

SECURITIES AND EXCHANGE COMMISSION

FORM 486APOS

Post-effective amendments [Rule 486(a)]

Filing Date: **1994-03-01**
SEC Accession No. **0000912057-94-000722**

([HTML Version](#) on secdatabase.com)

FILER

ML OF NEW YORK VARIABLE LIFE SEPARATE ACCOUNT II

CIK: **891183** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **486APOS** | Act: **33** | File No.: **033-61672** | Film No.: **94513789**

Business Address
717 FIFTH AVE
NEW YORK NY 10022
2124158070

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 2
TO

FORM S-6
FOR REGISTRATION UNDER THE SECURITIES ACT
OF 1933 OF THE SECURITIES OF UNIT INVESTMENT
TRUSTS REGISTERED ON FORM N-8B-2

ML OF NEW YORK VARIABLE LIFE SEPARATE ACCOUNT II
(EXACT NAME OF TRUST)

ML LIFE INSURANCE COMPANY OF NEW YORK
(NAME OF DEPOSITOR)
717 FIFTH AVENUE
NEW YORK, NEW YORK 10022
(COMPLETE ADDRESS OF DEPOSITOR'S PRINCIPAL EXECUTIVE OFFICES)

BARRY G. SKOLNICK, ESQ.
SENIOR VICE PRESIDENT & GENERAL COUNSEL
ML LIFE INSURANCE COMPANY OF NEW YORK
800 SCUDDERS MILL ROAD
PLAINSBORO, NEW JERSEY 08536
(NAME AND COMPLETE ADDRESS OF AGENT FOR SERVICE)

COPY TO:

STEPHEN E. ROTH, ESQ.
SUTHERLAND, ASBILL & BRENNAN
1275 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20004-2404

It is proposed that this filing will become effective (check appropriate box)

/ / immediately upon filing pursuant to paragraph (b) of Rule 486
/ / on pursuant to paragraph (b) of Rule 486
/ / 60 days after filing pursuant to paragraph (a) of Rule 486
/X/ on May 1, 1994 pursuant to paragraph (a) of Rule 486

Check box if it is proposed that the filing will become effective on (date) at (time) pursuant to Rule 487 / /

Pursuant to Rule 24f-2 of the Investment Company Act of 1940, the Registrant has registered an indefinite amount of securities under the Securities Act of

ML OF NEW YORK VARIABLE LIFE SEPARATE ACCOUNT II
ML LIFE INSURANCE COMPANY OF NEW YORK

CROSS REFERENCE TO ITEMS REQUIRED BY FORM N-8B-2

<TABLE> <CAPTION> N-8B-2 ITEM	CAPTION IN PROSPECTUS
<C>	<S>
1	Cover Page
2	Cover Page
3	Facts About the Separate Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML of New York; More About the Separate Account and its Divisions
4	Facts About the Separate Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S); More About the Contract (Selling the Contracts)
5	Facts About the Separate Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S); More About ML Life Insurance Company of New York (State Regulation)
6	Facts About the Separate Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML of New York (The Separate Account); More About the Separate Account and its Divisions (Charges to Series Fund Assets)
7	Not Applicable
8	Experts
9	More About ML Life Insurance Company of New York (Legal Proceedings)
10	Summary of the Contract; Facts About the Contract; More About the Contract; More About the Separate Account and its Divisions
11	Summary of the Contract (The Investment Divisions); Facts About the Separate Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML of New York; More About the Separate Account and its Divisions (About the Separate Account; The Zero Trusts)
12	Summary of the Contract (The Investment Divisions); Facts About the Separate Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML of New York; More About the Separate Account and its Divisions
13	Summary of the Contract (Loans; Fees and Charges); Facts About the Contract (Charges Deducted from the Investment Base; Contract Loading; Charges to the Separate Account; Guarantee Period; Cash Value; Loans; Partial Withdrawals; Death Benefit Proceeds; Payment of Death Benefit Proceeds; Rights to Cancel (or Exchange); More About the Contract (Group or Sponsored Arrangements; ML of New York's Income Taxes); More About the Separate Account and its Divisions (Charges to Series Fund Assets; Charges to Variable Series Funds Assets)
14	Facts About the Contract (Who May Be Covered; Purchasing a Contract; Additional Payments); More About the Contract (Other Contract Provisions)
15	Summary of the Contract (Availability and Payments); Facts About the Contract (Purchasing A Contract; Additional Payments); More About the Contract (Income Plans)
16	Facts About the Separate Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML of New York; More About the Separate Account and its Divisions
17	Summary of the Contract (Net Cash Surrender Value; Rights to Cancel ("Free Look" Period) or Exchange; Partial Withdrawals); Facts About the Contract (Cash Value; Partial Withdrawals; Right to Cancel or Exchange); More About the Contract (Using the Contract; Some Administrative Procedures)
18	Facts About the Separate Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML of New York; More About the Separate Account and its Divisions

</TABLE>

<TABLE> <CAPTION> N-8B-2 ITEM	CAPTION IN PROSPECTUS
<C>	<S>
19	More About ML Life Insurance Company of New York

20 Not Applicable
21 Summary of the Contract (Loans); Facts About the Contract (Loans)
22 Not Applicable
23 Not Applicable
24 Not Applicable
25 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S); More
About ML Life Insurance Company of New York
26 Not Applicable
27 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S); More
About ML Life Insurance Company of New York
28 More About ML Life Insurance Company of New York
29 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S)
30 Not Applicable
31 Not Applicable
32 Not Applicable
33 Not Applicable
34 Not Applicable
35 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S)
36 Not Applicable
37 Not Applicable
38 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML Life of New York (ML of New York and MLPF&S);
More About the Contract (Selling the Contracts)
39 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S); More
About the Contract (Selling the Contracts)
40 More About the Contract (Selling the Contract)
41 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S); More
About the Contract (Selling the Contracts)
42 Not Applicable
43 Not Applicable
44 Facts About the Contract; More About the Contract
45 Not Applicable
46 Summary of the Contract; Facts About the Contract (Net Cash Surrender Value;
Partial Withdrawals)
47 Summary of the Contract (The Investment Divisions); Facts About the Separate
Account, the Series Fund, the Variable Series Funds, the Zero Trusts and ML
of New York; More About the Separate Account and its Divisions

</TABLE>

<TABLE>
<CAPTION>
N-8B-2 ITEM

CAPTION IN PROSPECTUS

<C> <S>
48 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York (ML of New York and MLPF&S); More
About ML Life Insurance Company of New York (State Regulation)
49 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York; Facts About the Contract
(Charges Deducted from the Investment Base; Contract Loading; Charges to
the Separate Account); More About the Contract (Selling the Contracts)
50 Not Applicable
51 Facts About the Contract; More About the Contract
52 Facts About the Separate Account, the Series Fund, the Variable Series
Funds, the Zero Trusts and ML of New York; More About the Separate Account
and its Divisions
53 More About the Contract (Tax Considerations; ML of New York's Income Taxes)
54 Not Applicable
55 Not Applicable
56 Not Applicable
57 Not Applicable
58 Not Applicable

</TABLE>

PROSPECTUS
, 1994

ML OF NEW YORK VARIABLE LIFE SEPARATE ACCOUNT II
FLEXIBLE PREMIUM VARIABLE
UNIVERSAL LIFE INSURANCE CONTRACT
ISSUED BY
ML LIFE INSURANCE COMPANY OF NEW YORK
HOME OFFICE: 717 FIFTH AVENUE
NEW YORK, NEW YORK 10022
SERVICE CENTER: P.O. BOX 9025
SPRINGFIELD, MASSACHUSETTS 01102-9025
1414 MAIN STREET, THIRD FLOOR
SPRINGFIELD, MASSACHUSETTS 01104-1007
PHONE: (800) 831-8172
OFFERED THROUGH
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

This Prospectus is for a flexible premium variable universal life insurance contract (the "Contract") offered by ML Life Insurance Company of New York ("ML of New York"), a subsidiary of Merrill Lynch & Co., Inc.

During the "free look" period, the initial payment less contract loading will be invested only in the division investing in the Money Reserve Portfolio. After the "free look" period, the contract owner may invest in up to any five of the 36 investment divisions of ML of New York Variable Life Separate Account II (the "Separate Account"), the ML of New York separate investment account available under the Contract. The investments available through the investment divisions include 10 mutual fund portfolios of the Merrill Lynch Series Fund, Inc., six mutual fund portfolios of the Merrill Lynch Variable Series Funds, Inc. and 20 unit investment trusts in The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities. Currently, the contract owner may change his or her investment allocation as many times as desired.

The Contract provides an estate benefit through life insurance coverage on the life of the insured. The Contract offers two death benefit options. At the election of the contract owner, the death benefit may include the Contract's cash value. Subject to certain conditions, contract owners may purchase additional insurance through an additional insurance rider. ML of New York guarantees that the coverage will remain in force for the guarantee period. Each payment will extend the guarantee period until such time as the guarantee period is established for the whole of life of the insured. During this guarantee period, ML of New York will terminate the Contract only if the debt exceeds certain contract values. After the guarantee period, the Contract will remain in force as long as there is not excessive debt and as long as the cash value is sufficient to cover the charges due. While the Contract is in force, the death benefit may vary to reflect the investment results of the investment divisions chosen, but will never be less than the current face amount.

The Contract allows for additional payments. Contract owners may also borrow up to the loan value of the Contract, make partial withdrawals or turn in the Contract for its net cash surrender value. The net cash surrender value will vary with the investment results of the investment divisions chosen. ML of New York doesn't guarantee any minimum net cash surrender value.

It may not be advantageous to replace existing insurance with the Contract. The Contract may be exchanged for a contract with benefits that do not vary with the investment results of a separate account.

PLEASE READ THIS PROSPECTUS AND KEEP IT FOR FUTURE REFERENCE. IT MUST BE ACCOMPANIED BY CURRENT PROSPECTUSES FOR THE MERRILL LYNCH SERIES FUND, INC., THE MERRILL LYNCH VARIABLE SERIES FUNDS, INC. AND THE MERRILL LYNCH FUND OF STRIPPED ("ZERO") U.S. TREASURY SECURITIES.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

<TABLE>
<CAPTION>

	PAGE

<S>	<C>
IMPORTANT TERMS.....	4
SUMMARY OF THE CONTRACT	
Purpose of the Contract.....	5
Availability and Payments.....	5
CMA-R- Insurance Service.....	5
The Investment Divisions.....	5
How the Death Benefit Varies.....	6
How the Investment Base Varies.....	6
Net Cash Surrender Value.....	6
Illustrations.....	6
Replacement of Existing Coverage.....	6
Rights to Cancel ("Free Look" Period) or Exchange.....	6
How Death Benefit and Cash Value Increases are Taxed.....	6
Loans.....	7
Partial Withdrawals.....	7
Fees and Charges.....	7
FACTS ABOUT THE SEPARATE ACCOUNT, THE SERIES FUND, THE VARIABLE SERIES FUNDS, THE ZERO TRUSTS AND ML OF NEW YORK	
The Separate Account.....	8
The Series Fund.....	8
The Variable Series Funds.....	9
Exemptive Relief.....	10
The Zero Trusts.....	10
ML of New York and MLPF&S.....	11
FACTS ABOUT THE CONTRACT	
Who May be Covered.....	11
Purchasing a Contract.....	11
Additional Insurance Rider.....	12
Additional Payments.....	13
Effect of Additional Payments.....	13
Investment Base.....	13
Charges Deducted from the Investment Base.....	14
Contract Loading.....	15
Charges to the Separate Account.....	15
Guarantee Period.....	16
Cash Value.....	17
Loans.....	17
Partial Withdrawals.....	18
Death Benefit Proceeds.....	19
Payment of Death Benefit Proceeds.....	20
Rights to Cancel or Exchange.....	21
Reports to Contract Owners.....	21
MORE ABOUT THE CONTRACT	
Using the Contract.....	21
Some Administrative Procedures.....	23
Other Contract Provisions.....	23
Income Plans.....	24
Group or Sponsored Arrangements.....	25
Unisex Legal Considerations for Employers.....	25
Selling the Contracts.....	25

Tax Considerations.....	26
ML of New York's Income Taxes.....	29
Reinsurance.....	29

<TABLE>
<CAPTION>

	PAGE

<S>	<C>
MORE ABOUT THE SEPARATE ACCOUNT AND ITS DIVISIONS	
About the Separate Account.....	29
Changes Within the Account.....	30
Net Rate of Return for an Investment Division.....	30
The Series Fund and the Variable Series Funds.....	30
Charges to Series Fund Assets.....	32
Charges to Variable Series Funds Assets.....	32
The Zero Trusts.....	33
ILLUSTRATIONS	
Illustrations of Death Benefits, Investment Base, Net Cash Surrender Values and Accumulated Payments.....	33
EXAMPLES	
Additional Payments.....	39
Partial Withdrawals.....	39
Changing the Death Benefit Option.....	40
MORE ABOUT ML LIFE INSURANCE COMPANY OF NEW YORK	
Directors and Executive Officers.....	41
Services Arrangement.....	43
State Regulation.....	43
Legal Proceedings.....	43
Experts.....	44
Legal Matters.....	44
Registration Statements.....	44
Financial Statements.....	44
Financial Statements of ML of New York Variable Life Separate Account II...	
Financial Statements of ML Life Insurance Company of New York.....	

</TABLE>

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFERING IN ANY JURISDICTION IN WHICH SUCH OFFERING MAY NOT LAWFULLY BE MADE. NO PERSON IS AUTHORIZED TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS.

IMPORTANT TERMS

ADDITIONAL PAYMENT: is a payment which may be made after the "free look" period. Additional payments do not require evidence of insurability.

ATTAINED AGE: is the issue age of the insured plus the number of full years since the contract date.

BASE PREMIUM: is the amount equal to the level annual premium necessary for the face amount of the contract to endow at the insured's age 100. ML of New York assumes death benefit option 1 is elected and further assumes a 5% annual rate of return on the base premium less contract loading and a maximum cost of insurance charge. Once determined, the base premium will not change.

CASH VALUE: is equal to the investment base plus any unearned charges for cost of insurance and rider costs plus any debt less any accrued net loan cost since the last contract anniversary (or since the contract date during the first contract year).

CASH VALUE CORRIDOR FACTOR: is used to determine the amount of death benefit

purchased by \$1.00 of cash value. ML of New York uses this factor in the calculation of the variable insurance amount to make sure that the Contract always meets the requirements of what constitutes a life insurance contract under the Internal Revenue Code.

CONTRACT ANNIVERSARY: is the same date of each year as the contract date.

CONTRACT DATE: is used to determine processing dates, contract years and anniversaries. It is usually the business day next following the receipt of the initial payment at the Service Center. It is also referred to as the policy date.

CONTRACT LOADING: is chargeable to all payments for sales load, federal tax and premium tax charges.

DEATH BENEFIT: if option 1 is elected, it is the larger of the face amount and the variable insurance amount; if option 2 is elected it is the larger of the face amount plus the cash value and the variable insurance amount.

DEATH BENEFIT PROCEEDS: are equal to the death benefit plus any rider amounts less any debt.

DEBT: is the sum of all outstanding loans on a contract plus accrued interest.

FACE AMOUNT: is the minimum death benefit as long as the Contract remains in force. The face amount will change if a change in death benefit option is made or if a partial withdrawal is taken.

FIXED BASE: is calculated in the same manner as the cash value except that 5% is substituted for the net rate of return, the guaranteed maximum cost of insurance rates and guaranteed maximum rider costs are substituted for current rates and loans and repayments are not taken into account.

GUARANTEE PERIOD: is the time guaranteed that the Contract will remain in force regardless of investment experience, unless the debt exceeds certain values. It is the period that a comparable fixed life insurance contract (same face amount, payments made, guaranteed mortality table, contract loading and guaranteed maximum rider costs) would remain in force if credited with 5% interest per year.

IN FORCE DATE: is the date when the underwriting process is complete, the initial payment is received and outstanding contract amendments (if any) are received.

INITIAL PAYMENT: is the payment required to put the Contract into effect.

INVESTMENT BASE: is the amount available under a Contract for investment in the Separate Account at any time. A contract owner's investment base is the sum of the amounts invested in each of the selected investment divisions.

INVESTMENT DIVISION: is any division in the Separate Account.

ISSUE AGE: is the insured's age as of his or her birthday nearest the contract date.

NET AMOUNT AT RISK: is the excess, as of a processing date, of the death benefit (adjusted for interest at an annual rate of 5%) over the cash value, but before the deduction for cost of insurance.

NET CASH SURRENDER VALUE: is equal to the cash value less debt.

PROCESSING DATES: are the contract date and the first day of each contract quarter thereafter. Processing dates are the days when ML of New York deducts certain charges from the investment base.

PROCESSING PERIOD: is the period between consecutive processing dates.

TARGET PREMIUM: is equal to 75% of the base premium.

VARIABLE INSURANCE AMOUNT: is computed daily by multiplying the cash value (plus any excess sales load during the first 24 months after the Contract is issued) by the cash value corridor factor for the insured at his or her attained age.

4

SUMMARY OF THE CONTRACT

PURPOSE OF THE CONTRACT

This flexible premium variable universal life insurance contract offers a choice of investments and an opportunity for the Contract's investment base, cash value and death benefit to grow based on investment results.

ML of New York doesn't guarantee that contract values will increase. Depending on the investment results of selected investment divisions, the investment base, cash value and death benefit may increase or decrease on any day. The contract owner bears the investment risk. ML of New York guarantees to keep the Contract in force during the guarantee period subject to the effect of any debt.

Life insurance is not a short term investment. The contract owner should evaluate the need for insurance and long term investment potential before purchasing a contract.

AVAILABILITY AND PAYMENTS

The Contract is available in New York. A Contract may be issued for an insured from age 20 to age 85. The minimum initial payment is 75% of the base premium.

ML of New York will not accept an initial payment that provides a guarantee period of less than two years. The guarantee period is the period of time ML of New York guarantees that the Contract will remain in force regardless of investment experience unless the debt exceeds certain values.

ML of New York will issue a Contract only with a face amount (including any additional insurance rider face amount) greater than \$750,000.

Contract owners may make additional payments. Contract owners may specify an additional payment amount on the application to be paid on either a quarterly or annual basis. For additional payments not being withdrawn from a CMA account, ML of New York will send reminder notices for such amounts beginning in the second contract year.

CMA-R- INSURANCE SERVICE

Contract owners who subscribe to the Merrill Lynch Cash Management Account-R-financial service ("CMA account") may elect to have their Contract linked to their CMA account electronically. Certain transactions will be reflected in monthly CMA account statements. Payments may be transferred to and from the Contract through a CMA account.

THE INVESTMENT DIVISIONS

During the "free look" period, the initial payment less contract loading will be invested in the investment division of the Separate Account investing in the Money Reserve Portfolio. After the "free look" period, the contract owner may select up to five of the 36 investment divisions in the Separate Account. See "Changing the Allocation" on page 14.

Payments are invested in investment divisions of the Separate Account. Ten investment divisions of the Separate Account invest exclusively in shares of designated mutual fund portfolios of the Merrill Lynch Series Fund, Inc. (the "Series Fund"). Six investment divisions of the Separate Account invest exclusively in shares of designated mutual fund portfolios of the Merrill Lynch Variable Series Funds, Inc. (the "Variable Series Funds"). Each mutual fund portfolio has a different investment objective. The other 20 investment divisions invest in units of designated unit investment trusts in The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities (the "Zero Trusts"). The contract owner's payments are not invested directly in the Series Fund, the Variable Series Funds or the Zero Trusts.

Cash Management Account and CMA are registered trademarks of Merrill Lynch, Pierce, Fenner & Smith Incorporated.

5

HOW THE DEATH BENEFIT VARIES

Contract owners elect a death benefit option on the application. Under option 1, the death benefit equals the larger of the face amount or the variable insurance amount. Under option 2, the death benefit equals the larger of the sum of the face amount plus the cash value or the variable insurance amount. Subject to certain conditions, contract owners may change the death benefit option. The death benefit may increase or decrease on any day depending on the investment results of the investment divisions chosen by the contract owner. Death benefit proceeds equal the death benefit reduced by any debt and increased by any rider benefits payable. (See "Death Benefit Proceeds" on page 19.)

HOW THE INVESTMENT BASE VARIES

A Contract's investment base is the amount available for investment at any time. On the contract date (usually the business day next following receipt of the initial payment at the Service Center), the investment base is equal to the initial payment less contract loading and charges for cost of insurance and rider costs. Afterwards, it varies daily based on investment performance of the investment divisions chosen. The contract owner bears the risk of poor investment performance and receives the benefit of favorable investment performance.

NET CASH SURRENDER VALUE

Contract owners may surrender their Contracts at any time and receive the net cash surrender value. The net cash surrender value varies daily based on investment performance of the investment divisions chosen. ML of New York doesn't guarantee any minimum net cash surrender value. If the Contract is surrendered within 24 months after issue, the contract owner will receive any excess sales load previously deducted. (See "Contract Loading - Excess Sales Load" on page 15.)

