

SECURITIES AND EXCHANGE COMMISSION

FORM 486APOS

Post-effective amendments [Rule 486(a)]

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FILER

ML OF NEW YORK VARIABLE LIFE SEPARATE ACCOUNT II

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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 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
16TH FLOOR
NEW YORK, NEW YORK 10022
(212) 415-8070
(COMPLETE ADDRESS OF DEPOSITOR'S PRINCIPAL EXECUTIVE OFFICES)

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SENIOR VICE PRESIDENT & GENERAL COUNSEL
ML LIFE INSURANCE COMPANY OF NEW YORK
800 SCUDDERS MILL ROAD
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COPY TO:

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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 1933. The Registrant filed the 24f-2 Notice for the year ended December 31, 1993 on February 28, 1994.

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

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PROSPECTUS
, 1994

ML OF NEW YORK VARIABLE LIFE SEPARATE ACCOUNT II
FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE CONTRACT
ALSO KNOWN AS
MODIFIED FLEXIBLE PREMIUM
VARIABLE 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 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. It describes contracts which, at the time of issue, are designed to meet the 7-pay test under federal tax law. (See "Tax Treatment of Loans and other Distributions" on page 30.) A prospective contract owner who wants to purchase a modified endowment contract (that would not meet the 7-pay test) should consult a Merrill Lynch registered representative.

The initial payment will be invested only 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 any five of the 36 investment divisions of ML of New York Variable Life Separate Account II (the "Separate Account"), a 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 insured. 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 life. 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 surrender 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.

Contract owners may also purchase a Contract to provide insurance coverage on the lives of two insureds with proceeds payable upon the death of the last surviving insured.

The Contract is designed to allow for planned periodic payments, and contract owners may make additional unplanned payments subject to certain conditions. Contract owners may also change the face amount of their Contracts, borrow up to the loan value of the Contract 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 cash surrender value.

It may not be advantageous to replace existing insurance with the Contract. The Contract may be returned or 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.

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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.

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

CASH SURRENDER VALUE: is equal to the net cash surrender value plus any debt.

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.

DEATH BENEFIT: is the larger of the face amount and the variable insurance amount.

DEATH BENEFIT PROCEEDS: are equal to the death benefit less any debt and less any overdue charges.

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

DEFERRED CONTRACT LOADING: is chargeable to all payments for sales load, federal tax and premium tax charges. ML of New York advances the amount of the loading to the divisions as part of the investment base. This loading is then deducted in equal installments on the next ten contract anniversaries following the date the initial payment is received and accepted. ML of New York deducts the balance of the deferred contract loading not yet recouped in determining a Contract's net cash surrender value.

FACE AMOUNT: is the minimum death benefit as long as the Contract remains in force. The face amount will change if the change in face amount option is chosen; it may increase as a result of an additional payment; or it may decrease as a result of a partial withdrawal.

FIXED BASE: is calculated like the cash surrender value except that 4% is substituted for the net rate of return, the guaranteed maximum cost of insurance

rates 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 and loading) would remain in force if credited with 4% 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 of the death benefit over the cash surrender value.

NET CASH SURRENDER VALUE: is equal to the investment base less the balance of any deferred contract loading and, depending on the date it is calculated, less all or a portion of certain other charges not yet deducted.

NET SINGLE PREMIUM FACTOR: is used to determine the amount of death benefit purchased by \$1.00 of cash surrender 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 guidelines of what constitutes a life insurance contract under the Internal Revenue Code.

PLANNED PERIODIC PAYMENT: is an additional payment made on a planned basis, the amount, duration and frequency of which are elected in the application or at a later date.

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

PROCESSING PERIOD: is the period between consecutive processing dates.

VARIABLE INSURANCE AMOUNT: is computed daily by multiplying the cash surrender value by the net single premium factor.

SUMMARY OF THE CONTRACT

PURPOSE OF THE CONTRACT

This flexible premium variable life insurance contract offers a choice of investments and an opportunity for the Contract's investment base, net cash surrender 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, net cash surrender 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 up to age 75 (or up to age 80 for joint insureds). ML of New York will consider issuing Contracts for insureds above age 75 on an individual basis. ML of New York will issue Contracts only with face amounts less than or equal to \$750,000. Since the Contract is designed to comply with the 7-pay test under federal tax law, contract owners must elect a periodic payment plan providing for payments for at least seven years when they apply for the Contract. ML of New York will modify the payment plan, if necessary, to ensure that it does comply with the 7-pay test. The minimum initial payment is \$2,000. For a discussion of the 7-pay test, see "Tax Considerations" on page 29.

Contract owners may elect to pre-pay periodic payments through a single payment by adding a single premium immediate annuity rider (SPIAR) which will fund the Contract. The amount applied to purchase the SPIAR is not allocated to the Separate Account and is not considered a payment to the Contract. (See "Payments Under a Combination Periodic Payment Plan" on page 13.) Pledging, assigning or gifting a Contract with a SPIAR may have tax consequences to the contract owner. (See "Tax Considerations" on page 29.)

ML of New York will not accept an initial payment that provides a guarantee period of less than one year.

Subject to certain conditions, contract owners may make additional payments that are not planned. (See "Payments Which are Not Under a Periodic Payment Plan" on page 14.)

JOINT INSUREDS

The Contract is also available to provide coverage on the lives of two insureds with a death benefit payable on the death of the last surviving insured. Most of the discussions in this Prospectus referencing a single insured may also be read as though the single insured were the two insureds under a joint Contract. Those discussions which are different for joint insureds are noted accordingly. (See "Joint Insureds" on page 47.)

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

The initial payment will be invested only 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 17.)

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

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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.

HOW THE DEATH BENEFIT VARIES

The death benefit equals the face amount or variable insurance amount, whichever is larger. It may increase or decrease on any day depending on the investment results of the investment divisions chosen by the contract owner. Death benefit proceeds are reduced by any debt.

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. 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 AND CASH SURRENDER VALUE

Contract owners may cancel their Contracts at any time and receive the net cash surrender value. On a contract anniversary, the net cash surrender value equals the investment base minus the balance of any deferred contract loading not yet deducted. 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 cash surrender value.

For purposes of certain computations under the Contract, ML of New York uses the cash surrender value. It is calculated by adding the amount of any debt to the net cash surrender value.

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 insurance.

RIGHT 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 ten days after the contract owner receives it. If the Contract is returned during the "free look" period, ML of New York will refund the payment without interest.

A contract owner may also exchange his or her Contract at any time for a contract with benefits that do not vary with the investment results of a separate account.

HOW DEATH BENEFIT AND CASH SURRENDER VALUE INCREASES ARE TAXED

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

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surrender value while a life insurance contract remains in force. For a discussion of the tax issues associated with this Contract, including taxation of loans and partial withdrawals from, and collateral assignments of, the Contract and the possible 10% penalty tax on such distributions, see "Tax Considerations" on page 29. Contracts that comply with the 7-pay test receive preferential tax treatment with respect to certain distributions.

LOANS

Contract owners may borrow up to the loan value of their Contracts, which is 90% of the cash surrender value. (See "Loans" on page 20.)

Loans are deducted from the amount payable on surrender of the Contract and are also deducted from any death benefit payable. Loan interest of 6% accrues daily and, if it is not repaid each year, it is capitalized and added to the debt.

Depending upon investment performance of the divisions and the amounts borrowed, loans may cause a Contract to lapse. If the Contract is not a modified endowment contract, lapse of the Contract with loans outstanding may result in adverse tax consequences. (See "Tax Considerations" on page 29.)

PARTIAL WITHDRAWALS

Contract owners may make partial withdrawals after the fifteenth contract year, subject to certain conditions. (See "Partial Withdrawals" on page 21.)

FEES AND CHARGES

INVESTMENT BASE CHARGES. ML of New York invests the entire amount of all premium payments in the Separate Account. It then deducts certain charges from the investment base on processing dates. The charges deducted are as follows:

- deferred contract loading equals 9% of each payment. It consists of a sales load of 5%, a charge for federal taxes of 2% and a state and local premium tax charge of 2%. For joint insureds the deferred contract loading equals 11% of each payment and consists of a sales load of 7%, a charge for federal taxes of 2% and a state and local premium tax charge of 2%. Deferred contract loading is deducted in equal installments of .90% (1.1% for joint insureds) of each payment. The deduction is taken on the ten contract anniversaries following the date ML of New York receives and accepts the payment. However, ML of New York subtracts the balance of the deferred contract loading not yet deducted in determining a Contract's net cash surrender value. Thus, this balance is deducted in determining the amount payable on surrender of the Contract;

- on all processing dates after the contract date, ML of New York makes deductions for mortality cost (see "Mortality Cost" on page 18); and

- 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. Currently, there is no net loan cost for amounts borrowed up to the target loan amount (see "Charges Deducted From the Investment Base" on page 17).

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 35.)

OTHER CHARGES. If periodic payments are prepaid by purchasing a single premium immediate annuity rider, ML of New York deducts 5% of the single payment as a charge for the rider. Any applicable premium taxes will also be deducted. (See "Payments Under a Combination Periodic Payment Plan" on page 13.)

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 separate investment 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.

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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.

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 35.)

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.

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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.

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 35.)

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 34.) 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 .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 19.)

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 offer 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 28.)

FACTS ABOUT THE CONTRACT

WHO MAY BE COVERED

The Contract is available in New York. A Contract may be issued for an insured up to issue age 75. ML of New York will consider issuing Contracts for insureds above age 75 on an individual basis. The insured's issue age is his or her age as of the birthday nearest the contract date. The insured must also meet ML of New York's medical and other underwriting requirements.

ML of New York uses two methods of underwriting:

- simplified underwriting, with no physical exam; and
- para-medical or medical underwriting with a physical exam.

The initial payment plus the planned periodic payments elected and the age and sex of the insured determine whether ML of New York will do underwriting on a simplified or medical basis. The maximum initial payment where a periodic payment plan is selected, or the maximum initial payment plus the SPIAR payment where a combination periodic plan is selected, that will be underwritten on a simplified basis is set out in the charts below.

<TABLE>
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PERIODIC PLAN		COMBINATION PERIODIC PLAN (SPIAR)	
AGE	MAXIMUM INITIAL PAYMENT	AGE	MAXIMUM INITIAL PAYMENT PLUS SPIAR PAYMENT
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<S>	<C>	<C>	<C>
0-29.....	\$ 2,500	0-29.....	\$20,000
30-39.....	3,500	30-39.....	25,000
40-49.....	5,000	40-49.....	35,000
50-59.....	7,500	50-59.....	55,000
60-75.....	10,000	60-75.....	75,000

However, if the face amount is above the minimum face amount required for an initial payment (see "Selecting the Initial Face Amount" on page 12), ML of New York will also take the net amount at risk into account in determining the method of underwriting.

ML of New York assigns insureds to underwriting classes which determine the current cost of insurance rates used in calculating mortality cost deductions. In assigning insureds to underwriting classes, ML of New York distinguishes between those insureds underwritten on a simplified basis and those on a paramedical or medical basis. Under both the simplified and medical underwriting methods, Contracts may

be issued on insureds either in the standard or non-smoker underwriting class. Contracts may also be issued on insureds in a substandard underwriting class. For a discussion of the effect of underwriting classification on mortality cost deductions, see "Mortality Cost" on page 18.

