SECURITIES AND EXCHANGE COMMISSION

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Post-effective amendments [Rule 486(a)]

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FILER

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II

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Business Address
800 SCUDDERS MILLS RD
C/O TANDEM INSURANCE
GROUP INC
PLAINSBORO NJ 08536
6092821429

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 13, 1994

REGISTRATION NO. 33-43057

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 4
TO
FORM S-6

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

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
(EXACT NAME OF TRUST)

MERRILL LYNCH LIFE INSURANCE COMPANY
(NAME OF DEPOSITOR)
800 SCUDDERS MILL ROAD
PLAINSBORO, NEW JERSEY 08536
(COMPLETE ADDRESS OF DEPOSITOR'S PRINCIPAL EXECUTIVE OFFICES)

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

COPY TO:

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SUTHERLAND, ASBILL & BRENNAN
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It is proposed that this filing will become effective (check appropriate box)
/ / immediately upon filing pursuant to paragraph (b) of Rule 486

/ / on (date) pursuant to paragraph (b) of Rule 486

/X/ 60 days after filing pursuant to paragraph (a) of Rule 486

/ / on (date) 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.

MERRILL LYNCH LIFE VARIABLE LIFE
SEPARATE ACCOUNT II

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

<TABLE>
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N-8B-2 ITEM	CAPTION IN PROSPECTUSES
<C>	<S>
1	Cover Page
2	Cover Page
3	Distribution Agreement and Other Contractual Arrangements
4	Cover Page
5	The Separate Account
6	The Separate Account; Distribution Agreement and Other Contractual Agreements
7	Not Applicable
8	Not Applicable
9	Legal Proceedings
10	Summary of the Policies; Death Benefits; Policy Rights and Obligations; How Policy Benefits Vary to Reflect the Separate Account's Investment Results; Voting Rights; Appendix B
11	Summary of the Policies; The Separate Account
12	Cover Page; Summary of the Policies; The Separate Account
13	Summary of the Policies; The Separate Account; Charges and Expenses; Tax Considerations; Servicing Agent
14	Summary of the Policies
15	Summary of the Policies; Policy Rights and Obligations
16	Summary of the Policies; Policy Rights and Obligations; The Separate Account
17	Death Benefits; Policy Rights and Obligations
18	The Separate Account
19	Servicing Agent
20	Distribution Agreement and Other Contractual Agreements
21	Summary of the Policies; Policy Rights and Obligations
22	Not Applicable
23	Not Applicable
24	Appendix B
25	Summary of the Policies
26	Not Applicable
27	Summary of the Policies; State Regulation
28	Management
29	Summary of the Policies
30	Not Applicable
31	Not Applicable
32	Not Applicable
33	Not Applicable
34	Not Applicable
35	Summary of the Policies
36	Not Applicable

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N-8B-2 ITEM	CAPTION IN PROSPECTUSES
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37	Not Applicable
38	Summary of the Policies; Distribution Agreement and Other Contractual Arrangements
39	Summary of the Policies; Distribution Agreement and Other Contractual Arrangements
40	Distribution Agreement and other Contractual Arrangements
41	Summary of the Policies; Servicing Agent
42	Not Applicable
43	Not Applicable
44	Summary of the Policies; Death Benefits; Policy Rights and Obligations; Charges and Expenses
45	Not Applicable
46	Summary of the Policies; The Separate Account
47	The Separate Account
48	Distribution Agreement and Other Contractual Arrangements
49	Distribution Agreement and Other Contractual Arrangements
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51	Cover Page; Summary of the Policies; Death Benefits
52	The Separate Account
53	Tax Considerations
54	Not Applicable
55	Not Applicable
56	Not Applicable
57	Not Applicable
58	Not Applicable
59	Financial Statements

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The prospectus dated January 2, 1991 for the Directed Life Scheduled Premium Variable Life Insurance Policies issued by Tandem Insurance Group, Inc., as supplemented by Supplement Dated September 9,1991 and Supplement dated October

1, 1991, all of which are contained in the Registrant's registration statement on Form S-6, File No. 33-43057, filed with the Commission on October 1, 1991, are incorporated herein by this reference.

The prospectus dated May 1, 1993 for the Prime Plan I, Prime Plan II and Prime Plan III Single Premium Variable Life Insurance Policies issued by Merrill Lynch Life Insurance Company, all of which are contained in the Registrant's registration statement on Form S-6, File No. 33-443057, filed with the Commission on April 30, 1993, is incorporated herein by this reference.

SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY

This prospectus describes Single Premium Variable Life Insurance Policies ("Policies") issued by Merrill Lynch Life Insurance Company (the "Insurance Company" or "we" or "us"), a subsidiary of Merrill Lynch & Co., Inc. Policies were issued by Monarch Life Insurance Company through 1988 and assumed by Tandem Insurance Group, Inc., which was merged into the Insurance Company, as described under "Summary of the Policies: Assumption of Previously Issued Policies and Subsequent Merger." A Policy is designed to provide lifetime insurance coverage on the insured named in the Policy. A Policy also may be surrendered for its net cash value while the insured is living. The death benefits and cash values under a Policy will vary based on investments made in the Merrill Lynch Life Variable Life Separate Account II (the "Separate Account" or the "Account"). The Insurance Company also has issued Annual Premium and Flexible Premium Variable Life Insurance Policies through the Separate Account which are described in other prospectuses.

