITIAL CLASS			
	2004	2003	2002	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)							
Net Assets.....................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Units Outstanding..............	--	--	--	--	--	--	--
Variable Accumulation Unit Value........................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Total Return...................	--	--	--	--	--	--	--
Investment Income Ratio........	--	--	--	--	--	--	--
GROUP 2 POLICIES(b)							
Net Assets.....................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Units Outstanding..............	--	--	--	--	--	--	--
Variable Accumulation Unit Value........................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Total Return...................	--	--	--	--	--	--	--
Investment Income Ratio........	--	--	--	--	--	--	--
GROUP 3 POLICIES							
Net Assets.....................	$ 28	$ 89	$ 51	$1,800	$ 632	$ 393	$ 344
Units Outstanding..............	3	8	5	112	49	42	33
Variable Accumulation Unit Value........................	$11.18	$10.70	$10.17	$16.10	$12.89	$ 9.30	$10.31
Total Return...................	4.5%	5.2%	1.7%	24.9%	38.6%	(9.8%)	3.1%
Investment Income Ratio........	10.1%	4.1%	--	--	0.4%	0.8%	--
GROUP 4 POLICIES							
Net Assets.....................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Units Outstanding..............	--	--	--	--	--	--	--
Variable Accumulation Unit Value........................	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Total Return...................	--	--	--	--	--	--	--
Investment Income Ratio........	--	--	--	--	--	--	--

<Caption>

	FIDELITY(R) VIP OVERSEAS--INITIAL CLASS		
	2004	2003	2002
<S>	<C>	<C>	<C>
GROUP 1 POLICIES(a)			
Net Assets.....................	$ --	$ --	$ --

Units Outstanding.............	--	--	--
Variable Accumulation Unit Value........................	$ --	$ --	$ --
Total Return...................	--	--	--
Investment Income Ratio........	--	--	--
GROUP 2 POLICIES(b)			
Net Assets.....................	$ --	$ --	$ --
Units Outstanding.............	--	--	--
Variable Accumulation Unit Value........................	$ --	$ --	$ --
Total Return...................	--	--	--
Investment Income Ratio........	--	--	--
GROUP 3 POLICIES			
Net Assets.....................	$ 525	$ 509	$ 1
Units Outstanding.............	41	45	--
Variable Accumulation Unit Value........................	$12.83	$11.29	$ 7.88
Total Return...................	13.6%	43.4%	(21.2%)
Investment Income Ratio........	0.9%	0.1%	--
GROUP 4 POLICIES			
Net Assets.....................	$ --	$ --	$ --
Units Outstanding.............	--	--	--
Variable Accumulation Unit Value........................	$ --	$ --	$ --
Total Return...................	--	--	--
Investment Income Ratio........	--	--	--

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

	JANUS ASPEN SERIES BALANCED-- INSTITUTIONAL SHARES					JANUS ASPEN SERIES MID CAP GROWTH-- INSTITUTIONAL SHARES			
	2004	2003	2002	2001	2000	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$43,708	$43,234	$36,821	$35,709	$31,845	$ --	$ --	$ --	$ --
	2,031	2,165	2,089	1,882	1,589	--	--	--	--
	$ 21.52	$ 19.97	$ 17.63	$ 18.98	$ 20.04	$ --	$ --	$ --	$ --
	7.8%	13.3%	(7.1%)	(5.3%)	(3.0%)	--	--	--	--
	2.3%	2.3%	2.5%	2.7%		--	--	--	--
	$54,629	$47,916	$36,285	$26,919	$12,464	$ --	$ --	$ --	$ --
	4,488	4,251	3,653	2,523	1,108	--	--	--	--
	$ 12.17	$ 11.27	$ 9.93	$ 10.67	$ 11.25	$ --	$ --	$ --	$ --
	8.0%	13.5%	(6.9%)	(5.2%)	(2.8%)	--	--	--	--
	2.3%	2.3%	2.7%	3.1%		--	--	--	--
	$ 335	$ 246	$ 110	$ 86	$ --	$ 114	$ 27	$ 2	$ 1
	29	23	12	9	--	9	3	--	--
	$ 11.63	$ 10.72	$ 9.40	$ 10.04	$ --	$ 12.57	$ 10.41	$ 7.70	$10.69
	8.5%	14.0%	(6.3%)	0.4%	--	20.7%	35.1%	(27.9%)	6.9%
	2.3%	2.5%	2.4%	4.2%		--	--	--	--
	$ 6,487	$ 3,422	$ 1,084	$ --	$ --	$ --	$ --	$ --	$ --
	553	317	114	--	--	--	--	--	--
	$ 11.72	$ 10.80	$ 9.47	$ --	$ --	$ --	$ --	$ --	$ --
	8.5%	14.0%	(5.3%)	--	--	--	--	--	--

2.7%	2.6%	4.4%	--	--	--	--	--

</Table>

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

	JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES				
	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)					
Net Assets..	$52,683	$51,897	$41,366	$52,870	$60,953
Units Outstanding.................................	3,304	3,386	3,323	3,142	2,790
Variable Accumulation Unit Value..................	$ 15.95	$ 15.33	$ 12.45	$ 16.82	$ 21.84
Total Return......................................	4.0%	23.1%	(25.9%)	(23.0%)	(16.3%)
Investment Income Ratio...........................	1.0%	1.1%	0.9%	0.5%	
GROUP 2 POLICIES(b)					
Net Assets..	$45,284	$40,827	$27,454	$25,080	$14,062
Units Outstanding.................................	5,200	4,887	4,055	2,746	1,188
Variable Accumulation Unit Value..................	$ 8.71	$ 8.35	$ 6.77	$ 9.13	$ 11.84
Total Return......................................	4.3%	23.4%	(25.7%)	(22.9%)	(16.1%)
Investment Income Ratio...........................	1.0%	1.1%	1.0%	0.6%	
GROUP 3 POLICIES					
Net Assets..	$ 241	$ 185	$ 136	$ 104	$ --
Units Outstanding.................................	24	20	18	10	--
Variable Accumulation Unit Value..................	$ 9.91	$ 9.46	$ 7.63	$ 10.24	$ --
Total Return......................................	4.8%	24.0%	(25.4%)	2.4%	--
Investment Income Ratio...........................	1.0%	1.0%	1.1%	1.0%	
GROUP 4 POLICIES					
Net Assets..	$ 2,999	$ 1,530	$ 418	$ --	$ --
Units Outstanding.................................	282	151	51	--	--
Variable Accumulation Unit Value..................	$ 10.63	$ 10.15	$ 8.19	$ --	$ --
Total Return......................................	4.8%	24.0%	(18.1%)	--	--
Investment Income Ratio...........................	1.2%	1.1%	1.8%	--	

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

	MFS(R) INVESTORS TRUST SERIES--INITIAL CLASS				MFS(R) NEW DISCOVERY SERIES-- INITIAL CLASS		MFS(R) RESEARCH SERIES-- INITIAL CLASS	MFS(R) UTILITIES SERIES-- INITIAL CLASS	
	2004	2003	2002	2001	2004	2003	2004	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
	--	--	--	--	--	--	--	--	--

$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--	--	--	--
$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
$ 58	$ 54	$ 46	$ 61	$ 62	$ 22	$ --	$ 19	$ 5
5	6	6	6	6	2	--	1	--
$10.72	$ 9.63	$ 7.88	$ 9.97	$11.22	$10.54	$11.70	$16.76	$12.87
11.4%	22.1%	(21.0%)	(0.3%)	6.5%	5.4%	17.0%	30.2%	28.7%
0.6%	0.7%	0.5%	--	--	--	--	0.8%	2.2%
$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--	--	--	--
$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--

<Caption>

<S>	NEUBERGER BERMAN AMT MID-CAP GROWTH--CLASS I			
	2004	2003	2002	2001
	<C>	<C>	<C>	<C>
	$ --	$ --	$ --	$ --
	--	--	--	--
	$ --	$ --	$ --	$ --
	--	--	--	--
	--	--	--	--
	$ --	$ --	$ --	$ --
	--	--	--	--
	$ --	$ --	$ --	$ --
	--	--	--	--
	--	--	--	--
	$ 83	$ 39	$ 10	$ 4
	7	4	1	--
	$12.12	$10.42	$ 8.14	$11.52
	16.3%	28.1%	(29.3%)	15.2%
	--	--	--	--
	$ --	$ --	$ --	$ --
	--	--	--	--
	$ --	$ --	$ --	$ --
	--	--	--	--
	--	--	--	--

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--Financial Highlights (Net Assets and Units Outstanding in 000's) (Continued):

<Table>
<Caption>

	T. ROWE PRICE EQUITY INCOME PORTFOLIO					T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO		
	2004	2003	2002	2001	2000	2004	2003	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES(a)								
Net Assets...........................	$10,984	$ 6,156	$ 3,525	$2,013	$ 51	$ --	$ --	$ --
Units Outstanding....................	807	516	368	182	5	--	--	--
Variable Accumulation Unit Value.....	$ 13.61	$ 11.92	$ 9.57	$11.09	$11.01	$ --	$ --	$ --
Total Return.........................	14.1%	24.6%	(13.7%)	0.7%	10.1%	--	--	--
Investment Income Ratio.............	1.7%	1.8%	1.8%	1.8%		--	--	--
GROUP 2 POLICIES(b)								
Net Assets...........................	$17,806	$12,402	$ 6,921	$3,893	$ 713	$ --	$ --	$ --
Units Outstanding....................	1,292	1,029	717	349	64	--	--	--
Variable Accumulation Unit Value.....	$ 13.78	$ 12.05	$ 9.65	$11.16	$11.06	$ --	$ --	$ --
Total Return.........................	14.3%	24.9%	(13.5%)	0.9%	12.5%	--	--	--
Investment Income Ratio.............	1.6%	1.8%	1.8%	1.7%		--	--	--

GROUP 3 POLICIES								
Net Assets...........................	$ 626	$ 662	$ 276	$ 207	$ --	$ 162	$ 269	$ 86
Units Outstanding....................	50	61	32	21	--	15	26	8
Variable Accumulation Unit Value.....	$ 12.47	$ 10.85	$ 8.65	$ 9.96	$ --	$10.64	$10.52	$10.09
Total Return.........................	14.9%	25.5%	(13.3%)	(0.4%)	--	1.1%	4.3%	0.9%
Investment Income Ratio..............	1.6%	1.8%	1.8%	3.3%		3.4%	3.5%	4.3%
GROUP 4 POLICIES								
Net Assets...........................	$ 5,421	$ 1,764	$ 298	$ --	$ --	$ --	$ --	$ --
Units Outstanding....................	432	162	34	--	--	--	--	--
Variable Accumulation Unit Value.....	$ 12.55	$ 10.92	$ 8.70	$ --	$ --	$ --	$ --	$ --
Total Return.........................	14.9%	25.5%	(13.0%)	--	--	--	--	--
Investment Income Ratio..............	1.8%	1.9%	2.7%	--		--	--	--

</Table>

Not all investment divisions are available under all policies.