ILLUSTRATIONS

Illustrations in this Prospectus or used in connection with the purchase of the Contract are based on hypothetical investment rates of return. These rates are not guaranteed. They are illustrative only and should not be deemed a representation of past or future performance. Actual rates of return may be more or less than those reflected in the illustrations and, therefore, actual values

will be different than those illustrated.

REPLACEMENT OF EXISTING COVERAGE

Before purchasing a Contract, the contract owner should ask his or her Merrill Lynch registered representative if changing, or adding to, current insurance coverage would be advantageous. Generally, it is not advisable to purchase another contract as a replacement for existing coverage.

RIGHTS TO CANCEL ("FREE LOOK" PERIOD) OR EXCHANGE

Once the contract owner receives the contract, he or she should review it carefully to make sure it is what he or she intended to purchase. A Contract may be returned for a refund within the later of ten days after the contract owner receives it, 45 days after the contract owner completes the application, or ten days after ML of New York mails or personally delivers the Notice of Withdrawal Right to the contract owner. If the Contract is returned during the "free look" period, ML of New York will refund the initial payment without interest.

Once the Contract is issued, a contract owner may also exchange the Contract for a contract with benefits that do not vary with the investment results of a separate account. (See "Exchanging the Contract" on page 21.)

HOW DEATH BENEFIT AND CASH VALUE INCREASES ARE TAXED

Under current federal tax law, life insurance contracts receive tax-favored treatment. The death benefit is generally excludable from the beneficiary's gross income for federal income tax purposes, according to Section 101(a)(1) of the Internal Revenue Code. An owner of a life insurance contract is not taxed on any increase in the cash value while the contract remains in force.

If the Contract is a modified endowment contract under federal tax law, certain distributions made during the insured's lifetime, such as loans and partial withdrawals from, and collateral assignments of,

6

the Contract are includable in gross income on an income-first basis. A 10% penalty tax may also be imposed on distributions made before the contract owner attains age 59 1/2. Contracts that are not modified endowment contracts under federal tax law receive preferential tax treatment with respect to certain distributions.

For a discussion of the tax issues associated with this Contract, see "Tax Considerations" on page 26.

LOANS

Contract owners may borrow up to the loan value of their Contracts, which is 90% of the cash value. The maximum loan amount that may be borrowed at any time is the difference between the loan value and debt. (See "Loans" on page 17.)

Loan interest accrues daily and, if it is not repaid each year, it is

capitalized and added to the debt. If the Contract is a modified endowment contract, the amount of capitalized interest will be treated as a taxable withdrawal. Depending upon investment performance of the divisions and the amounts borrowed, loans may cause a Contract to lapse. If the Contract lapses with a loan outstanding, adverse tax consequences may result. (See "Tax Considerations" on page 26.)

PARTIAL WITHDRAWALS

Contract owners may make partial withdrawals beginning in contract year sixteen, subject to certain conditions. (See "Partial Withdrawals" on page 18.)

FEES AND CHARGES

CONTRACT LOADING. ML of New York deducts certain charges from all payments before they are invested in the investment divisions. These charges are:

- Sales load equal to 46.25% of each payment through the second base premium and 1.25% of each payment thereafter.
- State and local premium tax charge of 2% of each payment.
- A charge for federal taxes of 1.25% of each payment.

(See "Contract Loading" on page 15.)

INVESTMENT BASE CHARGES. ML of New York deducts certain charges from the investment base. The charges deducted are:

- On the contract date and on all processing dates after the contract date, ML of New York makes deductions for cost of insurance (see "Cost of Insurance" on page 14) and any rider costs (see "Additional Insurance Rider" on page 12).
- On each contract anniversary, ML of New York makes deductions for the net loan cost if there has been any debt during the prior year. It equals a maximum of 2% of the debt per year.

SEPARATE ACCOUNT CHARGES. There are certain charges deducted daily from the investment results of the investment divisions in the Separate Account. These charges are:

- an asset charge designed to cover mortality and expense risks deducted from all investment divisions which is equivalent to .90% annually at the beginning of the year; and
- a trust charge deducted from only those investment divisions investing in the Zero Trusts, which is currently equivalent to .34% annually at the beginning of the year and will never exceed .50% annually.

ADVISORY FEES. The portfolios in the Series Fund and the Variable Series Funds pay monthly advisory fees and other expenses. (See "Charges to Series Fund Assets" and "Charges to Variable Series Funds Assets" on page 32.)

THIS SUMMARY IS INTENDED TO PROVIDE ONLY A VERY BRIEF OVERVIEW OF THE MORE SIGNIFICANT ASPECTS OF THE CONTRACT. FURTHER DETAIL IS PROVIDED IN THIS PROSPECTUS AND IN THE CONTRACT. THE CONTRACT TOGETHER WITH ITS ATTACHED

APPLICATIONS, MEDICAL EXAM(S), AMENDMENTS, RIDERS AND ENDORSEMENTS CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE CONTRACT OWNER AND ML OF NEW YORK AND SHOULD BE RETAINED.

FOR THE DEFINITION OF CERTAIN TERMS USED IN THIS PROSPECTUS, SEE "IMPORTANT TERMS" ON PAGE 4.

FACTS ABOUT THE SEPARATE ACCOUNT, THE SERIES FUND,
THE VARIABLE SERIES FUNDS, THE ZERO TRUSTS AND ML OF NEW YORK

THE SEPARATE ACCOUNT

The Separate Account is a separate investment account established by ML of New York on December 4, 1991. It is registered with the Securities and Exchange Commission as a unit investment trust pursuant to the Investment Company Act of 1940. This registration does not involve any supervision by the Securities and Exchange Commission over the investment policies or practices of the Separate Account. It meets the definition of a separate account under the federal securities laws. The Separate Account is used to support the Contract as well as to support other variable life insurance contracts issued by ML of New York.

ML of New York owns all of the assets in the Separate Account. The assets of the Separate Account are kept separate from ML of New York's general account and any other separate accounts it may have and, to the extent of its reserves and liabilities, may not be charged with liabilities arising out of any other business ML of New York conducts.

Obligations to contract owners and beneficiaries that arise under the Contract are obligations of ML of New York. Income, gains, and losses, whether or not realized, from assets allocated are, in accordance with the Contracts, credited to or charged against the Separate Account without regard to other income, gains or losses of ML of New York. As required, the assets in the Separate Account will always be at least equal to the reserves and other liabilities of the Separate Account. If the assets exceed the required reserves and other Contract liabilities (which will always be at least equal to the aggregate contract value allocated to the Separate Account under the Contracts), ML of New York may transfer the excess to its general account.

There are currently 36 investment divisions in the Separate Account. Ten invest in shares of a specific portfolio of the Series Fund. Six invest in shares of a specific portfolio of the Variable Series Funds. Twenty invest in units of a specific Zero Trust. Complete information about the Series Fund, the Variable Series Funds and the Zero Trusts, including the risks associated with each portfolio (including any risks associated with investment in the High Yield Portfolio of the Series Fund) can be found in the accompanying prospectuses. They should be read in conjunction with this Prospectus.

THE SERIES FUND

The Merrill Lynch Series Fund, Inc. is registered with the Securities and Exchange Commission as an open-end management investment company. All of its ten mutual fund portfolios are currently available through the Separate Account. The investment objectives of the Series Fund portfolios are described below. There is no guarantee that any portfolio will meet its investment objective. Meeting the objectives depends on how well Series Fund management anticipates changing economic conditions.

MONEY RESERVE PORTFOLIO seeks to preserve capital and liquidity. It also seeks the highest possible current income consistent with those objectives. It invests in short-term money market securities.

INTERMEDIATE GOVERNMENT BOND PORTFOLIO seeks the highest possible current income

consistent with the protection of capital. It invests in intermediate-term debt securities issued or guaranteed by the U.S. Government or its agencies.

LONG-TERM CORPORATE BOND PORTFOLIO seeks as high a level of current income as is consistent with prudent investment risk. It invests primarily in fixed-income, high quality corporate bonds.

8

HIGH YIELD PORTFOLIO seeks high current income, consistent with prudent management, by investing principally in fixed-income securities rated in the lower categories of the established rating services or in unrated securities of comparable quality (commonly known as "junk bonds").

CAPITAL STOCK PORTFOLIO seeks long-term growth of capital and income, plus moderate current income. It invests in common stocks considered to be of good or improving quality or considered to be undervalued based on criteria such as historical price/book value and price/earnings ratios.

GROWTH STOCK PORTFOLIO seeks above average long-term growth of capital. It invests primarily in common stocks of aggressive growth companies considered to have special growth potential.

MULTIPLE STRATEGY PORTFOLIO seeks the highest total investment return consistent with prudent risk. It does this through a fully managed investment policy utilizing equity securities, primarily common stocks of large-capitalization companies, as well as investment grade intermediate-and long-term debt securities and money market securities.

NATURAL RESOURCES PORTFOLIO seeks long-term growth of capital and protection of the purchasing power of shareholders' capital by investing primarily in equity securities of domestic and foreign companies with substantial natural resource assets.

GLOBAL STRATEGY PORTFOLIO seeks high total investment return by investing primarily in a portfolio of equity and fixed-income securities of U.S. and foreign issuers.

BALANCED PORTFOLIO seeks a level of current income and a degree of stability of principal not normally available from an investment solely in equity securities and the opportunity for capital appreciation greater than that normally available from an investment solely in debt securities by investing in a balanced portfolio of fixed-income and equity securities.

The investment adviser for the Series Fund is Merrill Lynch Asset Management, L.P. ("MLAM"), a subsidiary of Merrill Lynch & Co., Inc. and a registered adviser under the Investment Advisers Act of 1940. The Series Fund, as part of its operating expenses, pays an investment advisory fee to MLAM. (See "Charges to Series Fund Assets" on page 32.)

THE VARIABLE SERIES FUNDS

The Merrill Lynch Variable Series Funds, Inc. is registered with the Securities and Exchange Commission as an open-end management investment company. Six of its 18 mutual fund portfolios are currently available through the Separate Account. The investment objectives of the six available Variable Series Funds portfolios are described below. There is no guarantee that any portfolio will meet its investment objective. Meeting the objectives depends on how well Variable Series Funds management anticipates changing economic conditions.

BASIC VALUE FOCUS FUND seeks to attain capital appreciation, and secondarily, income by investing in securities, primarily equities, that management of the

Fund believes are undervalued and therefore represent basic investment value. Particular emphasis is placed on securities which provide an above-average dividend return and sell at a below-average price/earnings ratio.

WORLD INCOME FOCUS FUND seeks to achieve high current income by investing in a global portfolio of fixed-income securities denominated in various currencies, including multinational currency units. The fund may invest in United States and foreign government and corporate fixed-income securities, including high yield, high risk, lower rated and unrated securities. The Fund will allocate its investments among different types of fixed-income securities denominated in various currencies.

GLOBAL UTILITY FOCUS FUND seeks to obtain capital appreciation and current income through investment of at least 65% of its total assets in equity and debt securities issued by domestic and foreign companies which are, in the opinion of management of the Fund, primarily engaged in the ownership or operation of facilities used to generate, transmit or distribute electricity, telecommunications, gas or water.

9

INTERNATIONAL EQUITY FOCUS FUND seeks to obtain capital appreciation through investment in securities, principally equities, of issuers in countries other than the United States. Under normal conditions, at least 65% of the Fund's net assets will be invested in such equity securities.

INTERNATIONAL BOND FUND seeks to achieve a high total investment return by investing in an international portfolio of debt instruments denominated in various currencies and multi-national currency units.

DEVELOPING CAPITAL MARKETS FOCUS FUND seeks to achieve long-term capital appreciation by investing in securities, principally equities, of issuers in countries having smaller capital markets.

MLAM is the investment adviser for the Variable Series Funds. The Variable Series Funds, as part of its operating expenses, pays an investment advisory fee to MLAM. (See "Charges to Variable Series Funds Assets" on page 32.)

EXEMPTIVE RELIEF

An application for exemptive relief has been filed with the Securities and Exchange Commission on behalf of the Variable Series Funds, the Separate Account and other affiliated parties. This relief is required under current rules of the Securities and Exchange Commission in order for the Equity Growth Fund of the Variable Series Funds to be made available through the Separate Account. (See "Resolving Material Conflicts" on page 31.) Contract owners will be notified when the necessary relief is obtained and the Equity Growth Fund is available.

EQUITY GROWTH FUND seeks to attain long-term growth of capital by investing primarily in common stocks of relatively small companies that management of the Fund believes have special investment value and emerging growth companies

regardless of size. Such companies are selected by management on the basis of their long-term potential for expanding their size and profitability or for gaining increased market recognition for their securities. Current income is not a factor in such selection. MLAM receives from the Fund an advisory fee at the annual rate of 0.75% of the average daily net assets of the Fund. This is a higher fee than that of many other mutual funds, but management of the Fund believes it is justified by the high degree of care that must be given to the initial selection and continuous supervision of the types of portfolio securities in which the Fund invests.

THE ZERO TRUSTS

The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities was formed to provide safety of capital and a high yield to maturity. It seeks this through U.S. Government-backed investments which make no periodic interest payments and, therefore, are purchased at a deep discount. When held to maturity the investments should receive approximately a fixed yield. The value of Zero Trust units before maturity varies more than it would if the Zero Trusts contained interest-bearing U.S. Treasury securities of comparable maturities.

The Zero Trust portfolios consist mainly of:

- bearer debt obligations issued by the U.S. Government stripped of their unmatured interest coupons;
- coupons stripped from U.S. debt obligations; and
- receipts and certificates for such stripped debt obligations and coupons.

The Zero Trusts currently available have maturity dates in years 1994 through 2011, 2013 and 2014.

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a subsidiary of Merrill Lynch & Co., Inc., is the sponsor for the Zero Trusts. The sponsor will sell units of the Zero Trusts to the Separate Account and has agreed to repurchase units when ML of New York needs to sell them to pay benefits and make reallocations. ML of New York pays the sponsor a fee for these transactions and is reimbursed through the trust charge assessed to the divisions investing in the Zero Trusts. (See "Charges to Divisions Investing in the Zero Trusts" on page 16.)

10

ML OF NEW YORK AND MLPF&S

ML of New York is a stock life insurance company organized under the laws of the State of New York in 1973. It is an indirect wholly owned subsidiary of Merrill Lynch & Co., Inc. ML of New York is authorized to sell life insurance and annuities in 9 states. It is also authorized to sell variable life insurance and variable annuities in certain of those jurisdictions.

MLPF&S is a wholly owned subsidiary of Merrill Lynch & Co., Inc. and provides a broad range of securities brokerage and investment banking services in the United States. It provides marketing services for ML of New York and is the principal underwriter of the Contracts issued through the Separate Account. ML of New York retains MLPF&S to provide services relating to the Contracts under a distribution agreement. (See "Selling the Contracts" on page 25.)

FACTS ABOUT THE CONTRACT

WHO MAY BE COVERED

The Contract is available in New York. ML of New York will issue a Contract on the life of the insured provided the relationship between the applicant and the insured meets ML of New York's insurable interest requirements and provided the insured is not over age 85 or under age 20. The insured's issue age will be determined using age as of his or her birthday nearest the contract date. The insured must also meet ML of New York's medical and other underwriting requirements, which will include undergoing a medical examination.

ML of New York assigns insureds to underwriting classes which determine the current cost of insurance rates used in calculating cost of insurance deductions. Contracts may be issued on insureds in standard, non-smoker or preferred non-smoker underwriting classes. Contracts may also be issued on insureds in a substandard underwriting class. For a discussion of the effect of underwriting classification on deductions for cost of insurance, see "Cost of Insurance" on page 14.

PURCHASING A CONTRACT

To purchase a Contract, the contract owner must complete an application and make a payment. The payment is required to put the Contract into effect. In the application, the contract owner selects the face amount of the Contract. The amount of the minimum initial payment for a given Contract depends on the face amount selected and the issue age, sex and underwriting class of the insured. The minimum initial payment for any Contract is 75% of the base premium. ML of New York will not accept an initial payment for a specified face amount that will provide a guarantee period of less than two years. (See "Selecting the Initial Face Amount" below and "Initial Guarantee Period" on page 10.) ML of New York also will not accept an initial payment that would cause the Contract to fail to qualify as life insurance under federal tax law as interpreted by ML of New York.

Insurance coverage generally begins on the contract date, which is usually the next business day following receipt of the initial payment at ML of New York's Service Center. Temporary life insurance coverage may be provided under the terms of a temporary insurance agreement. In accordance with ML of New York's underwriting rules, temporary life insurance coverage may not exceed \$300,000 and may not be in effect for more than 90 days. As provided for under state insurance law, the contract owner, to preserve insurance age, may be permitted to backdate the Contract. In no case may the contract date be more than six months prior to the date the application was completed. Charges for cost of insurance and rider costs for the backdated period are deducted on the contract date.

If ML of New York determines that, based on the contract owner's initial payment and face amount, the Contract will be a modified endowment contract, ML of New York will issue the Contract provided the contract owner signs a statement acknowledging that the Contract is a modified endowment contract or agrees either to reduce the initial payment or to increase the face amount to a level at which the Contract will not be a modified endowment contract. For a discussion of the tax consequences of purchasing a modified endowment contract, see "Tax Considerations" on page 26.

SELECTING THE INITIAL FACE AMOUNT. The minimum initial face amount (excluding any additional insurance rider face amount) is \$250,000 or that face amount

which generates a \$4,000 base premium, if larger. ML of New York will issue a Contract only with a face amount (including any additional insurance rider face amount) greater than \$750,000. The maximum face amount that may be specified for a given initial payment is the amount which will provide an initial guarantee period of at least two years. For the same initial payment amount, the larger the face amount requested, the shorter the guarantee period. The initial face amount will change if the contract owner changes the death benefit option or takes a partial withdrawal. Subject to certain conditions, the contract owner may also purchase additional insurance coverage through an additional insurance rider. (See "Additional Insurance Rider" on page 12.)

INITIAL GUARANTEE PERIOD. The initial guarantee period for a Contract will be determined by the initial payment, face amount and any additional insurance rider face amount. The guarantee period will be adjusted each time an additional payment is made, when a partial withdrawal is taken, when the death benefit option is changed and when the additional insurance rider face amount is increased or decreased.

The guarantee period is the period of time ML of New York guarantees that the Contract will remain in force regardless of investment experience unless the debt exceeds certain values. The guarantee period is based on the guaranteed maximum cost of insurance rates in the Contract, guaranteed maximum rider costs (if an additional insurance rider is elected), the contract loading and a 5% interest assumption. This means that for a given initial payment and face amount, different insureds will have different guarantee periods depending on the age, sex and underwriting class of the insureds. For example, an older insured will have a shorter guarantee period than a younger insured in the same underwriting class.

The maximum guarantee period is for the whole of life of the insured.

ADDITIONAL INSURANCE RIDER

The contract owner may purchase additional insurance coverage payable to the beneficiary on the death of the insured. Additional insurance coverage can be purchased through an additional insurance rider when the Contract is purchased. Under ML of New York's current procedures, the maximum additional insurance rider face amount at the time the Contract is purchased is three times the face amount of the Contract. The rider can also be added on any contract anniversary thereafter, as long as an application is completed, satisfactory evidence of insurability of the insured is provided, and the insured has not attained the age of 69. The minimum additional insurance rider face amount at any time is \$100,000. A cost of insurance charge for the rider ("rider charge") will be deducted from the Contract's investment base on each processing date. The rider charge will be based on the same cost of insurance rates as the Contract.

The additional insurance rider and all charges associated with the rider will terminate upon the insured attaining age 70. At that time, all additional insurance coverage will terminate.

Once each year, the additional insurance rider face amount may be increased (subject to evidence of insurability for the insured) or decreased (after the seventh contract anniversary); however, any change in the additional insurance rider face amount must be at least \$100,000. The effective date of the change will be the contract anniversary next following underwriting approval of the change. As of the effective date of the increase or decrease in the additional insurance rider face amount, ML of New York uses the existing fixed base and the face amount of the Contract plus the new additional insurance rider face amount to calculate a new guarantee period. A decrease in the additional insurance rider face amount will increase the guarantee period. An increase in the additional insurance rider face amount will decrease the guarantee period. An

increase will not be allowed on the first contract anniversary if the face amount of the Contract plus the new rider face amount provide a guarantee period of less than one year from the effective date of the increase.

A decrease in the additional insurance rider face amount can cause a Contract which is not a modified endowment contract to become a modified endowment contract. In such a case, ML of New York will not

12

process the decrease until the contract owner confirms in writing his or her intent to convert the Contract to a modified endowment contract. For a discussion of the tax consequences of increasing or decreasing the additional insurance rider face amount, see "Tax Considerations" on page 26.