An owner of a Policy may allocate the investment base for a Policy among up to 5 of 37 investment divisions in the Separate Account. Some of the investment divisions use their assets to buy shares at net asset value in a designated mutual fund portfolio. Each of these portfolios is a part of the Merrill Lynch Series Fund, Inc. ("Series Fund") or the Merrill Lynch Variable Series Funds, Inc. ("Variable Series Funds"), (collectively, the "Funds"). The Funds use the investment advisory services of Merrill Lynch Asset Management, L.P. ("MLAM"), which is a wholly owned subsidiary of Merrill Lynch & Co., Inc. The other investment divisions use their assets to purchase units of designated unit investment trusts. Each of these unit investment trusts (collectively the "Trusts", and individually, a "Trust") is part of The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities. Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a wholly owned subsidiary of Merrill Lynch & Co., Inc., serves as sponsor for each unit investment trust.

Regardless of a Policy's investment return, the death benefit can never be less than the GUARANTEED INSURANCE AMOUNT. This amount is the Policy's face amount during the first policy year. Afterwards, the GUARANTEED INSURANCE AMOUNT increases each year by 0.48%.

During the first policy year the death benefit equals the Guaranteed Insurance Amount. Afterwards, the death benefit may increase or decrease on each policy anniversary,

depending on a Policy's investment return, but it will never decrease below the Guaranteed Insurance Amount.

A Policy's cash value may increase or decrease on any day, depending on a Policy's investment return. No minimum amount of cash value is guaranteed. In early policy years the cash value may be lower than the single premium accumulated at interest. Therefore, a policy should be purchased only if the owner intends to keep it in effect for a reasonable period of time.

Certain deductions and charges are assessable against the single premium paid under a Policy (see "Charges Deducted from Premium", page 17). The amount of the charges ("POLICY LOADING") initially will be added to the investment base of a Policy by the Insurance Company. The total amount of the policy loading will then be subtracted from the Policy's investment base in equal installments at the beginning of the second through eleventh policy years. During the period of time that any portion of the policy loading is included in the Policy's investment base, the benefits under the Policy will be greater if the actual rate of return is greater than zero, but will create larger decreases in benefits if the actual rate of return is less than zero (see "Investment Return Adjustment", page 9).

A Policy may be exchanged for fixed life insurance under certain conditions (see "Right to Exchange for Fixed Life Insurance", page 11, and "Substitution of Investments", page 16).

It may not be advantageous to replace existing insurance with a Policy. In addition, employers and employee organizations should consider whether, in light of a Supreme Court decision, it is appropriate to purchase a Policy for any employment-related insurance or benefit program (see "Legal Considerations", page 22).

If you make certain changes to your contract, including additional payments, it may be treated as a "modified endowment contract" under Federal tax law. If the contract is a modified endowment contract, any loan, partial withdrawal or surrender may result in adverse tax consequences and/or penalties. (See "Tax Considerations", page 19.) This entire prospectus should be read to completely understand the Policies being offered.

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.

THIS PROSPECTUS MUST BE ACCOMPANIED BY THE CURRENT PROSPECTUSES FOR THE MERRILL LYNCH SERIES FUND, THE MERRILL LYNCH VARIABLE SERIES FUNDS AND THE MERRILL LYNCH FUND OF STRIPPED ("ZERO") U.S. TREASURY SECURITIES WHICH CONTAIN FULL DESCRIPTIONS OF THOSE INVESTMENTS.

THIS PROSPECTUS SHOULD BE RETAINED FOR FUTURE REFERENCE.

- --

<TABLE>

<S>	<C>
Issued by:	Administered at:
Merrill Lynch Life Insurance Company	Service Center
Plainsboro, New Jersey 08536	P.O. Box 9025
Distributed by:	Springfield, Massachusetts
Merrill Lynch, Pierce, Fenner &	01102-9025
Smith Incorporated	1414 Main Street, Third Floor
("MLPF&S")	Springfield, Massachusetts
Plainsboro, New Jersey 08536	01104-1007
	Phone: (800) 354-5333

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DATE: JULY , 1994

PROSPECTUS CONTENTS

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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.

THE PRIMARY PURPOSE OF THE POLICY IS TO PROVIDE INSURANCE PROTECTION FOR THE BENEFICIARY NAMED IN THE POLICY. NO CLAIM IS MADE THAT THE POLICIES ARE IN ANY WAY SIMILAR OR COMPARABLE TO AN INVESTMENT IN A MUTUAL FUND.

SUMMARY OF THE POLICY

This section will answer many questions about a Policy.

HOW DOES THIS POLICY DIFFER FROM A TRADITIONAL SINGLE PREMIUM LIFE INSURANCE POLICY?

Like other single premium life insurance, a Policy provides a death benefit that is payable to the beneficiary upon the insured's death.

Unlike a traditional fixed single premium life insurance policy, the owner of a Policy can choose where the investment base for a Policy is to be placed. The choice is among up to any 5 of the investment divisions of the Separate Account. Some of the divisions invest in shares of a designated mutual fund portfolio in the Merrill Lynch Series Fund, Inc. or the Merrill Lynch Variable Series Funds, Inc. Each portfolio of the Funds are managed by Merrill Lynch Asset Management, Inc. The other investment divisions invest in units of a designated unit investment trust in The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities. MLPF&S serves as sponsor for each unit investment trust.