Annualized percentages are shown for the Investment Income Ratio for all investment divisions in all periods.

Charges and fees levied by NYLIAC are disclosed in Note 3.

(a) Expenses as a percent of net assets are .70%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

(b) Expenses as a percent of net assets are .50%, excluding expenses of the underlying funds, deductions from premiums, deductions from cash value and surrender charges.

<Table>
<Caption>

	VAN ECK WORLDWIDE ABSOLUTE RETURN	VAN ECK WORLDWIDE HARD ASSETS		VAN KAMPEN UIF EMERGING MARKETS DEBT--CLASS I		VAN KAMPEN UIF EMERGING MARKETS EQUITY--CLASS I				
	2004	2004	2003	2004	2003	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	$ --	$ --	$ --	$ --	$ --	$12,536	$9,762	$ 5,859	$6,070	$ 5,669
	--	--	--	--	--	932	888	792	742	644
	$ --	$ --	$ --	$ --	$ --	$ 13.45	$11.00	$ 7.40	$ 8.18	$ 8.81
	--	--	--	--	--	22.3%	48.6%	(9.5%)	(7.2%)	(39.6%)
	--	--	--	--	--	0.7%	--	--	--	
	$ --	$ --	$ --	$ --	$ --	$ 8,674	$6,724	$ 3,494	$2,877	$ 1,451
	--	--	--	--	--	627	595	461	344	161
	$ --	$ --	$ --	$ --	$ --	$ 13.83	$11.29	$ 7.58	$ 8.36	$ 8.99
	--	--	--	--	--	22.5%	48.9%	(9.4%)	(7.0%)	(39.5%)
	--	--	--	--	--	0.7%	--	--	--	
	$ --	$ 30	$ 4	$ 24	$ 20	$ 75	$ 2	$ 1	$ --	$ --
	--	2	--	2	2	5	--	--	--	--
	$ 9.87	$14.11	$11.38	$12.05	$10.94	$ 14.88	$12.09	$ 8.07	$ --	$ --
	(1.3%)	24.0%	13.8%	10.1%	9.4%	23.1%	49.7%	(19.3%)	--	--
	--	1.8%	--	6.8%	--	0.4%	--	--	--	
	$ --	$ --	$ --	$ --	$ --	$ 1,257	$ 371	$ 74	$ --	$ --
	--	--	--	--	--	82	30	9	--	--
	$ --	$ --	$ --	$ --	$ --	$ 15.29	$12.42	$ 8.30	$ --	$ --
	--	--	--	--	--	23.1%	49.7%	(17.0%)	--	--
	--	--	--	--	--	0.6%	--	--	--	

<Caption>

	VAN KAMPEN UIF U.S. REAL ESTATE--CLASS I	
	2004	2003
<S>	<C>	<C>
	$ --	$ --
	--	--
	$ --	$ --
	--	--

--	--
$ --	$ --
--	--
$ --	$ --
--	--
--	--
$ 17	$ 4
1	--
$16.37	$12.00
36.4%	20.0%
1.3%	--
$ --	$ --
--	--
$ --	$ --
--	--
--	--

</Table>

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of New York Life Insurance and Annuity Corporation and the Variable Universal Life Separate Account-I Policyowners:

In our opinion, the accompanying statement of assets and liabilities and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the MainStay VP Bond--Initial Class, MainStay VP Capital Appreciation--Initial Class, MainStay VP Cash Management, MainStay VP Common Stock--Initial Class (formerly MainStay VP Growth Equity), MainStay VP Convertible--Initial Class, MainStay VP Government--Initial Class, MainStay VP High Yield Corporate Bond--Initial Class, MainStay VP International Equity--Initial Class, MainStay VP Mid Cap Core--Initial Class, MainStay VP Mid Cap Growth--Initial Class, MainStay VP Mid Cap Value--Initial Class (formerly MainStay VP Equity Income), MainStay VP S&P 500 Index--Initial Class (formerly MainStay VP Indexed Equity), MainStay VP Small Cap Growth--Initial Class, MainStay VP Total Return--Initial Class, MainStay VP Value--Initial Class, MainStay VP American Century Income & Growth--Initial Class, MainStay VP Dreyfus Large Company Value--Initial Class, MainStay VP Eagle Asset Management Growth Equity--Initial Class, Alger American Leveraged All Cap-- Class O Shares, Alger American Small Capitalization--Class O Shares, American Century VP Inflation Protection--Class II, American Century VP International--Class II, American Century VP Value--Class II, Calvert Social Balanced, Dreyfus IP Technology Growth--Initial Shares, Dreyfus VIF Developing Leaders--Initial Shares (formerly known as Dreyfus VIF Small Cap), Fidelity(R) VIP Contrafund(R)--Initial Class, Fidelity(R) VIP Equity-Income--Initial Class, Fidelity(R) VIP Growth--Initial Class, Fidelity(R) VIP Index 500--Initial Class, Fidelity(R) VIP Investment Grade Bond--Initial Class, Fidelity(R) VIP Mid Cap--Initial Class, Fidelity(R) VIP Overseas--Initial Class, Janus Aspen Series Balanced--Institutional Shares, Janus Aspen Series Mid Cap Growth--Institutional Shares (formerly known as Janus Aspen Series Aggressive Growth), Janus Aspen Series Worldwide Growth--Institutional Shares, MFS(R) Investors Trust Series--Initial Class, MFS(R) New Discovery Series--Initial Class, MFS(R) Research Series--Initial Class, MFS(R) Utilities Series--Initial Class, Neuberger Berman AMT Mid-Cap Growth--Class I, T. Rowe Price Equity Income Portfolio, T. Rowe Price Limited-Term Bond Portfolio, Van Eck Worldwide Absolute Return, Van Eck Worldwide Hard Assets, Van Kampen UIF Emerging Markets Debt--Class I, Van Kampen UIF Emerging Markets Equity--Class I, and Van Kampen UIF U.S. Real Estate--Class I Investment Divisions (constituting the NYLIAC Variable Universal Life Separate Account-I) at December 31, 2004, the results of each of their operations, the changes in each of their net assets and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and the financial highlights (hereafter referred to as "financial statements") are the responsibility of management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of Public Company Accounting Oversight Board (United States). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining , on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of investments at December 31, 2004 by correspondence with the funds, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, New York
February 18, 2005

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A WHOLLY OWNED SUBSIDIARY OF NEW YORK LIFE INSURANCE COMPANY)

FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A WHOLLY OWNED SUBSIDIARY OF NEW YORK LIFE INSURANCE COMPANY)

BALANCE SHEET

<Table>
<Caption>

<S>	DECEMBER 31, 2004 <C>	2003 <C>
	(IN MILLIONS)	
ASSETS		
Fixed maturities, at fair value		
Available for sale	$34,527	$29,401
Trading securities	26	66
Equity securities, at fair value		
Available for sale	40	47
Trading securities	79	22
Mortgage loans	3,090	2,665
Policy loans	570	563
Other long-term investments	667	280
Total investments	38,999	33,044
Cash and cash equivalents	680	761
Deferred policy acquisition costs	2,437	2,180
Interest in annuity contracts	3,712	3,306
Amounts recoverable from reinsurer	5,935	788
Other assets	1,351	484
Separate account assets	12,704	11,589
Total assets	$65,818	$52,152
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES		
Policyholders' account balances	$34,715	$29,366
Future policy benefits	1,360	1,027
Policy claims	151	107
Obligations under structured settlement agreements	3,712	3,306
Amounts payable to reinsurer	4,553	16
Other liabilities	4,000	2,578
Separate account liabilities	12,704	11,500
Total liabilities	61,195	47,900
STOCKHOLDER'S EQUITY		
Capital stock -- par value $10,000 20,000 shares authorized, 2,500 issued and outstanding)	25	25
Additional paid in capital	1,410	1,410
Accumulated other comprehensive income	653	590
Retained earnings	2,535	2,227
Total stockholder's equity	4,623	4,252
Total liabilities and stockholder's equity	$65,818	$52,152

</Table>

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A WHOLLY OWNED SUBSIDIARY OF NEW YORK LIFE INSURANCE COMPANY)

STATEMENT OF INCOME

<Table>
<Caption>

YEAR ENDED DECEMBER 31,

	2004	2003	2002
	(IN MILLIONS)		
REVENUES			
Premiums	$ 29	$ 3	$ 144
Fees-universal life and annuity policies	669	603	546
Net investment income	2,006	1,801	1,647
Net investment gains/(losses)	31	(3)	(49)
Other income	30	31	19
Total revenues	2,765	2,435	2,307
EXPENSES			
Interest credited to policyholders' account balances	1,376	1,257	1,212
Policyholder benefits	169	139	305
Operating expenses	762	664	625
Total expenses	2,307	2,060	2,142
Income before income taxes	458	375	165
Income tax expense/(benefit)	150	116	(1)
NET INCOME	$ 308	$ 259	$ 166

</Table>

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A WHOLLY OWNED SUBSIDIARY OF NEW YORK LIFE INSURANCE COMPANY)

STATEMENT OF STOCKHOLDER'S EQUITY
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(IN MILLIONS)

<Table>
<Caption>

	CAPITAL STOCK	ADDITIONAL PAID IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL STOCKHOLDER'S EQUITY
BALANCE AT JANUARY 1, 2002	$25	$ 780	$1,836	$104	$2,745
Comprehensive income:					
Net income			166		166
Unrealized investment gains, net of related offsets, reclassification adjustments and income taxes				350	350
Other comprehensive income					350
Total comprehensive income					516
Capital contribution		130			130
Transfer of Taiwan branch net assets to an affiliated company (See Note 12 -- Related Party Transactions)			(34)	(3)	(37)
BALANCE AT DECEMBER 31, 2002	25	910	1,968	451	3,354
Comprehensive income:					
Net income			259		259
Unrealized investment gains, net of related offsets, reclassification adjustments and income taxes				139	139
Other comprehensive income					139
Total comprehensive income					398
Capital contribution		500			500
BALANCE AT DECEMBER 31, 2003	25	1,410	2,227	590	4,252
Comprehensive income:					
Net income			308		308
Unrealized investment gains, net of related offsets, reclassification adjustments and income taxes				63	63

Other comprehensive income					63
Total comprehensive income					371
BALANCE AT DECEMBER 31, 2004	$25	$1,410	$2,535	$653	$4,623

</Table>

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A WHOLLY OWNED SUBSIDIARY OF NEW YORK LIFE INSURANCE COMPANY)