ADDITIONAL PAYMENTS

After the "free look" period, contract owners may make additional payments. Additional payments must be submitted with an additional payment form. The minimum ML of New York will accept for these payments is \$100. For Contracts that are not modified endowment contracts, making an additional payment may cause them to become modified endowment contracts. (See "Tax Considerations" on page 26.) ML of New York will return that portion of any additional payment beyond that necessary to extend the guarantee period to the whole of life of the insured. ML of New York will also return that portion of any additional payment that would cause the Contract to fail to qualify as life insurance under federal tax law as interpreted by ML of New York.

Contract owners may specify an additional payment amount on the application to be paid on either an annual or quarterly basis. For additional payments not being withdrawn from a CMA account, ML of New York will send reminder notices beginning in the second contract year. If a contract owner has the CMA Insurance Service, such additional payments may be withdrawn automatically from his or her CMA account and transferred to his or her Contract. The withdrawals will continue under the selected plan until ML of New York is notified otherwise.

EFFECT OF ADDITIONAL PAYMENTS

Currently, any additional payments will be accepted the day they are received at the Service Center. However, if acceptance of any portion of the payment would cause a Contract which is not a modified endowment contract to become a modified endowment contract, to the extent feasible, ML of New York will not accept that portion of the payment unless the contract owner confirms in writing his or her intent to convert the Contract to a modified endowment contract. ML of New York may return that portion of the payment pending receipt of instructions from the contract owner.

On the date ML of New York receives and accepts an additional payment, ML of New York will:

- increase the Contract's investment base by the amount of the payment less contract loading applicable to the payment;
- reflect the additional payment in the calculation of the variable insurance amount (see "Variable Insurance Amount" on page 19); and
- increase the fixed base by the amount of the payment less contract loading

applicable to the payment (see "The Contract's Fixed Base" on page 17).

As of the processing date on or next following receipt and acceptance of an additional payment, ML of New York will increase the guarantee period if the guarantee period prior to receipt and acceptance of an additional payment is less than for the whole of life of the insured.

ML of New York will determine the increase in the guarantee period by taking the immediate increase in the cash value resulting from the additional payment and adding to that interest at the annual rate of 5% for the period from the date ML of New York receives and accepts the payment to the contract processing date on or next following such date. This is the guarantee adjustment amount. The guarantee adjustment amount is added to the fixed base and the resulting new fixed base is used to calculate a new guarantee period. For a discussion of the effect of additional payments on a Contract's guarantee period, see "Additional Payments" in the Examples on page 39.

Unless specified otherwise, if there is any debt, any payment made will be used first as a loan repayment, with any excess applied as an additional payment. (See "Loans" on page 17.)

INVESTMENT BASE

A Contract's investment base is the amount available for investment at any time. It is the sum of the amounts invested in each of the investment divisions. On the contract date, the investment base equals

13

the initial payment less contract loading and charges for cost of insurance and rider costs. ML of New York adjusts the investment base daily to reflect the investment performance of the investment divisions the contract owner has selected. (See "Net Rate of Return for an Investment Division" on page 30.) The investment performance reflects the deduction of Separate Account charges. (See "Charges to the Separate Account" on page 15.)

Partial withdrawals, loans and deductions for cost of insurance, rider costs and net loan cost decrease the investment base. (See "Charges Deducted from the Investment Base" on page 14, "Partial Withdrawals" on page 18 and "Loans" on page 17.) Loan repayments and additional payments increase it. Contract owners may elect from which investment divisions loans and partial withdrawals are taken and to which investment divisions repayments and additional payments are added. If an election is not made, ML of New York will allocate increases and decreases proportionately to the contract owner's investment base as then allocated in the investment divisions.

INVESTMENT ALLOCATION DURING THE "FREE LOOK" PERIOD AND PREALLOCATION. The initial payment less contract loading will be invested only in the division investing in the Money Reserve Portfolio. Through the first 14 days following the in force date, the initial payment less contract loading will remain in that division. Thereafter, the investment base will be reallocated to the investment divisions selected by the contract owner on the application, if different. The contract owner may invest in up to five of the 36 investment divisions in the Separate Account.

CHANGING THE ALLOCATION. After the "free look" period, a contract owner's

investment base may be invested in up to five investment divisions at any one time. Currently, investment allocations may be changed as often as desired. ML of New York reserves the right to charge up to \$25 for each change in excess of six each year. In order to change their investment base allocation, contract owners must call or write to the Service Center. (See "Some Administrative Procedures" on page 23.)

ZERO TRUST ALLOCATIONS. ML of New York will notify contract owners 30 days before a Zero Trust in which they have invested matures. Contract owners must notify ML of New York by calling or writing at least seven days before the maturity date how to reinvest their funds in the division investing in that Zero Trust. If ML of New York is not notified, it will move the contract owner's investment base in that division to the investment division investing in the Money Reserve Portfolio.

Units of a specific Zero Trust may no longer be available when a request for allocation is received. Should this occur, ML of New York will attempt to notify the contract owner immediately so that the request can be changed.

ALLOCATION TO THE DIVISION INVESTING IN THE NATURAL RESOURCES PORTFOLIO. ML of New York and the Separate Account reserve the right to suspend the sale of units of the investment division investing in the Natural Resources Portfolio in response to conditions in the securities markets or otherwise.

CHARGES DEDUCTED FROM THE INVESTMENT BASE

The charges described below are deducted pro-rata from the investment base on processing dates.

COST OF INSURANCE. ML of New York deducts the cost of insurance from the investment base on the contract date and on each processing date thereafter. This charge compensates ML of New York for the cost of providing life insurance coverage for the insured. It is based on the underwriting class, sex and attained age of the insured and the Contract's net amount at risk.

To determine the cost of insurance, ML of New York multiplies the current cost of insurance rate by the Contract's net amount at risk. The net amount at risk is the difference, as of a processing date, between the death benefit (adjusted for interest at an annual rate of 5%) and the cash value, but before the deduction for cost of insurance.

Current cost of insurance rates may be equal to or less than the guaranteed cost of insurance rates depending on the underwriting class, sex and attained age of the insured. Current cost of insurance rates

14

are lower for insureds in a preferred non-smoker underwriting class than for insureds of the same age in a non-smoker underwriting class and are lower for insureds in a non-smoker underwriting class than for insureds of the same age and sex in a standard underwriting class.

ML of New York guarantees that the current cost of insurance rates will never exceed the maximum guaranteed rates shown in the Contract. The maximum guaranteed rates for Contracts (other than those issued on a substandard basis) do not exceed the rates based on the 1980 Commissioners Standard Ordinary Mortality Table (CSO Table). ML of New York may use rates that are equal to or less than these rates, but never greater. The maximum rates for Contracts issued on a substandard basis are based on a multiple of the 1980 CSO Table. Any change in the cost of insurance rates will apply to all insureds of the same age, sex and underwriting class whose Contracts have been in force for the same length of time.

NET LOAN COST. The net loan cost is explained under "Loans" on page 17.

RIDER CHARGES. Rider charges are deducted on the contract date and on each processing date thereafter. These charges are explained under "Additional Insurance Rider" on page 12.

CONTRACT LOADING

Chargeable to each payment is an amount called the contract loading. The contract loading equals 49.5% of each payment through the second base premium and 4.5% of each payment thereafter. This charge consists of a sales load, a charge for federal taxes and a state and local premium tax charge.

The sales load, equal to 46.25% of each payment through the second base premium and 1.25% of each payment thereafter, compensates ML of New York for sales expenses and the costs for underwriting and issuing the Contract. The sales load may be reduced in certain group or sponsored arrangements as described on page 24. ML of New York anticipates that the sales load may be insufficient to cover its distribution expenses. Any shortfall will be made up from ML of New York's general account which may include amounts derived from mortality gains and asset charges. In no event will the sales load exceed the amount permitted by the Investment Company Act of 1940.

The charge for federal taxes equal to 1.25% of each payment, compensates ML of New York for a significantly higher corporate income tax liability resulting from Section 848 of the Internal Revenue Code as enacted by the Omnibus Budget Reconciliation Act of 1990. (See "ML of New York's Income Taxes" on page 29.) The charge for federal taxes is reasonable in relation to ML of New York's increased federal tax burden under Section 848 resulting from the receipt of premiums under the Contract.

The state and local premium tax charge, equal to 2% of each payment, compensates ML of New York for state and local premium taxes ML of New York must pay when a payment is accepted.

EXCESS SALES LOAD. Excess sales load is equal to any sales load deducted from the first two base premiums in excess of 30% of the first base premium and 10% of the second base premium. It is calculated and applied in the following situations only during the first 24 months after the Contract is issued:

- It is refunded if the Contract is surrendered during the first 24 months after issue.
- It is added to the cash value so as to continue the Contract in effect if debt exceeds the larger of cash value and the fixed base during the first 24 months after issue.
- It is added to the cash value in determining the variable insurance amount during the first 24 months after issue.

CHARGES TO THE SEPARATE ACCOUNT

Each day ML of New York deducts an asset charge from each division of the Separate Account. The total amount of this charge is computed at .90% annually at the beginning of the year. Of this amount, .75% is for

- the risk assumed by ML of New York that insureds as a group will live for a shorter time than actuarial tables predict. As a result, ML of New York would be paying more in death benefits than planned; and

15

- the risk assumed by ML of New York that it will cost more to issue and administer the Contracts than expected.

The remaining amount, .15%, is for

- the risk assumed by ML of New York with respect to potentially unfavorable investment results. This risk is that the Contract's cash value cannot cover the charges due during the guarantee period.

The total asset charge may not be increased. ML of New York will realize a gain from this charge to the extent it is not needed to provide for benefits and expenses under the Contracts.

CHARGES TO DIVISIONS INVESTING IN THE ZERO TRUSTS. ML of New York assesses a daily trust charge against the assets of each division investing in the Zero Trusts. This charge reimburses ML of New York for the transaction charge paid to MLPF&S when units are sold to the Separate Account.

The trust charge is currently equivalent to .34% annually at the beginning of the year. It may be increased, but will not exceed .50% annually at the beginning of the year. The charge is based on cost (taking into account loss of interest) with no expected profit.

TAX CHARGES. ML of New York has the right under the Contract to impose a charge against Separate Account assets for any taxes imposed on the Separate Account's investment earnings. (See "ML of New York's Income Taxes" on page 29.)

ADVISORY FEES. The portfolios in the Series Fund and the Variable Series Funds pay monthly advisory fees and other expenses. (See "Charges to Series Fund Assets" and "Charges to Variable Series Funds Assets" on page 32.)

GUARANTEE PERIOD

ML of New York guarantees that the Contract will stay in force for the guarantee period unless the debt exceeds certain contract values. (See "Loans" on page 17.) Additional payments will extend the guarantee period until such time as it is guaranteed for the whole of life of the insured. The guarantee period will be affected by partial withdrawals and by increases and decreases in the face amount of the additional insurance rider. A reserve is held in ML of New York's general account to support this guarantee.

WHEN THE GUARANTEE PERIOD IS LESS THAN FOR LIFE. After the end of the guarantee period, ML of New York may cancel the Contract if the cash value on a processing date is insufficient to cover charges due on that date. (See "Charges Deducted from the Investment Base" on page 14.)

ML of New York will notify the contract owner before cancelling the Contract. The contract owner will then have 61 days to pay an amount which, after deducting contract loading, equals at least three times the charges that were due (and not deducted) on the processing date when the cash value was determined to be insufficient. If this amount is paid, ML of New York will deduct the charges due on the processing date and apply the balance to investment base. ML of New York will cancel the Contract at the end of this grace period if payment has not yet been received. At that time, ML of New York will deduct any charges for cost of insurance and rider costs that were applicable to the grace period and refund to the contract owner any unearned charges for cost of insurance and rider costs.

16

If ML of New York cancels a Contract, it may be reinstated while the insured is still living if:

- the reinstatement is requested within three years after the end of the

grace period;

- ML of New York receives satisfactory evidence of the insured's insurability; and
- the reinstatement payment is made. The reinstatement payment is the minimum payment for which ML of New York would then issue a Contract for the minimum guarantee period with the same face amount as the original Contract, based on the insured's attained age and underwriting class as of the effective date of the reinstated Contract.

A reinstated Contract will be effective on the processing date on or next following the date the reinstatement application is approved.

THE CONTRACT'S FIXED BASE. On the contract date, the fixed base equals the cash value. From then on, the fixed base is calculated in the same manner as the cash value except that the calculation substitutes 5% for the net rate of return, the guaranteed maximum cost of insurance rates and the guaranteed maximum rider costs are substituted for the current rates and it is calculated as though there had been no loans or repayments. The fixed base is equivalent to the cash value for a comparable fixed benefit contract with the same face amount and guarantee period. After the end of the guarantee period the fixed base is zero. The fixed base is used to limit ML of New York's right to cancel the Contract during the guarantee period.

AUTOMATIC ADJUSTMENT. On any contract anniversary, if the cash value is greater than the fixed base necessary to cause the guarantee period to equal the whole of life of the insured, the guarantee period will be extended to the whole of life of the insured.

CASH VALUE

A Contract's cash value fluctuates daily with the investment results of the investment divisions selected. ML of New York doesn't guarantee any minimum cash value. The cash value on any date equals the total investment base plus debt plus unearned charges for cost of insurance and rider costs less any accrued net loan cost since the last contract anniversary (or since the contract date during the first contract year).

CANCELLING THE CONTRACT. A contract owner may cancel the Contract at any time the insured is living. The request must be in writing in a form satisfactory to ML of New York. All rights to death benefits will end on the date the written request is sent to ML of New York.

The contract owner will then receive the net cash surrender value. The contract owner may elect to receive this amount either in a single payment or under one or more income plans described on page 24. The net cash surrender value will be determined as of the date of receipt of the written request at the Service Center.

If the Contract is cancelled during the first 24 months after the issue date of the Contract, any sales load previously deducted from the first two base premiums in excess of 30% of the first base premium and 10% of the second base premium will be refunded. (See "Contract Loading - Excess Sales Load" on page 15.)

LOANS

Contract owners may use the Contract as collateral to borrow funds from ML of New York. The minimum loan is \$200. Contract owners may repay all or part of the loan at any time during the insured's lifetime. Each repayment must be for at least \$200 or the amount of the debt, if less.

When a loan is taken, ML of New York transfers a portion of the contract owner's

investment base equal to the amount borrowed out of the investment divisions and holds it as collateral in its general account. When a loan repayment is made, ML of New York transfers an amount equal to the repayment from the general account to the investment divisions. The contract owner may select from which divisions borrowed amounts should be taken and which divisions should receive repayments (including interest

17

payments). Otherwise, ML of New York will take the borrowed amounts proportionately from and make repayments proportionately to the contract owner's investment base as then allocated in the investment divisions.

If a contract owner has the CMA Insurance Service, loans may be transferred to and loan repayments transferred from his or her CMA account.

EFFECT ON DEATH BENEFIT AND CASH VALUE. Whether or not a loan is repaid, taking a loan will have a permanent effect on a Contract's cash value and may have a permanent effect on its death benefit. This is because the collateral for a loan doesn't participate in the performance of the investment divisions while the loan is outstanding. If the amount credited to the collateral is more than what is earned in the investment divisions, the cash value may be higher as a result of the loan, as may be the death benefit. Conversely, if the amount credited is less, the cash value will be lower, as may be the death benefit. In that case, the lower cash value may cause the Contract to lapse sooner than if no loan had been taken.

LOAN VALUE. The loan value of a Contract equals 90% of its cash value. The sum of all outstanding loan amounts plus accrued interest is called debt. The maximum amount that can be borrowed at any time is the difference between the loan value and the debt.

INTEREST. While a loan is outstanding, ML of New York charges interest at a maximum rate of 6% annually. Currently ML of New York charges interest of 4.75% annually. Interest accrues each day and payments are due at the end of each contract year. If the interest isn't paid when due, it is added to the outstanding loan amount. Interest paid on a loan may not be tax deductible.

The amount held in ML of New York's general account as collateral for a loan earns interest at a minimum of 4% annually. Currently a loan amount earns interest at 4%.

NET LOAN COST. On each contract anniversary, ML of New York reduces the investment base by the net loan cost (the difference between the interest charged and the earnings on the amount held as collateral in the general account) and adds that amount to the amount held in the general account as collateral for the loan. Since the interest charged is 4.75% and the collateral earnings on such amounts are 4%, the current net loan cost on loaned amounts is .75%. The net loan cost is taken into account in determining the net cash surrender value of the Contract if the date of surrender is not a contract anniversary.

CANCELLATION DUE TO EXCESS DEBT. If the debt exceeds the larger of the cash value and the fixed base on a processing date, ML of New York will cancel the Contract 61 days after a notice of intent to terminate the Contract is mailed to the contract owner unless ML of New York has received at least the minimum repayment amount specified in the notice. During the first 24 months after the Contract is issued, ML of New York will add any excess sales load to the cash value so as to continue the Contract in effect if debt exceeds the larger of the cash value and the fixed base. (See "Contract Loading - Excess Sales Load" on page 15.) If the Contract lapses with a loan outstanding, adverse tax consequences may result. (See "Tax Considerations" on page 26.)

PARTIAL WITHDRAWALS

Beginning in contract year sixteen, a contract owner may make partial withdrawals by submitting a request in a form satisfactory to ML of New York. The effective date of the withdrawal is the date a withdrawal request is received at the Service Center. Contract owners may elect to receive the withdrawal amount either in a single payment or, subject to ML of New York's rules, under one or more income plans.

Contract owners may make one partial withdrawal each contract year. The minimum amount for each partial withdrawal is \$1,000. The remaining cash value less any debt following a partial withdrawal must equal or exceed \$5,000. The amount of any partial withdrawal may not exceed the loan value as of the effective date of the partial withdrawal less any debt. A partial withdrawal may not be repaid.

EFFECT ON INVESTMENT BASE, FIXED BASE, CASH VALUE AND DEATH BENEFIT. As of the effective date of the withdrawal, the investment base, fixed base, cash value and, if the contract owner has elected death

18

benefit option 1, the face amount of the Contract will each be reduced by the amount of the partial withdrawal. ML of New York allocates this reduction proportionately to the investment base in each of the contract owner's investment divisions unless notified otherwise. The variable insurance amount will also reflect the partial withdrawal as of the effective date.

EFFECT ON GUARANTEE PERIOD. As of the processing date on or next following the effective date of a partial withdrawal, ML of New York calculates a new guarantee period. This is done by taking the immediate decrease in cash value resulting from the partial withdrawal and adding to that amount interest at an annual rate of 5% for the period from the date of the withdrawal to the contract processing date on or next following such date. This is the guarantee adjustment amount. The guarantee adjustment amount is subtracted from the fixed base and the resulting new fixed base is used to calculate a new guarantee period. For a discussion of the effect of partial withdrawals on a Contract's guarantee period, see "Partial Withdrawals" in the Examples on page 39.

A partial withdrawal may cause a Contract which is not a modified endowment contract to become a modified endowment contract. In such a case, ML of New York will not process the partial withdrawal until the contract owner confirms in writing his or her intent to convert the Contract to a modified endowment contract. For a discussion of the tax issues associated with a partial withdrawal, see "Tax Considerations" on page 26.

DEATH BENEFIT PROCEEDS

ML of New York will pay the death benefit proceeds to the beneficiary upon receipt of all information needed to process the payment, including due proof of the death of the insured.

If the insured should die within two years from the Contract's issue date, within two years from the effective date of any requested change in the death benefit option requiring evidence of insurability, or within two years of an increase in the additional insurance rider face amount requiring evidence of insurability, due proof of the insured's death should be sent promptly to the Service Center since ML of New York may pay only a limited benefit or contest the Contract. (See "Incontestability" on page 23 and "Payment in Case of Suicide" on page 24.)

DEATH BENEFIT PROCEEDS. The death benefit payable depends on the death benefit

option in effect on the date of death.

- Under option 1, the death benefit is equal to the larger of the face amount or the variable insurance amount.
- Under option 2, the death benefit is equal to the larger of the face amount plus the cash value or the variable insurance amount.

Contract owners who wish to have investment experience reflected in insurance coverage should choose option 2. Contract owners who wish to have insurance coverage that generally does not vary in amount should choose option 1.

The death benefit will never be less than the amount required to keep the Contract qualified as life insurance under federal income tax laws.

To determine the death benefit proceeds, ML of New York will subtract from the death benefit any debt and add to the death benefit any rider benefits payable.

The values used in calculating the death benefit proceeds are as of the date of death. If the insured dies during the grace period, the death benefit proceeds equal the death benefit proceeds in effect immediately prior to the grace period reduced by any overdue charges. (See "When the Guarantee Period is Less Than for Life" on page 16.)

VARIABLE INSURANCE AMOUNT. ML of New York determines the variable insurance amount daily by:

- calculating the cash value (plus any excess sales load during the first 24 months after the Contract is issued); and

19

- multiplying it by the cash value corridor factor (explained below) for the insured at his or her attained age.

The variable insurance amount will never be less than required by federal tax law.

