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FORM 497

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FILER

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

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

VARIABLE UNIVERSAL LIFE PROVIDER

PROSPECTUS--MAY 1, 2005

A FLEXIBLE PREMIUM LIFE INSURANCE CONTRACT OFFERED TO INDIVIDUALS UNDER
NYLIAC VARIABLE UNIVERSAL LIFE SEPARATE ACCOUNT--I

You can send service requests to us at either of the following addresses:

<Table>	
<S>	<C>
NYLIAC	NYLIAC
Variable Products Service Center	Variable Products Service Center
Madison Square Station	51 Madison Avenue
P.O. Box 922	Room 651
New York, NY 10159	New York, NY 10010
</Table>	

or call our toll free number: 1-800-598-2019

You can send premium payments to us at:

NYLIAC
75 Remittance Drive, Suite 3021
Chicago, IL 60675-3021

The Securities and Exchange Commission has not approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. Policies have risks including risk of loss of the amount invested. Policies are not deposits of, or guaranteed or endorsed by, any bank and are not federally insured by the FDIC, Federal Reserve Board or any other agency.

This life insurance policy is not considered an offering in any jurisdiction in which such an offering may not be lawfully made. We do not authorize any information or representations regarding the offering described in this prospectus and the Statement of Additional Information ("SAI") other than as contained in these materials or any attached supplements to them or in any supplemental sales material we authorize.

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SUMMARY OF BENEFITS AND RISKS

BENEFITS

The following is a brief summary of certain features of NYLIAC Variable Universal Life Provider ("VUL Provider"). More complete and detailed information regarding these features is discussed later in this prospectus and in the SAI.

PROTECTION

VUL Provider provides permanent life insurance coverage with opportunity for tax-deferred Cash Value accumulation that can supplement your retirement income. Premium payments, less any applicable charges, are allocated to the Investment Divisions, the Fixed Account, and/or the DCA Plus Account according to your instructions. The investment return of the policy is based on:

- the amount in and performance of each Investment Division of the Separate Account;
- the amount in and rate of interest credited to the Fixed Account and/or the DCA Plus Account; and
- the charges we deduct.

With VUL Provider, you have the potential for higher rates of return and Cash Value accumulation than with a fixed rate life insurance policy.

FLEXIBLE PREMIUMS

VUL Provider premium payments are flexible; you can select the time and amount of premium you pay, within limits. Other than the initial minimum premium payment, there are no required premiums. Since the potential Cash Value growth can be used to supplement retirement income, this policy is designed to offer the best potential benefit when funded for at least ten years at or near the guideline annual premium. As long as the Cash Surrender Value is sufficient to cover the policy's monthly deductions, you can increase, decrease, or stop making premium payments to meet your changing needs. See "Definitions" for explanation of Cash Surrender Value.

Premium amounts will vary depending on individual policy specifics (age, gender, coverage amount, underwriting classification)

THREE-YEAR NO-LAPSE GUARANTEE

VUL Provider offers a no-lapse guarantee*. This benefit prevents your policy from lapsing for three years regardless of your account performance, provided that your policy premium payments satisfy the minimum premium test. (See "No-Lapse Guarantee" for information on premiums required to pass the test.) In the thirty-seventh month, if there is insufficient Cash Surrender Value to cover the current and any deferred monthly charges, you will be sent a bill. If that bill is not paid, the policy will lapse. The guarantee period will end before the third policy anniversary (1) if you do not pass the minimum premium test, (2) if you change the Face Amount of the policy or the Life Insurance Benefit option resulting in a change in Face Amount, (3) if you add or delete any riders to the policy,

* Not available in New Jersey and Texas.

(4) if you increase or decrease rider coverage amounts, or (5) if there is a change in underwriting class.

LIQUIDITY THROUGH LOANS

VUL Provider allows you to access your policy's Cash Surrender Value through loans. Your policy value will be used as collateral to secure a policy loan. You can borrow any amount up to the loan value of the policy.

LIQUIDITY THROUGH WITHDRAWALS

You can also withdraw an amount up to the Cash Surrender Value of your policy. Partial withdrawals will reduce the policy's Cash Value and Life Insurance Benefit. We will not allow a partial withdrawal for an amount that would cause your policy to fall below the policy's minimum Face Amount. Partial withdrawals can result in a taxable event. Certain charges apply if you surrender your policy during the first Policy Year, an amount equal to any additional first year contract charges due us will also be deducted from the Cash Surrender Value.

ALTERNATIVE CASH SURRENDER VALUE*

An Alternative Cash Surrender Value (ACSV) (see "Definitions" for an explanation of this term) may be made available to a Corporation, Irrevocable Trust, or other defined policyowner class if we agree. If your policy has ACSV, the policy can be surrendered within the first ten years for the ACSV. The ACSV equals the Cash Surrender Value plus the unamortized ACSV benefit. Policies with an ACSV will have higher Mortality and Expense Risk charges.

INVESTMENT OPTIONS

This policy offers you a choice of investment options, including 29 Investment Divisions, the Fixed Account and the DCA Plus Account. You can choose a maximum of 21 investment options for the allocation of net premium payments or for the transfer of cash value from among the 29 Investment Divisions, the Fixed Account, and/or the DCA plus Account. Transfers among the Investment Divisions can be made tax-free, within the limits described in this prospectus. You can change the Investment Divisions you invest in throughout the life of the policy.

CHANGE THE AMOUNT OF COVERAGE

With VUL Provider, you are able to increase or decrease the policy's Face Amount. Increases are subject to underwriting. Contestability and Suicide provisions on any increased portion of coverage begins on the effective date of the increase. Increases in the Face Amount will also result in additional cost of insurance charges, a new surrender charge period applicable to the amount of the increase, and a new seven-year testing period for modified endowment contract status. We can limit any increase in the Face Amount of your policy. Under certain circumstances, it may be more advantageous to purchase additional insurance through our term insurance rider rather than increasing your Face Amount under the policy. Decreases in coverage can incur surrender charges.

* Not available in Indiana, Maryland and New Jersey.

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THREE LIFE INSURANCE BENEFIT OPTIONS

VUL Provider offers three different Life Insurance Benefit options:

- Option 1--a level benefit equal to your policy's Face Amount.
- Option 2--a benefit that varies and equals the sum of your policy's Face Amount and Cash Value.
- Option 3--a benefit that equals the sum of your policy's Face Amount and Adjusted Total Premium.

AUTOMATED INVESTMENT FEATURES

These administrative features are available to help you manage the policy's Cash Value and to adjust the investment allocation to suit changing needs: Automatic Asset Reallocation, Dollar Cost Averaging, Dollar Cost Averaging Plus, Expense Allocation, and Interest Sweep.

DOLLAR COST AVERAGING PLUS

You may have the option of electing the Dollar Cost Averaging Plus ("DCA Plus") feature, which allows you to set up dollar cost averaging using the DCA Plus Account when an initial premium payment is made.

OPTIONAL RIDERS

VUL Provider offers additional insurance coverage and other benefits through several optional riders. Certain riders have costs associated with them.

POLICYHOLDER SUPPORT

As a policyholder, you have access to a password-protected Internet website, an automated 24 hour call-in service, toll free telephone support, and your registered representative if you have questions about your VUL Provider policy.

A HIGHLY-RATED COMPANY

New York Life Insurance and Annuity Corporation ("NYLIAC") is a subsidiary of New York Life Insurance Company ("NYLIC"). NYLIC has more than 150 years of experience in the offering of insurance products, and is a highly-rated insurer. Ratings reflect only the firm's General Account, applicable to the Fixed Account and the DCA Plus Account, and not applicable to the Investment Divisions.

RISKS

INVESTMENT RISK

While you have the potential for a higher rate of return than with a fixed rate policy, investment returns on the assets in the Separate Account may fall, and you can lose principal. Each Investment Division has its own investment objectives and investment strategy. We do not guarantee the investment performance of the Investment Divisions, which involve varying degrees of risk. Your premium allocation choices should be consistent with your personal investment objective.

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RISK OF LAPSE (ESPECIALLY ON MINIMALLY-FUNDED POLICIES)

Your policy can lapse even if you pay all of the planned premiums on time. When a policy lapses, it has no value, and no benefits accrue upon the death of the insured. Your policy involves risks, including the potential risk of loss of the principal invested. Note that "termination" and "lapse" when used throughout this prospectus, have the same meaning and effect.

A VUL Provider policy that has a Cash Surrender Value just sufficient to cover monthly deductions and charges, or that is otherwise minimally funded, is more likely to be unable to maintain its Cash Surrender Value due to market fluctuation and other performance related risks. To continue to keep your policy in force when the No-Lapse Guarantee period ends, premium payments significantly higher than the premium necessary to maintain the No-Lapse Guarantee benefit may be required. In addition, by paying only the minimum required monthly premium, you may forego the opportunity to build up significant Cash Value in the policy. When determining the amount of your planned premium payments, you should consider funding your policy at a level that has the potential to maximize the investment opportunities within your policy and to minimize the risks associated with market fluctuations.

POTENTIAL FOR INCREASED CHARGES

We have the right to increase current charges at any time, up to the amount shown as the guaranteed maximum. In addition, we may increase the amount we deduct as a federal or state tax charge to reflect changes in tax law. However, the actual charges will never exceed the guaranteed charges. (See "Table of Fees and Expenses" for more information.)

RISK OF LAPSE FROM POLICY LOANS

The larger the loan becomes relative to the policy's Cash Surrender Value, the greater the risk that the policy's remaining Cash Surrender Value will not be sufficient to support the policy's charges and expenses, including any loan interest due, and the greater the risk of the policy lapsing. Any loan interest due on a policy anniversary that you do not pay will be charged against the policy as an additional loan and could cause your policy to become a modified endowment contract.

A loan, repaid or not, has a permanent effect on your Cash Value. The effect could be favorable, if the Investment Divisions earn less than the interest rate credited on the loan amount in the Fixed Account, or unfavorable, if the Investment Divisions earn more. The longer a loan is outstanding, the greater its effect on your Cash Value is likely to be. If it is not repaid, the aggregate amount of the outstanding loan principal and any accrued interest can reduce the Policy Proceeds that might otherwise be paid.

Unless your policy qualifies as a modified endowment contract, policy loans are not taxable. If a policy is a modified endowment contract, a loan may result in taxable income to you. In addition, if loans taken, including unpaid loan interest, exceed the premiums paid, a policy surrender or lapse will result in a taxable event for you.

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TAX RISKS

The section of this prospectus entitled "Federal Income Tax Considerations" describes a number of tax issues that may arise in connection with the Policy. These risks include: (1) the possibility that the Internal Revenue Service ("IRS") may interpret the rules that apply to variable life insurance contracts in a manner that could result in you being treated as the owner of your policy's pro rata portion of the assets of the Separate Account; (2) the possibility that the IRS may take the position that the policy does not qualify as life insurance for tax purposes; (3) the possibility that, as a result of policy transactions, including the payment of premiums or increases or decreases in policy benefits, the policy may be treated as a modified endowment contract for federal income tax purposes, with special rules that apply to policy distributions, including loans; (4) the possibility that the policy may not qualify as life insurance under the federal tax law after the insured becomes age 100 and that the owner may be subject to adverse tax consequences at that time; and (5) the potential

that corporate ownership of a policy may affect the owner's exposure to the corporate alternative minimum tax.

Loan Interest--There is a possibility that the IRS may treat the preferred loan interest spread which begins in Policy Year 11 as a taxable distribution.

CHARGES FOR POLICY SURRENDER/DECREASES IN COVERAGE

During the first ten years of the policy, or within ten years after you increase the Face Amount, surrender charges apply to deter policy surrender. VUL Provider is designed to be long-term life insurance coverage. It is not suitable as a short-term investment vehicle.

PORTFOLIO RISKS

A discussion of the risks of allocating cash value to each Fund can be found in that Fund's prospectus.

POTENTIALLY HARMFUL TRANSFER ACTIVITY

This policy is not designed 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. We have limitations and restrictions on transfer activity (see "Limits on Transfers" for more information). We cannot guarantee that these limitations and restrictions will be effective in detecting and preventing all transfer activity that could disadvantage or potentially hurt the rights or interests of other policyowners. Potentially harmful transfer activity could result in reduced performance results for one or more Investment Divisions, due to among other things:

- portfolio management decisions driven by the need to maintain higher than normal liquidity or the inability to sustain an investment objective
- increased administrative and Fund brokerage expenses
- dilution of the interests of long-term investors

An underlying Fund portfolio may reject any order from us if it suspects potentially harmful transfer activity, thereby preventing us from implementing your request for a transfer. (See "Limits on Transfers" for more information on the risks of frequent trading.)

TABLE OF FEES AND EXPENSES

The following tables describe the fees and expenses that you will pay when buying, owning, and surrendering the policy. The first table describes the fees and expenses that you will pay at the time you purchase the policy, surrender the policy, or transfer cash value between investment options.

TRANSACTION FEES

CHARGE	WHEN CHARGE IS DEDUCTED	AMOUNT DEDUCTED
<S>	<C>	<C>
Sales Expense Charge Imposed on Premium Payments	when premium payment is applied up to age 100	Guaranteed: All payments - 6.75% Current: (1) Payments up to Target Premium - 6.75% Payments in excess of Target Premium - 4.25%
Premium Taxes:	when premium payment is applied up to age 100	All taxes may vary over time Guaranteed: subject to tax law changes
State Tax		Current: 2% of premium
Federal Tax		Current: 1.25% of premium payments
Deferred Sales Charge:		
-- Surrender(2)	surrender or lapse in first 10 years or Face Amount decrease within 10 years after an increase	The lesser of: 50% of total premiums paid under the policy or 100% of the Surrender Charge Premium(3) applicable to the Policy Year Guaranteed maximum: \$47.60 per \$1000 of Face Amount Guaranteed minimum: \$14.18 per \$1000 of Face Amount Charge for a representative insured: \$27.31 per \$1000 of Face Amount (male, age 40, preferred rating).
Surrender Charges:		
-- Contract Surrender Charge During First Policy Year(2)	surrender or lapse in first year	Guaranteed: \$220(4)
-- Surrender Charge After Face Amount Increase(2)	surrender or lapse in first 10 years after the increase	The calculation for the additional Face Amount begins on the effective date of the increase. See "Deferred Sales Charge," above.

-- Partial Withdrawal Charge	partial withdrawal	Guaranteed: The lesser of \$25 or 2% of the amount withdrawn (In addition, if the Face Amount is decreased due to the partial withdrawal, a surrender charge may apply. See "Deferred Sales Charge," above.)
Transfer Charge	transfer	Current: no charge Guaranteed: \$30 per transfer for each transfer over 12 in a Policy Year.
Living Benefits Rider	when you exercise the benefit	Current: no charge \$150 (one-time)

</Table>

- (1) Current sales expense charges in Policy Years 6 and beyond are reduced to 2.75% for payments up to Target Premium and 0.75% for payments in excess of the Target Premium.
- (2) Exceptions to Surrender Charge:
We will not deduct a surrender charge if:
 - we cancel the policy;
 - we pay proceeds upon the death of the insured;
 - we pay a required Internal Revenue Service minimum distribution;
 - the policy is out of the surrender charge period; or
 - if your policy contains the ACSV Benefit and you surrender all of the NYLIAC policies you own which include an ACSV Benefit in the first ten years.
- (3) The Surrender Charge Premium varies based on individual characteristics, and the charge shown may not be representative of what you will pay. To obtain more information about particular charges as they apply to your policy, please contact your registered representative. For a Face Amount decrease, the surrender charge is equal to the difference between (1) and (2), where (1) is the surrender charge calculated on the original face amount, and (2) is the surrender charge calculated on the new decreased Face Amount.
- (4) The formula for calculating this charge is as follows: [monthly contract charge for Policy Year 1 - monthly contract charge for subsequent Policy Years] X [Monthly Deduction Days between surrender date and first anniversary of the Policy Date]

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The next table describes the fees and expenses that you will pay periodically during the time that you own the policy, excluding the Funds' fees and expenses.

PERIODIC CHARGES OTHER THAN FUNDS' OPERATING EXPENSES

<Table>

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CHARGE	WHEN CHARGE IS DEDUCTED	AMOUNT DEDUCTED
<S> Cost of Insurance:(1)	<C> monthly to age 100	Guaranteed Maximum: \$83.33 per \$1000 of Net Amount at Risk(2) Guaranteed Minimum: \$0.08 per \$1000 of Net Amount at Risk Guaranteed Charge for Representative insured (male, age 40, preferred rating \$250,000 policy Face Amount): \$0.25 per \$1000 of Net Amount at Risk for the first Policy Year
Monthly Contract Fees:	Policy Year 1 Policy Year 2+	Guaranteed Maximum: \$35 Current: \$30 Guaranteed Maximum: \$15 Current: \$10
Mortality & Expense Risk Fee	monthly	Guaranteed: 1.00% (annualized) of the Separate Account Cash Value

</Table>

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<Caption>

SEPARATE ACCOUNT CASH VALUE	YEARS 1-5	YEARS 6-10	YEARS 11-20	YEARS 21+
<S>	<C>	<C>	<C>	<C>
< \$25,000	0.70	0.70	0.45	0.30
\$25,000-\$49,999	0.70	0.65	0.40	0.25
\$50,000-\$74,999	0.70	0.60	0.35	0.20
\$75,000-\$99,999	0.70	0.55	0.30	0.15
\$100,000-\$149,999	0.70	0.50	0.25	0.10
\$150,000 or greater	0.70	0.45	0.20	0.05
If your policy contains ACSV:				
< \$25,000	1.0	1.0	0.45	0.30
\$25,000-\$49,999	1.0	1.0	0.40	0.25
\$50,000-\$74,999	1.0	1.0	0.35	0.20
\$75,000-\$99,999	1.0	1.0	0.30	0.15
\$100,000-\$149,999	1.0	1.0	0.25	0.10

</Table>

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<p><S> Per Thousand Charge</p>	<p><C> monthly</p>	<p><C> Guaranteed: .07 per \$1,000 of Face Amount plus the face amount of the Term Insurance Rider. (charged for all months) Current: .07 per \$1,000 of Face Amount plus the face amount of the Term Insurance Rider. (charged only for the first 60 months)</p>
<p>Riders:</p> <p>-- Guaranteed Insurability (GIR) (3)</p> <p>-- Insurance Exchange</p> <p>-- Life Extension Benefit(3)</p> <p>-- Monthly Deduction Waiver(3)</p> <p>-- Spouses Paid-up Insurance Purchase Option</p> <p>-- Term Insurance Benefit (TIR) (3)</p>	<p>all monthly until rider expires</p>	<p>Maximum: \$0.46 per \$1,000 of GIR face amount Minimum: \$0.08 per \$1,000 of GIR face amount Representative insured: \$0.23 per \$1,000 of GIR face amount for the first Policy Year</p> <p>A one-time payment may be required upon exercise, depending upon the Cash Surrender Value of the existing and new policies at the time of the exchange. Maximum: \$0.1158 per \$1,000 of Face Amount Minimum: \$0.0001 per \$1,000 of Face Amount Representative insured: \$0.007 per \$1,000 of Face Amount</p> <p>Maximum: 77% of monthly charges Minimum: 8% of monthly charges Representative insured: 11% of monthly charges for the first Policy Year</p> <p>No charge</p> <p>Maximum: \$83.33 per \$1,000 of TIR face amount Minimum: \$0.08 per \$1,000 of TIR face amount Representative insured: \$0.25 per \$1,000 of TIR face amount for the first Policy Year</p>
<p>Loan Interest</p>	<p>monthly</p>	<p>Current: 4% for the first 10 years and 3% for years 11 and subsequent Guaranteed: 6% annually</p>

</Table>

(1) This cost varies based on individual characteristics, and the charge shown may not be representative of the charge you will pay. To obtain more information about particular costs of insurance and other charges as they apply to your policy, please contact your Registered Representative.

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(2) Net amount at risk is equal to the difference between the Life Insurance Benefit and the policy's Cash Value. See "Life Insurance Benefit Options" for more information.

(3) This charge varies based on individual characteristics, and the charge shown may not be representative of the charge you will pay. The "Representative insured" charge is for a male, aged 40, preferred rating, with a \$250,000 policy Face Amount. To obtain more information about particular rider charges as they apply to your policy, please contact your registered representative.

The next table shows the minimum and maximum total operating expenses deducted from Fund assets (before any fee waiver or expense reimbursement) during the year ended December 31, 2004. Fund expenses may be higher or lower in the future. More detail concerning each underlying Fund's fees and expenses is contained in the prospectus for each Fund.

Fund Annual Operating Expenses (expenses that are deducted from Fund assets) (1)

<Table>
<Caption>

	MINIMUM	MAXIMUM
<S>	<C>	<C>
Total Annual Fund Companies' Operating Expenses(2)....	0.39%	1.71%

</Table>

(1) Expressed as a percentage of average net assets for the fiscal year ended December 31, 2004. This information is provided by the Funds and their agents, and is based on 2004 expenses. We have not verified the accuracy of this information.

(2) Expenses that are deducted from Fund Company assets, including management fees, distribution fees, and other expenses.

FUND ANNUAL EXPENSES

<Table>
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	MAINSTAY VP BALANCED -- INITIAL CLASS	MAINSTAY VP BASIC VALUE (B) -- INITIAL CLASS	MAINSTAY VP BOND -- INITIAL CLASS	MAINSTAY VP CAPITAL APPRECIATION -- INITIAL CLASS	MAINSTAY VP CASH MANAGEMENT	MAINSTAY VP COMMON STOCK -- INITIAL CLASS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
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%	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
<S>	<C>	<C>	<C>	<C>
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%
Administration Fees.....	0.20%	0.20%	0.20%	0.20%
Other Expenses.....	0.10%	0.19% (c)	0.09%	0.15%
Total Fund Annual Expenses.....	0.66%	0.79%	0.59%	0.85%

</Table>
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	MAINSTAY VP HIGH YIELD CORPORATE BOND -- INITIAL CLASS	MAINSTAY VP INCOME & GROWTH (B) -- 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
<S>	<C>	<C>	<C>	<C>	<C>	<C>
FUND ANNUAL EXPENSES (a) (as a % of average net assets for the fiscal year ended December 31, 2004)						
Advisory Fees.....	0.30%	0.50%	0.60%	0.85% (e)	0.75% (e)	0.70% (e)
Administration Fees.....	0.20%	0.20%	0.20%	0.00% (e)	0.00% (e)	0.00% (e)
Other Expenses.....	0.09%	0.20%	0.19%	0.19%	0.13%	0.11%
Total Fund Annual Expenses.....	0.59%	0.90%	0.99%	1.04% (f)	0.88% (f)	0.81% (f)

<Caption>

	MAINSTAY VP SMALL CAP GROWTH -- INITIAL CLASS	MAINSTAY VP S&P 500 INDEX -- INITIAL CLASS	MAINSTAY VP TOTAL RETURN -- INITIAL CLASS	MAINSTAY VP VALUE -- INITIAL CLASS
<S>	<C>	<C>	<C>	<C>
FUND ANNUAL EXPENSES (a) (as a % of average net assets for the fiscal year ended December 31, 2004)				
Advisory Fees.....	0.90% (e)	0.10% (g)	0.32%	0.36%
Administration Fees.....	0.00% (e)	0.20%	0.20%	0.20%
Other Expenses.....	0.14%	0.09%	0.10%	0.09%
Total Fund Annual Expenses.....	1.04% (f)	0.39%	0.62%	0.65%

</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," 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 0.55% and Total Portfolio Operating Expenses would have been 0.91% for Initial Class Shares and 1.16% for Service Class Shares. This waiver may be discontinued at any time without notice.
- (e) The fees designated as "Advisory Fees" reflect "Management Fees," which includes 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%.
- (f) 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.
- (g) 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.

