

SECURITIES AND EXCHANGE COMMISSION

FORM 497

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FILER

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

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2125765066

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
 NYLIAC SINGLE PREMIUM VARIABLE UNIVERSAL LIFE INSURANCE

PROSPECTUS--MAY 1, 2005

A MODIFIED SINGLE 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
or call our toll-free number: 1-800-598-2019	
</Table>	

You can send premium payments to us at:

<Table>		
<S>	<C>	<C>
	NYLIAC	
	75 Remittance Drive, Suite 3021	
	Chicago, IL 60675-3021	
</Table>		

This prospectus describes three versions of the NYLIAC Single Premium Variable Universal Life Policy. Each version is referred to as a separate series. Subject to jurisdictional availability, Series 1 policies were sold prior to May 10, 2002; Series 2 policies were sold starting May 10, 2002 through May 15, 2003; Series 3 policies were sold starting May 16, 2003. Please check with your Registered Representative if you have any questions about which Series is applicable to your policy. Unless otherwise indicated, all information in this prospectus applies to all Series of policies.

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 where 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

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

PROTECTION

SPVUL offers you the protection of permanent life insurance, which can over time, become a valuable asset.

SPVUL also provides the opportunity for tax-deferred Cash Value accumulation. Premium payments, less any applicable charges, are added to the Investment Divisions and the Fixed 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
- the charges we deduct.

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

A SINGLE PREMIUM PAYMENT

When you purchase SPVUL you pay an initial single premium payment. Under limited circumstances you can make additional premium payments. Other than the initial premium payment, there are no required premiums, as long as the Cash Surrender Value is sufficient to cover the policy's monthly deductions.

DEATH BENEFIT GUARANTEE

For Series 1 and 2 policies, you select whether you want the initial single premium to be based on 80% or 100% of the Guideline Single Premium. The Guideline Single Premium is the maximum amount that the federal tax laws generally allow you to pay for a life insurance policy with a given Face Amount. If your initial single premium is based on 100% of the Guideline Single Premium, a death benefit guarantee, equal to the policy's Face Amount at issue, will apply to your policy. The death benefit guarantee can prevent your policy from lapsing even if your Cash Surrender Value is insufficient to cover the monthly deduction charges. Policy loans and withdrawals can eliminate the death benefit guarantee. If your initial single premium is based on 80% of the Guideline Single Premium, your policy will not have a death benefit guarantee.

For all Series 3 policies, a death benefit guarantee will apply to your policy. At issue, the death benefit guarantee will be equal to the policy's Face Amount. The death benefit guarantee can prevent your policy from lapsing even if your Cash Surrender Value is insufficient to cover the monthly deduction charges. Policy loans and withdrawals can eliminate the death benefit guarantee.

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LIQUIDITY THROUGH LOANS

SPVUL allows you to access your policy's Cash Surrender Value through loans. Your policy's value will be used as collateral to secure the loans. You can borrow up to 90% of your policy's Cash Surrender Value.

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 reduce your Life Insurance Benefit. We will not allow a partial withdrawal for an amount that would cause your policy's Cash Value to fall below the policy's minimum initial single premium required. Certain charges will apply. Partial withdrawals can result in a taxable event.

INVESTMENT DIVISION OPTIONS

This policy offers you a choice of 29 Investment Divisions and the Fixed Account. You can allocate net premium payments or transfer Cash Value to a maximum of 21 investment options from among the 29 Investment Divisions and/or the Fixed Account, within the limits described in this prospectus, tax-free during the life of the policy.

LIFE INSURANCE BENEFIT

SPVUL provides a Life Insurance Benefit equal to your policy's Face Amount. See "Definitions" for explanation of "Face Amount."

AUTOMATED INVESTMENT FEATURES

The following administrative features are available to help you manage the policy's Cash Value and to adjust your investment allocation to suit changing needs: Automatic Asset Reallocation, Dollar Cost Averaging, Expense Allocation,

and Interest Sweep.

OPTIONAL RIDERS

SPVUL offers two additional benefits through optional riders: the Living Benefits Rider and the Spouse's Paid-Up Insurance Purchase Option Rider.

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 SPVUL policy.

A HIGHLY-RATED COMPANY

NYLIAC is a wholly owned 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 not applicable to the Investment Divisions.

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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 and risk tolerance.

RISK OF LAPSE

SPVUL policies that do not include the death benefit guarantee can lapse if the Cash Surrender Value is insufficient to cover monthly charges. 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" have the same meaning and effect.

A SPVUL policy that has a Cash Surrender Value just sufficient to cover monthly deductions and charges is more likely to be unable to maintain its Cash Surrender Value due to market fluctuation and other performance related risks.

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 a 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 the effect on your Cash Value. If it is not repaid, the aggregate amount of the outstanding loan principal and any accrued interest will reduce the Policy Proceeds that might otherwise be paid. Because the policy provides for a single premium, it will most likely be treated as a modified endowment contract for income tax purposes. 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, an SPVUL policy that was originally not a modified endowment contract 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.

CHARGES FOR POLICY SURRENDER

During the first nine years of the policy, surrender charges apply which act as a deterrent to surrendering the policy. SPVUL 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 set of tables describe the fees and expenses that you will pay at the time you pay a premium, surrender the policy, make a partial withdrawal, or transfer Cash Value between investment options. Note that one Transaction Fees table applies to Series 1 and Series 2 policies, and a separate Transaction Fees table applies to Series 3 policies.

TRANSACTION FEES--SERIES 1 AND 2 POLICIES

<S>	CHARGE	WHEN CHARGE IS DEDUCTED	<C>	AMOUNT DEDUCTED
	Deferred Sales Expense Charge (includes charges for Sales Expenses, State Taxes and Federal Taxes)	each Monthly Deduction Day for a 10 year period after a premium payment is applied		Guaranteed: 1.00% (as annual percentage of Cash Value) Current: 0.90% (as annual percentage of Cash Value)
	Surrender Charge	surrender or partial withdrawal in excess of the Surrender Charge Free Window in first 9 policy years		Guaranteed: 9% of the initial single premium(1)
	Partial Withdrawal Charge	any partial withdrawal		Guaranteed/Current: the lesser of \$25 or 2% of the amount withdrawn
	Transfer Fee	transfer		Guaranteed: \$30 per transfer for each transfer over

12 in a Policy Year
 Current: no charge
 \$150 (one-time)

Living Benefits Rider when you exercise the benefit

</Table>

(1) In policy years 2 and beyond the percentage applied to calculate the maximum surrender charge is reduced as follows: Policy Year 2 to 8%; Policy Year 3 to 7%; Policy Year 4 to 6%; Policy Year 5 to 5%; Policy Year 6 to 4%; Policy Year 7 to 3%; Policy Year 8 to 2%; Policy Year 9 to 1%; and Policy Years 10 and beyond to 0%.

TRANSACTION FEES--SERIES 3 POLICIES

<Table>

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CHARGE	WHEN CHARGE IS DEDUCTED	AMOUNT DEDUCTED
<S> Premium Taxes	<C> when premium payment is applied, up to age 100	<C> Guaranteed: subject to tax law changes
-- State Taxes		Current: 2% of each premium payment
-- Federal Taxes		Current: 1.25% of each premium payment
Deferred Sales Expense Charge	each Monthly Deduction Day for a 10 year period after a premium payment is applied	Guaranteed: 0.50% (as annual percentage of Cash Value) Current: 0.40% (as annual percentage of Cash Value)
Surrender Charge	surrender or partial withdrawal in excess of Surrender Charge Free Window in first 9 policy years	Guaranteed: 7.5% of the initial single premium(1)
Partial Withdrawal Charge	any partial withdrawal	Guaranteed/Current: the lesser of \$25 or 2% of the amount withdrawn
Transfer Charge	transfer	Guaranteed: \$30 per transfer for each transfer over 12 in a Policy Year Current: no charge
Living Benefits Rider	when you exercise the benefit	\$150 (one-time)

</Table>

(1) In policy years 2 and beyond the percentage applied to calculate the maximum surrender charge is reduced as follows: Policy Year 2 to 7%; Policy Year 3 to 6.5%; Policy Year 4 to 6%; Policy Year 5 to 5%; Policy Year 6 to 4%; Policy Year 7 to 3%; Policy Year 8 to 2%; Policy Year 9 to 1%; and Policy Years 10 and beyond to 0%.

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

PERIODIC CHARGES OTHER THAN FUNDS' OPERATING EXPENSES--
 SERIES 1, 2 AND 3 POLICIES

<Table>

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CHARGE	WHEN CHARGE IS DEDUCTED	AMOUNT DEDUCTED
<S> Cost of Insurance Charge(1)	<C> each monthly deduction day	<C> Guaranteed Maximum: \$83.33 per \$1,000 of net amount at risk(2) Guaranteed Minimum: \$0.06 per \$1,000 of Net Amount at Risk Representative insured (female, age 60, preferred risk class): \$0.41 per \$1,000 of Net Amount at Risk
Mortality and Expense Risk Charge		
-- Series 1	daily up to age 100	Guaranteed: 0.80% (as annual % of the average daily assets of each Investment Division) Current: 0.50% (as annual % of the average daily assets of each Investment Division)
-- Series 2 and 3	each monthly deduction day up to age 100	Guaranteed: 0.80% (as annual % of Cash Value allocated to Separate Account) Current: 0.50% (as annual % of Cash Value allocated to the Separate Account)
Administrative Charge	each monthly deduction day up to age 100	Guaranteed: 0.70% of the Cash Value of the policy Current: 0.60% of the Cash Value of the policy(3)
Riders		
-- Spouse's Paid-Up Insurance Purchase Option	N/A	No charge
Loan Interest	monthly	Guaranteed: 8% annually Current: 6% annually

</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.
- (2) The Net Amount at Risk is equal to the Life Insurance Benefit minus the Cash Value. See "Life Insurance Benefit Options" for more information.
- (3) In policy years 4 and beyond, the current monthly administrative charge is reduced based on the total Cash Value of the policy.

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)

Series 1, 2 and 3 Policies

<Table>
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	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 and may reflect estimated charges. 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>

<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>

<S>	<C>	<C>	<C>	<C>	<C>
FUND ANNUAL EXPENSES (A)					
(as a % of average net assets)					
	ALGER AMERICAN SMALL CAPITALIZATION -- O CLASS	CALVERT SOCIAL BALANCED PORTFOLIO	DREYFUS IP TECHNOLOGY GROWTH -- INITIAL SHARES	FIDELITY (R) VIP EQUITY-- INCOME -- INITIAL CLASS	FIDELITY (R) VIP EQUITY-- INCOME -- INITIAL CLASS

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 ----- <C>	JANUS ASPEN SERIES WORLDWIDE GROWTH -- INSTITUTIONAL SHARES ----- <C>	T. ROWE PRICE EQUITY INCOME PORTFOLIO ----- <C>	VAN KAMPEN UIF EMERGING MARKETS EQUITY -- CLASS I ----- <C>
<S>				
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

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

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

CASH VALUE: The current value of the policy's assets allocated to the Separate Account plus any amount allocated to the Fixed Account.

CASH VALUE ACCUMULATION TEST ("CVAT"): An IRS test to determine whether a Series 3 policy can be considered life insurance. See "Life Insurance Benefit" for more information.

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 initial face amount as shown on the Policy Data Page.

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 Series 1 or

Series 2 policy can be considered life insurance. See "Life Insurance Benefit" 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.

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

LVR: Interactive Voice Response system.

LIFE INSURANCE BENEFIT: The greater of (1) the Face Amount specified in the Policy or (2) the Cash Value on the date of death multiplied by a percentage as specified in the Policy. Also called the Death Benefit.

MONTHLY DEDUCTION DAY: The date on which we deduct your administrative charge, cost of insurance charge, and any applicable deferred sales expense charges from your policy's Cash Surrender Value and the date on which we deduct the Mortality and Expense Risk charge (for Series 2 and 3) from the Cash 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

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monthly anniversary of the 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.

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" 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. Generally, you may not choose a Policy Date that is more than six months before your policy's Issue Date. You can find your Policy Date on the Policy Data Page.

POLICY 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 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-I, a segregated asset account NYLIAC established to receive and invest net premiums that are allocated to the Investment Divisions.

SERIES 1: A policy that NYLIAC offered for sale prior to May 10, 2002. This policy will continue to be offered in approved jurisdictions where neither Series 2 nor Series 3 is yet available for sale.

SERIES 2: A policy for which NYLIAC began accepting applications and premium payments on May 10, 2002 in approved jurisdictions. This policy will continue to be offered in approved jurisdictions where Series 3 is not yet available for sale.

SERIES 3: A policy for which NYLIAC began accepting applications and premium payments on May 16, 2003 in approved jurisdictions.

SURRENDER CHARGE FREE WINDOW: The amount of a surrender or partial withdrawal that is not subject to a surrender charge. In any Policy Year this amount is the greater of 10% of the total premiums paid or 100% of the gain in the policy.

VPSC: Variable Products Service Center.

VSC: Virtual Service Center. 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

YOUR POLICY

SPVUL 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 has three series (Series 1, Series 2 and Series 3) which offer life insurance protection, a death benefit guarantee (for Series 1 and Series 2 the death benefit guarantee is only available if you pay a single premium based on 100% of the Guideline Single Premium), loans and withdrawals (which may be subject to a surrender charge), and the ability to invest in up to 21 Investment Divisions and a Fixed Account.

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

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the Separate Account is entirely independent of both the investment performance of NYLIAC's Fixed 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 the 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 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. Their value 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 Securities and Exchange Commission ("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.

THE FIXED ACCOUNT

The Fixed Account is 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 however we choose, within limits. Your interest in the Fixed Account is not registered under the Securities Act of 1933, as amended (the "1933 Act"), and the Fixed Account is not registered as an investment company 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.

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HOW TO REACH US FOR POLICY SERVICES

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

<Table>	<C>
<S>	NYLIAC
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").

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

-- 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, trusts that own policies, or to any client whose Personal Identification Number ("PIN") has been disabled.

To enable you to access the VSC and IVR, we will send you a PIN. With your Social Security Number, the PIN will give you access to both the VSC on our Corporate website, www.newyorkklife.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 IVR available in our discretion. In addition, availability of the VSC or IVR may be interrupted temporarily at certain times. We do not assume responsibility for any loss if service should become unavailable.

-- VSC

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

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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;
- reset your PIN;
- change your address; and
- obtain service forms.

-- 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.

All NYLIAC requirements must be met in order for us to process your service requests. Please review all service request forms carefully and provide all required information as applicable to the transaction. If all requirements are not met, we will not be able to process your service request. We will make every reasonable attempt to notify you in writing of this situation. It is important that you inform New York Life or NYLIAC of an address change so that you can receive important statements.

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.

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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, found at the end of the policy's prospectus.

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
<S>	<C>	<C>
MainStay VP Series Fund, Inc.:	Adviser: New York Life Investment Management LLC ("NYLIM")	
--MainStay VP Balanced-- --Initial Class	Subadviser: NYLIM	- Seeks high total return.
--MainStay VP Basic Value-- Initial Class (formerly MainStay VP Dreyfus Large Company Value--Initial Class)	Subadviser: The Dreyfus Corporation ("Dreyfus")	- Capital appreciation.
--MainStay VP Bond-- Initial Class	NYLIM	- Seeks highest income over the long term consistent with preservation of principal.
--MainStay VP Capital Appreciation-- Initial Class	Subadviser: MacKay Shields LLC ("MacKay")	- Seeks long-term growth of capital. Divided income, if any, is an incidental consideration.
--MainStay VP Cash Management	Subadviser: MacKay	- Seeks as high a level of current income as is considered consistent with the preservation of capital and liquidity.
--MainStay VP Common Stock-- Initial Class	NYLIM	- Seeks long-term growth of capital, with income as a secondary consideration.
--MainStay VP Convertible-- Initial Class	Subadviser: MacKay	- Seeks capital appreciation together with current income.
--MainStay VP Floating Rate-- Initial Class	Subadviser: NYLIM	- Seeks to provide high current income.
--MainStay VP Government-- Initial Class	Subadviser: MacKay	- Seeks a high level of current income, consistent with safety of principal.
--MainStay VP Growth-- Initial Class (formerly, MainStay VP Eagle Asset Management Growth Equity--Initial Class)	Subadviser: Eagle Asset Management, Inc.	- Seeks growth through long-term capital appreciation.
--MainStay VP High Yield Corporate Bond-- Initial Class	Subadviser: MacKay	- Maximize current income through investment in a diversified portfolio of high yield, high risk debt securities which are ordinarily in the lower rating categories of recognized rating agencies. Capital appreciation is a secondary objective.