CASH VALUE CORRIDOR FACTOR. The cash value corridor factor is used to determine the amount of death benefit purchased by \$1.00 of cash value. It is based on the attained age of the insured on the date of calculation. It decreases daily as the insured's age increases. As a result, the variable insurance amount as a multiple of the cash value will decrease over time. A table of cash value corridor factors as of each anniversary is included in the Contract.

TABLE OF ILLUSTRATIVE CASH VALUE CORRIDOR FACTORS ON ANNIVERSARIES

<TABLE>
<CAPTION>

ATTAINED AGE	FACTOR
40 and under	250%
45	215%
55	150%
65	120%
75-90	105%
95 and over	100%

</TABLE>

CHANGING THE DEATH BENEFIT OPTION. On each contract anniversary beginning with the fifteenth, the contract owner may change the death benefit option. ML of New York will change the face amount in order to keep the death benefit constant on the effective date of the change. Therefore, if the change is from option 1 to

option 2, the face amount of the Contract will be decreased by the cash value on the date of the change. A change in the death benefit option will not be permitted if it would result in a face amount of less than \$100,000. If the change is from option 2 to option 1, the face amount of the Contract will be increased by the cash value on the date of the change. For a discussion of the effect of a change in the death benefit option on a Contract, see "Changing the Death Benefit Option" in the Examples on page 40.

If the contract owner requests a change in the death benefit option from option 1 to option 2, evidence of insurability in a form satisfactory to ML of New York that the insured is insurable may be required. In no event will a change be permitted if, after the change, the Contract would not qualify as life insurance under federal tax laws as interpreted by ML of New York.

A change in the death benefit option may cause a Contract which is not a modified endowment contract to become a modified endowment contract. In such a case, ML of New York will not process the change until the contract owner confirms in writing his or her intent to convert the Contract to a modified endowment contract. For a discussion of the tax issues associated with a change in the death benefit option, see "Tax Considerations" on page 26.

PAYMENT OF DEATH BENEFIT PROCEEDS

ML of New York will generally pay the death benefit proceeds to the beneficiary within seven days after all the information needed to process the payment is received at its Service Center. ML of New York will add interest from the date of the insured's death to the date of payment at an annual rate of at least 4%. The beneficiary may elect to receive the proceeds either in a single payment or under one or more income plans described on page 24.

Payment may be delayed if the Contract is being contested or under the circumstances described in "Using the Contract" on page 21 and "Other Contract Provisions" on page 23. If a delay is necessary and death of the insured occurs prior to the end of the guarantee period, ML of New York may delay payment of any excess of the death benefit over the face amount. After the guarantee period has expired, ML of New York may delay payment of the entire death benefit.

20

RIGHTS TO CANCEL OR EXCHANGE

"FREE LOOK" PERIOD. A contract owner may cancel his or her Contract during the "free look" period by returning it for a refund. Generally, the "free look" period ends the later of ten days after the Contract is received, 45 days after the contract owner completes the application or ten days after ML of New York mails or personally delivers to the contract owner the Notice of Withdrawal Right. To cancel the Contract during the "free look" period the contract owner must mail or deliver the Contract to ML of New York's Service Center or to the registered representative who sold it. ML of New York will refund the payment made without interest. If cancelled, ML of New York may require the contract owner to wait six months before applying again.

EXCHANGING THE CONTRACT. Contract owners may exchange their Contract at any time for a contract with benefits that do not vary with the investment results of a separate account. A request to exchange must be made in writing. To exchange, the original Contract must be returned to ML of New York's Service Center. The exchange will not require evidence of insurability.

The new contract will have the same owner, insured and beneficiary as those of the original Contract on the date of the exchange. The new contract will also have the same death benefit and the same net amount at risk as this Contract at the time of exchange, and will have payments which are based on the same issue age, sex, and underwriting class of the insured. Any debt will be carried over to the new contract. For a discussion of the tax consequences of exchanging the Contract, see "Tax Considerations" on page 26.

REPORTS TO CONTRACT OWNERS

After the end of each processing period, contract owners will be sent a statement of the allocation of their investment base, death benefit, cash value, any debt and, if there has been a change, the guarantee period and any increase or decrease in the additional insurance rider face amount. All figures will be as of the end of the immediately preceding processing period. The statement will show the amounts deducted from or added to the investment base during the processing period. The statement will also include any other information that may be currently required by New York.

Contract owners will receive confirmation of all financial transactions. Such confirmations will show the price per unit of each of the contract owner's investment divisions, the number of units a contract owner has in the investment division and the value of the investment division computed by multiplying the quantity of units by the price per unit. (See "Net Rate of Return for an Investment Division" on page 30.) The sum of the values in each investment division is a contract owner's investment base.

Contract owners will also be sent an annual and a semi-annual report containing financial statements and a list of portfolio securities of the Series Fund and the Variable Series Funds, as required by the Investment Company Act of 1940.

CMA ACCOUNT REPORTING. Contract owners who have the CMA Insurance Service will have certain Contract information included as part of their regular monthly CMA account statement. It will list the investment base allocation, death benefit, cash value, debt and any CMA account activity affecting the Contract during the month.

MORE ABOUT THE CONTRACT

USING THE CONTRACT

OWNERSHIP. The contract owner is usually the insured, unless another owner has been named in the application. The contract owner has all rights and options described in the Contract.

The contract owner may want to name a contingent owner. If the contract owner dies before the insured, the contingent owner will own the contract owner's interest in the Contract and have the contract owner's rights. If the contract owner doesn't name a contingent owner, the contract owner's estate will own the contract owner's interest in the Contract upon the owner's death.

If there is more than one contract owner, ML of New York will treat the owners as joint tenants with rights of survivorship unless the ownership designation provides otherwise. The owners must exercise their rights and options jointly, except that any one of the owners may reallocate the Contract's investment base by phone if the owner provides the personal identification number as well as the

Contract number. One contract owner must be designated, in writing, to receive all notices, correspondence and tax reporting to which contract owners are entitled under the Contract.

CHANGING THE OWNER. During the insured's lifetime, the contract owner has the right to transfer ownership of the Contract. The new owner will have all rights and options described in the Contract. The change will be effective as of the day the notice is signed, but will not affect any payment made or action taken by ML of New York before receipt of the notice of the change at the Service Center. Changing the owner may have tax consequences. (See "Tax Considerations" on page 26.)

ASSIGNING THE CONTRACT AS COLLATERAL. Contract owners may assign the Contract as collateral security for a loan or other obligation. This does not change the ownership. However, the contract owner's rights and any beneficiary's rights are subject to the terms of the assignment. Contract owners must give satisfactory written notice at the Service Center in order to make or release an assignment. ML of New York is not responsible for the validity of any assignment.

For a discussion of the tax issues associated with a collateral assignment, see "Tax Considerations" on page 26.

NAMING BENEFICIARIES. ML of New York will pay the primary beneficiary the death benefit proceeds of the Contract on the insured's death. If the primary beneficiary has died, ML of New York will pay the contingent beneficiary. If no contingent beneficiary is living, ML of New York will pay the estate of the insured.

A contract owner may name more than one person as primary or contingent beneficiaries. ML of New York will pay proceeds in equal shares to the surviving beneficiaries unless the beneficiary designation provides otherwise.

A contract owner has the right to change beneficiaries during the insured's lifetime, unless the primary beneficiary designation has been made irrevocable. If the designation is irrevocable, the primary beneficiary must consent when certain rights and options are exercised under this Contract. If the beneficiary is changed, the change will take effect as of the day the notice is signed, but will not affect any payment made or action taken by ML of New York before receipt of the notice of the change at the Service Center.

MATURITY PROCEEDS. The maturity date is the contract anniversary nearest the insured's 100th birthday. On the maturity date, ML of New York will pay the net cash surrender value to the contract owner, provided the insured is still living at that time.

HOW ML OF NEW YORK MAKES PAYMENTS. ML of New York generally pays death benefit proceeds, partial withdrawals, loans and net cash surrender value on cancellation from the Separate Account within seven days after the Service Center receives all the information needed to process the payment.

However, it may delay payment from the Separate Account if it isn't practical for ML of New York to value or dispose of Trust units, Series Fund shares or Variable Series Funds shares because:

- the New York Stock Exchange is closed, other than for a customary weekend

or holiday; or

- trading on the New York Stock Exchange is restricted by the Securities and Exchange Commission; or
- the Securities and Exchange Commission declares that an emergency exists such that it is not reasonably practical to dispose of securities held in the Separate Account or to determine the value of their assets.

22

SOME ADMINISTRATIVE PROCEDURES

Described below are certain administrative procedures. ML of New York reserves the right to modify them or to eliminate them. For administrative and tax purposes, ML of New York may from time to time require that specific forms be completed in order to accomplish certain transactions, including surrenders.

PERSONAL IDENTIFICATION NUMBER. ML of New York will send each contract owner a four-digit personal identification number ("PIN") shortly after the Contract is placed in force and before the end of the "free look" period. This number must be given when the contract owner calls the Service Center to get information about the Contract, to make a loan (if an authorization is on file), or to make other requests. Each PIN will be accompanied by a notice reminding the contract owner that all of the investment base is in the division investing in the Money Reserve Portfolio, and that this allocation may be changed by calling or writing to the Service Center. (See "Changing the Allocation" on page 14.)

REALLOCATING THE INVESTMENT BASE. Contract owners can reallocate their investment base either in writing in a form satisfactory to ML of New York or by phone. If the reallocation is requested by phone, contract owners must give their personal identification number as well as their Contract number. ML of New York will give a confirmation number over the phone and then follow up in writing.

REQUESTING A LOAN. A loan may be requested in writing in a form satisfactory to ML of New York or, if all required authorization forms are on file, by phone. Once the authorization has been received at the Service Center, contract owners can call the Service Center, give their Contract number, name and personal identification number, and tell ML of New York the loan amount and from which divisions the loan should be transferred.

ML of New York will wire the funds to the contract owner's account at the financial institution named on the contract owner's authorization. ML of New York will generally wire the funds within two working days of receipt of the request. If the contract owner has the CMA Insurance Service, funds may be transferred directly to that CMA account.

REQUESTING PARTIAL WITHDRAWALS. Beginning in contract year 16, partial withdrawals may be requested in writing in a form satisfactory to ML of New York. A contract owner may request a partial withdrawal by phone if all required phone authorization forms are on file. Once the authorization has been received at the Service Center, contract owners can call the Service Center, give their Contract number, name and personal identification number, and tell ML of New York how much to withdraw and from which investment divisions.

ML of New York will wire the funds to the contract owner's account at the

financial institution named on the contract owner's authorization. ML of New York will generally wire the funds within two working days of receipt of the request. If the contract owner has the CMA Insurance Service, funds may be transferred directly to that CMA account.

TELEPHONE REQUESTS. A telephone request for a loan, partial withdrawal or a reallocation received before 4 p.m. (ET) generally will be processed the same day. A request received at or after 4 p.m. (ET) will be processed the following business day. ML of New York reserves the right to change or discontinue telephone transfer procedures.

OTHER CONTRACT PROVISIONS

IN CASE OF ERRORS IN THE APPLICATION. If an age or sex given in the application is wrong, it could mean that the face amount or any other Contract benefit is wrong. ML of New York will pay what the payments made would have bought for the guarantee period at the true age or sex.

INCONTESTABILITY. ML of New York will rely on statements made in the applications. Legally, they are considered representations, not warranties. ML of New York can contest the validity of a Contract if any material misstatements are made in the initial application or any application for reinstatement. ML of New York can also contest the validity of any change in face amount due to a change in death benefit

23

option if any material misstatements are made in any application required for the change. ML of New York can also contest any amount of any death benefit which wouldn't be payable except for the fact that an increase in the additional insurance rider face amount which requires evidence of insurability was requested if any material misstatements are made in any application required for the increase.

ML of New York won't contest the validity of a Contract after it has been in effect during the lifetime of the insured for two years from the date of issue or the date of any reinstatement. A change in face amount due to a change in the death benefit option won't be contested after the change has been in effect during the lifetime of the insured for two years from the date of the change. Nor will ML of New York contest any amount of death benefit attributable to an increase in the additional insurance rider face amount which requires evidence of insurability after the increase has been in effect during the lifetime of the insured for two years from the date of the change.

PAYMENT IN CASE OF SUICIDE. If the insured commits suicide within two years from the Contract's issue date or the date of any reinstatement, ML of New York will pay only a limited death benefit and then terminate the Contract. The benefit will be equal to the amount of the payments made, reduced by any debt.

If the insured commits suicide within two years of the effective date of a change in death benefit option requiring evidence of insurability or of the effective date of an increase in additional insurance rider face amount requiring evidence of insurability, any amount of death benefit which would not be payable except for the fact that the face amount was increased will be limited to the amount of cost of insurance deductions made for the increase.

CONTRACT CHANGES - APPLICABLE FEDERAL TAX LAW. To receive the tax treatment accorded to life insurance under federal income tax law, the Contract must qualify initially and continue to qualify as life insurance under the Internal Revenue Code or successor law. Therefore, to maintain this qualification to the maximum extent of the law, ML of New York reserves the right to return any additional payments that would cause the Contract to fail to qualify as life insurance under applicable tax law as interpreted by ML of New York. Further, ML

of New York reserves the right to make changes in the Contract or its riders or to make distributions from the Contract to the extent it is necessary to continue to qualify the Contract as life insurance. Any changes will apply uniformly to all Contracts that are affected and contract owners will be given advance written notice of such changes.

INCOME PLANS

ML of New York offers several income plans to provide for payment of the death benefit proceeds to the beneficiary. The contract owner may choose one or more income plans at any time during the lifetime of the insured. If no plan has been chosen when the insured dies, the beneficiary has one year to apply the death benefit proceeds either paid or payable to that beneficiary to one or more of the plans. The contract owner may also choose one or more income plans if the Contract is cancelled or a partial withdrawal is taken. ML of New York's approval is needed for any plan where any income payment would be less than \$100. Payments under these plans do not depend on the investment results of a separate account.

INCOME PLANS INCLUDE:

ANNUITY PLAN. An amount can be used to purchase a single premium immediate annuity.

INTEREST PAYMENT. Amounts can be left with ML of New York to earn interest at an annual rate of at least 3%. Interest payments can be made annually, semi-annually, quarterly or monthly.

INCOME FOR A FIXED PERIOD. Payments are made in equal installments for a fixed number of years.

INCOME FOR LIFE. Payments are made in equal monthly installments until death of a named person or end of a designated period, whichever is later. The designated period may be for 10 or 20 years.

24

INCOME OF A FIXED AMOUNT. Payments are made in equal installments until proceeds applied under the option and interest on unpaid balance at not less than 3% per year are exhausted.

JOINT LIFE INCOME. Payments are made in monthly installments as long as at least one of two named persons is living. While both are living, full payments are made. If one dies, payments at two-thirds of the full amount are made. Payments end completely when both named persons die.

Once in effect, some of the plans may not provide any surrender rights.

GROUP OR SPONSORED ARRANGEMENTS

For certain group or sponsored arrangements, ML of New York may reduce the sales load, cost of insurance rates and the minimum payment and may modify underwriting classifications and requirements.

Group arrangements include those in which a trustee or an employer, for example, purchases Contracts covering a group of individuals on a group basis. Sponsored arrangements include those in which an employer allows ML of New York to sell Contracts to its employees on an individual basis. Costs for sales, administration and mortality generally vary with the size and stability of the group and the reasons the Contracts are purchased, among other factors. ML of New York takes all these factors into account when reducing charges. To qualify for reduced charges, a group or sponsored arrangement must meet certain requirements, including requirements for size and number of years in existence. Group or sponsored arrangements that have been set up solely to buy Contracts or that have been in existence less than six months will not qualify for reduced charges.

ML of New York makes any reductions according to rules in effect when an application for a Contract or additional payment is approved. It may change these rules from time to time. However, reductions in charges will not discriminate unfairly against any person.

UNISEX LEGAL CONSIDERATIONS FOR EMPLOYERS

In 1983 the Supreme Court held in ARIZONA GOVERNING COMMITTEE V. NORRIS that optional annuity benefits provided under an employee's deferred compensation plan could not, under Title VII of the Civil Rights Act of 1964, vary between men and women. In addition, legislative, regulatory or decisional authority of some states may prohibit use of sex-distinct mortality tables under certain circumstances.

Generally, the Contracts offered by this Prospectus are based on mortality tables that distinguish between men and women. As a result, the Contract pays different benefits to men and women of the same age. Employers and employee organizations should check with their legal advisers before purchasing these Contracts.

SELLING THE CONTRACTS

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") is the principal underwriter of the Contract. It was organized in 1958 under the laws of the state of Delaware and is registered as a broker dealer under the Securities Exchange Act of 1934. It is a member of the National Association of Securities Dealers, Inc. ("NASD"). The principal business address of MLPF&S is World Financial Center, 250 Vesey Street, New York, New York 10281. MLPF&S also acts as principal underwriter of other variable life insurance and variable annuity contracts issued by ML of New York, as well as variable life insurance and variable annuity contracts issued by Merrill Lynch Life Insurance Company, an affiliate of ML of New York. MLPF&S also acts as principal underwriter of certain mutual funds managed by MLAM, the investment adviser for the Series Fund and the Variable Series Funds.

Contracts are sold by registered representatives of MLPF&S who are also licensed through Merrill Lynch Life Agency, Inc. as insurance agents for ML of New York. ML of New York has entered into a distribution agreement with MLPF&S and a companion sales agreement with Merrill Lynch Life Agency, Inc. through which agreements the Contracts are sold and the registered representatives are compensated by Merrill Lynch Life Agency, Inc. and/or MLPF&S.

25

The maximum commissions ML of New York will pay to the applicable insurance agency to be used to pay commissions to registered representatives are as follows: 55% of the target premium under the Contract; plus 3% of payments in excess of the target premium, up to an amount of payments equal to ten base premiums; plus 1.5% of payments thereafter. Commissions may be paid in the form of non-cash compensation.

The amounts paid under the distribution and sales agreements for the Separate Account for the years ended December 31, 1993 and December 31, 1992 were \$_____ and \$226, respectively.

MLPF&S may arrange for sales of the Contract by other broker-dealers who are registered under the Securities Exchange Act of 1934 and are members of the NASD. Registered representatives of these other broker-dealers may be compensated on a different basis than MLPF&S registered representatives.

TAX CONSIDERATIONS

DEFINITION OF LIFE INSURANCE. In order to qualify as a life insurance contract for federal tax purposes, the Contract must meet the definition of a life insurance contract which is set forth in Section 7702 of the Internal Revenue Code of 1986, as amended (the "Code"). The manner in which Section 7702 should be applied to certain features of the Contract offered in this Prospectus is not directly addressed by Section 7702. Nevertheless, ML of New York believes that the Contract will meet the Section 7702 definition of a life insurance contract. This means that:

- the death benefit should be fully excludable from the gross income of the beneficiary under Section 101(a)(1) of the Code; and

- the contract owner should not be considered in constructive receipt of the cash value, including any increases, until actual cancellation of the Contract (see "Tax Treatment of Loans and Other Distributions" page 27).

In the absence of final regulations or other pertinent interpretations of Section 7702, however, there is necessarily some uncertainty as to whether a substandard risk Contract will meet the statutory life insurance contract definition. There may also be some uncertainty with respect to a Contract with an additional insurance rider attached. If a Contract were determined not to be a life insurance contract for purposes of Section 7702, such Contract would not provide most of the tax advantages normally provided by a life insurance contracts.

ML of New York thus reserves the right to make changes in the Contract if such changes are deemed necessary to attempt to assure its qualification as a life insurance contract for tax purposes. (See "Contract Changes - Applicable Federal Tax Law" on page 24.)

DIVERSIFICATION. Section 817(h) of the Code provides that separate account investments (or the investments of a mutual fund, the shares of which are owned by separate accounts of insurance companies) underlying the Contract must be "adequately diversified" in accordance with Treasury regulations in order for the Contract to qualify as life insurance. The Treasury Department has issued regulations prescribing the diversification requirements in connection with variable contracts. The Separate Account, through the Series Fund and the Variable Series Funds, intends to comply with these requirements. Although ML of New York doesn't control the Series Fund or the Variable Series Funds, it intends to monitor the investments of the Series Fund and the Variable Series Funds to ensure compliance with the requirements prescribed by the Treasury Department.

In connection with the issuance of the temporary diversification regulations, the Treasury Department stated that it anticipates the issuance of regulations or rulings prescribing the circumstances in which an owner's control of the investments of a separate account may cause the owner, rather than the insurance company, to be treated as the owner of the assets in the account. If the contract owner is considered the owner of the assets of the Separate Account, income and gains from the account would be included in the owner's gross income.

The ownership rights under the Contract offered in this Prospectus are similar to, but different in certain respects from, those described by the Internal

Revenue Service in rulings in which it determined that the owners were not owners of separate account assets. For example, the owner of the Contract has additional flexibility in allocating payments and cash values. These differences could result in the owner being treated as the owner of the assets of the Separate Account. In addition, ML of New York does not know what standards will be set forth in the regulations or rulings which the Treasury has stated it expects to be issued. ML of New York therefore reserves the right to modify the Contract as necessary to attempt to prevent the contract owner from being considered the owner of the assets of the Separate Account.