STATEMENT OF CASH FLOWS

<Table>
<Caption>

<S>	YEAR ENDED DECEMBER 31, 2004 <C>	2003 <C>	2002 <C>
	(IN MILLIONS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 308	$ 259	$ 166
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	43	35	1
Net capitalization of deferred policy acquisition costs	(318)	(336)	(373)
Annuity and universal life fees	(338)	(296)	(257)
Interest credited to policyholders' account balances	1,358	1,245	1,221
Net investment (gains) losses	(31)	3	49
Deferred income taxes	63	17	(1)
(Increase) decrease in:			
Net separate account assets and liabilities	3	19	--
Other assets and other liabilities	4	(245)	111
Reinsurance recoverables and payables	(61)	7	(9)
Trading securities	36	89	29
Increase (decrease) in:			
Policy claims	44	4	(4)
Future policy benefits	19	(23)	170
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,130	778	1,103
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from:			
Sale of available for sale fixed maturities	21,439	22,559	24,951
Maturity of available for sale fixed maturities	567	418	1,090
Sale of equity securities	25	39	38
Repayment of mortgage loans	480	776	466
Sale of other investments	34	520	206
Cost of:			
Available for sale fixed maturities acquired	(26,796)	(27,666)	(30,915)
Equity securities acquired	(17)	(19)	(66)
Mortgage loans acquired	(852)	(1,052)	(791)
Other investments acquired	(443)	(70)	(21)
Policy loans (net)	(8)	14	(27)
NET CASH USED IN INVESTING ACTIVITIES	(5,571)	(4,481)	(5,069)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Policyholders' account balances:			
Deposits	6,235	5,094	5,351
Withdrawals	(2,147)	(1,715)	(1,501)
Net transfers to the separate accounts	(458)	(258)	(585)
(Decrease) increase in loaned securities	(369)	125	747
Securities sold under agreements to repurchase (net)	866	(644)	514
Transfer of Taiwan branch cash to an affiliated company	--	--	(116)
Net proceeds from affiliated credit agreements	233	--	--
Capital contribution received from parent	--	500	130
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,360	3,102	4,540
Effect of exchange rate changes on cash and cash equivalents	--	--	(2)
Net increase (decrease) in cash and cash equivalents	(81)	(601)	572
Cash and cash equivalents, beginning of year	761	1,362	790
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 680	$ 761	$ 1,362

</Table>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004, 2003 AND 2002

NOTE 1 -- NATURE OF OPERATIONS

New York Life Insurance and Annuity Corporation (the "Company") is a direct, wholly owned subsidiary of New York Life Insurance Company ("New York Life"), domiciled in the State of Delaware. The Company offers a wide variety of interest sensitive and variable life insurance and annuity products to a large cross section of the insurance market. The Company markets its products in all 50 of the United States, and the District of Columbia, primarily through its agency force with certain products also marketed through independent brokers and brokerage general agents. Prior to July 1, 2002, the Company also had marketed individual life insurance through its branch office and agency force in Taiwan. On July 1, 2002, the branch office was transferred to an affiliated company, as described in Note 12 -- Related Party Transactions.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from estimates.

Certain amounts in prior years have been reclassified to conform to the current year presentation. These reclassifications had no effect on net income or stockholder's equity as previously reported.

NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS

Fixed maturity investments classified as available-for-sale or trading are reported at fair value. For publicly traded fixed maturities, estimated fair value is determined using quoted market prices. For fixed maturities without a readily ascertainable fair value, the Company has determined an estimated fair value using either a discounted cash flow approach, broker-dealer quotations or management's pricing model. Unrealized gains and losses on available-for-sale securities are reported in other comprehensive income, net of deferred taxes and related adjustments. Unrealized gains and losses from fixed maturities classified as trading are reflected in net investment gains (losses) in the accompanying Statement of Income.

Changes in future anticipated cash flows on mortgage and asset-backed securities from the original purchase assumptions are accounted for using the retrospective yield adjustment method.

Equity securities are carried at fair value. The estimated fair value of equity securities has been determined using quoted market prices for publicly traded securities and management's pricing model for private placement securities. For equity securities classified as available-for-sale, unrealized gains and losses are reflected in other comprehensive income, net of deferred taxes and related adjustments. Unrealized gains and losses from equity securities classified as trading are reflected in net investment gains (losses) in the accompanying Statement of Income.

The cost basis of fixed maturities and equity securities are adjusted for impairments in value deemed to be other than temporary, with the associated realized loss reported in net investment gains and losses in the accompanying Statement of Income. The Company continuously monitors securities that have an estimated fair value that is below amortized cost in order to determine if there is any evidence that the decline in estimated fair value is not temporary. Factors considered in evaluating whether a decline in value is other than temporary include: 1) whether the decline is substantial; 2) the amount of time that the fair value has been less than cost; 3) the financial condition and near-term prospects of the issuer; and 4) the Company's ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value.

Mortgage loans on real estate are carried at unpaid principal balance, net of discounts/premiums and valuation allowances, and are secured. Specific valuation allowances are established for the excess carrying value of the mortgage loan over its estimated fair value, when it is probable that, based on current information and events, the Company will be unable to collect all amounts due under the contractual terms of the loan

INVESTMENTS -- (CONTINUED)

agreement. Specific valuation allowances are based upon the fair value of the collateral or the present value of expected future cash flows discounted at the loan's original effective interest rate. The Company also has a general valuation allowance for estimated future credit losses on currently performing mortgages. The general valuation allowance is based on the Company's historical loss experience for the mortgage loan portfolio.

Policy loans are stated at the aggregate balance due, which approximates fair value since loans on policies have no defined maturity date and reduce amounts payable at death or surrender.

Cash equivalents include investments that have original maturities of three months or less at date of purchase and are carried at amortized cost, which approximates fair value.

Short-term investments that have maturities between three and twelve months at date of purchase are included in fixed maturities on the accompanying Balance Sheet and are carried at amortized cost, which approximates fair value.

Other long-term investments consist primarily of investments in limited partnerships and limited liability companies, derivatives, investment real estate and collateralized third party commercial loans. Investments in limited partnerships and limited liability companies are carried on the equity method of accounting. Investments in real estate, which the Company has the intent to hold for the production of income, is carried at depreciated cost net of write-downs for other than temporary declines in fair value. Properties held for sale are carried at the lower of cost or fair value less estimated selling costs. Collateralized third party commercial loans are reported at outstanding principal balance reduced by any charge-off, specific or general valuation allowance and net of any deferred fees or costs on originated loans or unamortized premiums or discounts on purchased loans. Derivative financial instruments are accounted for at fair value. The treatment of changes in the fair value of derivatives depends on the character of the transaction, including whether it has been designated and qualifies as part of a hedging relationship, as discussed in Note 10 -- Derivative Financial Instruments and Risk Management.

Net investment gains (losses) on sales are generally computed using the specific identification method.

LOANED SECURITIES AND REPURCHASE AGREEMENTS

Securities borrowed and securities loaned are treated as financing arrangements and are recorded at the amount of cash advanced or received. With respect to securities loaned, the Company obtains collateral in an amount equal to 102% and 105% of the fair value of the domestic and foreign securities, respectively. The Company monitors the fair value of securities borrowed and loaned with additional collateral obtained as necessary.

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as financing arrangements and are carried at fair value including accrued interest. It is the Company's policy to generally take possession or control of the securities purchased under these agreements to resell. Assets to be repurchased or resold are the same or substantially the same as the assets borrowed or sold. The fair value of the securities to be repurchased or resold is monitored and additional collateral is obtained, where appropriate, to protect against credit exposure.

DEFERRED POLICY ACQUISITION COSTS

The costs of acquiring new and maintaining renewal business and certain costs of issuing policies that vary with and are primarily related to the production of new and renewal business have been deferred and recorded as an asset in the accompanying Balance Sheet. These costs consist primarily of commissions, certain expenses of underwriting and issuing contracts, and certain agency expenses.

Acquisition costs for annuity and universal life contracts are amortized in proportion to estimated gross profits over the effective life of the contracts, which is assumed to be 25 years for universal life contracts and 15 years for deferred annuities. Changes in assumptions are reflected as retroactive adjustments in the current year's amortization. The carrying amount of the deferred policy acquisition cost asset is adjusted at each balance sheet date as if the unrealized gains or losses on investments associated with these insurance contracts had been realized and included in the gross profits used to determine current period amortization.

DEFERRED POLICY ACQUISITION COSTS -- (CONTINUED)

The increase or decrease in the deferred policy acquisition cost asset due to unrealized gains or losses is recorded in other comprehensive income.

POLICYHOLDERS' ACCOUNT BALANCES

Policyholders' account balances on annuity and universal life contracts are equal to cumulative deposits plus interest credited less withdrawals, mortality and expense charges, and administrative charges. This liability includes amounts that have been assessed to compensate the insurer for services to be performed over future periods.

OTHER ASSETS AND OTHER LIABILITIES

Other assets primarily consist of investment income due and accrued, amounts receivable for undelivered securities, deferred sales inducements, furniture and equipment and capitalized software and web development costs. Furniture and equipment is stated at cost less accumulated depreciation. Depreciation is determined using the straight-line method over the estimated useful lives of the related assets, which generally ranges from 3 to 10 years. Capitalized external and internal software and web development costs are amortized on a straight-line basis over the estimated useful life of the software, not to exceed 5 years. Other liabilities consist primarily of securities loaned, payable to affiliates, net deferred tax liabilities and repurchase agreements.

RECOGNITION OF INCOME AND RELATED EXPENSES

Amounts received under annuity and universal life contracts are reported as deposits to policyholders' account balances. Revenues from these contracts consist of amounts assessed during the period for mortality and expense risk, policy administration and surrender charges. Amounts previously assessed to compensate the Company for services to be performed over future periods are deferred and recognized into income in the period benefited using the same assumptions and factors used to amortize deferred policy acquisition costs. Policy benefits and claims that are charged to expense include benefit claims incurred in the period in excess of related policyholders' account balances.

Premiums from whole life and term policies are recognized as income when due. The associated benefits and expenses are matched with income so as to result in the recognition of profits over the life of the contracts. This is accomplished by providing for liabilities for future policy benefits and the deferral and subsequent amortization of policy acquisition costs.

Premiums for contracts with a single premium or a limited number of premium payments due over a significantly shorter period than the total period over which benefits are provided, are recorded as income when due. Any excess profit is deferred and recognized as income in a constant relationship to insurance in force and, for annuities, in relation to the amount of expected future benefit payments.

FEDERAL INCOME TAXES

The Company is a member of a group that files a consolidated federal income tax return with New York Life. The consolidated income tax provision or benefit is allocated among the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that the Company is allocated its share of the consolidated tax provision or benefit determined generally on a separate company basis. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated return. Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years. Deferred federal income tax assets ("DTAs") and liabilities ("DTLs") are recognized for expected future tax consequences of temporary differences between GAAP and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby GAAP and tax balance sheets are compared.