</Table>

<Table>
<Caption>

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

--MainStay VP Mid Cap Growth-- Initial Class	Subadviser: MacKay	similar to those companies in the Russell Midcap(R) Index. - 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 S&P Mid Cap 400(R) Index.
--MainStay VP Mid Cap Value-- Initial Class	Subadviser: MacKay	- Realize maximum long-term total return from a combination of capital appreciation and income.
--MainStay VP S&P 500 Index Initial Class	NYLIM	- Seeks to provide investment results that correspond to the total return performance (and reflect reinvestment of dividends) of publicly traded common stocks represented by the S&P 500 Index.
--MainStay VP Small Cap Growth-- Initial Class	Subadviser: MacKay	- Seeks long-term capital appreciation by investing primarily in equities of companies with market capitalizations similar to those companies 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	Adviser: Calvert Asset Management Company, Inc. Subadvisers: Brown Capital Management, Inc. and SsgA Funds Management, Inc.	- 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>

<Table>
<Caption>

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	- Seeks long-term capital appreciation.
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--Fidelity(R) VIP
Equity-Income(R) (Initial
Class)

Subadviser: FMRC

- Seeks reasonable income by investing primarily in income-producing equity securities. In choosing these securities, the Fund will also consider the potential for capital appreciation. The fund's goal is to achieve a yield which exceeds the composite yield on the securities comprising the S&P 500--Registered Trademark--.

Janus Aspen Series:

--Janus Aspen Series Balanced
(Institutional Shares)

Janus Capital Management LLC

- Long-term capital growth, consistent with the preservation of capital and balanced by current income.

--Janus Aspen Series Worldwide
Growth
(Institutional Shares)

- Long-term growth of capital in a manner consistent with the preservation of capital.

T. Rowe Price Equity Series, Inc.:

--T. Rowe Price Equity Income
Portfolio

T. Rowe Price Associates, Inc.

- Seeks to provide substantial dividend income and also long-term capital appreciation through investments in common stocks of established companies.

The Universal Institutional Funds,
Inc.:

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

Van Kampen*

- Long-term capital appreciation by investing primarily in growth-oriented equity securities of companies in emerging market countries.

</Table>

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

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

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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 allocate net premium payment or transfer Cash Value to a maximum of 21 investment options from among the 29 Investment Divisions and/or the Fixed Account.

The Investment Divisions offered through the SPVUL policy, 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 policies 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, 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.

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 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. All net premiums applied to, 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 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.

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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. The following is a summary explanation of these charges. (See "Additional Information about Charges" in the SAL for more information.)

LOAN CHARGES

We currently charge an effective annual loan interest rate of 6.00%. We may increase or decrease this rate but we guarantee that the rate will never exceed 8.00%. For Series 1 and 2 policies when you request a loan, a transfer of funds will be made from the Separate Account to the Fixed Account so that the Cash Value in the Fixed Account is at least 106% of the requested loan plus any outstanding loans, including accrued loan interest. This percentage will change in accordance with changes in the loan interest rate, but will never exceed 108%. For Series 3 policies, we will transfer an amount 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 ten Policy Years, the rate we currently credit on loaned amounts is 1.00% less than the rate we charge for loan interest. Beginning in the eleventh Policy Year, the rate we currently credit on loaned amounts is 0.50% less than the rate we charge for loan interest. The rate we credit on loaned amounts will never be less than 2.00% less than the rate we charge for policy loans. We guarantee that the interest rate we credit on loaned amounts will always be at least 3%. (See "Loans" for more information.)

DEDUCTIONS FROM PREMIUMS

For Series 1 and 2 policies, there are no deductions from premiums. For Series 3 policies, when we receive a premium payment from you, we will deduct a state tax charge, and a federal tax charge.

STATE TAX CHARGE

-- For Series 3 policies, we currently deduct 2% of each premium payment you make, or \$20 per \$1,000 of premium, as a state tax charge. We may

increase this charge to reflect changes in applicable law.

FEDERAL TAX CHARGE

-- For Series 3 policies, we currently deduct 1.25% of each premium payment you make, or \$12.50 per \$1,000 of premium, as a federal tax charge. We may increase this charge to reflect changes in applicable law.

DEDUCTIONS FROM CASH SURRENDER VALUE AND FROM THE SEPARATE ACCOUNT

Each Monthly Deduction Day, we will deduct from your policy's Cash Surrender Value the deferred sales expense charge, an administrative charge, a cost of insurance charge, and, for Series 2 and 3 policies, a Mortality and Expense Risk charge from the Investment Divisions of the Separate Account. In addition, for Series 1 policies, each day we deduct a Mortality and Expense Risk charge from the Cash Value allocated to the Separate Account. If you have elected the Expense Allocation feature, the policy charges will be deducted according to those instructions.

The first Monthly Deduction Day will be the monthly anniversary of your 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 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.

DEFERRED SALES EXPENSE CHARGE

The deferred sales expense charge is deducted on each Monthly Deduction Day for 10 years following a premium payment.

For Series 1 and 2 policies, the deferred sales expense charge is comprised of the sales expense charge, a state tax charge, and a federal tax charge.

-- Sales Expense Charge--We currently deduct 0.40% of the Cash Value, or \$4 per \$1,000 of Cash Value, as a sales expense charge. We may increase this charge, however, we guarantee that the sales expense charge combined with the state tax charge and the federal tax charge will never exceed 1.00% of Cash Value.

-- State Tax Charge--We currently deduct 0.30% of the Cash Value, or \$3 per \$1,000 of Cash Value, as a state tax charge. We may increase this charge to reflect changes in the applicable law. However, we guarantee that the state tax charge combined with the sales expense charge and federal tax charge will never exceed 1.00% of Cash Value.

-- Federal Tax Charge--We currently deduct 0.20% of the Cash Value, or \$2 per \$1,000 of Cash Value, as a federal tax charge. We may increase this charge to reflect changes in the applicable law. However, we guarantee that the federal tax charge combined with the sales expense charge and the state tax charge will never exceed 1.00% of Cash Value.

For Series 3 policies, the deferred sales expense charge is equal to 0.40%, or \$4 per \$1,000, as an annual percentage of the policy's Cash Value.

MONTHLY ADMINISTRATIVE CHARGE

On each Monthly Deduction Day, we will deduct a monthly administrative charge to cover our costs for providing certain administrative services, including premium collection, record-keeping, processing claims, and communicating with policyowners.

Currently, we deduct a monthly administrative charge equal to 0.60% of the Cash Value for the first three policy years. Starting in Policy Year four, this charge is reduced based on the Cash Value as specified in the table below. While we can change the monthly administrative charge at any time, we guarantee that we will never charge you more than 0.70% of the Cash Value of the policy.

CURRENT MONTHLY ADMINISTRATIVE CHARGE FOR POLICY YEARS 4 AND BEYOND:
(AS A PERCENTAGE OF TOTAL CASH VALUE)

<Table>
<Caption>

IF CASH VALUE IS:	ADMINISTRATIVE CHARGE
<S>	<C>

Below \$30,000	0.60%
\$30,000 to \$59,999.99	0.55%
\$60,000 to \$89,999.99	0.50%
\$90,000 to \$119,999.99	0.40%
\$120,000 to \$149,999.99	0.30%
\$150,000 to \$179,999.99	0.20%
\$180,000 to \$199,999.99	0.10%
\$200,000 or greater	0.00%

</Table>

COST OF INSURANCE CHARGE

Each Monthly Deduction Day, we deduct a charge from the Cash Surrender Value for the cost of providing a Life Insurance Benefit to you each month. This charge is equal to the Net Amount at Risk multiplied by a monthly cost of insurance rate. 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 is equal to the policy's Face Amount. 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 current insurance age, gender, underwriting class, and Policy Year. Changes to the monthly cost of insurance rates will be based on changes in future expectations of such factors as mortality, investment income, expenses, and persistency. The cost of insurance rates will never exceed the guaranteed maximum cost of insurance rates for your policy. We base the guaranteed rates for policies that provide coverage for insureds in substandard underwriting classes on higher rates than for standard or better underwriting classes. If the insured is age 17 or younger when the policy is issued, we base the guaranteed rates on the 1980 Commissioner's Standard Ordinary Mortality Table. If the insured is age 18 or older when the policy is issued and is a standard or better underwriting class, we base the

guaranteed rates on the 1980 Commissioner's Standard Ordinary Smoker and Nonsmoker Mortality Tables appropriate to the insured's underwriting class.

MORTALITY AND EXPENSE RISK CHARGE

SERIES 1 POLICIES

- Current--We currently deduct a daily Mortality and Expense Risk charge from Cash Value allocated to the Separate Account that is equal to an annual rate of 0.50%, or \$5 per \$1000, of the average daily net asset value of each Investment Division.
- Guaranteed Maximum--We guarantee that the Mortality and Expense Risk charge will never exceed an annual rate of 0.80%, or \$8 per \$1000, of the average daily net asset value of each Investment Division.

SERIES 2 AND 3 POLICIES

- Current-- We currently deduct a monthly Mortality and Expense Risk charge from the Cash Surrender Value that is equal to an annual rate of 0.50%, or \$5 per \$1000, of the Cash Value in the Separate Account.
- Guaranteed Maximum-- We guarantee that the monthly Mortality and Expense Risk charge will never exceed an annual rate of 0.80%, or \$8 per \$1000, of the Cash Value in the Separate Account.

EXPENSE ALLOCATION

With the Expense Allocation feature, you choose how to allocate certain policy expenses. These include monthly cost of insurance, the monthly administrative charge, and for Series 2 and 3 policies, a 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, or a combination of both.

If the values in the MainStay VP Cash Management Investment Division and/or the Fixed Account are insufficient to pay these charges, we will deduct as much of the charges as possible from these allocation alternatives. 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 and any unloaned amount in the Fixed 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 Portfolio at the net asset value. The net asset value reflects the investment advisory fees and other expenses that are deducted from the assets of the Portfolio by that Fund. 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' prospectuses. 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 during the first nine Policy Years, we will deduct a surrender charge. The surrender charge will be assessed on the amount of Cash Value withdrawn that is in excess of the Surrender Charge Free Window. The Surrender Charge Free Window is the greater of 10% of the initial single premium or 100% of the gain in the policy. The charge will never be greater than the maximum surrender charges shown on the Policy Data Page.

For example, a male insured aged 55, preferred class, with a single premium of \$30,000, would pay a charge of \$2,487.08 for a Series 1 policy, \$2,487.20 for a Series 2 policy, and \$2,013.15 for a Series 3 policy if he surrenders his policy at the end of the first Policy Year, calculated as follows:

Series 1 (Cash Value at time of surrender = \$30,634.18)

Step 1: Calculate the Surrender Charge Free Window as the greater of:

10% of the Initial Single Premium (\$30,000) = 3,000, or
100% of the gain in the policy = \$30,634.18 - \$30,000 = \$634.18

Surrender Charge Free Window = \$3,000

Step 2: Calculate the amount of the Cash Value upon which the surrender charge will be assessed as the:

Cash Value - Surrender Charge Free Window
\$30,634.18 - \$3,000 = 27,634.18

Step 3: Calculate the amount of the surrender charge by multiplying the result in Step 2 by the applicable percentage as specified on the Policy Data Page:

\$27,634.18 x 9% = \$2,487.08

Series 2 (Cash Value at time of surrender = \$30,635.52)

Step 1: Calculate the Surrender Charge Free Window as the greater of:

10% of the Initial Single Premium (\$30,000) = 3,000, or
100% of the gain in the policy = \$30,635.52 - \$30,000 = \$635.52

Surrender Charge Free Window = \$3,000

Step 2: Calculate the amount of the Cash Value upon which the surrender charge will be assessed as the:

Cash Value - Surrender Charge Free Window
\$30,635.52 - \$3,000 = 27,635.52

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Step 3: Calculate the amount of the surrender charge by multiplying the result in Step 2 by the applicable percentage as specified on the Policy Data Page:

$$\$27,635.52 \times 9\% = \$2,487.20$$

Series 3 (Cash Value at time of surrender = \$29,842.02)

Step 1: Calculate the Surrender Charge Free Window as the greater of:

10% of the Initial Single Premium (\$30,000) = 3,000, or
100% of the gain in the policy = \$29,842.02 - \$30,000 = (\$157.98)

Surrender Charge Free Window = \$3,000

Step 2: Calculate the amount of the Cash Value upon which the surrender charge will be assessed as the:

Cash Value - Surrender Charge Free Window
\$29,842.02 - \$3,000 = 26,842.02

Step 3: Calculate the amount of the surrender charge by multiplying the result in Step 2 by the applicable percentage as specified on the Policy Data Page:

$$\$26,842.02 \times 7.5\% = \$2,013.15$$

If the policy remains in force, no charge is assessed. Surrender charges also apply to partial withdrawals, in excess of the Surrender Charge Free Window, that are taken from the policy.

PARTIAL WITHDRAWAL CHARGE

When you make a partial withdrawal, we will deduct a fee for processing the partial withdrawal. This fee will not exceed the lesser of \$25 or 2% of the amount withdrawn.

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

A one-time charge will apply if you exercise the Living Benefits Rider.

DESCRIPTION OF THE POLICY

THE PARTIES

There are three important parties to the Policy: the POLICYOWNER, 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:

- add/delete riders
- change the beneficiary
- change underlying investment options

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- 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.

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 Policy Proceeds 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 Policy Proceeds. The Policyowner can name his or her estate as the beneficiary.

THE POLICY

The Policy provides life insurance protection on the named Primary Insured, and pays Policy Proceeds when that insured dies while the policy is in effect. The policy offers: (1) permanent life insurance protection; (2) access to the policy's Cash Surrender Value through loans and partial withdrawal privileges (within limits); (3) a death benefit guarantee (for Series 1 and 2 policies the death benefit guarantee exists only if your initial premium is based on 100% of the guideline single premium); (4) additional benefits through the use of optional riders; and (5) a selection of premium and expense allocation options, consisting of 29 Investment Divisions and a Fixed 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 Insured dies. 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.

The Life Insurance Benefit is equal to the Face Amount of your policy or the Cash Value multiplied by a percentage as specified in your policy.

HOW THE POLICY IS AVAILABLE

SPVUL is available as a Non-Qualified policy only.

POLICY PREMIUMS

When you purchase an SPVUL policy you pay an initial single premium payment. If you choose to pay additional premium payments we may increase the Life Insurance Benefit under the policy to meet federal tax requirements. We reserve the right to refuse any additional premium payments that violate federal tax requirements. Other than the initial premium, there are no required premium payments. However, you may be required

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to make additional premium payments to keep your policy from lapsing if the death benefit guarantee is not in effect. You can also pay additional premiums if you decide you do not want the death benefit guarantee invoked. (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 and any amount in the Fixed 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;
- 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 AND THE FIXED ACCOUNT

The balance of your premium payment, after we deduct any applicable premium charges, is called your net premium. We allocate your net premium among the available Investment Divisions that you select (See "Funds and Eligible Portfolios" for a list of available Investment Divisions) and the Fixed Account, based on your instructions. You can allocate your net premium to a maximum of 21 investment options from among the 29 Investment Divisions and/or the Fixed 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.

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AMOUNT IN THE FIXED ACCOUNT

You can choose to allocate all or part of your net premium payment(s) to the Fixed 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;
- plus (2) any transfers you have made from the Separate Account to the Fixed Account;
- plus (3) any interest credited to the Fixed Account;
- less (4) any amounts you have withdrawn from the Fixed Account;
- less (5) any charges we have deducted from the Fixed Account;
- less (6) any transfers you have made from the Fixed Account to the Separate Account.

TRANSFERS AMONG INVESTMENT DIVISIONS AND THE FIXED 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 Investment Divisions of the Separate Account to the Fixed Account, or (3) among the Investment Divisions in the Separate Account. You can allocate Cash Value to a maximum of 21 investment options from among the 29 Investment Divisions and/or the 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) \$5000. However, this limit will not apply if the 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 transfers toward these maximum limits.

- Minimum Transfer-The minimum amount that you can transfer from an Investment Division or the Fixed Account is the lesser of (i) \$500 or (ii) the total amount in the Investment Division or the Fixed Account.
- Minimum Remaining Value-If a transfer will cause the amount you have in an Investment Division or the Fixed Account to be less than \$500, we will transfer the entire amount in the Investment Division 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

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transfer request we reject or reverse. You should read the Fund prospectuses for more details on their ability to refuse or restrict purchases or redemptions of their shares.

Risks Associated with Potentially Harmful Transfers—Our procedures are designed to limit potentially harmful transfers. However, we cannot guarantee that our procedures will be effective in detecting and preventing all transfer activity that could disadvantage or potentially hurt the rights or interests of other policyowners. The risks described below apply to policyowners and other persons having material rights under the policies.

- We do not currently impose redemption fees on transfers or expressly limit the number or size of transfers in a given period. Redemption fees, transfer limits, and other procedures or restrictions may be more or less successful than our procedures in deterring or preventing potentially harmful transfer activity.
- Our ability to detect and deter potentially harmful transfer activity may be limited by policy provisions.
- (1) The underlying Fund portfolios may have adopted their own policies and procedures with respect to trading of their respective shares. The prospectuses for the underlying Fund portfolios, in effect at the time of any trade, describe any such policies and procedures. The trading policies and procedures of an underlying Fund portfolio may vary from ours and be more or less effective at preventing harm. Accordingly, the sole protection you may have against potentially harmful frequent

transfers is the protection provided by the procedures described herein.

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

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

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

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

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

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

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

(2) increased administrative and Fund brokerage expenses.

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

-- 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, 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 received 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 at any time (subject to age restrictions) by selecting one or both of the following riders:

-- LIVING BENEFITS RIDER (ALSO KNOWN AS ACCELERATED BENEFITS RIDER IN MOST JURISDICTIONS): Under this rider, if the 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. A one-time charge is assessed if this rider is exercised.