TAX TREATMENT OF LOANS AND OTHER DISTRIBUTIONS. Federal tax law establishes a class of life insurance contracts referred to as modified endowment contracts. A modified endowment contract is any contract which satisfies the definition of life insurance set forth in Section 7702 of the Code but fails to meet the 7-pay test. This test applies a cumulative limit on the amount of payments that can be made into a contract each year in the first seven contract years in order to avoid modified endowment treatment. In effect, compliance with the 7-pay test requires that contracts be purchased with a higher face amount for a given initial payment than would otherwise be required, at a minimum, to meet the definition of life insurance. Contracts that do not satisfy the 7-pay test, including contracts which initially satisfied the 7-pay test but later failed the test, will be considered modified endowment contracts subject to the following distribution rules. Loans and partial withdrawals from, as well as collateral assignments of, modified endowment contracts will be treated as distributions to the contract owner. Furthermore, if the loan interest is capitalized by adding the amount due to the balance of the loan, the amount of the capitalized interest will be treated as a distribution which may be subject to income tax, to the extent of the income in the contract. All pre-death distributions (including loans, partial withdrawals and collateral assignments) from these contracts will be included in gross income on an income-first basis to the extent of any income in the contract (the cash value less the contract owner's investment in the contract) immediately before the distribution.

The law also imposes a 10% penalty tax on pre-death distributions (including loans, capitalized interest, collateral assignments, partial withdrawals and complete surrenders) from modified endowment contracts to the extent they are included in income, unless such amounts are distributed on or after the taxpayer attains age 59 1/2, because the taxpayer is disabled, or as substantially equal periodic payments over the taxpayer's life (or life expectancy) or over the joint lives (or joint life expectancies) of the taxpayer and his or her beneficiary.

Contracts that comply with the 7-pay test will not be classified as modified endowment contracts. Loans from contracts that are not modified endowment contracts will be considered indebtedness of an owner and no part of a loan will constitute income to the owner. In addition, pre-death distributions from these contracts will generally not be included in gross income to the extent that the amount received does not exceed the owner's investment in the contract. A lapse of such a contract with an outstanding loan will result in the treatment of the loan cancellation (including the accrued interest) as a distribution under the contract and may be taxable.

Compliance with the 7-pay test does not imply or guarantee that only seven payments will be required for the initial death benefit to be guaranteed for life. Making additional payments or reducing the benefits (for example, through a partial withdrawal, a change in death benefit option or terminating additional benefits under a rider) may violate the 7-pay test or, at a minimum, reduce the amount that may be paid in the future under the 7-pay test. Further, reducing the death benefit during the first seven contract years will require retroactive retesting and may well result in a failure of the 7-pay test regardless of any efforts by ML of New York to provide a payment schedule that will not violate the 7-pay test.

Any contract received in an exchange for a modified endowment contract will be considered a modified endowment contract and will be subject to the tax treatment accorded to modified endowment contracts that is described in the

Prospectus. A contract that is not originally classified as a modified endowment contract can become so classified if there is a reduction in benefits during the first seven contract years

(including, for example, by a decrease in the additional insurance rider face amount or a change in death benefit option) or if a material change is made in the contract at any time. A material change includes, but is not limited to, a change in the benefits that was not reflected in a prior 7-pay test computation, such as a change in death benefit option. This could result from additional payments made after 7-pay test calculations done at the time of the contract exchange. Contract owners may choose not to exercise their right to make additional payments, in order to preserve their contract's current tax treatment.

If a contract becomes a modified endowment contract, distributions that occur during the contract year it becomes a modified endowment contract and any subsequent contract year will be taxed as distributions from a modified endowment contract. In addition, distributions from a contract within two years before it becomes a modified endowment contract will be taxed in this manner. This means that a distribution made from a contract that is not a modified endowment contract could later become taxable as a distribution from a modified endowment contract.

SPECIAL TREATMENT OF LOANS ON THE CONTRACT. If there is any borrowing against the Contract, whether a modified endowment contract or not, the interest paid on loans may not be tax deductible.

AGGREGATION OF MODIFIED ENDOWMENT CONTRACTS. In the case of a pre-death distribution (including a loan, partial withdrawal, collateral assignment or complete surrender) from a contract that is treated as a modified endowment contract under the rules described above, a special aggregation requirement may apply for purposes of determining the amount of the income on the contract. Specifically, if ML of New York or any of its affiliates issues to the same contract owner more than one modified endowment contract within a calendar year, then for purposes of measuring the income on the contract with respect to a distribution from any of those contracts, the income on the contract for all those contracts will be aggregated and attributed to that distribution.

TAX TREATMENT OF POLICY SPLIT. The Contract may be issued upon exercise of rights provided by a policy split rider under certain joint and last survivor contracts issued by ML of New York. (For more information about this rider and the conditions and rules relating to the exercise of any rights under the rider, the contract owner should call the Service Center.) A policy split could have adverse tax consequences; for example, it is not clear whether a policy split will be treated as a nontaxable exchange under Sections 1031 through 1043 of the Code. If a policy split is not treated as a nontaxable exchange, a split could result in the recognition of taxable income in an amount up to any gain in the joint and last survivor contract at the time of the split. In addition, it is not clear whether the individual Contracts that result from a policy split would in all circumstances be treated as life insurance contracts for federal income tax purposes and, if so treated, whether the Contracts would be classified as modified endowment contracts. (See "Tax Treatment of Loans and Other Distributions" page 27.) Before the contract owner exercises rights provided by a policy split rider in order to obtain this Contract, it is important that he or she consult with a competent tax advisor regarding the possible consequences of a policy split.

OTHER TAX CONSIDERATIONS. The transfer of the Contract or the designation of a beneficiary may have federal, state, and/or local transfer and inheritance tax consequences, including the imposition of gift, estate and generation skipping transfer taxes. For example, the transfer of the Contract to, or the designation as beneficiary of, or the payment of proceeds to, a person who is assigned to a generation which is two or more generations below the generation assignment of

the contract owner, may have generation skipping transfer tax considerations under Section 2601 of the Code.

The individual situation of each contract owner or beneficiary will determine the extent, if any, to which federal, state and local transfer taxes may be imposed. The contract owner should consult with a tax advisor for specific information in connection with these taxes.

The particular situation of each contract owner or beneficiary will determine how ownership or receipt of contract proceeds will be treated for purposes of federal estate tax as well as state and local estate, inheritance, generation skipping and other taxes.

OTHER TRANSACTIONS. Changing the contract owner may have tax consequences. Exchanging this Contract for another involving the same insured should have no federal income consequences if there is no

28

debt and no cash or other property is received, according to Section 1035(a)(1) of the Code. The new contract would have to satisfy the 7-pay test from the date of the exchange to avoid characterization as a modified endowment contract. An exchange for a new contract may, however, result in a loss of grandfathering status for statutory changes made after the old contract was issued. A tax advisor should be consulted before effecting an exchange.

OWNERSHIP OF THIS CONTRACT BY NON-NATURAL PERSONS. The above discussion of the tax consequences arising from the purchase, ownership and transfer of the Contract has assumed that the owner of the Contract consists of one or more individuals. Organizations exempt from taxation under Section 501(a) of the Code may be subject to additional or different tax consequences with respect to transactions such as contract loans. Further, organizations purchasing Contracts covering the life of an individual who is an officer or employee of, or is financially interested in, the taxpayer's trade or business, may be unable to deduct all or a portion of the interest or payments made with respect to the Contract. Such organizations should obtain tax advice prior to the acquisition of this Contract and also before entering into any subsequent changes to or transactions under this Contract.

WE DO NOT MAKE ANY GUARANTEE REGARDING THE TAX STATUS OF ANY CONTRACT OR ANY TRANSACTION REGARDING THE CONTRACT.

THE ABOVE DISCUSSION IS NOT INTENDED AS TAX ADVICE. FOR TAX ADVICE CONTRACT OWNERS SHOULD CONSULT A COMPETENT TAX ADVISOR. ALTHOUGH THIS TAX DISCUSSION IS BASED ON ML OF NEW YORK'S UNDERSTANDING OF FEDERAL INCOME TAX LAWS AS THEY ARE CURRENTLY INTERPRETED, IT CAN'T GUARANTEE THAT THOSE LAWS OR INTERPRETATIONS WILL REMAIN UNCHANGED.

ML OF NEW YORK'S INCOME TAXES

As a result of the Omnibus Budget Reconciliation Act of 1990, insurance companies are generally required to capitalize and amortize certain policy acquisition expenses over a ten-year period rather than currently deducting such expenses. This treatment applies to the deferred acquisition expenses of a Contract and results in a significantly higher corporate income tax liability for ML of New York in early contract years. ML of New York makes a charge to compensate ML of New York for the anticipated higher corporate income taxes that result from the receipt of payments under a Contract. (See "Contract Loading" on page 15.)

Currently, ML of New York makes no charges to the Separate Account for any federal, state or local taxes that it incurs that may be attributable to the Separate Account or to the Contracts. ML of New York, however, reserves the

right to make a charge for assessments of federal premium taxes or federal, state or local excise, profits or income taxes measured by or attributable to the receipt of premiums.

REINSURANCE

ML of New York intends to reinsure some of the risks assumed under the Contracts.

MORE ABOUT THE SEPARATE ACCOUNT AND ITS DIVISIONS

ABOUT THE SEPARATE ACCOUNT

The Separate Account is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as a unit investment trust. This registration does not involve any supervision by the Securities and Exchange Commission of ML of New York's management or the management of the Separate Account. The Separate Account is also governed by the laws of the State of New York, ML of New York's state of domicile. ML of New York owns all of the assets of the Separate Account. These assets are held separate and apart from all of ML of New York's other assets. ML of New York maintains records of all purchases and redemptions of Series Fund, Variable Series Funds and Zero Trust shares by each of the investment divisions.

29

CHANGES WITHIN THE ACCOUNT

ML of New York may from time to time make additional investment divisions available to contract owners. These divisions will invest in investment portfolios ML of New York finds suitable for the Contracts. ML of New York also has the right to eliminate investment divisions from the Separate Account, to combine two or more investment divisions, or to substitute a new portfolio for the portfolio in which an investment division invests. A substitution may become necessary if, in ML of New York's judgment, a portfolio no longer suits the purposes of the Contracts. This may happen due to a change in laws or regulations or in a portfolio's investment objectives or restrictions, or because the portfolio is no longer available for investment, or for some other reason. ML of New York would get any required prior approval from the New York State Insurance Department and the Securities and Exchange Commission before making such a substitution. It would also get any other required approvals before making such a substitution.

Subject to any required regulatory approvals, ML of New York reserves the right to transfer assets of the Separate Account or of any of the investment divisions to another separate account or investment division.

When permitted by law, ML of New York reserves the right to:

- deregister the Separate Account under the Investment Company Act of 1940;
- operate the Separate Account as a management company under the Investment Company Act of 1940;
- restrict or eliminate any voting rights of contract owners, or other persons who have voting rights as to the Separate Account; and
- combine the Separate Account with other separate accounts.

NET RATE OF RETURN FOR AN INVESTMENT DIVISION

Each investment division has a distinct unit value (also referred to as "price" or "separate account index" in reports furnished to the contract owner by ML of New York). When payments or other amounts are allocated to an investment division, a number of units are purchased based on the value of a unit of the investment division as of the end of the valuation period during which the

allocation is made. When amounts are transferred out of, or deducted from, an investment division, units are redeemed in a similar manner. A valuation period is each business day together with any non-business days before it. A business day for an investment division is any day the New York Stock Exchange is open or there's enough trading in portfolio securities to materially affect the net asset value of an investment division.

For each investment division, the separate account index was initially set at \$10.00. The separate account index for each subsequent valuation period fluctuates based upon the net rate of return for that period. ML of New York determines the net rate of return of an investment division at the end of each valuation period. The net rate of return reflects the investment performance of the division for the valuation period and is net of the charges to the Separate Account described above.

For divisions investing in the Series Fund or the Variable Series Funds, shares are valued at net asset value and reflect reinvestment of any dividends or capital gains distributions declared by the Series Fund or the Variable Series Funds.

For divisions investing in the Zero Trusts, units of each Zero Trust are valued at the sponsor's repurchase price, as explained in the prospectus for the Zero Trusts.

THE SERIES FUND AND THE VARIABLE SERIES FUNDS

BUYING AND REDEEMING SHARES. The Series Fund and the Variable Series Funds sell and redeem their shares at net asset value. Any dividend or capital gain distribution will be reinvested at net asset value in shares of the same portfolio.

VOTING RIGHTS. ML of New York is the legal owner of all Series Fund and Variable Series Funds shares held in the Separate Account. As the owner, ML of New York has the right to vote on any matter put to vote at

the Series Fund's and the Variable Series Funds' shareholder meetings. However, ML of New York will vote all Series Fund and Variable Series Funds shares attributable to Contracts according to instructions received from contract owners. Shares attributable to Contracts for which no voting instructions are received will be voted in the same proportion as shares in the respective investment divisions for which instructions are received. Shares not attributable to Contracts will also be voted in the same proportion as shares in the respective divisions for which instructions are received. If any federal securities laws or regulations, or their present interpretation, change to permit ML of New York to vote Series Fund or Variable Series Funds shares in its own right, it may elect to do so.

ML of New York determines the number of shares that contract owners have in an investment division by dividing their Contract's investment base in that division by the net asset value of one share of the portfolio. Fractional votes will be counted. ML of New York will determine the number of shares for which a contract owner may give voting instructions 90 days or less before each Series Fund or Variable Series Funds meeting. ML of New York will request voting instructions by mail at least 14 days before the meeting.

Under certain circumstances, ML of New York may be required by state regulatory authorities to disregard voting instructions. This may happen if following the instructions would mean voting to change the sub-classification or investment objectives of the portfolios, or to approve or disapprove an investment advisory contract.

ML of New York may also disregard instructions to vote for changes initiated by a contract owner in the investment policy or the investment adviser if it disapproves of the proposed changes. ML of New York would disapprove a proposed change only if it was:

- contrary to state law;
- prohibited by state regulatory authorities; or
- decided by management that the change would result in overly speculative or unsound investments.

If ML of New York disregards voting instructions, it will include a summary of its actions in the next semi-annual report.

RESOLVING MATERIAL CONFLICTS. Shares of the Series Fund are available for investment by ML of New York, Merrill Lynch Life Insurance Company (an indirect wholly owned subsidiary of Merrill Lynch & Co., Inc.) and Monarch Life Insurance Company (an insurance company not affiliated with ML of New York or Merrill Lynch & Co., Inc.). Shares of the Variable Series Funds are currently sold only to separate accounts of ML of New York, Merrill Lynch Life Insurance Company and Family Life Insurance Company (an insurance company not affiliated with ML of New York or Merrill Lynch & Co., Inc.) to fund benefits under certain variable life insurance and variable annuity contracts. The Basic Value Focus Fund, World Income Focus Fund, Global Utility Focus Fund, International Equity Focus Fund, International Bond Fund and Developing Capital Markets Focus Fund are only offered to separate accounts of ML of New York and Merrill Lynch Life Insurance Company. The Equity Growth Fund is also offered to Family Life Insurance Company.

It is possible that differences might arise between ML of New York's Separate Account and one or more of the other separate accounts which invest in the Series Fund or the Variable Series Funds. In some cases, it is possible that the differences could be considered "material conflicts". Such a "material conflict" could also arise due to changes in the law (such as state insurance law or federal tax law) which affect these different variable life insurance and variable annuity separate accounts. It could also arise by reason of difference in voting instructions from ML of New York's contract owners and those of the other insurance companies, or for other reasons. ML of New York will monitor events to determine how to respond to such conflicts. If a conflict occurs, ML of New York may be required to eliminate one or more investment

31

divisions of the Separate Account which invest in the Series Fund or the Variable Series Funds or substitute a new portfolio for a portfolio in which a division invests. In responding to any conflict, ML of New York will take the action which it believes necessary to protect its contract owners.

CHARGES TO SERIES FUND ASSETS

The Series Fund incurs operating expenses and pays a monthly advisory fee to MLAM. This fee equals an annual rate of:

- .50% of the first \$250 million of the aggregate average daily net assets of the Series Fund;
- .45% of the next \$50 million of such assets;
- .40% of the next \$100 million of such assets;
- .35% of the next \$400 million of such assets; and
- .30% of such assets over \$800 million.

One or more of the insurance companies investing in the Series Fund has agreed to reimburse the Series Fund so that the ordinary expenses of each portfolio (which include the monthly advisory fee) do not exceed .50% of the portfolio's average daily net assets. These companies have also agreed to reimburse MLAM for any amounts it pays under the investment advisory agreement, as described below. These reimbursement obligations will remain in effect so long as the advisory agreement remains in effect and cannot be amended or terminated without Series Fund approval.

Under its investment advisory agreement, MLAM has agreed that if any portfolio's aggregate ordinary expenses (excluding interest, taxes, brokerage fees, commissions and extraordinary charges) exceed the expense limitations for investment companies in effect under any state securities law or regulation, it will reduce its fee for that portfolio by the amount of the excess. If required, it will reimburse the Series Fund for the excess. This reimbursement agreement will remain in effect so long as the advisory agreement remains in effect and cannot be amended without Series Fund approval.

CHARGES TO VARIABLE SERIES FUNDS ASSETS

The Variable Series Funds incurs operating expenses and pays a monthly advisory fee to MLAM. This fee equals an annual rate of .60% of the average daily net assets of the Basic Value Focus Fund, World Income Focus Fund and Global Utility Focus Fund. This fee equals an annual rate of .75%, ___% and ___% of the average daily net assets of the International Equity Focus Fund, the International Bond Fund and the Developing Capital Markets Focus Fund, respectively.

Under its investment advisory agreement, MLAM has agreed to reimburse the Variable Series Funds if and to the extent that in any fiscal year the operating expenses of any Fund exceeds the most restrictive expense limitations then in effect under any state securities laws or published regulations thereunder. Expenses for this purpose include MLAM's fee but exclude interest, taxes, brokerage fees and commissions and extraordinary charges, such as litigation. No fee payments will be made to MLAM with respect to any Fund during any fiscal year which would cause the expenses of such Fund to exceed the pro rata expense limitation applicable to such Fund at the time of such payment. This reimbursement agreement will remain in effect so long as the advisory agreement remains in effect and cannot be amended without Variable Series Funds approval.

MLAM and Merrill Lynch Life Agency, Inc. have entered into two agreements which limit the operating expenses paid by each Fund in a given year to 1.25% of its average daily net assets, which is less than the expense limitations imposed by state securities laws or published regulations thereunder. These reimbursement agreements provide that any expenses in excess of 1.25% of average daily net assets will be reimbursed to the Fund by MLAM which, in turn, will be reimbursed by Merrill Lynch Life Agency, Inc.

THE ZERO TRUSTS

THE 20 ZERO TRUSTS:

<TABLE>
<CAPTION>

Zero Trust	Maturity Date	Targeted Rate of Return to Maturity as of , 1994
<C>	<S>	<C>
1994	August 15, 1994	
1995	November 15, 1995	
1996	February 15, 1996	
1997	February 15, 1997	
1998	February 15, 1998	
1999	February 15, 1999	
2000	February 15, 2000	
2001	February 15, 2001	
2002	February 15, 2002	
2003	August 15, 2003	
2004		
2005	February 15, 2005	
2006	February 15, 2006	
2007	February 15, 2007	
2008	February 15, 2008	
2009	February 15, 2009	
2010	February 15, 2010	
2011	February 15, 2011	
2013	February 15, 2013	
2014		

TARGETED RATE OF RETURN TO MATURITY

Because the underlying securities in the Zero Trusts will grow to their face value on the maturity date, it is possible to estimate a compound rate of growth to maturity for the Zero Trust units.

But because the units are held in the Separate Account, the asset charge and the trust charge (described in "Charges to the Separate Account" on page 15) must be taken into account in estimating a targeted rate of return for the Separate Account. The targeted rate of return to maturity for the Separate Account depends on the compound rate of growth adjusted for these charges. It does not, however, represent the actual return on a payment ML of New York might receive under the Contract on that date, since it does not reflect the charges for contract loading deducted from payments to a Contract, charges for cost of insurance and rider charges and any net loan cost deducted from a Contract's investment base.

Since the value of the Zero Trust units will vary daily to reflect the market value of the underlying securities, the compound rate of growth to maturity for the Zero Trust units and the targeted rate of return to maturity for the Separate Account will vary correspondingly.

ILLUSTRATIONS

ILLUSTRATIONS OF DEATH BENEFITS, INVESTMENT BASE, NET CASH SURRENDER VALUES AND ACCUMULATED PAYMENTS

The tables on pages 35 through 38 demonstrate the way in which the Contract works. The tables are based on the following ages, face amounts, payments and guarantee periods and show values based upon both current and maximum mortality

charges.