Like other life insurance, a Policy provides a guaranteed minimum death benefit.

Unlike traditional life insurance, the death benefit may increase above a Policy's guaranteed minimum. There can be no assurance, however, that this will occur. A Policy's death benefit may increase or decrease on each policy anniversary, depending on the investment return for a Policy. Regardless of investment return, the death benefit can never be less than a Policy's Guaranteed Insurance Amount.

For any amount of death benefit above the Guaranteed Insurance Amount, the owner bears the investment risk on any change occurring on a policy anniversary. During a policy year, the Insurance Company will bear the investment risk on such amount while the owner forgoes any increase in death benefit until the next policy anniversary if investment results should be favorable. The Insurance Company bears the investment risk for the entire amount of the Guaranteed Insurance Amount, for which the Insurance Company imposes a risk charge (see "Charges Deducted from Premium--Risk Charge", page 18).

Like other life insurance, the owner can cancel a Policy while the insured is living and receive its net cash value.

Unlike traditional life insurance, a Policy offers the opportunity for appreciation of its net cash value based upon investment results. There can be no assurance that such appreciation will occur. The cash value may increase or decrease on any day, depending on the investment return for a Policy.

The owner bears the investment risk on the cash value, since no minimum amount is guaranteed, whereas in a traditional life insurance policy, cash values are guaranteed as set forth in those policies.

AVAILABILITY. A Policy can be issued to an insured up to age 75. The minimum single premium is $5,000 for age 0 through 19 and $10,000 for ages 20 and over. In certain group or sponsored arrangements, the minimum single premium requirement may be reduced (see "Group or Sponsored Arrangements", page 18). The Policy is no longer available for new issuance.

WHAT IS THE GUARANTEED INSURANCE AMOUNT?

A Policy's Guaranteed Insurance Amount is its face amount during the first policy year. Afterwards, the Guaranteed Insurance Amount increases each year by 0.48%.

Subject to state availability, the owner can purchase term insurance riders which may be added to a Policy to increase the life insurance protection. The amount of any term insurance will not vary with a Policy's investment return (see "Single Premium Term Insurance Rider", page 8).

HOW DOES A POLICY'S DEATH BENEFIT VARY?

The death benefit of a Policy is the Guaranteed Insurance Amount plus the VARIABLE INSURANCE AMOUNT, if positive. The Variable Insurance Amount reflects the accumulation of each policy year's INVESTMENT RETURN (see "Policy's Rate of Return and Resultant Investment Return", page 17). The Variable Insurance Amount is zero during the first policy year. After that, it may be positive or negative as calculated on each policy anniversary.

The change in the Variable Insurance Amount on a policy anniversary will depend, subject to the investment return adjustment described below, upon the relationship of a Policy's ACTUAL RATE OF RETURN (see "Actual Rate of Return", page 17), for the policy year ending on the anniversary, to 4.5%, the Policy's assumed rate of return. The actual rate of return under a Policy reflects, through investment divisions in the Separate Account, increases or decreases in the net asset value of the shares of the Funds plus any distribution made during the policy year on such shares, and increases or decreases in the value of the units of the Trusts. A Policy's investment return for a policy year is the difference between a Policy's actual rate

of return and 4.5%, multiplied by a Policy's total investment base (see "The Amount Invested: The Investment Base", page 16.)

If the actual rate of return exceeds 4.5%, the investment return is positive and the Variable Insurance Amount increases. The increase in the Variable Insurance Amount is an amount of insurance that is purchased by the dollar amount of investment return under a Policy.

An increase in the Variable Insurance Amount on a policy anniversary will not result in an increase in the death benefit if:

- the Variable Insurance Amount on the previous policy anniversary was negative (and the death benefit equalled the Guaranteed Insurance Amount); and

- such increase in the Variable Insurance Amount is not sufficient to make the resulting Variable Insurance Amount positive.

If the actual rate of return is less than 4.5%, the investment return is negative and the Variable Insurance Amount decreases. The decrease in the Variable Insurance Amount is an amount of insurance that is canceled on account of the negative investment return under a Policy. If the prior Variable Insurance Amount was negative, such a decrease will make the Variable Insurance Amount more negative. A decrease in the Variable Insurance Amount will not result in a decrease in the death benefit below the Guaranteed Insurance Amount (see "Death Benefits", page 8).

During the first ten policy years the investment return will be adjusted ("INVESTMENT RETURN ADJUSTMENT") by the product of (i) a Policy's actual rate of return for the policy year, and (ii) the amount of the policy loading that has not been recovered as of the beginning of the policy year. The investment return adjustment may be positive or negative depending on whether the actual rate of return is greater than or less than zero. In calculating the investment return adjustment, the Policy's assumed rate of return is not subtracted from the actual rate of return, as it is in calculating the investment return on the balance of the investment base. This adjustment will be reflected in a change in the Variable Insurance Amount and will have the effect of creating greater increases in the benefits of a Policy if the actual rate of return is greater than zero, but will create larger decreases in benefits if the actual rate of return is less than zero.