For joint insureds, see modifications to this section on page 47.

PURCHASING A CONTRACT

To purchase a Contract the contract owner must complete an application and make a payment. A periodic payment plan and the initial face amount are selected at that time. The amount of the initial payment depends in part on the periodic payment plan selected. ML of New York will not accept an initial payment for a specified face amount that will provide a guarantee period of less than one year. (See "Selecting the Initial Face Amount" and "Initial Guarantee Period" on page 12.)

Insurance coverage generally begins on the contract date, which is usually the next business day following receipt of the initial premium 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 \$250,000 and may not be in effect for more than 60 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 for the backdated period are deducted on the first processing date after the contract date.

For joint insureds, see modifications to this section on page 48.

SELECTING A PERIODIC PAYMENT PLAN. Contract owners select a periodic payment plan in the application, subject to the rules discussed below. The amount, duration and frequency of planned payments must be specified, but the minimum duration is seven contract years, the minimum amount of planned payments is \$2,000 per contract year, the amounts selected must be level, and, in each contract year under the plan, the amount of planned payments selected must equal the initial payment. In addition, the plan must comply with the 7-pay test. ML of New York will modify the periodic payment plan selected, if necessary, to ensure compliance with the 7-pay test. (See "Planned Payments" below.)

SELECTING THE INITIAL FACE AMOUNT. Contract owners can specify the initial face amount, within limits. These limits are based in part on the initial payment and the periodic payment plan selected. The minimum initial face amount is the amount that would satisfy the 7-pay test or, if greater, the face amount that would provide a guarantee period for the whole of life assuming all payments are made as planned under the periodic payment plan selected. (See "Initial Guarantee Period" below.) If the contract owner elects to make planned payments for a period shorter than the first nine contract years (or the first ten contract years if the issue age of the insured is 71 or older), he or she will not have a guarantee period for the whole of life at the end of the periodic payment plan assuming all payments are made as planned. The maximum face amount that may be specified is the amount which will provide a minimum guarantee period of one year. The initial face amount and initial payment determine the guarantee period. If the initial face amount is in excess of the minimum, the guarantee period will be shorter.

INITIAL GUARANTEE PERIOD. The initial guarantee period for a Contract will be determined by the initial payment and face amount. It will not take the planned payments into account. Instead, the guarantee period will be adjusted as each planned payment is made.

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, the deferred contract loading and a 4% interest assumption. This means that for a given initial payment and face amount different insureds will have different guarantee periods depending on their age, sex and underwriting class. For example, an older insured will have a shorter guarantee period than a younger insured of the same sex and in the same underwriting class.

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The maximum guarantee period is for the whole of the insured's life and the minimum guarantee period is one year.

PLANNED PAYMENTS

In the application, contract owners select a periodic payment plan. This plan must comply with ML of New York's rules. (See "Selecting a Periodic Payment Plan" above.) The amount and duration of the planned payments selected, as well as other factors (such as the face amount specified and the insured's age and sex), will affect whether ML of New York will do underwriting on a simplified or medical basis. Once the selected plan is approved, a planned payment may be made without any additional evidence of insurability.

Contract owners may elect another periodic payment plan at a date later than in the application. The amount and duration of the payments elected, as well as

other factors (such as the current death benefit and the insured's age and sex), will affect whether ML of New York will require additional evidence of insurability. Currently, ML of New York will not allow the later election of a periodic payment plan where additional evidence of insurability would put the insured in a different underwriting class with different guaranteed or higher current cost of insurance rates.

Contract owners may elect to make planned payments annually, semiannually or quarterly, although no planned payments may be made until after the "free look" period. Payments under a periodic payment plan may not be made until after the first contract year. Payments may also be made on a monthly basis if the contract owner authorizes ML of New York to deduct the payment from his or her checking account (pre-authorized checking) or to withdraw the payment from his or her CMA account. ML of New York reserves the right to change or discontinue payment deduction procedures. If a contract owner has the CMA Insurance Service, planned payments under any of the above frequencies 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. For planned payments not being made under pre-authorized checking or withdrawn from a CMA account, ML of New York will send the contract owner reminder notices.

ML of New York may require satisfactory evidence of insurability before the contract owner will be permitted to make any additional payments under a periodic payment plan if the payment increases the face amount of the Contract. Failure to make a planned payment will affect the guarantee period. Making a planned payment before the date specified for payment may affect the contract's compliance with the 7-pay test. (See "Tax Considerations" on page 29.)

Contract owners may change the frequency, duration and the amount of planned payments by sending a written request to the Service Center. They may request one change in the amount, one change in the duration and one change in the frequency of payments each contract year. Satisfactory evidence of insurability may be required before the duration or the amount of payments can be increased. The evidence requirements will be based on the amount of the increase in payment and the duration, as well as other factors such as the current death benefit and the insured's age and sex.

For Contracts that otherwise comply with the 7-pay test, changing the frequency, duration or the amount of planned payments may impact upon such compliance. (See "Tax Considerations" on page 29.)

PAYMENTS UNDER A COMBINATION PERIODIC PAYMENT PLAN. Contract owners may add a single premium immediate annuity rider (SPIAR) to their Contract. This rider can be used as a convenient means to pre-pay planned payments through a single deposit. It does so by providing a fixed income for six years or more which can be used to fund the Contract.

The charge for this rider equals 5% of the rider's single payment amount and is deducted directly from the single payment. Of this charge, 4.5% is attributable to distribution expenses and 0.5% is attributable to issuance and administrative expenses relating to the rider. This charge is in addition to the deferred contract loading chargeable to payments made to the Contract from SPIAR income payments. A charge for state premium taxes is also deducted directly from the

single payment.

The deposit applied to purchase the SPIAR is not allocated to the Separate Account and is not considered a payment to the Contract. Each amount paid under the SPIAR and applied to the Contract is considered a payment to the Contract when applied. Under this funding plan, a Contract should receive the favorable tax treatment accorded to contracts which comply with the 7-pay test under current federal tax law.

If the insured dies before the income period ends, ML of New York will pay the rider value in a lump sum to the beneficiary under the Contract. For tax purposes, this payment won't be considered part of the life insurance death benefit.

If the contract owner surrenders the rider before the end of the income period, ML of New York will pay the rider value over five years or apply it to a lifetime income, as selected.

If the contract owner changes ownership of the Contract, ML of New York will change the owner of the SPIAR to the new owner of the contract.

If the contract owner dies before the income period ends, ML of New York will pay the remaining income payments to the new owner.

If the Contract ends because the insured dies (where the contract owner is not the insured), because ML of New York terminates the Contract, or because the Contract is cancelled for its net cash surrender value, ML of New York will continue the annuity rider under the same terms. Alternatively, the contract owner may choose one of the options available upon surrender of the rider.

The rider won't have any effect on the Contract's loan value. The reserves for this rider will be held in ML of New York's general account.

Pledging, assigning or gifting a Contract with the SPIAR may have tax consequences to the contract owner. Contract owners are advised to consult their tax advisor prior to effecting an assignment, pledge or gift of such a Contract. For a discussion of the tax issues associated with use of a SPIAR, see "Tax Considerations" on page 29.

The combination periodic plan is not available under a joint insureds Contract.

PAYMENTS WHICH ARE NOT UNDER A PERIODIC PAYMENT PLAN

After the "free look" period, contract owners may make additional payments which are not under a periodic payment plan provided the attained age of the insured is not over 80. Additional payments may be made at any time up to four times each contract year. The minimum ML of New York will accept for these payments is \$200. They may be made whether or not the contract owner is making planned payments. For Contracts that otherwise comply with the 7-pay test, making an additional payment that is not under the periodic payment plan selected when the Contract was issued may impact upon such compliance. (See "Tax Considerations" on page 29.)

ML of New York may require satisfactory evidence of insurability before a payment is accepted if the payment immediately increases the net amount at risk under the Contract, if the contract owner is otherwise making planned payments or if the guarantee period at the time of the payment is one year or less. Currently, ML of New York will not accept an additional payment which is not under a periodic payment plan where the evidence of insurability would put the insured in a different underwriting class with different guaranteed or higher current cost of insurance rates.

If an additional payment requires evidence of insurability, ML of New York will invest that payment in the division investing in the Money Reserve Portfolio. The additional payment will be invested in this division on the business day next following receipt at the Service Center. Once the underwriting is completed and the payment is accepted, the payment invested in the Money Reserve Portfolio will automatically be allocated either according to instructions or, if no instructions have been received, proportionately to the investment base in the Contract's investment divisions.

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EFFECT OF A PLANNED PAYMENT AND OTHER ADDITIONAL PAYMENTS

Currently, any additional payments (including planned payments) not requiring evidence of insurability will be accepted the day they are received at the Service Center. However, if acceptance of the payment would affect a Contract's compliance with the 7-pay test, to the extent feasible ML of New York will not accept that payment until the contract owner confirms his or her intent to make that payment under those circumstances. If ML of New York holds the payment pending receipt of instructions, it will deposit the payment in its general account and credit it with interest until the payment is returned or accepted. On the date ML of New York receives and accepts an additional payment, whether under a periodic payment plan or not, ML of New York will:

- increase the Contract's investment base by the amount of the payment;
- increase the deferred contract loading (see "Deferred Contract Loading" on page 17);
- reflect the payment in the calculation of the variable insurance amount (see "Variable Insurance Amount" on page 22); and
- increase the fixed base by the amount of the payment less the deferred contract loading applicable to the payment (see "The Contract's Fixed Base" on page 20).

If an additional payment requires evidence of insurability, once underwriting is completed and the payment is accepted, acceptance will be effective, and the additional payment will be reflected in contract values as described above, as of the next business day after the payment is received at the Service Center.

As of the processing date on or next following receipt and acceptance of an additional payment, ML of New York will increase either the guarantee period or face amount or both. If the guarantee period prior to receipt and acceptance of an additional payment is less than for life, payments will first be used to extend the guarantee period. Any amount in excess of that required to extend the guarantee period to the whole of life or any subsequent additional payment will

be used to increase the Contract's face amount.

ML of New York will determine the increase in face amount by taking any excess amount or subsequent additional payment, deducting the applicable deferred contract loading, bringing the result up at an annual rate of 4% interest from the date the additional payment is received and accepted to the next processing date, and then multiplying by the applicable net single premium factor. If the additional payment is received and accepted on a processing date, the payment minus the deferred contract loading is multiplied by the applicable net single premium factor. For a further discussion of the effect of additional payments on a Contract's face amount, see "Additional Payments" in the Examples on page 44.

Unless specified otherwise, if there is any debt, any payment made, other than planned payments, will be used first as a loan repayment with any excess applied as an additional payment. (See "Loans" on page 20.)

For joint insureds, see the modifications to this section on page 48.

CHANGING THE FACE AMOUNT

After the first contract year, if the insured is in a standard or non-smoker underwriting class, a contract owner may request a change in the face amount of his or her Contract without making an additional payment subject to the rules and conditions discussed below. A change in face amount is not permitted if the attained age of the insured is over 80. The minimum change in face amount is \$10,000 and only one change may be made each contract year. A change in face amount may affect the mortality cost deduction. (See "Mortality Cost" on page 18.)