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<Table>
<Caption>

	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 -----
<S>	<C>	<C>	<C>	<C>	<C>
FUND ANNUAL EXPENSES (A) (as a % of average net assets for the fiscal year ended December 31, 2004)					
Advisory Fees.....	0.85%	0.425%	0.75%	0.57%	0.47%
Administration Fees.....	0.00%	0.275%	0.00%	0.00%	0.00%
Other Expenses.....	0.12%	0.21%	0.10%	0.11%	0.11%
Total Fund Annual Expenses....	0.97%	0.91% (a)	0.85%	0.68% (h)	0.58% (h)

<Caption>

	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 -----
<S>	<C>	<C>	<C>	<C>
FUND ANNUAL EXPENSES (A) (as a % of average net assets for the fiscal year ended December 31, 2004)				
Advisory Fees.....	0.55%	0.60%	0.85%	0.25%
Administration Fees.....	0.00%	0.00%	0.00%	0.00%
Other Expenses.....	0.01%	0.03%	0.00%	0.46%
Total Fund Annual Expenses....	0.56% (i)	0.63% (i)	0.85% (j)	1.71% (k)

</Table>

- (h) 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. These offsets may be discontinued at any time.

- (i) 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.
- (j) 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, brokerage, nonrecurring and 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.
- (k) 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.

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DEFINITIONS

ADJUSTED TOTAL PREMIUM: The total premiums paid minus any partial withdrawals. This amount will never be less than zero. This is used in the calculation of Life Insurance Benefit option 3.

ALTERNATIVE CASH SURRENDER VALUE ("ACSV"): For eligible policies, an amount equal to the Cash Surrender Value plus the sum of all sales expense charges and monthly per thousand Face Amount charges amortized over the first ten Policy Years.

BUSINESS DAY: Day on which the New York Stock Exchange is open for regular trading.

CASH SURRENDER VALUE: The Cash Value less, any surrender charges that may apply, and less any unpaid loan and accrued interest. This is the amount we will pay you if you surrender your policy. See "Surrenders" for more information.

CASH VALUE: The total value of your policy's accumulation units in the Separate Account, plus any amount in the Fixed Account, and DCA Plus Account.

CASH VALUE ACCUMULATION TEST ("CVAT"): An IRS test to determine whether a policy can be considered life insurance. See "Life Insurance Benefit Options" for more information.

DOLLAR COST AVERAGING PLUS ("DCA PLUS") ACCOUNT: The 12-month Dollar Cost Averaging account used specifically for the DCA Plus feature.

ELIGIBLE PORTFOLIOS ("PORTFOLIOS"): The mutual fund portfolios of the Funds that are available for investment through the Investment Divisions of the Separate Account.

FACE AMOUNT: The base face amount, plus the face amount of the Term Insurance Rider ("TIR"), if in effect, plus or minus any changes made to the face amount of the TIR. The base face amount is the initial face amount as shown on the Policy Data Page, plus or minus any changes made to the initial face amount.

FIXED ACCOUNT: The Fixed Account is supported by assets in NYLIAC's General Account. The amount in the Fixed Account earns interest on a daily basis. Interest is credited on each Monthly Deduction Day.

FUND: An open-end management investment company.

GENERAL ACCOUNT: An account representing all of NYLIAC's assets, liabilities, capital and surplus, income, gains, or losses that are not included in the Separate Account or any other separate account. We allocate any net premium payments you make during the free look period to this account.

GUIDELINE PREMIUM TEST ("GPT"): An IRS test to determine whether a policy can be considered life insurance. See "Life Insurance Benefit Options" for more information.

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

IRC: Internal Revenue Code of 1986, as amended.

ISSUE DATE: The date we issue the policy as specified on the Policy Data Page.

IVR: Interactive Voice Response system.

LIFE INSURANCE BENEFIT: The benefit calculated under the life insurance benefit option you have chosen.

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MONTHLY DEDUCTION DAY: The date that we deduct your monthly contract charge,

monthly per thousand Face Amount charge, cost of insurance charge, and any rider charges from your policy's Cash Surrender Value, and the date that we deduct the Mortality and Expense Risk charges from the Cash Surrender Value allocated to the Separate Account. The first Monthly Deduction Day will be the monthly anniversary of the Policy Date on or following the Issue Date. However, if we have not received your initial premium payment as of the Issue Date, the first Monthly Deduction Day will be the monthly anniversary of the Policy Date on or following the date we receive the initial premium payment.

MORTALITY AND EXPENSE RISK: The risk that the group of lives we have insured under our policies will not live as long as we expect (mortality risk); and the risk that the cost of issuing and administering the policies will be greater than we have estimated (expense risk).

NET AMOUNT AT RISK: The difference between the Life Insurance Benefit and the policy's Cash Value. See "Life Insurance Benefit Options" for more information.

POLICY DATA PAGE: Page 2 of your policy. The Policy Data Page contains your policy's specifications.

POLICY DATE: The date we use as the starting point for determining Policy Years and Monthly Deduction Days. Your Policy Date will be the same as your Issue Date, unless you request otherwise. You can find your Policy Date on the Policy Data Page.

POLICY PROCEEDS: The benefit we will pay to your beneficiary when we receive proof that the insured died while the policy is in effect. It is equal to the Life Insurance Benefit, plus any additional death benefits under any riders you have chosen, minus any outstanding loans (including any accrued loan interest).

POLICY YEAR: The twelve-month period starting on your 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-1, a segregated asset account NYLIAC established to receive and invest net premiums that are allocated to the Investment Divisions.

SURRENDER CHARGE PREMIUM: The amount we use to calculate surrender charges, as set forth on the Policy Data Page.

TARGET PREMIUM: A factor that is used in determining the sales expense charge to be deducted from your premium payments. The Target Premium is found on the Policy Data Page.

VPSC: Variable Products Service Center.

VSC: Virtual Service Center. The VSC provides up-to-date policy information through the Internet. See, "How To Reach Us For Policy Services" for more information.

MANAGEMENT AND ORGANIZATION

INSURER

New York Life Insurance and Annuity Corporation ("NYLIAC")
(a wholly-owned subsidiary of New York Life Insurance Company)
51 Madison Avenue
New York, NY 10010

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YOUR POLICY

VUL Provider is offered by NYLIAC. Policy assets allocated to the Investment Divisions are invested in Variable Universal Life Separate Account-I (the "Separate Account"), which has been in existence since June 4, 1993. The Policy offers life insurance protection, a choice of Life Insurance Benefit options, flexible premium payments, changes to the Face Amount of the Policy, loans, withdrawals and Face Amount decreases (which may be subject to a surrender charge), and the ability to invest in up to 21 Investment Divisions, the Fixed Account, and/or the DCA Plus Account.

The income, gains, and losses credited to, or charged against the Separate Account reflect its own investment experience, and not that of NYLIAC's other assets. It is important to note that the policy's assets may be used to pay only those NYLIAC liabilities that arise from the policies. NYLIAC is obligated to pay all amounts promised to policyowners under the policies.

STATE VARIATIONS Certain provisions of the policies may differ from the general description in this prospectus, and certain riders and options may not be available because of legal requirements or restrictions in your state. See your policy for specific variations, because any such state variations will be

included in your policy, or in riders or endorsements attached to your policy. See your registered representative or contact us for specific information that may be applicable to your state. Also, see Appendix B for a summary of state variations.

ABOUT THE SEPARATE ACCOUNT

NYLIAC Variable Universal Life Separate Account-I (the "Separate Account.") is a segregated asset account that NYLIAC has 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 resolutions set forth by the NYLIAC Board of Directors. The Separate Account is registered as a unit investment trust with the Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940, as amended. This registration does not mean that the SEC supervises the management, 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 income, capital gains, and capital losses arising out of any other business NYLIAC may conduct. Therefore, the investment performance of the Separate Account is entirely independent of the investment performance of NYLIAC's Fixed Account or DCA Plus Account or any other separate account of NYLIAC. 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 charged against the assets of that Investment Division, without regard to the income, capital gains, or capital losses of any

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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 the performance of the Eligible Portfolios.

OUR RIGHTS

We may take certain actions relating to our operations and the operations of the Separate Account. We will take these actions in accordance with applicable laws, including obtaining any required approval of the SEC and any other required regulatory approvals. If necessary, we will seek approval of our policyowners.

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 under the 1940 Act or in any other form permitted by law;
- deregister the Separate Account under the 1940 Act;
- 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;
- restrict or eliminate any of the voting rights of policyowners or other persons who have voting rights as to the Separate Account; and
- change the name of the Separate Account.

(See the SAI for more information.)

THE FIXED ACCOUNT AND DCA PLUS ACCOUNT

The Fixed Account and DCA Plus Account are supported by the assets in our General Account, which includes all of our assets except those assets

specifically allocated to separate accounts. These assets are subject to the claims of our general creditors. We can invest the assets of the Fixed Account and DCA Plus Account however we choose, within limits. Your interest in the Fixed Account and DCA Plus Account is not registered under the Securities Act of 1933, as amended (the "1933 Act"), and the Fixed Account and DCA Plus Account are not registered as investment companies under the Investment Company Act of 1940, as amended (the "1940 Act"). Therefore, generally, you do not have the benefits and protections of these statutes for amounts allocated to the Fixed Account or the DCA Plus Account.

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HOW TO REACH US FOR POLICY SERVICES

You can send service requests to us at either of the following Variable Product Service Center ("VPSC") addresses:

<Table>	<C>
<S>	<C>
NYLIAC	NYLIAC
Variable Products Service Center	Variable Products Service Center
Madison Square Station	51 Madison Avenue
P.O. Box 922	Room 651
New York, NY 10159	New York, NY 10010
</Table>	

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").

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. 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 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 that 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 in our discretion.

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-- 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 Products 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 (e.g., 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.

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 the prospectuses, which are found at the end of the policy's prospectus.

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We receive payments or compensation from some or all of the Funds or their investment 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 0.10% to 0.35% 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
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	Subadviser: The Dreyfus Corporation ("Dreyfus")	- Capital appreciation.

Company Value--Initial Class)			
--MainStay VP Bond-- Initial Class		NYLIM	- Seeks highest income over the long term consistent with preservation of principal.
--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 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.

</Table>

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

--MainStay VP Small Cap Growth--Initial Class	Subadviser: MacKay	the S&P 500 (R) Index. - 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.
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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.
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</Table>

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FUND	INVESTMENT ADVISER	INVESTMENT OBJECTIVE
<S> Dreyfus Investment Portfolios: --Dreyfus IP Technology Growth Initial Shares	<C> The Dreyfus Corporation	<C> - 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 Subadviser: FMRC	- Seeks long-term capital appreciation.
--Fidelity(R) VIP Equity-Income (R) Initial Class		- 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).

Janus Aspen Series: --Janus Aspen Series Balanced Institutional Shares	Janus Capital Management LLC	- Long-term capital growth, consistent with the preservation
---------------------------------------------------------------------------	------------------------------	--------------------------------------------------------------

--Janus Aspen Series Worldwide
Growth--Institutional Shares

of capital and balanced by
current income.
- 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.

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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 Eligible Portfolio or Portfolios.

The Investment Divisions invest in the corresponding Eligible Portfolios.
You can choose a maximum of 21 investment options for net premium payments from
among the 29 Investment Divisions, the Fixed Account, and/or the DCA Plus
Account. You can transfer all or part of the Cash Value of your policy among the
investment options tax free and within the limits described in this prospectus.

The Investment Divisions offered through the VUL Provider policy and
described in this prospectus and the SAI are different from mutual funds that
may have similar names, the same adviser, the same investment objective and
policy and similar portfolio securities, but still investment performance may
not be the same.

INVESTMENT RETURN

The investment return of your policy is based on the accumulation units you
have in each Investment Division of the Separate Account, the amount you have in
the Fixed Account and DCA Plus Account, the investment experience of each
Investment Division as measured by its actual net rate of return, and the
interest rate we credit on the amount you have in the Fixed Account and/or DCA
Plus Account.

The investment experience of an Investment Division of the Separate Account
reflects increases or decreases in the net asset value of the shares of the
corresponding Eligible Portfolio, any dividend or capital gains distributions,
and any charges against the assets of the Investment Division. We determine this
investment experience from the end of one valuation day to the end of the next
valuation day.

We will credit any amounts in the Fixed Account and DCA Plus Account with a
fixed interest rate that we declare periodically, in advance, and at our sole

discretion. This rate will never be less than an annual rate of 3%. We may credit different interest rates to loaned and unloaned amounts in the Fixed Account and DCA Plus Account. All net premiums applied to the Fixed Account and DCA Plus Account, and amounts transferred to the Fixed Account, receive the loaned amount rate or the unloaned amount rate in effect at that time. Interest accrues daily and is credited on each Monthly Deduction Day.

VOTING

We will vote the shares held in the Investment Divisions of the Separate Account of the Eligible Portfolios at any regular and special shareholder meetings of the Funds. We will vote these shares according to the instructions we receive from our policyowners who have invested their premiums in Investment Divisions that invest in the Fund holding the

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meeting. However, if the law changes to allow us to vote the shares in our own right, we may decide to do so.

While your policy is in effect, you can provide voting instructions to us for each Investment Division in which you have assets. The number of votes you are entitled to will be determined by dividing the units you have invested in an Investment Division by the net asset value per unit for the Eligible Portfolio underlying that Investment Division.

We will determine the number of votes you are entitled to on the date established by the underlying Fund for determining shareholders that are eligible to vote at the meeting of the relevant Fund. We will send you written voting instructions prior to the meeting according to the procedures established by the Fund. We will send proxy material, reports, and other materials relating to the Fund to each person having a voting interest.

We will vote the Fund shares for which we do not receive timely instructions in the same proportion as the shares for which we receive timely voting instructions. We will use voting instructions to abstain from voting on an item to reduce the number of votes eligible to be cast.

CHARGES ASSOCIATED WITH THE POLICY

As with all life insurance policies, certain charges apply when you purchase a VUL Provider policy. The following is a summary explanation of these charges. (See "Additional Information about Charges" in the SAI for more information.)

LOAN CHARGES

We currently charge an effective annual loan interest rate of 4.00%. We may increase or decrease this rate but we guarantee that the rate will never exceed 6.00%. When you request a loan, a transfer of funds will be made from the Separate Account (or DCA Plus Account, if so requested) to the Fixed Account so that the cash value in the Fixed Account is at least 100% of the requested loan plus any outstanding loans, including accrued loan interest.

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. For the first 10 Policy Years, the rate we currently credit on loaned amounts is 1% less than the rate we charge for loan interest. Beginning in the eleventh Policy Year, the rate we currently credit on loaned amounts will never be less than the rate we charge for loan interest. The rate we credit on loaned amounts will never be 0.25% 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 3%. (See "Loans" for more information.)

DEDUCTIONS FROM PREMIUMS

When we receive a premium payment from you, whether planned or unplanned, we will deduct a sales expense charge, a state tax charge, and a federal tax charge.

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SALES EXPENSE CHARGE

-- Target Premium--We assess a sales expense charge based on your policy's Target Premium. Your initial Target Premium is set at the time your policy is issued. You can find this initial Target Premium on the Policy Data Page of your policy. Your Target Premium will change if you change the Face Amount of your policy.

-- Premiums Up to the Target Premium--We deduct a current sales expense charge of 6.75% of the premium payment in Policy Years 1-5 up to the Target Premium and 2.75% of the premium payment in Policy

Years 6 and subsequent up to the Target Premium.

-- Premiums Over the Target Premium--Once premiums equal to the Target Premium for the Policy Year have been paid, we deduct a sales expense charge of 4.25% from any additional premiums paid in Policy Years 1-5; and 0.75% from any additional premiums paid in Policy Years 6 and subsequent.

-- Guaranteed Maximum--We can change this charge at any time, but we guarantee that any sales expense charge we deduct will never exceed 6.75% of any premiums paid.

STATE TAX CHARGE

-- We currently deduct 2% of each premium payment you make, or \$20 per \$1000 of premium, as a state tax charge. We may increase this charge to reflect changes in applicable law.

FEDERAL TAX CHARGE

-- We currently deduct 1.25% of each premium payment you make, or \$12.50 per \$1000 of premium, as a federal tax charge. We may increase this charge to reflect changes in applicable law.

DEDUCTIONS FROM CASH SURRENDER VALUE

Each month, we will deduct a monthly contract charge, a cost of insurance charge, a per thousand Face Amount charge, a Mortality and Expense Risk charge and a rider charge for the cost of any additional riders from your policy's Cash Surrender Value. If you have elected the Expense Allocation feature, the policy charges will be deducted according to those instructions.

We will deduct these charges on the Monthly Deduction Day. The first Monthly Deduction Day will be the monthly anniversary of your Policy Date on or following the date we receive the initial premium payment. 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.

MONTHLY CONTRACT CHARGE

Each Monthly Deduction Day we deduct a monthly contract charge to cover our costs for providing certain administrative services, including premium collection, recordkeeping, processing claims, and communicating with policyowners.

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We currently deduct a monthly contract charge of \$30 per month from policies in their first Policy Year, and we expect to deduct \$10 per month from policies in the second and subsequent years. While we can change the monthly contract charge at any time, we guarantee that we will never charge you more than \$35 per month as the monthly contract charge during the first Policy Year, and \$15 per month thereafter.

CHARGE FOR COST OF INSURANCE PROTECTION

Each Monthly Deduction Day we deduct a charge from the Cash Surrender Value for the cost of providing a Life Insurance Benefit to you. This charge is calculated by multiplying the Net Amount at Risk by the monthly cost of insurance rate and adding any applicable flat extra charge, which might apply to certain insureds based on our underwriting. The Net Amount at Risk is equal to the difference between the policy's Life Insurance Benefit and its Cash Value. The Life Insurance Benefit varies based on the Life Insurance Benefit option chosen. The Cash Value varies based on the performance of the Investment Divisions selected, outstanding loans (including loan interest), charges and premium payments.

We determine the monthly cost of insurance based upon our underwriting of your policy. This determination is based on the insured's issue age, gender, underwriting class, and 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. The monthly cost of insurance charge also depends on the Face Amount of the policy plus the amount of any term insurance in effect on the Primary Insured. 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 (therefore cost of insurance charge) may apply to the increase, based on the insured's age and circumstances at the time of increase. The cost of insurance rates will never exceed the guaranteed maximum cost of insurance rates for your policy. If the insured is a standard or better underwriting class, we base the guaranteed rates on the 1980 Commissioner's Standard Ordinary Composite Mortality Table.

MONTHLY PER THOUSAND FACE AMOUNT CHARGE

For each of the first 60 Monthly Deduction Days, a per thousand Face Amount charge will be deducted. This charge is equal to \$0.07 per \$1,000 of the policy's Face Amount plus any term insurance benefit. We do not currently deduct a per thousand Face Amount charge after the first 60 Monthly Deduction Days, but we may deduct this charge in the future. The per thousand face amount charge will never exceed \$0.07 per \$1,000 for any month.

RIDER CHARGES

Each month, we will deduct any applicable charges for those optional riders you have chosen. (For more information about specific riders' charges, see "Table of Fees and Expenses.")

EXPENSE ALLOCATION

With the Expense Allocation feature, you choose how to allocate policy expenses. These include the monthly cost of insurance, the monthly cost of any riders on the policy,

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the monthly contract charge, the per thousand Face Amount charge, and the Mortality and Expense Risk charge. You can instruct us at the time of the application, and any time thereafter, to have expenses deducted from the MainStay VP Cash Management Investment Division, the Fixed Account, the DCA Plus Account, or a combination of the three.

If the values in these specified Investment Divisions are insufficient to pay these charges, we will deduct as much of the charges as possible from the remaining Investment Divisions. The remainder of the charges will be deducted proportionately from each of the Investment Divisions. If you do not instruct us as to 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 and/or DCA Plus Account.

SEPARATE ACCOUNT CHARGES

MORTALITY AND EXPENSE RISK CHARGE

-- Current--We currently deduct a monthly Mortality and Expense Risk charge based on Cash Value in the Separate Account and duration. The Mortality and Expenses Risk Charge can be reduced based on Separate Account Cash Value and policy duration. The charge ranges from 0.70% in year one to 0.05% beginning in year 21. If your policy contains the ACSV Benefit, the monthly Mortality and Expense Risk charge will be 1.00% in the first ten Policy Years.

-- Guaranteed Maximum--We guarantee that the Mortality and Expense Risk charge will never exceed an annual rate of 1.00%, or \$10 per \$1000, of the cash value in the Separate Account.

CHARGES FOR FEDERAL INCOME TAXES

We do not currently deduct a charge for federal income taxes from the Investment Divisions, although we may do so in the future to reflect possible changes in the law.

FUND CHARGES

Each Investment Division of the Separate Account purchases shares of the corresponding Eligible Portfolio at the net asset value. The net asset value reflects the relevant Funds' 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 may vary from year to year. These fees and expenses are described in the Funds' prospectus. See "Fund Annual Expenses" for more information.

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TRANSACTION CHARGES

SURRENDER CHARGES

The Surrender Charge is in addition to the Sales Expense Charge. If you surrender your policy, or if you decrease the Face Amount of your policy (including a decrease in the Face Amount that results from changing the Life Insurance Benefit option or from a partial withdrawal) during the first ten Policy Years, or within ten years after you increase the Face Amount, we will deduct a surrender charge. The maximum charge will be the lesser of (a) or (b), where (a) equals 50% of the total premiums paid under the policy and (b) equals 100% of the Surrender Charge Premium. Since the percentage used to calculate (b)

is lower in later Policy Years, the maximum surrender charge is reduced over time.

<Table>
<Caption>

POLICY YEAR ----- <S>	PERCENTAGE APPLIED ----- <C>
1.....	100%
2.....	95%
3.....	89%
4.....	84%
5.....	78%
6.....	73%
7.....	67%
8.....	60%
9.....	54%
10.....	47%

</Table>

For example, a male insured aged 40, preferred class, with a planned annual premium of \$10,000 and a Surrender Charge Premium of \$10,924 for a Face Amount of \$400,000, who has elected Life Insurance Benefit option 1, would pay a surrender charge of \$5,000 if he surrenders his policy at the end of the first Policy Year. The surrender charge is calculated as the lesser of (a) or (b) as follows:

(a) = 50% of 10,000 = \$5,000; and

(b) = 100% of Surrender Charge Premium = \$10,924.