Policies issued in the standard class and in the non-smoker class, will provide for increases in the Variable Insurance Amount otherwise calculated on each policy anniversary (see "What Are the Insurance Underwriting Requirements?", page 7). This will be based upon a formula adjustment for assumed favorable mortality result as the Policy remains in force (see "Death Benefits", page 8).

HOW IS THE PREMIUM DETERMINED?

In return for insurance benefits and other policy rights, the owner makes a single premium payment. The premium amount depends on a Policy's face amount and the insured's sex and insurance age.

The minimum single premium is $5,000 for ages 0 through 19 and $10,000 for ages 20 and over. In certain group or sponsored arrangements, the minimum single premium requirement may be reduced (see "Group or Sponsored Arrangements", page 18).

HOW DOES THE SEPARATE ACCOUNT OPERATE?

The Variable Life Insurance benefits for the policies are provided through investments made in the Separate Account. The Separate Account is a separate investment account used only to support Variable Life Insurance policies (see "The Separate Account", page 12). It is not part of the Insurance Company's general account.

The Separate Account is organized as a unit investment trust and is governed by the laws of the State of Arkansas. There currently are 37 investment divisions within the Separate Account available for new allocations, 17 of which invest in shares of a designated mutual fund portfolio of the Funds ("series" types of mutual funds) and 20 of which invest in units of a designated unit investment trust which is part of the Trusts. An owner of a Policy can allocate the investment base for a Policy among up to 5 of the 37 investment divisions.

The daily charge for mortality and expense risks is made against the assets of all divisions in the Separate Account. The charge is equivalent to an effective annual rate of .50% at the beginning of the year (see "Expenses Charged To All Divisions of the Separate Account", page 18). In addition, a daily asset charge, equivalent to an effective annual rate of .34% at the beginning of the year, currently is made against the assets of the Trusts, which invest in units of a designated unit investment trust which is part of the Trusts. This charge may be increased in the future but in no event will it exceed an effective annual rate of .50% (see "Asset Charge", page 18).

Currently, the Insurance Company makes no charge against the Separate Account for company Federal income taxes. Under the Insurance Company's current tax status as a life insurance company, it does not expect to incur Federal income taxes attributable to the Separate Account for a number of years. However, if the Insurance Company incurs company Federal income taxes attributable to the Separate Account in future years, it intends to make a charge for those taxes (see "Charge for the Insurance Company's Income Taxes", page 21.)

WHAT IS THE POLICY'S NET PREMIUM?

The Policy's "net premium" will equal the single premium payable less the policy loading consisting of:

- A charge for sales load which will not exceed 4% of the single premium (see "Sales Load", page 17);

- A charge for administrative expenses (see "Administrative Charge", page 17);

- A charge for state premium taxes (see "State Premium Tax Charge", page 18); and

- A risk charge (see "Risk Charge", page 18).

In certain group or sponsored arrangements the charges for sales load and administrative expenses may be reduced (see "Group or Sponsored Arrangements", page 18).

The net premium is the Policy's cash value as of the policy date.

HOW MUCH OF A POLICY'S PREMIUM IS ALLOCATED TO THE SEPARATE ACCOUNT?

On the policy date, which is either the date of the application (if the premium is received within 5 working days of that date) or the date the premium is received, if later, the Insurance Company allocates to the Separate Account, the sum of the Policy's net premium and the policy loading. That amount is allocated to the investment division investing in the Money Reserve Portfolio. Subject to the Insurance Company's rules, a policyholder may choose to allocate the policy premium among the investment division investing in the Money Reserve Portfolio and one of the investment divisions investing in a unit investment trust. The amount allocated equals the Policy's investment base as of the policy date. After the free look period, the investment base may be allocated among 5 of the investment divisions based on the owner's instructions.

At the beginning of the second policy year and continuing through the eleventh, the Insurance Company will reduce a Policy's investment base by 10% of policy loading. Thus, the amount of the policy loading originally deducted from the single premium but added to the initial investment base will be subtracted from a Policy's investment base in equal installments at the beginning of the second through the eleventh policy years.

WHAT ARE THE DIFFERENT INVESTMENT PORTFOLIOS IN THE MERRILL LYNCH SERIES FUND, INC.?

Ten of the investment divisions of the Separate Account will invest only in the shares of designated mutual fund portfolios of the Merrill Lynch Series Fund, Inc. (the "Series Fund"). The following portfolios of the Series Fund are currently available.

Money Reserve Portfolio
Intermediate Government Bond Portfolio
Long Term Corporate Bond Portfolio
Capital Stock Portfolio
Growth Stock Portfolio
High Yield Portfolio
Multiple Strategy Portfolio
National Resources Portfolio
Global Strategy Portfolio
Balanced Portfolio

The Series Fund is managed by Merrill Lynch Asset Management, L.P. ("MLAM"), which is a wholly-owned subsidiary of Merrill Lynch & Co., Inc. MLAM receives a monthly fee from the Series Fund equivalent to an annual rate of .50% of the first $250 million of the aggregate average daily net assets of the Fund, .45% of the next $50 million, .40% of the next $100 million, .35% of the next $400 million and .30% of the excess over $800 million. MLAM has agreed that if in any year the aggregate ordinary expense (excluding interest, taxes, brokerage fees, commissions and extraordinary charges) of any portfolio of the Series Fund exceeds the expense limitations then in effect under any state securities law or regulation, it will reduce its fee from such portfolio by such excess and, if required under such laws or regulations, it will reimburse the Series Fund in the amount of such excess. Pursuant to a Reimbursement Agreement, the Series Fund will be reimbursed so that the ordinary operating expenses of the portfolios (which includes the monthly advisory fee) do not exceed .50% of the average daily net assets.