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The effective date of the change will be the next processing date following the receipt and acceptance of a written request, provided it is received at the Service Center at least seven days before the processing date.

Changing the face amount may have tax consequences. (See "Tax Considerations" on page 29.)

INCREASING THE FACE AMOUNT. To increase the face amount of a Contract, ML of New York may require satisfactory evidence of insurability. When the face amount is increased, the guarantee period is decreased. The maximum increase in face amount is the amount which will provide the minimum guarantee period for which ML of New York would issue a Contract at the time of the request based on the insured's attained age. Currently, ML of New York will not permit an increase in face amount where evidence of insurability, if required, would put the insured in a different underwriting class with different guaranteed or higher current cost of insurance rates.

DECREASING THE FACE AMOUNT. When the face amount of a Contract is decreased, the guarantee period is increased. The maximum decrease in face amount is that decrease which would provide the minimum face amount for which ML of New York would issue a Contract at the time of the request based on the insured's attained age, sex and underwriting class. ML of New York won't permit a decrease in face amount below the amount required to keep the Contract qualified as life insurance under federal income tax laws.

DETERMINING THE NEW GUARANTEE PERIOD. As of the effective date of any change in face amount, ML of New York takes the fixed base on that date and, based on the attained age and sex of the insured and the new face amount of the Contract, it redetermines the guarantee period. A 4% interest assumption and the guaranteed maximum cost of insurance rates is used in these calculations. For a discussion of the effect of changes in the face amount on a Contract's guarantee period, see "Changing the Face Amount" in the Examples on page 48.

For joint insureds, see the modifications to this section on page 48.

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 the initial payment. 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 33.) The investment performance reflects the deduction of Separate Account charges. (See "Charges to the Separate Account" on page 19.)

Deductions for deferred contract loading, mortality cost and net loan cost, as well as partial withdrawals and loans, decrease the investment base. (See "Charges Deducted from the Investment Base" on page 17, "Partial Withdrawals" on page 21 and "Loans" on page 20.) 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 investment base in the investment divisions the contract owner has selected. (For special rules on allocation of additional payments which require evidence of insurability, see "Payments Which are Not Under a Periodic Payment Plan" on page 14.)

INVESTMENT ALLOCATION DURING THE "FREE LOOK" PERIOD AND PREALLOCATION. The initial payment will be invested only in the investment division of the Separate Account investing in the Money Reserve Portfolio. Through the first 14 days following the in force date, the initial payment will remain in that investment 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 of the Separate Account.

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CHANGING THE ALLOCATION. After the "free look" period, a contract owner's investment base may be invested in up to any five investment divisions at any one time. Currently, investment allocations may be changed as often as desired. However, ML of New York may limit the number of changes permitted but not to less than five each contract year. Contract owners will be notified if limitations are imposed.

In order to change their investment base allocation, contract owners must call or write to the Service Center. (See "Some Administrative Procedures" on page

26.) If the "free look" period has expired, ML of New York will make the change as soon as the request is received. Contract owners may give allocation requests during the "free look" period and the allocation will be made immediately following the end of the "free look" period.

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 tell ML of New York in 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. ML of New York also deducts certain asset and trust charges daily from the investment results of each investment division in the Separate Account in determining its net rate of return. Currently the asset and trust charges are equivalent to .90% and .34% annually at the beginning of the year. (See "Charges to the Separate Account" on page 19.) The portfolios in the Series Fund and the Variable Series Funds also pay monthly advisory fees and other expenses. (See "Charges to Series Fund Assets" and "Charges to Variable Series Funds Assets" on page 35.) For a discussion of the charges applicable to the SPIAR issued under a combination periodic plan, see page 14.

DEFERRED CONTRACT LOADING. 100% of all premium payments are invested in the Separate Account. Chargeable to each payment is an amount called the deferred contract loading. The deferred contract loading equals 9% of each payment. 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 5% of each payment, compensates ML of New York for sales expenses. The sales load may be reduced if cumulative payments are sufficiently high to reach certain breakpoints (2% of payments in excess of \$1.5 million and 0% of payments in excess of \$4 million) and in certain group or sponsored arrangements as described on page 28. ML of New York anticipates that the sales load charge may be insufficient to cover 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.

The charge for federal taxes equal to 2% of each payment, compensates ML of New York for a significantly higher corporate income tax liability resulting from changes made to the Internal Revenue Code by the Omnibus Budget Reconciliation Act of 1990. (See "ML of New York's Income Taxes" on page 32.) This charge is

treated as a sales load for purposes of determining compliance with the limitations on sales loads imposed by the Investment Company Act of 1940 and applicable regulations thereunder.

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.

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Although chargeable to each payment, ML of New York advances the amount of the deferred contract loading to the investment divisions as part of a contract owner's investment base. It then takes back these funds in equal installments on the ten contract anniversaries following the date a payment is received and accepted. This means that an amount equal to .90% of each payment is deducted from the investment base on each of the ten contract anniversaries following the payment. However, in determining a Contract's net cash surrender value, ML of New York subtracts from the investment base the balance of the deferred contract loading which is chargeable to any payment made but which has not yet been deducted. Thus, this balance is deducted in determining the amount payable on surrender of the Contract.

During the period that the deferred contract loading is included in the investment base, a positive net rate of return will give greater increases in net cash surrender value and a negative net rate of return will give greater decreases in net cash surrender value than if the loading had not been included in the investment base.

For joint insureds, see the modifications to this subsection on page 48.

MORTALITY COST. ML of New York deducts a mortality cost from the investment base on each processing date after the contract date. 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 assigned to the insured, the insured's sex and attained age and the Contract's net amount at risk.

To determine the mortality cost, ML of New York multiplies the current cost of insurance rate by the Contract's net amount at risk (adjusted for interest at an annual rate of 4%). The net amount at risk is the difference, as of the previous processing date, between the death benefit and the cash surrender value.

Current cost of insurance rates may be equal to or less than the guaranteed cost of insurance rates depending on the insured's underwriting class, sex and attained age. For all insureds, current cost of insurance rates distinguish between insureds in the simplified underwriting class and medical underwriting class. For insureds age 20 and over, current cost of insurance rates also distinguish between insureds in a smoker (standard) underwriting class and insureds in a non-smoker underwriting class. For Contracts issued on insureds under the same underwriting method, current cost of insurance rates are lower for an insured in a non-smoker underwriting class than for an insured of the same age and sex in a smoker (standard) underwriting class. Also, current cost of insurance rates are lower for an insured in a medical underwriting class than for a similarly situated insured in a simplified underwriting class. The simplified current cost of insurance rates are higher because less underwriting is performed and therefore more risk is incurred.

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.

During the period between processing dates, the net cash surrender value takes the mortality cost into account on a pro-rated basis. Thus, a pro-rata portion of the mortality cost is deducted in determining the amount payable on surrender of the Contract if the date of surrender is not a processing date.

For joint insureds, see the modifications to this subsection on page 48.

MAXIMUM MORTALITY COST. During the guarantee period, ML of New York limits the deduction for mortality cost if investment results are unfavorable. This is done by substituting the fixed base for the cash surrender value in determining the net amount at risk and by multiplying by the guaranteed cost of insurance rate. ML of New York will deduct this alternate amount from the investment base when it is less than the mortality cost that would have otherwise been deducted. In effect, during the guarantee period,

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a contract owner will not be charged for mortality costs that are greater than those for a comparable fixed contract, based on 4% interest and the same guaranteed cost of insurance rates. (See "The Contract's Fixed Base" on page 19.)

NET LOAN COST. The net loan cost is explained under "Loans" on page 20.

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
- 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 risks assumed by ML of New York with respect to potentially unfavorable investment results. One risk is that the Contract's cash surrender value cannot cover the charges due during the guarantee period. The other risk is that ML of New York may have to limit the deduction for mortality cost (see "Maximum Mortality Cost" above).

The total 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 our 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 its taxes, if any. Such a charge is not currently imposed, but it may be in the future. However, see page 16 for a discussion of tax charges included in deferred contract loading.

GUARANTEE PERIOD

ML of New York guarantees that the Contract will stay in force for the guarantee period. The guarantee period will be affected by a requested change in the face amount and may also be affected by additional payments. Each payment will extend the guarantee period until such time as it is guaranteed for the insured's life. A partial withdrawal may affect the guarantee period in certain circumstances. ML of New York will not cancel the Contract during the guarantee period unless the debt exceeds certain contract values. (See "Loans" on page 20.) 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 will cancel the Contract if the cash surrender value on a processing date is negative. This negative cash surrender value will be considered an overdue charge. (See "Charges Deducted from the Investment Base" on page 17.)

ML of New York will notify the contract owner before cancelling the Contract. He or she will then have 61 days to pay the charges due on the processing date when the cash surrender value became negative. ML of New York will cancel the Contract at the end of this grace period if payment has not yet been received.

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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 insurability; and
- the reinstatement payment is paid. 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.

For joint insureds, see the modifications to this section on page 49.

THE CONTRACT'S FIXED BASE. On the contract date, the fixed base equals the cash surrender value. From then on, the fixed base is calculated like the cash surrender value except that the calculation substitutes 4% for the net rate of return, the guaranteed maximum cost of insurance rates 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 surrender value for a comparable fixed benefit contract with the same face amount and guarantee period. After the guarantee period, the fixed base is zero. The fixed base is used to limit the mortality cost deduction and ML of New York's right to cancel the Contract during the guarantee period.

NET CASH SURRENDER VALUE

A Contract's net cash surrender value fluctuates daily with the investment results of the investment divisions selected. ML of New York doesn't guarantee any minimum net cash surrender value. On a processing date which is also a contract anniversary, the net cash surrender value equals:

-the Contract's investment base on that date;

-minus the balance of the deferred contract loading which has not yet been deducted from the investment base (see "Deferred Contract Loading" on page 17).

If the date of calculation is not a processing date, the net cash surrender value is calculated in a similar manner but ML of New York also subtracts a pro-rata portion of the mortality cost which would otherwise be deducted on the next processing date. And, if there is any existing debt, ML of New York will also subtract a pro-rata net loan cost on dates other than the contract anniversary.

CANCELLING TO RECEIVE NET CASH SURRENDER VALUE. A contract owner may cancel the Contract at any time while 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 27. The net cash surrender value will be determined upon receipt of the written request at the Service Center.

For joint insureds, see the modifications to this subsection on page 49.

LOANS

Contract owners may use the Contract as collateral to borrow funds from ML of New York. The minimum loan is \$200 unless the contract owner is borrowing to make a payment on another ML of New York variable life insurance contract. In that case, the contract owner may borrow the exact amount required even if it's less than \$200. Contract owners may repay all or part of the loan any time during the insured's lifetime. Each repayment must be for at least \$200 or the amount of the debt, if less. Loan repayments will first be allocated to loans above the target loan amount and then to loans from the target loan amount. (See "Target Loan Amount" below.)