-- SPOUSE'S PAID-UP INSURANCE PURCHASE OPTION RIDER: Upon the insured's death, this rider allows a spouse who is the named beneficiary to purchase a new paid-up whole life insurance policy on his or her own life without evidence of insurability.

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See the SAL for more information about 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. You can elect this option at any time as long as the policy's Cash Value is \$2,500 or more. (See the SAL for more information.)

-- AUTOMATIC ASSET REALLOCATION If you choose this feature, we will reallocate your assets automatically among the Investment Divisions on a schedule you select in order to maintain a predetermined percentage invested in the Investment Division(s) you have selected. You can elect this option at any time as long as the Cash Value allocated to the Separate Account is \$2,500 or more. (See the SAL 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. You can elect this option at any time as long as the amount in the Fixed Account is \$2,500 or more. (See the SAI for more information.)

MATURITY DATE

Your policy matures on the policy anniversary on which the insured is age 100. One year before your policy's maturity date, we will notify you that on your maturity date you may elect to:

- (1) continue the policy with the death benefit guarantee (if the death benefit guarantee is in effect);
- (2) continue the policy without the death benefit guarantee; or
- (3) surrender the policy.

If you do not make an election and the death benefit guarantee is in effect, or if you affirmatively elect to continue the policy with the death benefit guarantee, we will transfer all amounts you have allocated to the Investment Divisions to a Cash Management investment division. The policy's Face Amount and death benefit guarantee amount will be the greater of the death benefit guarantee amount at maturity or the Cash Value at maturity. For Series 1, we will not assess any further Monthly Deductions, but we will continue to deduct Separate Account charges. For Series 2 and 3 we will continue to assess a Mortality and Expense Risk charge on the Cash Value that remains in the Separate Account. The Eligible Portfolios will continue to deduct their own fees and expenses. You will not be permitted to make transfers into any other Investment Division, make additional premium payments into any Investment Division other than the Cash Management investment division, or make partial withdrawals. The federal income tax treatment of a life insurance contract is uncertain after the insured is age 100. (See "Federal Income Tax Considerations--Status of Policy After Insured is Age 100" for more information).

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If you do not make an election and the death benefit guarantee is not in effect, or if you affirmatively elect to continue the policy without the death benefit guarantee, your Cash Value will remain invested in the same investment options as before Maturity. You will be paid the Cash Surrender Value upon the death of the insured. We will not assess any further Monthly Deductions, but we will continue to assess a Mortality and Expense Risk charge on the Cash Value that remains in the Separate Account. The Eligible Portfolios will continue to deduct their own fees and expenses.

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, NY 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 Internal Revenue Code ("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.

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 Cash 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, and risk classification as your original policy, but will not offer variable investment options such as the Investment Divisions. You may choose for the new policy to have either a Face Amount equal to the Face Amount of this policy on the date of the exchange, or the same Death Benefit.

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

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amount applied to your new policy will be the policy's Cash Value plus a refund of all 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 Values 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

At the time you purchase your policy, you pay an initial single premium and, subject to restrictions, you can pay additional premiums. Contact your Registered Representative or VPSC for the limits applicable to your policy. ACCEPTANCE OF INITIAL AND ADDITIONAL PREMIUM PAYMENTS IS SUBJECT TO OUR SUITABILITY STANDARDS.

For Series 1 and 2 policies, you can choose an initial single premium based on 80% or 100% of the Guideline Single Premium ("GSP"). The GSP is shown on your Policy Data Page. For Series 3 policies there is no GSP, and you can pay any amount within our minimum and maximum limits.

An unplanned premium is a payment you make after the initial single premium is made.

- 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 Life Insurance Benefit 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 \$500.

-- We may limit the number and amount of any unplanned premium payments.

Unless you advise us otherwise, unplanned premiums remitted on a policy with an outstanding loan balance will automatically be applied first as a loan repayment and then as unplanned premiums up to any applicable Guideline Limits (for Series 1 and Series 2).

For Series 1 and Series 2 policies, the death benefit guarantee is provided only if your initial single premium is based on 100% of the GSP. It is not available if your initial single premium is based on 80% of the GSP. You can remit additional premiums up to the maximum limits set by Section 7702 of the Code. However, making these additional payments will never result in a death benefit guarantee being applied to your policy if one did not exist at issue.

All Series 3 policies contain a death benefit guarantee at issue.

On policies where the death benefit guarantee is not in effect, 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. A policy that is

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maintained with a Cash Surrender Value just sufficient to cover deductions and charges is more likely to be unable to maintain its Cash Surrender Value because of market fluctuation and other performance-related risks. Your policy can lapse if the Cash Surrender Value is insufficient to cover monthly deduction charges.

Factors that are considered in determining your initial premium payment are the insured's age at issue, underwriting class, gender, and policy Face Amount.

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 4:00 p.m. Eastern Time. Any premiums received after that time will be credited to your policy on the next Business Day.

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 after you receive your policy to return the policy to us and receive a refund. (See "State Variations" for state-by-state details.)

We will allocate premium payments made with your application or during the free look period to our General Account until 20 days after issue. We will then allocate the net premium plus any accrued interest to the Investment Divisions you have selected. If you cancel your policy, we will pay you 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.

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 you purchased the policy.

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. All premium payments you make during the free look period are applied to our General Account. After the free look period, we apply your premium (for Series 1 and 2) or net premium, which is the balance of the premium payment after we deduct state and federal tax charges (for Series 3), along with any interest credited, to the Investment Divisions of the Separate Account and/or the Fixed Account according to the most recent premium allocation election you have given us. You can change the premium allocation any time you make a premium payment by submitting a revised premium allocation form. Allocation percentages must be in whole numbers.

A 9-year surrender charge period will be applied only to the initial single premium. Additional premiums will not have a separate surrender charge period. The initial single premium effective date will start the 9-year surrender charge period. A 10-year deferred

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sales expense charge will be applied to each premium remitted. Each premium's effective date will start a separate 10-year deferred sales expense charge period.

Loan repayments are not subject to surrender charges or deferred sales expense charges.

All Series 1 and 2 policies are subject to the Guideline Premium Test ("GPT") and therefore, we may limit your premium payments under these policies. 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" for more information.

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 the reversed investment options, we will deduct the amount of the loss from your policy's Cash Value.

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 effective with the first Monthly Deduction Day.

POLICY PROCEEDS

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

- 1) the Life Insurance Benefit, calculated based on the policy's Life Insurance Benefit option valued as of the date of death;
- less 2) any outstanding loans (including any accrued loan interest as of the date of death) on the policy;
- less 3) any past due monthly deductions.

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We will pay interest on these proceeds from the date the 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" for more information.

PAYEES

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

- You name the beneficiary when you apply for the policy. The beneficiary will receive the Policy 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.

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 seven days after we receive all of the necessary requirements at 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).

Under the following situations, payment of 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:

- (1) 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
- (2) 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 for up to six 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 state 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 state law).

DEATH CLAIMS

The beneficiary can elect to have the Policy 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 Policy 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" for more information.

We will pay the Policy Proceeds in one sum unless the beneficiary chooses 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 kept with us will earn interest each year. The beneficiary can 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 kept with us. The frequency of the interest payments can be: each month, every three months, every six months or once 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 a statement of the minimum amount of each monthly payment under this option. 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:

Series 3

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

Series 2

<Table> <Caption> 2002-2005	2006-2015	2016-2025	2026-2035	2036 and later
<S> +1	<C> 0	<C> -1	<C> -2	<C> -3

Series 1

<Table> <Caption> 1999-2005	2006-2015	2016-2025	2026-2035	2036 and later
<S> +1	<C> 0	<C> -1	<C> -2	<C> -3

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 name 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

The Life Insurance Benefit is equal to the policy's Face Amount in force on the Insured's date of death. 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 Face Amount in force on the date of death. 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 the Guideline Premium Test ("GPT") or the Cash Value Accumulation Test ("CVAT"). Series 1 and 2 policies use the GPT. Series 3 policies use the CVAT. The Life Insurance Benefit will vary depending on which test is used.

The Guideline Premium Test--Series 1 and 2 Policies

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 Cash Value Accumulation Test--Series 3 Policies

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.

DEATH BENEFIT GUARANTEE

For Series 1 and 2 policies, a death benefit guarantee is included in the policy at issue only if you pay an initial single premium based on 100% of the GSP for the policy. It is not available to Policyowners who pay an initial single premium based on 80% of the GSP. For Series 3 policies, a death benefit guarantee is automatically included in the policy at issue and equals the Face Amount. The death benefit guarantee prevents the policy from lapsing even if the policy's Cash Surrender Value is insufficient to cover the Monthly Deductions. Loans and partial withdrawals can reduce or eliminate the death benefit guarantee. If the Insured dies after the death benefit guarantee has been invoked, the Policy Proceeds will equal the amount of the death benefit guarantee.

Below is an example of the new death benefit guarantee after a partial withdrawal assuming the following:

-- The owner of a Policy with a \$58,068 Face Amount takes a partial withdrawal of \$1,000 in the 2(nd) year.

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-- Issue Age of 35

-- Initial Single Premium at Issue = \$10,000

-- Death benefit guarantee at Issue = \$58,068 Face Amount

-- Cash Value before withdrawal = \$11,020

-- Cash Value after withdrawal = \$10,000 (\$11,020 (Cash Value before the partial withdrawal) - 1,000 (partial withdrawal amount) - \$20 (partial withdrawal fee)

For Series 1 and 2 policies, the new death benefit guarantee is the lowest of the following 3 calculations:

1. The attained age Face Amount:
 $\$10,000 / 0.1797 = \$55,648$ (Where "0.1797" is the approximate GSP per dollar at age 36)
2. The policy's reduced Face Amount:
The Face Amount at issue minus the \$1,000 withdrawal. Reduced Face Amount is $\$58,068 - \$1,000 = \$57,068$
3. The death benefit guarantee in effect before the partial withdrawal:
\$58,068

The death benefit guarantee amount is now reduced to \$55,648 (the lowest of the

three calculations above).

For Series 3 policies, the new death benefit guarantee equals the policy's reduced Face Amount:

The Face Amount at issue minus the \$1,000 withdrawal. Reduced Face Amount is
\$58,068 - \$1,000 = \$57,068

The death benefit guarantee amount is now reduced to \$57,068.

Any time the amount of the death benefit guarantee is reduced, that amount becomes the new death benefit guarantee amount. The amount of the death benefit guarantee will never increase.

For Series 1 (except in N.J.):

If, at any time, the loan principal including capitalized interest exceeds 50% of the Cash Surrender Value, the death benefit guarantee will terminate.

For Series 1 policies issued in N.J. and all Series 2 and Series 3 policies:

On a Monthly Deduction Day, if the Cash Surrender Value of the policy is insufficient to cover the monthly deductions, the death benefit guarantee will not apply if the total premiums paid less any current loan balance, including accrued interest and any accumulated gross partial withdrawals, is less than the initial single premium. This means the death benefit guarantee does not apply unless (a) you paid additional premium after the initial single premium, and (b) the amount of the loan, including accrued interest, is no more than the amount of the additional premium(s). Premiums and/or loan repayments will be accepted during the 62-day grace period to ensure that the initial single premium test is satisfied so that the death benefit guarantee can be invoked.

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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.

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.

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 \$500, and the withdrawal will not cause the policy to fail to qualify as life insurance under IRC Section 7702.

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 Cash Surrender Value below the minimum initial single premium required by issue age (\$5,000 for issue ages 17 and below; \$10,000 for issue ages 18 and

above). See "The Effect of a Partial Withdrawal" for more information on how a partial withdrawal can reduce your Cash Value, thereby reducing your Cash Surrender Value.

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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 we receive your request after 4:00 p.m. Eastern Time on a Business Day, or receive it on a non-Business Day, then the requested partial withdrawal will be effective on the next Business Day.

When you make a partial withdrawal, we deduct a fee for processing the partial withdrawal. This fee will not exceed the lesser of \$25 or 2% of the amount withdrawn.

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. If you do not specify this, we will deduct the partial withdrawal and any withdrawal fee from the Investment Divisions and/or the Fixed 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 and/or in the Fixed 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 withdrawal fee and surrender charge.

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

THE EFFECT OF A PARTIAL WITHDRAWAL

If you make a partial withdrawal and your policy's Life Insurance Benefit equals the Face Amount, we will reduce the Face Amount by the amount of your partial withdrawal. If your policy's Life Insurance Benefit exceeds the Face Amount, then:

-- if, after the withdrawal, your policy's Life Insurance Benefit would continue to exceed the Face Amount, we will reduce your Life Insurance Benefit by the amount of the Cash Value you withdrew plus any applicable fees and charges, multiplied by an applicable percentage that you will find in your Policy in the table captioned "Table Of Percentages For Life Insurance Benefit For Compliance With IRC Section 7702", and we will reduce the Cash Value on a dollar-for-dollar basis by the amount of your partial withdrawal plus any fees and charges; or

-- if, after the withdrawal, your policy's Life Insurance Benefit would not continue to exceed the Face Amount, we will first determine how much of your withdrawal is attributable to a reduction of the Life Insurance Benefit to the Face Amount. We then reduce your policy's Face Amount by an amount equal to the remainder of the withdrawal. We will reduce the Cash Value on a dollar-for-dollar basis by the amount of your partial withdrawal plus any applicable fees and charges.

For the first nine Policy Years, partial withdrawals in excess of the greater of 10% of premiums paid or 100% of the gain in the Policy will be subject to a surrender charge.

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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 charge and any outstanding policy loans (including any accrued loan interest). Since the Cash Value of the policy fluctuates with the performance of the Investment Divisions and the interest credited to the Fixed 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.)

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 accepted 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 we receive your request after 4:00 p.m. Eastern Time on a Business Day, or receive it on a non-Business Day, the requested surrender will be effective on the next Business Day. We will mail the surrender proceeds within seven days after the effective date. Subject to the limits explained in "When We Pay Proceeds" section.

SURRENDER CHARGES

If you surrender your policy during the first nine Policy Years, 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 that equals 90% of your policy's Cash Surrender Value. Since, under most circumstances, the Policy is deemed a modified endowment contract under the Internal Revenue Code, there may be adverse tax consequences if you take a loan.

YOUR POLICY AS COLLATERAL FOR A LOAN

When you request a loan, a transfer of funds will be made from the Separate Account to the Fixed Account. For Series 1 and 2 policies, we will transfer an amount so

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that the Cash Value in the Fixed Account is at least 106% of the requested loan plus any outstanding loans, including accrued loan interest. This percentage will change in accordance with changes in the loan interest rate, but will never exceed 108%. For Series 3 policies, we will transfer an amount 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. For all policies, we will transfer these funds from the Investment Divisions of the Separate Account in accordance with your instructions or, if you have not provided us with any instructions, in proportion to the amounts you have in each Investment Division. While any policy loan is outstanding, we will not allow you to make any partial withdrawals or transfer any funds from the Fixed Account if the partial withdrawal or transfer would cause the Cash Value of the Fixed Account to fall below 106% (or a different percentage based on the loan interest rate) for Series 1 and 2 policies, or 100% for Series 3 policies, of all outstanding loans. 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 from the Investment Divisions of the Separate Account in proportion to the amounts you have in each Investment Division.

LOAN INTEREST

We currently charge an effective annual loan interest rate of 6%. We may increase or decrease this rate but we guarantee that the rate will never exceed 8%. 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 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. The rate we credit on loaned amounts will never be less than 2% 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%. For the first ten 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 is 0.5% less than the rate we charge for loan interest. The interest earned on amounts held as collateral for the policy loan will remain in the Fixed Account.

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

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- the date on which the insured dies.

We will charge any unpaid loan interest due on a policy anniversary 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, if the interest charged as an additional loan would cause the amount borrowed to exceed 90% of the Cash Surrender Value of the policy, the interest amount will be withdrawn on a pro-rata basis across all Investment Divisions.

LOAN REPAYMENT

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 loan repayment unless you tell us in writing that it is an additional premium payment. 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. 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.

EXCESS LOAN CONDITION

If the amount of any unpaid loans (including any accrued loan interest) is greater than the Cash Surrender Value of your policy, 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, the policy will end. This could result in a taxable gain to you. If the policy is in the late period, the policy will not end earlier than the end of the late period (See "Late Period" below for details).

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. The effect could be favorable or unfavorable. If the Investment Divisions earn more than the annual interest rate for loaned amounts held in the Fixed Account, your Cash Value will not increase as rapidly as it would have had no loan been made. If the Investment Divisions earn less than the interest earned on loaned amounts held in the Fixed Account, then your Cash Value may be greater than it would have been had no loan been made. If not repaid, the aggregate amount of the outstanding loan principal and any accrued interest will reduce the Policy Proceeds that might otherwise be payable.

Unpaid loan interest generally will be treated as a new loan under the Internal Revenue Code ("IRC"). A loan may result in taxable income to you. In addition, 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 Income Tax Considerations" for more information.)

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TERMINATION AND REINSTATEMENT

LATE PERIOD

If your policy's Cash Surrender Value on any Monthly Deduction Day is less

than the monthly deductions due from the Cash Surrender Value for the next policy month and the death benefit guarantee is not in effect, your policy will enter a late period for 62 days. During this period, you have the opportunity to pay any premium needed to cover 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. However, if we do not receive the required payment before the end of the late period, the policy will end without any benefits.