As a subsidiary of a mutual life insurance company, for December 31, 2004 and prior years, the Company was subject to a tax on its equity base ("EBT"). The EBT is included in the provision for federal income

FEDERAL INCOME TAXES -- (CONTINUED)

taxes estimated to be payable. An estimated differential earnings rate ("DER") is used to determine the equity base tax. Adjustments to such estimates, including those related to differences between the estimated and final DER, are recorded in income tax expense in the accompanying Statement of Income. The EBT was suspended for the 2001, 2002, and 2003 tax years. Effective with the tax year beginning after December 31, 2004, the EBT has been repealed. No EBT was accrued for in 2004.

SEPARATE ACCOUNTS

The Company has separate accounts, some of which are registered with the Securities and Exchange Commission (SEC), and others that are not registered with the SEC. The separate accounts have varying investment objectives, and are segregated from the Company's general account and are maintained for the benefit of separate account policyholders. At December 31, 2004 and 2003, all separate account assets are stated at fair value. The liability at December 31, 2004 represents the policyholders' interest in the account, and includes accumulated net investment income and realized and unrealized gains and losses on the assets, which generally reflects fair value. At December 31, 2003, the liability represents either the policyholders' interest in the account, which includes accumulated net investment income and realized and unrealized gains and losses on the assets or the amount due to the policyholder pursuant to the terms of the contract.

FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values of various assets and liabilities are included throughout the notes to the financial statements. Specifically, fair value disclosure of fixed maturities, short-term investments, cash equivalents, equity securities and mortgage loans are reported in Note 2 -- Significant Accounting Policies and Note 3 -- Investments. Fair values of policyholders' account balances are reported in Note 5 -- Policyholders' Liabilities. Fair values of repurchase agreements are included in Note 11 -- Commitments and Contingencies.

BUSINESS RISKS AND UNCERTAINTIES

The Company's investment portfolio consists principally of fixed income securities as well as mortgage loans, policy loans, limited partnerships, and preferred and common stocks. The fair value of the Company's investments varies depending on economic and market conditions and the interest rate environment. For example, if interest rates rise, the securities in the Company's fixed-income portfolio generally will decrease in value. If interest rates decline, the securities in the fixed-income portfolio generally will increase in value. For various reasons, the Company may, from time to time, be required to sell certain investments at a price and a time when their fair value is less than their book value.

Mortgage loans, many of which have balloon payment maturities, and equity real estate, are generally illiquid and carry a greater risk of investment losses than investment grade fixed maturities. Furthermore, in periods of declining interest rates, bond calls and mortgage prepayments generally increase, resulting in reinvestment at the prevailing markets rates.

The Company regularly invests in mortgage loans, mortgage-backed securities and other securities subject to prepayment and/or call risk. Significant changes in prevailing interest rates and/or geographic conditions may adversely affect the timing and amount of cash flows on these investments, as well as their related values. In addition, the amortization of market premium and accretion of market discount for mortgage-backed securities is based on historical experience and estimates of future payment experience on the underlying mortgage loans. Actual prepayment timing will differ from original estimates and may result in material adjustments to asset values and amortization or accretion recorded in future periods.

Changes in interest rates can have significant effects on the Company's profitability. Under certain circumstances of interest rate volatility, the Company is exposed to disintermediation risk and reduction in net interest spread or profit margins. The fair value of the Company's invested assets fluctuates depending on market and other general economic conditions and the interest rate environment. In addition, mortgage prepayments, life insurance and annuity surrenders and bond calls are affected by interest rate fluctuations. Although management of the Company employs a number of asset/liability management strategies to minimize the effects of interest rate volatility, no assurance can be given that it will be successful in managing

BUSINESS RISKS AND UNCERTAINTIES -- (CONTINUED)

the effects of such volatility and that such volatility will not have a material adverse impact on the Company's financial condition and results of operation.

Credit defaults and impairments may result in writedowns in the value of fixed income and equity securities held by the Company. Additionally, credit rating agencies may in the future downgrade certain issuers of fixed maturity securities held by the Company due to changing assessments of the credit quality of the issuers.

Although the federal government does not directly regulate the business of insurance, federal legislation and administrative policies in several areas, including pension regulations, financial services regulation and federal taxation, can significantly and adversely affect the insurance industry and the Company. The Company is unable to predict whether any of these changes will be made, whether any such administrative or legislative proposals will be adopted in the future, or the effect, if any, such proposals would have on the Company.

The development of policy reserves and deferred policy acquisition costs for the Company's products requires management to make estimates and assumptions regarding mortality, morbidity, lapse, expense and investment experience. Such estimates are primarily based on historical experience and future expectations of mortality, morbidity, expense, persistency and investment assumptions. Actual results could differ from those estimates. Management monitors actual experience, and where circumstances warrant, revises its assumptions and the related estimates for policy reserves and deferred policy acquisition costs.

The Company issues certain variable products with various types of guaranteed minimum benefit features. The Company currently reserves for expected payments resulting from these features. The Company bears the risk that payments may be higher than expected as a result of significant, sustained downturns in the stock market. The Company also bears the risk that additional reserves may be required if partial surrender activity increases significantly during the period when account values are less than guaranteed amounts.

CONTINGENCIES

Amounts related to contingencies are accrued if it is probable that a liability has been incurred and an amount is reasonably estimable. Regarding litigation, management evaluates whether there are incremental legal or other costs directly associated with the ultimate resolution of the matter that are reasonably estimable and, if so, includes these costs in the accrual.

RECENT ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2004, the Company adopted Statement of Position 03-01, "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts" ("SOP 03-01"). SOP 03-01 provides guidance on (i) the classification and valuation of long-duration contract liabilities, (ii) the accounting for sales inducements, and (iii) separate account presentation and valuation. In accordance with SOP 03-01's guidance for the reporting of certain separate accounts, the Company reclassified $768 million of separate account assets to general account assets and $680 million of separate account liabilities to policyholders' account balances and other liabilities. The Company currently offers enhanced crediting rates or day one bonus payments to contractholders on certain of its annuity products. Through December 31, 2003, the expense associated with offering certain of these day one bonuses was deferred and amortized in proportion to estimated gross profits over the effective life of those contracts. Effective January 1, 2004, upon the Company's adoption of SOP 03-01, the expense associated with offering a day one bonus continues to be deferred and amortized over the life of the related contract using the same methodology and assumption used to amortize deferred policy acquisition costs. Enhanced crediting rates offered in certain annuity products will no longer be eligible for capitalization, consistent with the terms of SOP 03-01. Effective January 1, 2004, amortization associated with expenses previously deferred remains unchanged. For the period ending December 31, 2004, the amortization of sales inducements was $17 million, pretax and is included in interest credited to policyholders' account balances in the accompanying Statement of Income. The cumulative effect of the adoption of SOP 03-01, as of January 1, 2004, resulted in a $2 million decrease in net income and a $1 million increase in other comprehensive income, after tax.

RECENT ACCOUNTING PRONOUNCEMENTS -- (CONTINUED)

Effective January 1, 2004, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") Implementation Issue No. B36, "Embedded Derivatives: Modified Coinsurance Arrangements and Debt Instruments That Incorporate Credit Risk Exposures That Are Unrelated or Only Partially Related to the Creditworthiness of the Obligor Under Those Instruments ("B36")". B36 indicates that certain reinsurance arrangements, and other similar contracts, in which funds are withheld by the ceding insurer and a return on those withheld funds is paid based on the ceding company's return on certain of its investments, generally contain an embedded derivative feature that should be separately identified and fair valued. As of January 1, 2004, there was no cumulative effect from the adoption of B36 on the Company's results.

The Company has adopted the provisions of Financial Accounting Standards Board Interpretation No. 46(R) "FIN 46(R)". In January 2003, the FASB issued Interpretation FIN No. 46, "Consolidation of Variable Interest Entities". FIN No. 46 requires a variable interest entity ("VIE") to be consolidated by a company if that company is subject to a majority of the risk of loss from the VIE's activities or entitled to receive a majority of the entity's residual returns. On December 17, 2003, the FASB issued FIN 46(R) ("Revised Interpretation" of FIN 46), which amended certain aspects of FIN46. For all VIEs created before December 31, 2003, the Company will be required to adopt FIN 46(R) as of January 1, 2005. For VIEs created after December 31, 2003, the Company applied FIN 46(R) immediately. At December 31, 2004, the Company held $52 million of invested assets issued by a VIE, created after December 31, 2003, and determined to be significant variable interests under FIN 46(R). These investments consist of fixed maturities (asset-backed securitizations totaling $20 million and private placement structured notes totaling $24 million) and other equity investments (asset-backed securitizations totaling $8 million). This VIE does not require consolidation because management has determined that the Company is not the primary beneficiary. The Company has held $42 million of invested assets issued by VIEs at December 31, 2004, created before December 31, 2003, determined to be significant variable interests under FIN 46(R). These investments consist of fixed maturities (asset-backed securitizations totaling $24 million) and other equity investments (asset-backed securitizations totaling $18 million). These VIEs may be required to consolidate when the new rule becomes effective (January 1, 2005 for these entities). These variable interests are subject to ongoing review for impairment and represent the maximum exposure to losses from the Company's direct involvement with the VIEs. The Company has no additional economic interest in this VIE in the form of derivatives, commitments, related guarantees, credit enhancement or similar instruments and obligations.

NOTE 3 -- INVESTMENTS

FIXED MATURITIES

The amortized cost and estimated fair value of fixed maturities as of December 31, 2004 and 2003, by contractual maturity is presented below (in millions). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<Table>
<Caption>

AVAILABLE FOR SALE	2004 AMORTIZED COST	2004 ESTIMATED FAIR VALUE	2003 AMORTIZED COST	2003 ESTIMATED FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Due in one year or less	$ 869	$ 878	$ 1,118	$ 1,127
Due after one year through five years	6,238	6,436	4,913	5,206
Due after five years through ten years	10,262	10,807	8,754	9,291
Due after ten years	4,416	4,804	4,164	4,441
Mortgage and asset-backed securities:				
U.S. Government or U.S. Government agency	1,453	1,471	303	315
Other mortgage-backed securities	7,290	7,540	6,306	6,541
Other asset-backed securities	2,558	2,591	2,424	2,480
Total Available for Sale	$33,086	$34,527	$27,982	$29,401

</Table>

FIXED MATURITIES -- (CONTINUED)

At December 31, 2004 and 2003, the distribution of gross unrealized gains and losses on investments in fixed maturities was as follows (in millions):

<Table>
<Caption>

AVAILABLE FOR SALE	2004 AMORTIZED COST	2004 UNREALIZED GAINS	2004 UNREALIZED LOSSES	2004 ESTIMATED FAIR VALUE
<S>	<C>	<C>	<C>	<C>

U.S. Treasury and U.S. Government corporations and agencies	$ 1,571	$ 34	$ 7	$ 1,598
U.S. agencies, state and municipal	461	36	1	496
Foreign governments	546	61	--	607
Corporate	20,660	1,114	79	21,695
Mortgage-backed securities	7,290	266	16	7,540
Asset-backed securities	2,558	45	12	2,591
Total Available for Sale	$33,086	$1,556	$115	$34,527

</Table>

<Table>
<Caption>

AVAILABLE FOR SALE	2003 AMORTIZED COST	UNREALIZED GAINS	UNREALIZED LOSSES	ESTIMATED FAIR VALUE
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. Government corporations and agencies	$ 735	$ 21	$ 2	$ 754
U.S. agencies, state and municipal	667	33	2	698
Foreign governments	515	62	1	576
Corporate	17,335	1,112	95	18,352
Mortgage-backed securities	6,306	259	24	6,541
Asset-backed securities	2,424	73	17	2,480
Total Available for Sale	$27,982	$1,560	$141	$29,401

</Table>

At December 31, 2004 and 2003, the Company had outstanding contractual obligations to acquire additional private placement securities amounting to $47 million and $16 million, respectively.