Since (a) is less than (b), the surrender charge would be \$5,000.

If the policy remains in force, no surrender charge is assessed. See the SAI for an additional example of how the surrender charge is calculated. For policies issued with ACSV a surrender charge will not be assessed on a full surrender of all NYLIAC policies that include an ACSV.

PARTIAL WITHDRAWAL

In addition to any applicable surrender charges, a partial withdrawal charge not to exceed \$25 may apply upon any partial withdrawal.

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TRANSFER CHARGE

We currently do not charge for transfers made between Investment Divisions. However, we have a right to charge \$30 per transfer for any transfer in excess of 12 in a Policy Year.

EXERCISE OF LIVING BENEFITS RIDER OR INSURANCE EXCHANGE RIDER

A one-time charge will apply if you exercise the Living Benefits Rider. A payment may be required if you exercise the Insurance Exchange Rider.

DESCRIPTION OF THE POLICY

THE PARTIES

There are three important parties to the Policy: the POLICYOWNER (or contract owner), the PRIMARY INSURED and the BENEFICIARY. One individual can have one or more of these roles. Each party plays an important role.

POLICYOWNER: This person or entity can purchase and surrender a policy, and can make changes to it, such as:

- increase/decrease the Face Amount
- choose a different Life Insurance Benefit (except a change to Option 3)
- add/delete riders
- change beneficiary
- change underlying investment options
- take a loan against or take a partial withdrawal from the Cash Surrender Value of the policy

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.

PRIMARY INSURED: This individual's personal information determines the cost of the life insurance coverage. The Policyowner also may be the insured.

BENEFICIARY: This person (persons) receives the proceeds of the policy at the time of the Insured's death. The beneficiary is the person(s) or entity(ies) the Policyowner specifies on our records to receive the proceeds from the policy. The Policyowner may name his or her estate as the beneficiary.

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THE POLICY

The Policy provides life insurance protection on the Primary Insured, and pays Policy Proceeds when that insured dies while the policy is in effect. The policy offers: (1) flexible premium payments, where you decide the timing and amount of the payment; (2) a choice of three Life Insurance Benefit options; (3) access to the policy's Cash Surrender Value through loan and partial withdrawal privileges (within limits); (4) the ability to increase or decrease the policy's Face Amount of insurance (on policies issued with an ACSV, face increases will not be permitted in the first ten Policy Years); (5) a guarantee that the policy will not lapse during the first three Policy Years if the specified minimum premiums have been paid (not available in New Jersey and Texas); (6) additional benefits through the use of optional riders; and (7) a selection of premium and expense allocation options, consisting of 29 Investment Divisions, a Fixed Account with a guaranteed minimum interest rate, and a DCA Plus Account with a guaranteed minimum interest rate.

We will pay the designated beneficiary the Policy Proceeds if the policy is still in effect when the Primary Insured dies. Except in New Jersey and Texas, we guarantee that the policy will not lapse during the first three Policy Years, so long as the total amount of premiums paid (less any loans and partial withdrawals) is at least equal to the minimum monthly premium, shown on your Policy Data Page, multiplied by the number of months the policy has been in force. Your policy will stay in effect as long as the Cash Surrender Value of your policy is sufficient to pay your policy's monthly deductions.

VUL Provider offers you a choice of: (1) a level Life Insurance Benefit equal to the Face Amount of your policy, (2) a Life Insurance Benefit which varies and is equal to the sum of your policy's Face Amount and Cash Value, or (3) a Life Insurance Benefit that varies and equals the sum of your policy's Face Amount and the Adjusted Total Premiums. If you choose Option 2, the Life Insurance Benefit will increase or decrease depending on the performance of the investment options you select. However, your policy's Life Insurance Benefit will never be less than the Face Amount of your policy.

HOW THE POLICY IS AVAILABLE

VUL Provider is available as a Non-Qualified Policy for issue ages 18-65 with a minimum policy Face Amount of \$100,000.

POLICY PREMIUMS

Once you have purchased your policy, you can make premium payments as often as you like and for any amount you choose, within limits. Other than the initial premium, there are no required premium payments. However, you may be required to make additional premium payments to keep your policy from lapsing. (See "Premiums" for more information.)

CASH VALUE

The Cash Value of this policy at any time is equal to the total value of your policy's accumulation units in the Separate Account plus the amount in the Fixed Account and/or

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DCA Plus Account. This amount is allocated based on the instructions you give us. A number of factors affect your policy's Cash Value, including, but not limited to:

- the amount and frequency of the premium payments;
- the investment experience of the Investment Divisions you choose;

-- the interest credited on the amount in the Fixed Account and/or DCA Plus Account;

-- the amount of any partial withdrawals you make (including any charges you incur as a result of a withdrawal); and

-- the amount of charges we deduct.

The Cash Value is not necessarily the amount you receive when you surrender your policy. See "Partial Withdrawals and Surrenders" for details about surrendering your policy.

INVESTMENT DIVISIONS, THE FIXED ACCOUNT, AND/OR THE DCA PLUS ACCOUNT

When we receive a premium payment, we deduct the sales expense, state tax and federal tax charges that apply. The balance of the premium is called the net premium. We allocate the net premium among your selected Investment Divisions available under the policy (See, "Funds and Eligible Portfolios" for the list of available Investment Divisions) and the Fixed Account, and within limits the DCA Plus Account, based on your instructions. You can choose a maximum of 21 investment options for net premium allocation from among the 29 Investment Divisions, the Fixed Account, and/or the DCA plus Account.

AMOUNT IN THE SEPARATE ACCOUNT

We use the amount allocated to an Investment Division to purchase accumulation units within that Investment Division. We redeem accumulation units from an Investment Division when amounts are loaned, withdrawn, transferred, surrendered, or deducted for charges or loan interest. We calculate the number of accumulation units purchased or redeemed in an Investment Division by dividing the dollar amount of the transaction by the Investment Division's accumulation unit value. On any given day, the amount you have in the Separate Account is the value of the accumulation units you have in all of the Investment Divisions of the Separate Account. The value of the accumulation units you have in a given Investment Division equals the current accumulation unit value for the Investment Division multiplied by the number of accumulation units you hold in that Investment Division.

We determine accumulation unit values for the Investment Divisions as of the end of each valuation day. A "valuation day" is any day the New York Stock Exchange is open for regular trading.

AMOUNT IN THE FIXED ACCOUNT AND/OR DCA PLUS ACCOUNT

You can choose to allocate all or part of your net premium payments to the Fixed Account and, within limits, to the DCA Plus Account. The amount you have in the Fixed Account equals:

- (1) the sum of the net premium payments you have allocated to the Fixed Account and/or DCA Plus Account;

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plus (2) any transfers you have made from the Separate Account to the Fixed Account (no transfers can be made into the DCA Plus Account);

plus (3) any interest credited to the Fixed Account and/or DCA Plus Account;

less (4) any amounts you have withdrawn from the Fixed Account and/or DCA Plus Account;

less (5) any charges we have deducted from the Fixed Account and/or DCA Plus Account;

less (6) any transfers you have made from the Fixed Account or DCA Plus Account to the Separate Account.

TRANSFERS AMONG INVESTMENT DIVISIONS, FIXED ACCOUNT AND DCA PLUS ACCOUNT

You can transfer all or part of the Cash Value of your policy (1) from the Fixed Account to the Investment Divisions of the Separate Account, (2) from the DCA Plus Account to the Investment Divisions of the Separate Account, (3) from the DCA Plus Account to the Fixed Account, (4) from the Investment Divisions of the Separate Account to the Fixed Account, or (5) between the Investment Divisions in the Separate Account. You cannot transfer any portion of the Cash Value of your policy from either the Investment Divisions of the Separate Account or from the Fixed Account to the DCA Plus Account. You may choose to allocate Cash Value to a maximum of 21 investment options, which include the 29 Investment Divisions and/or Fixed Account.

You can request a transfer under the following conditions:

-- Maximum Transfer--The maximum amount you can transfer from the Fixed Account to the Investment Divisions during any Policy Year is the greater of (i) 20% of the amount in the Fixed Account at the beginning of the Policy Year or (ii) \$5000.

During any period when the interest rate credited on the amount in the Fixed Account is equal to 3%, the maximum amount you can transfer to the Fixed Account during any Policy Year is the greater of (i) 20% of the total amount in the Investment Divisions at the beginning of the Policy Year or (ii) \$5,000. However, this limit will not apply if the Primary Insured was age 65 or older on the most recent policy anniversary. If you have exceeded the transfer limit in any Policy Year that the limit becomes effective, you cannot make any additional transfers to the Fixed Account during that Policy Year while the limit remains in effect. We will count transfers made in connection with the Dollar Cost Averaging, Automatic Asset Reallocation, and Interest Sweep options as a transfer toward these maximum limits. Transfers made in connection with DCA Plus will not count toward these maximum transfer limits.

-- Minimum Transfer--The minimum amount that you can transfer from the Investment Divisions or the Fixed Account is the lesser of (i) \$500 or (ii) the total amount in the Investment Divisions or the Fixed Account. Minimum transfer limitations do not count on transfers made from DCA Plus to the Investment Division or the Fixed Account.

-- Minimum Remaining Value--If a transfer will cause the amount you have in the Investment Divisions or the Fixed Account to be less than \$500, we will transfer the entire amount in the Investment Divisions and/or Fixed Account you have chosen.

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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

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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

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investments do not reflect an accurate value (sometimes referred to as "time-zone arbitrage" and "liquidity arbitrage").

-- Transfer Charge--We may impose a charge of up to \$30 per transfer for each transfer after the first twelve in any Policy Year. We will deduct this charge from amounts in the Investment Divisions and amounts not held as collateral for a loan in the Fixed Account in proportion to amounts in these investment options. We will not count any transfer made in connection with the Dollar Cost Averaging, DCA Plus Automatic Asset Reallocation, and Interest Sweep options as a transfer toward the twelve transfer limit.

-- How to request a transfer:

- (1) submit your request in writing on a form we approve to the Variable Products Service Center ("VPSC") at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing);
- (2) use the Interactive Voice Response system at 800-598-2019;
- (3) speak to a customer service representative at 800-598-2019 on Business Days between the hours of 9:00 am and 6:00 pm Eastern Time; or
- (4) make your request through the Virtual Service Center.

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

Transfer requests received after 4:00 pm Eastern Time on a Business Day, or on a non-Business Day, will be priced as of the next Business Day. (See "How to Reach Us for Policy Services" for more information.)

ADDITIONAL BENEFITS THROUGH RIDERS

You can apply for additional benefits by selecting one or more optional riders. With the exception of the Insurance Exchange Rider*, Living Benefits Rider, and the Spouse's Paid-Up Insurance Purchase Option Rider, which are available without any additional charge, any Riders you choose will have their own charges. In addition a one-time charge is assessed if the Living Benefits Rider is exercised and a payment may be required if the Insurance Exchange Rider is exercised (See "Table of Fees and Expenses" for more information). All riders can be elected at any time, subject to age restrictions, provided they are available in your state of issue.

-- 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

* Not available on policies that contain the ACSV Benefit.

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coverage can be either a new policy on the life of the insured or an increase to the existing policy's Face Amount.

-- INSURANCE EXCHANGE RIDER (NOT AVAILABLE ON POLICIES THAT CONTAIN THE ACSV BENEFIT.): This rider allows you to exchange the policy for a new NYLIAC VUL Provider policy issued on a new insured using values from your original policy. This rider is included in the policy at no additional cost. (See "Federal Income Tax Implications" for more information about the tax implications of exercising this rider.)

-- LIFE EXTENSION BENEFIT RIDER: This rider becomes effective on the policy anniversary on which the insured is age 100. Under this rider, the Life Insurance Benefit will continue equal to the Life Insurance Benefit of the policy. Without this rider, on the policy anniversary on which the Primary insured reaches age 100, the Life Insurance Benefit would equal the policy's Cash Surrender Value.

-- LIVING BENEFITS RIDER (ALSO KNOWN AS ACCELERATED BENEFITS RIDER IN MOST JURISDICTIONS): Under this rider, if the Primary Insured has a life expectancy of 12 months or less, you can request a portion or all of the Policy Proceeds as an accelerated death benefit.

-- MONTHLY DEDUCTION WAIVER RIDER: 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 insured is age 65. When disability begins on or before age 60 and continues to age 65, deductions will be waived to age 100. If disability begins after age 60 and before age 65, deductions will be waived to age 65. Deductions will not be waived for a disability beginning on or after age 65.

-- SPOUSE'S PAID-UP INSURANCE PURCHASE OPTION RIDER: 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 insured dies.

-- TERM INSURANCE BENEFIT RIDER: This rider provides term insurance only on the Primary Insured. You can convert the term insurance provided by this rider or drop the rider without incurring surrender charges. Evidence of insurability is not needed in order to convert this rider to the base policy. You can make a conversion on any Monthly Deduction Day prior to the policy anniversary on which the Primary Insured is age 65, provided the policy is in effect. A conversion would result in an increase in base policy face amount.

See the SAI for more information about riders including information about the tax implications of certain riders).

OPTIONS AVAILABLE AT NO ADDITIONAL CHARGE

-- DOLLAR COST AVERAGING: Dollar Cost Averaging is a systematic method of investing that allows you to purchase shares of any Investment Division(s) at regular intervals in fixed dollar amounts so that the cost of your shares is averaged over time and over various market cycles. (See the SAI for more information.)

-- AUTOMATIC ASSET REALLOCATION: If you choose this feature, we will reallocate your assets automatically on a schedule you select among the Investment Divisions in

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order to maintain a predetermined percentage invested in the Investment Division(s) you have selected. (See the SAI for more information.)

-- INTEREST SWEEP: You can instruct us to periodically transfer the interest credited to the Fixed Account into the Investment Division(s) you specify. (See the SAI for more information.)

-- DOLLAR COST AVERAGING PLUS ("DCA PLUS") (MAY BE DISCONTINUED AT ANY TIME): DCA Plus permits you to set up automatic dollar cost averaging using the DCA Plus Account when an initial premium payment is made. DCA Plus must be elected at the time your policy is issued. (See the SAI for more information.)

MATURITY DATE

Unless the Life Extension Benefit Rider is in effect, your policy matures on the policy anniversary on which the insured is age 100. Beginning on this maturity date, the Face Amount of your policy, as shown on the Policy Data Page, will no longer apply. Instead, your Life Insurance Benefit will equal the Cash Surrender Value of your policy less any loans and any interest due on loans.

One year before your policy's maturity date, we will notify you that on your maturity date you may elect either:

- (1) to receive the Cash Surrender Value of your policy; or
- (2) to continue the policy without having to pay any more cost of insurance charges or monthly charges.

If you continue the policy, we will continue to assess the Mortality and Expense Risk charge on the cash value remaining in the Investment Divisions and Fund charges. The federal income tax treatment of a life insurance Policy is uncertain after the insured is age 100. See, "Federal Income Tax Considerations" for more information. If you do not elect an option, the policy will automatically continue.

If you choose to surrender your policy, you must submit a signed request to VPSC located at: Madison Square Station, P.O. Box 922, New York, N.Y. 10159 (or any other address we indicate to you in writing).

Please consult your tax advisor regarding the tax implications of these options.

If your policy is still in effect when the insured dies, we will pay the Policy Proceeds to the beneficiary.

TAX-FREE "SECTION 1035" INSURANCE POLICY EXCHANGES

Generally, you can exchange one life insurance policy for another in a "tax-free exchange" under Section 1035 of the IRC. Before making an exchange, you should compare both policies carefully. Remember that if you exchange another policy for the one described in this prospectus, you might have to pay a

surrender charge on your old policy. There will be a new surrender charge period for this policy and other charges may be higher (or lower), and the benefits may be different. If the exchange does not qualify for Section 1035 treatment, you may have to pay federal income and penalty taxes on the exchange. You should not exchange another policy for this one unless you determine, after knowing all of the facts, that the exchange is in your best interest.

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24 MONTH EXCHANGE PRIVILEGE

Within the first 24 months after the Issue Date of your policy, if you decide that you do not want to own a variable policy, you can either (1) transfer the entire Separate Account value to the Fixed Account of your policy or (2) exchange your policy for a new permanent plan of life insurance that we (or one of our affiliates) offer for this purpose. The new policy will have the same Policy Date, issue age, gender, risk classification, and initial face amount as your original policy, but will not offer variable investment options such as the Investment Divisions.

In order to exchange your policy:

- your policy must be in effect on the date of the exchange;
- you must repay any unpaid loan (including any accrued loan interest);
and
- you must submit a written request.

We will process your request for an exchange on the later of: (a) the date you send in your written request along with your policy or (b) the date we receive the necessary payment for your exchange at VPSC located at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing). The policy exchange will be effective on the later of these two dates. The amount applied to your new policy will be the policy's Cash Value plus a refund of any cost of insurance charges taken as of the date of the exchange. We will require you to make any adjustment to the premiums and Cash Value of your variable policy and the new policy, if necessary.

When you exchange your policy, all riders and benefits for that policy will end, unless otherwise required by law.

PREMIUMS

For the purpose of determining whether we require additional underwriting when accepting a premium payment, we divide your premium payments into planned and unplanned premiums. ACCEPTANCE OF INITIAL AND ADDITIONAL PREMIUM PAYMENTS IS SUBJECT TO OUR SUITABILITY STANDARDS.

PLANNED PREMIUM

When you apply for your policy, you select a premium payment schedule, which indicates the amount and frequency of premium payments you intend to make. The premium amount you select for this schedule is called your "planned premium." It is shown on the Policy Data Page. Factors that should be considered in determining your premium payment are: age, underwriting class, gender, policy Face Amount, Investment Division performance, loans, and riders you add to your policy.

You can make additional planned or unplanned premium payments at any time up to the Insured's attainment of age 100. We will require one or more additional premium payments in the circumstance where the Cash Surrender Value of your policy is determined to be insufficient to pay the charges needed to keep your policy in effect. Should the additional payment(s) not be made, your policy will lapse.

- You may increase or decrease the amount of your planned premium and change the frequency of your payments, within limits.

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- Planned premium payments end on the policy anniversary on which the insured is age 100.
- Your policy will not automatically terminate if you are unable to pay the planned premium. However, payment of your planned premium does not guarantee your policy will remain in effect. Your policy will terminate if the Cash Surrender Value is insufficient to pay the monthly deduction charges or if you reach the end of the late period and you have not made the necessary payment.

UNPLANNED PREMIUM

An unplanned premium is a payment you make that is not part of the premium schedule you chose.

- While the insured is living, you may make unplanned premium payments at any time before the policy anniversary on which the insured is age 100. However, if payment of an unplanned premium will cause the Life Insurance Benefit of your policy to increase more than the Cash Value will increase, we may require proof of insurability before accepting that payment and applying it to your policy. The increase may occur in order for your policy to continue to qualify as life insurance under the IRC.
- If you exchange another life insurance policy to acquire this policy under IRC Section 1035, we will treat the proceeds of that exchange as an unplanned premium.
- The minimum unplanned premium amount we allow is \$50.
- We may limit the number and amount of any unplanned premium payments.

Premium payments can be mailed to NYLIAC, 75 Remittance Drive, Suite 3021, Chicago, IL 60675-3021 or to VPSC: Madison Square Station, P.O. Box 922, New York, NY 10159

RISK OF MINIMALLY FUNDED POLICIES

Although 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. Should the additional payment(s) not be made, your policy will lapse. A policy that is maintained with a Cash Surrender Value just sufficient to cover deductions and charges, or that is otherwise minimally funded is more likely to be unable to maintain its Cash Surrender Value because of market fluctuation and other performance-related risks. When determining the amount of your planned premium payments, you should consider funding your policy at a level that has the potential to maximize the investment opportunities within your policy and to minimize the risks associated with market fluctuations. (Your policy can lapse even if you pay all of the planned premiums on time.)

TIMING AND VALUATION

Your premium will be credited to your policy on the Business Day that it is received, assuming it is received prior to 4 p.m. Eastern Time. Any premiums received after the close of business will be credited to your policy on the next Business Day.

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The Fund assets making up the Investment Divisions will be valued only on those days that the NYSE is open for trading. Generally, the NYSE is closed on Saturdays, Sundays, and major U.S. holidays.

FREE LOOK

You have the right to cancel your policy, within certain limits. Under the free look provision of your policy, in most jurisdictions, you have 20 days (the "Free Look Period") after you receive your policy to return the policy to us and receive a refund. You can cancel increases in the Face Amount of your policy under the same time limits.

We will allocate premium payments you make with your application or during the free look period to our General Account until 20 days after issue. We will then allocate the net premiums plus any accrued interest to the Investment Divisions you have selected.

If you cancel your policy, we will pay you only the greater of your policy's Cash Value on the date you return the policy or the total premium payments you have made, less any loans and any partial withdrawals you have taken.

If you cancel an increase in Face Amount of your policy, we will refund the premium payments you have paid in excess of the planned premiums that are allocated to the increase, less any part of the excess premium payments which we have already paid to you.

You can return the policy to VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing), or you can deliver it to the registered representative from whom it was purchased.

PREMIUM PAYMENTS

Premium payments can be mailed to NYLIAC, 75 Remittance Drive, Suite 3021, Chicago, IL 60675-3021 or to VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159. When we receive a premium payment, we deduct the sales expense,

state tax, and federal tax charges that apply. The balance of the premium is called the "net premium." We apply the net premium to the Investment Divisions and/or Fixed Account and/or DCA Plus Account, according to your instructions.

If you elect the Guideline Premium Test ("GPT") to determine whether your policy qualifies as life insurance under IRC Section 7702, we may limit your premium payments. If the premiums paid during any Policy Year exceed the maximum amount permitted under the GPT, we will return to you the excess amount within 60 days after the end of the Policy Year. The excess amount of the premiums we return to you will not include any gains or losses attributable to the investment return on those premiums. We will credit interest at a rate of not less than 3% on those premiums from the date such premiums cause the policy to exceed the amount permitted under the GPT to the date we return the premiums to you. See "Life Insurance Benefit Options" for more information.

For premium payments you make during the free look period, we apply your net premium, which is the balance of any planned or unplanned premium payment after we deduct sales expense, state tax, and any federal tax charges that apply, to our General Account. After this period is over, we allocate the net premium, along with any interest credited, to the Investment Divisions of the Separate Account, the Fixed Account, and/or DCA Plus Account according to the most recent premium allocation election you have

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given us. You can change the premium allocation any time you make a premium payment by submitting a revised premium allocation form.

CHECK-O-MATIC

Check-O-Matic is a system that allows you to authorize monthly electronic deductions from your checking account in order to make premium payments. You can select any day of the month to initiate drafts except the 29th, 30th and 31st. If a draft date is not selected, it will be the Policy Date. A voided blank check must be forwarded along with an application to begin Check-O-Matic. You can submit your request in writing on a form we approve to VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing)

PREMIUM 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 fee for each returned payment. In addition, if we incur any losses as a result of a returned payment, we will deduct the amount of the loss from your policy's Cash Value. If an electronic ("Check-O-Matic") premium withdrawal is returned for insufficient funds for two consecutive months, this premium payment arrangement will be suspended until you provide notification that you wish to resume the arrangement and we agree to do so.