If your policy's Cash Surrender Value on any Monthly Deduction Day is less than the monthly deductions due from Cash Surrender Value for the next policy month, and the death benefit guarantee is in effect, then the death benefit guarantee can be invoked as described in (a) or (b) below:

- (a) If there is no outstanding loan, the policy will continue for a late period of 62 days after the Monthly Deduction Day on which the Cash Surrender Value is insufficient to cover the monthly deduction charges. To inform you of this situation, we will mail a notice to you, at your last known address, at least 31 days before the end of the late period requesting payment of the additional premium amount necessary to keep the policy in force. If you do not send us this additional premium amount, postmarked by the end of the late period, the death benefit guarantee will be invoked on the Monthly Deduction Day following the expiration of the 62-day late period. We will send a notification to your last known address indicating that the death benefit guarantee has been invoked and the amount of the death benefit guarantee that applies.
- (b) If there is an outstanding loan, you will be given the opportunity to repay the loan. The policy will continue for a late period of 62 days after the Monthly Deduction Day on which the Cash Surrender Value is insufficient to cover the monthly deduction charges. To inform you of this situation, we will mail a notice to you, at your last known address, at least 31 days before the end of the late period requesting payment of the additional premium amount, including the loan amount and any interest due, necessary to keep the policy in force. If you do not send us the required payment, postmarked by the end of the late period, the death benefit guarantee will be invoked on the Monthly Deduction Day following the expiration of the 62-day late period. We will send a notification to your last known address indicating that the death benefit guarantee has been invoked and the amount of the death benefit guarantee that applies. If not repaid, the amount of any outstanding loan and loan interest will be deducted from the death benefit guarantee amount that applies.

Once the death benefit guarantee is invoked, no further charges will be deducted, and no surrender, partial withdrawals, loans, or changes of premium allocation election will be permitted. The death benefit guarantee amount will be paid when we receive proof that the Insured has died.

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If the Insured dies during the late period, we will pay the Policy Proceeds to the beneficiary. We will reduce the Life Insurance Benefit by any unpaid loan, loan interest, and 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.

REINSTATEMENT OPTION

If your policy has ended, or if it has not ended but the death benefit guarantee has been invoked, 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 ended or the death benefit guarantee has been invoked;
- the insured is alive; and
- you have not surrendered your policy.

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

- (1) payment equal to an amount sufficient to keep the policy in effect for at least three months (for Series 3, this amount is multiplied by a factor to account for state and federal tax 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 ended.

The Cash Value of the reinstated policy will be the Cash Value at the time the policy ended or when the death benefit guarantee was invoked, 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.

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

A death benefit guarantee will apply to a reinstated policy only if one existed before the policy ended. Any coverage put into effect as a result of the death benefit guarantee being invoked is terminated upon reinstatement of the policy.

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

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discussion of all tax questions that might arise under the policies. This discussion is not intended to be tax advice for you. Tax results may vary according to your particular circumstances, and you may need tax advice in connection with the purchase or use of your policy.

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

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

TAX STATUS OF NYLIAC AND THE SEPARATE ACCOUNT

NYLIAC is taxed as a life insurance company under Subchapter L of the Internal Revenue Code. The Separate Account is not a separate taxable entity from NYLIAC and we take its operations into account in determining NYLIAC's income tax liability. As a result, NYLIAC takes into account applicable tax attributes of the assets of the Separate Account on its corporate income tax return, including corporate dividends received deductions and foreign tax 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. Under existing federal income tax law, NYLIAC believes that Separate Account investment income and realized net capital gains should not be taxed to the extent that such income and gains are retained as part of the tax-deductible reserves under the policy.

CHARGES FOR TAXES

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

a charge for the policy's share of NYLIAC's federal income taxes attributable to the Fixed Account.

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

DIVERSIFICATION STANDARDS AND CONTROL ISSUES

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

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

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LIFE INSURANCE STATUS OF POLICY

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

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

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

MODIFIED ENDOWMENT CONTRACT STATUS

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

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. Because an SPVUL policy is purchased with a single premium, it will generally be a modified endowment contract at all times. 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.

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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.

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

POLICY SURRENDERS AND PARTIAL WITHDRAWALS

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

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

If any amount is taxable as a distribution of income under a modified endowment contract (as a result of a policy surrender, a partial withdrawal, or a loan), it may also be subject to a 10% penalty tax under Internal Revenue Code Section 72(v). Limited exceptions from the additional penalty tax are available for certain distributions to individuals who own policies. The penalty tax will not apply to distributions: (i) that are made on or after the date the taxpayer

attains age 59 1/2; or (ii) that are attributable to the taxpayer's becoming disabled; or (iii) that are part of a series of substantially equal periodic payments (made not less frequently than annually) made for the life or life expectancy of the taxpayer.

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

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distribution associated with that reduction. In such a case, the Internal Revenue Code prescribes a formula under which you may be taxed on all or a part of the amount distributed. After fifteen years, cash distributions from a policy that is not a modified endowment contract will not be subject to federal income tax, except to the extent they exceed the total investment in the policy. We suggest that you consult with a tax advisor in advance of a proposed decrease in Face Amount or a partial withdrawal. In addition, any amounts distributed under a "modified endowment contract" (including proceeds of any loan) are taxable to the extent of any accumulated income in the policy. In general, the amount that may be subject to tax is the excess of the Cash Value (both loaned and unloaned) over the previously unrecovered premiums paid.

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% tax.

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

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

CORPORATE OWNERS

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

EXCHANGES OR ASSIGNMENTS OF POLICIES

If you change the policyowner or exchange or assign your policy, it may have significant tax consequences depending on the circumstances. For example, an assignment or exchange of the policy may result in taxable income to you. Further, Internal Revenue Code Section 101(a) provides, subject to certain exceptions, that

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where a policy has been transferred for value, only the portion of the life insurance benefit which is equal to the total consideration paid for the policy may be excluded from gross income. For complete information with respect to policy assignments and exchanges, a qualified tax advisor should be consulted.

REASONABLENESS REQUIREMENT FOR CHARGES

Another provision of the tax law deals with allowable charges for mortality costs and other expenses that are used in making calculations to determine whether a policy qualifies as life insurance for federal income tax purposes. For life insurance policies entered into on or after October 21, 1988, these calculations must be based upon reasonable mortality charges and other charges

reasonably expected to be actually paid. The Treasury Department has issued proposed regulations and is expected to promulgate temporary or final regulations governing reasonableness standards for mortality charges.

LIVING BENEFITS RIDER (ALSO KNOWN AS ACCELERATED BENEFITS RIDER)

A Living Benefits Rider is available in connection with the policy. Amounts received under this rider will generally be excludable from your gross income under Section 101(g) of the Internal Revenue Code. The exclusion from gross income will not apply, however, if you are not the 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 Internal Revenue Code. We reserve the right (but we are not obligated) to modify the rider to conform with requirements the Internal Revenue Service may enact.

OTHER TAX ISSUES

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

WITHHOLDING

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

Different withholding rules apply to payments made to U.S. citizens living outside the United States and to non-U.S. citizens living outside of the United States. U.S. citizens who live outside of the United States generally are not permitted to elect not to have federal income taxes withheld from payments. Payments to non-U.S.

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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 and the Fixed 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. This statement reports transactions that you have requested or authorized. Please review it carefully. If you believe it contains an error, we must be notified within 15 days of the date of the statement.

It is important that you inform NYLIAC of an address change so that you can receive these policy statements. (Please refer to the section on "How To Reach Us for Policy Services.") In the event your statement is returned from the US

Postal Service as undeliverable, we reserve the right to suspend mailing future correspondence and also suspend current transaction processing until a better address is obtained. Additionally, no new service requests can be processed until a valid current address is provided.

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

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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 illustrations demonstrate how your SPVUL Series 3 policy works. The current and guaranteed values are based on the age, sex, underwriting class, initial Life Insurance Benefit, and premium as follows:

The illustrations are for a Policy issued to a female with preferred underwriting class, issue age 60, with an initial single premium of \$10,000, and an initial Face Amount of \$21,092 for Series 3. It assumes that 100% of the net single premium is allocated to the Separate Account for Series 3.

The illustrations 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 hypothetical illustration information 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 Cash Value 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.

Table 1 reflects all charges under the Policy, and assumes that the cost of Insurance charges are based on our current cost of insurance rates and reflects the deduction of all current charges from the Cash Value. For Series 3, Table 1 reflects a monthly Mortality and Expense Risk charge equal to an annual rate of 0.50% (on a current basis) of the Cash Value allocated to the Separate Account.

Table 2 reflects all charges under the Policy, assumes that the cost of insurance charges are based on our guaranteed maximum cost of insurance rates, and reflects the deduction of all guaranteed maximum charges from the Cash Value. For Series 3, Table 2 reflects a monthly Mortality and Expense Risk charge equal to an annual rate of 0.80% (on a guaranteed basis) of the Cash Value allocated to the Separate Account.

These 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 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.

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 Policy owner.

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NYLIAC will furnish upon request a comparable illustration using the age, sex, and underwriting class of the insured for any initial Life Insurance Benefit and premium requested. We will furnish an illustration assuming current Policy charges and current cost of insurance rates and maximum charges and rates.

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TABLE 1

SINGLE PREMIUM VARIABLE UNIVERSAL LIFE (SERIES 3)

FEMALE ISSUE AGE: 60, PREFERRED
 PLANNED SINGLE PREMIUM: \$10,000
 INITIAL FACE AMOUNT: \$21,092

ASSUMING CURRENT CHARGES

<Table>

<Caption>

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%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1	21,092	21,728	22,959	9,402	9,967	10,532	8,772	9,294	9,817
2	21,092	21,765	24,301	9,129	10,266	11,463	8,560	9,618	10,763
3	21,092	21,780	25,697	8,855	10,573	12,474	8,345	9,951	11,824
4	21,092	21,774	27,145	8,580	10,887	13,573	8,126	10,294	12,973
5	21,092	21,856	28,790	8,303	11,208	14,764	7,937	10,708	14,264
6	21,092	21,807	30,354	8,023	11,538	16,060	7,742	11,138	15,660
7	21,092	21,850	32,137	7,738	11,875	17,466	7,536	11,575	17,166
8	21,092	21,875	33,998	7,450	12,221	18,993	7,321	12,021	18,793
9	21,092	22,005	36,138	7,155	12,574	20,650	7,094	12,474	20,550
10	21,092	21,990	38,160	6,852	12,936	22,447	6,852	12,936	22,447
15	21,092	22,722	51,981	5,235	15,148	34,654	5,235	15,148	34,654
20	21,092	23,823	71,973	2,935	17,647	53,314	2,935	17,647	53,314
25	21,092	25,152	100,532	--	20,449	81,733	--	20,449	81,733
30	21,092	27,255	144,840	--	23,496	124,862	--	23,496	124,862
35	21,092	29,378	209,505	--	26,953	192,207	--	26,953	192,207
40	21,092	32,137	310,736	--	31,506	304,643	--	31,506	304,643

</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 2

SINGLE PREMIUM VARIABLE UNIVERSAL LIFE (SERIES 3)

FEMALE ISSUE AGE: 60, PREFERRED
 PLANNED SINGLE PREMIUM: \$10,000
 INITIAL FACE AMOUNT: \$21,092

ASSUMING GUARANTEED CHARGES

<Table>
<Caption>

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%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1	21,092	21,528	22,748	9,314	9,875	10,435	8,690	9,210	9,727
2	21,092	21,365	23,855	8,952	10,078	11,252	8,395	9,442	10,552
3	21,092	21,176	24,988	8,587	10,280	12,130	8,094	9,676	11,480
4	21,092	21,092	26,140	8,215	10,478	13,070	7,782	9,909	12,470
5	21,092	21,092	27,445	7,833	10,672	14,074	7,491	10,189	13,574
6	21,092	21,092	28,632	7,440	10,861	15,149	7,182	10,467	14,749
7	21,092	21,092	29,988	7,033	11,043	16,298	6,852	10,743	15,998
8	21,092	21,092	31,373	6,610	11,220	17,527	6,498	11,020	17,327
9	21,092	21,092	32,971	6,172	11,390	18,840	6,120	11,290	18,740
10	21,092	21,092	34,423	5,714	11,554	20,249	5,714	11,554	20,249
15	21,092	21,092	44,309	2,991	12,502	29,540	2,991	12,502	29,540
20	21,092	21,092	57,084	--	12,776	42,284	--	12,776	42,284
25	21,092	21,092	73,190	--	11,265	59,504	--	11,265	59,504
30	21,092	21,092	95,311	--	3,211	82,165	--	3,211	82,165
35	21,092	21,092	123,395	--	--	113,206	--	--	113,206
40	21,092	21,092	161,750	--	--	158,578	--	--	158,578

</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.

VARIATIONS BY JURISDICTION (SERIES 1)

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 that were deducted from the premium payments you have made, less any loans and partial withdrawals you have taken.

COLORADO

-- The Suicide Exclusion period is one year from the Issue Date.
 -- Transfers Among Investment Divisions and 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.

CONNECTICUT

-- Loan Interest-Due to state regulation, the loan interest rate is fixed at 6% and may not be changed.
 -- 24 Month Exchange Privilege-The new policy will be on a permanent fixed benefit plan of life insurance offered by us on the date of issue of this policy and premium rates in effect on that date for the same class of insurance. The new policy will have a Face Amount equal to the initial Face Amount of this policy. The new policy will be based on the same issue age, sex, and class of risk as this policy. All riders attached to this policy will be included in the new policy only if those riders would have been

offered with the new policy on its date of issue.

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 you make during the first 20 days following policy issue to our General Account. At the end of this period, we will allocate your net premiums according to your instructions.

FLORIDA

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

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ILLINOIS

-- Free Look-No loans or withdrawals are permitted during this period.

INDIANA

-- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

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

-- 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.

KANSAS

-- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

MASSACHUSETTS

-- Title-The policy title is "Flexible Premium Variable Universal Life Insurance Policy".

-- 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.

LOUISIANA

-- Late Period-To inform you of this event, we will mail a notice to you at your last known address at least 62 days before the end of the late period.

MICHIGAN

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

MINNESOTA

-- Free Look-You may cancel this policy by delivering or mailing a written notice, or sending a telegram, to New York Life Insurance and Annuity Corporation's Home Office, 51 Madison Avenue, New York, NY 10010, and by returning the policy before midnight of the twentieth day after the date you receive the policy. Notice and return of the policy by mail are effective on being postmarked, properly addressed, and postage prepaid. We will return all payments made for this policy within 10 days after we receive notice of cancellation and the returned policy.

-- 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.

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NEBRASKA

-- Late Period-This policy will end, and there will be no more benefits under the policy, 61 days after we send notice that the Cash Surrender Value is

insufficient to cover the Monthly Deduction Charges.

NEW HAMPSHIRE

-- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

NEW JERSEY

-- Termination and Reinstatement-If your Policy has a death benefit guarantee, the guarantee will not apply if the total premiums paid less any current loan balance are less than the initial single premium. Premium and/or loan repayments will be accepted during the grace period to allow the death benefit guarantee to be invoked.

NEW YORK

-- Free Look-You have 10 days from the date you receive your policy to return the policy and receive a refund. We will allocate the initial premium and any other premium payments you make during this period to our General Account. After the free look period, 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 Rider-This 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. We will allocate the initial premium you make during the first 20 days following policy issue to our General Account. At the end of this period, we will allocate your net premiums according to your instructions.

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NORTH DAKOTA

-- When Life Insurance Coverage Begins-Coverage under this policy will take effect upon approval of the application and receipt of the first premium.

-- Death Claims-If payment of Policy Proceeds is placed under one or more of the options described in this section, it will bear interest compounded each year from the Insured's death to the date the proceed payments begin.

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

OKLAHOMA

-- Free Look-If the refund is not made within 30 days of cancellation, the amount of the refund will accumulate at interest, as required by the Insurance Code of the State of Oklahoma.

-- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

OREGON

-- Title-The policy title is "Modified Premium Variable Universal Life Insurance Policy." Also, it is considered "Variable Life Insurance Benefit--Single Premium Payments."

-- Variable Benefits-The amount of variable benefits will not be adversely affected by expense or mortality results.

-- The state tax is referred to as a "Tax Charge Back." The rate may not be changed for the life of the policy.

SOUTH CAROLINA

-- Title-The policy title is "Variable Universal Life Insurance Policy."

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 law. You should ask your registered representative how this law may impact your policy and the benefits available under it.

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VARIATIONS BY JURISDICTION (SERIES 2)

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 that were deducted from the premium payments you have made, less any loans and partial withdrawals you have taken.

COLORADO

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

-- Transfers Among Investment Divisions and 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.

CONNECTICUT

-- 24 Month Exchange Privilege-The new policy will be on a permanent fixed benefit plan of life insurance offered by us on the date of issue of this policy and premium rates in effect on that date for the same class of insurance. The new policy will have a Face Amount equal to the initial Face Amount of this policy. The new policy will be based on the same issue age, sex, and class of risk as this policy. All riders attached to this policy will be included in the new policy only if those riders would have been offered with new policy on its date of issue.

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 you make during the first 20 days following policy issue to our General Account. At the end of this period, we will allocate your net premiums according to your instructions.

FLORIDA

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

ILLINOIS

-- Free Look-No loans or withdrawals are permitted during this period.