The Series Fund is briefly described on page 13. More detailed information about the Series Fund can be found in the accompanying prospectus for the Series Fund, which should be read together with this prospectus.

WHAT ARE THE DIFFERENT INVESTMENT PORTFOLIOS IN THE MERRILL LYNCH VARIABLE SERIES FUNDS, INC.?

The Merrill Lynch Variable Series Funds Inc., contains eighteen mutual fund portfolios. Seven of the eighteen portfolios are currently available through the Separate Account as listed below:

- Basic Value Focus Fund
- World Income Focus Fund
- Global Utility Focus Fund
- International Equity Focus Fund
- International Bond Fund
- Developing Capital Markets Focus Fund
- Equity Growth Fund

The Variable Series Funds is managed by Merrill Lynch Asset Management, L.P. ("MLAM"), which is a wholly-owned subsidiary of Merrill Lynch & Co., Inc. The Variable Series Funds, as part of its operating expenses, pays an investment advisory fee to MLAM. (See "The Variable Series Funds," page 13.) 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 portfolio 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 commissions and extraordinary expenses, such as litigation.

MLAM and Merrill Lynch Life Agency, Inc. have entered into two agreements which limit the operating expenses paid by each portfolio 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 portfolio by MLAM which, in turn, will be reimbursed by Merrill Lynch Life Agency, Inc.

The Variable Series Funds is briefly described on pages 13-15. More detailed information about the Variable Series Funds can be found in the accompanying prospectus for the Variable Series Funds, which should be read together with this prospectus.

WHAT ARE THE DIFFERENT UNIT INVESTMENT TRUSTS OF THE MERRILL LYNCH FUND OF STRIPPED ("ZERO") U.S. TREASURY SECURITIES?

Certain investment divisions of the Separate Account will invest in units of a designated unit investment trust which is part of The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities (the "Trusts"). Subject to state approval, the Trusts currently available have maturity dates in years 1994 through 2011, 2013 and 2014.

Merrill Lynch, Pierce, Fenner & Smith Incorporated, a subsidiary of Merrill Lynch & Co., will serve as sponsor for each unit investment trust. As sponsor, MLPF&S will sell units of the Trusts to the Separate Account. The price of these units will include a transaction charge which will not be paid by the Separate Account upon acquisition but will be paid directly by the Insurance Company to MLPF&S out of the Insurance Company's general account assets. The amount of the transaction charge paid will be limited by agreement between the Insurance Company and MLPF&S and will not be greater than that ordinarily paid by a dealer for similar securities. The Insurance Company will seek reimbursement for the amounts paid through a daily asset charge which will be made against the assets of the Trusts. The amount of this charge currently is equivalent to an effective annual rate of .34% at the beginning of the year. This amount may be increased in the future but in no event will it exceed an effective annual rate of .50%. The charge will be cost-based (taking into account a loss of interest) with no anticipated element of profit for the Insurance Company.

The value of the Trust units will vary more widely than units of a unit investment trust containing coupon-bearing U.S. treasury securities with comparable maturities. Accordingly, the investment base allocated to the Trusts may show wide fluctuations from day to day, particularly when the period to maturity is relatively long. The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities is briefly described on pages 15-16. More detailed information can be found in the accompanying prospectus, which should be read together with this prospectus.

HOW CAN THE OWNER ALLOCATE THE INVESTMENT BASE FOR A POLICY?

After the end of the free look period, the owner can allocate the investment base among up to 5 of the investment divisions of the Separate Account. Thereafter the owner can change the allocation of the investment base that supports a Policy 5 times each policy year. Allocations to the Trusts depend on state availability and the availability of units of the Trusts (see "Allocation of Net Premium and Investment Base", page 10).

IS THE DEATH BENEFIT EXCLUDABLE FROM GROSS INCOME FOR TAX PURPOSES?

The death benefit under a Policy is subject to the same Federal income tax treatment as proceeds of fixed life insurance. Therefore, the death benefit will be fully excludable from the gross income of the beneficiary under Section 101(a)(1) of the Internal Revenue Code (see "Tax Considerations--Policy Proceeds", page 19).

WHAT IS THE TAX TREATMENT OF CASH VALUE INCREASES?

The cash value under a Policy is subject to the same Federal income tax treatment as a cash value under fixed life insurance. Therefore, the owner will not be deemed to be in constructive receipt of the cash values, including any yearly increases, unless and until actual surrender of a Policy. Upon surrender of a Policy for its cash value, the excess, if any, of the cash value over the premium paid in will be treated as ordinary income for Federal income tax purposes (see "Tax Considerations--Policy Proceeds", page 19).

WHAT IS THE LOAN PRIVILEGE?

The owner may borrow up to the loan value of the Policy from the Insurance Company. The Policy may be the only security required for the loan. The owner may repay all or part of the loan at any time while the insured is living.