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 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 SURRENDER VALUE. Whether or not a loan is repaid, taking a loan will have a permanent effect on a Contract's cash surrender value and may have a permanent effect on its death benefit. This is because the collateral for a loan does not 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 surrender value will be higher as a result of the loan, as may be the death benefit. Conversely, if the amount credited is less, the cash surrender value will be lower, as may be the death benefit. In that case, the lower cash surrender 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 surrender 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. The cash surrender value is the net cash surrender value plus any debt.

TARGET LOAN AMOUNT. A loan is deemed to first be taken from the target loan amount, if any, and then from amounts above the target loan amount. The target loan amount is equal to the investment base at the time a loan is made, plus prior loans not repaid, plus prior withdrawals made, less the initial and any additional payments made.

INTEREST. While a loan is outstanding, ML of New York charges interest of 6% 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. The amount held in ML of New York's general account as collateral for loans taken up to the target loan amount currently earns interest at 6% annually.

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 and the collateral earnings on the target loan amount currently are both 6% annually, there is no net loan cost on loaned amounts up to the target loan amount. Since the interest charged on amounts above the target loan amount is 6% and the collateral earnings on such amounts are 4%, the net loan cost on loaned amounts above the target loan amount is 2%. 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 surrender 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. If the Contract lapses with a loan outstanding, adverse tax consequences may result. (See "Tax Considerations" on page 29.)

PARTIAL WITHDRAWALS

Currently, after a Contract is in force for fifteen years, 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

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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 \$500. The maximum amount of each partial withdrawal is set forth below.

<TABLE>

<CAPTION>

CONTRACT YEAR	MAXIMUM
-----	-----
<S>	<C>
16.....	25% of payments made
17.....	50%
18.....	75%
19+.....	100%

</TABLE>

The amount of any partial withdrawal may not exceed the loan value less any debt. The total amount of partial withdrawals may not exceed the amount of the initial payment plus any additional payments made under the Contract. A partial withdrawal may not be repaid.

EFFECT ON INVESTMENT BASE, FIXED BASE AND DEATH BENEFIT. As of the effective date of the withdrawal, the investment base and fixed base will be reduced by the amount of the partial withdrawal. ML of New York allocates this reduction proportionately to the investment base in 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 GUARANTEED BENEFITS. As of the processing date on or next following a partial withdrawal, ML of New York reduces the Contract's face amount. This is done by taking the fixed base as of that processing date and determining what face amount that fixed base would support for the Contract's guarantee period. If this produces a face amount below the minimum face amount for the Contract, ML of New York will reduce the face amount to that minimum and reduce the guarantee period, based on the reduced face amount, the fixed base and the insured's sex, attained age and underwriting class. The minimum face amount for a Contract is the greater of the minimum face amount for which ML of New York

would then issue the Contract, based on the insured's sex, attained age and underwriting class, and the minimum amount required to keep the Contract qualified as life insurance under applicable tax law. For a discussion of the effect of partial withdrawals on a Contract's guaranteed benefits, see "Partial Withdrawals" in the Examples on page 46.

A partial withdrawal may affect compliance with the 7-pay test. For a discussion of the tax issues associated with a partial withdrawal, see "Tax Considerations" on page 29.

Partial withdrawals are not available under a joint insureds Contract.

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 insured's death.

AMOUNT OF DEATH BENEFIT PROCEEDS. The death benefit proceeds are equal to the death benefit, which is the larger of the current face amount and the variable insurance amount, less any debt. The death benefit proceeds will also include any amounts payable under any riders.

The values used in calculating the death benefit proceeds are as of the date of death. The death benefit will never be less than the amount required to keep the Contract qualified as life insurance under federal income tax laws. 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 19.)

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

- calculating the cash surrender value; and
- multiplying by the net single premium factor (explained below).

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

NET SINGLE PREMIUM FACTOR. The net single premium factor is used to determine the amount of death benefit purchased by \$1.00 of cash surrender value. It is based on the insured's sex, underwriting class and attained age 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 surrender value will decrease over time. Also, net single premium factors may be higher for a woman than for a man of the same age. A table of net single premium factors as of each anniversary is included in the Contract.

TABLE OF ILLUSTRATIVE NET SINGLE PREMIUM FACTORS
ON ANNIVERSARIES
STANDARD UNDERWRITING CLASS

<TABLE>
<CAPTION>

ATTAINED AGE	MALE	FEMALE
-----	-----	-----

<S>	<C>	<C>
5	10.26605	12.37298
15	7.41158	8.96292
25	5.50384	6.48170
35	3.97197	4.64894
45	2.87749	3.36465
55	2.14058	2.48940
65	1.65786	1.87562
75	1.35394	1.45952
85	1.18029	1.21265

</TABLE>

For joint insureds, see the modifications to this section on page 47.

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 27. Payment may be delayed if the Contract is being contested or under the circumstances described in "Using the Contract" on page 24 and "Other Contract Provisions" on page 26.

For joint insureds, see the modifications to this section on page 49.

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

A contract owner may cancel his or her Contract during the "free look" period by returning it for a refund. The "free look" period ends ten days after the Contract is received. 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 Contracts 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 in writing. Also, the original Contract must be returned to ML of New York's Service Center.

The new contract will have the same owner, insured, and beneficiary as those of the original Contract on the date of the exchange. It will have the same issue age, issue date, face amount, cash surrender value, benefit riders and underwriting class as the original Contract on the date of the exchange. Any debt will be carried over to the new contract.

ML of New York will not require evidence of insurability to exchange for a new contract.

For joint insureds, see the modifications to this section on page 49.

After the end of each processing period, contract owners will be sent a statement of the allocation of their investment base, death benefit, cash surrender value, any debt and, if there has been a change, the new face amount and guarantee period. 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 a contract owner's state.

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 33.) 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, net cash surrender 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 all the contract owner's rights. If the contract owner does not 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, Merrill Lynch Life 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 29.)

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 29.

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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 insured's estate.

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 beneficiary 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.

CHANGING THE INSURED. If permitted by state regulation, and subject to certain requirements, contract owners may request a change of insured once each contract year. ML of New York must receive a written request from the contract owner and the proposed new insured. Neither the original nor the new insured can have attained ages as of the effective date of the change less than 21 or more than 75. ML of New York will also require evidence of insurability for the proposed new insured. If the request for change is approved, insurance coverage on the new insured will take effect on the processing date on or next following the date of approval, provided the new insured is still living.

The Contract will be changed as follows on the effective date:

- the issue age will be the new insured's issue age (the new insured's age as of the birthday nearest the contract date);

- the guaranteed maximum cost of insurance rates will be those in effect on

the contract date for the new insured's issue age, sex and underwriting class;

- a charge for changing the insured will be deducted from the Contract's investment base on the effective date. This charge will also be reflected in the Contract's fixed base. The charge will equal \$1.50 per \$1,000 of face amount with a minimum charge of \$200 and a maximum of \$1,500. This charge may be reduced in certain group or sponsored arrangements as described on page 28;
- the variable insurance amount will reflect the change of insured; and
- the Contract's issue date will be the effective date of the change.

The face amount or guarantee period may also change on the effective date depending on the new insured's age, sex and underwriting class. The new guarantee period cannot be less than the minimum guarantee period for which ML of New York would then issue a Contract based on the new insured's attained age as of the effective date of the change.

This option is not available for joint insureds.

For a discussion of the tax issues associated with changing the insured, see "Tax Considerations" on page 29.

MATURITY PROCEEDS. The maturity date is the 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 and the Contract is in effect 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

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- 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.

For joint insureds, see the modifications to this section on page 49.

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 a 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. Unless the contract owner has preallocated the Contract's investment base, the personal identification number 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 17.)

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 taken.

ML of New York will wire the funds to the 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 the 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. 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 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.

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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. ML of New York can also contest the validity of any change in face amount requested if any material misstatements are made in any application required for that change. ML of New York can also contest any amount of death benefit which would not be payable except for the fact that an additional payment which requires evidence of insurability was made if any material misstatements are made in the application required with the additional payment.

ML of New York will not contest the validity of a Contract after it has been in effect during the insured's lifetime for two years from the date of issue. Any change in face amount will not be contested after the change has been in effect during the insured's lifetime for two years from the date of the change. Nor will ML of New York contest any amount of death benefit attributable to an additional payment which requires evidence of insurability after the death benefit has been in effect during the insured's lifetime for two years from the date the payment was received and accepted.

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

If the insured commits suicide within two years of the effective date of any increase in face amount requested, 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 mortality cost deductions made for the increase.

If the insured commits suicide within two years of any date an additional payment is received and accepted, any amount of death benefit which would not be payable except for the fact that the additional payment was made will be limited to the amount of the payment.

The death benefit will be reduced by any debt.

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.

For joint insureds, see the modifications to this section on page 50.

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 insured's lifetime. 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 for its net cash surrender value 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.

For joint insureds, see the modifications to this section on page 51.

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Income plans include:

ANNUITY PLAN. An amount can be used to purchase a single premium immediate certain annuity. (Annuity purchase rates will be 3% less than for new annuitants.)

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.

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.

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

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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.

The maximum commission ML of New York will pay to Merrill Lynch Life Agency,

Inc. to be used to pay Contract commissions to registered representatives is 9.5% of each Contract premium. Additional annual compensation of no more than 0.10% of the Contract's investment base may also be paid to the registered representatives. Commissions may be paid in the form of non-cash compensation.

If the contract owner has also purchased the single premium immediate annuity certain rider (SPIAR) to fund his or her Contract the maximum commission ML of New York will pay to Merrill Lynch Life Agency, Inc. to be used to pay SPIAR commissions to registered representatives is 3.5% of each SPIAR premium.

The amounts paid under the distribution and sales agreements related to Contracts invested in 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 Section 7702 definition can be met if a life insurance contract satisfies either one of two tests that are contained in that section. The manner in which these tests should be applied to certain innovative features of the Contract offered in this Prospectus is not directly addressed by Section 7702 or the proposed regulations issued thereunder. The presence of these innovative Contract features, and the absence of final regulations or any other pertinent interpretations of the tests, thus creates some uncertainty about the application of the tests to the Contract.

ML of New York believes that the Contract qualifies as a life insurance contract for federal tax purposes. 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 surrender value, including any increases, until actual cancellation of the Contract (see "Tax Treatment of Loans and Other Distributions" on page 30).

Because of the absence of final regulations or any other pertinent interpretations of the Section 7702 tests, it, however, is unclear whether substandard risk Contracts or Contracts insuring more than one person will, in all cases, meet the statutory life insurance contract definition. 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 27.)

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.

Pre-death distributions from contracts that comply with the 7-pay test 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. Loans from these contracts will be considered indebtedness of an owner and no part of a loan will constitute income to an owner. However, a lapse of 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.

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 face amount) 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. This could result from additional payments made after 7-pay test

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calculations done at the time of the contract exchange. Contract owners may choose not to exercise their right to make additional payments (whether planned or unplanned) in order to preserve their Contract's current tax treatment.

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 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 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 surrender 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.