POLICY PAYMENT INFORMATION

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 begun 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. You can call 1-800-598-2019 to determine if we have received your premium payment.

The monthly deduction of charges will be taken from the initial premium payment beginning on the first Monthly Deduction Day, which will be the monthly anniversary of the Policy Date on or following the Issue Date. However, if we have not received your initial premium payment as of the Issue Date, the first Monthly Deduction Day will be the monthly anniversary of the Policy Date on or following the date we receive the initial premium payment.

CHANGING THE FACE AMOUNT OF YOUR POLICY

You can increase or decrease the Face Amount of your policy once it is in force provided that the insured is age 65 or younger and the new Face Amount is at least \$100,000. The Face Amount of your policy affects the Life Insurance Benefit to be paid. Face Amount increases are not allowed on ACSV policies in the first 10 years.

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You can request an increase in the Face Amount of your policy under certain circumstances. If an increase is approved, we will increase the face amount on the Monthly Deduction Day on or after the date we approve the increase.

You should consider the following consequences when increasing the Face Amount of your policy:

- additional cost of insurance charges;
- an additional per-thousand charge;
- a new suicide and contestability period applicable only to the amount of the increase;
- a new ten-year surrender charge period, applicable only to the amount of the increase;
- a change in the life insurance percentage applied to the entire policy under Section 7702 of the IRC;
- a possible new seven-year testing period for modified endowment contract status; and
- under certain circumstances, it may be more advantageous to purchase additional insurance through our term insurance rider rather than increasing the policy's Face Amount.

Under certain circumstances, you can request a decrease in the Face Amount of your policy. You should consider the following possible consequences when decreasing the Face Amount of your policy:

- a change in the total policy cost of insurance charge;
- a surrender charge applicable to the amount of the decreased Face Amount (we will deem the amount attributable to your most recent increase in the Face Amount to be canceled first); and
- adverse tax consequences.

POLICY PROCEEDS

We will pay proceeds to your beneficiary when we receive satisfactory proof that the Primary Insured died. These proceeds will equal:

- 1) the Life Insurance Benefit calculated under the Life Insurance Benefit option you have chosen, valued as of the date of death;
- plus 2) any additional death benefits available under the riders on the life of the Primary Insured you have chosen;
- less 3) any outstanding loans (including any accrued loan interest as of the date of death) on the policy.

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We will pay interest on these proceeds from the date the Primary Insured died until the date we pay the proceeds or the date when the payment option you have chosen becomes effective. See "Life Insurance Benefit Options" for more information.

PAYEES

The beneficiary is the person(s) or entity/ies you have specified on our records to receive insurance proceeds from your policy. You have certain options regarding the policy's beneficiary:

- You name the beneficiary when you apply for the policy. The beneficiary will receive insurance proceeds after the insured dies.
- You can elect to have different classes of beneficiaries, such as primary and secondary, where these classes determine the order of payment. You may identify more than one beneficiary per class.
- You can change a revocable beneficiary while the insured is living by writing to VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing).
- If no beneficiary is living when the insured dies, we will pay the Policy Proceeds to you (the Policyowner), or if you are deceased, to your estate, unless we have other instructions from you to do otherwise.

You can name only those individuals who are able to receive payments on their own behalf as payees or successor payees, unless we agree otherwise. We may require proof of the age of the payee or proof that the payee is living. If we still have an unpaid amount, or there are some payments that still must be made when the last surviving payee dies, 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. We will make this payment 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.

WHEN WE PAY POLICY PROCEEDS

If the policy is still in effect, NYLIAC will pay any Cash Surrender Value, partial withdrawals, loan proceeds, or the Policy Proceeds generally within 7 days after we receive all of the necessary requirements at VPSC located at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing).

Situations where payment of Policy Proceeds may be delayed:

-- We may delay payment of any loan proceeds attributable to the Separate Account, any partial withdrawal from the Separate Account, the Cash Surrender Value, or the Policy Proceeds during any period that:

(a) we are unable to determine the amount to be paid because the NYSE is closed (other than customary weekend and holiday closings), trading is restricted by the Securities and Exchange Commission ("SEC"), or the SEC declares that an emergency exists; or

(b) the SEC, by order, permits us to delay payment in order to protect our policyowners.

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-- We may delay payment of any portion of any loan or surrender request, including requests for partial withdrawals, from the Fixed Account and/or DCA Plus Account for up to 6 months from the date we receive your request.

-- We may delay payment of the entire Policy Proceeds if we contest the payment. We investigate all death claims that occur within the two-year contestable period. Upon receiving information from a completed investigation, we will make a determination, generally within five days, as to whether the claim should be authorized for payment. Payments are made promptly after the authorization.

-- Federal laws made 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 policy(ies), we would not be allowed to pay any request for transfers, withdrawals, surrenders, loans, or death benefits. If a policy or an 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. It may take up to 15 days for a check to clear through the banking system.

We add interest at an annual rate of 3% (or at a higher rate if required by law) if we delay payment of a partial withdrawal or Cash Surrender Value for 30 days or more.

We add interest to Policy Proceeds from the date of death to the date of payment at the same rate as we pay under the Interest Payment Option (or at a higher rate if required by law).

DEATH CLAIMS

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 VPSC, 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. See "Life Insurance Benefit Options" for more information.

We will pay Policy Proceeds in one sum unless you choose otherwise. There are three payment options you may choose from: an Interest Accumulation Option, an Interest Payment Option, and a Life Income Option. If any payment under these options is less than \$100, we may pay any unpaid amount or present value in one sum.

Any Policy Proceeds paid in one sum will be paid in cash and bear interest compounded each year from the date of 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 (or a higher rate if required by law).

-- Interest Accumulation Option (Option 1 A)

Under this option, the portion of the Policy Proceeds you choose to keep with us will bear interest each year. You may make withdrawals from this amount at any time in sums of \$100 or more. We will pay interest on the sum withdrawn up to the date of the withdrawal.

-- Interest Payment Option (Option 1 B)

Under this option, we will pay interest on all or part of the Policy Proceeds you choose to keep with us. You elect the frequency of the interest payments we make: once each month, every three months, every six months or each year.

-- Life Income Option (Option 2)

Under this option, we make equal monthly payments during the lifetime of the payee or payees. We determine the amount of the monthly payment by applying the Policy Proceeds to the purchase of a corresponding single premium life annuity policy, which is issued when the first payment is due. Payments remain the same and are guaranteed for ten years, even if the specified payee dies sooner.

Payments are based on an adjusted annuity premium rate in effect at the time the annuity policy is issued. This rate will not be less than the corresponding minimum amount shown in the Option 2 table found in your policy. These minimum amounts are based on the 1983 Table "a" with Projection Scale G and with interest compounded each year at 3%.

If you make a request, we will send you a statement of the minimum amount of each monthly payment. The minimum 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:

<Table> <Caption> 2003-2005	2006-2015	2016-2025	2026-2035	2036 AND LATER
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
+1	0	-1	-2	-3

</Table>

A decrease in the payee's age results in lower payments than if no decrease was made.

ELECTING OR CHANGING A PAYMENT OPTION

While the Primary Insured is living, you can elect or change your payment option. You can also elect or change one or more of the beneficiaries who will be the payee(s) under that option.

After the Primary Insured dies, any person who is entitled to receive Policy Proceeds in one sum (other than an assignee) can elect a payment option and name payees. The person who elects a payment option can also name one or more successor payees to receive any amount remaining at the death of the payees. Naming these payees cancels any prior choice of successor payees. A payee who did not elect the payment option has the right to advance or assign payments, take the payments in one sum, change the payment option, or make any other change, only if the person who elects the payment option notifies us in writing and we agree.

LIFE INSURANCE BENEFIT OPTIONS

Under your policy, the Life Insurance Benefit depends on the Life Insurance Benefit option you choose. Your policy offers three options:

OPTION 1-- The Life Insurance Benefit under this option is equal to the policy's Face Amount in force on the Primary Insured's date of death. Except as described below, your Life Insurance Benefit under this option will be a level amount.

OPTION 2-- The Life Insurance Benefit under this option is equal to the policy's Face Amount in force on the Primary Insured's date of death plus the policy's Cash Value on that date. The Life Insurance Benefit under this option will vary with the policy's Cash Value. Cash Value will fluctuate due to the performance results of the Investment Divisions you choose. Your Life Insurance Benefit never will be less than your policy's Face Amount.

OPTION 3-- The Life Insurance Benefit under this option is equal to the policy's Face Amount in force on the Primary Insured's date of death plus the Adjusted Total Premium. The Life Insurance Benefit under this option will vary with the policy's Adjusted Total Premium. The Adjusted Total Premium equals the total premiums paid minus any partial withdrawals. Your Life Insurance Benefit will never be less than your policy's Face Amount.

Under all options, your Life Insurance Benefit may be greater if the policy's Cash Value, multiplied by the minimum percentage necessary for the policy to qualify as life insurance under IRC Section 7702, is greater than the amount calculated under the option you have chosen. You can find this percentage on the Policy Data Page.

Under Section 7702, a policy will generally be treated as life insurance for federal tax purposes if, at all times, it meets either the Guideline Premium Test ("GPT") or the Cash Value Accumulation Test ("CVAT"). You must choose either the GPT or CVAT before the policy is issued. Once the policy is issued, you may not change to a different test. The Life Insurance Benefit will vary depending on which test is used.

The GPT has two components, a premium limit component and a corridor component. The premium limit restricts the amount of premium that can be paid into a policy. The corridor requires that the Life Insurance Benefit be at least a certain percentage (varying each year by the age of the insured) of the Cash Value. The CVAT does not have a premium limit, but does have a corridor that requires that the Life Insurance Benefit be at least a certain percentage (varying based on age, gender, and risk class of the insured) of the Cash Value.

The corridor under the CVAT is different than the corridor under the GPT. Specifically, the CVAT corridor requires more Life Insurance Benefit in relation to Cash Value than is required by the GPT corridor. Therefore, as your Cash Value increases, your Life Insurance Benefit will increase more rapidly under CVAT than it would under GPT.

Your policy will be issued using the GPT unless you choose otherwise. In deciding whether or not to choose the CVAT, you should consider that the CVAT generally permits more premiums to be contributed to a policy, but may require the policy to have a higher Life Insurance Benefit.

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Assuming your Life Insurance Benefit does not increase in order to meet the requirements of IRC Section 7702, and assuming the same Face Amount and premium payments:

- If you choose Option 1, your Life Insurance Benefit will not vary in amount, and generally you will have lower total policy cost of insurance charges and lower Policy Proceeds.
- If you choose Option 2, your Life Insurance Benefit will vary with your policy's Cash Value, and generally you will have higher total policy cost of insurance charges and higher Policy Proceeds than under Option 1.
- If you choose Option 3, your Life Insurance Benefit will vary with your policy's Adjusted Total Premium, and generally you will have higher total policy cost of insurance charges and higher Policy Proceeds than under Option 1.

(See the SAI for examples of the effect of the GPT and CVAT on sample Life Insurance Benefit options.)

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CHANGING YOUR LIFE INSURANCE BENEFIT OPTION

You can change the Life Insurance Benefit option for your policy to Option 1 or to Option 2 while the Primary Insured is alive (changes to Option 3 are not permitted). However, we may prohibit you from changing the Life Insurance Benefit option if the change would (i) cause the Face Amount of the policy to be less than the policy minimum, (ii) cause the policy to fail to qualify as life insurance under Section 7702 of the IRC, or (iii) cause the policy's Face Amount to exceed our limits on the risk we retain, which we set at our discretion. Option changes are not permitted: (1) on or after the policy anniversary on which the insured is age 100, or (2) when the No-Lapse Guarantee has been invoked.

CHANGES FROM OPTION 1 TO OPTION 2

If you change from Option 1 to Option 2, we will decrease the Face Amount

of your policy by the amount of the Cash Value, so that your Life Insurance Benefit immediately before and after the change remains the same. If a surrender charge applies to a Face Amount decrease at the time you change your Life Insurance Benefit option, we will assess a surrender charge based on the amount of the Face Amount decrease.

CHANGES FROM OPTION 2 TO OPTION 1

If you change from Option 2 to Option 1, we will increase the Face Amount of your policy by the amount of the Cash Value, so that your Life Insurance Benefit immediately before and after the change remains the same. We will continue to apply the existing surrender charge schedule to your policy, and we will not apply a new surrender charge schedule to the increased Face Amount resulting from the change in this option.

CHANGES FROM OPTION 3 TO OPTION 1

If you change from Option 3 to Option 1, we will increase the policy's Face Amount by the amount of Adjusted Total Premiums, so that your Life Insurance Benefit immediately before and after the change remains the same.

CHANGES FROM OPTION 3 TO OPTION 2

If you change from Option 3 to Option 2 at a time when the Cash Value is greater than the Adjusted Total Premium, we will decrease the Face Amount of your policy by the difference between the Cash Value and the Adjusted Total Premium so that your Life Insurance Benefit immediately before and after the change remains the same.

If you change from Option 3 to Option 2 at a time when the Cash Value is less than the Adjusted Total Premium, we will increase the Face Amount of your policy by the difference between the Adjusted Total Premium and the Cash Value so that your Life Insurance Benefit immediately before and after the change remains the same. If a surrender charge applies to a Face Amount decrease at the time you change your Life Insurance Benefit option, we will assess a surrender charge based on the amount of the Face Amount decrease.

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In order to change your Life Insurance Benefit option, you must submit a signed request to VPSC located at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing). We will change your Life Insurance Benefit option on the Monthly Deduction Day on or after the date we receive your written request. (See the SAI for examples of how an option change can impact your Life Insurance Benefit.)

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ADDITIONAL POLICY PROVISIONS

LIMITS ON OUR RIGHTS TO CHALLENGE YOUR POLICY

Generally, we must bring any legal action contesting the validity of your policy within two years of the Issue Date, including any action taken to contest a Face Amount increase as a result of a change in the Life Insurance Benefit option. For any increase(s) in Face Amount other than one due to a change in the Life Insurance Benefit option, this two-year period begins on the effective date of the increase.

SUICIDE

If the death of the insured is a result of suicide within two years of the Issue Date, we will pay a limited life insurance benefit in one sum to the beneficiary. The limited life insurance benefit is the total amount of premiums, less any outstanding loans (including accrued loan interest) and/or amounts withdrawn. If a suicide occurs within two years of the effective date of a Face Amount increase, we will also pay the limited life insurance benefit for that increase, or, if the limited life insurance benefit is not payable, the monthly deductions from Cash Value made for the increase.

MISSTATEMENT OF AGE OR GENDER

If the policy application misstates the insured's age or gender, we will adjust the Cash Value, the Cash Surrender Value, and the Life Insurance Benefit to reflect the correct age and gender. We will adjust the Policy Proceeds provided by your policy based on the most recent mortality charge for the correct date of birth.

ASSIGNMENT

You can assign this policy as collateral for a loan or other obligation. In order for this assignment to be binding on us, we must receive a signed copy of it at VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing). We are not responsible for the

validity of any assignment. If your policy is a modified endowment contract, assigning your policy may result in taxable income to you. (See "Federal Income Tax Considerations" for more information.)

PARTIAL WITHDRAWALS AND SURRENDERS

PARTIAL WITHDRAWALS

You can request a partial withdrawal from your policy if the insured is living, the partial withdrawal being requested is at least \$100, and the partial withdrawal will not cause the policy to fail to qualify as life insurance under IRC Section 7702 or to drop below the minimum Face Amount.

AMOUNT AVAILABLE TO WITHDRAW

You can withdraw an amount up to the Cash Surrender Value of your policy. We process a partial withdrawal at the price next determined after we receive your written request. We will not allow a partial withdrawal if it would reduce the Face Amount of your policy (not including riders) below the minimum Face Amount, which is \$100,000. See

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"The Effect of a Partial Withdrawal" for more information on how a partial withdrawal can reduce the policy's Face Amount.

REQUESTING A PARTIAL WITHDRAWAL

You can request a partial withdrawal from your policy by sending a written request to VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing) or by calling 1-800-598-2019. Faxed requests are not acceptable and will not be honored at any time.

We will pay any partial withdrawals generally within seven days after we receive all of the necessary documentation and information. However, we may delay payment under certain circumstances. (See "Policy Proceeds" for more information.)

Unless you choose a later effective date, your requested partial withdrawal will be effective on the date we receive your written request. However, if the day we receive your request is not a Business Day or if your request is received after the close of the NYSE, then the requested partial withdrawal will be effective on the next Business Day.

When you make a partial withdrawal, we may impose a fee which will not exceed \$25. You can specify how much of the partial withdrawal you want taken from the amount you have in each of the Investment Divisions and in the Fixed Account and/or DCA Plus Account. If you do not specify how you would like your partial withdrawal allocated, we will deduct the partial withdrawal from the Investment Divisions, the Fixed Account, and/or DCA Plus Account in proportion to the amounts you have in each of these investment options. If you request a partial withdrawal that is greater than the amount in the Investment Divisions, the Fixed Account, and/or DCA Plus Account you have chosen, we will reduce the amount of the partial withdrawal to the amount available and pay you that amount less any applicable surrender charge.

A partial withdrawal may result in taxable income to you. (See "Federal Income Tax Considerations" for more information.)

PARTIAL WITHDRAWAL SURRENDER CHARGE

A partial withdrawal may result in a decrease in your policy's Face Amount, which may cause a surrender charge to apply. This charge will equal the difference between the surrender charge that we would have charged had you surrendered your entire policy before the decrease and the surrender charge that we would charge if you were to surrender your policy after the decrease.

PERIODIC PARTIAL WITHDRAWALS

After the first Policy Year, you may elect to receive regularly scheduled withdrawals from the policy. These periodic partial withdrawals can be paid on a monthly, quarterly, semi-annual, or annual basis. You will elect the frequency of the withdrawals, and the day of the month for the withdrawals to be made (may not be the 29th, 30th, or 31st of a month). In order to process a periodic partial withdrawal, NYLIAC must receive a request in writing no later than five Business Days prior to the date the withdrawals are 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 withdrawals will begin on the day of the month you specify in the month following receipt of your request. We will make all withdrawals on the day of each

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calendar month you specify, or on the next Business Day (if the day you have specified is not a Business Day). The minimum amount of withdrawal is \$100, or such lower amount as we may permit. Periodic partial withdrawals may be taxable transactions, and the 10% penalty tax provisions may be applicable. You can specify which Investment Divisions and/ or Fixed Account from which the periodic withdrawals will be made. If you do not specify, we will withdraw money on a pro rata basis from each Investment Division and/or the Fixed Account. Periodic partial withdrawals (PPWs) cannot be elected when the policy's Face Amount is below the minimum Face Amount. If the policy's Cash Surrender Value falls below \$2,000, the PPW arrangement will be suspended. If a PPW payment causes the policy's Face Amount to decrease, a surrender charge may apply.

THE EFFECT OF A PARTIAL WITHDRAWAL

When you make a partial withdrawal (including a periodic partial withdrawal), we reduce your Cash Value and Cash Surrender Value by the amount of the partial withdrawal and any applicable surrender charge.

-- OPTION 1

If you have elected Life Insurance Benefit option 1, we reduce your policy's Face Amount by the difference between:

(a) the amount of the withdrawal; and

(b) the greater of:

(1) the Cash Value of the policy immediately prior to the withdrawal, minus the face amount divided by the applicable percentage at the time of withdrawal, as shown on the Policy Data Page, or

(2) zero.

-- OPTION 2

If you have elected Life Insurance Benefit option 2, we will not reduce your policy's Face Amount.

-- OPTION 3

If you have elected Life Insurance Benefit option 3, we reduce your policy's Face Amount by the difference between:

(a) the amount of the withdrawal; and

(b) the greater of:

(1) the Cash Value of the policy immediately prior to the withdrawal minus the Face Amount divided, by the applicable percentage at the time of the withdrawal, as shown on the Policy Data Page, or

(2) the Adjusted Total Premium immediately prior to the withdrawal.

If the above results in zero or a negative amount, there will be no adjustment in the Face Amount.

Any decrease in the Face Amount caused by the withdrawal will first be applied against the most recent increase in Face Amount. It will then be applied to other increases in Face Amount and then to the initial Face Amount in the reverse order that they took place.

A decrease in the Face Amount may result in surrender charges.

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SURRENDERS

CASH SURRENDER VALUE

The Cash Surrender Value of your policy is the amount we will pay you if you surrender your policy. The Cash Surrender Value of your policy is equal to the Cash Value of the policy less any surrender charges and any outstanding policy loans (including any accrued loan interest). If you surrender your policy during the first Policy Year, an additional contract charge applies. Since the Cash Value of the policy fluctuates with the performance of the Investment Divisions and the interest credited to the Fixed Account and/or DCA Plus Account and because a surrender charge may apply, the Cash Surrender Value may be more or less than the total premium payments you have made less any premium deductions and deductions from Cash Value that were made. You can surrender your policy for its Cash Surrender Value at any time while the insured is living. (See "Table of Fees and Expenses" and "Transaction Charges" for more information.)

ALTERNATIVE CASH SURRENDER VALUE--(ACSV) NOT APPLICABLE TO ALL POLICIES (NOT AVAILABLE IN INDIANA, MARYLAND AND NEW JERSEY)

An ACSV Benefit may be made available at an additional cost to a Corporation, an Irrevocable Trust, or other defined policyowner class if we agree. The ACSV Benefit can be elected only at issue. The current Mortality and Expense Risk charges will be higher, and the current crediting rate for amounts in the Fixed Account may be lower, for policies with an ACSV Benefit.

If your policy has the ACSV Benefit, then for a period of ten years from the Policy Date, while the insured is still living, you may surrender the policy for the Alternative Cash Surrender Value. The ACSV is equal to Cash Surrender Value plus the unamortized value of the ACSV Benefit plus the full surrender charge. The cumulative ACSV Benefit is the sum of all sales expense charges and the monthly per thousand Face Amount charges deducted since the Policy Date. The ACSV Benefit will be amortized beginning with the 13th policy month and continuing through the end of the 10th Policy Year.

Your ACSV Benefit for policy months 1 through 12, as calculated on each Monthly Deduction Day, is equal to the sum of a + b + c, where:

- (a) = the current ACSV Benefit;
- (b) = any sales expense charges deducted from premiums paid since the last Monthly Deduction Day; and
- (c) = the current month's per thousand Face Amount charge.

Your ACSV Benefit for policy months 13 through the end of the 10th Policy Year, as calculated on each Monthly Deduction Day, is equal to the sum of (a + b + c) - d, where:

- (a) = the current ACSV Benefit;
- (b) = any sales expense charges deducted from premiums paid since the last Monthly Deduction Day;
- (c) = the current month's per thousand face amount charge; and
- (d) = the current month's amortization of the ACSV Benefit.

Upon our receipt of your request to surrender this policy in full during the first ten Policy Years, we will increase the current ACSV Benefit by any sales expense charges that have been deducted from premium payments received since the last Monthly Deduction Day. We will then pay you the ACSV.