The interest rate on a loan is 5.25% a year. If interest isn't paid when due, it will be added to the amount of the loan.

EFFECT OF A LOAN. While a loan is outstanding, a part of the cash value equal to the policy debt is maintained in the Insurance Company's general account rather than in the Separate Account. The part maintained in the general account is credited with a 4.5% annual net return and does not add to a Policy's investment return. Therefore, the death benefit (above the Guaranteed Insurance Amount) and the cash value are permanently affected by a loan, whether or not repaid in whole or in part. The amount of any outstanding policy debt is subtracted from the amount payable on surrender of a Policy and are also subtracted from any death benefit payable (see "Policy Loan", page 10). Loan interest accrues daily and, if it is not repaid each year, it is capitalized and added to the policy debt. Depending upon investment performance of the investment divisions and the amount borrowed, loans may cause a Policy to lapse. Lapse of a Policy with loans outstanding may result in adverse tax consequences (see "Tax Considerations--Policy Proceeds", page 19). If the policy debt exceeds the cash value, the Insurance Company will terminate the Policy in accordance with the procedure described on page 10.

WHO ARE THE INSURANCE COMPANY AND MLPF&S?

The Insurance Company is a stock life insurance company organized under the laws of the State of Washington in 1986 and redomesticated under the laws of the State of Arkansas in 1991. We are an indirect wholly owned subsidiary of Merrill Lynch & Co., Inc. We are authorized to sell life insurance and annuities in 49 states, Guam, the U.S. Virgin Islands and the District of Columbia. We are authorized to offer variable life insurance in most states.

MLPF&S is also 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 us and is the principal underwriter of our variable life policies issued through the Separate Account. We retain MLPF&S to provide services relating to the policies under a

Distribution Agreement.

WHO SELLS THE POLICIES?

The Insurance Company retains MLPF&S under a distribution agreement to act as principal underwriter for the policies issued through the Separate Account. The Insurance Company has companion sales agreements with various insurance agency organizations affiliated with MLPF&S, including ML Life Agency Inc. in Texas, Merrill Lynch Life Agency Ltd. in Mississippi and various Merrill Lynch Life Agencies elsewhere. MLPF&S is registered with the SEC as a broker-dealer and is a member of the National Association of Securities Dealers.

Under these agreements, applications for the policies are solicited by financial consultants of MLPF&S. The financial consultants are authorized under applicable state regulations to sell variable life insurance as insurance agents.

COMMISSION. The maximum commission as a percentage of a premium payable to qualified registered representatives will, in no event, exceed 3.5%. In addition, the organizations described above will also receive override payments and may be reimbursed under MLPF&S's expense reimbursement allowance program for portions of expenses incurred.

WHAT ARE THE INSURANCE UNDERWRITING REQUIREMENTS?

Insurance underwriting is designed to group applicants of the same age into classifications which can be expected to produce mortality experience consistent with the actuarial structure for that class. The Insurance Company uses the following methods of underwriting: (a) simplified and non-medical underwriting not requiring a physical exam and (b) medical underwriting which requires an exam.

Simplified underwriting is the only method used if the proposed insured's issue age is 75 or less and if the single premium is less than $75,000. Under this underwriting method, Policies will be issued in the standard-simplified underwriting risk class.

In other situations, non-medical or medical underwriting is used. As a result of these methods of underwriting, the proposed insured may be classified as standard-medical or as non-smoker.

Applicants who do not qualify for the non-smoker or standard underwriting classifications will not have the formula adjustment. All other applicants will receive a formula adjustment (see page 10). In certain group or sponsored arrangements, underwriting classifications may be modified (see "Group or Sponsored Arrangements", page 18).

ASSUMPTION OF PREVIOUSLY ISSUED POLICIES AND SUBSEQUENT MERGER

On November 14, 1990, Monarch Life Insurance Company ("Monarch"), the Insurance Company and certain other Merrill Lynch insurance companies entered into an indemnity reinsurance and assumption agreement (the "Assumption Agreement"). Under the Assumption Agreement, Tandem Insurance Group, Inc. ("Tandem"), one of the other Merrill Lynch insurance companies, acquired, on an assumption reinsurance basis, certain of the variable life insurance policies issued by Monarch through its Variable Account A, including the Policies ("reinsured policies") described in this prospectus. On October 1, 1991, Tandem was merged with and into the Insurance Company (the "merger"), which thereby succeeded to all of Tandem's liabilities and obligations. Thus, the Insurance Company has all the liabilities and obligations under the reinsured policies. All further payments made under the reinsured policies will be made directly to or by the Insurance Company.

If you are the owner of a reinsured policy, you have the same rights and values under your Policy as you did before the reinsurance or merger transaction. However, you will look to the Insurance Company instead of to Monarch or Tandem to fulfill the terms of your Policy. Pursuant to the Assumption Agreement, all of the assets of Monarch's Variable Account A relating to the reinsured policies were transferred to Tandem and allocated to the Separate Account. By virtue of the merger, the Separate Account became a separate account of the Insurance Company. The assets of the Separate Account are only available to satisfy the Insurance Company's obligations under the variable life insurance policies issued through the Separate Account. Those assets are not chargeable with liabilities arising out of any other business that Monarch has conducted, and the assets of the Separate Account cannot be reached by Monarch or Monarch's creditors.