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. Although this Contract is specifically designed to comply with the 7-pay test and ML of New York will modify the payment plan selected, if necessary, to ensure that it complies with the test, certain actions by the contract owner will affect the ability of ML of New York to provide such a plan. Following the payment plan as originally established will ensure that the Contract will not be treated as a modified endowment contract. However, making payments in addition to the planned periodic payments established at the onset of the Contract (including payments made in connection with an increase in face amount), accelerating the payment schedules or reducing the benefits during the first seven contract years, 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, in the case of a Contract with joint insureds, reducing the death benefit below the lowest death benefit provided by the Contract during the first seven years will require retroactive retesting and will probably 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.

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. There is a possibility that the part of the loan equal to the target loan amount may be treated as subject to the rules of Section 7872 of the Code. If so, the contract owner would be deemed to receive imputed income. Furthermore, the contract owner would then be deemed to pay ML of New York additional interest accrued on the loan, which interest may not be tax deductible. While the application of the Section 7872 imputed interest rules to these loans is far from certain, some possibility of their application does exist.

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.

TAXATION OF SINGLE PREMIUM IMMEDIATE ANNUITY RIDER. If a SPIAR is used to make the payments on the Contract, a portion of each payment from the annuity will be includible in income for federal tax purposes when distributed. The amount of taxable income consists of the excess of the payment amount

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over the exclusion amount. The exclusion amount is defined as the payment amount multiplied by the ratio of the investment in the annuity rider to the total amount expected to be paid by ML of New York under the annuity.

If payments cease because of death before the investment in the annuity rider has been fully recovered, a deduction is allowed for the unrecovered amount. Moreover, if the payments continue beyond the time at which the investment in the annuity rider has been fully recovered, the full amount of each payment will be includible in income. If the SPIAR is surrendered before all of the scheduled payments have been made by ML of New York, the remaining income in the annuity rider will be taxed just as in the case of life insurance contracts.

Payments under an immediate annuity rider are not subject to the 10% penalty tax that is generally applicable to distributions from annuities made before the recipient attains age 59 1/2.

Other than the tax consequences described above, and assuming that the SPIAR is not subjected to a pledge, loan or partial withdrawal, no income will be recognized to the contract owner or beneficiary.

The SPIAR does not exist independently of a contract. Accordingly, there are tax consequences if a contract with a SPIAR is assigned, transferred by gift, or pledged. Owners of contracts with a SPIAR are advised to consult a tax advisor prior to effecting an assignment, gift or pledge of the contract.

OTHER TRANSACTIONS. Changing the contract owner or the insured may have tax consequences. Exchanging this Contract for another involving the same insured(s) will have no tax consequences if there is no 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. Changing the insured under this Contract may not be treated as an exchange under Section 1035 but rather as a taxable exchange.

OTHER TAXES. Federal estate and state and local estate, inheritance and other taxes depend upon the contract owner's or the beneficiary's specific situation.

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, 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 THE 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 ADVISER. 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 will result in a significantly higher corporate income tax liability for ML of New York in early contract years. ML of New York makes a charge, which is included in the Contract's deferred contract loading, to compensate ML of New York for the anticipated higher corporate income taxes that result from the sale of a Contract. (See "Deferred Contract Loading" on page 17.)

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ML of New York makes no other 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 any tax or other economic burden resulting from the application of tax laws that it determines to be properly attributable to the Separate Account or to the Contracts.

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.

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 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 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. 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 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 instruction 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 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

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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 divisions of the Separate Account which invest in the Series Fund or the Variable Series Funds 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

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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>

Targeted Rate of Return to
Maturity as

Zero Trust Maturity Date 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 19) must be taken into account in estimating a net rate of return for the Separate Account. The net 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 deferred contract loading, mortality costs and any net loan cost deducted from a Contract's investment base (described in "Charges Deducted from the Investment Base" on page 17).

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 net rate of return to maturity for the Separate Account will vary correspondingly.

ILLUSTRATIONS

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

The tables on pages 39 through 44 demonstrate the way in which the Contract works. The tables are based on the following ages, face amounts, payments and guarantee periods and assume maximum mortality charges.

1. The illustration on page 39 is for a Contract issued to a male age 5 in the standard-simplified underwriting class with an initial payment of \$2,000, a face amount of \$144,039 and an initial guarantee period of 15.50 years with planned periodic payments of \$2,000 for six contract years.

2. The illustration on page 40 is for a Contract issued to a male age 35 in the standard-simplified underwriting class with an initial payment of \$3,500, a face amount of \$96,919 and an initial guarantee period of 12.75 years with planned periodic payments of \$3,500 for six contract years.

3. The illustration on page 41 is for a Contract issued to a female age 45 in the standard-simplified underwriting class with an initial payment of \$5,000, a face amount of \$116,558 and an initial guarantee period of 10 years with planned periodic payments of \$5,000 for six contract years.

4. The illustration on page 42 is for a Contract issued to a male age 55 in the standard-simplified underwriting class with an initial payment of \$7,500, a face amount of \$107,681 and an initial guarantee period of 5.50 years with planned periodic payments of \$7,500 for six contract years.

5. The illustration on page 43 is for a Contract issued to a male age 65 in the standard-simplified underwriting class with an initial payment of \$10,000, a face amount of \$103,905 and an initial guarantee period of 3.25 years with planned periodic payments of \$10,000 for six contract years.

6. The illustration on page 44 is for a Contract issued to a male age 55 and a female age 55 in the medical underwriting class with an initial payment of \$10,000, a face amount of \$205,818 and an initial guarantee period of 17 years with planned periodic payments of \$10,000 for six contract years.

The tables show how the death benefit, investment base and 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 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 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 35.) 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 income taxes included in the deferred contract loading, see "Deferred Contract Loading" on page 17). 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 underwriting class.

FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE CONTRACT

MALE ISSUE AGE 5

\$2,000 INITIAL PAYMENT FOR STANDARD-SIMPLIFIED UNDERWRITING CLASS

FACE AMOUNT: \$144,039 INITIAL GUARANTEE PERIOD (1): 15.50 YEARS

BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>
<CAPTION>

CONTRACT YEAR	PAYMENTS (2)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5% AS OF END OF YEAR	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$2,000	\$ 2,100	\$	\$	\$
2.....	2,000	4,305			
3.....	2,000	6,620			
4.....	2,000	9,051			
5.....	2,000	11,604			

6.....	2,000	14,284
7.....	2,000	17,098
8.....	0	17,953
9.....	0	18,851
10.....	0	19,793
15.....	0	25,262
20 (age 25)	0	32,241
30 (age 35)	0	52,518
60 (age 65)	0	226,978

</TABLE>

<TABLE>

<CAPTION>

CONTRACT YEAR	END OF YEAR INVESTMENT BASE (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH SURRENDER VALUE (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT 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 (age 25)						
30 (age 35)						
60 (age 65)						

<FN>

- (1) The initial guarantee period will increase with each additional payment and, assuming all planned periodic payments are made, will be 72.25 years at the end of contract year 7.
- (2) All payments are illustrated as if made at the beginning of the contract year.
- (3) Assumes no loan has been made.

</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 SURRENDER 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.

FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE CONTRACT

MALE ISSUE AGE 35

\$3,500 INITIAL PAYMENT FOR STANDARD-SIMPLIFIED UNDERWRITING CLASS

FACE AMOUNT: \$96,919 INITIAL GUARANTEE PERIOD (1): 12.75 YEARS

BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>
<CAPTION>

END OF CONTRACT YEAR	PAYMENTS (2)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5%	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$3,500	\$ 3,675	\$	\$	\$
2.....	3,500	7,534			
3.....	3,500	11,585			
4.....	3,500	15,840			
5.....	3,500	20,307			
6.....	3,500	24,997			
7.....	3,500	29,922			
8.....	0	31,418			
9.....	0	32,989			
10.....	0	34,638			
15.....	0	44,208			
20.....	0	56,422			
30 (age 65)	0	91,906			

<TABLE>
<CAPTION>

END OF CONTRACT YEAR	END OF YEAR INVESTMENT BASE (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH SURRENDER VALUE (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT 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 65)						

<FN>

- (1) The initial guarantee period will increase with each additional payment and, assuming all planned periodic payments are made, will be 44.75 years at the end of contract year 7.
- (2) All payments are illustrated as if made at the beginning of the contract year.
- (3) Assumes no loan has been made.

</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 SURRENDER 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.

FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE CONTRACT

FEMALE ISSUE AGE 45

\$5,000 INITIAL PAYMENT FOR STANDARD-SIMPLIFIED UNDERWRITING CLASS

FACE AMOUNT: \$116,558 INITIAL GUARANTEE PERIOD (1): 10 YEARS

BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>
<CAPTION>

CONTRACT YEAR	PAYMENTS (2)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5% AS OF END OF YEAR	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$5,000	\$ 5,250	\$	\$	\$
2.....		10,762			
3.....	5,000	16,551			
4.....	5,000	22,628			
5.....	5,000	29,010			
6.....	5,000	35,710			
7.....	5,000	42,746			
8.....	0	44,883			
9.....	0	47,127			
10.....	0	49,483			
15.....	0	63,155			
20 (age 65)	0	80,603			
30.....	0	131,294			

</TABLE>

<TABLE>
<CAPTION>

END OF YEAR INVESTMENT BASE (3)	END OF YEAR CASH SURRENDER VALUE (3)
------------------------------------	---

CONTRACT YEAR	ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT 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 (age 65)						
30.....						

<FN>

- (1) The initial guarantee period will increase with each additional payment and, assuming all planned periodic payments are made, will be 40.25 years at the end of contract year 7.
- (2) All payments are illustrated as if made at the beginning of the contract year.
- (3) Assumes no loan has been made.

</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 INVESTMENT 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 SURRENDER 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.

FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE CONTRACT

MALE ISSUE AGE 55

\$7,500 INITIAL PAYMENT FOR STANDARD-SIMPLIFIED UNDERWRITING CLASS

FACE AMOUNT: \$107,681 INITIAL GUARANTEE PERIOD (1): 5.50 YEARS

BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>
<CAPTION>

TOTAL PAYMENTS MADE PLUS	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF
--------------------------	---

CONTRACT YEAR	PAYMENTS (2)	INTEREST AT 5% AS OF END OF YEAR		
		0%	6%	12%
<S>	<C>	<C>	<C>	<C>
1.....	\$7,500	\$ 7,875	\$	\$
2.....	7,500	16,144		
3.....	7,500	24,826		
4.....	7,500	33,942		
5.....	7,500	43,514		
6.....	7,500	53,565		
7.....	7,500	64,118		
8.....	0	67,324		
9.....	0	70,690		
10 (age 65)	0	74,225		
15.....	0	94,732		
20.....	0	120,905		
30.....	0	196,941		

</TABLE>
<TABLE>
<CAPTION>

CONTRACT YEAR	END OF YEAR INVESTMENT BASE (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH SURRENDER VALUE (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT 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 (age 65)						
15.....						
20.....						
30.....						

<FN>

(1) The initial guarantee period will increase with each additional payment and, assuming all planned periodic payments are made, will be 27 years at the end of contract year 7.

(2) All payments are illustrated as if made at the beginning of the contract year.

(3) Assumes no loan has been made.

</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 INVESTMENT 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 SURRENDER 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.

FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE CONTRACT

MALE ISSUE AGE 65

\$10,000 INITIAL PAYMENT FOR STANDARD-SIMPLIFIED UNDERWRITING CLASS

FACE AMOUNT: \$103,905 INITIAL GUARANTEE PERIOD (1): 3.25 YEARS

BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>
<CAPTION>

CONTRACT YEAR	PAYMENTS (2)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5% AS OF END OF YEAR	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$10,000	\$ 10,500	\$	\$	\$
2.....	10,000	21,525			
3.....	10,000	33,101			
4.....	10,000	45,256			
5.....	10,000	58,019			
6.....	10,000	71,420			
7.....	10,000	85,491			
8.....	0	89,766			
9.....	0	94,254			
10.....	0	98,967			
15.....	0	126,309			
20.....	0	161,206			
30.....	0	262,588			

</TABLE>

<TABLE>
<CAPTION>

CONTRACT YEAR	END OF YEAR INVESTMENT BASE (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF			END OF YEAR CASH SURRENDER VALUE (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT 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.....

<FN>

-
- (1) The initial guarantee period will increase with each additional payment and, assuming all planned periodic payments are made, will be 19.25 years at the end of contract year 7.
 - (2) All payments are illustrated as if made at the beginning of the contract year.
 - (3) Assumes no loan has been made.

</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 INVESTMENT 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 SURRENDER 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.

FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE CONTRACT

JOINT INSUREDS: FEMALE ISSUE AGE 55/MALE ISSUE AGE 55

\$10,000 INITIAL PAYMENT FOR MEDICAL UNDERWRITING CLASS

FACE AMOUNT: \$205,818 INITIAL GUARANTEE PERIOD (1): 17 YEARS

BASED ON MAXIMUM MORTALITY CHARGES

<TABLE>

<CAPTION>

CONTRACT YEAR	PAYMENTS (2)	TOTAL PAYMENTS MADE PLUS INTEREST AT 5% AS OF END OF YEAR	END OF YEAR DEATH BENEFIT (3) ASSUMING HYPOTHETICAL GROSS ANNUAL INVESTMENT RETURN OF		
			0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>
1.....	\$10,000	\$ 10,500	\$	\$	\$
2.....	10,000	21,525			
3.....	10,000	33,101			
4.....	10,000	45,256			
5.....	10,000	58,019			
6.....	10,000	71,420			
7.....	10,000	85,491			
8.....	0	89,766			
9.....	0	94,254			
10.....	0	98,967			
15.....	0	126,309			
20.....	0	161,206			
30.....	0	262,588			

</TABLE>

<TABLE>
<CAPTION>

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

<FN>

- (1) The initial guarantee period will increase with each additional payment and, assuming all planned periodic payments are made, will be 33.75 at the end of contract year 7.
- (2) All payments are illustrated as if made at the beginning of the contract year.
- (3) Assumes no loan has been made.

</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 INVESTMENT 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 SURRENDER 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.

EXAMPLES

ADDITIONAL PAYMENTS

If the guarantee period is for the whole of life at the time an additional payment is received and accepted (which means that planned periodic payments have been made through contract year 9), as of the processing date on or next following the date of the additional payment, ML of New York will increase the face amount to the amount that the Contract's fixed base, as of such processing date, would support for the life of the insured.

Under these circumstances the amount of the increase in face amount 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 proportionately larger increase in face amount. And if additional payments of the same amounts were made in earlier and later years, those made in the later years would result in smaller increases to the face amount.

Example 1 shows the effect on face amount of a \$2,000 additional payment received and accepted at the beginning of contract year ten. Example 2 shows the effect of a \$4,000 additional payment received and accepted at the beginning of contract year ten. Example 3 shows the effect of a \$2,000 additional payment received and accepted at the beginning of contract year eleven. All three examples assume that the guarantee period at the time of the additional payment is for life and assume no other contract transactions have been made.

MALE ISSUE AGE: 55
 PAYMENTS: INITIAL PAYMENT PLUS 8 PERIODIC PAYMENTS OF \$7,500
 FACE AMOUNT: \$107,681

<TABLE>
 <CAPTION>

EXAMPLE 1

CONTRACT YEAR	ADDITIONAL PAYMENT	CHANGE IN FACE AMOUNT	NEW FACE AMOUNT
<S> 10	<C> \$2,000	<C> \$2,629	<C> \$110,310

<CAPTION>

EXAMPLE 2

CONTRACT YEAR	ADDITIONAL PAYMENT	CHANGE IN FACE AMOUNT	NEW FACE AMOUNT
<S> 10	<C> \$4,000	<C> \$5,730	<C> \$113,411

<CAPTION>

EXAMPLE 3

CONTRACT YEAR	ADDITIONAL PAYMENT	CHANGE IN FACE AMOUNT	NEW FACE AMOUNT
<S> 11	<C> \$2,000	<C> \$2,538	<C> \$110,219

</TABLE>

CHANGING THE FACE AMOUNT

As of the processing date on or next following receipt and acceptance of a request for a change in face amount, ML of New York will make the requested change and adjust the guarantee period. For an increase in face amount, ML of New York will decrease the guarantee period and for a decrease in face amount, ML of New York will increase the guarantee period. To decrease the face amount, the guarantee period must be less than for the whole of life at the time of the request. A new guarantee period is established by taking the Contract's fixed base as of the processing date and determining how long that fixed base would support the face amount.

The amount of the increase or decrease in the guarantee period will depend on the amount of increase or decrease in the face amount and the contract year in which the change is made. If made at the same time to equivalent Contracts, a larger increase in face amount would result in a greater decrease in the

guarantee period than a smaller increase in face amount. The same increase made in two different years would result in a smaller decrease in the guarantee period for the increase in face amount made in the later year.

Examples 1 and 2 show the effect on the guarantee period of an increase in face amount of \$10,000 and \$20,000 made at the beginning of contract year eight. Example 3 shows the effect on the guarantee period of an increase in face amount of \$10,000 made at the beginning of contract year ten. All three examples assume no other contract transactions have been made.

MALE ISSUE AGE: 55
 PAYMENTS: INITIAL PAYMENT PLUS 6 PERIODIC PAYMENTS OF \$7,500
 FACE AMOUNT: \$107,681

<TABLE>
 <CAPTION>

EXAMPLE 1

CONTRACT YEAR	INCREASE IN FACE AMOUNT	DECREASE IN GUARANTEE PERIOD
<S> 8	<C> \$10,000	<C> 2.00 years

<CAPTION>

EXAMPLE 2

CONTRACT YEAR	INCREASE IN FACE AMOUNT	DECREASE IN GUARANTEE PERIOD
<S> 8	<C> \$20,000	<C> 3.50 years

<CAPTION>

EXAMPLE 3

CONTRACT YEAR	INCREASE IN FACE AMOUNT	DECREASE IN GUARANTEE PERIOD
<S> 10	<C> \$10,000	<C> 1.75 years

</TABLE>

PARTIAL WITHDRAWALS

As of the processing date on or next following any partial withdrawal, ML of New York will reduce the Contract's face amount. The new face amount is established by taking the Contract's fixed base as of the processing date and determining what face amount that fixed base would support for the Contract's guarantee period.

The amount of the reduction in the face amount will depend on the amount of the partial withdrawal, the guarantee period 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 face amount than a smaller withdrawal. The same partial withdrawal made at the same time from Contracts with the same face amounts but with different guarantee periods would result in a greater reduction in the face amount for the Contract with the longer guarantee period. A partial withdrawal made in a later contract year would result in a smaller decrease in the face amount than if the same amount was withdrawn in an earlier year.

Examples 1 and 2 show the effect on the face amount of partial withdrawals for \$5,000 and \$10,000 taken at the beginning of contract year sixteen. Example 3 shows the effect on the face amount of a \$10,000 partial withdrawal taken at the beginning of contract year eighteen. All three examples assume no other contract transactions have been made.

MALE ISSUE AGE: 55
 PAYMENTS: INITIAL PAYMENT PLUS 6 PERIODIC PAYMENTS OF \$7,500
 FACE AMOUNT: \$107,681

<TABLE>
 <CAPTION>

EXAMPLE 1

CONTRACT YEAR	PARTIAL WITHDRAWAL	FACE AMOUNT
<S> 16	<C> \$5,000	<C> \$100,208

<CAPTION>

EXAMPLE 2

CONTRACT YEAR	PARTIAL WITHDRAWAL	FACE AMOUNT
<S> 16	<C> \$10,000	<C> \$ 92,734

<CAPTION>

EXAMPLE 3

CONTRACT YEAR	PARTIAL WITHDRAWAL	FACE AMOUNT
<S> 18	<C> \$10,000	<C> \$ 93,312

</TABLE>

If the reduction in face amount would be below the minimum face amount for a Contract, ML of New York will reduce the face amount to the minimum face amount, and then reduce the guarantee period by taking the Contract's fixed base as of the processing date and determining how long that fixed base would support the reduced face amount.

JOINT INSUREDS

Contract owners may purchase a Contract on the lives of two insureds. Some of the discussions in this Prospectus applicable to the Contract apply only to a Contract on a single insured. Set out below are the modifications to the designated sections of this Prospectus for joint insureds. Except in the sections noted below, the discussions in this Prospectus referencing a single insured, can be read as though the single insured were the two insureds under a joint contract.

AVAILABILITY AND PAYMENTS (REFERENCE PAGE 5)

A Contract may be issued for insureds up to age 80.

ML of New York will not accept an initial payment that will provide a guarantee period of less than the minimum guarantee period for which it would then issue a Contract based on the age of the younger insured. Such minimum will range from 10 to 40 years depending on the age of the younger insured.

WHO MAY BE COVERED (REFERENCE PAGE 11)

ML of New York will issue a Contract on the lives of two insureds provided the relationship among the applicant and the insureds meets its insurable interest requirements and provided neither insured is over age 80 and no more than one insured is under age 20. The insureds' issue ages will be determined using their ages as of their birthdays nearest the contract date.

The initial payment plus any planned periodic payments elected and the average age of the insureds determine whether underwriting will be done on a simplified or medical basis. The maximum amount underwritten on a simplified basis for joint insureds depends on ML of New York's administrative rules in effect at the time of underwriting.

Under both simplified and medical underwriting methods, Contracts may be issued on insureds in a standard underwriting class only.

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PURCHASING A CONTRACT (REFERENCE PAGE 12)

ML of New York will not accept an initial payment for a specified face amount that will provide a guarantee period of less than the minimum guarantee period for which ML of New York would then issue a Contract based on the age of the younger insured. The minimum will range from 10 to 40 years depending on the age of the younger insured.

PLANNED PAYMENTS (REFERENCE PAGE 13)

Contract owners may change the frequency and the amount of planned payments provided both insureds are living.

Planned payments must be received while at least one insured is living and not more than 30 days before or 30 days after the date specified for payment.

A combination periodic plan is not available for joint insureds.

PAYMENTS WHICH ARE NOT UNDER A PERIODIC PAYMENT PLAN (REFERENCE PAGE 14).

Contract owners may make additional payments which are not under a periodic payment plan only if both insureds are living and the attained ages of both insureds are not over 80.

EFFECT OF A PLANNED PAYMENT AND OTHER ADDITIONAL PAYMENTS (REFERENCE PAGE 15).