INDIANA

-- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

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

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-- 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.

KANSAS

- Premium Payments-Premiums may also be paid to any of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

LOUISIANA

- Late Period-To inform you of this event, we will mail a notice to you at your last known address at least 62 days before the end of the late period.

MASSACHUSETTS

- Death Benefit Guarantee (in Massachusetts the Death Benefit Guarantee may be considered a no lapse guarantee feature)-For the lifetime of the policy, we guarantee the Life Insurance Benefit under the policy in an amount equal to the initial Face Amount. This means, if the Death Benefit Guarantee is in effect, this policy will not lapse if your Cash Surrender Value is insufficient to cover the monthly deductions. If you have an outstanding loan, you may be required to make an additional premium payment during the 62-day grace period to maintain the Death Benefit Guarantee. However, if you allow the Death Benefit Guarantee to be invoked and continue your policy, you will be foregoing the advantage of building Cash Value.
- 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.
- Living Benefits Rider-This rider is not available.

MICHIGAN

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

MINNESOTA

- Free Look-You may cancel this policy by delivering or mailing a written notice, or sending a telegram, to New York Life Insurance and Annuity Corporation's Home Office, 51 Madison Avenue, New York, NY 10010, and by returning the policy before midnight of the twentieth day after the date you receive the policy. Notice and return of the policy by mail are effective on being postmarked, properly addressed, and postage prepaid. We will return all payments made for this policy within 10 days after we receive notice of cancellation and the returned policy.
- 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.

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NEBRASKA

- Late Period-This policy will end, and there will be no more benefits under the policy, 61 days after we send notice that the Cash Surrender Value is insufficient to cover the Monthly Deduction Charges.

NEW HAMPSHIRE

- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

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. We will allocate the initial premium you make during the first 20 days following policy issue to our General Account. At the end of this period, we will allocate your net premiums according to your instructions.

NORTH DAKOTA

- When Life Insurance Coverage Begins-Coverage under this policy will take effect upon approval of the application and receipt of the first premium.
- Death Claims-If payment of the Policy Proceeds is placed under one or more of the options described in this section, it will bear interest compounded each year from the Insured's death to the date the proceed payments begin.
- The Suicide Exclusion period is one year from the Issue Date.

OHIO

-- Any life insurance proceeds paid in one sum will be paid within two months after we receive due proof of the Insured's death.

OKLAHOMA

-- Free Look-If the refund is not made within 30 days of cancellation, the amount of the refund will accumulate at interest, as required by the Insurance Code of the State of Oklahoma.

-- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

OREGON

-- Title-The policy title is "Modified Premium Variable Universal Life Insurance Policy". Also, it is considered "Variable Life Insurance Benefit-Single Premium Payments".

-- Variable Benefits-The amount of variable benefits will not be adversely affected by expense or mortality results.

-- The state tax is referred to as a "Tax Charge Back". The rate may not be changed for the life of the policy.

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SOUTH CAROLINA

-- Title-The policy title is "Variable Universal Life Insurance Policy."

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 law. You should ask your registered representative how this law may impact your policy and the benefits available under it.

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VARIATIONS BY JURISDICTION (SERIES 3)

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 that were deducted from the premium payments you have made, less any loans and partial withdrawals you have taken.

COLORADO

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

-- Transfers Among Investment Divisions and 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.

CONNECTICUT

-- Loan Interest-Due to state regulation, the loan interest rate is fixed at 6% and may not be changed.

-- 24 Month Exchange Privilege-The new policy will be on a permanent fixed benefit plan of life insurance offered by us on the date of issue of this policy and premium rates in effect on that date for the same class of insurance. The new policy will have a Face Amount equal to the initial Face Amount of this policy. The new policy will be based on the same issue age, sex, and class of risk as this policy. All riders attached to this policy will be included in the new policy only if those riders would have been offered with new policy on its date of issue.

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 you make during the first 20 days following policy issue to our General Account. At the end of this period, we will allocate your net premiums according to your instructions.

FLORIDA

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

ILLINOIS

- Free Look-No loans or withdrawals are permitted during this period.

INDIANA

- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

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

KANSAS

- Premium Payments-Premiums may also be paid to any of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

LOUISIANA

- Late Period-To inform you of this event, we will mail a notice to you at your last known address at least 62 days before the end of the late period.

MARYLAND

- 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 you make during the first 20 days following policy issue to our General Account. At the end of this period, we will allocate your net premiums according to your instructions.
- In the policy provisions, the Death Benefit Guarantee is referred to as the Death Benefit Amount that is guaranteed to be paid.
- On the policy anniversary when the Insured is age 100, the cash value will be moved into the Fixed Account and no further Mortality and Expense Risk Charge deductions will be made.

MASSACHUSETTS

- Death Benefit Guarantee (in Massachusetts the Death Benefit Guarantee may be considered a no lapse guarantee feature)-For the lifetime of the policy, we guarantee the life insurance benefit under the policy in an amount equal to the initial face amount. This means, if the Death Benefit Guarantee is in effect, this policy will not lapse if your cash surrender value is insufficient to cover the monthly deductions. If you have an outstanding loan, you may be required to make an additional premium payment during the 62-day grace period to maintain the Death Benefit Guarantee. However, if you allow the Death Benefit Guarantee to be invoked and continue your policy, you will be foregoing the advantage of building cash value.

MICHIGAN

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

MINNESOTA

- Free Look-You may cancel this policy by delivering or mailing a written notice, or sending a telegram, to New York Life Insurance and Annuity Corporation's Home Office, 51 Madison Avenue, New York, NY 10010, and by returning the policy before midnight of the twentieth day after the date you receive the policy. Notice and return

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of the policy by mail are effective on being postmarked, properly addressed, and postage prepaid. We will return all payments made for this policy within

10 days after we receive notice of cancellation and the returned policy.

- 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.

NEBRASKA

- Late Period-This policy will end, and there will be no more benefits under the policy, 61 days after we send notice that the Cash Surrender Value is insufficient to cover the Monthly Deduction Charges.

NEW HAMPSHIRE

- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

NEW YORK

- Free Look-You have 10 days from the date you receive your policy to return the policy and receive a refund. We will allocate the initial premium and any other premium payments you make during this period to our General Account. After the free look period, 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 an 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 Rider-This rider is not available.

NORTH CAROLINA

- Free Look-You have until the latter 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 you make during the first 20 days following policy issue to our General Account. At the end of this period, we will allocate your net premiums according to your instructions.

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NORTH DAKOTA

- When Life Insurance Coverage Begins-Coverage under this policy will take effect upon approval of the application and receipt of the first premium.
- Death Claims-If payment of the Policy Proceeds is placed under one or more of the options described in this section, it will bear interest compounded each year from the Insured's death to the date the proceed payments begin.
- The Suicide Exclusion period is one year from the Issue Date.

OHIO

- Any life insurance proceeds paid in one sum will be paid within two months after we receive due proof of the Insured's death.

OREGON

- Title-The policy title is "Modified Premium Variable Universal Life Insurance Policy." Also, it is considered "Variable Life Insurance Benefit-Single Premium Payments".
- Variable Benefits-The amount of variable benefits will not be adversely affected by expense or mortality results.
- The state tax is referred to as a "Tax Charge Back". The rate may not be changed for the life of the policy.

OKLAHOMA

- Free Look-If the refund is not made within 30 days of cancellation, the amount of the refund will accumulate at interest, as required by the Insurance Code of the State of Oklahoma.
- Premium Payments-Premiums may also be paid to any one of our authorized registered representatives in exchange for a receipt signed by the President or Secretary of the Corporation and duly countersigned.

SOUTH CAROLINA

- Title-The policy title is "Variable Universal Life Insurance Policy."

TEXAS

- Surrender-If the policy is surrendered within 30 days after a policy anniversary, the cash surrender value of the Fixed Account will not be less than the cash surrender value of the Fixed Account on such anniversary, assuming no unplanned premium payments, transfers, or partial withdrawals take place during that time.

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 law. You should ask your registered representative how this law may impact your policy and the benefits available under it.

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OBTAINING ADDITIONAL INFORMATION

The Statement of Additional Information ("SAI") includes additional information about SPVUL, 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 51 Madison Avenue, Room 452, New York, NY 10010), 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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STATEMENT OF ADDITIONAL INFORMATION ("SAI")

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Information about SPVUL (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 SPVUL 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

NYLIAC SINGLE PREMIUM VARIABLE UNIVERSAL LIFE INSURANCE

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 Single Premium Variable Universal Life Insurance ("SPVUL") prospectus. You should read the SAI in conjunction with the current SPVUL 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 Variable Products Service Center, 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 SPVUL prospectus.

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

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GENERAL INFORMATION AND HISTORY

The SPVUL prospectus and SAI describe three modified single premium variable universal life insurance policies that NYLIAC issues. Series 1 is a policy NYLIAC offered for sale prior to May 10, 2002. This policy will continue to be offered where neither Series 2 nor 3 is yet available. Series 2 is a policy NYLIAC has offered for sale since May 10, 2002, where approved. This policy will continue to be offered where Series 3 is not yet available. Series 3 is a policy NYLIAC began offering for sale on May 16, 2003, where approved.

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. 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. 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. Under existing federal income tax law, NYLIAC believes that Separate Account investment income and realized net capital gains should not be taxed to the extent that such income and gains are retained as part of the tax-deductible reserves under the policy.

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.

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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
- 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 & Growth--Initial Class (formerly MainStay VP American Century Income & 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

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T. Rowe Price Equity Series, Inc.

- T. Rowe Price Equity Income Portfolio

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).

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, Inc. 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. 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

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change, as required by the 1940 Act and we have obtained any necessary regulatory approvals.

We may establish new Investment Divisions and/or eliminate one or more Investment Divisions when marketing, tax, investment, or other conditions make it appropriate. We may decide whether or not the new Investment Divisions should be made available to existing policyowners.

If we make a substitution or change to the Investment Divisions, we may change your policy to reflect such substitution or change. We also reserve the right to: (a) operate the Separate Account as a management company under the 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.

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:

SERIES 1

$(a/b) - c$

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.

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.

c = a factor representing the Mortality and Expense Risk charge. This factor is deducted on a daily basis and is currently equal to an annual rate of .50% of the value of each Investment Division's assets.

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SERIES 2 AND SERIES 3

(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.

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.

ADDITIONAL BENEFITS THROUGH RIDERS

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

Living Benefits Rider
Spouse's Paid-Up Insurance Purchase Option 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 appears below.

-- 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>
<Caption>

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>

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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, 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 the Living Benefits Rider will generally 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.

-- 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 (before any unpaid loan is deducted); 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

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life policy on the life of the spouse. The owner must have an insurable interest in the life of the spouse, and the spouse must consent to the issuance of the new insurance in writing.

OPTIONS AVAILABLE AT NO ADDITIONAL CHARGE

-- DOLLAR COST AVERAGING

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 the transfers to be 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.

We will make Dollar Cost Averaging transfers on the date you specify, or, if the date you specify is not a Business Day, on the next Business Day. You can specify any day of the month other than 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 five business days prior to the date you request it to begin, the transfer(s) will begin on the date you have specified in the month following receipt of your request.

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

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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 features.

-- AUTOMATIC ASSET REALLOCATION

This option allows you to maintain a set investment mix. For example, you could specify that 50% of the amount you have in the Investment Divisions of the Separate Account be allocated to a particular Investment Division, and the other 50% be allocated to another Investment Division. Over time, the variations in each of these Investment Divisions' investment results would cause this balance to shift. If you elect to have the Automatic Asset Reallocation feature, we will automatically reallocate the amounts you have in the Separate Account among the various Investment Divisions so that they are invested in the percentages you specify.

We will make Automatic Asset Reallocation transfers on the date you specify, or if the date you specify is not a Business Day, on the next Business Day. 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 or 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 (or any other address we indicate to you in writing). NYLIAC must receive the request in writing no later than five business days prior to the date the transfer(s) are scheduled to begin. If your request for this option is received less than five business days prior to the date you request it to begin, the transfer(s) will begin on the date you have specified in the month following receipt of your request.

The minimum Cash Value you must have allocated to the Separate Account is \$2500. We will suspend this feature automatically if the Cash Value is less than \$2,000 on a reallocation date. Once the Cash Value equals or exceeds \$2,000, Automatic Asset Reallocation will resume automatically as scheduled. There is no minimum amount that you must allocate among the Investment Divisions for this feature.

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 features.

-- INTEREST SWEEP

You can elect to make automatic transfers of the interest earned in the Fixed Account if the amount in the Fixed Account is at least \$2,500. We will make all Interest Sweep transfers on the date you specify, or if the date you specify is not a Business Day, on the next Business Day. You can specify any day of the month other than the 29th, 30th, or 31st. 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.

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

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 5.5% per year. (1) Broker-dealers receive commission not to exceed 5.5% of premiums paid in Policy Year 1, plus 3.0% of premiums paid in Policy Years 2-15. Broker-dealers may also receive an allowance for expenses that ranges generally from 0% to 41% of first year premiums paid.

The total commissions paid during the fiscal years ended December 31, 2004, 2003, and 2002 were \$552,579, \$517,292, and \$115,642 respectively. NYLIFE Distributors did not retain any of these commissions.

(1) Assumes a discount rate of 6%. Additional assumptions for the SPVUL product are Female Issue Age 60, issued preferred, with a planned single premium of \$10,000 and an initial face amount of \$21,092.

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 4. The percentages are not expected to exceed 0.25% in Policy Years 4-15 and 0.20% in Policy Years 16 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.

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.

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EXAMPLE (FOR SERIES 3)

This example assumes a female insured, issue age 60, a death benefit guarantee amount of \$21,092, and an initial single premium of \$10,000. 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 initial single premium you intend to pay. Any additional premium payments you make are called unplanned premiums.
Less state tax charges	200.00	
Less federal tax charges	125.00	
Net Premium	----- \$ 9,675.00	
Plus net investment performance (earned from the Investment Divisions and/or the Fixed Account) (varies daily)	495.52	We allocate your net premium to the Investment Divisions and/or the Fixed Account based on your instructions.
Less total annual monthly deferred sales expense charge	39.21	
Less total annual monthly cost of insurance charge (varies monthly)		
Less total annual monthly administrative charge (based on amount of Cash Value)	56.60	
Less total annual Mortality and Expense Risk Charge (based on the Cash Value allocated to the Separate Account)	58.82	
-----	49.04	
CASH VALUE	\$ 9,966.85	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 charges	672.51	
-----		We may assess a surrender charge when you make a partial withdrawal or full surrender in the first nine Policy Years.
CASH SURRENDER VALUE (as of the end of the first Policy Year)	\$ 9,294.34	The amount of loans, withdrawals, and surrenders you can make is based on your policy's Cash Surrender Value.

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

For Series 1 and 2 policies there are no deductions from premiums. For Series 3 policies, when we receive a premium payment from you we will deduct a state tax charge and a federal tax charge from your premium.

STATE TAX CHARGE

Some jurisdictions impose a tax on the premiums insurance companies receive from their policyholders ranging from 0.0% to 3.5% of premium payments. (The tax may be higher in certain U.S. territories.) 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.

FEDERAL TAX CHARGE

NYLIAC's Federal tax obligations will increase based upon premiums associated with Non-Qualified Policies. We deduct 1.25% of each premium payment you make to cover the Federal tax that results. We may increase the amount we deduct as a federal tax charge to reflect changes in the law.

OTHER TAX CHARGES

Other than the federal tax charge discussed above, 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, we may impose a charge for the policy's share of NYLIAC's Federal income taxes attributable to the Fixed Account.

Under current laws, we may incur state or local taxes (in addition to premium taxes) in several states. At present, 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

For Policy Years 1-9, we deduct a surrender charge on any surrender or partial withdrawal that is in excess of the Surrender Charge Free Window. In any Policy Year, the Surrender Charge Free Window is the greater of 10% of the premiums paid, or 100% of your policy's gain. If you surrender the policy or take a partial withdrawal in excess of the Surrender Charge Free Window, we deduct an amount equal to the Cash Value (or Cash Value withdrawn for partial withdrawals) less the Surrender Charge Free Window amount, multiplied by the percentage (as shown in the table below for the applicable

Policy Year). The surrender charge will never exceed a percentage (as shown in the tables below for the applicable Policy Year) of the initial single premium payment.

<Table>
<Caption>

SERIES 1 AND 2		SERIES 3	
POLICY YEAR	PERCENTAGE APPLIED	POLICY YEAR	PERCENTAGE APPLIED
1	9%	1	7.5%
2	8%	2	7.0%
3	7%	3	6.5%
4	6%	4	6.0%
5	5%	5	5.0%
6	4%	6	4.0%
7	3%	7	3.0%
8	2%	8	2.0%
9	1%	9	1.0%
10 and beyond	0%	10 and beyond	0.0%

</Table>

PARTIAL WITHDRAWAL FEE AND SURRENDER CHARGE

If you make a partial withdrawal we will deduct a processing fee of \$25 and 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

DEFERRED SALES EXPENSE CHARGE

On each Monthly Deduction Day for a 10-year period after a premium payment is applied, we deduct a deferred sales expense charge 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 administrative charge. The sales expense charge we deduct is a percentage of the Cash Value. For Series 1 and 2 policies, the sales expense charge includes a charge for sales expenses, state taxes and federal taxes.