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The ACSV Benefit is only used to calculate the Alternative Cash Surrender Value payable in the event of a full surrender of all of the NYLIAC policies you own that include an ACSV Benefit. The ACSV Benefit is not invested and will not accumulate interest. The ACSV Benefit is not included as part of Cash Surrender Value and is therefore not available for loans or partial surrenders.

You do not receive the ACSV on a 1035 exchange, as part of a Life Insurance Benefit payment, or, unless we agree, in the event the policy is assigned. In any of these circumstances the ACSV Benefit is retained by NYLIAC.

Upon any reinstatement of the policy, the ACSV Benefit will equal zero. We will then calculate the value of this benefit from the period beginning on the reinstatement date up to the 10th policy anniversary. At reinstatement, the amortization of the ACSV Benefit will be calculated based on the number of months remaining in the 10-year period.

REQUESTING A SURRENDER

You can surrender the policy by sending a written request and the policy to VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159 (or any other address we indicate to you in writing). Faxed requests are not acceptable and will not be honored at any time.

WHEN THE SURRENDER IS EFFECTIVE

Unless you choose a later effective date, your surrender will be effective as of the end of the day we receive your written request and the policy. However, if the day we receive your request is not a Business Day or if your request is received after the close of the NYSE, the requested surrender will be effective on the next Business Day on which the NYSE is open. We will mail the surrender proceeds within seven days after the effective date, subject to the limits explained in the "When We Pay Proceeds" section.

SURRENDER CHARGES

If you surrender your policy during the first ten Policy Years or within ten years after you increase the Face Amount of your policy, a surrender charge will apply. We will deduct any applicable surrender charge before we pay you the surrender proceeds. (See "Table of Fees and Expenses" and "Transaction Charges" for more information.) Because the surrender charge may be significant during early Policy Years, you should not purchase this policy unless you intend to hold the policy for an extended period of time.

LOANS

You can borrow any amount up to the loan value of the policy. The loan

value at any time is equal to the greater of:

I. 90% of the Cash Surrender Value less, in the first Policy Year, the amount of any additional contract charge, which would apply if you were to fully surrender your policy during that time, or

II. $((100\% - a) \times b) - c$, where:

a = the current loan interest rate;

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b = the policy's Cash Surrender Value; and

c = the sum of three months of monthly deductions.

(See "Surrender Charges" for more information.) Your policy will be used as collateral to secure this loan. Any amount that secures a loan remains part of your policy's Cash Value but is transferred to the Fixed Account. We credit any amount that secures a loan (the loaned amount) with an interest rate that we expect to be different from the interest rate we credit on any unloaned amount in the Fixed Account and/or DCA Plus Account.

YOUR POLICY AS COLLATERAL FOR A LOAN

When you request a loan, a transfer of funds will be made from the Separate Account (and/or the DCA Plus Account, if so requested) to the Fixed Account so that the Cash Value in the Fixed Account is at least 100% of the requested loan plus any outstanding loans, including accrued loan interest. We will transfer these funds from the Investment Divisions of the Separate Account and/or from the DCA Plus 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 100% of all outstanding loans including accrued loan interest. 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 and any accrued interest, we will take these deductions first from the Investment Divisions in proportion to the amounts you have invested and then from the DCA Plus Account.

LOAN INTEREST

We currently charge an effective annual loan interest rate of 4%. We may increase or decrease this rate. However, the rate will never exceed 6%. We will determine the loan interest rate at least once every twelve months, but not more frequently than once every three months. If we increase the rate, we will not increase it by more than 1% per calendar year.

INTEREST ON THE CASH VALUE HELD AS COLLATERAL

When you take a loan against your policy, the loaned amount that we hold in the Fixed Account may earn interest at a different rate from the rate we charge you for loan interest. The rate on the loaned amount in the Fixed Account may also be different from the rate we credit on other amounts in the Fixed Account or amounts in the DCA Plus Account. In Policy Years 1-10, the rate we credit on loaned amounts is 1% less than the rate we charge for policy loans. Starting in Policy Year 11 the rate we credit on loaned amounts will never be less than 0.25% 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 3%. The interest earned on amounts held as collateral for the policy loan will remain in the Fixed Account.

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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 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 Surrender Value, the greater the risk that the remaining Cash Surrender 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, the interest amount will be withdrawn on a pro rata basis if the interest charged would cause the amount of the borrowing to exceed the greater of (I) 90% of the Cash Surrender Value less, in the first Policy Year, the amount of any additional contract charge, which would apply if you were to fully surrender your policy during that time, or (II) $(100\% - a) \times b - c$, where: a = the current loan interest rate; b = the policy's Cash Surrender Value; and c = the sum of three months of Monthly Deductions.

LOAN REPAYMENT

You can repay all or part of a policy loan at any time while your policy is in effect. We will consider any payment we receive from you while you have a loan outstanding to be a premium payment unless you tell us in writing that it is a loan repayment. When we receive a loan repayment, we will first use that money to repay any portion of the outstanding loan that was originally taken from the Fixed Account and/or DCA Plus Account. We will allocate any remaining portion of the loan repayment to the Investment Divisions in the same proportion as the amount of money you have in each Investment Division on the date of the loan repayment, unless you indicate otherwise and we agree. Repayment of loans from the DCA Plus Account will be allocated to the Fixed Account.

EXCESS LOAN CONDITION

If the amount of any unpaid loans (including any accrued loan interest) is greater than the Cash Value of your policy less any applicable surrender charges, we will mail a notice to you at your last known address. We will also send a copy of the notice to the last known assignee, if any, 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.

THE EFFECT OF A POLICY LOAN

A loan, repaid or not, has a permanent effect on your Cash Value. This effect occurs because the investment results of each Investment Division apply only to the amounts 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

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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 IRC. 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 loan interest, exceed the premiums paid, policy surrender or policy lapse will result in a taxable gain to you. (See "Federal Tax Considerations" for more information.)

TERMINATION AND REINSTATEMENT

LATE PERIOD

If your policy's Cash Surrender Value on any Monthly Deduction Day is less than the monthly deductions due for the next policy month, your policy will enter a late period for 62 days after that date. During this period, you have the opportunity to pay any premium needed to cover any overdue charges. We will mail a notice to your last known address stating this amount. We will send a copy to the last known assignee, if any, on our records. We will mail these notices at least 31 days before the end of the late period. Your policy will remain in effect during the late period. If the late period expires without sufficient payment being made to us, we will terminate your policy without any benefits.

If the insured dies during the late period, we will pay the Policy Proceeds to your beneficiary. We will reduce the benefit by any unpaid monthly deductions due from the Cash Value for the full policy month(s) from the beginning of the late period through the policy month in which the insured dies. If your policy has the no-lapse guarantee, it may prevent your policy from terminating during the first three years.

NO-LAPSE GUARANTEE (NOT AVAILABLE IN NEW JERSEY AND TEXAS)

The no-lapse guarantee benefit ensures that the policy will remain in effect during the first three Policy Years if it passes a minimum premium test. In order to pass that test, the total premiums you have paid into the policy (less any loans you have taken or partial withdrawals you have made) must be at least equal to the minimum monthly premium payment amount of the policy, as shown on the Policy Data Page, multiplied by the number of months that the policy has been in effect.

If the policy passes the minimum premium test, it will not enter the late period even if the Cash Surrender Value on a Monthly Deduction Day is insufficient to pay for the monthly deductions for the next policy month. Rather, we will deduct the charges to the extent possible. We will defer the deduction of any additional amount due until the end of the three-year no-lapse guarantee period. When this period ends, if there is insufficient Cash Surrender Value to cover the current and any deferred monthly charges, you will be sent a bill. If that bill is not paid, the policy will lapse.

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The no-lapse guarantee will end on the earliest of:

- the third policy anniversary;
- the date on which you change (1) the Face Amount of the policy or (2) the Life Insurance Benefit option resulting in a change in the Face Amount;
- the date you add or delete any riders to the policy;
- the date you increase or decrease any rider coverage amounts; or
- the date on which a change in underwriting class takes effect.

REINSTATEMENT OPTION

If your policy has lapsed, you can request that we reinstate your policy if all of these conditions are met:

- you make your request within five years after your policy is terminated;
- the insured is alive; and
- you have not surrendered your policy for its Cash Surrender Value.

Keep in mind that a termination and subsequent reinstatement may cause your policy to become a modified endowment contract. Modified endowment contracts are subject to less favorable tax treatment on amounts withdrawn or borrowed from the policy.

If the policy lapses during the first Policy Year and is subsequently reinstated, we will deduct an additional contract charge from the Cash Value.

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

- (1) payment equal to the sum of (a) and (b) where:
 - (a) is an amount sufficient to keep the policy in effect for at least three months. This amount will equal the monthly deduction charges, and
 - (b) is 250%. The monthly deduction charges are multiplied by a factor of 250% in order to account for premium expenses and surrender charges; and
- (2) satisfactory evidence of insurability, if your reinstatement request is more than 90 days after the end of the late period.

We will allocate your payments to the Investment Divisions and/or the Fixed Account according to your instructions at the time you make such payment.

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

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. We will deduct any unpaid loan from this Cash Value or any unpaid loan can be repaid together with loan interest, up to 6% compounded annually, from the end of the late period to the date of reinstatement.

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During a late period, transfers may be made; however, no new loans or partial withdrawals may be taken.

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 IRC. 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 credits 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.

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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 IRC 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 attributable to the Separate Account. In addition, depending on the method of calculating interest on amounts allocated to the Fixed Account and/or DCA Plus Account, we may impose a charge for the policy's share of NYLIAC's federal income taxes attributable to the Fixed Account and/or DCA Plus 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 IRC, a policy will qualify as life insurance under the IRC only if the diversification requirements of IRC Section 817(h) are satisfied by the Separate Account. We intend for the Separate Account to comply with IRC 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 IRC 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

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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 IRC 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 IRC. Pursuant to Section 101(g) of the IRC, amounts received by the policyowner may also be excludable from the policyowner's gross income when the 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

IRC 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 IRC, 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 IRC 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 IRC 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 IRC 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 or for the joint lives or joint life expectancies of the taxpayer and his or her beneficiary.

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.

IRC 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

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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, IRC 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 IRC. The exclusion from gross income will not apply, however, if you are not the insured or if you do not have an insurable interest in the life of the insured either because the insured is your director, officer, or employee, or because the 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 IRC. 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.

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WITHHOLDING

Under Section 3405 of the IRC, 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.

LEGAL PROCEEDINGS

NYLIAC is a defendant in individual and/or alleged class action suits 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.

RECORDS AND REPORTS

New York Life or NYLIAC maintains all records and accounts relating to the Separate Account, the Fixed Account and the DCA Plus Account. Each year we will mail you 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.

Generally, NYLIAC will immediately mail to you confirmation of any transactions involving the Separate Account. When we receive premium payments on your behalf involving the Separate Account initiated through pre-authorized monthly deductions from

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banks ("Check-o-Matic"), payments forwarded by your employer ("list billing"), or through other payments made by pre-authorized deductions to which we agree, a summary of these policy transactions will only appear on your quarterly statement and you will not receive a confirmation statement after each such transaction.

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 request 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.

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 in the SAI. The independent accountants are PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, NY 10017.

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APPENDIX A

ILLUSTRATIONS

The following tables demonstrate the way your policy works. The tables are based on the sex, age, underwriting class, initial Life Insurance Benefit, and premium as follows:

The tables are for a policy issued to a male with preferred underwriting class and issue age 40 with a planned annual premium of \$10,000, a Surrender Charge Premium of \$6,827.50, an initial face amount of \$250,000 and no riders. It assumes that 100% of the net premium is allocated to the Separate Account.

The tables show how the Life Insurance Benefit, Cash Value and Cash Surrender Value would vary over an extended period of time assuming hypothetical gross rates of return equivalent to a constant annual rate of 0%, 6%, or 12%. The tables will assist in the comparison of the Life Insurance Benefit, Cash Value and Cash Surrender Value of the policy with other variable life insurance plans.

The Life Insurance Benefit, Cash Value and Cash Surrender Value for a policy would be different from the amounts shown if the actual gross rates of return averaged 0%, 6% or 12%, but varied above and below those averages for the period. They would also be different depending on the allocation of the assets among the Investment Divisions of the Separate Account and the Fixed Account, if the actual gross rate of return for all Investment Divisions averaged 0%, 6%, or 12%, but varied above or below that average for individual Investment Divisions. They would also differ if any policy loans or partial withdrawals were made or if premium payments were not paid on the policy anniversary during the period of time illustrated. Depending on the timing and degree of fluctuation, the actual values could be substantially more or less than those shown. A lower value may, under certain circumstances, result in the lapse of the policy unless the policyowner pays more than the stated premium.

Table 1 reflects all deductions and charges under the policy and assumes that the cost of insurance charges are based on the current cost of insurance rates. These deductions and charges include all charges from planned premium payments and the cash value at their current levels, as well as a monthly Mortality and Expense Risk charge equal to 0.70% - 0.05% annualized (on a current basis) of the cash value allocated to the Separate Account. The Mortality and Expense Risk charge is reduced based on Separate Account cash value and policy duration.

Table 2 reflects all deductions and charges under the policy and assumes that the cost of insurance charges are based on the guaranteed cost of insurance rates. These deductions and charges include all charges from planned premium payments and the Cash Value at their guaranteed levels, as well as a monthly Mortality and Expense Risk charge equal to 1.00% annualized (on a guaranteed basis) of the cash value allocated to the Separate Account.

All tables reflect total assumed investment advisory fees together with other expenses incurred by the Funds of 0.77% of the average daily net assets of the Funds. This total is based upon an arithmetic average of the management fees, administrative fees and the other expenses after expense reimbursement for each Investment Division. Please refer to the Fee Table in this prospectus for details of the underlying Fund fees.

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Taking into account the arithmetic average investment advisory fees and expenses of the Funds, the gross rates of return of 0%, 6%, and 12% would correspond to illustrated net investment returns of:

-0.77%, 5.18%, and 11.14%.

The actual investment advisory fees and expenses may be more or less than the amounts illustrated and will depend on the allocations made by the policyowner.

NYLIAC will furnish upon request a comparable illustration using the age, sex, and underwriting classification of the insured for any initial Life Insurance Benefit and premium requested. In addition to an illustration assuming policy charges at their maximum, we will furnish an illustration assuming current policy charges and current cost of insurance rates.

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TABLE 1

FLEXIBLE PREMIUM VARIABLE UNIVERSAL LIFE PROVIDER INSURANCE POLICY

MALE ISSUE AGE: 40, PREFERRED
 PLANNED ANNUAL PREMIUM: \$10,000
 SURRENDER CHARGE PREMIUM: \$6,827.50
 INITIAL FACE AMOUNT: \$250,000
 LIFE INSURANCE BENEFIT OPTION 2
 SWITCHING TO OPTION 1 IN YEAR 25

ASSUMING CURRENT CHARGES

<Table>
<Caption>

VALUE (1) POLICY YEAR	END OF YEAR DEATH BENEFIT(1) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH VALUE(1) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH SURRENDER VALUE ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
	0%	6%	12%	0%	6%	12%	0%	6%	12%
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<S>									
1	258,211	258,727	259,243	8,211	8,727	9,243	3,211	3,727	4,243
2	266,517	268,063	269,673	16,517	18,063	19,673	10,031	11,576	13,187
3	274,668	277,780	281,149	24,668	27,780	31,149	18,592	21,704	25,072
4	282,668	287,896	293,780	32,668	37,896	43,780	26,933	32,161	38,044
5	290,509	298,419	307,675	40,509	48,419	57,675	35,184	43,093	52,350
6	298,783	310,017	323,659	48,783	60,017	73,659	43,799	55,033	68,675
7	306,922	322,097	341,316	56,922	72,097	91,316	52,347	67,523	86,742
8	314,905	334,724	360,841	64,905	84,724	110,841	60,809	80,628	106,744
9	322,756	347,908	382,407	72,756	97,908	132,407	69,070	94,221	128,720
10	330,508	361,721	406,255	80,508	111,721	156,255	77,299	108,512	153,046
15	368,333	442,535	572,389	118,333	192,535	322,389	118,333	192,535	322,389
20	401,744	542,594	847,767	151,744	292,594	597,767	151,744	292,594	597,767
25	430,795	668,236	1,312,361	180,795	418,236	1,062,361	180,795	418,236	1,062,361

</Table>

(1) Assumes no policy loan or partial withdrawal has been made.

WE EMPHASIZE THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE ARE ILLUSTRATIVE ONLY AND YOU SHOULD NOT DEEM THEM TO BE A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER AND THE INVESTMENT EXPERIENCE OF THE PORTFOLIOS OF THE FUNDS. THE DEATH BENEFIT, CASH VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL GROSS ANNUAL RATES OF RETURN AVERAGED 0%, 6%, OR 12% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL POLICY YEARS. THEY WOULD ALSO BE DIFFERENT IF ANY POLICY LOANS OR PARTIAL WITHDRAWALS WERE MADE. NEITHER NEW YORK LIFE INSURANCE AND ANNUITY COMPANY, THE SEPARATE ACCOUNTS, NOR THE FUNDS REPRESENT THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER A PERIOD OF TIME.

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TABLE 1 (CONTINUED)

FLEXIBLE PREMIUM VARIABLE UNIVERSAL LIFE PROVIDER INSURANCE POLICY

MALE ISSUE AGE: 40, PREFERRED
 PLANNED ANNUAL PREMIUM: \$10,000
 SURRENDER CHARGE PREMIUM: \$6,827.50
 INITIAL FACE AMOUNT: \$250,000
 LIFE INSURANCE BENEFIT OPTION 2
 SWITCHING TO OPTION 1 IN YEAR 25

ASSUMING CURRENT CHARGES

<Table>

VALUE (1) POLICY YEAR	END OF YEAR DEATH BENEFIT(1) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH VALUE(1) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH SURRENDER VALUE ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
	0%	6%	12%	0%	6%	12%	0%	6%	12%
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
30	430,795	670,950	2,133,444	203,099	578,405	1,839,176	203,099	578,405	1,839,176
35	430,795	843,912	3,359,981	217,425	788,703	3,140,169	217,425	788,703	3,140,169
40	430,795	1,111,933	5,599,451	219,036	1,058,984	5,332,810	219,036	1,058,984	5,332,810
45	430,795	1,464,502	9,404,318	190,627	1,394,764	8,956,493	190,627	1,394,764	8,956,493
50	430,795	1,890,744	15,581,958	80,421	1,800,708	14,839,960	80,421	1,800,708	14,839,960
55	--	2,340,568	24,879,483	--	2,317,394	24,633,152	--	2,317,394	24,633,152
60	--	3,030,513	41,731,738	--	3,030,513	41,731,738	--	3,030,513	41,731,738

(1) Assumes no policy loan or partial withdrawal has been made.

WE EMPHASIZE THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE ARE ILLUSTRATIVE ONLY AND YOU SHOULD NOT DEEM THEM TO BE A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER AND THE INVESTMENT EXPERIENCE OF THE PORTFOLIOS OF THE FUNDS. THE DEATH BENEFIT, CASH VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL GROSS ANNUAL RATES OF RETURN AVERAGED 0%, 6%, OR 12% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL POLICY YEARS. THEY WOULD ALSO BE DIFFERENT IF ANY POLICY LOANS OR PARTIAL WITHDRAWALS WERE MADE. NEITHER NEW YORK LIFE INSURANCE AND ANNUITY COMPANY, THE SEPARATE ACCOUNTS, NOR THE FUNDS REPRESENT THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER A PERIOD OF TIME.

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TABLE 2

FLEXIBLE PREMIUM VARIABLE UNIVERSAL LIFE PROVIDER INSURANCE POLICY

MALE ISSUE AGE: 40, PREFERRED
 PLANNED ANNUAL PREMIUM: \$10,000
 SURRENDER CHARGE PREMIUM: \$6,827.50
 INITIAL FACE AMOUNT: \$250,000
 LIFE INSURANCE BENEFIT OPTION 2
 SWITCHING TO OPTION 1 IN YEAR 25

ASSUMING GUARANTEED CHARGES

VALUE (1) POLICY YEAR	END OF YEAR DEATH BENEFIT(1) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH VALUE(1) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH SURRENDER VALUE ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
	0%	6%	12%	0%	6%	12%	0%	6%	12%
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1	257,476	257,963	258,451	7,476	7,963	8,451	2,476	2,963	3,451
2	265,000	266,439	267,939	15,000	16,439	17,939	8,514	9,953	11,453
3	272,303	275,174	278,285	22,303	25,174	28,285	16,226	19,097	22,209
4	279,418	284,209	289,607	29,418	34,209	39,607	23,682	28,474	33,872
5	286,319	293,525	301,970	36,319	43,525	51,970	30,993	38,200	46,644
6	293,010	303,135	315,479	43,010	53,135	65,479	38,026	48,151	60,495
7	299,495	313,051	330,249	49,495	63,051	80,249	44,920	58,477	75,675
8	305,777	323,285	346,407	55,777	73,285	96,407	51,680	69,189	92,311
9	311,830	333,820	364,061	61,830	83,820	114,061	58,143	80,133	110,374
10	317,658	344,669	383,361	67,658	94,669	133,361	64,449	91,460	130,152
15	343,098	403,582	510,403	93,098	153,582	260,403	93,098	153,582	260,403
20	361,023	469,568	708,280	111,023	219,568	458,280	111,023	219,568	458,280
25	369,228	540,988	1,016,799	119,228	290,988	766,799	119,228	290,988	766,799

(1) Assumes no policy loan or partial withdrawal has been made.

WE EMPHASIZE THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE ARE ILLUSTRATIVE ONLY AND YOU SHOULD NOT DEEM THEM TO BE A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR

LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER AND THE INVESTMENT EXPERIENCE OF THE PORTFOLIOS OF THE FUNDS. THE DEATH BENEFIT, CASH VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL GROSS ANNUAL RATES OF RETURN AVERAGED 0%, 6%, OR 12% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL POLICY YEARS. THEY WOULD ALSO BE DIFFERENT IF ANY POLICY LOANS OR PARTIAL WITHDRAWALS WERE MADE. NEITHER NEW YORK LIFE INSURANCE AND ANNUITY COMPANY, THE SEPARATE ACCOUNTS, NOR THE FUNDS REPRESENT THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER A PERIOD OF TIME.