The Company accrues interest income on fixed maturity securities to the extent it is deemed collectible and the security continues to perform under its original contractual terms. Interest income on impaired securities is recognized on a cash basis.

EQUITY SECURITIES

At December 31, 2004 and 2003, the distribution of gross unrealized gains and losses on available for sale equity securities was as follows (in millions):

<Table>
<Caption>

	COST	UNREALIZED GAINS	UNREALIZED LOSSES	ESTIMATED FAIR VALUE
<S>	<C>	<C>	<C>	<C>
2004	$38	$3	$1	$40
2003	$46	$2	$1	$47

</Table>

MORTGAGE LOANS

The Company's mortgage loans are diversified by property type, location and borrower, and are collateralized by the related property.

The fair value of the mortgage loan portfolio at December 31, 2004 and 2003 was estimated to be $3,264 million and $2,854 million, respectively. Fair value is determined by discounting the projected cash flows for each loan to determine the current net present value. The discount rate used approximates the current rate for new mortgages with comparable characteristics and similar remaining maturities. As mortgage loans are generally intended to be held to maturity, the fair value does not necessarily represent the values for which those loans could have been sold for at December 31, 2004 or 2003.

MORTGAGE LOANS -- (CONTINUED)

At December 31, 2004 and 2003, contractual commitments to extend credit under commercial and residential mortgage loan agreements amounted to $83 million and $58 million at fixed and floating interest rates ranging from 2.7% to 7.2% and from 2.7% to 7.8%, respectively. These commitments are diversified by property type and geographic region.

The Company accrues interest income on problem loans to the extent it is deemed collectible and the loan continues to perform under its original or restructured contractual terms. Interest income on impaired loans is recognized on a cash basis. Cash payments on loans in the process of foreclosure are treated as a return of principal.

At December 31, 2004 and 2003, the distribution of the mortgage loan portfolio by property type and geographic region was as follows (in millions):

	2004		2003	
	CARRYING VALUE	% OF TOTAL	CARRYING VALUE	% OF TOTAL
Property Type:				
Office buildings	$1,022	33.1%	$ 943	35.4%
Retail	536	17.3%	474	17.8%
Residential	762	24.7%	608	22.8%
Industrial	419	13.6%	336	12.6%
Apartment buildings	301	9.7%	269	10.1%
Other	50	1.6%	35	1.3%
Total	$3,090	100.0%	$2,665	100.0%
Geographic Region:				
Central	$ 799	25.9%	$ 783	29.4%
South Atlantic	752	24.3%	684	25.7%
Pacific	760	24.6%	563	21.1%
Middle Atlantic	557	18.0%	455	17.0%
New England	222	7.2%	180	6.8%
Total	$3,090	100.0%	$2,665	100.0%

The activity in the mortgage loan specific and general reserves as of December 31, 2004 and 2003 is summarized below (in millions):

	2004	2003
Beginning balance	$5	$ 6
Additions (reductions) included in operations	4	(1)
Ending balance	$9	$ 5

OTHER LONG-TERM INVESTMENTS

The components of other long-term investments as of December 31, 2004 and 2003 were as follows (in millions):

	2004	2003
Limited liability company	$516	$157
Collateralized third party commercial loans	68	40
Limited partnerships	48	28
Derivatives	21	34
Real estate	11	17
Other	3	4
Total other long-term investments	$667	$280

OTHER LONG-TERM INVESTMENTS -- (CONTINUED)

Investments in limited liability company represents the Company's investment in the New York Life Short Term Investment Fund ("STIF"), formed by New York Life to improve short-term returns through greater flexibility to choose attractive maturities and enhanced portfolio diversification. The STIF is a commingled fund managed by New York Life Investment Management LLC ("NYLIM"), an indirect wholly owned subsidiary of New York Life, where all participants are subsidiaries or affiliates of New York Life.

Accumulated depreciation on real estate at December 31, 2004 and 2003 was $5 million and $6 million, respectively. Depreciation expense for December 31, 2004 totaled less than $1 million. For the years ended December 31, 2003 and 2002, depreciation expense totaled $1 million. Depreciation expense is recorded as a component of net investment income in the accompanying Statement of Income.

Unfunded commitments on limited partnerships and limited liability companies amounted to $9 million at December 31, 2004. There were no unfunded commitments at December 31, 2003.

RESTRICTED ASSETS AND SPECIAL DEPOSITS

Assets of $3 million at December 31, 2004 and 2003 were on deposit with governmental authorities or trustees as required by certain state insurance laws and are included in available-for-sale fixed maturities on the accompanying Balance Sheet.

NOTE 4 -- INVESTMENT INCOME AND INVESTMENT GAINS AND LOSSES

The components of net investment income for the years ended December 31, 2004, 2003 and 2002 were as follows (in millions):

<Table>
<Caption>

	2004	2003	2002
<S>	<C>	<C>	<C>
Fixed maturities	$1,805	$1,604	$1,448
Equity securities	4	2	3
Mortgage loans	185	167	170
Policy loans	45	46	45
Other long-term investments	27	30	30
Gross investment income	2,066	1,849	1,696
Investment expenses	(60)	(48)	(49)
Net investment income	$2,006	$1,801	$1,647

</Table>

For the years ended December 31, 2004, 2003 and 2002, investment gains (losses) computed generally under the specific identification method were as follows (in millions):

<Table>
<Caption>

	2004			2003			2002		
	GAINS		LOSSES	GAINS		LOSSES	GAINS		LOSSES
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Fixed maturities.....................	$142		$ (98)	$192		$(176)	$192		$(236)
Equity securities....................	13		(1)	5		(7)	8		(8)
Mortgage loans.......................	--		(4)	2		(4)	1		(1)
Derivative instruments...............	--		(23)	1		(4)	1		(4)
Other long-term investments..........	3		(1)	--		(12)	--		(2)
Subtotal........................	$158		$(127)	$200		$(203)	$202		$(251)
Total net investment gains (losses)...........................		$31			$(3)			$(49)	

</Table>

On April 1, 2002, the Company transferred the convertible bond and preferred stock portfolios from available-for-sale into the trading category. The net gain released from unrealized gains in accumulated other comprehensive income in the accompanying Balance Sheet and reflected in net investment gains (losses) in the accompanying Statement of Income at the date of transfer amounted to $3 million, pre-tax. The convertible portfolio was subsequently sold during 2002.

The gross gains and losses on trading securities amounted to $16 million and $20 million for the year ended December 31, 2004. The gross gains and losses on trading securities amounted to $21 million and $73 million for the year ended December 31, 2003. The gross gains and losses on trading securities amounted to

$3 million and $7 million for the period April 1, 2002 through December 31, 2002. Trading gains and losses are included in net investment gains (losses) in the accompanying Statement of Income.

Related losses from other-than-temporary impairments in fixed maturities (included in gross investment losses on fixed maturities above) were $10 million, $24 million and $70 million for the years ended December 31, 2004, 2003 and 2002, respectively. Related losses from other-than-temporary impairments in equities (included in gross investment losses on equity securities above) were $0 million, $7 million and $0 million at December 31, 2004, 2003 and 2002, respectively.

The following table presents the Company's gross unrealized losses and fair values for fixed maturities and equities with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in an unrealized loss position, at December 31, 2004 and 2003 (in millions):

	2004					
	LESS THAN 12 MONTHS		GREATER THAN 12 MONTHS		TOTAL	
FIXED MATURITIES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
Fixed Maturities						
U.S. Treasury and U.S. Government corporations and agencies	$ 310	$ 3	$ 74	$ 4	$ 384	$ 7
U.S. agencies, state and municipal	49	*	15	1	64	1
Foreign governments	16	*	--	--	16	*
Corporate	3,432	45	841	34	4,273	79
Mortgage-backed securities	1,028	11	125	5	1,153	16
Asset-backed securities	752	6	52	6	804	12
TOTAL FIXED MATURITIES	5,587	65	1,107	50	6,694	115
EQUITIES						
Common Stock	1	*	--	--	1	*
Preferred Stock	6	1	--	--	6	1
TOTAL EQUITIES	7	1	--	--	7	1
TOTAL TEMPORARILY IMPAIRED SECURITIES	$5,594	$66	$1,107	$50	$6,701	$116

----

* Unrealized loss is less than $1 million.

	2003					
	LESS THAN 12 MONTHS		GREATER THAN 12 MONTHS		TOTAL	
FIXED MATURITIES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
U.S. Treasury and U.S. Government corporations and agencies	$ 319	$ 2	$ --	$--	$ 319	$ 2
U.S. agencies, state and municipal	109	2	--	--	109	2
Foreign governments	39	1	--	--	39	1
Corporate	2,306	72	338	23	2,644	95
Mortgage-backed securities	1,184	24	1	*	1,185	24
Asset-backed securities	344	9	58	8	402	17
TOTAL FIXED MATURITIES	4,301	110	397	31	4,698	141

<Caption>

EQUITIES						
Preferred Stock	--	--	4	1	4	1
TOTAL TEMPORARILY IMPAIRED SECURITIES	$4,301	$110	$401	$32	$4,702	$142

</Table>

----

* Unrealized loss is less than $1 million.

CORPORATE BONDS: The amount of unrealized losses on the Company's investment in corporate bonds is principally due to changes in interest rates and widening spreads due to market conditions in certain sectors such as airlines and telecommunications that contributed to the decline in fair value. Because the securities continue to meet their contractual payments, the Company has the ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value.

MORTGAGE-BACKED SECURITIES: The unrealized losses on these investments were caused by interest rate increases. Securities issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association that are either direct agencies of or agencies sponsored by the U.S. government, provide a US government guarantee of the contractual cash flows of these investments. Accordingly, it is expected that the securities would not be settled at a price less than amortized cost. Because the decline in market value is attributable to changes in interest rates, the Company has the ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value.

ASSET-BACKED SECURITIES: The unrealized losses on these investments are principally due to changes in interest rates. The Company measures it asset-backed portfolio for impairments based on the security's credit rating and whether it has an unrealized loss. Where the securities fair value is below its amortized cost and there are negative changes in estimated future cash flows, the securities are deemed impaired and a realized loss is recognized in net income in the accompanying Statement of Income.