MONTHLY ADMINISTRATIVE CHARGE

On each Monthly Deduction Day we deduct a monthly administrative charge to compensate us for costs we incur in providing certain administrative services including recordkeeping, processing claims, and communicating with policyowners. In Policy Years 1-3 this charge is currently equal to 0.60% of your Cash Value on an annual basis. In Policy Years 4 and beyond we currently waive the monthly administrative charge if your Cash Value equals or exceeds \$200,000. If your Cash Value does not

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equal or exceed this amount, the monthly administrative charge will be calculated based on the policy's Cash Value.

We can change the monthly administrative charge at any time, but we guarantee that the charge will never exceed an amount equal to 0.70% of your policy's Cash Value on an annual basis.

CHARGE FOR COST OF INSURANCE PROTECTION

The cost of insurance charge is calculated by multiplying the monthly cost of insurance rate which applies to the insured at that time by the Net Amount at Risk on the Monthly Deduction Day. The Net Amount at Risk is 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.

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. For Series 1 policies, we deduct the Mortality and Expense Risk charge daily from the assets of the Separate Account. For Series 2 and 3 policies, on each Monthly Deduction Day, we deduct a Mortality and Expense Risk charge from the Cash Value allocated to 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.

Currently, we deduct a Mortality and Expense Risk charge that is equal to an annual rate of 0.50% of the Cash Value allocated to the Separate Account. While we may change the Mortality and Expense Risk charge that we deduct, we guarantee that this charge never will be more than an annual rate of 0.80% of the Cash Value allocated to the Separate Account.

LOANS

You can borrow up to 90% of the Cash Surrender Value of your policy. 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 6%. 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, you may need to

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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 auditing and accounting.

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NYLIAC VARIABLE UNIVERSAL LIFE SEPARATE ACCOUNT-I

FINANCIAL STATEMENTS

<Table>

<p><S> GROUP 1 POLICIES:</p> <p>GROUP 2 POLICIES:</p> <p>GROUP 3 POLICIES:</p> <p>GROUP 4 POLICIES:</p>	<p><C> Variable Universal Life Survivorship Variable Universal Life - Series 1</p> <p>Variable Universal Life 2000 - Series 1 Single Premium Variable Universal Life - Series 1</p> <p>Pinnacle Variable Universal Life Pinnacle Survivorship Variable Universal Life</p> <p>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</p>
-------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

</Table>

F-1

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 read in conjunction with, the financial statements.

F-2

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> \$ 99,830,541	<C> \$ 32,023,251	<C> \$ 20,120,850	<C> \$ 87,841,375	<C> \$ 22,600,707	<C> \$ 18,320,292	<C> \$ 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.

F-3

STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)

As of December 31, 2004

<Table>

<Caption>

MAINSTAY VP MID CAP	MAINSTAY VP S&P 500	MAINSTAY VP SMALL CAP
------------------------	------------------------	--------------------------

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

</Table>

The notes to the financial statements are an integral part of, and should be

STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)

As of December 31, 2004

	AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II	AMERICAN CENTURY VP INTERNATIONAL-- CLASS II	AMERICAN CENTURY VP VALUE-- CLASS II	CALVERT SOCIAL BALANCED
<S>	<C>	<C>	<C>	<C>
ASSETS:				
Investment at net asset value.....	\$ 706	\$ 53,357	\$ 973,233	\$ 3,935,737
LIABILITIES:				
Liability to New York Life Insurance and Annuity Corporation for:				
Mortality and expense risk charges.....	--	--	--	4,693
Administrative charges.....	--	--	--	381
Total net assets.....	\$ 706	\$ 53,357	\$ 973,233	\$ 3,930,663
TOTAL NET ASSETS REPRESENTED BY:				
Total Net Assets of Policyowners:				
Group 1 Policies.....	\$ --	\$ --	\$ --	\$ 1,517,524
Group 2 Policies.....	--	--	--	1,962,214
Group 3 Policies.....	706	53,357	973,233	--
Group 4 Policies.....	--	--	--	450,925
Net assets retained in the Separate Accounts by New York Life Insurance and Annuity Corporation.....	--	--	--	--
Total net assets.....	\$ 706	\$ 53,357	\$ 973,233	\$ 3,930,663
Group 1 variable accumulation unit value.....	\$ --	\$ --	\$ --	\$ 15.09
Group 2 variable accumulation unit value.....	\$ --	\$ --	\$ --	\$ 10.70
Group 3 variable accumulation unit value.....	\$ 10.39	\$ 13.74	\$ 14.48	\$ --
Group 4 variable accumulation unit value.....	\$ --	\$ --	\$ --	\$ 12.03
Identified Cost of Investment.....	\$ 697	\$ 47,453	\$ 889,362	\$ 3,709,194

</Table>

Not all investment divisions are available under all policies.

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

NYLIAC VUL SEPARATE ACCOUNT-I

	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.

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

<Table>
<Caption>

	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

<Table>

<Caption>

	MFS (R) INVESTORS TRUST SERIES-- INITIAL CLASS	MFS (R) NEW DISCOVERY SERIES-- INITIAL CLASS	MFS (R) RESEARCH SERIES-- INITIAL CLASS	MFS (R) UTILITIES SERIES-- INITIAL CLASS	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>	\$ 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	--	--
	--	--	--	--	--	625,577	162,093	--
	--	--	--	--	--	5,421,174	--	--
	\$ 58,227	\$ 62,164	\$ 80	\$ 18,636	\$ 83,418	\$ 34,837,395	\$ 162,093	\$ --
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13.61	\$ --	\$ --
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13.78	\$ --	\$ --
	\$ 10.72	\$ 11.22	\$ 11.70	\$ 16.76	\$ 12.12	\$ 12.47	\$ 10.64	\$ 9.87
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 12.55	\$ --	\$ --
	\$ 55,154	\$ 54,184	\$ 77	\$ 15,227	\$ 69,156	\$ 30,013,769	\$ 166,601	\$ --

<Caption>

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

=====
</Table>

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

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 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>
\$	832,319	\$ 5,836,334	\$ 195,668	\$ --	\$ 221,175
	(99,287)	(390,314)	(88,020)	(85,701)	(104,648)
	(11,743)	(47,321)	(10,854)	(8,822)	(9,055)
	721,289	5,398,699	96,794	(87,559)	104,901

2,889,176 (2,807,376)	8,463,151 (9,744,553)	1,169,501 (970,234)	412,924 (345,462)	778,415 (741,494)	885,809 (773,437)
81,800 -- (267,240)	(1,281,402) -- 4,821,822	199,267 -- 2,736,944	67,462 375,345 2,456,410	36,921 -- 3,951,062	112,372 247,151 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
\$ 78,742 (32,665) (1,533)	\$ 38,302 (78,968) (3,337)	-- -- --	-- (144,518) (14,798)	\$ 239 -- --	\$ 1,432 -- --	\$ 1,607 -- --
44,544	(44,003)	--	(159,316)	239	1,432	1,607
795,832 (802,490)	1,863,690 (2,708,181)	218,453 (209,901)	3,745,096 (3,108,925)	14,074 (14,022)	594,685 (579,384)	9,671 (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
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.

F-14

NYLIAC VUL SEPARATE ACCOUNT-I

<Table>		<Caption>		FIDELITY (R)			JANUS ASPEN	
FIDELITY (R) VIP GROWTH-- INITIAL CLASS	FIDELITY (R) VIP INDEX 500-- INITIAL CLASS	FIDELITY (R) 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	\$ --	<S>	<C>
--	--	--	--	--	(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>	<C>	<C>	<C>	<C>	<C>	<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>	<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
<S>	<C>	<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
<S>	<C>	<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
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

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

</Table>
<Table>
<Caption>

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

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.

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

<Caption>

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

</Table>

The notes to the financial statements are an integral part of, and should be

STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)

For the years ended December 31, 2004

and December 31, 2003

<S>	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
	<C>	<C>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:						
Operations:						
Net investment income (loss).....	\$ --	\$ 2,052	\$ 3,662	\$ 126	\$ 1,722,947	\$ 1,431,803
Net realized gain (loss) on investments...	154,805	(17,721)	96,530	1,295	(553,785)	(166,872)
Realized gain distribution received.....	--	--	--	--	--	--
Change in unrealized appreciation (depreciation) on investments.....	100,356	166,314	(34,909)	90,002	6,474,058	9,568,785
Net increase (decrease) in net assets resulting from operations.....	255,161	150,645	65,283	91,423	7,643,220	10,833,716
Contributions and (Withdrawals):						
Payments received from policyowners.....	354,162	54,864	156,646	43,105	21,504,020	23,004,147
Cost of insurance.....	(73,111)	(48,586)	(13,168)	(9,834)	(7,383,831)	(7,768,782)
Policyowners' surrenders.....	(220,985)	--	--	--	(4,398,848)	(3,678,487)
Net transfers from (to) Fixed Account.....	12,342	45,981	1,000	181	(1,209,772)	(416,925)
Transfers between Investment Divisions....	840,682	36,567	(193,168)	383,075	(5,687,509)	(1,341,897)
Policyowners' death benefits.....	--	--	--	--	(118,601)	(103,194)
Net contributions and (withdrawals).....	913,090	88,826	(48,690)	416,527	2,705,459	9,694,862
Increase (decrease) attributable to New York Life Insurance and Annuity Corporation charges retained by the Separate Account.....	--	--	--	--	(7,255)	(11,286)
Increase (decrease) in net assets.....	1,168,251	239,471	16,593	507,950	10,341,424	20,517,292
NET ASSETS:						
Beginning of year.....	631,987	392,516	508,761	811	94,817,567	74,300,275
End of year.....	\$ 1,800,238	\$ 631,987	\$ 525,354	\$ 508,761	\$105,158,991	\$94,817,567

</Table>

<S>	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
	<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.

- (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

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

<Caption>

MFS (R) UTILITIES SERIES-- INITIAL CLASS	
2004	2003 (A)
<S> <C>	<C>
\$ 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)	
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$ --	\$ 888	\$ --	\$ 1,416	\$ --	\$ 13,429	\$ (73,012)	\$ 97	\$ --	
(163)	(335)	6	14	5	377,858	(225,765)	(17,111)	26	
--	--	--	662	--	--	--	112	--	
--	2,567	532	(19)	1,672	3,658,564	5,481,429	1,766	324	
-----	-----	-----	-----	-----	-----	-----	-----	-----	
(163)	3,120	538	2,073	1,677	4,049,851	5,182,652	(15,136)	350	
-----	-----	-----	-----	-----	-----	-----	-----	-----	
(1)	5,134	--	1,710	--	3,447,555	3,132,878	5,100	3,472	
(887)	(3,767)	(69)	(328)	(129)	(1,303,882)	(1,084,588)	(1,930)	(344)	
--	--	--	--	--	(577,471)	(497,548)	--	--	
--	7,502	--	--	--	36,120	(106,879)	7,070	--	
1,051	14,104	3,929	--	18,551	51,107	844,883	18,292	102	
--	--	--	--	--	(13,294)	(35,175)	--	--	
-----	-----	-----	-----	-----	-----	-----	-----	-----	
163	22,973	3,860	1,382	18,422	1,640,135	2,253,571	28,532	3,230	
-----	-----	-----	-----	-----	-----	-----	-----	-----	
--	--	--	--	--	(5,682)	(5,958)	--	--	
-----	-----	-----	-----	-----	-----	-----	-----	-----	
--	26,093	4,398	3,455	20,099	5,684,304	7,430,265	13,396	3,580	
--	4,398	--	20,099	--	16,858,244	9,427,979	3,580	--	
-----	-----	-----	-----	-----	-----	-----	-----	-----	
\$ --	\$ 30,491	\$ 4,398	\$ 23,554	\$ 20,099	\$22,542,548	\$16,858,244	\$ 16,976	\$ 3,580	
=====	=====	=====	=====	=====	=====	=====	=====	=====	

<Caption>

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

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

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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

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.

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>

<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

</Table>

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

	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

	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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NYLIAC VUL SEPARATE ACCOUNT-I

	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>
	1,894	8,875	1,602	1,396	2,006	2,351
	\$ 20,814	\$ 82,015	\$ 18,470	\$ 14,725	\$ 18,563	\$ 23,604

	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
<S>	<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

	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>
	\$ 3,346	\$ 22,727	\$ 8,374	\$ 6,853	\$ 7,775	\$ 9,208
	2,889	8,463	1,170	413	778	886

	MAINSTAY VP DREYFUS LARGE COMPANY VALUE--	MAINSTAY VP EAGLE ASSET MANAGEMENT GROWTH EQUITY--	ALGER AMERICAN LEVERAGED ALL CAP--	ALGER AMERICAN SMALL CAPITALIZATION--	AMERICAN CENTURY VP INFLATION PROTECTION--	AMERICAN CENTURY VP INTERNATIONAL--	AMERICAN CENTURY VP VALUE--
--	----------------------------------------------------	----------------------------------------------------------------	---------------------------------------------	------------------------------------------------	-----------------------------------------------------	-------------------------------------------	-----------------------------------

	INITIAL CLASS	INITIAL CLASS	CLASS O SHARES	CLASS O SHARES	CLASS II	CLASS II	CLASS II
<S> <C>	<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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<Table>
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	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>
<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	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:

<Table>
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	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

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	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

<Table>
<Caption>

	FIDELITY (R)	JANUS ASPEN	JANUS ASPEN SERIES
--	--------------	-------------	-----------------------

FIDELITY (R) VIP GROWTH-- INITIAL CLASS	FIDELITY (R) VIP INDEX 500-- INITIAL CLASS	VIP INVESTMENT GRADE BOND-- INITIAL CLASS	FIDELITY (R) VIP MID CAP-- INITIAL CLASS	FIDELITY (R) VIP OVERSEAS-- INITIAL CLASS	SERIES BALANCED-- INSTITUTIONAL SHARES	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

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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

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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>
53	989	11	1,864	376	10,959	236
5	741	69	951	422	6,533	165

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

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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:

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

* 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>	<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 (1,558)	3,768 (5,115)	15 (2)	3 (2)	4 (1)	9 (1)	6 (3)	6 (3)
539	(1,347)	13	1	3	8	3	3
5,478 (3,560)	2,975 (2,038)	163 (36)	131 (24)	196 (39)	136 (18)	90 (27)	126 (33)
1,918	937	127	107	157	118	63	93

</Table>

F-33

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
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
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>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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
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.

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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
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
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
<S>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES				
Units issued.....	298	288	--	--
Units redeemed.....	(157)	(210)	--	--
Net increase (decrease).....	141	78	--	--
GROUP 2 POLICIES				
Units issued.....	315	397	--	--
Units redeemed.....	(156)	(140)	--	--
Net increase (decrease).....	159	257	--	--
GROUP 3 POLICIES				
Units issued.....	27	63	7	14
Units redeemed.....	(61)	(3)	(1)	--
Net increase (decrease).....	(34)	60	6	14
GROUP 4 POLICIES				
Units issued.....	291	110	--	--
Units redeemed.....	(42)	(19)	--	--
Net increase (decrease).....	249	91	--	--

</Table>

Not all investment divisions are available under all policies.

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

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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>	<C>
	--	--	--	--	--	--	--	--	340	419
	--	--	--	--	--	--	--	--	(474)	(342)
	--	--	--	--	--	--	--	--	(134)	77
	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

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
	<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.

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	
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
	--	--	--	--	--	--	--	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):

	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	2004	2003 (C)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GROUP 1 POLICIES											
Units issued.....	--	--	--	--	--	141	215	--	--	--	--
Units redeemed.....	--	--	--	--	--	(97)	(120)	--	--	--	--
Net increase (decrease).....	--	--	--	--	--	44	95	--	--	--	--
GROUP 2 POLICIES											
Units issued.....	--	--	--	--	--	122	221	--	--	--	--
Units redeemed.....	--	--	--	--	--	(90)	(86)	--	--	--	--
Net increase (decrease).....	--	--	--	--	--	32	135	--	--	--	--
GROUP 3 POLICIES											
Units issued.....	--	2	--	--	2	5	--	1	--	--	--
Units redeemed.....	--	--	--	--	--	--	--	--	--	--	--
Net increase (decrease).....	--	2	--	--	2	5	--	1	--	--	--
GROUP 4 POLICIES											
Units issued.....	--	--	--	--	--	65	26	--	--	--	--
Units redeemed.....	--	--	--	--	--	(13)	(5)	--	--	--	--
Net increase (decrease).....	--	--	--	--	--	52	21	--	--	--	--

</Table>

Not all investment divisions are available under all policies.

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

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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%	--	

Not all investment divisions are available under all policies.