If the guarantee period prior to receipt and acceptance of an additional payment is less than for the life of the last surviving insured, the payment will first be used to extend the guarantee period to the whole of life of the younger insured.

CHANGING THE FACE AMOUNT

INCREASING THE FACE AMOUNT (REFERENCE PAGE 16). Contract owners may increase the face amount of their Contracts only if both insureds are living. A change in face amount is not permitted if the attained age of either insured is over 80.

DECREASING THE FACE AMOUNT (REFERENCE PAGE 16). Contract owners may decrease the face amount of their Contracts if either insured is living.

Any reduction in death benefit in a Contract on joint insureds, whether by a change in face amount or other means, will probably result in a failure to satisfy the 7-pay test and subsequent treatment as a modified endowment contract.

CHARGES DEDUCTED FROM THE INVESTMENT BASE

DEFERRED CONTRACT LOADING (REFERENCE PAGE 17). The deferred contract loading equals 11.0% of each payment. 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 7% of each payment compensates ML of New York for sales expenses. The sales load may be reduced if cumulative payments are sufficiently high to reach certain break points (4% of payments in excess of \$1.5 million and 2% of payments in excess of \$4 million). The charge for federal taxes, equal to 2% of each payment, compensates ML of New York for a significantly higher corporate income tax liability resulting from changes made to the Internal Revenue Code by the Omnibus Budget Reconciliation Act of 1990. (See "ML of New York's Income Taxes" on page 32.) The state and local premium tax charge, equal to 2% of payments, compensates ML of New York for state and local premium taxes that must be paid when a payment is accepted.

ML of New York deducts an amount equal to 1.1% of each payment from the investment base on each of the ten contract anniversaries following payment.

MORTALITY COST (REFERENCE PAGE 18). For Contracts issued on joint insureds, current cost of insurance rates are equal to the guaranteed maximum cost of insurance rates set forth in the Contract. Those rates

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are based on the 1980 Commissioners Aggregate Mortality Table and do not distinguish between insureds in a smoker underwriting class and insureds in a non-smoker underwriting class. The cost of insurance rates are based on an aggregate class which is made up of a blend of smokers and non-smokers.

GUARANTEE PERIOD

WHEN THE GUARANTEE PERIOD IS LESS THAN FOR LIFE (REFERENCE PAGE 19). If ML of New York cancels a Contract, it may be reinstated only if neither insured has died between the date the Contract was terminated and the effective date of the reinstatement and the contract owner meets the other conditions listed on page 19.

NET CASH SURRENDER VALUE

CANCELLING TO RECEIVE NET CASH SURRENDER VALUE (REFERENCE PAGE 20). Contract owners may cancel their Contracts at any time while either insured is living.

PARTIAL WITHDRAWALS (REFERENCE PAGE 21)

Partial withdrawals are not available for joint insureds.

DEATH BENEFIT PROCEEDS (REFERENCE PAGE 22)

ML of New York will pay the death benefit proceeds to the beneficiary when all information needed to process the payment, including due proof of the last surviving insured's death, has been received at the Service Center. Proof of death for both insureds must be received. There is no death benefit payable at the first death.

If one of the insureds should die within two years from the Contract's issue date, within two years from the effective date of any increase in face amount requested or within two years from the date an additional payment was received and accepted, proof of the insured's death should be sent promptly to the Service Center since ML of New York may only pay a limited benefit or contest the Contract. (See "Incontestability" and "Payment in Case of Suicide" on page 26.)

NET SINGLE PREMIUM FACTOR (REFERENCE PAGE 23). The net single premium factors are based on the insureds' sexes and underwriting classes and the attained ages on the date of calculation.

PAYMENT OF DEATH BENEFIT PROCEEDS (REFERENCE PAGE 23)

If a payment is delayed, ML of New York, will add interest from the date of the last surviving insured's death to the date of payment at an annual rate of at least 4%.

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

EXCHANGING THE CONTRACT (REFERENCE PAGE 23). A contract owner may exchange his or her Contract for a joint and last survivor contract with benefits that do not vary with the investment results of a separate account.

USING THE CONTRACT

OWNERSHIP (REFERENCE PAGE 24). The contract owner is usually one of the insureds, unless another owner has been named in the application.

The contract owner, may want to name a contingent owner in the event the contract owner dies before the last surviving insured. The contingent owner would then own the contract owner's interest in the Contract and have all contract owner's rights.

NAMING BENEFICIARIES (REFERENCE PAGE 25). ML of New York pays the primary beneficiary the proceeds of this Contract on the last surviving insured's death. If no contingent beneficiary is living, ML of New York pays the last surviving insured's estate.

CHANGING THE INSURED (REFERENCE PAGE 25). Not available for joint insureds.

MATURITY PROCEEDS (REFERENCE PAGE 25). The maturity date is the contract anniversary nearest the younger insured's 100th birthday. On the maturity date, ML of New York will pay the net cash surrender value to the contract owner, provided either insured is living.

OTHER CONTRACT PROVISIONS

INCONTESTABILITY (REFERENCE PAGE 27). ML of New York will not contest the validity of a Contract after it has been in effect during the lifetime of either insured for two years from the issue date. It will not contest any change in face amount requested after the change has been in effect during the lifetime of either 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 additional payment which requires evidence of insurability after the death benefit has been in effect during the lifetime of either insured for two years from the date the payment has been received and accepted.

PAYMENT IN CASE OF SUICIDE (REFERENCE PAGE 27). If either insured commits suicide within two years from the issue date, ML of New York will pay only a limited benefit and terminate the Contract. The benefit will be equal to the payments made reduced by any debt.

If either insured commits suicide within two years of the effective date of any increase in face amount requested, the coverage attributable to the increase will be terminated and a limited benefit will be paid. The benefit will be limited to the amount of mortality cost deductions made for the increase.

If either insured commits suicide within two years of any date an additional payment is received and accepted, the coverage attributable to the payments will be terminated and only a limited benefit will be paid. The benefit will be equal to the payment less any debt attributable to amounts borrowed during the two years from the date the payment was received and accepted.

ESTABLISHING SURVIVORSHIP (ONLY APPLICABLE TO JOINT INSUREDS). If ML of New York is unable to determine which of the insureds was the last survivor on the basis of the proofs of death provided, it will consider insured No. 1 as designated in the application to be the last surviving insured.

Within 90 days of the death of the first insured, the owner may elect to apply the amount of the limited benefit to a single life contract on the life of the surviving insured, subject to the following provisions:

- the new contract's issue date will be the date of death of the deceased insured;
- the insurance age will be surviving insured's attained age on the new contract's issue date;
- no medical examination or other evidence of insurability will be required for the new contract;

- the face amount of the new contract will be determined by applying the limited benefit amount as a single premium payment under the new contract. The face amount of the new contract may not exceed the face amount of this Contract;
- a written request for a new contract must be received at the Service Center;
- the new contract cannot involve any other life;
- additional benefits or riders available on this Contract will be available with the new contract only with ML of New York's consent;
- the new contract will be issued at ML of New York's then current rates for the surviving insured's attained age, based on the underwriting class assigned to the surviving insured when this Contract was underwritten. The underwriting class for the new contract may differ from that of this Contract; and
- if the amount of insurance that would be purchased under the new contract falls below the minimum insurance amounts currently allowed, this option will not be available.

INCOME PLANS (REFERENCE PAGE 27)

If no plan has been chosen when the last surviving insured dies, the beneficiary has one year to apply the death benefit proceeds either paid or payable to him or her to one or more of the income plans.

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.

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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 of 1990. Prior to November of 1990, he was an Assistant Counsel of 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 has 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

</TABLE>

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 of 1990. From February of 1988 to November of 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 of 1990. Prior to July of 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 of 1990. Prior to September of 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 ML of New York since _____ 1990. Prior to _____ 1990, he was Assistant Vice President of Merrill Lynch Life Agency, Inc.

SERVICES ARRANGEMENT

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 to 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.

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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 at 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. Other financial statements included in the Prospectus are unaudited. 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 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.

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FINANCIAL STATEMENTS TO BE FILED BY AMENDMENT

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 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.

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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) (B) 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.

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CONTENTS OF REGISTRATION STATEMENT

This Registration Statement comprises the following papers and documents:

- The facing sheet.
- The prospectus consisting of 53 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>	<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. 33-61670 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. 33-61670 Filed April 26, 1993)
		(c)		Schedules of Sales Commissions. See Exhibit A(3)(b)
	(4)			Not applicable

- (5) (a) (1) Modified Flexible Premium Variable Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (2) Modified Flexible Premium Joint and Last Survivor Variable Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (b) (1) Backdating Endorsement (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (2) Guarantee of Insurability Rider (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (3) Single Premium Immediate Annuity Rider (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (4) Flexible Premium Joint and Last Survivor Partial Withdrawal Rider for use with Modified Flexible Premium Joint and Last Survivor Variable Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (5) Flexible Premium Partial Withdrawal Rider for use with Modified Flexible Premium Variable Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
- (6) Change of Insured Rider for use with Flexible Premium Variable Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
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- (7) Not applicable

</TABLE>

II-3

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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)
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II-4

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| <ol style="list-style-type: none"> 8. | <table border="0"> <tr> <td style="vertical-align: top;"> <ol style="list-style-type: none"> (g) (h) (i) (j) (k) (l) (m) (n) </td> <td style="vertical-align: top;"> <ol style="list-style-type: none"> 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) 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) Power of Attorney of Cynthia L. Kahn (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) 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) 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) 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) 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) 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) </td> </tr> </table> | <ol style="list-style-type: none"> (g) (h) (i) (j) (k) (l) (m) (n) | <ol style="list-style-type: none"> 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) 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) Power of Attorney of Cynthia L. Kahn (Incorporated by Reference to Registrant's Post-Effective Amendment No. 2 to Form S-6 Registration No. 33-61670 Filed March 1, 1994) 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) 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) 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) 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) 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) |
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 - Written Consent of Joseph E. Crowne, F.S.A. (See Exhibit 6)
 - Written Consent of Sutherland, Asbill & Brennan (To be filed by Amendment)
 - Written Consent of Deloitte & Touche, independent certified public accountants (To be filed by Amendment)

</TABLE>

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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 Treasurer
Joseph E. Crowne	
*	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	

</TABLE>

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<TABLE>

<CAPTION>

SIGNATURE

TITLE

<S>

<C>

*	Director
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		
*By: /s/ BARRY G. SKOLNICK		In his own capacity as Director,
-----		Senior Vice President, and General
Barry G. Skolnick		Counsel and as Attorney-In-Fact

</TABLE>

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EXHIBIT INDEX

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<S>	<C>	<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. 33-61670 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. 33-61670 Filed April 26, 1993)
		(c)		Schedules of Sales Commissions. See Exhibit A(3)(b)
	(4)			Not applicable
	(5)	(a)	(1)	Modified Flexible Premium Variable Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
			(2)	Modified Flexible Premium Joint and Last Survivor Variable Life Insurance Policy (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
		(b)	(1)	Backdating Endorsement (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
			(2)	Guarantee of Insurability Rider (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
			(3)	Single Premium Immediate Annuity Rider (Incorporated by Reference to Registrant's Form S-6 Registration No. 33-51702 Filed September 4, 1992)
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| 4. | | Not applicable | | |
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 - (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)

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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 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 life insurance contract providing coverage on an insured named under the Contract and payable upon the death of the insured. The Contract is also available to provide insurance coverage on the lives of two insureds ("joint insureds") with a death benefit payable upon the death of the last surviving insured. 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 contract owner has a guarantee period for life. The Contract will not be canceled 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 surrender 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 payment and the payment plan selected. The minimum face amount is the amount that would satisfy the 7-pay test under Federal tax law or, if greater, the face amount that would give a guarantee period for the whole of life assuming all payments are made under the plan. For a given initial payment and face amount the guarantee period is based on the guaranteed maximum cost of insurance rates in the Contract, the deferred contract loading and a 4% 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.