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TABLE 2 (CONTINUED)

FLEXIBLE PREMIUM VARIABLE UNIVERSAL LIFE INSURANCE POLICY

MALE ISSUE AGE: 40, PREFERRED
 PLANNED ANNUAL PREMIUM: \$10,000
 SURRENDER CHARGE PREMIUM: \$6,827.50
 INITIAL FACE AMOUNT: \$250,000
 LIFE INSURANCE BENEFIT OPTION 2
 SWITCHING TO OPTION 1 IN YEAR 25

ASSUMING GUARANTEED CHARGES

<Table>
 <Caption>

VALUE (1) POLICY YEAR	END OF YEAR DEATH BENEFIT (1) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH VALUE (1) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH SURRENDER VALUE ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
	0%	6%	12%	0%	6%	12%	0%	6%	12%
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
30	369,228	540,988	1,460,795	113,787	370,516	1,259,306	113,787	370,516	1,259,306
35	369,228	540,988	2,181,173	83,851	471,869	2,038,480	83,851	471,869	2,038,480
40	369,228	643,789	3,450,458	--	613,132	3,286,150	--	613,132	3,286,150
45	--	816,848	5,472,181	--	777,951	5,211,601	--	777,951	5,211,601
50	--	1,008,272	8,517,763	--	960,259	8,112,156	--	960,259	8,112,156
55	--	1,197,437	12,844,305	--	1,185,581	12,717,133	--	1,185,581	12,717,133
60	--	1,500,418	20,570,431	--	1,500,418	20,570,431	--	1,500,418	20,570,431

</Table>

(1) Assumes no policy loan or partial withdrawal has been made.

WE EMPHASIZE THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE ARE ILLUSTRATIVE ONLY AND YOU SHOULD NOT DEEM THEM TO BE A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER AND THE INVESTMENT EXPERIENCE OF THE PORTFOLIOS OF THE FUNDS. THE DEATH BENEFIT, CASH VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL GROSS ANNUAL RATES OF RETURN AVERAGED 0%, 6%, OR 12% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL POLICY YEARS. THEY WOULD ALSO BE DIFFERENT IF ANY POLICY LOANS OR PARTIAL WITHDRAWALS WERE MADE. NEITHER NEW YORK LIFE INSURANCE AND ANNUITY COMPANY, THE SEPARATE ACCOUNTS, NOR THE FUNDS REPRESENT THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER A PERIOD OF TIME.

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APPENDIX B

STATE VARIATIONS

The following lists by jurisdiction any variations to the statements made in this prospectus.

CALIFORNIA

-- Free Look--If you cancel your policy, we will pay you your policy's Cash Value on the date you return the policy, plus the charges deducted from the premium payments you have made, less any loans and partial withdrawals you have taken.

COLORADO

-- Transfers Between Investment Divisions and/or the Fixed Account--If there is a change in the investment strategy of the Separate Account, you may make an unrestricted transfer from the Separate Account to the Fixed Account,

regardless of any limits on such transfers that apply.

-- The Suicide Exclusion period is one year from the Issue Date.

CONNECTICUT

-- Loan Interest Rate--Due to state regulation, the loan interest rate is fixed at 6.0% and may not be changed.

DISTRICT OF COLUMBIA

-- Free Look--You have until the later of 20 days from the date you receive your policy, or 45 days from the date the application is signed, to return the policy and receive a refund. We will allocate the initial premium and any other premium payments you make during the first 20 days following policy issue to our General Account. At the end of this free look period, we will allocate your net premiums according to your instructions.

FLORIDA

-- Termination and Late Period--The late period is the 31 days following the Monthly Deduction Day that the Cash Surrender Value is zero, or less than zero. We will mail a notice to the policyowner (and any known assignee) at least 30 days before the end of the late period.

-- Life Extension Rider is not available.

ILLINOIS

-- Life Extension Rider is not available.

INDIANA

-- Free Look--You can return the policy to any of our registered representatives.

-- ACSV Policy is not available.

-- When We Pay Policy Proceeds--Any claim for the life insurance proceeds under this policy will be settled within two months of receipt of due proof of the death of the Insured.

B-1

MARYLAND

-- ACSV Policy is not available.

-- Unplanned Premiums--You are allowed a maximum of twelve unplanned premium payments each Policy Year.

-- Term Insurance on Term Insurance Rider--This rider ends at age 98.

-- Life Extension Rider is not available.

MASSACHUSETTS

-- Transfers Between Investment Divisions and/or the Fixed Account--If there is a change in the investment strategy of the Separate Account, you can make an unrestricted transfer from the Separate Account to the Fixed Account, regardless of any limits on such transfers that apply.

MICHIGAN

-- Living Benefits Rider--The benefit can be exercised if the insured has a life expectancy of six months or less.

-- Free Look--You can return the policy to any of our registered representatives.

MONTANA

-- Variable Universal Life Provider--Is always issued on a unisex basis in Montana. Any reference in this prospectus that makes a distinction based on the sex of the insured should be disregarded for policies issued in this state.

-- Free Look--You can return the policy to any of our registered representatives.

NEW JERSEY

-- No-Lapse Guarantee--The No-Lapse Guarantee is not available.

- ACSV is not available.
- Face Amount Increases--You are allowed to increase your policy's Face Amount only once each Policy Year.
- Face Amount Decreases--You are allowed to decrease your policy's Face Amount only once each Policy Year.
- Unplanned Premiums--You are allowed a maximum of twelve unplanned premium payments each Policy Year.
- State Tax Charge--We will not increase the charge above 2.0%.
- Changes in Life Insurance Benefit Option--Only one change can be made per Policy Year.
- Partial Withdrawals--You can take one partial withdrawal in the first Policy Year, if Life Insurance Benefit Option 1 is in effect.

B-2

NEW YORK

- Face Amount Increases--You are allowed to increase your policy's Face Amount only once each Policy Year.
- Face Amount Decreases--You are allowed to decrease your policy's Face Amount only once each Policy Year.
- Unplanned Premiums--You are allowed a maximum of twelve unplanned premium payments each Policy Year.
- Changes in Life Insurance Benefit Option--Only one change can be made per Policy Year.
- Free Look--You have 10 days from the date you receive your policy to return the policy and receive a refund. Until 20 days after issue of the policy we will allocate the initial premium and any other premium payments you make during this period to our General Account. After the first 20 days following policy issue, we will allocate your net premiums according to your instructions.
- Change in Objective of an Investment Division--If there is a change in the investment strategy of any Investment Division, you have the option of converting, without evidence of insurability, your policy within 60 days after the effective date of such change or the date you receive notification of such change, whichever is later. You may elect to convert your policy to a new fixed benefit life insurance policy, for an amount of insurance not greater than the Life Insurance Benefit of the original policy, on the date of conversion. The new policy will be based on the same issue age, sex, and class of risk as your original policy, but will not offer variable investment options such as the Investment Divisions. All riders attached to your original policy will end on the date of any such conversion.
- Special Provision Regarding Extended Term Insurance--On each policy anniversary, you have the right to transfer all of your money in the Separate Account to the Fixed Account and obtain an extended term insurance benefit. See your policy for details regarding this option.
- Spouse's Paid-Up Insurance Purchase Option--This rider is not available.
- Life Extension Rider is not available.

NORTH CAROLINA

- Free Look--You have until the later of 20 days from the date you receive your policy, or 45 days from the date the application is signed, to return the policy and receive a refund. Until 20 days after policy issue we will allocate the initial premium and any other premium payments you make during this period to our General Account. After the first 20 days following policy issue, we will allocate your net premiums according to your instructions.

OREGON

- The state tax is referred to as a "Tax Charge Back." The rate may not be changed for the life of the policy.
- Free Look--You can return the policy to any of our registered representatives.

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PENNSYLVANIA

- Misstatement of Age or Sex--In the event of such a misstatement, we will adjust the death benefit provided by your policy, but we will not adjust the Cash Value.
- Face Amount Increases--You are allowed to increase your policy's Face Amount only once each Policy Year.
- Face Amount Decreases--You are allowed to decrease your policy's Face Amount only once each Policy Year.
- Unplanned Premiums--You are allowed a maximum of twelve unplanned premium payments each Policy Year.
- Changes in Life Insurance Benefit Option--Only one change can be made per Policy Year.

TEXAS

- Free Look--You may return the contract within 10 days of receipt of the contract to receive a refund equal to the premiums paid.
- Face Amount Increases--You are allowed to increase your policy's Face Amount only once each Policy Year.
- Face Amount Decreases--You are allowed to decrease your policy's Face Amount only once each Policy Year.
- Life Extension Rider is not available.
- No Lapse Guarantee is not available.
- Unplanned Premiums--You are allowed a maximum of twelve unplanned premium payments each Policy Year.
- Changes in Life Insurance Benefit Option--Only one change can be made per Policy Year.
- Partial Withdrawals--You can take one partial withdrawal in the first Policy Year, if Life Insurance Benefit Option 1 is in effect.

VERMONT

- Vermont law requires that insurance contracts and policies offered to married persons and their families be made available to parties to a civil union and their families, unless federal law prohibits such action or limits the benefits available under the policy to persons recognized as married under federal laws. You should ask your registered representative how this law may impact your policy and the benefits available under it.
- Free Look--You can return the policy to any of our registered representatives.

WASHINGTON

- Living Benefits Rider--The benefit can be exercised if the insured has a life expectancy of 24 months or less.

OBTAINING ADDITIONAL INFORMATION

The Statement of Additional Information ("SAI") includes additional information about VUL Provider, including information about compensation arrangements. The SAI is available without charge upon request. You can request the SAI by mail (at the Variable Products Service Center at Madison Square Station, P.O. Box 922, New York, NY 10159), through the internet on our corporate website (www.newyorklife.com), or by phone on our toll-free number (1-800-598-2019). The current SAI is incorporated by reference into the prospectus and has been filed with the SEC.

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Information about VUL Provider (including the SAI) can be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 202-942-8090. Reports and other information about VUL Provider are available on the SEC's internet site at <http://www.sec.gov>. Copies of this information may be obtained, upon payment of a duplicating fee, by writing to the Public Reference Section of the SEC at 450 Fifth Street, NW, Washington, DC 20549-0102.

For a personalized illustration, contact your Registered Representative or call our toll-free number, 1-800-598-2019.

SEC File Number: 811-07798

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STATEMENT OF ADDITIONAL INFORMATION

DATED

MAY 1, 2005

FOR

VARIABLE UNIVERSAL LIFE PROVIDER

FROM

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

This Statement of Additional Information ("SAI") is not a prospectus. The SAI contains information that expands upon subjects discussed in the current NYLIAC Variable Universal Life Provider ("VUL Provider") prospectus. You should read the SAI in conjunction with the current VUL Provider prospectus dated May 1, 2005 and any supplements thereto. This SAI is incorporated by reference into the prospectus. You may obtain the prospectus by calling New York Life Insurance and Annuity Corporation ("NYLIAC") at 1-800-598-2019 or writing to NYLIAC at Madison Square Station, P.O. Box 922, New York, NY 10159. Terms used but not defined in the SAI have the same meaning as in the current VUL Provider prospectus.

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VUL PROVIDER IS OFFERED UNDER NYLIAC VARIABLE UNIVERSAL LIFE SEPARATE ACCOUNT-I.

GENERAL INFORMATION AND HISTORY

The VUL Provider prospectus and SAI describe flexible premium variable universal life insurance policies that NYLIAC issues.

ABOUT NYLIAC

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 the prospectus, NYLIAC offers other life insurance policies and annuities.

NYLIAC's financial statements are also included in this SAI. NYLIAC's principal business address is 51 Madison Avenue, New York, New York 10010.

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 had total assets amounting to \$65.8 billion at the end of 2004. New York Life has invested in NYLIAC, and will occasionally make additional contributions to NYLIAC in order to maintain capital and surplus in accordance with state requirements.

TAX STATUS OF NYLIAC AND THE SEPARATE ACCOUNT

NYLIAC is taxed as a life insurance company under IRC Subchapter L. The Separate Account is not a taxable entity separate from NYLIAC, and we take its operations into account in determining NYLIAC's income tax liability. 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 applied automatically 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 that those items are applied to increase reserves associated with the policies.

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 credits that may be procured by assets of the Separate Account.

ADDITIONAL INFORMATION ABOUT THE OPERATION OF THE POLICIES

The prospectus provides information about the policy and its riders. The following is additional information about these terms.

INVESTMENT DIVISIONS

As discussed in the prospectus, the following are the available Eligible Portfolios of each Fund:

MainStay VP Series Fund, Inc.:

- MainStay VP Balanced--Initial Class
- MainStay VP Basic Value--Initial Class
(formerly, MainStay VP Dreyfus Large Company Value)
- MainStay VP Bond--Initial Class

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- 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 (formerly, MainStay VP Eagle Asset Management Growth Equity)
- MainStay VP High Yield Corporate Bond--Initial Class
- MainStay VP Income and Growth--Initial Class (formerly, MainStay VP American Century Income and Growth)
- 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

The Alger American Fund

- Alger American Small Capitalization--Class O Shares

Calvert Variable Series, Inc.

- Calvert Social Balanced Portfolio

Dreyfus Investment Portfolios

- Dreyfus IP Technology Growth--Initial Shares

Fidelity Variable Insurance Products Fund

- Fidelity(R) VIP Contrafund(R)--Initial Class
- Fidelity(R) VIP Equity-Income--Initial Class

Janus Aspen Series

- Janus Aspen Series Balanced--Institutional Shares
- Janus Aspen Series Worldwide Growth--Institutional Shares

T. Rowe Price Equity Series, Inc.

The Universal Institutional Funds, Inc.

-- Van Kampen UIF Emerging Markets Equity--Class I

The Funds and Eligible Portfolios offered through this product are selected by NYLIAC based on several criteria, including asset class coverage, the strength of the manager's reputation and tenure, brand recognition, performance, and the capability and qualification of each sponsoring investment firm. An affiliate of NYLIAC manages the MainStay VP Series Fund and that was a factor in its selection. Another factor that NYLIAC considers during the selection process is whether the Fund or Eligible Portfolio or an affiliate of the Fund will compensate NYLIAC for providing administrative, marketing, and support services that would otherwise be provided by the Fund, the Fund's investment advisor, or its distributor (see "Sales and Other Agreements" below).

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The Funds' shares may 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, the Funds' 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.

The investment experience of an Investment Division of the Separate Account 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. We determine this investment experience each valuation day, which is when the net asset value of the underlying Fund is determined. The actual net rate of return for an Investment Division measures the investment experience from the end of one valuation day to the end of the next valuation day.

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 an Eligible Portfolio are no longer available for investment or if we, in our sole discretion, decide that investment in an Eligible Portfolio is inappropriate given the purposes of the Separate Account. Investment Divisions may be added or deleted when marketing, tax, investment, or other conditions make it appropriate. We may decide whether or not the new Investment Divisions should be made available to existing policyowners. A new Eligible Portfolio may have higher fees and charges than the one it replaces. 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 1940 Act and we have obtained any necessary regulatory approvals.

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 1940 Act, (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 gains distributions from Eligible Portfolios in additional shares of the distributing Portfolio at their net asset value on the date the dividends or distributions are paid.

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CHANGING THE FACE AMOUNT OF YOUR POLICY

You can request an increase in the Face Amount of your policy (Face Amount increases are not allowed on ACSV policies for the first ten years) if all of the following conditions are met:

-- the Primary Insured is still living;

- the Primary Insured is age 65 or younger;
- the increase you are requesting is at least \$5000 or more;
- the requested increase will not cause the policy's Face Amount to exceed our maximum limit on the risk we retain, which we set at our discretion; and;
- you submit a written application signed by the insured along with satisfactory evidence of insurability.

We can limit any increase in the Face Amount of your policy.

You can request a decrease in the Face Amount of your policy if both of the following conditions are met:

- the insured is still living; and
- the decrease you are requesting will not reduce the policy's Face Amount below the minimum face amount.

We may limit any decrease in the Face Amount of your policy.

ADDITIONAL INFORMATION ABOUT THE AMOUNT IN THE SEPARATE ACCOUNT: VALUATION OF ACCUMULATION UNITS

The value of an accumulation unit on any valuation day equals the value of an accumulation unit on the preceding valuation day multiplied by the net investment factor. We calculate a net investment factor for the period from the close of the New York Stock Exchange on the immediately preceding valuation day to its close on the current valuation day using the following formula:

(a/b)

Where: a = the sum of:

- (1) the net asset value of the Fund share held in the Separate Account for that Investment Division at the end of the current valuation day, plus
- (2) the per share amount of any dividends or capital gains distributions made by the Fund for shares held in the Separate Account for that Investment Division if the ex-dividend date occurs during such period; and

b = the net asset value of the Fund share held in the Separate Account for that Investment Division at the end of the preceding valuation day.

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

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ADDITIONAL BENEFITS THROUGH RIDERS AND OPTIONS

The following riders and options are available with this policy, and a description of each is provided in the current prospectus:

Guaranteed Insurability Rider
Insurance Exchange Rider
Life Extension Benefit Rider
Living Benefits Rider
Monthly Deduction Waiver Rider
Spouse's Paid-Up Insurance Purchase Option Rider
Term Insurance Benefit Rider

Riders are subject to regulatory approval in each jurisdiction and may not be available in all jurisdictions. In addition, the rider name and the requirements for any rider may vary by jurisdiction. You should contact your registered representative to determine whether a rider you are considering is available in your jurisdiction. Additional information for specific riders and options appears below.

-- GUARANTEED INSURABILITY RIDER

Scheduled option dates are the policy anniversaries on which the Primary Insured attains each of the following ages: 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 always will be a Monthly Deduction Day. When one of the events that would trigger an alternative option date occurs, we will automatically 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:

<Table>
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AGE AT ISSUE -----	MULTIPLE -----
<S>	<C>
18-21	5 times Face Amount
22-37	2 times Face Amount
38-43	1 times Face Amount

</Table>

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 3 months before that anniversary, you will continue to have the right to purchase additional

insurance coverage until that option date. We will provide the automatic term insurance coverage up to that option date as well.

-- INSURANCE EXCHANGE RIDER

When an exchange is made to a new policy the Cash Value of your policy will be transferred to the new policy and become the Cash Value for the new policy. However, the Cash Surrender Value under the new policy may be different since surrender charges will be based on the new insured's age and gender.

The maximum Face Amount of the new policy is the lesser of the Face Amount of the original policy on the Policy Date or the Face Amount of the original policy on the date of the exchange.

Before we can issue the new policy, you must provide us with evidence of insurability on the new insured and have an insurable interest in the new insured. The Policy Date and the Issue Date of the new policy will be the date on which the policy is exchanged. The new cost of insurance rates, premium payments and charges will be based on the new insured's age, gender, and risk classification at the time the exchange occurs. However, surrender charges on the new policy will be measured from the Policy Date of the original policy.

Under certain circumstances, you may be required to make a payment in order to exercise the exchange rider:

(1) If the Cash Surrender Value of the new policy will exceed the Cash Surrender Value of the original policy, then a payment equal to 103% of the difference between these two values is required.

(2) If the Cash Surrender Value of the new policy after the exchange would be zero or lower, then a payment in an amount sufficient to keep the new policy in effect for two months following the date of exchange is required.

This payment will be treated as a premium payment and will be applied to your policy.

The IRS has ruled that an exchange of policies pursuant to this type of rider does not qualify as a tax-deferred exchange under IRC Section 1035. Accordingly, the exercise of your rights under this rider will result in a taxable event. You will be required to include in gross income an amount equal to the gain in the policy. The exercise of your rights under this rider also may result in the new policy's classification as a modified endowment contract, as discussed in the prospectus. You should consult your tax adviser about the potential adverse tax consequences of exercising your rights under this rider.

-- LIFE EXTENSION BENEFIT RIDER

The cost of this rider is calculated as a monthly per thousand charge for

the base policy. The percentage is shown on the Policy Data Page. This will be deducted from the policy's Cash Value on each Monthly Deduction Day and continuing until the policy anniversary on which the Primary Insured is age 100. If the policy is still in effect when the Primary Insured is age 100, the assets of your policy invested in the Separate Account will be transferred to a cash management Investment Division. Thereafter, transfers can only be made between this Investment Division and the Fixed Account. All other riders attached to this policy will end.

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You can cancel this rider by sending us a signed written notice. This rider will end on the next Monthly Deduction Day following receipt of your request.

-- LIVING BENEFITS RIDER

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>
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CALCULATION STEPS
<S> <C>

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 - Unpaid loan - Administrative Fee

</Table>

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.

Minimum accelerated benefit amount: \$25,000

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

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. We will deduct an administrative fee of up to \$150 at the time you exercise the rider.

Amounts received under this rider generally will be excludable from your gross income under IRC Section 101(g). The exclusion from gross income will not apply, however, if you are not the insured or if you do not have an insurable interest in the life of the insured either because the insured is your director, officer, or employee or because the 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 a "life insurance contract" under the IRC. We reserve the right (but we are not obligated) to modify the rider to conform to any requirements the IRS may enact.

-- MONTHLY DEDUCTION WAIVER RIDER

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

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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 insured is age 65, we will waive the monthly

deduction charges under this policy for the remainder of the 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 but before age 65, we will waive the monthly deduction charges, as long as the disability continues, 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 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;
- the monthly contract charge;
- the monthly per thousand charge, if any; and
- the monthly Mortality and Expense Risk charge.

-- SPOUSE'S PAID-UP INSURANCE PURCHASE OPTION RIDER

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

- The maximum amount of the Policy Proceeds payable under this policy;
or
- \$5,000,000.

-- FOR POLICIES ISSUED PRIOR TO MAY 13, 2005

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 (cannot exceed maximum of \$5,000,000).

-- FOR POLICIES ISSUED ON OR AFTER MAY 13, 2005

If the Primary Insured's spouse dies at the same time as the Primary Insured or within 30 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 (cannot exceed maximum of \$2,500,000).

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 in writing to the issuance of the new insurance.

-- TERM INSURANCE BENEFIT RIDER

The minimum amount of term insurance that you can apply for under this rider is \$25,000. The term insurance under this rider will end when the Primary Insured dies. The term insurance under this rider also will end if the base policy ends. In no event will this rider continue beyond the policy anniversary on which the Primary Insured is age 100.

OPTIONS AVAILABLE AT NO ADDITIONAL CHARGE

DOLLAR COST AVERAGING

Dollar Cost Averaging is a systematic method of investing which allows you to purchase shares of the Investment Divisions at regular intervals in fixed dollar amounts so that the cost of your shares 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 with 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 is low and fewer units if the value per unit is high. Dollar Cost Averaging does not assure growth 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 will 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 would like the transfers to be made, within limits; and
- how often you would like to the transfers made: monthly, quarterly, semiannually or annually.

You may not make Dollar Cost Averaging transfers from the Fixed Account, but you can make Dollar Cost Averaging transfers into the Fixed Account. In addition, you cannot make transfers into the DCA Plus Account. Transfers out of the DCA Plus Account are subject to the requirements of the DCA Plus feature (see below).

We will make Dollar Cost Averaging transfers on the date you specify, or on the next Business Day. You can specify any day of the month with the exception of the 29th, 30th or 31st of the month. We will not process a Dollar Cost Averaging transfer unless we have received a written request at the Variable Products Service Center ("VPSC") at: Madison Square Station, P.O. Box 922, New York, NY 10159 (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 5 Business Days prior to the date you request it to begin, the

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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 may cancel the Dollar Cost Averaging feature at any time by written request. You may not elect Dollar Cost Averaging if you have chosen Automatic Asset Reallocation. However, you have the option of alternating between these two policy features. Dollar Cost Averaging is available when the DCA Plus feature is in place, but funds in the DCA Plus Account are not eligible for Dollar Cost Averaging.