DEATH BENEFITS

PROCEEDS. The Insurance Company will pay death benefit proceeds of a Policy to the named beneficiary upon the insured's death. The proceeds may be paid in cash or under one or more income plans (see "Income Plans", page 34).

Death benefit proceeds equal the Guaranteed Insurance Amount plus the Variable Insurance Amount, if positive, on the immediately preceding anniversary in the year of death, plus any insurance on the insured's life provided by rider, less any policy debt (see "Policy Loan", page 10).

Death benefit proceeds (exclusive of amounts due from riders and before reduction by any policy debt) will be at least equal to the face amount of insurance under a single premium variable life insurance policy purchased at the insured's age at the date of death having a net premium equal to a Policy's net cash value. For this purpose the face amount purchased will in no event be less than the face amount required under the rules governing the tax definition of life insurance. Thus, under certain circumstances, it is possible that an owner may not forego any increase in death benefit until the next policy anniversary if investment results should be favorable.

All calculations will be made as of the date of death.

SINGLE PREMIUM TERM INSURANCE RIDER. In order to allow the owner of a Policy to increase the amount of insurance protection, subject to state availability, a Policy may be combined with a Single Premium Term Insurance Rider. Insurance under this Rider may be converted to a Single Premium Variable Life Insurance policy without evidence of insurability at any time beginning on the first anniversary of the rider and ending as of the tenth anniversary. The new Single Premium Variable Life Insurance policy will be for a face amount equal to the amount converted and will be at premium rates based on the insured's age at the time of conversion using the risk classification of the rider.

No portion of the premium for a rider is allocated to the Separate Account and therefore the rider contains no variable feature. The Rider will have guaranteed cash values which will be received upon cancellation of the Rider. The guaranteed cash values of the Rider will be added to the cash value of the Policy in the determination of cash value benefits. The cash value of the Rider will not increase the loan value of the Policy.

VARIABLE INSURANCE AMOUNT. The Variable Insurance Amount a Policy provides is zero during the first policy year. After that, the amount may be positive or negative as calculated on an annual basis.

On each policy anniversary, the Insurance Company will determine the Variable Insurance Amount for the policy year beginning on that anniversary by taking into account:

- the Variable Insurance Amount (positive or negative) for the preceding policy year; and

- the Policy's investment return for the preceding policy year (see "Policy's Rate of Return and Resultant Investment Return", page 17); and

- the investment return adjustment (positive or negative) for the preceding policy year (see "Investment Return Adjustment", page 9); and

- the formula adjustment for Policies issued in the standard and non-smoker classes (see "Formula Adjustment", page 9).

The Variable Insurance Amount changes only on a policy anniversary.

The change in the Variable Insurance Amount on a policy anniversary will depend, subject to the investment return adjustment described on page 9, on the relationship of the Policy's actual rate of return (see "Actual Rate of Return", page 17) for the policy year ending on the anniversary, to 4.5%, the Policy's assumed rate of return. If the actual rate of return exceeds 4.5%, the Variable Insurance Amount increases. Subject to the investment return adjustment described on page 9, and the formula adjustment described on page 9, if the actual rate of return is less than 4.5%, the Variable Insurance Amount decreases; in the absence of any adjustment the Variable Insurance Amount would not change from one year to the next if a Policy's actual rate of return equals 4.5%.

If the Variable Insurance Amount is negative at the end of a policy year, the death benefit will equal the Guaranteed Insurance Amount. In that event, the death benefit would increase above the Guaranteed Insurance Amount on the next policy anniversary only if the actual rate of return for such year was sufficiently greater than 4.5% to result in an investment return large enough to offset the negative Variable Insurance Amount in the prior policy year.

The change in the Variable Insurance Amount on a policy anniversary equals the amount of insurance purchased under a Policy or the amount of insurance coverage canceled under a Policy which results from positive or negative investment return, respectively. To calculate the change in the Variable Insurance Amount, the Insurance Company uses a net single premium per $1 of paid-up whole life insurance based on the insured's age at the anniversary. Thus, for example, if the investment return for a female age 65 is $100, positive or negative, the

Variable Insurance Amount will increase or decrease by $195 (see table below). Since the dollar amount of a Policy's investment return depends on the total investment base supporting a Policy (see "The Amount Invested: The Investment Base", page 16) which will tend to be larger in later years, the increase or decrease in the Variable Insurance Amount will tend to be larger in later years.

It should be noted that as shown in the table below, the net single premium used to calculate the Variable Insurance Amount increases as the insured advances in age and thus larger dollar amounts of investment return are required each year to result in the same increases in the Variable Insurance Amount.

NET SINGLE PREMIUM FOR THE VARIABLE INSURANCE AMOUNT. A Policy includes a table of net single premiums used to convert the investment return for a Policy into increases or decreases in the Variable Insurance Amount. This purchase basis does not depend upon the risk classification of a Policy or any changes in the insured's health after issue of a Policy. The net single premium will be lower for a Policy issued to a female than for a Policy issued to a male, as shown below. The net single premium is used for the calculation of the Variable Insurance Amount and is not for premium payment purposes.