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The Contract will be offered and sold pursuant to an established mortality structure and underwriting standards in accordance with state insurance laws. Where state insurance laws prohibit the use of actuarial tables that distinguish between men and women in determining premiums and contract benefits for their insured residents, ML of New York will comply. In addition, 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. ML of New York uses two methods of underwriting, simplified underwriting and para-medical or medical underwriting. Insureds in a standard classification will have their maximum cost of insurance rates based on the 1980 CSO mortality table. For insureds in a substandard underwriting class, ML of New York will use a multiple of these tables. During the underwriting process, ML of New York may, however, provide temporary life insurance coverage, the death benefit of which shall not exceed \$250,000, until coverage begins under the Contract, provided the premium has been paid.

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 Contracts. The initial payment will be credited to the Separate Account and the investment base will begin to vary with investment experience on

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the business day next following receipt of the initial payment at the ML of New York's Variable Life Service Center (the "Service Center"), which is generally

the contract date.

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 after the contract date 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.

Through the first 14 days following the in force date, the initial payment will be invested only in the investment division of the Separate Account 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, if different. The contract owner may select up to five of the 36 investment divisions of the Separate Account. The in force date is when the underwriting process is complete, the initial payment is received and outstanding contract amendments (if any) are received.

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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. ADDITIONAL PAYMENTS

An owner may make additional payments (under a periodic plan or otherwise) subject to ML of New York's rules. For joint insureds, both insureds must be alive before ML of New York will accept an additional payment, except in certain situations as described in the prospectus for the Contract. On the date ML of New York receives and accepts an additional payment, whether under a periodic plan or not, it will (1) increase the investment base by the amount of such payment; (2) increase the fixed base by the amount of the payment less the deferred contract loading applicable to such payment; (3) increase the deferred contract loading; and (4) reflect the payment in the calculation of the variable insurance amount. certain situations described in the prospectus for the Contract. ML of New York may in certain circumstances require additional evidence of insurability before accepting an additional payment. Where an additional payment would not require evidence of insurability, the additional payment will be allocated among the investment divisions in accordance with the owner's instructions or, if no instructions have been received, in proportion to the investment base in each division on that date. The payment will be credited to the Contract on the date of receipt at the Service Center. On that date, ML of New York will increase the investment base by the amount of the payment and increase the fixed base by

the amount of the payment less the deferred contract loading applicable to such payment and reflect the payment in the variable insurance amount.

When an additional payment requires evidence of insurability, the additional payment will be invested in the investment division investing in the Money Reserve Portfolio on the next business day following receipt of the payment at the Service Center. On the day ML of New York completes its underwriting and accepts the additional payment, the investment base applicable to the additional payment in the division investing in the Money Reserve Portfolio will be allocated among the investment divisions in accordance with the owner's instructions or if no instructions have been received in proportion to the investment base in each division on that date. Once underwriting is completed and the payment is accepted, the payment will be reflected in the investment base, fixed base and variable insurance amount as of the next business day following receipt of the payment at the Service Center.

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 insured's guaranteed benefits by increasing either the insured's guarantee period or face amount or both. If the guarantee period prior to the receipt and acceptance of an additional payment is less than for life, payments will first be used to extend the guarantee period. For joint insureds, if the guarantee period prior to receipt and acceptance of an additional payment is less than for the life of the last surviving insured, the payment will first be used to extend the guarantee period to the whole of life of the last surviving insured. Any amount in

excess of that required to extend the guarantee period to the whole of life or any subsequent additional payments will be used to increase the Contract's face amount.

The contract owner may elect to make payments pursuant to a periodic plan that complies with the 7-pay test under Federal tax law. If this is the case, and if acceptance of an additional payment would affect such compliance, ML of New York will not accept the payment until ML of New York has confirmed that the contract owner wants to make the payment. Pending receipt of instructions from the contract owner, ML of New York will deposit the payment in its general

account and credit it with interest until ML of New York returns the payment to the owner or accepts the payment.

D. GRACE PERIOD

If the guarantee period is less than for life, a Contract may be canceled by ML of New York after the end of the guarantee period if the cash surrender value on a processing date is negative. 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 the charges which were due on the processing date when the cash surrender value became negative. The amount of the charges will be shown on the notice.

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.

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E. REINSTATEMENT

A Contract that is canceled by ML of New York may be reinstated while the insured is still living. For joint insureds, an owner may reinstate the Contract only if neither insured has died between the date ML of New York terminated the Contract and the effective date of the reinstatement. 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 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.

F. REPAYMENT OF LOAN

A loan or any part of a loan under ML of New York's Contracts 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.

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G. CHANGING THE FACE AMOUNT

After the first contract year an owner may request a change in the face amount of the Contract without making an additional payment. The effective date of the change will be the next processing date following the receipt and acceptance of the written request, provided ML of New York receives it at the Service Center at least seven days before such processing date. A change in face amount is not permitted if the attained age of the insured is over 80. The minimum change in face amount ML of New York will make is \$10,000 and an owner may request only one change per contract year. A change in face amount may affect the mortality cost deduction. For joint insureds, both insureds must be alive before ML of New York will increase the face amount of the Contract. To decrease the face amount, either insured must be alive.

i. INCREASING THE FACE AMOUNT

To increase the face amount of the Contract, ML of New York may require satisfactory evidence of insurability. When ML of New York increases the face amount, it will decrease the guarantee period. The maximum increase in face amount is the amount which will give the minimum guarantee period for which ML of New York would issue a contract at the time of the request based on the insured's attained age.

ii. DECREASING THE FACE AMOUNT

When ML of New York decreases the face amount of the Contract, it will increase the guarantee period. The maximum decrease in face amount is the amount which would result in the minimum face amount for which ML of New York would issue a contract at the time

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of the request based on the insured's attained age, sex and underwriting class. ML of New York won't permit a decrease in face amount below the amount required to keep the Contract qualified as life insurance under Federal income tax laws.

iii. DETERMINING THE NEW GUARANTEE PERIOD

As of the effective date of any change, ML of New York takes the fixed base as of such date and, based on the attained age and sex of the insured and the new face amount of the Contract, redetermines the guarantee period. ML of New

York uses a 4.0% interest assumption and the guaranteed maximum cost of insurance rates in the calculations.

II. TRANSFERS AMONG INVESTMENT DIVISIONS

The Separate Account currently has 36 investment divisions, ten of which invest in corresponding portfolios of the Merrill Lynch Series Fund, Inc. ("Series Fund"), six of which invest in shares of a 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 registered under the Investment Company Act of 1940, each as an open-end, investment company. The Zero Trusts are registered under the Investment Company Act of 1940 as unit investment trusts. The owner may transfer among the investment divisions as often as he or she chooses. Allocations can be made to as many as five divisions at any time.

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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 contract owner transmits the written request and the Contract to ML of New York. ML of New York will pay the net cash surrender value based on the next computed value after a request and Contract are received at the Service Center. The net cash surrender value will usually be paid within seven days after receipt of the Contract and a signed request for surrender at ML of New York's Service Center.

The net cash surrender value on the contract date equals the investment base less the deferred contract loading.

The net cash surrender value on each subsequent processing date which is also an anniversary equals the investment base, less the balance of the deferred contract loading not yet deducted. On a processing date other than an anniversary ML of New York also subtracts a pro-rata net loan cost if there is any debt.

On a date during a processing period, the net cash surrender value equals the investment base less the balance of the deferred contract loading, less the PRO RATA mortality cost since the last processing date and, if there is any debt, less any pro rata net loan cost.

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.

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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.

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 the Contract, due proof of death of the insured, and all other requirements necessary to make payment. For joint insureds, ML of New York must receive proof of the last surviving insured's death, which must include proof of death for both insureds.

Death benefit proceeds equal the death benefit, which is the larger of the current face amount and the variable insurance amount, less any debt. 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. 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 multiplying the cash surrender value by the net single premium factor. The death benefit will never be less than the amount required to keep the Contract qualified as life insurance under Federal income tax laws. The proceeds payable to the beneficiary will also be adjusted to reflect any amounts due from riders. Where required by law, the amount payable also reflects interest from the date of death to the date of payment.

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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

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 surrender value. The cash surrender value for this purpose will be the net cash surrender value plus any debt. 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 an effective annual rate of 6.0% compounded annually. The smallest loan will be for \$200. With a proper request to ML of New York, an owner may designate the divisions from which the loan amounts will be transferred. 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, loans will be allocated among the investment divisions of the Separate Account based upon the investment base in each investment division as of the date the loans are 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 an effective annual rate of at least 4%. Therefore, taking a loan will have a

permanent effect on a Contract's cash surrender value and may have a permanent effect on the death benefit whether or not repaid in whole or in part.

The Contract defines a "target loan amount" of the investment base, plus prior loans not repaid, plus withdrawals taken, less payments made. Interest will be credited daily on the target loan amount at an effective annual rate that is higher than the rate credited to amounts above the target loan amount.

D. PARTIAL WITHDRAWALS

After the fifteenth contract year, an owner may take partial withdrawals of payments made under the Contract by sending a written 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 maximum amount of each partial withdrawal is set forth below.

Contract Year -----	Maximum -----
16	25% of payments made
17	50%
18	75%
19+	100%

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 as follows: (1) the fixed base is calculated as of such date, and (2) based on the contract year, the face amount of the Contract at the time of the partial withdrawal and the amount

of the partial withdrawal, ML of New York will redetermine the period for which that fixed based can support the face amount.

The fixed base is equal to the cash surrender value on the contract date. Thereafter, it is calculated exactly like the cash surrender value except that the calculation substitutes 4% for the net rate of return and the guaranteed maximum cost of insurance for the current cost of insurance and does not take into account loans and repayments. The fixed base is used to make certain computations under the Contract and is equivalent to the cash surrender 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 fixed contract with benefits that do not vary with the investment results of a separate account provided ML of New York receives the owner's request to exchange and the original Contract. The new contract will have the same owner and beneficiary as the original Contract on the date of the exchange. It will also have the same issue age, issue date, face amount, cash surrender value, benefit riders, and underwriting class as the original Contract. For joint insureds, the Contract may be exchanged for a joint and last survivor contract with benefits that do not vary with the investment results of a separate account. The new contract will have the same owner and beneficiary as the original Contract and it will have the same issue age and underwriting classes as the original Contract.

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. 33-51702) 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