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

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

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

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

<Table>

<Caption>

	MAINSTAY VP CAPITAL APPRECIATION--INITIAL CLASS					MAINSTAY VP CASH MANAGEMENT	
	2004	2003	2002	2001	2000	2004	2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	\$174,254	\$171,100	\$131,204	\$185,293	\$225,952	\$15,071	\$16,841
	8,889	9,027	8,730	8,468	7,873	10,726	12,004
	\$ 19.60	\$ 18.95	\$ 15.03	\$ 21.88	\$ 28.70	\$ 1.41	\$ 1.40

3.4%	26.1%	(31.4%)	(23.8%)	(11.3%)	0.1%	--
0.3%	0.2%	0.1%	0.1%		0.8%	0.7%
\$ 53,193	\$ 46,871	\$ 30,458	\$ 29,631	\$ 15,454	\$11,507	\$13,640
7,176	6,553	5,381	3,603	1,436	10,323	12,279
\$ 7.41	\$ 7.15	\$ 5.66	\$ 8.22	\$ 10.76	\$ 1.11	\$ 1.11
3.6%	26.4%	(31.2%)	(23.6%)	(11.2%)	0.3%	0.2%
0.3%	0.2%	0.1%	0.1%		0.8%	0.7%
\$ 249	\$ 171	\$ 89	\$ 72	\$ --	\$ 2,255	\$ 1,680
26	19	13	7	--	2,166	1,627
\$ 9.42	\$ 9.05	\$ 7.12	\$ 10.30	\$ --	\$ 1.04	\$ 1.03
4.2%	27.0%	(30.9%)	3.0%	--	0.8%	0.7%
0.3%	0.3%	0.1%	0.3%		0.8%	0.7%
\$ 3,823	\$ 1,868	\$ 443	\$ --	\$ --	\$ 4,412	\$ 2,431
362	184	55	--	--	4,317	2,399
\$ 10.57	\$ 10.15	\$ 7.99	\$ --	\$ --	\$ 1.02	\$ 1.01
4.2%	27.0%	(20.1%)	--	--	0.8%	0.7%
0.3%	0.3%	0.3%	--	--	0.9%	0.6%

<Caption>

MAINSTAY VP
CASH MANAGEMENT

	2002	2001	2000
<S>	<C>	<C>	<C>
	\$25,473	\$46,014	\$40,729
	18,149	32,996	30,117
	\$ 1.40	\$ 1.39	\$ 1.35
	0.6%	3.0%	5.5%
	1.4%	3.7%	
	\$13,871	\$12,365	\$ 3,264
	12,508	11,244	3,067
	\$ 1.11	\$ 1.10	\$ 1.06
	0.8%	3.8%	5.0%
	1.3%	3.4%	
	\$ 3,050	\$ 523	\$ --
	2,974	517	--
	\$ 1.03	\$ 1.01	\$ --
	2.0%	1.0%	--
	1.2%	2.1%	
	\$ 1,472	\$ --	\$ --
	1,462	--	--
	\$ 1.01	\$ --	\$ --
	1.0%	--	--
	1.0%	--	--

</Table>

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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%	--	--

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
\$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%	--	--

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

	<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%	--	--

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

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
	<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.

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
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$146,432	\$133,315	\$99,916	\$121,766	\$120,772	\$10,272	\$8,132	\$ 4,477	\$5,104	
4,895	4,890	4,665	4,392	3,800	967	831	644	536	
\$ 29.91	\$ 27.26	\$ 21.42	\$ 27.73	\$ 31.77	\$ 10.63	\$ 9.78	\$ 6.95	\$ 9.51	

9.7%	27.3%	(22.8%)	(12.7%)	(9.9%)	8.6%	40.7%	(26.9%)	(4.9%)
1.6%	1.4%	1.3%	1.1%		--	--	--	--
\$ 69,081	\$ 56,757	\$35,382	\$ 29,324	\$ 14,201	\$ 6,396	\$4,170	\$ 1,442	\$ 385
7,035	6,355	5,053	3,241	1,373	585	415	202	40
\$ 9.82	\$ 8.93	\$ 7.00	\$ 9.05	\$ 10.35	\$ 10.93	\$10.04	\$ 7.12	\$ 9.73
9.9%	27.6%	(22.6%)	(12.6%)	(9.8%)	8.9%	41.0%	(26.8%)	(2.7%)
1.7%	1.5%	1.5%	1.4%		--	--	--	--
\$ 817	\$ 410	\$ 9	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
74	41	1	--	--	--	--	--	--
\$ 11.11	\$ 10.06	\$ 7.85	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
10.5%	28.2%	(21.5%)	--	--	--	--	--	--
1.6%	3.1%	3.1%	--	--	--	--	--	--
\$ 18,720	\$ 6,886	\$ 1,890	\$ --	\$ --	\$ 3,819	\$1,337	\$ 209	\$ --
1,547	629	221	--	--	301	115	26	--
\$ 12.10	\$ 10.95	\$ 8.54	\$ --	\$ --	\$ 12.67	\$11.58	\$ 8.17	\$ --
10.5%	28.2%	(14.6%)	--	--	9.4%	41.7%	(18.3%)	--
2.2%	2.0%	4.4%	--	--	--	--	--	--

</Table>

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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%	--	--

</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.

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>	<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
\$ 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
\$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>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<Table>
 <Caption>

	AMERICAN CENTURY VP INFLATION PROTECTION-- CLASS II			AMERICAN CENTURY VP INTERNATIONAL-- CLASS II			AMERICAN CENTURY VP VALUE--CLASS II		
	2004	2004	2003	2002	2004	2003	2002		
<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.....	\$ 1	\$ 53	\$ 208	\$ --	\$ 973	\$ 189	\$ --		
Units Outstanding.....	--	4	17	--	67	15	--		
Variable Accumulation Unit Value.....	\$10.39	\$13.74	\$11.98	\$ 9.63	\$14.48	\$12.68	\$ 9.84		
Total Return.....	3.9%	14.8%	24.4%	(3.7%)	14.2%	28.8%	(1.6%)		
Investment Income Ratio.....	4.6%	3.0%	--	--	0.4%	--	--		
GROUP 4 POLICIES									
Net Assets.....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --		
Units Outstanding.....	--	--	--	--	--	--	--		
Variable Accumulation Unit Value.....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --		
Total Return.....	--	--	--	--	--	--	--		
Investment Income Ratio.....	--	--	--	--	--	--	--		

</Table>

Not all investment divisions are available under all policies.

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

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

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

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

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	2000	2004	2003

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

</Table>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<Table>
<Caption>

<S>	FIDELITY(R) VIP CONTRAFUND(R)--INITIAL CLASS				
	2004	2003	2002	2001	2000
	<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	2001	2004	2003	2002	2001
<S>	<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.....	\$ 28	\$ 89	\$ 51	\$1,800	\$ 632	\$ 393	\$ 344	

Units Outstanding.....	3	8	5	112	49	42	33
Variable Accumulation Unit							
Value.....	\$11.18	\$10.70	\$10.17	\$16.10	\$12.89	\$ 9.30	\$10.31
Total Return.....	4.5%	5.2%	1.7%	24.9%	38.6%	(9.8%)	3.1%
Investment Income Ratio.....	10.1%	4.1%	--	--	0.4%	0.8%	--
GROUP 4 POLICIES							
Net Assets.....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Units Outstanding.....	--	--	--	--	--	--	--
Variable Accumulation Unit							
Value.....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Total Return.....	--	--	--	--	--	--	--
Investment Income Ratio.....	--	--	--	--	--	--	--

<Caption>

	FIDELITY(R) VIP OVERSEAS-- INITIAL CLASS		
	2004	2003	2002
<S>	<C>	<C>	<C>
GROUP 1 POLICIES(a)			
Net Assets.....	\$ --	\$ --	\$ --
Units Outstanding.....	--	--	--
Variable Accumulation Unit			
Value.....	\$ --	\$ --	\$ --
Total Return.....	--	--	--
Investment Income Ratio.....	--	--	--
GROUP 2 POLICIES(b)			
Net Assets.....	\$ --	\$ --	\$ --
Units Outstanding.....	--	--	--
Variable Accumulation Unit			
Value.....	\$ --	\$ --	\$ --
Total Return.....	--	--	--
Investment Income Ratio.....	--	--	--
GROUP 3 POLICIES			
Net Assets.....	\$ 525	\$ 509	\$ 1
Units Outstanding.....	41	45	--
Variable Accumulation Unit			
Value.....	\$12.83	\$11.29	\$ 7.88
Total Return.....	13.6%	43.4%	(21.2%)
Investment Income Ratio.....	0.9%	0.1%	--
GROUP 4 POLICIES			
Net Assets.....	\$ --	\$ --	\$ --
Units Outstanding.....	--	--	--
Variable Accumulation Unit			
Value.....	\$ --	\$ --	\$ --
Total Return.....	--	--	--
Investment Income Ratio.....	--	--	--

</Table>

Not all investment divisions are available under all policies.

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

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

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

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

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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)

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

<Table>
<Caption>

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

</Table>

Not all investment divisions are available under all policies.

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

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

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

surrender charges.

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

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NYLIAC VUL SEPARATE ACCOUNT-I

<Table>
<Caption>

MFS (R) INVESTORS TRUST SERIES--INITIAL CLASS					MFS (R) NEW DISCOVERY SERIES--INITIAL CLASS		MFS (R) RESEARCH SERIES--INITIAL CLASS	MFS (R) UTILITIES SERIES--INITIAL CLASS	
2004	2003	2002	2001	2004	2003	2004	2004	2003	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
\$ 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	
\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	
\$ --	\$ --	\$ --	\$ --	
\$ 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>
GROUP 1 POLICIES (a)								
Net Assets.....	\$10,984	\$ 6,156	\$ 3,525	\$2,013	\$ 51	\$ --	\$ --	\$ --
Units Outstanding.....	807	516	368	182	5	--	--	--
Variable Accumulation Unit Value.....	\$ 13.61	\$ 11.92	\$ 9.57	\$11.09	\$11.01	\$ --	\$ --	\$ --
Total Return.....	14.1%	24.6%	(13.7%)	0.7%	10.1%	--	--	--
Investment Income Ratio.....	1.7%	1.8%	1.8%	1.8%	--	--	--	--
GROUP 2 POLICIES (b)								
Net Assets.....	\$17,806	\$12,402	\$ 6,921	\$3,893	\$ 713	\$ --	\$ --	\$ --
Units Outstanding.....	1,292	1,029	717	349	64	--	--	--
Variable Accumulation Unit Value.....	\$ 13.78	\$ 12.05	\$ 9.65	\$11.16	\$11.06	\$ --	\$ --	\$ --
Total Return.....	14.3%	24.9%	(13.5%)	0.9%	12.5%	--	--	--
Investment Income Ratio.....	1.6%	1.8%	1.8%	1.7%	--	--	--	--
GROUP 3 POLICIES								
Net Assets.....	\$ 626	\$ 662	\$ 276	\$ 207	\$ --	\$ 162	\$ 269	\$ 86
Units Outstanding.....	50	61	32	21	--	15	26	8
Variable Accumulation Unit Value.....	\$ 12.47	\$ 10.85	\$ 8.65	\$ 9.96	\$ --	\$10.64	\$10.52	\$10.09
Total Return.....	14.9%	25.5%	(13.3%)	(0.4%)	--	1.1%	4.3%	0.9%
Investment Income Ratio.....	1.6%	1.8%	1.8%	3.3%	--	3.4%	3.5%	4.3%
GROUP 4 POLICIES								
Net Assets.....	\$ 5,421	\$ 1,764	\$ 298	\$ --	\$ --	\$ --	\$ --	\$ --
Units Outstanding.....	432	162	34	--	--	--	--	--
Variable Accumulation Unit Value.....	\$ 12.55	\$ 10.92	\$ 8.70	\$ --	\$ --	\$ --	\$ --	\$ --
Total Return.....	14.9%	25.5%	(13.0%)	--	--	--	--	--
Investment Income Ratio.....	1.8%	1.9%	2.7%	--	--	--	--	--

</Table>

Not all investment divisions are available under all policies.

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

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

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

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

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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
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$12,536	\$9,762	\$ 5,859	\$6,070	\$ 5,669
--	--	--	--	--	--	932	888	792	742	644
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13.45	\$11.00	\$ 7.40	\$ 8.18	\$ 8.81
--	--	--	--	--	--	22.3%	48.6%	(9.5%)	(7.2%)	(39.6%)
--	--	--	--	--	--	0.7%	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,674	\$6,724	\$ 3,494	\$2,877	\$ 1,451
--	--	--	--	--	--	627	595	461	344	161
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13.83	\$11.29	\$ 7.58	\$ 8.36	\$ 8.99
--	--	--	--	--	--	22.5%	48.9%	(9.4%)	(7.0%)	(39.5%)
--	--	--	--	--	--	0.7%	--	--	--	--

\$ --	\$ 30	\$ 4	\$ 24	\$ 20	\$ 75	\$ 2	\$ 1	\$ --	\$ --
--	2	--	2	2	5	--	--	--	--
\$ 9.87	\$14.11	\$11.38	\$12.05	\$10.94	\$ 14.88	\$12.09	\$ 8.07	\$ --	\$ --
(1.3%)	24.0%	13.8%	10.1%	9.4%	23.1%	49.7%	(19.3%)	--	--
--	1.8%	--	6.8%	--	0.4%	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,257	\$ 371	\$ 74	\$ --	\$ --
--	--	--	--	--	82	30	9	--	--
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 15.29	\$12.42	\$ 8.30	\$ --	\$ --
--	--	--	--	--	23.1%	49.7%	(17.0%)	--	--
--	--	--	--	--	0.6%	--	--	--	--

<Caption>

VAN KAMPEN
UIF U.S.
REAL ESTATE--
CLASS I

	2004	2003
<S>	<C>	<C>
	\$ --	\$ --
	--	--
	\$ --	\$ --
	--	--
	\$ --	\$ --
	--	--
	\$ --	\$ --
	--	--
	\$ 17	\$ 4
	1	--
	\$16.37	\$12.00
	36.4%	20.0%
	1.3%	--
	\$ --	\$ --
	--	--
	\$ --	\$ --
	--	--
	--	--

</Table>

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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

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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)

<Table>
<Caption>

	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

			(34)	(3)	(37)
Transfer of Taiwan branch net assets to an affiliated company (See Note 12 -- Related Party Transactions)					
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.

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

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

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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.

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

DEFERRED POLICY ACQUISITION COSTS -- (CONTINUED)

The increase or decrease in the deferred policy acquisition cost asset due to unrealized gains or losses is recorded in other comprehensive income.

POLICYHOLDERS' ACCOUNT BALANCES

Policyholders' account balances on annuity and universal life contracts are equal to cumulative deposits plus interest credited less withdrawals, mortality and expense charges, and administrative charges. This liability includes amounts that have been assessed to compensate the insurer for services to be performed over future periods.

OTHER ASSETS AND OTHER LIABILITIES

Other assets primarily consist of investment income due and accrued, amounts receivable for undelivered securities, deferred sales inducements, furniture and equipment and capitalized software and web development costs. Furniture and equipment is stated at cost less accumulated depreciation. Depreciation is determined using the straight-line method over the estimated useful lives of the related assets, which generally ranges from 3 to 10 years. Capitalized external and internal software and web development costs are amortized on a straight-line basis over the estimated useful life of the software, not to exceed 5 years. Other liabilities consist primarily of securities loaned, payable to affiliates, net deferred tax liabilities and repurchase agreements.

RECOGNITION OF INCOME AND RELATED EXPENSES

Amounts received under annuity and universal life contracts are reported as deposits to policyholders' account balances. Revenues from these contracts consist of amounts assessed during the period for mortality and expense risk, policy administration and surrender charges. Amounts previously assessed to compensate the Company for services to be performed over future periods are deferred and recognized into income in the period benefited using the same assumptions and factors used to amortize deferred policy acquisition costs. Policy benefits and claims that are charged to expense include benefit claims incurred in the period in excess of related policyholders' account balances.

Premiums from whole life and term policies are recognized as income when due. The associated benefits and expenses are matched with income so as to result in the recognition of profits over the life of the contracts. This is accomplished by providing for liabilities for future policy benefits and the deferral and subsequent amortization of policy acquisition costs.

Premiums for contracts with a single premium or a limited number of premium payments due over a significantly shorter period than the total period over which benefits are provided, are recorded as income when due. Any excess profit is deferred and recognized as income in a constant relationship to insurance in force and, for annuities, in relation to the amount of expected future benefit payments.

FEDERAL INCOME TAXES

The Company is a member of a group that files a consolidated federal income tax return with New York Life. The consolidated income tax provision or benefit is allocated among the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that the Company is allocated its share of the consolidated tax provision or benefit determined generally on a separate company basis. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated return. Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years. Deferred federal income tax assets ("DTAs") and liabilities ("DTLs") are recognized for expected future tax consequences of temporary differences between GAAP and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby GAAP and tax balance sheets are compared.

As a subsidiary of a mutual life insurance company, for December 31, 2004 and prior years, the Company was subject to a tax on its equity base ("EBT"). The EBT is included in the provision for federal income

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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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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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RECENT ACCOUNTING PRONOUNCEMENTS -- (CONTINUED)

Effective January 1, 2004, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") Implementation Issue No. B36, "Embedded Derivatives: Modified Coinsurance Arrangements and Debt Instruments That Incorporate Credit Risk Exposures That Are Unrelated or Only Partially Related to the Creditworthiness of the Obligor Under Those Instruments ("B36)". B36 indicates that certain reinsurance arrangements, and other similar contracts, in which funds are withheld by the ceding insurer and a return on those withheld funds is paid based on the ceding company's return on certain of its investments, generally contain an embedded derivative feature that should be separately identified and fair valued. As of January 1, 2004, there was no cumulative effect from the adoption of B36 on the Company's results.