-- DCA PLUS ACCOUNT (MAY BE DISCONTINUED AT ANY TIME)

This feature permits you to set up automatic dollar cost averaging using a 12-month DCA Plus Account and is only available at policy issue. The DCA Plus Account will earn a fixed interest rate. This fixed interest rate will be different and generally should earn a higher rate than the Fixed Account. The guaranteed minimum interest rate is the same as Fixed Account's minimum interest rate (3% for Variable Universal Life Provider). You can request DCA Plus in addition to our existing options.

In order to elect DCA Plus, you must allocate a minimum of \$1,000 of your initial premium to the DCA Plus Account. If you do not allocate the minimum amount to the DCA Plus Account, the premium amount will be automatically applied to the Investment Divisions and/or the Fixed Account that you have specified to receive transfers from the DCA Plus Account. You must specify the Investment Divisions into which transfers from the DCA Plus Account are to be made. Amounts in the DCA Plus Account will be transferred to the Investment Divisions within a maximum of 12 monthly transfers. These monthly transfers will begin on a date selected by you. You cannot select the 29th, 30th or 31st as a date for these transfers. Transfers will be made on the same day or on the next Business Day (if the day is not a Business Day) each month for a 12-month period. The amount of transfer will be calculated at the time of the scheduled transfer based on

the number of remaining monthly transfers and the remaining value in the DCA Plus Account. For example, the amount of the first monthly transfers out of the DCA Plus Account will equal 1/12 of the value of the DCA Plus Account on the date of the transfer. The amount of the remaining transfers will equal 1/11, 1/10, 1/9, 1/8, 1/7, 1/6, 1/5, 1/4, 1/3, 1/2, and the balance, respectively, of the value of the DCA Plus Account on the date of each transfer.

Any subsequent premium allocated to DCA Plus that we receive during the 12 months of DCA Plus will be added to the existing balance in the DCA Plus Account and be subsequently transferred out in accordance with the remaining transfers. These subsequent premium contributions will be credited with the current interest rate for the DCA Plus Account in effect on the date the premium is received. Only new premium contributions can be added to the DCA Plus Account while active. Transfers into the DCA Plus Account are not permitted. The entire value of the DCA Plus Account will be transferred out during the 12 month period or sooner if the balance falls below \$100.00. If on any given month, the amount of a transfer would leave a balance of less than \$100.00 in the DCA Plus

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Account, the entire balance will be transferred out at this point. Once the balance of the DCA Plus Account reaches zero, DCA Plus ends. If an additional premium payment is allocated to the DCA Plus Account, after the duration period has expired or the DCA Plus Account balance has reached zero, the premium contribution will be allocated to the DCA Plus destination funds and you will be notified that your allocations should be changed to reflect the end of DCA Plus.

You can make partial withdrawals, loans, and transfers (in addition to the automatic transfers described above) from the DCA Plus Account. Loans from the DCA Plus Account will be repaid to the Fixed Account.

Use of the DCA Plus Account does not assure growth or protect against loss in declining markets. Assets in our General Account support the DCA Plus Account.

-- AUTOMATIC ASSET REALLOCATION

You can choose to schedule the investment reallocations quarterly, semi-annually or annually, but not on a monthly basis. You can specify any day of the month other than the 29th, 30th and 31st. To elect this feature, the minimum cash value you must have allocated to the Separate Account is \$2500. We will suspend this feature automatically if the cash value is less than \$2000 on a reallocation date. Once the cash value equals or exceeds this amount, Automatic Asset Reallocation will resume automatically as scheduled. There is no minimum amount which you must allocate among the Investment Divisions for this feature.

We will make all Automatic Asset Reallocation transfers on the date you specify or on the next Business Day. You can specify any day of the month other than the 29th, 30th and 31st. We will not process Automatic Asset Reallocation transfers unless we have received a written request at VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159. 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 cannot elect Automatic Asset Reallocation if you have chosen Dollar Cost Averaging. However, you have the option of alternating between these two policy features.

Automatic Asset Reallocation is available when the DCA Plus feature is in place, but funds in the DCA Plus Account are not eligible for Automatic Asset Reallocation.

-- INTEREST SWEEP

You can choose to make interest sweep transfers if the amount in the Fixed Account is at least \$2500. You can specify any date that you want to make these automatic transfers, with the exception of the 29th, 30th, or 31st of the month. We will not process an interest sweep transfer unless we have received a written request at the VPSC at: Madison Square Station, P.O. Box 922, New York, NY 10159 (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.

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You cannot choose the interest sweep feature if you have instructed us to pay any part of your policy charges from the Fixed Account. If you want to elect the interest sweep feature and you want to allocate your charges, you must allocate your expenses 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 feature. 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) \$5000 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 \$2000, 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 resume automatically as scheduled. You can cancel the interest sweep feature at any time by written request.

Interest Sweep is available when DCA Plus is in place, but funds in the DCA Plus Account are not eligible for Interest Sweep.

LIFE INSURANCE BENEFIT EXAMPLES
 EXAMPLES
 (Effect of IRC Section 7702 on Life Insurance Benefit)

LIFE INSURANCE BENEFIT OPTION 1
 LIFE INSURANCE BENEFIT OPTION 2

<Table>

<S>	<C>	<C>
EXAMPLE 1:		
Female Nonsmoker Age 45 at Death;		
7702 Test: Guideline Premium Test		
	POLICY A	POLICY B
(1) Face Amount.....	\$ 100,000	\$ 100,000
(2) Cash Value.....	\$ 40,000	\$ 50,000
(3) IRC Section 7702		
Percentage on Date of		
Death.....	215%	215%
(4) Cash Value multiplied		
by 7702 Percentage....	\$ 86,000	\$ 107,500
(5) Death Benefit =		
Greater of (1) and		
(4).....	\$ 100,000	\$ 107,500

EXAMPLE 2:		
Female Nonsmoker Age 45 at Death;		
7702 Test: Cash Value Accumulation Test		
	POLICY A	POLICY B
(1) Face Amount.....	\$ 100,000	\$ 100,000
(2) Cash Value.....	\$ 25,000	\$ 45,000
(3) IRC Section 7702		
Percentage on Date of		
Death.....	337%	337%
(4) Cash Value multiplied		
by 7702 Percentage....	\$ 84,250	\$ 151,650
(5) Death Benefit =		
Greater of (1) and		
(4).....	\$ 100,000	\$ 151,650

EXAMPLE 1:		
Female Nonsmoker Age 45 at Death;		
7702 Test: Guideline Premium Test		
	POLICY A	POLICY B
(1) Face Amount.....	\$ 100,000	\$ 100,000
(2) Cash Value.....	\$ 40,000	\$ 90,000
(3) IRC Section 7702		
Percentage on Date of		
Death.....	215%	215%
(4) Cash Value multiplied		
by 7702 Percentage....	\$ 86,000	\$ 193,500
(5) Death Benefit =		
Greater of (1) + (2)		
and (4).....	\$ 140,000	\$ 193,500

EXAMPLE 2:		
Female Nonsmoker Age 45 at Death;		
7702 Test: Cash Value Accumulation Test		
	POLICY A	POLICY B
(1) Face Amount.....	\$ 100,000	\$ 100,000

(\$1,000,000 + \$150,000)

Life Insurance Benefit
immediately before and
after Option change \$1,150,000

CHANGE FROM OPTION 3 TO OPTION 1

Adjusted Total Premium \$100,000

Cash Value \$150,000

Face Amount
before option change \$1,000,000

Face Amount
after option change
(1,000,000 + 100,000) \$1,100,000

Life Insurance Benefit
immediately before and
after Option change \$1,100,000

CHANGE FROM OPTION 3 TO OPTION 2

Cash Value is greater than Adjusted Total Premium

Adjusted Total Premium \$100,000

Cash Value \$200,000

Face Amount
before option change \$1,000,000

Face Amount
after option change
(1,000,000 - 100,000) \$900,000

Life Insurance Benefit
immediately before and
after Option change \$1,100,000

CHANGE FROM OPTION 3 TO OPTION 2

Cash Value is less than Adjusted Total Premium

Adjusted Total Premium \$250,000

Cash Value \$200,000

Face Amount
before option change \$1,000,000

Face Amount
after option change
(1,000,000 + 50,000) \$1,050,000

Life Insurance Benefit
immediately before and
after Option change \$1,250,000

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 4.6% per year. (1) Broker-dealers receive commission not exceed 50% of the premiums paid up to a policy's commission Target Premium in Policy Year 1, 8% in Policy Year 2, 7% in Policy Years 3-10, 3.5% in Policy Years 11-15, and 3% in Policy Years 16-30, plus 3.0% of premiums paid in excess of such amount in Policy Years 1-30. The "commission Target Premium" is the calculation of the maximum commission payable based on the policyholder's age at the inception of the policy, gender, and the face amount of the policy. 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 and 2003 were \$3,985,626 and \$874,404 respectively. No commissions were paid in 2003. NYLIFE Distributors did not retain any of these commissions.

Broker-dealers may also receive additional compensation based on a percentage of a policy's Separate Account Value, less any policy loans, beginning in Policy Year 11. The percentages are not expected to exceed 0.08% in Policy Years 11 and beyond.

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.

(1) Assumes a discount rate of 6%. Additional assumptions for the VUL Provider product are Male Issue Age 40, issued preferred, with a planned annual premium of \$10,000 and an initial face amount of \$250,000.

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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.

The policies are sold and premium payments are accepted on a continuous basis.

UNDERWRITING A POLICY

The underwriting of a policy determines: (1) whether the policy application will be approved or disapproved; and (2) into what premium class the insured should be placed. Risk factors that are considered for these determinations include: (i) the insured's age; (ii) the insured's health history; (iii) whether the insured smokes or not; and (iv) the amount of insurance coverage requested on the policy application. As risk factors are added (i.e., higher age, smoker, poor health history, higher insurance coverage) the amount of the premium required for an approved policy will increase.

In the case where a policy's Face Amount of coverage is increased, premiums and Cash Values are allocated among the original and the incremental contracts based upon their relative surrender charges. For monthly deductions, Cash Values are allocated based on the earliest layer(s) of coverage first.

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ADDITIONAL INFORMATION ABOUT CHARGES

The following example reflects how charges can impact a policy.

EXAMPLE

This example assumes a male insured, issue age 40, preferred rating, a scheduled annual premium of \$10,000, an initial face amount of \$250,000, and a selection of Life Insurance Benefit Option 2 by the policyowner. It also assumes current charges and a 6% hypothetical gross annual investment return, which results in a 5.18% net annual investment return. It also assumes the policy is in its first Policy Year. There is no guarantee that the current charges illustrated below will not change.

<Table> <S>	<C>	<C>
PREMIUM	\$10,000.00	You choose the amount of premium you intend to pay and the frequency that you intend to make these payments. We call this your planned premium. Any additional premium payments you make are called unplanned premiums.
Less sales expense charge(1)	499.75	
Less state tax charge (2%)	200.00	
Less Federal tax charge (1.25%) (if applicable)	125.00	

NET PREMIUM	\$ 9,175.25	We allocate your net premium to the Investment Divisions and/or the Fixed Account based on your instructions.
Plus net investment performance (earned from the Investment Divisions and/or the Fixed Account)	450.24	
	440.03	
Less total annual monthly contract charge(2)	360.00	
Less total annual monthly cost of insurance charge (varies monthly)		
Less total annual monthly cost of riders(3)	226.10	
	0.00	
Less total annual Mortality and Expense Risk Charge (based on cash value allocated to the Separate Account) (4)	62.80	
	61.56	
Less monthly per thousand Face Amount charge	210.00	

CASH VALUE	\$ 8,726.59	Cash value may be used to determine the amount of your Life Insurance Benefit as well as the Cash Surrender Value of your policy.
Less surrender charge(5) (if applicable)	5,000.00	
		We may assess a surrender charge when you make a Face Amount decrease, partial withdrawal, or full surrender in the first ten Policy Years, or within ten years after you increase the Face Amount.

CASH SURRENDER VALUE (as of the end of the first Policy Year)	\$3,726.59	The amount of loans, withdrawals and surrenders you can make is based on your policy's Cash Surrender Value. Your policy will terminate if your Cash Surrender Value is insufficient to pay your policy's monthly charges.

</Table>

-
- (1) For details about how we calculate the sales expense charge for your policy, you should refer to the Table of Fees and Expenses in the prospectus.
 - (2) We currently deduct a monthly contract charge of \$30 per month from a policy in its first Policy Year. For a policy in a later Policy Year, we currently expect to deduct a monthly contract charge of \$10 per month.
 - (3) This example assumes you have not chosen any riders.
 - (4) For details about how we calculate the Mortality and Expense Risk charge for your policy, you should refer to the Table of Fees and Expenses in the prospectus.
 - (5) If you surrender your policy in the first Policy Year, we will include an additional contract charge in the surrender charge we deduct from your policy. For details, you should refer to the Table of Fees and Expenses in the prospectus.

The following is additional information about certain specific charges that can be associated with your policy.

DEDUCTIONS FROM PREMIUMS

SALES EXPENSE CHARGE

We deduct a sales expense charge from each premium you pay to partially cover our expenses of selling the policy to you. The amount of sales expense charge in a Policy Year is not necessarily related to our actual 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 the NYLIAC surplus, including any amounts derived from the Mortality and Expense Risk charge, the charge for cost of insurance protection, or the monthly per thousand Face Amount charge. The sales expense charge we deduct is a percentage of the premium you pay. This percentage varies depending on whether the total premium you have paid in any given Policy Year is above or below the Target Premium for your policy.

STATE TAX CHARGE

Some jurisdictions impose a tax on the premiums insurance companies receive from their policyholders ranging from 0% to 3.5% of premium payments. We 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 the law. Our right to increase this charge is limited in some jurisdictions by law.

CHARGES FOR TAXES

We impose a Federal tax charge equal to 1.25% of premiums received under the policy to compensate us for taxes we have to pay under Internal Revenue Code ("IRC") Section 848 in connection with our receipt of premiums. No other charge is currently made on 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 and/or DCA Plus Account, we may impose a charge for the policy's share of NYLIAC's Federal income taxes attributable to the Fixed Account and/or DCA Plus Account.

Under current laws, we may incur state or local taxes (in addition to premium taxes) in several states. At present, these taxes are not significant. If there is a material change in applicable state or local tax laws, we reserve the right to charge the Separate Account for the portion of such taxes, if any, attributable to the Separate Account or the policies.

TRANSACTION CHARGES

SURRENDER CHARGES

-- Charges in Policy Years 1-10--The Surrender Charge we deduct is the lesser of 1 or 2:

1. 50% of the total premiums you have paid under the policy; or
2. A percentage of the Surrender Charge Premium (as shown in the table below for the applicable Policy Year). The Surrender Charge Premium is shown on

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your Policy Data Page. The Surrender Charge we deduct if you surrender your policy or decrease the Face Amount of your policy is described below.

<Table>
<Caption>

POLICY YEAR	PERCENTAGE APPLIED
-----	-----
<S>	<C>
1	100%
2	95%
3	89%
4	84%
5	78%
6	73%
7	67%
8	60%
9	54%
10	47%

</Table>

Example: Assume that a policyowner (a) has a policy with a Surrender Charge Premium of \$12,976, (b) has paid \$10,000 of premiums under the policy, (c) has not increased the Face Amount of the policy, and (d) surrenders the policy in the third Policy Year. The surrender charge for the policy would be the lesser of (i) 89% of the Surrender Charge Premium (\$11,549) or (ii) 50% of the total premiums paid (\$5,000). In this case, the surrender charge would be \$5,000.

-- Additional Contract Charge on a Surrender or Lapse in the First Policy Year--If you surrender your policy during the first Policy Year, we will

deduct an additional contract charge when you surrender your policy. This charge also will apply if the policy lapses during the first Policy Year and is reinstated subsequently. This additional charge equals (a-b) x c where:

a = the monthly contract charge for the first Policy Year;

b = the monthly charge for subsequent Policy Years; and

c = the number of Monthly Deduction Days that fall during the first Policy Year, between the day you surrender your policy (or the date your policy lapsed) and the first anniversary of your Policy Date (or the date of reinstatement).

This charge will not exceed \$220.

-- Surrender Charge Schedule After Face Amount Increases--If you increase your policy's Face Amount (other than the increase that results from a change in your Life Insurance Benefit option), we will apply a new surrender charge schedule to the amount of the increase in the Face Amount. This schedule will start on the day we process your request. The Surrender Charge Premium we use under this schedule will be based on the insured's age on the most recent policy anniversary at the time of the increase. The original surrender charge schedule will continue to apply to the original Face Amount of your policy. If you have made multiple increases to the Face Amount of your policy, and later decide to decrease the Face Amount of your policy or surrender it, we will calculate the surrender charge in the following order:

- (1) based on the surrender charge associated with the last increase in Face Amount;
- (2) based on each prior increase, in the reverse order that the increases occurred; and

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- (3) based on the initial Face Amount.

-- Surrender Charges on Face Amount Decreases--If you decrease the Face Amount of your policy, we will deduct a surrender charge, if applicable. This charge will equal the difference between the surrender charge that we would have charged if you had surrendered your entire policy before the decrease and the surrender charge that we would charge had you surrendered your entire policy after the decrease. We will not impose a surrender charge on a decrease or termination of any rider.

<Table>
<Caption>

EXAMPLE:	
<S>	<C>
Face Amount prior to Decrease:	\$500,000
Amount of Decrease:	\$100,000

Face Amount after Decrease:	\$400,000
Surrender Charge on Face Amount prior to Decrease (\$500,000)	\$ 1,280
Less Surrender Charge on Face Amount after Decrease (\$400,000)	\$ 1,030

Surrender Charge Deducted	\$ 250

</Table>

-- Partial Withdrawal Surrender Charge--If the partial withdrawal (including a periodic partial withdrawal) results in a decrease to your policy's Face Amount, we will deduct a surrender charge (as described above).

-- Transfer Charge--We may impose a charge of \$30 per transfer for each transfer after the first twelve in any Policy Year.

DEDUCTIONS FROM CASH VALUE

CHARGE FOR COST OF INSURANCE PROTECTION

The cost of insurance charge is calculated by multiplying the monthly cost of insurance rate that applies to the insured at that time by the Net Amount at Risk on the Monthly Deduction Day and adding any applicable flat extra charge (which might apply to certain insureds based on our underwriting). 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 on the 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. 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 insured's age and circumstances at the time of the increase.

MORTALITY AND EXPENSE RISK CHARGE

We assume a mortality risk that the group of lives we have insured under our policies will not live as long as we expected. In addition, we assume an expense risk that the cost of issuing and administering the policies we have sold will be greater than we have estimated. On each Monthly Deduction Day, we deduct a Mortality and Expense Risk charge based on the cash value allocated to the Separate Account as of that day. This

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charge varies based on the cash value in the Separate Account and the policy duration. This charge will never be more than, on an annual basis, 1.0% of the cash value in the Separate Account. We may use any profit derived from the charge for any lawful purpose, including any distribution expenses not covered by the sales expense charge.

MONTHLY CONTRACT FEE

On each Monthly Deduction Day, we deduct a contract fee. In Policy Year 1, this fee will not exceed \$35 per month. In Policy Years 2 and beyond, this fee will not exceed \$15 per month.

PER THOUSAND CHARGE

On each Monthly Deduction Day, we deduct a per thousand Face Amount charge that is guaranteed not to exceed \$0.07 per \$1,000 of coverage.

LOANS

You can borrow up to the greater of:

I. 90% of the Cash Surrender Value of your policy less, in the first Policy Year, the amount of any additional contract charge, which would apply if you were to fully surrender your policy during that time, or

II. $((100\% - a) \times b) - c$, where:

a = the current loan interest rate;

b = the policy's Cash Surrender Value; and

c = the sum of three months of Monthly Deductions.

Assuming that you have not reached this maximum, you may obtain additional loans during the life of your policy.

Currently, the effective annual loan interest rate is 4%. If the interest is not paid, it is withdrawn on a pro rata basis across all Investment Divisions.

SURRENDER OF YOUR POLICY

Cash Surrender Value is significant for 2 reasons:

-- LOANS AND PARTIAL WITHDRAWALS: You can take loans and partial withdrawals from your policy based on the amount of the policy's Cash Surrender Value.

-- KEEPING YOUR POLICY IN EFFECT: Your policy may lapse without value if the Cash Surrender Value is insufficient to cover 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.

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 included in this SAI have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. 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 the financial highlights for each of the periods indicated in this SAI have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in

NYLIAC VARIABLE UNIVERSAL LIFE SEPARATE ACCOUNT-I

FINANCIAL STATEMENTS

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

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STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2004

<Table>			
<Caption>			
		MAINSTAY VP BOND-- INITIAL CLASS	MAINSTAY VP CAPITAL APPRECIATION-- INITIAL CLASS
			MAINSTAY VP CASH MANAGEMENT
<S>	<C>	<C>	<C>
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

NYLIAC VUL SEPARATE ACCOUNT-I

<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>	<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.

F-4

NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

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
\$ 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.

F-5

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

<Table>
<Caption>

	AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II	AMERICAN CENTURY VP VALUE-- CLASS II	CALVERT SOCIAL BALANCED
ASSETS:	<C>	<C>	<C>	<C>
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.

F-6

NYLIAC VUL SEPARATE ACCOUNT-I

<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
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	\$ 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
<S>	<C>
	\$ 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.

F-7

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

	FIDELITY (R) VIP OVERSEAS-- INITIAL CLASS	JANUS ASPEN SERIES BALANCED-- INSTITUTIONAL SHARES	JANUS ASPEN SERIES MID CAP GROWTH-- INSTITUTIONAL SHARES	JANUS ASPEN SERIES WORLDWIDE GROWTH-- INSTITUTIONAL SHARES
<S>	<C>	<C>	<C>	<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.

F-8

NYLIAC VUL SEPARATE ACCOUNT-I

	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
<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	\$ --	\$ --
58,227	62,164	80	18,636	83,418	17,806,316	162,093	--
--	--	--	--	--	625,577	--	--
--	--	--	--	--	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.

F-9

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.

F-10

NYLIAC VUL SEPARATE ACCOUNT-I

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F-11

STATEMENT OF OPERATIONS

For the year ended December 31, 2004

<Table>

<Caption>

	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
<S>	<C>	<C>	<C>	<C>	<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 S&P 500 INDEX-- INITIAL CLASS	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
<S>	<C>	<C>	<C>	<C>	<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.

F-12

NYLIAC VUL SEPARATE ACCOUNT-I

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

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 (B)	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II	AMERICAN CENTURY VP VALUE-- CLASS II
<S> <C>	<C>	<C>	<C>	<C>	<C>	<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.

F-13

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

<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>
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>

	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 (A)	MFS (R) UTILITIES SERIES-- INITIAL CLASS
<S>	<C>	<C>	<C>	<C>	<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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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
<S> <C>	\$ 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
<S> <C>	\$ --	\$ 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.