NET UNREALIZED INVESTMENT GAINS (LOSSES)

Net unrealized investment gains (losses) on available-for-sale investments are included in the accompanying Balance Sheet as a component of accumulated other comprehensive income. Changes in these amounts include reclassification adjustments for prior period unrealized gains (losses) that have been recognized as realized gains (losses) during the current year and are included in net investment gains

NET UNREALIZED INVESTMENT GAINS (LOSSES) -- (CONTINUED)

(losses) in the accompanying Statement of Income. The amounts for the years ended December 31, 2004, 2003 and 2002 are as follows (in millions):

<Table>
<Caption>

	2004	2003	2002
Net unrealized investment gains (losses), beginning of the year	$590	$451	$ 104
Changes in net unrealized investment gains (losses) attributable to:			
Investments:			
Net unrealized investment gains arising during the period	51	132	663
Less: Reclassification adjustments for gains (losses) included in net income	57	18	9
Change in net unrealized investment gains (losses), net of adjustments	(6)	114	654
Impact of net unrealized investment gains (losses) on:			
Policyholders' account balances and future policy benefits	(7)	26	(15)
Deferred policy acquisition costs	62	(1)	(289)
Other assets (deferred sales inducements)	14	--	--

Change in net unrealized investment gains (losses)	63	139	350
Transfer of Taiwan branch to an affiliated company	--	--	(3)
Net unrealized investment gains (losses), end of year	$653	$590	$ 451

Net unrealized gains on investments reported in the preceding table for the years ended December 31, 2004, 2003 and 2002 are net of income tax expense of $27 million, $71 million and $357 million, respectively.

Reclassification adjustments reported in the preceding table for the years ended December 31, 2004, 2003 and 2002 are net of income tax expense of $31 million, $10 million and $5 million, respectively.

Policyholders' account balances and future policy benefits reported in the preceding table for the years ended December 31, 2004, 2003 and 2002 are net of income tax (benefit) expense of $(4) million, $14 million and $(8) million, respectively.

Deferred policy acquisition costs in the preceding table for the years ended December 31, 2004, 2003 and 2002 are net of income tax expense (benefit) of $33 million, $0 million and $(156) million, respectively.

Other assets (deferred sales inducements) in the preceding table for the year ended December 31, 2004 is net of income tax expense of $8 million.

On July 1, 2002, the cumulative unrealized gain associated with the Taiwan branch was transferred to an affiliated company as described in Note 12 -- Related Party Transactions.

NOTE 5 -- POLICYHOLDERS' LIABILITIES

POLICYHOLDERS' ACCOUNT BALANCES

Policyholders' account balances at December 31, 2004 and 2003 were as follows (in millions):

	2004	2003
Deferred annuities	$18,840	$15,733
Universal life contracts	15,681	13,457
Other	194	176
Total Policyholders' Account Balances	$34,715	$29,366

POLICYHOLDERS' ACCOUNT BALANCES -- (CONTINUED)

Policyholders' account balances on the above contracts are equal to cumulative deposits plus interest credited less withdrawals and less mortality and expense charges, where applicable. This liability also includes a liability for amounts that have been assessed to compensate the insurer for services to be performed over future periods. For deferred annuities, account value approximates fair value.

The following table highlights the interest rate assumptions generally utilized in calculating policyholders' account balances, as well as certain withdrawal characteristics associated with these accounts at December 31, 2004:

PRODUCT	INTEREST RATE	WITHDRAWAL/SURRENDER CHARGES
Deferred annuities	2.10% to 7.15%	Surrender charges 0% to 10% for up to 10 years.
Universal life contracts	3.40% to 6.69%	Various up to 19 years.

FUTURE POLICY BENEFITS

Future policy benefits at December 31, 2004 and 2003 were as follows (in millions):

<Table>
<Caption>

	2004	2003
Life insurance:		
Taiwan business -- 100% coinsured	$1,021	$ 716
Other life	46	55
Total life insurance	1,067	771
Individual annuities	293	256
Total Future Policy Benefits	$1,360	$1,027

</Table>

The following table highlights the key assumptions generally utilized in the calculation of future policy benefit reserves at December 31, 2004:

<Table>
<Caption>

PRODUCT	MORTALITY	INTEREST RATE	ESTIMATION METHOD
Life insurance: Taiwan business -- 100% coinsured	Based upon pricing assumptions at time of policy issuance with provision for adverse deviations ("PAD").	3.7% - 7.5%	Net level premium reserve taking into account death benefits, lapses and maintenance expenses with PAD.
Individual payout annuities	Based upon pricing assumptions at time of policy issuance with PAD.	5.5% - 9.5%	Present value of expected future payments at a rate expected at issue with PAD.

</Table>

GUARANTEED MINIMUM BENEFITS

At December 31, 2004 and 2003, the Company had the following variable contracts with guarantees. (Note that the Company's variable contracts with guarantees may offer more than one type of guarantee in each contract; therefore, the amounts listed are not mutually exclusive.) For guarantees of amounts in the event of death, the net amount at risk is defined as the current guaranteed minimum death benefit ("GMDB") in excess of the current account balance at the balance sheet date. For guarantees of accumulation balances, the net amount at risk is defined as the guaranteed minimum accumulation benefit ("GMAB") minus the current account balance.

VARIABLE ANNUITY CONTRACTS -- GMDB AND GMAB

The Company issues certain variable annuity contracts with GMDB and GMAB features that guarantee either:

a) Return of deposits: the benefit is the greater of current account value or premiums paid (adjusted for withdrawals)

VARIABLE ANNUITY CONTRACTS -- GMDB AND GMAB -- (CONTINUED)

b) Ratchet: the benefit is greatest of the current account value, premiums paid (adjusted for withdrawals), or the highest account value on any contractually specified anniversary up to contractually specified ages (adjusted for withdrawals)

The following chart provides the account value, net amount at risk and average attained age of contractholders at December 31, 2004 for GMDB's and GMAB's ($ in millions):

<Table>
<Caption>

	RETURN OF NET DEPOSITS		RATCHET
	IN THE EVENT OF DEATH (GMDB)	ACCUMULATION AT SPECIFIED DATE (GMAB)	IN THE EVENT OF DEATH (GMDB)
Account value	$3,412	$574	$12,166
Net amount at risk	$ 49	$ 3	$ 475
Average attained age of contract holders	56	--	57

</Table>

The following summarizes the liabilities for guarantees on variable contracts reflected in the general account in future policy benefits in the accompanying Balance Sheet:

	GUARANTEED MINIMUM DEATH BENEFIT (GMDB)	GUARANTEED MINIMUM ACCUMULATION BENEFIT (GMAB)	TOTALS
Balance at January 1, 2004	$29	$2	$31
Incurred guarantee benefits	1	1	2
Paid guarantee benefits	(7)	--	(7)
Balance at December 31, 2004	$23	$3	$26

For guaranteed minimum accumulation benefits, incurred guaranteed minimum benefits incorporates all changes in fair value other than amounts resulting from paid guarantee benefits. The GMDB liability is determined each period end by estimating the expected value of death benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. The Company regularly evaluates estimates used and adjusts the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

The following assumptions and methodology were used to determine the GMDB liability at December 31, 2004:

- Data used was 1,000 stochastically generated investment performance scenarios.

- Mean investment performance assumption ranged from 6.53% to 6.89%.

- Volatility assumption was 15%.

- Mortality was assumed to be 90% of the Annuity 2000 table.

- Lapse rates vary by contract type and duration and range from 1% to 20%, with an average of 4%.

- Discount rates ranged from 5.89% to 7.61%.

The following table presents the aggregate fair value of assets, by major investment fund options (including the general and separate account fund options), held by variable annuity products that are subject to GMDB and GMAB benefits and guarantees. Since variable contracts with GMDB guarantees may also offer

GMAB guarantees in each contract, the GMDB and GMAB amounts listed are not mutually exclusive (in millions):

	DECEMBER 31, 2004	
INVESTMENT FUND OPTION:	GMDB	GMAB
Equity	$ 6,418	$344
Fixed income	2,331	107
Balanced	1,683	62
Other	4,961	62
Total	$15,393	$575

NO LAPSE GUARANTEE

The no lapse guaranteed feature contained in variable and interest-sensitive life insurance policies keeps these policies in force in situations where the policy value is not sufficient to cover monthly charges then due. The no lapse guarantee remains in effect so long as the policy meets a contractually specified premium funding test and certain other requirements.

The following table summarizes the no lapse guarantee liabilities reflected in the General Account in future policy benefits on the accompanying Balance Sheet (in millions):

	NO LAPSE GUARANTEE (NLG)
Balance at January 1, 2004	$--
Impact of adoption of SOP 03-01	5
Other changes in reserve	6
Balance at December 31, 2004	$11

NOTE 6 -- SEPARATE ACCOUNTS

The Company maintains twenty separate accounts for its variable deferred annuity and variable life products; nine of these are registered with the Securities and Exchange Commission. The assets of these separate accounts represent investments in shares of the New York Life sponsored Mainstay VP Series Funds and other non-proprietary funds. The assets in separate accounts for December 31, 2004 and 2003 are as follows:

	2004	2003
Registered	$12,615	$10,807
Non-registered	89	59
Total separate account assets	$12,704	$10,866

As discussed in Note 2 -- Significant Accounting Policies, the Company adopted SOP 03-01. Upon adoption at January 1, 2004, the Company reclassified $768 million of separate account assets to general account assets and $680 million of separate account liabilities to policyholders' account balances and other liabilities.

NOTE 7 -- DEFERRED POLICY ACQUISITION COSTS

An analysis of deferred policy acquisition costs ("DAC") for the years ended December 31, 2004, 2003 and 2002 was as follows (in millions):

	2004	2003	2002
Balance at beginning of year	$2,180	$1,781	$1,887
Reclassification due to adoption of SOP 03-01	(156)	--	--
Current year additions	586	645	630
Amortized during year	(268)	(245)	(189)
Adjustment for change in unrealized investment gains	95	(1)	(445)
Transfer of Taiwan branch to an affiliated company	--	--	(102)
Balance at end of year	$2,437	$2,180	$1,781

As discussed in Note 2 -- Significant Account Policies, effective January 1, 2004, the Company adopted SOP 03-01. The Company reclassified $156 million in capitalized sales inducements from DAC to Other Assets on the accompanying Balance Sheet.

On July 1, 2002, the assets and liabilities including deferred policy acquisition costs associated with the Taiwan branch were transferred to an affiliated company, as described in Note 12 -- Related Party Transactions.