1. The illustration on page 35 is for a Contract issued to a male age 45 in the standard non-smoker underwriting class with annual payments of \$18,009 through contract year 38, an initial face amount of \$1 million, an initial guarantee period of 2.5 years and coverage under death benefit option 1. It assumes current mortality charges.

33

2. The illustration on page 36 is for a Contract issued to a male age 45 in the standard non-smoker underwriting class with annual payments of \$18,009 through contract year 45, an initial face amount of \$1 million, an initial guarantee period of 2.5 years and coverage under death benefit option 1. It assumes maximum mortality charges.

3. The illustration on page 37 is for a Contract issued to a male age 45 in the standard non-smoker underwriting class with annual payments of \$55,163 through contract year 43, an initial face amount of \$1 million, an initial guarantee period of 9.5 years and coverage under death benefit option 2. It assumes current mortality charges.

4. The illustration on page 38 is for a Contract issued to a male age 45 in the standard non-smoker underwriting class with annual payments of \$55,163 through contract year 43, an initial face amount of \$1 million, an initial guarantee period of 9.5 years and coverage under death benefit option 2. It assumes maximum mortality charges.

The tables show how the death benefit, investment base and net cash surrender value may vary over an extended period of time assuming hypothetical rates of return (i.e., investment income and capital gains and losses, realized or unrealized) equivalent to constant gross annual rates of 0%, 6% and 12%.

The death benefit, investment base and net cash surrender value for a Contract would be different from those shown if the actual rates of return averaged 0%, 6% and 12% over a period of years, but also fluctuated above or below those averages for individual contract years.

The amounts shown for the death benefit, investment base and net cash surrender value as of the end of each contract year take into account the daily asset charge in the Separate Account equivalent to .90% (annually at the beginning of the year) of assets attributable to the Contracts at the beginning of the year.

The amounts shown in the tables also assume an additional charge of %. This charge assumes that investment base is allocated equally among all investment divisions and is based on the 1993 expenses (including monthly advisory fees) for the Series Fund and the Variable Series Funds, anticipated 1994 expenses for the International Bond Fund and the Developing Capital Markets Focus Fund, and the current trust charge. This charge does not reflect expenses incurred by the Global Strategy Portfolio and the Natural Resources Portfolio of the Series Fund in 1993, which were reimbursed to the Series Fund by MLAM. The reimbursements amounted to .01% and .09%, respectively, of the average daily net assets of these portfolios. (See "Charges to Series Fund Assets" on page 32.) The actual charge under a Contract for Series Fund and Variable Series Funds expenses and the trust charge will depend on the actual allocation of the investment base and may be higher or lower depending on how the investment base is allocated.

Taking into account the .90% asset charge in the Separate Account and the % charge described above, the gross annual rates of investment return of 0%, 6% and 12% correspond to net annual rates of %, %, and %, respectively. The gross returns are before any deductions and should not be compared to rates which are after deduction of charges.

The hypothetical returns shown on the tables are without any income tax charges that may be attributable to the Separate Account in the future, although they do reflect the charge for federal taxes included in the contract loading. (See "Contract Loading" on page 15.) In order to produce after tax returns of 0%, 6% and 12%, the Series Fund and the Variable Series Funds would have to earn a sufficient amount in excess of 0% or 6% or 12% to cover any tax charges attributable to the Separate Account.

The second column of the tables shows the amount which would accumulate if an amount equal to the payments were invested to earn interest (after taxes) at 5% compounded annually.

ML of New York will furnish upon request a comparable illustration reflecting the proposed insured's age, face amount and the payment amounts requested. The illustration will also use current cost of insurance rates and will assume that the proposed insured is in a standard non-smoker underwriting class.

34

MALE ISSUE AGE 45

STANDARD NON-SMOKER UNDERWRITING CLASS

ANNUAL PAYMENTS OF \$18,009 THROUGH CONTRACT YEAR 38

FACE AMOUNT(1): \$1 MILLION INITIAL GUARANTEE PERIOD: 2.5 YEARS

DEATH BENEFIT OPTION 1
 BASED ON CURRENT MORTALITY CHARGES

<TABLE>
 <CAPTION>

CONTRACT YEAR	PAYMENTS (2) (6)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5% AS OF END OF YEAR	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$18,009	\$ 18,909	\$	\$	\$
2.....	18,009	38,764			
3.....	18,009	59,612			
4.....	18,009	81,502			
5.....	18,009	104,487			
6.....	18,009	128,621			
7.....	18,009	153,962			
8.....	18,009	180,570			
9.....	18,009	208,508			
10.....	18,009	237,843			
15.....	18,009	408,043			
20.....	18,009	625,265			
30.....	18,009	1,256,330			
age 99.....	0	4,668,248			

</TABLE>

<TABLE>
 <CAPTION>

END OF YEAR

INVESTMENT BASE AND
NET CASH SURRENDER VALUE (3) (4)
ASSUMING HYPOTHETICAL GROSS
ANNUAL RATE OF RETURN OF

END OF YEAR
CASH VALUE (3) (5)
ASSUMING HYPOTHETICAL GROSS
ANNUAL RATE OF RETURN OF

CONTRACT YEAR	INVESTMENT BASE AND NET CASH SURRENDER VALUE (3) (4)			END OF YEAR CASH VALUE (3) (5)		
	0%	6%	12%	0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1.....	\$	\$	\$	\$	\$	\$
2.....						
3.....						
4.....						
5.....						
6.....						
7.....						
8.....						
9.....						
10.....						
15.....						
20.....						
30.....						
age 99.....						
<FN>						

- (1) Assumes no additional insurance rider face amount.
- (2) All payments are illustrated as if made at the beginning of the contract year.
- (3) Assumes annual payments are made and no loans or withdrawals have been taken.
- (4) Investment base will equal net cash surrender value on each contract anniversary. If the Contract is surrendered within 24 months after issue, the contract owner will also receive any excess sales load previously deducted.
- (5) Cash value will equal investment base and net cash surrender value on each contract anniversary if no loans have been taken.
- (6) The payments shown may extend beyond the year in which the automatic adjustment is made. At annual rates of return of 6% and 12% and currently mortality charges, the guarantee period reaches life of the insured in contract years 27 and 15, respectively. Once a guarantee of life is reached, no more payments would be accepted. Values shown at annual rates of return of 0%, 6% and 12% do not reflect any payments shown after a guarantee of life is reached.

</TABLE>

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE AND ELSEWHERE IN THIS PROSPECTUS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE PERFORMANCE. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE ILLUSTRATED AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS SELECTED, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT, INVESTMENT BASE AND CASH VALUE WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL GROSS RATES OF RETURN AVERAGED 0%, 6% AND 12% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL CONTRACT YEARS. NO REPRESENTATIONS CAN BE MADE BY ML OF NEW YORK OR THE SERIES FUND OR THE VARIABLE SERIES FUNDS OR THE ZERO TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

MALE ISSUE AGE 45

STANDARD NON SMOKER UNDERWRITING CLASS

ANNUAL PAYMENTS OF \$18,009 THROUGH CONTRACT YEAR 45
FACE AMOUNT(1): \$1 MILLION INITIAL GUARANTEE PERIOD: 2.5 YEARS

DEATH BENEFIT OPTION 1
 BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>
 <CAPTION>

END OF CONTRACT YEAR	PAYMENTS (2) (6)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5% AS OF END OF YEAR	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$18,009	\$ 18,909	\$	\$	\$
2.....	18,009	38,764			
3.....	18,009	59,612			
4.....	18,009	81,502			
5.....	18,009	104,487			
6.....	18,009	128,621			
7.....	18,009	153,962			
8.....	18,009	180,570			
9.....	18,009	208,508			
10.....	18,009	237,843			
15.....	18,009	408,043			
20.....	18,009	625,265			
30.....	18,009	1,256,330			
age 99.....	0	4,919,032			

</TABLE>

<TABLE>
 <CAPTION>

CONTRACT YEAR	END OF YEAR INVESTMENT BASE AND NET CASH SURRENDER VALUE (3) (4) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF			END OF YEAR CASH VALUE (3) (5) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF		
	0%	6%	12%	0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1.....	\$	\$	\$	\$	\$	\$
2.....						
3.....						
4.....						
5.....						
6.....						
7.....						
8.....						
9.....						
10.....						
15.....						
20.....						
30.....						
age 99.....						

<FN>

- (1) Assumes no additional insurance rider face amount.
- (2) All payments are illustrated as if made at the beginning of the contract year.
- (3) Assumes annual payments are made and no loans or withdrawals have been taken.
- (4) Investment base will equal net cash surrender value on each contract anniversary. If the Contract is surrendered within 24 months after issue, the contract owner will also receive any excess sales load previously deducted.
- (5) Cash value will equal investment base and net cash surrender value on each contract anniversary if no loans have been taken.
- (6) The payments shown may extend beyond the year in which the automatic

adjustment is made. At an annual rate of return of 12% and maximum mortality charges, the guarantee period reaches life of the insured in contract year 17. Once a guarantee of life is reached, no more payments would be accepted. Values shown at annual rates of return of 0%, 6% and 12% do not reflect any payments shown after a guarantee of life is reached.

</TABLE>

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE AND ELSEWHERE IN THIS PROSPECTUS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE PERFORMANCE. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE ILLUSTRATED AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS SELECTED, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT, INVESTMENT BASE AND CASH VALUE WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL GROSS RATES OF RETURN AVERAGED 0%, 6% AND 12% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL CONTRACT YEARS. NO REPRESENTATIONS CAN BE MADE BY ML OF NEW YORK OR THE SERIES FUND OR THE VARIABLE SERIES FUNDS OR THE ZERO TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

36

MALE ISSUE AGE 45

STANDARD NON-SMOKER UNDERWRITING CLASS

ANNUAL PAYMENTS OF \$55,163 THROUGH CONTRACT YEAR 43

FACE AMOUNT (1): \$1 MILLION INITIAL GUARANTEE PERIOD: 9.5 YEARS

DEATH BENEFIT OPTION 2

BASED ON CURRENT MORTALITY CHARGES

<TABLE>
<CAPTION>

CONTRACT YEAR	PAYMENTS (2) (6)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5% AS OF END OF YEAR	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$55,163	\$ 57,921	\$	\$	\$
2.....	55,163	118,738			
3.....	55,163	182,596			
4.....	55,163	249,647			
5.....	55,163	320,051			
6.....	55,163	393,975			
7.....	55,163	471,595			
8.....	55,163	553,096			
9.....	55,163	638,672			
10.....	55,163	728,527			
15.....	55,163	1,249,857			
20.....	55,163	1,915,220			
30.....	55,163	3,848,219			
age 99.....	0	14,873,906			

</TABLE>

<TABLE>
<CAPTION>

END OF YEAR INVESTMENT BASE AND NET CASH SURRENDER VALUE (3) (4) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF	END OF YEAR CASH VALUE (3) (5) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF
---	--

CONTRACT YEAR	0%	6%	12%	0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1.....	\$	\$	\$	\$	\$	\$
2.....						
3.....						
4.....						
5.....						
6.....						
7.....						
8.....						
9.....						
10.....						
15.....						
20.....						
30.....						
age 99.....						
<FN>						

- (1) Assumes no additional insurance rider face amount.
- (2) All payments are illustrated as if made at the beginning of the contract year.
- (3) Assumes annual payments are made and no loans or withdrawals have been taken.
- (4) Investment base will equal net cash surrender value on each contract anniversary. If the Contract is surrendered within 24 months after issue, the contract owner will also receive any excess sales load previously deducted.
- (5) Cash value will equal investment base and net cash surrender value on each contract anniversary if no loans have been taken.
- (6) The payments shown may extend beyond the year in which the automatic adjustment is made. At annual rates of return of 6% and 12% and current mortality charges, the guarantee period reaches life of the insured in contract years 36 and 17, respectively. Once a guarantee of life is reached, no more payments would be accepted. Values shown at annual rates of return of 0%, 6% and 12% do not reflect any payments shown after a guarantee of life is reached.

</TABLE>

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE AND ELSEWHERE IN THIS PROSPECTUS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE PERFORMANCE. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE ILLUSTRATED AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS SELECTED, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT, INVESTMENT BASE AND CASH VALUE WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL GROSS RATES OF RETURN AVERAGED 0%, 6% AND 12% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL CONTRACT YEARS. NO REPRESENTATIONS CAN BE MADE BY ML OF NEW YORK OR THE SERIES FUND OR THE VARIABLE SERIES FUNDS OR THE ZERO TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

37

MALE ISSUE AGE 65

STANDARD NON-SMOKER UNDERWRITING CLASS

ANNUAL PAYMENTS OF \$55,163 THROUGH CONTRACT YEAR 43

FACE AMOUNT: \$1 MILLION INITIAL GUARANTEE PERIOD: 9.25 YEARS

DEATH BENEFIT OPTION 2

BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>
<CAPTION>

CONTRACT YEAR	PAYMENTS (2) (6)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5% AS OF END OF YEAR	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$55,163	\$ 57,921	\$	\$	\$
2.....	55,163	118,738			
3.....	55,163	182,596			
4.....	55,163	249,647			
5.....	55,163	320,051			
6.....	55,163	393,975			
7.....	55,163	471,595			
8.....	55,163	553,096			
9.....	55,163	638,672			
10.....	55,163	728,527			
15.....	55,163	1,249,857			
20.....	55,163	1,915,220			
30.....	55,163	3,848,219			
age 99.....	0	14,873,906			

</TABLE>

<TABLE>
<CAPTION>

CONTRACT YEAR	END OF YEAR INVESTMENT BASE AND NET CASH SURRENDER VALUE (3) (4) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF			END OF YEAR CASH VALUE (3) (5) ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN OF		
	0%	6%	12%	0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1.....	\$	\$	\$	\$	\$	\$
2.....						
3.....						
4.....						
5.....						
6.....						
7.....						
8.....						
9.....						
10.....						
15.....						
20.....						
30.....						
age 99.....						

<FN>

- (1) Assumes no additional insurance rider face amount.
- (2) All payments are illustrated as if made at the beginning of the contract year.
- (3) Assumes annual payments are made and no loans or withdrawals have been taken.
- (4) Investment base will equal net cash surrender value on each contract anniversary. If the Contract is surrendered within 24 months after issue, the contract owner will also receive any excess sales load previously deducted.
- (5) Cash value will equal investment base and net cash surrender value on each contract anniversary if no loans have been taken.
- (6) The payments shown may extend beyond the year in which the automatic adjustment is made. At an annual rate of return of 12% and maximum mortality charges, the guarantee period reaches life of the insured in

contract year 17. Once a guarantee of life is reached, no more payments would be accepted. Values shown at annual rates of return of 0%, 6% and 12% do not reflect any payments shown after a guarantee of life is reached.

</TABLE>

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE AND ELSEWHERE IN THIS PROSPECTUS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE PERFORMANCE. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE ILLUSTRATED AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS SELECTED, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT, INVESTMENT BASE AND CASH VALUE WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL GROSS RATES OF RETURN AVERAGED 0%, 6% AND 12% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL CONTRACT YEARS. NO REPRESENTATIONS CAN BE MADE BY ML OF NEW YORK OR THE SERIES FUND OR THE VARIABLE SERIES FUNDS OR THE ZERO TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

38

EXAMPLES

ADDITIONAL PAYMENTS

As of the processing date on or next following receipt and acceptance of an additional payment, ML of New York will increase the guarantee period if the guarantee period prior to receipt and acceptance of an additional payment is less than for the whole of life of the insured.

ML of New York will determine the increase in the guarantee period by taking the immediate increase in the cash value resulting from the additional payment and adding to that interest at the annual rate of 5% for the period from the date ML of New York receives and accepts the payment to the contract processing date on or next following such date. This is the guarantee adjustment amount. The guarantee adjustment amount is added to the fixed base and the resulting new fixed base is used to calculate a new guarantee period.

The amount of the increase in the guarantee period will depend on the amount of the additional payment and the contract year in which it is received and accepted. If additional payments of different amounts were made at the same time to equivalent contracts, the contract to which the larger payment is applied would have a larger increase in the guarantee period.

Example 1 shows the effect on the guarantee period of a \$10,000 additional payment received and accepted at the beginning of contract year five. Example 2 shows the effect of a \$20,000 additional payment received and accepted at the beginning of contract year five. Example 3 shows the effect of a \$10,000 additional payment received and accepted at the beginning of contract year six. All three examples assume that death benefit option 1 has been elected, that annual payments of \$18,009 have been made through the contract year reflected in the example and that no other contract transactions have been made.

MALE ISSUE AGE 45
INITIAL PAYMENT PLUS ANNUAL PAYMENTS OF \$18,009
FACE AMOUNT: \$1 MILLION
INITIAL GUARANTEE PERIOD: 2.5 YEARS
DEATH BENEFIT OPTION: 1
BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>
<CAPTION>

EXAMPLE 1

CONTRACT YEAR	ADDITIONAL PAYMENT	INCREASE IN GUARANTEE PERIOD
------------------	-----------------------	---------------------------------

<S> <C> <C>
5 \$10,000 1.5 years

<CAPTION>

EXAMPLE 2

```
-----  
CONTRACT    ADDITIONAL       INCREASE IN  
  YEAR        PAYMENT        GUARANTEE PERIOD  
-----  
<S>         <C>           <C>  
5            $20,000           3 years
```

<CAPTION>

EXAMPLE 3

```
-----  
CONTRACT    ADDITIONAL       INCREASE IN  
  YEAR        PAYMENT        GUARANTEE PERIOD  
-----  
<S>         <C>           <C>  
6            $10,000           1.25 years
```

</TABLE>

PARTIAL WITHDRAWALS

As of the processing date on or next following the effective date of a partial withdrawal, ML of New York calculates a new guarantee period. This is done by taking the immediate decrease in cash value resulting from the partial withdrawal and adding to that amount interest at an annual rate of 5% for the period from the date of the withdrawal to the contract processing date on or next following such date. This is the guarantee adjustment amount. The guarantee adjustment amount is subtracted from the fixed base and the resulting new fixed base is used to calculate a new guarantee period.

The amount of the reduction in the guarantee period will depend on the amount of the withdrawal, the face amount at the time of the withdrawal and the contract year in which the withdrawal is made. If made at the same time to equivalent contracts, a larger withdrawal would result in a greater reduction in the guarantee period than a smaller withdrawal. The same partial withdrawal made at the same time from contracts with the same guarantee periods but with different face amounts would result in a greater reduction in the guarantee period for the contract with the smaller face amount.

Examples 1 and 2 show the effect on the guarantee period of partial withdrawals for \$10,000 and \$20,000 taken at the beginning of contract year sixteen. Example 3 shows the effect on the guarantee period of a \$20,000 partial withdrawal taken at the beginning of contract year eighteen. All three examples assume that death benefit option 1 has been elected, that annual payments of \$18,009 have been made through the contract year reflected in the example and that no other contract transactions have been made.

MALE ISSUE AGE 45
INITIAL PAYMENT PLUS ANNUAL PAYMENTS OF \$18,009
FACE AMOUNT: \$1 MILLION
INITIAL GUARANTEE PERIOD: 2.5 YEARS
DEATH BENEFIT OPTION: 1
BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>

<CAPTION>

EXAMPLE 1

```
-----  
CONTRACT    PARTIAL           DECREASE IN  
  YEAR       WITHDRAWAL       GUARANTEE PERIOD  
-----  
<S>         <C>           <C>  
16           $10,000           .5 years
```

<CAPTION>

EXAMPLE 2

CONTRACT YEAR	PARTIAL WITHDRAWAL	DECREASE IN GUARANTEE PERIOD
<S> 16	<C> \$20,000	<C> 1 year

<CAPTION>

EXAMPLE 3

CONTRACT YEAR	PARTIAL WITHDRAWAL	DECREASE IN GUARANTEE PERIOD
<S> 18	<C> \$20,000	<C> .75 years

</TABLE>

CHANGING THE DEATH BENEFIT OPTION

On each contract anniversary beginning with the fifteenth, the contract owner may change the death benefit option by switching from option 1 to option 2 or from option 2 to option 1. ML of New York will change the face amount of the Contract in order to keep the death benefit constant on the effective date of the change. Therefore, if the change is from option 1 to option 2, the face amount of the Contract will be decreased by the cash value on the date of the change. If the change is from option 2 to option 1, the face amount of the Contract will be increased by the cash value on the date of the change.

Example 1 shows the effect on the face amount of a change from option 1 to option 2 and Example 2 shows the effect on the face amount of a change from option 2 to option 1. The face amount before each change is \$1 million.