The Company has adopted the provisions of Financial Accounting Standards Board Interpretation No. 46(R) "FIN 46(R)". In January 2003, the FASB issued Interpretation FIN No. 46, "Consolidation of Variable Interest Entities". FIN No. 46 requires a variable interest entity ("VIE") to be consolidated by a company if that company is subject to a majority of the risk of loss from the VIE's activities or entitled to receive a majority of the entity's residual returns. On December 17, 2003, the FASB issued FIN 46(R) ("Revised Interpretation" of FIN 46), which amended certain aspects of FIN46. For all VIEs created before December 31, 2003, the Company will be required to adopt FIN 46(R) as of January 1, 2005. For VIEs created after December 31, 2003, the Company applied FIN 46(R) immediately. At December 31, 2004, the Company held \$52 million of invested assets issued by a VIE, created after December 31, 2003, and determined to be significant variable interests under FIN 46(R). These investments consist of fixed maturities (asset-backed securitizations totaling \$20 million and private placement structured notes totaling \$24 million) and other equity investments (asset-backed securitizations totaling \$8 million). This VIE does not require consolidation because management has determined that the Company is not the primary beneficiary. The Company has held \$42 million of invested assets issued by VIEs at December 31, 2004, created before December 31, 2003, determined to be significant variable interests under FIN 46(R). These investments consist of fixed maturities (asset-backed securitizations totaling \$24 million) and other equity investments (asset-backed securitizations totaling \$18 million). These VIEs may be required to consolidate when the new rule becomes effective (January 1, 2005 for these entities). These variable interests are subject to ongoing review for impairment and represent the maximum exposure to losses from the Company's direct involvement with the VIEs. The Company has no additional economic interest in this VIE in the form of derivatives, commitments, related guarantees, credit enhancement or similar instruments and obligations.

NOTE 3 -- INVESTMENTS

FIXED MATURITIES

The amortized cost and estimated fair value of fixed maturities as of December 31, 2004 and 2003, by contractual maturity is presented below (in millions). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<Table>
<Caption>

	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				
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	\$ 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):

<S>	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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MORTGAGE LOANS -- (CONTINUED)

At December 31, 2004 and 2003, contractual commitments to extend credit under commercial and residential mortgage loan agreements amounted to \$83 million and \$58 million at fixed and floating interest rates ranging from 2.7% to 7.2% and from 2.7% to 7.8%, respectively. These commitments are diversified by property type and geographic region.

The Company accrues interest income on problem loans to the extent it is deemed collectible and the loan continues to perform under its original or restructured contractual terms. Interest income on impaired loans is recognized on a cash basis. Cash payments on loans in the process of foreclosure are treated as a return of principal.

At December 31, 2004 and 2003, the distribution of the mortgage loan portfolio by property type and geographic region was as follows (in millions):

	2004		2003	
	CARRYING VALUE	% OF TOTAL	CARRYING VALUE	% OF TOTAL
<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%

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

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

OTHER LONG-TERM INVESTMENTS

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

	2004	2003
<S>	<C>	<C>

<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):

<Table>			
<Caption>			
	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Fixed maturities	\$1,805	\$1,604	\$1,448
Equity securities	4	2	3
Mortgage loans	185	167	170
Policy loans	45	46	45
Other long-term investments	27	30	30
	-----	-----	-----
Gross investment income	2,066	1,849	1,696
Investment expenses	(60)	(48)	(49)
	-----	-----	-----
Net investment income	\$2,006	\$1,801	\$1,647
	=====	=====	=====

</Table>

For the years ended December 31, 2004, 2003 and 2002, investment gains (losses) computed generally under the specific identification method were as follows (in millions):

<Table>						
<Caption>						
	2004		2003		2002	
	-----		-----		-----	
	GAINS	LOSSES	GAINS	LOSSES	GAINS	LOSSES
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Fixed maturities.....	\$142	\$ (98)	\$192	\$ (176)	\$192	\$ (236)
Equity securities.....	13	(1)	5	(7)	8	(8)
Mortgage loans.....	--	(4)	2	(4)	1	(1)
Derivative instruments.....	--	(23)	1	(4)	1	(4)
Other long-term investments.....	3	(1)	--	(12)	--	(2)
	-----	-----	-----	-----	-----	-----
Subtotal.....	\$158	\$ (127)	\$200	\$ (203)	\$202	\$ (251)

Total net investment gains	====	=====	=====	=====	=====	=====
(losses).....	\$31		\$ (3)		\$ (49)	
	===		===		===	

</Table>

On April 1, 2002, the Company transferred the convertible bond and preferred stock portfolios from available-for-sale into the trading category. The net gain released from unrealized gains in accumulated other comprehensive income in the accompanying Balance Sheet and reflected in net investment gains (losses) in the accompanying Statement of Income at the date of transfer amounted to \$3 million, pre-tax. The convertible portfolio was subsequently sold during 2002.

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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):

<Table>

<Caption>

	2004					
	LESS THAN 12 MONTHS		GREATER THAN 12 MONTHS		TOTAL	
	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
<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

</Table>

* Unrealized loss is less than \$1 million.

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NOTE 4 -- INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES -- (CONTINUED)

<Table>
<Caption>

	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

	<C>	<C>	<C>	<C>	<C>	<C>
<S>						
Preferred Stock	--	--	4	1	4	1
TOTAL TEMPORARILY IMPAIRED SECURITIES	\$4,301	\$110	\$401	\$32	\$4,702	\$142

</Table>

* Unrealized loss is less than \$1 million.

CORPORATE BONDS: The amount of unrealized losses on the Company's investment in corporate bonds is principally due to changes in interest rates and widening spreads due to market conditions in certain sectors such as airlines and telecommunications that contributed to the decline in fair value. Because the securities continue to meet their contractual payments, the Company has the ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value.

MORTGAGE-BACKED SECURITIES: The unrealized losses on these investments were caused by interest rate increases. Securities issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association that are either direct agencies of or agencies sponsored by the U.S. government, provide a US government guarantee of the contractual cash flows of these investments. Accordingly, it is expected that the securities would not be settled at a price less than amortized cost. Because the decline in market value is attributable to changes in interest rates, the Company has the ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value.

ASSET-BACKED SECURITIES: The unrealized losses on these investments are principally due to changes in interest rates. The Company measures 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

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):

	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):

	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>

Policyholders' account balances on the above contracts are equal to cumulative deposits plus interest credited less withdrawals and less mortality and expense charges, where applicable. This liability also includes a liability for amounts that have been assessed to compensate the insurer for services to be performed over future periods. For deferred annuities, account value approximates fair value.

The following table highlights the interest rate assumptions generally utilized in calculating policyholders' account balances, as well as certain withdrawal characteristics associated with these accounts at December 31, 2004:

PRODUCT	INTEREST RATE	WITHDRAWAL/SURRENDER CHARGES
Deferred annuities	2.10% to 7.15%	Surrender charges 0% to 10% for up to 10 years.
Universal life contracts	3.40% to 6.69%	Various up to 19 years.

FUTURE POLICY BENEFITS

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

	2004	2003
Life insurance:		
Taiwan business -- 100% coinsured	\$1,021	\$ 716
Other life	46	55
Total life insurance	1,067	771
Individual annuities	293	256
Total Future Policy Benefits	\$1,360	\$1,027

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

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)

b) Ratchet: the benefit is greatest of the current account value, premiums paid (adjusted for withdrawals), or the highest account value on any contractually specified anniversary up to contractually specified ages (adjusted for withdrawals)

The following chart provides the account value, net amount at risk and average attained age of contractholders at December 31, 2004 for GMDB's and GMAB's (\$ in millions):

<Table>
<Caption>

	RETURN OF NET DEPOSITS		RATCHET
	IN THE EVENT OF DEATH (GMDB)	ACCUMULATION AT SPECIFIED DATE (GMAB)	IN THE EVENT OF DEATH (GMDB)
<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

</Table>

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

<Table>
<Caption>

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

</Table>

For guaranteed minimum accumulation benefits, incurred guaranteed minimum benefits incorporates all changes in fair value other than amounts resulting from paid guarantee benefits. The GMDB liability is determined each period end by estimating the expected value of death benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. The Company regularly evaluates estimates used and adjusts the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

The following assumptions and methodology were used to determine the GMDB liability at December 31, 2004:

- Data used was 1,000 stochastically generated investment performance scenarios.
- Mean investment performance assumption ranged from 6.53% to 6.89%.
- Volatility assumption was 15%.
- Mortality was assumed to be 90% of the Annuity 2000 table.
- Lapse rates vary by contract type and duration and range from 1% to 20%, with an average of 4%.
- Discount rates ranged from 5.89% to 7.61%.

The following table presents the aggregate fair value of assets, by major investment fund options (including the general and separate account fund options), held by variable annuity products that are subject to GMDB and GMAB benefits and guarantees. Since variable contracts with GMDB guarantees may also offer

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

<Table>
<Caption>

	DECEMBER 31, 2004	
	GMDB	GMAB
INVESTMENT FUND OPTION:		
<S>	<C>	<C>
Equity	\$ 6,418	\$344
Fixed income	2,331	107
Balanced	1,683	62
Other	4,961	62
	-----	----
Total	\$15,393	\$575
	=====	=====

</Table>
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.

NOTE 7 -- DEFERRED POLICY ACQUISITION COSTS

An analysis of deferred policy acquisition costs ("DAC") for the years ended December 31, 2004, 2003 and 2002 was as follows (in millions):

	2004	2003	2002
Balance at beginning of year	\$2,180	\$1,781	\$1,887
Reclassification due to adoption of SOP 03-01	(156)	--	--
Current year additions	586	645	630
Amortized during year	(268)	(245)	(189)
Adjustment for change in unrealized investment gains	95	(1)	(445)
Transfer of Taiwan branch to an affiliated company	--	--	(102)
Balance at end of year	\$2,437	\$2,180	\$1,781

As discussed in Note 2 -- Significant Account Policies, effective January 1, 2004, the Company adopted SOP 03-01. The Company reclassified \$156 million in capitalized sales inducements from DAC to Other Assets on the accompanying Balance Sheet.

On July 1, 2002, the assets and liabilities including deferred policy acquisition costs associated with the Taiwan branch were transferred to an affiliated company, as described in Note 12 -- Related Party Transactions.

NOTE 8 -- FEDERAL INCOME TAXES

A summary of income tax expense (benefit) included in the accompanying Statement of Income was as follows (in millions):

	2004	2003	2002
Current:			
Federal	\$ 85	\$ 94	\$ (1)
State and local	2	5	1
	87	99	--
Deferred:			
Federal	63	17	(1)
Income tax expense/(benefit)	\$150	\$116	\$ (1)

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

	2004	2003
Deferred tax assets:		
Future policyholder benefits	\$ 550	\$ 534
Employee and agents benefits	69	62
Gross deferred tax assets	619	596
Deferred tax liabilities:		
Deferred policy acquisition costs	646	517
Investments	521	526
Other	4	9
Gross deferred tax liabilities	1,171	1,052
Net deferred tax liability	\$ 552	\$ 456

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes. The Company's management has concluded

that the deferred tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

Set forth below is a reconciliation of the statutory Federal income tax rate to the effective tax rate for 2004, 2003 and 2002:

	2004	2003	2002
	----	----	-----
Statutory Federal income tax rate	35.0%	35.0%	35.0%
True down of prior year equity base tax	--	--	(22.9)
Tax exempt income	(1.9)	(2.8)	(6.0)
Foreign branch termination	--	--	(3.8)
Other	(0.3)	(1.2)	(2.9)
	-----	-----	-----
Effective tax rate	32.8%	31.0%	(0.6)%
	=====	=====	=====

Pursuant to the tax allocation agreement discussed in Note 2 -- Significant Accounting Policies, as of December 31, 2004 and 2003, the Company had recorded an income tax receivable from New York Life of \$49 million and \$38 million, respectively, included in Other Assets on the accompanying Balance Sheet.

The Company's federal income tax returns are routinely examined by the IRS and provisions are made in the financial statements in anticipation of the results of these audits. The IRS has completed audits through 1998 and has begun auditing tax years 1999 through 2001. There were no material effects on the Company's results of operations as a result of these audits. The Company believes that its recorded income tax liabilities are adequate for all open years.

As discussed in Note 2 -- Significant Accounting Policies, the Company's equity base tax was suspended for the three year period beginning 2001 and permanently repealed effective with the tax year beginning after December 31, 2004. The Company accrued \$17 million in the equity base tax in 2001 prior to passage of this legislation. This amount was released in 2002 and reflected as an adjustment to 2002 current income tax expense (benefit) in the accompanying Statement of Income. No equity base tax was accrued for in 2004.

NOTE 9 -- REINSURANCE

The Company enters into reinsurance agreements in the normal course of its insurance business to reduce overall risk. The Company remains liable for reinsurance ceded if the reinsurer fails to meet its obligation on the business it has assumed. The Company periodically reviews the financial condition of its reinsurers and amounts recoverable in order to minimize its exposure to significant losses from reinsurer insolvencies. When necessary, an allowance is recorded for reinsurance the Company cannot collect. Three reinsurance companies account for approximately 61% of the reinsurance ceded to non-affiliates at December 31, 2004.

In December 2004, the Company reinsured 90% of a block of inforce life insurance business, consisting of Universal Life, Variable Universal Life (VUL), Target Life and Asset Preserver, with New York Life. The agreement used a combination of coinsurance with funds withheld for the fixed portion maintained in the General Account and modified coinsurance (MODCO) for the VUL policies in the Separate Accounts. Under both the MODCO and Funds Withheld treaties, the Company will retain the assets held in relation to the policyholders' account balances and separate account liabilities. An experience refund will be paid to the Company at the end of each quarterly accounting period for 100% of the profits in excess of \$5 million per year. Under B36, the Funds Withheld and the MODCO treaties, along with the experience rating refund, represent embedded derivatives which are required to be carried at fair value. The fair value of these embedded derivatives at December 31, 2004 is \$0 million.

In connection with the above described reinsurance agreement with New York Life, the Company recorded a deferred gain of \$244 million, which includes the \$25 million purchase price and \$219 million of GAAP reserves recoverable from the reinsurer in excess of the funds withheld liability.

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

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

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

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):

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

The Company received a capital contribution of \$500 million in 2003 from its parent company, New York Life.

The Company has issued various Corporate Owned Life policies to New York Life, including \$527 million sold during 2004, for the purpose of informally funding certain benefits for New York Life employees and agents. These policies were issued on the same basis as policies sold to unrelated customers. For the years ended December 31, 2004 and 2003, the Company recorded liabilities of approximately \$1,798 million and \$1,138 million, respectively, which are included in policyholders' account balances and separate account liabilities on the accompanying Balance Sheet.

The Company has also issued various Corporate Owned Life policies to separate Voluntary Employees' Beneficiary Association (VEBA) trusts formed for the benefit of New York Life's retired employees and agents. These policies were issued on the same basis as policies sold to unrelated customers. For the years ended December 31, 2004 and 2003, policyholders' account balances and separate account liabilities related to these policies aggregated \$267 million and \$252 million, respectively.

The Company has an agreement with NYLINK Insurance Agency Incorporated ("NYLINK"), an indirect wholly owned subsidiary of New York Life, granting NYLINK the right to solicit applications for the Company's products through NYLINK's subagents. For the year ended December 31, 2004, the Company recorded commission and fee expense to NYLINK agents of \$7 million.

Effective December 31, 2004, the Company entered into a reinsurance agreement with New York Life (see Note 9 - Reinsurance for more details).

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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--SERIES 3

The performance data shown below 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 policy's current separate account charges for mortality and expense risk, the cost of insurance, surrender charges, monthly administrative charges, deferred sales expense charge, premium tax, and federal tax. 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 SINGLE PREMIUM VARIABLE UNIVERSAL LIFE, SERIES 3
AVERAGE ANNUAL TOTAL RETURN FOR THE PERIOD ENDING DECEMBER 31, 2004

<Table>
<Caption>

INVESTMENT DIVISIONS(1) <S>	INVESTMENT	YEAR TO DATE (2) <C>	1 YEAR <C>	3 YEARS <C>	5 YEARS <C>	10 YEARS <C>	SINCE
	DIVISION INCEPTION DATE (2) <C>						INVESTMENT DIVISION INCEPTION <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--Current 7-day yield as of December 31, 2004 is 1.718254%(3)	05/10/02	0.85	0.85	N/A	N/A	N/A	0.85
Common Stock--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
Mid Cap Value--Initial Class	05/10/02	17.54	17.54	N/A	N/A	N/A	9.87
S&P 500 Index 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	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(R) VIP Contrafund(R)--Initial Class	05/10/02	15.48	15.48	N/A	N/A	N/A	11.52
Fidelity(R) 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 Portfolio	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.NEYORKLIFE.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 SPVUL Series 3, it does not reflect the policy's current separate account charges for mortality and expense risk, state and federal tax charge, a monthly administrative charge, and the cost of insurance. 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 or these Investment Divisions would have been lower.

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FOR MORE INFORMATION, YOU SHOULD REFER TO YOUR PRODUCT AND FUND PROSPECTUSES OR VISIT WWW.NEYORKLIFE.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 SPVUL 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 SPVUL Series 3 on May 16, 2003, where approved.

NYLIAC SPVUL, 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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