NOTE 8 -- FEDERAL INCOME TAXES

A summary of income tax expense (benefit) included in the accompanying Statement of Income was as follows (in millions):

	2004	2003	2002
Current:			
Federal	$ 85	$ 94	$(1)
State and local	2	5	1
	87	99	--
Deferred:			
Federal	63	17	(1)
Income tax expense/(benefit)	$150	$116	$(1)

The components of the net deferred tax liability as of December 31, 2004 and 2003 were as follows (in millions):

	2004	2003
Deferred tax assets:		
Future policyholder benefits	$ 550	$ 534
Employee and agents benefits	69	62
Gross deferred tax assets	619	596
Deferred tax liabilities:		
Deferred policy acquisition costs	646	517
Investments	521	526
Other	4	9
Gross deferred tax liabilities	1,171	1,052
Net deferred tax liability	$ 552	$ 456

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes. The Company's management has concluded

that the deferred tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

Set forth below is a reconciliation of the statutory Federal income tax rate to the effective tax rate for 2004, 2003 and 2002:

	2004	2003	2002
Statutory Federal income tax rate	35.0%	35.0%	35.0%
True down of prior year equity base tax	--	--	(22.9)
Tax exempt income	(1.9)	(2.8)	(6.0)
Foreign branch termination	--	--	(3.8)
Other	(0.3)	(1.2)	(2.9)
Effective tax rate	32.8%	31.0%	(0.6)%

Pursuant to the tax allocation agreement discussed in Note 2 -- Significant Accounting Policies, as of December 31, 2004 and 2003, the Company had recorded an income tax receivable from New York Life of $49 million and $38 million, respectively, included in Other Assets on the accompanying Balance Sheet.

The Company's federal income tax returns are routinely examined by the IRS and provisions are made in the financial statements in anticipation of the results of these audits. The IRS has completed audits through 1998 and has begun auditing tax years 1999 through 2001. There were no material effects on the Company's results of operations as a result of these audits. The Company believes that its recorded income tax liabilities are adequate for all open years.

As discussed in Note 2 -- Significant Accounting Policies, the Company's equity base tax was suspended for the three year period beginning 2001 and permanently repealed effective with the tax year beginning after December 31, 2004. The Company accrued $17 million in the equity base tax in 2001 prior to passage of this legislation. This amount was released in 2002 and reflected as an adjustment to 2002 current income tax expense (benefit) in the accompanying Statement of Income. No equity base tax was accrued for in 2004.

NOTE 9 -- REINSURANCE

The Company enters into reinsurance agreements in the normal course of its insurance business to reduce overall risk. The Company remains liable for reinsurance ceded if the reinsurer fails to meet its obligation on the business it has assumed. The Company periodically reviews the financial condition of its reinsurers and amounts recoverable in order to minimize its exposure to significant losses from reinsurer insolvencies. When necessary, an allowance is recorded for reinsurance the Company cannot collect. Three reinsurance companies account for approximately 61% of the reinsurance ceded to non-affiliates at December 31, 2004.

In December 2004, the Company reinsured 90% of a block of inforce life insurance business, consisting of Universal Life, Variable Universal Life (VUL), Target Life and Asset Preserver, with New York Life. The agreement used a combination of coinsurance with funds withheld for the fixed portion maintained in the General Account and modified coinsurance (MODCO) for the VUL policies in the Separate Accounts. Under both the MODCO and Funds Withheld treaties, the Company will retain the assets held in relation to the policyholders' account balances and separate account liabilities. An experience refund will be paid to the Company at the end of each quarterly accounting period for 100% of the profits in excess of $5 million per year. Under B36, the Funds Withheld and the MODCO treaties, along with the experience rating refund, represent embedded derivatives which are required to be carried at fair value. The fair value of these embedded derivatives at December 31, 2004 is $0 million.

In connection with the above described reinsurance agreement with New York Life, the Company recorded a deferred gain of $244 million, which includes the $25 million purchase price and $219 million of GAAP reserves recoverable from the reinsurer in excess of the funds withheld liability.

NOTE 9 -- REINSURANCE -- (CONTINUED)

As discussed in Note 12 -- Related Party Transactions, the transfer of the Company's insurance book of business associated with the Company's Taiwan branch, effective July 1, 2002, is accounted for as a long-duration coinsurance transaction.

The effects of all reinsurance for the years ended December 31, 2004, 2003 and 2002 were as follows (in millions):

<Table>
<Caption>

	2004	2003	2002
<S>	<C>	<C>	<C>
Premiums:			
Direct	$ 171	$ 174	$225
Assumed	1	--	--
Ceded	(143)	(171)	(81)
Net premiums	$ 29	$ 3	$144
FAS 97 fee income ceded	$ 111	$ 98	$ 83
Policyholders' benefits ceded	$ 221	$ 108	$ 79
Increase in ceded liabilities for future policyholder benefits	$ 7	$ 6	$ (1)
Amounts recoverable from reinsurer	$5,935	$ 788	$695
Amounts payable to reinsurer	$4,553	$ 16	$ 12

Other liabilities (deferred gain)	$ 244	$ --	$ --
	======	=====	====

</Table>

NOTE 10 -- DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company uses derivative financial instruments to manage interest rate, currency and market risk. These derivative financial instruments include interest rate options and interest rate and currency swaps. The Company does not engage in derivative financial instrument transactions for speculative purposes.

The Company deals with highly rated counter-parties and does not expect the counter-parties to fail to meet their obligations under the contracts. The Company has controls in place to monitor credit exposures by limiting transactions with specific counter-parties within specified dollar limits and assessing the future creditworthiness of counter-parties. The Company uses master netting agreements and adjusts transaction levels, when appropriate, to minimize risk.

To further minimize risk, credit support annexes are negotiated as part of swap documentation entered into by the Company with counter-parties. The credit support annex requires that a swap counterparty post collateral to secure that portion of its anticipated swap obligation in excess of a specified threshold. The threshold declines with a decline in the counter-parties' rating. Collateral received is invested in short-term investments.

To qualify as a hedge, the hedge relationship is designated and formally documented at inception detailing the particular risk management objective and strategy for the hedge. This includes the item and risk that is being hedged, the derivative that is being used, as well as how effectiveness is being assessed. A derivative must be highly effective in accomplishing the objective of offsetting either changes in fair value or cash flows for the risk being hedged. The hedging relationship is considered highly effective if the changes in fair value or discounted cash flows of the hedging instrument is within 80-125% of the inverse changes in the fair value or discounted cash flows of the hedged item. The Company formally measures effectiveness of its hedging relationships both at the hedge inception and on an ongoing basis in accordance with its risk management policy.

For fair value hedges, the Company generally uses a qualitative assessment to measure hedge effectiveness. For cash flow hedges of interest rate risk, the Company uses either qualitative assessment, if appropriate, or regression analysis to assess hedge effectiveness to changes in the benchmark interest rate. The change in variable cash flows method is used to measure hedge ineffectiveness when appropriate. The

NOTE 10 -- DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT -- (CONTINUED)

Company discontinues hedge accounting prospectively if: (i) it is determined that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item, (ii) the derivative expires or is sold, terminated, or exercised, (iii) the derivative is de-designated as a hedge instrument, (iv) it is probable that the forecasted transaction will not occur, or (v) management determines that designation of the derivative as a hedge instrument is no longer appropriate.

For cash flow hedges, in which derivatives hedge the variability of cash flows related to variable rate available-for-sale securities, the accounting treatment depends on the effectiveness of the hedge. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value will not be included in current earnings but are reported as changes in other comprehensive income. These changes in fair value will be included in earnings of future periods when earnings are also affected by the variability of the hedged cash flows. To the extent these derivatives are not effective, changes in their fair values are immediately included in earnings in net investment gains (losses). The Company's cash flow hedges primarily include hedges of floating rate available-for-sale securities. During 2004 and 2003, there was no hedge ineffectiveness recognized in net investment gains (losses) related to cash flow hedges. The assessment of hedge effectiveness for cash flow hedges of interest rate risk excludes amounts relating to risks other than exposure to the benchmark interest rate. There were $182 million and $224 million in notional value of cash flow hedges at December 31, 2004 and December 31, 2003, respectively. The estimated amount of existing gains and losses that are reported in other comprehensive income at December 31, 2004 and 2003 related to periodic interest payments on assets and liabilities being hedged that is expected to be reclassified into earnings within the next 12 months is $0 million and $4 million, respectively.

For fair value hedges, in which derivatives hedge the fair value of assets and liabilities, changes in the fair value of derivatives are reflected in net investment losses, together with changes in the fair value of the related hedged item. The net amount, representing hedge ineffectiveness, is reflected in earnings.

Fair value hedge accounting is discontinued immediately when it is determined that the derivative no longer qualifies as an effective fair value hedge. The derivative will continue to be carried on the balance sheet at its fair value, but the changes in the fair value of the hedged asset or liability will no longer offset the changes in the fair value of the derivative. The Company held no fair value hedges at December 31, 2004 and 2003.

Derivatives that do not qualify for hedge accounting are carried at fair value with changes in value included in net investment gains (losses). The Company has derivative instruments that do not qualify for hedge accounting treatment, which include interest rate options and various interest rate swaps. There were $6 billion and $4 billion in notional value of non-qualifying hedges at December 31, 2004 and December 31, 2003, respectively.

The Company may enter into contracts that are not themselves derivative instruments but contain embedded derivatives. For each contract, the Company assesses whether the economic characteristics of the embedded derivative are clearly and closely related to those of the host contract and determines whether a separate instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. When it is determined that the embedded derivative possesses economic characteristics that are not clearly and closely related to the economic characteristics of the host contract, and that a separate instrument with the same terms would qualify as a derivative instrument, the embedded derivative is separated from the host contract and accounted for as a stand-alone derivative. Such embedded derivatives are recorded on the balance sheet at fair value and changes in their fair value are recorded currently in net investment gains (losses). If the Company is unable to properly identify and measure an embedded derivative for separation from its host contract, the entire contract is carried on the balance sheet at fair value. As of December 31, 2004 and 2003, there were no such embedded derivatives that could not be separated from their host contracts.

NOTE 11 -- COMMITMENTS AND CONTINGENCIES

LITIGATION

The Company is a defendant in individual suits arising from its agency sales force, insurance (including variable contracts registered under the federal securities law), investment, retail securities, and/or other operations, including actions involving retail sales practices. Most of these actions seek substantial or unspecified compensatory and punitive damages. The Company is also from time to time involved in various governmental, administrative, and investigative proceedings and inquiries.

Notwithstanding the uncertain nature of litigation and regulatory inquiries, the outcome of which cannot be predicted, the Company believes that, after provisions made in the financial statements, the ultimate liability that could result from litigation and proceedings would not have a material adverse effect on the Company's financial position; however, it is possible that settlements or adverse determinations in one or more actions or other proceedings in the future could have a material adverse effect on the Company's operating results for a given year.

ASSESSMENTS

Most of the jurisdictions in which the Company is licensed to transact business, require life insurers to participate in guaranty associations which are organized to pay contractual benefits pursuant to insurance policies issued by impaired, insolvent or failed life insurers. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed life insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets. The Company is not aware of, nor has it received notification of any significant insolvency by insurance companies.