F-15

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>

	MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS		MAINSTAY VP MID CAP CORE-- INITIAL CLASS	
	2004	2003	2004	2003
	<C>	<C>	<C>	<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>

	MAINSTAY VP MID CAP GROWTH-- INITIAL CLASS	
	2004	2003
	<C>	<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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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
\$ 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.

F-17

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>

	MAINSTAY VP DREYFUS LARGE COMPANY VALUE-- INITIAL CLASS	
	2004	2003
<S>	<C>	<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>

	CALVERT SOCIAL BALANCED		DREYFUS IP TECHNOLOGY GROWTH-- INITIAL SHARES	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<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.

- For the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
- For the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
- For the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
- For the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
- For the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
- For the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
- 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 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

<Caption>

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

</Table>

<Table>

<Caption>

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
\$ (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>
\$	16,073	\$	2,112
	51,966		(26,900)
	--		--
	(7,289)		93,938
	60,750		69,150
	232,110		117,717
	(26,535)		(13,077)
	--		--
	27,753		120,743
	(990)		231,846
	--		--
	232,338		457,229
	--		--
	293,088		526,379
	613,343		86,964
	\$ 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.

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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
Net realized gain (loss) on investments...		154,805		(17,721)		96,530
Realized gain distribution received.....		--		--		--
Change in unrealized appreciation (depreciation) on investments.....		100,356		166,314		(34,909)
						90,002
Net increase (decrease) in net assets resulting from operations.....		255,161		150,645		65,283
						91,423
Contributions and (Withdrawals):						
Payments received from policyowners.....		354,162		54,864		156,646
Cost of insurance.....		(73,111)		(48,586)		(13,168)
						43,105
						(9,834)
						21,504,020
						(7,383,831)
						23,004,147
						(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>

	NEUBERGER BERMAN AMT MID-CAP GROWTH--CLASS I		T. ROWE PRICE EQUITY INCOME PORTFOLIO		T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO	
	2004	2003	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<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.

- For the period January 17, 2003 (Commencement of Operations) through December 31, 2003.
- For the period June 2, 2003 (Commencement of Operations) through December 31, 2003.
- For the period June 30, 2003 (Commencement of Operations) through December 31, 2003.
- For the period September 2, 2003 (Commencement of Operations) through December 31, 2003.
- For the period November 4, 2003 (Commencement of Operations) through December 31, 2003.
- For the period February 13, 2004 (Commencement of Operations) through December 31, 2004.
- 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.

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)
\$ 1,386	\$ (11)	\$ 424,267	\$ 411,384	\$ 338	\$ 325	\$ 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)	
\$ (163)	\$ 888	\$ 6	\$ 1,416	\$ 5	\$ 13,429	\$ (73,012)	\$ 97	\$ --	
--	(335)	--	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.

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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

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NYLIAC VUL SEPARATE ACCOUNT-I

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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

<Table>
<Caption>

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

	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	MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH-- INITIAL CLASS
<S>	<C>	<C>	<C>	<C>	<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

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

<Table>
<Caption>

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

	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	MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH-- INITIAL CLASS
<S>	<C>	<C>	<C>	<C>	<C>
Purchases.....	\$ 29,100	\$ 5,863	\$ 5,068	\$ 7,748	\$ 2,011
Proceeds from sales.....	9,966	789	3,131	3,764	944

Not all investment divisions are available under all policies.

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<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
<C>	<C>	<C>	<C>	<C>	<C>
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
<C>	<C>	<C>	<C>	<C>	<C>	<C>
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
<C>	<C>	<C>	<C>	<C>	<C>
\$ 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
<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$ 2,806	\$ 3,086	\$ 233	\$ 5,815	\$ 15	\$ 426	\$ 735
796	1,864	218	3,745	14	595	10

</Table>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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>

JANUS ASPEN SERIES	MFS (R)	MFS (R)
-----------------------	---------	---------

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

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

	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>
Purchases.....	\$ 780	\$ 4,215	\$ 130	\$ 15,037	\$ 9,704
Proceeds from sales.....	350	1,349	6	2,920	2,450

	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
<S>	<C>	<C>	<C>	<C>	<C>
Purchases.....	\$ 9,267	\$ 1	\$ 34	\$ 1	\$ 13
Proceeds from sales.....	6,140	3	1	1	2

Not all investment divisions are available under all policies.

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NYLIAC VUL SEPARATE ACCOUNT-I

	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
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	10	7	2	60	30	4,317	4
	\$ 272	\$ 844	\$ 28	\$ 1,566	\$ 470	\$101,014	\$ 97

	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
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	5	1,561	33	--	2	3	2,043	1
	\$ 69	\$ 30,014	\$ 167	\$ --	\$ 27	\$ 22	\$ 15,000	\$ 15

	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
--	--------------------------------------------------	-----------------------------------------------------	--------------------------------------------------------------------	---------------------------------------------------	----------------------------------------------------	----------------------------------------------------------------	-------------------------------------------------------------------------

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>					
\$	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								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>								
\$	37	\$	12,614	\$	8	\$	13	\$	454	\$	4	\$	3,671	\$	204
	4		1,696		112		12		430		--		2,017		176

</Table>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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NYLIAC VUL SEPARATE ACCOUNT-I

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	MONTHLY
	CONTRACT CHARGE	CONTRACT CHARGE
	POLICY YEAR 1	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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

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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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<Table>
<Caption>

MAINSTAY VP HIGH YIELD CORPORATE BOND-- INITIAL CLASS		MAINSTAY VP INTERNATIONAL EQUITY-- INITIAL CLASS	
2004	2003	2004	2003
<S>	<C>	<C>	<C>

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
259 (23)	97 (14)	283 (44)	254 (22)	344 (66)	164 (44)	804 (799)	1,065 (841)
-----	-----	-----	-----	-----	-----	-----	-----
236	83	239	232	278	120	5	224
=====	=====	=====	=====	=====	=====	=====	=====
170 (27)	85 (16)	264 (53)	237 (33)	280 (70)	225 (54)	1,641 (961)	2,186 (885)
-----	-----	-----	-----	-----	-----	-----	-----
143	69	211	204	210	171	680	1,301
=====	=====	=====	=====	=====	=====	=====	=====
--	--	--	--	--	--	61 (28)	55 (16)
-----	-----	-----	-----	-----	-----	-----	-----
--	--	--	--	--	--	33	39
=====	=====	=====	=====	=====	=====	=====	=====
157 (23)	47 (7)	280 (47)	99 (13)	255 (41)	137 (24)	1,070 (152)	487 (80)
-----	-----	-----	-----	-----	-----	-----	-----
134	40	233	86	214	113	918	407
=====	=====	=====	=====	=====	=====	=====	=====

</Table>

F-35

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

<Table>
<Caption>

	MAINSTAY VP SMALL CAP GROWTH-- INITIAL CLASS		MAINSTAY VP TOTAL RETURN-- INITIAL CLASS	
	2004	2003	2004	2003
	<C>	<C>	<C>	<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.

NYLIAC VUL SEPARATE ACCOUNT-I

<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
	<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>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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
	<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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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
--	--	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>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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
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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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>
--	--	--	--	--	--	--	--	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>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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>

F-43

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<Table>
<Caption>

VAN KAMPEN	VAN KAMPEN	VAN KAMPEN
------------	------------	------------

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

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NYLIAC VUL SEPARATE ACCOUNT-I

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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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

MAINSTAY VP CAPITAL APPRECIATION--INITIAL CLASS					MAINSTAY VP CASH MANAGEMENT	
2004	2003	2002	2001	2000	2004	2003
\$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
\$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>

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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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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>

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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>	<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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<Table>

<Caption>

MAINSTAY VP INTERNATIONAL EQUITY--INITIAL CLASS					MAINSTAY VP MID CAP CORE--INITIAL CLASS				
2004	2003	2002	2001	2000	2004	2003	2002	2001	
\$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>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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%	--

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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	
\$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%	--	--	--	--	--	--	

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<Table>
<Caption>

	MAINSTAY VP TOTAL RETURN--INITIAL CLASS				
	2004	2003	2002	2001	2000
<S>	<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%	--	

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

	MAINSTAY VP VALUE--INITIAL CLASS					MAINSTAY VP AMERICAN CENTURY INCOME & GROWTH--INITIAL CLASS				
	2004	2003	2002	2001	2000	2004	2003	2002	2001	2000
<S>	<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>

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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%	--	

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

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
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	\$ 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>
ALGER AMERICAN
SMALL CAPITALIZATION--
CLASS O SHARES

	2001	2000
<S> <C>	<C>	<C>
	\$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>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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
\$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>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

(Continued):

<Table>
<Caption>

	FIDELITY (R) VIP CONTRAFUND (R) -- INITIAL CLASS				
	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>
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%	--	--	

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

	FIDELITY (R) VIP EQUITY-INCOME--INITIAL CLASS					FIDELITY (R) VIP GROWTH--INITIAL CLASS					FIDELITY (R) VIP INDEX 500--INITIAL CLASS			
	2004	2003	2002	2001	2000	2004	2003	2002	2001	2004	2003	2002	2001	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
\$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>

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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.....	--	--	--

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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>

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NOTES TO FINANCIAL STATEMENTS (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%	--	

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

<S>	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
	<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>

NEUBERGER BERMAN AMT
MID-CAP GROWTH--CLASS I

	2004	2003	2002	2001
<S>	<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>

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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
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<S>								
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%	--	--	--	--	--	--

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.

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NYLIAC VUL SEPARATE ACCOUNT-I

<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>	<C>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,859	\$ 6,070	\$ 5,669	
--	--	--	--	--	--	--	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>

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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

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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>

	DECEMBER 31,	
	2004	2003
	(IN MILLIONS)	
<S>	<C>	<C>
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.

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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)		
<S>	<C>	<C>	<C>
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.

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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)

	CAPITAL STOCK	ADDITIONAL PAID IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL STOCKHOLDER'S EQUITY
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
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.
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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A WHOLLY OWNED SUBSIDIARY OF NEW YORK LIFE INSURANCE COMPANY)

STATEMENT OF CASH FLOWS

<Table>
<Caption>

	YEAR ENDED DECEMBER 31,		
	2004	2003	2002
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
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.

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

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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

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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.

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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.

	2004		2003	
	AMORTIZED COST	ESTIMATED FAIR VALUE	AMORTIZED COST	ESTIMATED FAIR VALUE
AVAILABLE FOR SALE				
<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>

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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):

	2004			
	AMORTIZED COST	UNREALIZED GAINS	UNREALIZED LOSSES	ESTIMATED FAIR VALUE
AVAILABLE FOR SALE				
<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>

	2003			
AVAILABLE FOR SALE	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.

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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):

<Table>
<Caption>

	2004		2003	
	CARRYING VALUE	% OF TOTAL	CARRYING VALUE	% OF TOTAL
<S>	<C>	<C>	<C>	<C>
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%
	=====	=====	=====	=====

</Table>

The activity in the mortgage loan specific and general reserves as of December 31, 2004 and 2003 is summarized below (in millions):

<Table>
<Caption>

	2004	2003
<S>	<C>	<C>
Beginning balance	\$5	\$ 6
Additions (reductions) included in operations	4	(1)
	--	---
Ending balance	\$9	\$ 5
	==	===

</Table>

OTHER LONG-TERM INVESTMENTS

The components of other long-term investments as of December 31, 2004 and 2003 were as follows (in millions):

<Table>
<Caption>

	2004	2003
<S>	<C>	<C>
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
	=====	=====

</Table>

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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):

	2004	2003	2002
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

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):

	2004			2003			2002		
	GAINS	LOSSES		GAINS	LOSSES		GAINS	LOSSES	
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)	

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.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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NOTE 4 -- INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES -- (CONTINUED)

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	
		FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
FIXED MATURITIES							
<S>		<C>	<C>	<C>	<C>	<C>	<C>
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
<Caption>							
EQUITIES							
<S>		<C>	<C>	<C>	<C>	<C>	<C>
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.

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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NOTE 4 -- INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES -- (CONTINUED)

		2003					
		LESS THAN 12 MONTHS		GREATER THAN 12 MONTHS		TOTAL	
		FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
FIXED MATURITIES							
<S>		<C>	<C>	<C>	<C>	<C>	<C>
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							
<S>		<C>	<C>	<C>	<C>	<C>	<C>
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 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 its 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

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

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
	----	----	----
<S>	<C>	<C>	<C>
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
	=====	=====	=====

</Table>

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):

<Table>

<Caption>

	2004	2003
	-----	-----
<S>	<C>	<C>
Deferred annuities	\$18,840	\$15,733
Universal life contracts	15,681	13,457
Other	194	176
	-----	-----
Total Policyholders' Account Balances	\$34,715	\$29,366
	=====	=====

</Table>

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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:

<Table>

<Caption>

PRODUCT	INTEREST RATE	WITHDRAWAL/SURRENDER CHARGES
-----	-----	-----
<S>	<C>	<C>
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.

</Table>

FUTURE POLICY BENEFITS

Future policy benefits at December 31, 2004 and 2003 were as follows (in millions):

<Table>

<Caption>

	2004	2003
	-----	-----
<S>	<C>	<C>
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:

PRODUCT	MORTALITY	INTEREST RATE	ESTIMATION METHOD
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Life insurance:	Based upon pricing	3.7% - 7.5%	Net level premium reserve
Taiwan business --	assumptions at time of policy		taking into account death
100% coinsured	issuance with provision for		benefits, lapses and
	adverse deviations ("PAD").		maintenance expenses with
			PAD.
Individual payout annuities	Based upon pricing	5.5% - 9.5%	Present value of expected
	assumptions at time of policy		future payments at a rate
	issuance with PAD.		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)

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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):

	RETURN OF NET DEPOSITS		RATCHET
	IN THE	ACCUMULATION AT	IN THE
	EVENT OF DEATH	SPECIFIED DATE	EVENT OF DEATH
	(GMDB)	(GMAB)	(GMDB)
	-----	-----	-----
<S>	<C>	<C>	<C>
Account value	\$3,412	\$574	\$12,166
Net amount at risk	\$ 49	\$ 3	\$ 475
Average attained age of contract holders	56	--	57

The following summarizes the liabilities for guarantees on variable contracts reflected in the general account in future policy benefits in the accompanying Balance Sheet:

<Table>
<Caption>

	GUARANTEED MINIMUM DEATH BENEFIT (GMDB)	GUARANTEED MINIMUM ACCUMULATION BENEFIT (GMAB)	TOTALS
<S>	<C>	<C>	<C>
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

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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VARIABLE ANNUITY CONTRACTS -- GMDB AND GMAB -- (CONTINUED)

GMAB guarantees in each contract, the GMDB and GMAB amounts listed are not mutually exclusive (in millions):

	DECEMBER 31, 2004	
	GMDB	GMAB
<S>	<C>	<C>
INVESTMENT FUND OPTION:	-----	-----
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):

<Table>
<Caption>

	NO LAPSE GUARANTEE (NLG)

<S>	<C>
Balance at January 1, 2004	\$--
Impact of adoption of SOP 03-01	5
Other changes in reserve	6

Balance at December 31, 2004	\$11
	===

</Table>

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:

<Table>
<Caption>

	2004	2003
	-----	-----
<S>	<C>	<C>
Registered	\$12,615	\$10,807
Non-registered	89	59
	-----	-----
Total separate account assets	\$12,704	\$10,866
	=====	=====

</Table>

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.

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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):

<Table>
<Caption>

	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
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
	=====	=====	=====

</Table>

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
	----	----	----
<S>	<C>	<C>	<C>
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)
	====	====	===

</Table>

The components of the net deferred tax liability as of December 31, 2004 and 2003 were as follows (in millions):

	2004	2003
	-----	-----
<S>	<C>	<C>
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
	=====	=====

</Table>

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

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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NOTE 8 -- FEDERAL INCOME TAXES -- (CONTINUED)

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
	----	----	-----
<S>	<C>	<C>	<C>
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)%
	====	====	=====

</Table>

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.

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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):

	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	\$ --	\$ --
	=====	=====	=====

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

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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.

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NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
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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

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NOTE 12 -- RELATED PARTY TRANSACTIONS -- (CONTINUED)

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.

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

NOTE 12 -- RELATED PARTY TRANSACTIONS -- (CONTINUED)

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):

<Table>

<Caption>

	2004	2003
	-----	----
<S>	<C>	<C>
Amounts recoverable from reinsurers	\$1,021	\$716
Premiums ceded	130	171
Benefits ceded	81	38

</Table>

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).

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

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.

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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

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PERFORMANCE SUMMARY

Performance data shown represents past performance and is no guarantee of future results. Due to current market volatility, current performance may be less than the figures shown. The investment return and the accumulation value of your policy will fluctuate so that your contract, when surrendered, may be worth more or less than the original cost. Performance reflects the percentage change for the period shown with capital gains and dividends reinvested, and total portfolio operating expenses. It does not reflect the cost of insurance, surrender charges, monthly contract charges, per thousand charge, sales expense charge, and state and federal tax charges. Had these expenses been deducted, total returns would have been lower. The advisors to some of the Portfolios have assumed or reduced some of those Portfolios' fees and expenses. Had these expenses not been assumed or reduced, the total return for these Investment Divisions would have been lower.

NYLIAC VARIABLE UNIVERSAL LIFE PROVIDER PERFORMANCE SUMMARY:
AVERAGE ANNUAL TOTAL RETURN FOR THE PERIOD ENDED DECEMBER 31, 2004

<Table>
<Caption>

INVESTMENT DIVISIONS(1)	INVESTMENT DIVISION INCEPTION DATE (2)	YEAR TO DATE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INVESTMENT DIVISION INCEPTION
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
MainStay VP Series Funds:							
American Century Income & Growth -- Initial Class	05/10/02	12.65%	12.65%	N/A	N/A	N/A	9.27%
Bond -- Initial Class	05/10/02	4.09	4.09	N/A	N/A	N/A	6.17
Capital Appreciation -- Initial Class	05/10/02	4.16	4.16	N/A	N/A	N/A	2.18
Cash Management(3) Current 7-day yield as of December 31, 2004 is 1.718254%.	05/10/02	0.85	0.85	N/A	N/A	N/A	0.85
Common Stock (formerly Growth Equity) -- Initial Class	05/10/02	10.90	10.90	N/A	N/A	N/A	6.34
Convertible -- Initial Class	05/10/02	6.11	6.11	N/A	N/A	N/A	8.72
Dreyfus Large Company Value -- Initial Class	05/10/02	11.37	11.37	N/A	N/A	N/A	6.84
Eagle Asset Management Growth Equity -- Initial Class	05/10/02	(2.32)	(2.32)	N/A	N/A	N/A	1.12
Government -- Initial Class	05/10/02	3.33	3.33	N/A	N/A	N/A	4.66
High Yield Corporate Bond -- Initial Class	05/10/02	12.72	12.72	N/A	N/A	N/A	17.32
International Equity -- Initial Class	05/10/02	17.34	17.34	N/A	N/A	N/A	14.20
Mid Cap Core -- Initial Class	05/10/02	22.21	22.21	N/A	N/A	N/A	14.61
Mid Cap Growth -- Initial Class	05/10/02	22.61	22.61	N/A	N/A	N/A	11.72
MidCap Value (formerly Equity Income) -- Initial Class	05/10/02	17.54	17.54	N/A	N/A	N/A	9.87
S&P 500 Index (formerly Indexed Equity) -- Initial Class	05/10/02	10.49	10.49	N/A	N/A	N/A	7.67
Small Cap Growth -- Initial Class	05/10/02	9.40	9.40	N/A	N/A	N/A	9.61
Total Return -- Initial Class	05/10/02	6.37	6.37	N/A	N/A	N/A	5.68
Value -- Initial Class	05/10/02	11.28	11.28	N/A	N/A	N/A	5.48
Alger American Small Capitalization Class O Shares	05/10/02	16.57	16.57	N/A	N/A	N/A	13.15
Calvert Social Balanced Portfolio	05/10/02	8.26	8.26	N/A	N/A	N/A	7.48
Dreyfus IP Tech. Growth Portfolio (Initial Shares)	05/10/02	0.46	0.46	N/A	N/A	N/A	6.07
Fidelity VIP Contrafund(R) (Initial Class)	05/10/02	15.48	15.48	N/A	N/A	N/A	11.52
Fidelity VIP Equity-Income (Initial Class)	05/10/02	11.53	11.53	N/A	N/A	N/A	8.58
Janus Aspen Series Balanced (Institutional Shares)	05/10/02	8.53	8.53	N/A	N/A	N/A	6.35
Janus Aspen Series Worldwide Growth (Institutional Shares)	05/10/02	4.78	4.78	N/A	N/A	N/A	2.41
T. Rowe Price Equity Income	05/10/02	14.92	14.92	N/A	N/A	N/A	9.27
Van Kampen UIF Emerging Markets Equity (Class I)	05/10/02	23.11	23.11	N/A	N/A	N/A	18.03

</Table>

PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. DUE TO CURRENT MARKET VOLATILITY, CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE FIGURES SHOWN. THE INVESTMENT RETURN AND THE ACCUMULATION VALUE OF YOUR POLICY WILL FLUCTUATE SO THAT YOUR CONTRACT, WHEN SURRENDERED, MAY BE WORTH MORE OR LESS THAN THE ORIGINAL COST. FOR CURRENT MONTH-END PERFORMANCE INFORMATION, PLEASE VISIT WWW.NEYORKKLIFE.COM.

Performance reflects the percentage change for the period shown with capital gains and dividends reinvested and the deduction of total portfolio operating expenses. For VUL Provider, it does not reflect the policy's Separate Account

charges for Mortality and Expense Risk, sales expense charge, state and federal tax charges, monthly contract charges, cost of insurance charges, monthly per \$1,000 charges, and surrender charges. Had these expenses been deducted, total returns

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would have been lower. The advisors to some of the Portfolios have assumed or reduced some of those Portfolios' fees and expenses. Had these expenses not been assumed or reduced, the total return of these Investment Divisions would have been lower.

FOR MORE INFORMATION, YOU SHOULD REFER TO YOUR PRODUCT AND FUND PROSPECTUSES OR VISIT WWW.NEWYORKLIFE.COM. INVESTORS ARE ASKED TO CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGE, AND EXPENSES OF THE INVESTMENT CAREFULLY BEFORE INVESTING. BOTH THE PRODUCT PROSPECTUS AND THE UNDERLYING FUND PROSPECTUSES CONTAIN THIS AND OTHER INFORMATION ABOUT THE PRODUCT AND UNDERLYING INVESTMENT OPTIONS. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

- (1) The Investment Divisions offered through VUL Provider are different from mutual funds that may have similar names but are available directly to the general public. Investment results may differ.
- (2) Performance is calculated as of the Inception Date. The Inception Date of each Investment Division is the first day that the Investment Division was made available in these policies.
- (3) An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although they seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

NYLIAC began accepting applications and premium payments for VUL Provider on May 16, 2003, where approved.

NYLIAC VUL Provider is issued by New York Life Insurance and Annuity Corporation (a Delaware Corporation), a wholly owned subsidiary of New York Life Insurance Company, 51 Madison Ave, NY, NY 10010. The policies are distributed by NYLIFE Distributors LLC, member NASD.

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