EXAMPLE 1

BEFORE OPTION CHANGE

Death Benefit under Option 1: \$1,000,000
 Face Amount: \$1,000,000
 Cash Value: \$80,000

AFTER OPTION CHANGE

Death Benefit under Option 2: \$1,000,000
 Face Amount: \$920,000
 Cash Value: \$80,000

EXAMPLE 2

BEFORE OPTION CHANGE

Death Benefit under Option 2: \$1,080,000
 Face Amount: \$1,000,000
 Cash Value: \$80,000

AFTER OPTION CHANGE

Death Benefit under Option 1: \$1,080,000
 Face Amount: \$1,080,000
 Cash Value: \$80,000

MORE ABOUT ML LIFE INSURANCE COMPANY OF NEW YORK

DIRECTORS AND EXECUTIVE OFFICERS

ML of New York's directors and executive officers and their positions with the Company are as follows:

<TABLE>
<CAPTION>

NAME	POSITION(S) WITH THE COMPANY
<S>	<C>
Anthony J. Vespa	Chairman of the Board, President, and Chief Executive Officer
Joseph E. Crowne	Director, Senior Vice President, Chief Financial Officer, Chief Actuary, and Treasurer
Barry G. Skolnick	Director, Senior Vice President, and General Counsel
David M. Dunford	Director, Senior Vice President, and Chief Investment Officer
John C.R. Hele	Director and Senior Vice President
Frederick J.C. Butler	Director
Michael P. Cogswell	Director, Vice President, and Senior Counsel
Sandra K. Cox	Director
Robert L. Israeloff	Director
Allen N. Jones	Director
Cynthia L. Kahn	Director
Robert A. King	Director
Irving M. Pollack	Director
William A. Wilde	Director
Robert J. Boucher	Senior Vice President, Variable Life Administration

</TABLE>

Each director is elected to serve until the next annual meeting of shareholders or until his or her successor is elected and shall have qualified. Some directors have held various executive positions with insurance company subsidiaries of the Company's indirect parent, Merrill Lynch & Co., Inc. The principal positions of the Company's directors and executive officers for the past five years are listed below:

Mr. Vespa joined ML of New York in February 1994. From February 1991 to February 1994, he held the position of District Director and First Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated. From September 1988 to February 1991, he held the position of Senior Resident Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Mr. Crowne joined ML of New York in June 1991. From January 1989 to May 1991, he was a Principal with Coopers & Lybrand.

Mr. Skolnick joined ML of New York in November 1989. He joined Merrill Lynch, Pierce Fenner & Smith Incorporated in July 1984. Since May 1992, he has held the position of Assistant General Counsel of Merrill Lynch & Co., Inc. and First Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Prior to May 1992, he held the position of Senior Counsel of Merrill Lynch & Co., Inc.

Mr. Dunford joined ML of New York in July 1990. He joined Merrill Lynch, Pierce, Fenner & Smith Incorporated in September 1989. Prior to September 1989, he held the position of President of Travelers Investment Management Co.

Mr. Butler joined ML of New York in April 1991. Since November 1991, he has held the position of Chairman of Butler, Chapman & Co., Inc. Prior to April 1991, he served as Managing Director of the Investment Banking Division of Merrill Lynch & Co., Inc.

Mr. Cogswell has been with ML of New York since November 1990. Prior to November 1990, he was Assistant Counsel at UNUM Life Insurance Company.

Ms. Cox joined ML of New York in February 1991. Prior to February 1991, she served as Annuity Product Manager with Merrill Lynch Life Agency, Inc.

Mr. Hele joined ML of New York in September 1990. He joined Merrill Lynch, Pierce, Fenner & Smith Incorporated in August 1988.

Mr. Israeloff joined ML of New York in April 1991. Since 1964, he has been Chairman and Executive Partner of Israeloff, Trattner & Co., CPAs, P.C., a public accounting firm.

Mr. Jones joined ML of New York in June 1992. Since May 1992, he held the position of Senior Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated. From June 1992 to February 1994, he held the position of Chairman of the Board, President, and Chief Executive Officer of ML of New York. From January 1992 to June 1992, he held the position of First Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated. From January 1991 to January 1992, he held the position of District Director of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Prior to January 1991, he held the position of Senior Regional Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Ms. Kahn joined ML of New York in November 1993. She is a partner at the law firm of Rogers & Wells. She has been associated with Rogers & Wells since 1984.

Mr. King joined ML of New York in April 1991. Since February 1991, he has been Vice President for Finance at Marymount College, Tarrytown, New York. From March 1973 until February 1991, he served as Managing Director of Merrill Lynch Capital Markets.

Mr. Pollack joined ML of New York in April 1991. In 1980, he retired from the Securities and Exchange Commission after thirty years of service, and having served as an SEC Commissioner from 1974 to 1980. Since 1980, he has practiced law and been a private consultant in the securities and capital markets fields.

Mr. Wilde joined ML of New York in March 1991. He joined Merrill Lynch, Pierce, Fenner & Smith Incorporated in 1976. Since 1985, he has been a Director and Senior Vice President of Merrill Lynch Life Agency, Inc.

Mr. Boucher joined ML of New York in May 1992. Prior to May 1992, he held the position of Vice President of Monarch Financial Services, Inc. (formerly Monarch Resources, Inc.).

No shares of ML of New York are owned by any of its officers or directors, as it is a wholly owned subsidiary of Merrill Lynch Insurance Group, Inc. The officers and directors of ML of New York, both individually and as a group, own less than one percent of the outstanding shares of common stock of Merrill Lynch & Co., Inc.

Officers who are not directors but report to the President are:

<TABLE>

<CAPTION>

NAME	OFFICE HELD
<S>	<C>
Deborah J. Adler	Vice President & Actuary
Robert M. Bordeman	Vice President
Melissa Dwyer	Vice President
Eileen Dyson	Vice President
Peter P. Massa	Vice President
Shelley K. Parker	Vice President
Julia Raven	Vice President
Frederick Steele	Vice President
Thomas J. Thatcher	Vice President
Robert J. Viamari	Vice President
Denis Wuestman	Vice President

The principal occupations of these officers for the past five years are as follows:

Ms. Adler has been with ML of New York since May 1992. From August 1988 to May 1992, she was Assistant Vice President and Actuary of Monarch Life Insurance Company.

Mr. Bordeman has been with ML of New York since November 1990. From February 1988 to November 1990, he was the Corporate Controller of Blue Cross of California.

Ms. Dwyer has been with ML of New York since July 1990. Prior to July 1990, she held the position of Supervisor, Operations of Tandem Financial Group, Inc.

Ms. Dyson has been with ML of New York since July 1990. Prior to July 1990, she held the position of Vice President and Manager of Tandem Financial Group, Inc.

Mr. Massa has been with ML of New York since July 1991. From July 1980 to February 1994, he held various positions with Merrill Lynch & Co., Inc.

Ms. Parker has been with ML of New York since May 1992. From March 1989 to May 1992, she was an attorney for Monarch Life Insurance Company.

Ms. Raven has been with ML of New York since September 1990. Prior to September 1990, she was the Controller of Diversified Financial Services at Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Mr. Steele has been with ML of New York since March 1993. Prior to March 1993, he was Director, Treasury of Blue Cross of California.

Mr. Thatcher has been with ML of New York since July 1989. Prior to July 1989, he was a Vice President with Family Life Insurance Company.

Mr. Viamari has been with ML of New York since May 1992. From March 1986 to May 1992, he was an Assistant Vice President of Monarch Financial Services, Inc.

(formerly Monarch Resources, Inc.).

Mr. Wuestman has been with Merrill Lynch Life since _____ 1990. Prior to _____ 1990, he was Assistant Vice President of Merrill Lynch Life Agency, Inc.

SERVICE ARRANGEMENTS

ML of New York and its parent, Merrill Lynch Insurance Group ("MLIG"), are parties to a service agreement pursuant to which MLIG has agreed to provide certain data processing, legal, actuarial, management, advertising and other services of ML of New York, including services related to the Separate Account and the Contracts. Expenses incurred by MLIG in relation to this service agreement are reimbursed by ML of New York on an allocated cost basis. Charges billed to ML of New York by MLIG pursuant to the agreement were \$ million during 1993.

43

STATE REGULATION

ML of New York is subject to the laws of the State of New York and to the regulations of the New York Insurance Department. It is also subject to the insurance laws and regulations of all jurisdictions in which it is licensed to do business.

An annual statement in the prescribed form is filed with the insurance departments of jurisdictions where ML of New York does business disclosing the Company's operations for the preceding year and its financial condition as of the end of that year. Insurance department regulation includes periodic examination to verify Contract liabilities and reserves and to determine solvency and compliance with all insurance laws and regulations. ML of New York's books and accounts are subject to insurance department review at all times. A full examination of ML of New York's operations is conducted periodically by the New York Insurance Department and under the auspices of the National Association of Insurance Commissioners.

LEGAL PROCEEDINGS

There are no legal proceedings to which the Separate Account is a party or to which the assets of the Separate Account are subject. ML of New York and Merrill Lynch, Pierce, Fenner & Smith Incorporated are engaged in various kinds of routine litigation that, in the Company's judgment, is not material to ML of New York's total assets or to Merrill Lynch, Pierce, Fenner & Smith Incorporated. No litigation relates to the Separate Account.

EXPERTS

The financial statements of ML of New York for the three years ended December 31, 1993 and of the Separate Account for the period ended December 31, 1993 included in this Prospectus have been audited by Deloitte & Touche, independent auditors, as stated in their reports appearing herein, and are included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing. Deloitte & Touche's principal business address is 1633 Broadway, New York, New York 10019-6754.

Actuarial matters included in this Prospectus have been examined by Joseph E. Crowne, F.S.A., Chief Actuary and Chief Financial Officer of ML of New York, as stated in his opinion filed as an exhibit to the registration statement.

LEGAL MATTERS

The organization of the Company, its authority to issue the Contract, and the validity of the form of the Contract have been passed upon by Barry G. Skolnick, ML of New York's Senior Vice President and General Counsel. Sutherland, Asbill & Brennan of Washington, D.C. has provided advice on certain matters relating to federal securities and tax laws.

REGISTRATION STATEMENTS

Registration statements have been filed with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Company Act of 1940 that relate to the Contract and its investment options. This Prospectus does not contain all of the information in the registration statements as permitted by Securities and Exchange Commission regulations. The omitted information can be obtained from the Securities and Exchange Commission's principal office in Washington, D.C., upon payment of a prescribed fee.

FINANCIAL STATEMENTS

The financial statements of ML of New York, included herein, should be distinguished from the financial statements of the Separate Account and should be considered only as bearing upon the ability of ML of New York to meet its obligations under the Contracts.

44

FINANCIAL STATEMENTS TO BE FILED BY AMENDMENT

PART II. OTHER INFORMATION UNDERTAKING TO FILE REPORTS

Subject to the terms and conditions of Section 15(d) of the Securities Exchange Act of 1934, the undersigned Registrant hereby undertakes to file with the Securities and Exchange Commission such supplementary and periodic information, documents and reports as may be prescribed by any rule or regulation of the Commission heretofore or hereafter duly adopted pursuant to authority conferred in that section.

RULE 484 UNDERTAKING

ML Life Insurance Company of New York's By-Laws provide, in Article VII, Section 7.1 as follows:

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND INCORPORATORS. To the extent permitted by the law of the State of New York and subject to all applicable requirements thereof:

- a) any person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that he, his testator, or intestate, is or was a director, officer, employee or incorporator of the Company shall be indemnified by the Company;
- b) any person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that he, his testator or intestate serves or served any other organization in any capacity at the request of the Company may be indemnified by the Company; and
- c) the related expenses of any such person in any other of said categories may be advanced by the Company.

Any persons serving as an officer, director or trustee of a corporation, trust, or other enterprise, including the Registrant, at the request of Merrill Lynch are entitled to indemnification from Merrill Lynch, to the fullest extent authorized or permitted by law, for liabilities with respect to actions taken or

omitted by such persons in any capacity in which such persons serve Merrill Lynch or such other corporation, trust, or other enterprise. Any action initiated by any such person for which indemnification is provided shall be approved by the Board of Directors of Merrill Lynch prior to such initiation.

DIRECTORS' AND OFFICERS' INSURANCE

Merrill Lynch has purchased from Corporate Officers' and Directors' Assurance Company directors' and officers' liability insurance policies which cover, in addition to the Indemnification described above, liabilities for which indemnification is not provided under the By-Laws. The Company will pay an allocable portion of the insurance premium paid by Merrill Lynch with respect to such insurance policies.

NEW YORK BUSINESS CORPORATION LAW

In addition, Sections 722, 723, and 724 of the New York Business Corporation Law generally provide that a corporation has the power (and in some instances the obligation) to indemnify a director or officer of the corporation, or a person serving at the request of the corporation as a director or officer of another corporation or other enterprise against any judgments, amounts paid in settlement, and reasonably incurred expenses in a civil or criminal action or proceeding if the director or officer acted in good faith in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation (or, in the case of a criminal action or proceeding, if he or she in addition had no reasonable cause to believe that his or her conduct was unlawful).

Insofar as indemnification for liability arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the

II-1

Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

REPRESENTATIONS PURSUANT TO RULE 6E-3(T)

This filing is made pursuant to Rule 6e-3(T) under the Investment Company Act of 1940.

Registrant elects to be governed by Rule 6e-3(T)(b)(13)(i)(A) under the Investment Company Act of 1940 with respect to the policies described in the Prospectus.

Registrant makes the following representations:

- (1) Section 6e-3(T)(b)(13)(iii)(F) has been relied upon.
- (2) The level of the mortality and expense risk and guaranteed benefits risk charge is within the range of industry practice for comparable flexible or scheduled contracts.
- (3) Registrant has concluded that there is a reasonable likelihood that

the distribution financing arrangement of the Separate Account will benefit the separate account and policyowners and will keep and make available to the Commission on request a memorandum setting forth the basis for this representation.

(4) The Separate Account will invest only in management investment companies which have undertaken to have a board of directors, a majority of whom are not interested persons of the company, formulate and approve any plan under Rule 12b-1 to finance distribution expenses.

The methodology used to support the representation made in paragraph (2) above is based on an analysis of the mortality and expense risk and guaranteed benefits risk charge contained in other variable life insurance contracts. Registrant undertakes to keep and make available to the Commission on request the documents used to support the representation in paragraph (2) above.

II-2

CONTENTS OF REGISTRATION STATEMENT

This Registration Statement comprises the following papers and documents:

The facing sheet.

The Prospectus consisting of 44 pages.

Undertaking to file reports.

Rule 484 Undertaking.

Representations pursuant to Rule 6e-3(T).

The signatures.

Written Consents of the Following Persons:

(a) Barry G. Skolnick, Esq.

(b) Joseph E. Crowne, F.S.A. (To be filed by Amendment)

(c) Sutherland, Asbill & Brennan (To be filed by Amendment)

(d) Deloitte & Touche, independent certified public accountants (To be filed by Amendment)

The following exhibits:

<S>	<C>	<C>	<C>
1.A.	(1)		Resolution of the Board of Directors of ML Life Insurance Company of New York establishing the Separate Account (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
	(2)		Not applicable
	(3)	(a)	Distribution Agreement between ML Life Insurance Company of New York and Merrill Lynch, Pierce, Fenner & Smith Incorporated (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
		(b)	Amended Sales Agreement between ML Life Insurance Company of New York and Merrill Lynch Life Agency Inc. (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
		(c)	Schedules of Sales Commissions (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
	(4)		Undertaking of ML Life Insurance Company of New York pursuant to Rule 27d-2 (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
	(5)	(a) (1)	Flexible Premium Variable Universal Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
		(b) (1)	Backdating Endorsement (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
		(2) (a)	Additional Insurance Rider for Flexible Premium Variable Universal Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)

- (6) (a) Charter of ML Life Insurance Company of New York (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (b) By-Laws of ML Life Insurance Company of New York (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (7) Not applicable
- (8) (a) Agreement between ML Life Insurance Company of New York and Merrill Lynch Funds Distributor, Inc. (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (b) Agreement between ML Life Insurance Company of New York and Merrill Lynch, Pierce, Fenner & Smith Incorporated (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (c) Form of Participation Agreement among Merrill Lynch Life Insurance Company, ML Life Insurance Company of New York and Monarch Life Insurance Company (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)

</TABLE>

II-3

- <TABLE>
- | <S> | <C> | <C> | <C> |
|------|-----|-----|---|
| | (d) | | Management Agreement between Royal Tandem Life Insurance Company and Merrill Lynch Asset Management, Inc. (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993) |
| (9) | (a) | | Service Agreement between Tandem Financial Group, Inc. and Royal Tandem Life Insurance Company (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992) |
| | (b) | | Service Agreement between ML Life Insurance Company of New York and Merrill Lynch Life Insurance Company (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993) |
| (10) | (a) | | Variable Life Insurance Application (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993) |
| | (b) | | Application for Reinstatement (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993) |
| (11) | | | Memorandum describing ML Life Insurance Company of New York's Issuance, Transfer and Redemption Procedures |
| 2. | | | See Exhibit 1.A.(5) |
| 3. | | | Opinion and Consent of Barry G. Skolnick, Esq. as to the legality of the securities being registered |
| 4. | | | Not applicable |
| 5. | | | Not applicable |
| 6. | | | Opinion and Consent of Joseph E. Crowne, F.S.A. as to actuarial matters pertaining to the securities being registered (To be filed by Amendment) |
| 7. | (a) | | Power of Attorney of Frederick J.C. Butler (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (b) | | Power of Attorney of Michael P. Cogswell |
| | (c) | | Power of Attorney of Sandra K. Cox (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (d) | | Power of Attorney of Joseph E. Crowne (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (e) | | Power of Attorney of David E. Dunford (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (f) | | Power of Attorney of John C.R. Hele (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (g) | | Power of Attorney of Robert L. Israeloff (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (h) | | Power of Attorney of Allen N. Jones (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (i) | | Power of Attorney of Cynthia L. Kahn |
| | (j) | | Power of Attorney of Robert A. King (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March |

- 1, 1994)
- (k) Power of Attorney of Irving M. Pollack (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)
- (l) Power of Attorney of Barry G. Skolnick (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)

</TABLE>

II-4

- <TABLE>
- | | | |
|-----|-----|--|
| <S> | <C> | <C> |
| | (m) | Power of Attorney of Anthony J. Vespa (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (n) | Power of Attorney of William A. Wilde (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| 8. | (a) | Written Consent of Barry G. Skolnick, Esq. (See Exhibit 3) |
| | (b) | Written Consent of Joseph E. Crowne, F.S.A. (See Exhibit 6) |
| | (c) | Written Consent of Sutherland, Asbill & Brennan (To be filed by Amendment) |
| | (d) | Written Consent of Deloitte & Touche, independent certified public accountants |

</TABLE>

II-5

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant, ML of New York Variable Life Separate Account II, has duly caused this Post-Effective Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the City of Plainsboro and the State of New Jersey, on the day of February, 1994.

ML OF NEW YORK VARIABLE LIFE SEPARATE ACCOUNT II
 (Registrant)
 By: ML LIFE INSURANCE COMPANY OF NEW YORK
 (Depositor)

<TABLE>

<S>	<C>
Attest: /s/SHELLEY K. PARKER	By: /s/ BARRY G. SKOLNICK
-----	-----
Shelley K. Parker Vice President	Barry G. Skolnick Senior Vice President

</TABLE>

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 2 to the Registration Statement has been signed below by the following persons in the capacities indicated on February , 1994.