LOANED SECURITIES AND REPURCHASE AGREEMENTS

The Company participates in a securities lending program for the purpose of enhancing income on securities held. At December 31, 2004 and 2003, $1,082 million and $1,424 million, respectively, of the Company's fixed maturity securities were on loan to others. Collateral on loan securities is obtained in accordance with our policy disclosed in Note 2 -- Significant Accounting Policies. The fair value of securities loaned is monitored, with additional collateral obtained, as necessary. Such assets reflect the extent of the

Company's involvement in securities lending, not the Company's risk of loss.

At December 31, 2004 and 2003, the Company recorded cash collateral received under these agreements of $1,105 million and $1,474 million, respectively, and established a corresponding liability for the same amount included in other liabilities in the accompanying Balance Sheet.

The Company enters into agreements to sell and repurchase securities for the purpose of enhancing income on securities held. Under these agreements, the Company obtains the use of funds from a broker for generally one month. The liability reported in the accompanying Balance Sheet (included in other liabilities) at December 31, 2004 of $1,021 million ($155 million at December 31, 2003) approximates fair value. The investments acquired with the funds received from the securities sold are included in both fixed maturities and cash and cash equivalents in the accompanying Balance Sheet.

NOTE 12 -- RELATED PARTY TRANSACTIONS

New York Life provides the Company with services and facilities for the sale of insurance and other activities related to the business of insurance. New York Life charges the Company for the identified costs associated with these services and facilities under the terms of an administrative service agreement between New York Life and the Company. Such costs, amounting to $585 million, $559 million and $537 million for the years ended December 31, 2004, 2003 and 2002, respectively, are reflected in operating expenses and net investment income in the accompanying Statement of Income.

In addition, the Company is allocated post-retirement and post-employment benefits other than pensions, which are held by New York Life. The Company was allocated $30 million for its share of the net periodic

post-retirement benefits expense in 2004 ($27 million and $13 million in 2003 and 2002, respectively) and an expense of $1 million in 2004 ($(2) million in 2003 and 2002) for the post-employment benefits expense under the provisions of the service agreement. The expenses are reflected in operating expenses and net investment income in the accompanying Statement of Income.

The Company has entered into an investment advisory and administrative services agreement with New York Life Investment Management LLC ("NYLIM"), an indirect wholly owned subsidiary of New York Life, to provide investment advisory services to the Company. At December 31, 2004, 2003 and 2002, the total cost for these services amounted to $31 million, $23 million and $29 million, respectively, which are included in the costs of services billed by New York Life to the Company, as noted above.

In addition, NYLIM has an Investment Advisory Agreement with the Mainstay VP Series Fund, Inc. (the "Fund"), a registered investment company whose shares are sold to various separate accounts of the Company. NYLIM, the administrator of the Fund and the Company have entered into agreements regarding administrative services to be provided by the Company. Under the terms of the agreement, NYLIM pays the Company administrative fees for providing services to the Fund. The Company recorded fee income from NYLIM for the years ended December 31, 2004, 2003 and 2002 of $11 million, $9 million and $9 million, respectively.

At December 31, 2004 and 2003, the Company had a net liability of $202 million and $186 million, respectively, for the above described services which are included in other liabilities in the accompanying Balance Sheet. The terms of the settlement generally require that these amounts be settled in cash within ninety days.

The Company is the obligor for certain structured settlement agreements with unaffiliated insurance companies, beneficiaries and other non-affiliated entities. To satisfy its obligations under these agreements, the Company owns all rights, title and interest in and to certain single premium annuities issued by New York Life. The carrying value of the annuity contracts is based upon the actuarially determined value of the obligations under the structured settlement contracts, which generally have some life contingent benefits. The obligations are based upon the actuarially determined present value of expected future payments. Interest rates used in establishing such obligations range from 5.32% to 7.81%. The Company has directed New York Life to make the payments under the annuity contracts directly to the payees under the structured settlement agreements. At December 31, 2004 and 2003, the carrying value of the interest in annuity contracts and the obligations under structured settlement agreements in the accompanying Balance Sheet amounted to $3,712 million and $3,306 million, respectively.

In addition, the Company has issued certain annuity contracts to New York

Life in order that New York Life may satisfy its third party obligations under certain structured settlement agreements. The Company has been directed by New York Life to make the payments under the annuity contracts directly to the beneficiaries under these structured settlement agreements. At December 31, 2004 and 2003, the amount of outstanding reserves on these contracts included in future policy benefits was $180 million and $178 million, respectively.

The Company has a variable product distribution agreement with NYLIFE Distributors, an indirect wholly owned subsidiary of New York Life, granting NYLIFE Distributors the exclusive right to distribute, and be the principal underwriter of the Company's variable product policies. NYLIFE Distributors has an agreement with NYLIFE Securities, another indirect wholly owned subsidiary of New York Life, under which registered representatives of NYLIFE Securities solicit sales of these policies. In connection with this agreement, the Company recorded commission expense to NYLIFE Securities' registered representatives of $94 million, $89 million and $71 million, for the years ended December 31, 2004, 2003 and 2002, respectively.

The Company has a credit agreement with New York Life wherein New York Life can borrow funds from the Company. The maximum amount available to New York Life is $490 million. No outstanding balance was due to the Company at December 31, 2004 and December 31, 2003.

The Company also has a credit agreement with New York Life in which the Company can borrow up to $490 million. No outstanding balance was due to New York Life at December 31, 2004 and December 31, 2003. Interest expense for 2004, 2003 and 2002 was less than $1 million.

As an alternative credit facility to the foregoing credit arrangement with New York Life, on December 23, 2004, the Company entered into a credit agreement with New York Life Capital Corporation, an indirect wholly owned subsidiary of New York Life, in which the Company can borrow up to $490 million. As of December 31, 2004, a $233 million outstanding balance was due to New York Life Capital Corporation (with various maturities through February 3, 2005) and is included in other liabilities. Interest expense for 2004 was less than $1 million.

During August 2003, the Company transferred without recourse several private placement debt securities to Madison Capital Funding LLC ("MCF"). MCF is an indirect wholly owned subsidiary of New York Life. MCF paid for the purchase price of the securities transferred by delivering to the Company promissory notes with terms identical to the securities transferred. At December 31, 2004 and 2003, the Company had recorded a receivable from MCF, included in other assets, of $5 million and $23 million, respectively. The Company received interest payments from MCF of $2 million and less than $1 million for the years ended December 31, 2004 and 2003, respectively.

Effective July 1, 2002, the Company transferred $37 million in net assets associated with the Company's Taiwan branch including Taiwan's insurance book of business to an affiliated company, New York Life Insurance Taiwan Corporation ("NYLT"), an indirect wholly owned subsidiary of New York Life.

The Company is jointly liable with NYLT for two years from the giving of notice to all obligees for all matured obligations and for two years after the maturity date of not-yet matured obligations. NYLT is also contractually liable, under indemnification provisions of the transaction, for any liabilities that may be asserted against the Company. The transfer of the branch's net assets was accounted for as a long-duration coinsurance transaction. Under this accounting treatment, the insurance related liabilities remain on the books of the Company and an offsetting reinsurance recoverable is established. Additionally, premiums and benefits associated with any business sold prior to July 1, 2002 are reflected on the Company's Statement of Income. Accordingly, the Company recorded the following with respect to this transaction (in millions):

	2004	2003
Amounts recoverable from reinsurers	$1,021	$716
Premiums ceded	130	171
Benefits ceded	81	38

The Company received a capital contribution of $500 million in 2003 from its parent company, New York Life.

The Company has issued various Corporate Owned Life policies to New York

Life, including $527 million sold during 2004, for the purpose of informally funding certain benefits for New York Life employees and agents. These policies were issued on the same basis as policies sold to unrelated customers. For the years ended December 31, 2004 and 2003, the Company recorded liabilities of approximately $1,798 million and $1,138 million, respectively, which are included in policyholders' account balances and separate account liabilities on the accompanying Balance Sheet.

The Company has also issued various Corporate Owned Life policies to separate Voluntary Employees' Beneficiary Association (VEBA) trusts formed for the benefit of New York Life's retired employees and agents. These policies were issued on the same basis as policies sold to unrelated customers. For the years ended December 31, 2004 and 2003, policyholders' account balances and separate account liabilities related to these policies aggregated $267 million and $252 million, respectively.

The Company has an agreement with NYLINK Insurance Agency Incorporated ("NYLINK), an indirect wholly owned subsidiary of New York Life, granting NYLINK the right to solicit applications for the Company's products through NYLINK's subagents. For the year ended December 31, 2004, the Company recorded commission and fee expense to NYLINK agents of $7 million.

Effective December 31, 2004, the Company entered into a reinsurance agreement with New York Life (see Note 9 - Reinsurance for more details).

NOTE 13 -- SUPPLEMENTAL CASH FLOW INFORMATION

Income taxes paid were $98 million, $173 million and $30 million during 2004, 2003 and 2002, respectively.

Total interest paid was $10 million, $10 million and $7 million during 2004, 2003 and 2002, respectively.

Non-cash financing activity in 2002 consists of the transfer of $79 million in net liabilities associated with the Taiwan branch to an affiliated company (see Note 12 - Related Party Transactions).

NOTE 14 -- STATUTORY FINANCIAL INFORMATION

Accounting practices used to prepare statutory financial statements for regulatory filings of life insurance companies differ in certain instances from GAAP. The Delaware Insurance Department (the "Department") recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Delaware Insurance Law. In making such determinations the Department gives no consideration to financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

At December 31, 2004 and 2003, statutory stockholder's equity was $2,009 million and $1,882 million, respectively. Statutory net income/(loss) for the years ended December 31, 2004, 2003 and 2002 was $224 million, $20 million and $(95) million, respectively.

The Company is restricted as to the amounts it may pay as dividends to New York Life. Under Delaware Insurance Law, dividends on capital stock can be distributed only out of earned surplus. Furthermore, without prior approval of the Delaware Insurance Commissioner, dividends cannot be declared or distributed which exceed the greater of ten percent of the Company's surplus or one hundred percent of net gain from operations. No dividends were paid or declared for the years ended December 31, 2004, 2003 and 2002. As of December 31, 2004, the amount of available and accumulated funds derived from earned surplus from which the Company can pay dividends is $574 million. The maximum amount of dividends that may be paid in 2005 without prior approval is $228 million.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholder of
New York Life Insurance and Annuity Corporation:

In our opinion, the accompanying balance sheet and the related statements of income, of stockholder's equity and of cash flows present fairly, in all material respects, the financial position of New York Life Insurance and Annuity Corporation (the "Company") at December 31, 2004 and 2003, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PRICEWATERHOUSECOOPERS LLP
New York, NY
February 28, 2005