<TABLE>

<CAPTION>

SIGNATURE	TITLE
-----	-----
<S>	<C>
*	Chairman of the Board, President, and Chief Executive Officer

Anthony J. Vespa	
*	Director, Senior Vice President, Chief Financial Officer, Chief Actuary, and

Joseph E. Crowne	*	Treasurer Director, Senior Vice President, and Chief Investment Officer
David M. Dunford	*	Director and Senior Vice President
John C.R. Hele	*	Director, Vice President and Senior Counsel
Michael P. Cogswell	*	Director
Frederick J.C. Butler		

II-6

<TABLE>
<CAPTION>

SIGNATURE	TITLE
*	Director
Sandra K. Cox <S>	<C> Director
Robert L. Israeloff	Director
Allen N. Jones	Director
Cynthia L. Kahn	Director
Robert A. King	Director
Irving M. Pollack	Director
William A. Wilde *By: /S/ BARRY G. SKOLNICK	
Barry G. Skolnick	In his own capacity as Director, Senior Vice President, and General Counsel and as Attorney-In-Fact

</TABLE>

II-7

EXHIBIT INDEX

<S>	<C>	<C>	<C>
1.A.	(1)		Resolution of the Board of Directors of ML Life Insurance Company of New York establishing the Separate Account (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
	(2)		Not Applicable
	(3)	(a)	Distribution Agreement between ML Life Insurance Company of New York and Merrill Lynch, Pierce, Fenner & Smith Incorporated (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
		(b)	Amended Sales Agreement between ML Life Insurance Company of New York and Merrill Lynch Life Agency Inc. (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
		(c)	Schedules of Sales Commissions (Incorporated by Reference to Registrant's Form

- S-6 Registration No. 33-61672 Filed April 26, 1993)
- (4) Undertaking of ML Life Insurance Company of New York pursuant to Rule 27d-2 (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (5) (a) (1) Flexible Premium Variable Universal Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (b) (1) Backdating Endorsement (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (2) (a) Additional Insurance Rider for Flexible Premium Variable Universal Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (6) (a) Charter of ML Life Insurance Company of New York (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (b) By-Laws of ML Life Insurance Company of New York (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (7) Not Applicable
- (8) (a) Agreement between ML Life Insurance Company of New York and Merrill Lynch Funds Distributor, Inc. (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (b) Agreement between ML Life Insurance Company of New York and Merrill Lynch, Pierce, Fenner & Smith Incorporated (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (c) Form of Participation Agreement among Merrill Lynch Life Insurance Company, ML Life Insurance Company of New York and Monarch Life Insurance Company (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (d) Management Agreement between Royal Tandem Life Insurance Company and Merrill Lynch Asset Management, Inc. (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (9) (a) Service Agreement between Tandem Financial Group, Inc. and Royal Tandem Life Insurance Company (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (b) Service Agreement between ML Life Insurance Company of New York and Merrill Lynch Life Insurance Company (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)
- (10) (a) Variable Life Insurance Application (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993)

</TABLE>

II-8

- <TABLE>
- | <S> | <C> | <C> |
|------|-----|---|
| | (b) | Application for Reinstatement (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-61672 Filed April 26, 1993) |
| (11) | | Memorandum describing ML Life Insurance Company of New York's Issuance, Transfer and Redemption Procedures |
| (2) | | See Exhibit 1.A.(5) |
| 3. | | Opinion and Consent of Barry G. Skolnick, Esq. as to the legality of the securities being registered |
| 6. | | Opinion and Consent of Joseph E. Crowne, F.S.A. as to actuarial matters pertaining to the securities being registered (To be filed by Amendment) |
| 7. | (a) | Power of Attorney of Frederick J.C. Butler (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (b) | Power of Attorney of Michael P. Cogswell |
| | (c) | Power of Attorney of Sandra K. Cox (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (d) | Power of Attorney of Joseph E. Crowne (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (e) | Power of Attorney of David E. Dunford (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) |
| | (f) | Power of Attorney of John C.R. Hele (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March |

- 1, 1994)
- (g) Power of Attorney of Robert L. Israeloff (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)
 - (h) Power of Attorney of Allen N. Jones (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)
 - (i) Power of Attorney of Cynthia L. Kahn
 - (j) Power of Attorney of Robert A. King (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)
 - (k) Power of Attorney of Irving M. Pollack (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)
 - (l) Power of Attorney of Barry G. Skolnick (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)
 - (m) Power of Attorney of Anthony J. Vespa (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)
 - (n) Power of Attorney of William A. Wilde (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994)
- 8.
- (a) Written Consent of Barry G. Skolnick, Esq. (See Exhibit 3)
 - (b) Written Consent of Joseph E. Crowne, F.S.A. (See Exhibit 6)
 - (c) Written Consent of Sutherland, Asbill & Brennan (To be filed by Amendment)
 - (d) Written Consent of Deloitte & Touche, independent certified public accountants (To be filed by Amendment)

</TABLE>

ML LIFE INSURANCE COMPANY OF NEW YORK
A SUBSIDIARY OF MERRILL LYNCH & CO., INC.

717 Fifth Avenue, 16th Floor
New York, NY 10022

February 23, 1994

Board of Directors
ML Life Insurance Company of New York
717 Fifth Avenue, 16th Floor
New York, NY 10022

To the Board of Directors:

In my capacity as General Counsel of ML Life Insurance Company of New York (the "Company"), I have supervised the establishment of the ML of New York Variable Life Separate Account II (the "Account"), by the Board of Directors of the Company as a separate account for assets applicable to certain flexible premium variable life insurance contracts (the "Contracts") issued by the Company pursuant to the provisions of Section 4240 of the Insurance Laws of the State of New York. Moreover, I have supervised the preparation of Post-Effective Amendment No. 2 to the Registration Statement on Form S-6 (the "Registration Statement") (File No. 33-61672) filed by the Company and the Account with the Securities and Exchange Commission under the Securities Act of 1933, for the registration of the Contracts to be issued with respect to the Account.

I have made such examination of the law and examined such corporate records and such other documents as in my judgment are necessary and appropriate to enable me to render the following opinion that:

1. The Company has been duly organized under the laws of the State of New York and is a validly existing corporation.
2. The Account is duly created and validly existing as a separate account pursuant to the aforesaid provisions of New York law.
3. The portion of the assets to be held in the Account equal to the reserves and other liabilities under the Contracts is not chargeable with liabilities arising out of any other business the Company may conduct.
4. The Contracts have been duly authorized by the Company and constitute legal, validly issued and binding obligations of the Company in accordance with their terms.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of my name under the caption "Legal Matters" in the Prospectus contained in the Registration Statement.

Very truly yours,

/s/ Barry G. Skolnick

Barry G. Skolnick

Senior Vice President and General
Counsel

Description of ML Life Insurance Company of New York's
Issuance, Transfer and Redemption Procedures
for Contracts Pursuant to
Rule 6e-3(T) (b) (12) (iii)

This document sets forth the administrative procedures that will be followed by ML Life Insurance Company of New York ("ML of New York") in connection with the issuance of certain of its flexible premium variable universal life insurance contracts ("Contracts") issued through ML of New York Variable Life Separate Account II ("Separate Account"), the transfer of assets held under the Contracts, and the redemption by owners of their interests in said Contracts.

PROCEDURES RELATING TO ISSUANCE AND PURCHASE OF THE CONTRACTS

A. TERM COST STRUCTURE, PAYMENTS AND UNDERWRITING STANDARDS

The term cost charges for ML of New York's Contract will not be the same for all contract owners. Insurance is based on the principle of pooling and distribution of mortality risks which assumes that each owner is charged a cost of insurance commensurate with the insured's mortality risk as actuarially determined, reflecting factors such as age, sex, health, and occupation. A uniform term cost for all insureds would discriminate unfairly in favor of those insureds representing greater risks. Although there will be no uniform term costs for all insureds, for a given face amount and guarantee period there will be a uniform term cost

schedule for all insureds of the same issue age, sex and underwriting classification. Similarly, the face amount that a contract owner can purchase with an initial payment will also vary to reflect factors similar to those that affect term cost charges.

The Contract is a variable universal life insurance contract providing coverage on an insured named under the Contract and payable upon the death of the insured. The Contract offers two death benefit options. At the election of the owner, the death benefit may include the Contract's cash value. Subject to certain conditions, contract owners may purchase additional insurance through an additional insurance rider, the amount of which may be increased or decreased.

The Contract provides for life insurance coverage which is guaranteed to

remain in force for the "guarantee period." Each payment will extend the guarantee period until such time as the guarantee period is for the whole of life. The Contract will not be cancelled during the guarantee period unless the debt exceeds certain contract values. After the guarantee period, the Contract will remain in force as long as there is not excessive debt and as long as the Contract's cash value is sufficient to cover the charges due.

The owner may select the face amount, within limits. These limits are based in part on the initial payment. The minimum initial face amount is \$250,000 or that face which generates a \$4,000 base premium, if larger. The base premium is the amount

equal to the level annual premium necessary for the face amount of the Contract to endow at the insured's age 100, assuming a maximum cost of insurance charge and a 5% annual rate of return on the base premium less contract loading, and further assuming death benefit option 1 is elected.

The maximum face amount that may be specified for a given initial payment is the amount which will provide an initial guarantee period of at least two years. In addition, ML of New York will issue Contracts only with a face amount greater than \$750,000. For a given initial payment and face amount, the guarantee period is based on the guaranteed maximum cost of insurance rates in the Contract, guaranteed maximum rider costs (if an additional insurance rider is elected), the contract loading, and a 5% interest assumption. Thus, for a given initial payment and face amount, different insureds will have different guarantee periods depending on their age, sex and underwriting class.

The Contract will be offered and sold pursuant to an established mortality structure and underwriting standards in accordance with state insurance laws. The payment to be made by an owner will be specified in the Contract.

B. APPLICATION AND PAYMENT PROCESSING

When a completed application is received, ML of New York will follow certain insurance underwriting (i.e., evaluation of risks) procedures designed to determine whether the proposed insured is insurable. This process may require that further information be

provided by the proposed insured before a determination can be made. Once underwriting approval is received and a payment has been made, a Contract is issued.

The date on which a Contract is issued is referred to as the issue date. The issue date represents the commencement of the suicide and contestable periods for purposes of the Contract. The initial payment will be credited to the Separate Account and the investment base will begin to vary with investment experience on the business day next following receipt of the initial payment at ML of New York's Variable Life Service Center (the "Service Center"), which is generally the contract date. ML of New York may, however, provide temporary life insurance coverage, the death benefit of which shall not exceed \$300,000, until coverage begins under the Contract, provided the payment has been made.

The contract date is the date used to determine processing dates, contract years and anniversaries. Processing dates are the contract date and the first day of each contract quarter thereafter. Processing dates are the days when ML of New York deducts certain charges from a Contract's investment base. As provided for under state insurance law, the owner, to preserve insurance age, may be permitted to backdate the Contract. In no case may the contract date be more than six months prior to the date the application was executed. Charges for cost of insurance and rider costs for the backdated period are deducted on the contract date.

4

If an age or sex given in the application is wrong, the face amount or any other Contract benefit may also be wrong. ML of New York will pay the benefit that any payment would have bought at the correct age or sex.

C. ALLOCATION OF INVESTMENT BASE

The investment base is the amount available under the Contract in the Separate Account at any time. A contract owner's investment base is the sum of the amounts invested in each of the selected investment divisions. Through the first 14 days following the in force date, the initial payment less contract loading will be invested only in the division investing in the Money Reserve Portfolio. Thereafter, the investment base will be reallocated to the investment divisions selected by the contract owner on the application for the Contract, if different. The in force date is when the underwriting process is complete, the initial payment is received and outstanding contract amendments (if any) are received. After the "free look" period, the contract owner may invest in up to five of the 36 investment divisions at any one time.

D. ADDITIONAL PAYMENTS

An owner may make additional payments subject to ML of New York's rules. On the date ML of New York receives and accepts an

additional payment, it will (1) increase the investment base by the amount of such payment less contract loading applicable to the payment; (2) increase the fixed base by the amount of such payment less contract loading applicable to the payment; and (3) reflect the payment in the calculation of the variable insurance amount. An owner may designate the investment divisions to which the additional payment should be allocated. Otherwise the payment will be allocated in proportion to the investment base in each division as of the date ML of New York receives and accepts the payment. As of the processing date on or next following the date ML of New York receives and accepts the additional payment, ML of New York will increase the guarantee period if the guarantee period prior to the receipt and acceptance of an additional payment is less than for life. Any amount in excess of that required to extend the guarantee period to the whole of life and any portion of any additional payment that would cause the Contract to fail to qualify as life insurance under federal tax law will be returned to the contract owner. If acceptance of any portion of the payment would cause a Contract which is not a modified endowment contract to become a modified endowment contract, to the extent feasible, ML of New York will not accept that portion of the payment unless the contract owner confirms in writing his or her intent to convert the Contract to a modified endowment contract. ML of New York may return that portion of the payment pending receipt of instructions from the contract owner.

E. GRACE PERIOD

After the end of the guarantee period, a Contract may be cancelled by ML of New York if the cash value on a processing date is insufficient to cover charges due on that date. The Contract, however, provides for a 61-day grace period. The grace period will end 61 days after ML of New York mails a notice to the owner stating that the Contract will be terminated.

The Contract will lapse at the end of the grace period unless ML of New York has received payment of an amount which, after deducting contract loading, equals at least three times the charges that were due (and not deducted) on the processing date when the cash value was determined to be insufficient. At that time, ML of New York will deduct any charges applicable to the grace period and refund to the owner any unearned charges for cost of insurance and rider costs. The amount due at the beginning of the grace period will be shown on the notice sent to the owner.

During the grace period the death benefit proceeds will equal the death benefit in effect immediately prior to the grace period, reduced by any overdue

charges.

F. REINSTATEMENT

A Contract that is cancelled by ML of New York may be reinstated while the insured is still living. The Contract will be reinstated if, within three years after the end of the grace period, ML of New York receives from the Contract's owner (a) an

7

application to reinstate the Contract; (b) satisfactory evidence of insurability; and (c) a reinstatement payment. The reinstatement payment is the minimum payment for which ML of New York would then issue a contract for the minimum guarantee period with the same face amount as the original Contract, based on the insured's attained age and underwriting class as of the effective date of the reinstated Contract.

The reinstated Contract will be effective on the processing date on or next following the date ML of New York approves the reinstatement application.

G. REPAYMENT OF LOAN

A loan or any part of a loan under a Contract may be repaid while the insured is living and the Contract is in force. Upon repayment of a loan, a transfer will be made from ML of New York's general account to the Separate Account in an amount equal to the amount repaid. An owner may designate the investment division to which the repayment will be made. Otherwise the repayment will be allocated in proportion to the investment base in each division as of the date of the repayment.

H. ADDITIONAL INSURANCE RIDER

The contract owner may purchase additional insurance coverage through an additional insurance rider when the Contract is purchased. Thereafter, the rider can be added as long as an application is completed, satisfactory evidence of insurability is provided, and the insured has not attained the age of 69. The

8

effective date of the change will be the contract anniversary next following underwriting approval of the change. The minimum additional insurance rider face amount is \$100,000. A cost of insurance charge for the rider ("rider charge") will be deducted from the Contract's investment base on each processing date. The rider charge will be based on the same cost of insurance rates as the Contract. The rider will terminate when the insured attains age 70. At that

time, all insurance provided by the rider will terminate.

Once each year, the additional insurance rider face amount may be increased (subject to evidence of insurability) or decreased (after the seventh contract anniversary); however, any change in the additional insurance rider face amount must be at least \$100,000. Under ML of New York's current procedures, the maximum additional insurance rider face amount at the time the Contract is purchased is three times the face amount of the Contract. The effective date of the change will be the contract anniversary next following underwriting approval of the change. As of the effective date of the increase or decrease, ML of New York's uses the existing fixed base and the face amount of the Contract plus the new additional insurance rider face amount to calculate a new guarantee period. An increase will not be allowed on the first contract anniversary if the face amount of the Contract plus the new rider face amount provide a guarantee period of less than one year from the effective date of the increase.

II. TRANSFERS AMONG INVESTMENT DIVISIONS

The Separate Account currently has 36 investment divisions, ten of which invest in corresponding portfolios of the Merrill

9

Lynch Series Fund, Inc. ("Series Fund"), six of which invest in shares of specific portfolio of the Merrill Lynch Variable Series Funds, Inc. (the "Variable Series Funds") and 20 of which invest in The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities ("Zero Trusts"). The Series Fund and the Variable Series Funds are each registered under the Investment Company Act of 1940 as an open-end, investment company. The Zero Trusts are registered under the Investment Company Act of 1940 as unit investment trusts. Currently the owner may transfer among the investment divisions as often as he or she chooses. ML of New York reserves the right to charge up to \$25.00 for each change in excess of six each year.

III. REDEMPTION PROCEDURES; SURRENDER AND RELATED TRANSACTIONS

A. SURRENDER FOR NET CASH SURRENDER VALUE

An owner of a Contract may surrender the Contract for its net cash surrender value at any time while the insured is living. The surrender is effective on the date the owner transmits the written request in a form satisfactory to ML of New York. ML of New York will pay the net cash surrender value based on the next computed value after the request is received at the Service Center in a form satisfactory to ML of New York. The net cash surrender value will usually be paid within seven days after receipt of the request for surrender at ML of New York's Service Center.

The net cash surrender value equals the cash value less debt. The cash value equals the investment base plus any unearned charges for cost of insurance

and rider costs plus any debt less any

10

accrued net loan cost since the last contract anniversary (or since the contract date during the first contract year).

ML of New York will make the payment of the net cash surrender value out of its general account and, at the same time, transfer assets from the Separate Account to its general account in an amount equal to the investment base (applicable to the Contract) held in the Separate Account.

In lieu of receiving the net cash surrender value in a single sum upon surrender of a Contract, the owner may elect to apply the net cash surrender value to one or more of the Income Plans described in the Contract. The Income Plans are subject to the restrictions and limitations set forth in the Contract.

If the Contract is surrendered during the first 24 months after the issue date, any sales load previously deducted from the first two base premiums in excess of 30% of the first base premium and 10% of the second base premium will be refunded.

B. DEATH CLAIMS

ML of New York will usually pay the death benefit proceeds to the beneficiary within seven days after receipt at its Service Center of due proof of death of the insured and all other requirements necessary to make payment.

The death benefit payable depends on the death benefit option in effect on the date of death. Under option 1, the death benefit

11

is equal to the larger of the face amount and the variable insurance amount. Under option 2, the death benefit is equal to the larger of the face amount plus the cash value and the variable insurance amount. Subject to certain conditions, contract owners may change the death benefit option. To determine the death benefit proceeds, ML of New York will subtract from the death benefit any debt and add to the death benefit any rider benefits payable. Where required by law, the amount payable also reflects interest from the date of death to the date of payment.

ML of New York will determine the variable insurance amount daily to take

into account the investment experience of the designated investment divisions. The variable insurance amount is determined by calculating the cash value (plus any excess sales load during the first 24 months after the Contract is issued) and multiplying it by the cash value corridor factor for the insured at his or her attained age. The death benefit will never be less than the amount required to keep the Contract qualified as life insurance under Federal income tax laws.

ML of New York will make payment of the death benefit proceeds out of its general account and, at the same time, will transfer the investment base (applicable to the Contract) out of the Separate Account to the general account. In lieu of payment of the death benefit in a single sum, one or more Income Plans may be elected as described in the Contract.

C. CONTRACT LOAN

12

The owner may borrow an amount equal to the difference between the loan value and the debt. The loan value of the Contract equals 90% of a Contract's cash value. Payment of the loan from ML of New York's general account will usually be made to the owner within seven days of receipt of the request. Interest accrues daily at a maximum effective rate of 6.0% annually. The smallest loan will be for \$200. When a loan is taken out, a portion of the investment base equal to the loan is transferred from the Separate Account to ML of New York's general account. Unless designated otherwise by the owner, a loan will be allocated among the investment divisions of the Separate Account based upon the investment base in each division as of the date the loan is made. The amount maintained in the general account will not be credited with the return earned by the Separate Account during the period the loan is outstanding. Instead, interest will be credited daily at a minimum effective rate of 4% annually. Therefore, taking a loan will have a permanent effect on a Contract's cash value and may have a permanent effect on the death benefit whether or not repaid in whole or in part.

If the debt exceeds the larger of the cash value and the fixed base on a processing date, ML of New York will cancel the Contract 61 days after a notice of intent to terminate the Contract is mailed to the owner unless ML of New York has received at least the minimum repayment amount specified in the notice. During the first 24 months after the Contract is issued, ML of New York will add any excess sales load to the cash value so as to continue the Contract

13

in effect if debt exceeds the larger of the cash value and the fixed base.

D. PARTIAL WITHDRAWALS

After the fifteenth contract year, an owner may take partial withdrawals of payments made under the Contract by submitting a request in a form satisfactory to ML of New York. The withdrawal is effective on the date the Service Center receives the request. One partial withdrawal may be taken each contract year. The amount of any partial withdrawal may not exceed the loan value as of the effective date of the partial withdrawal less any debt. The minimum amount for each partial withdrawal is \$1,000.

As of the processing date on or next following the effective date of the partial withdrawal, the period for which guaranteed coverage is provided will be reduced. The period will be redetermined by taking the immediate decrease in cash value resulting from the partial withdrawal and adding to that amount interest at an annual rate of 5% for the period from the date of the withdrawal to the contract processing date on or next following such date. This is the guarantee adjustment amount. The guarantee adjustment amount is subtracted from the fixed base and the resulting new fixed base is used to calculate a new guarantee period.

The fixed base is equal to the cash value on the contract date. Thereafter, it is calculated in the same manner as the cash value except that the calculation substitutes 5% for the net rate

of return, the guaranteed maximum cost of insurance rates and guaranteed maximum rider costs are substituted for the current rates and it is calculated as though there had been no loans or repayments. The fixed base is used to make certain computations under the Contract and is equivalent to the cash value for a comparable fixed benefit contract with the same face amount and guarantee period.

E. EXCHANGING THE CONTRACT

An owner may exchange the Contract for a contract with benefits that do not vary with the investment results of a separate account at any time. A request to exchange must be in writing. To exchange, the original Contract must be returned to the Service Center. The exchange will not require evidence of insurability.

The new contract will have the same owner, insured and beneficiary as those of the original Contract on the date of the exchange. The new contract will also have the same death benefit and the same net amount at risk as this

Contract at the time of exchange, and will have payments which are based on the same issue age, sex, and underwriting class of the insured. Any debt will be carried over to the new contract.