TABLE OF ILLUSTRATIVE NET SINGLE PREMIUMS FOR AVAILABLE INSURANCE AMOUNT

MALE ATTAINED AGE	NET SINGLE PREMIUM PER $1.00 OF VARIABLE INSURANCE AMOUNT	VARIABLE INSURANCE AMOUNT PURCHASED OR CANCELLED BY $1.00 OF INVESTMENT RETURN
5	$ .08550	$ 11.70
15	.11834	8.45
25	.16522	6.05
35	.23528	4.25
45	.33460	2.99
55	.45929	2.18
65	.59811	1.67
75	.72817	1.37
85	.83523	1.20

FEMALE ATTAINED AGE		
5	$ .07095	$ 14.09
15	.09683	10.33
25	.13510	7.40
35	.18992	5.27
45	.27165	3.68
55	.38186	2.62
65	.51413	1.95
75	.65271	1.53
85	.77524	1.29

INVESTMENT RETURN ADJUSTMENT. During the first ten policy years the investment return will be adjusted by the product of (i) a Policy's actual rate of return for the policy year, and (ii) the amount of the policy loading that has not been recovered as of the beginning of the policy year. Accordingly, this adjustment will be reflected in a change in the Variable Insurance Amount. This investment return adjustment can be positive or negative depending on whether the actual rate of return is greater than or less than zero. Thus, with respect to both the investment return and the change in the Variable Insurance Amount, the dollar amount of change will be increased (positively or negatively) as a result of the investment return adjustment. Thus, the effect of the addition of the policy loading to the investment base is to create greater increases in benefits if the actual rate of return is greater than zero, but to create larger decreases in benefits if the actual rate of return is less than zero. Regardless of the actual rate of return, however, the full amount of the policy loading will be deducted from the investment base over a ten-year period.

FORMULA ADJUSTMENT. For Policies issued in the standard or non-smoker risk classifications the Variable Insurance Amount otherwise calculated on a policy anniversary will be increased to reflect assumed favorable mortality results as the Policy remains in force. It will be calculated as follows:

(1) The total investment base immediately before the anniversary, multiplied by

(2) the adjustment factor on the anniversary from the table included in a Policy, divided by

(3) the net single premium based on the insured's age at the anniversary.

The adjustment factors range between 0 and .0122 and depend on the single premium, issue age, sex, risk classification and policy anniversary.

POLICY RIGHTS AND OBLIGATIONS

PREMIUMS

PREMIUM. Payment of the single premium is required to put a Policy in effect. The minimum single premium is $5,000 for ages 0 through 19 and $10,000 for ages 20 and above. In certain group or sponsored arrangements, the minimum single premium requirement may be reduced (see "Group or Sponsored Arrangements", page 18).

In setting its premium rates, the Insurance Company considers actuarial estimates of death and cash value benefits, expenses, investment experience and an amount to be contributed to the Insurance Company's surplus. Also, assets are allocated to the Insurance Company's general account to accumulate as a reserve to cover the contingency that the insured will die at a time when the Guaranteed Insurance Amount exceeds the death benefit that would have been payable based upon the Policy's cumulative investment return in the absence of such guarantee.

ALLOCATION OF NET PREMIUM AND INVESTMENT BASE

After the free look period, the owner can designate how the investment base is to be allocated among up to 5 of the investment divisions of the Separate Account. On the policy date the investment base is allocated to the Money Reserve Portfolio.

The owner can change the allocation of the total investment base among the investment divisions 5 times each policy year (see "The Amount Invested: The Investment Base", page 16, for a full description of the investment base) but not before the end of the free look period. Such change will take effect when notice is received.

The ability of an owner to allocate additional portions of the investment base to the Trusts may be limited by the availability of units of the Trusts.

If any part of the investment base of a Policy is allocated to investment divisions which have specified maturity dates, then as of that maturity date, unless otherwise specified by the owner, the amounts in that division will be allocated to the investment division investing in the Money Reserve Portfolio. The Insurance Company will notify the owner 30 days in advance of the maturity date. To elect an allocation to other than the investment division investing in the Money Reserve Portfolio, the owner must notify the Insurance Company in writing at least 7 days prior to the maturity date.

CASH VALUE BENEFITS

The owner can cancel a Policy at any time while the insured is living and receive its net cash value. The request must be in writing in a form satisfactory to the Insurance Company. All rights to death benefits will end on the date the written request is sent to the Insurance Company. The net cash value will be determined upon receipt of the written request at the Service Center.

NET CASH VALUE. The cash value increases or decreases daily to reflect a Policy's investment return (see "Policy's Rate of Return and Resultant Investment Return", page 17). The cash value for a Policy at the end of a policy year is equal to the tabular cash value on that date as shown in the Policy plus (or minus) the net single premium on that date for the Variable Insurance Amount. The NET CASH VALUE is the cash value minus any policy debt. The cash value on a date during a policy year, assuming no policy loans during the year, can be expressed as:

(1) The cash value at the end of the preceding year; plus

(2) the actual rate of return (positive or negative) for a Policy applied to the investment base, including any unrecovered policy loading, at the beginning of the year; minus

(3) the charge for the cost of insurance protection (which will vary annually) provided since the end of the preceding year which is computed based upon the amount of insurance provided during the year and the insured's age and sex on such date.

No minimum amount of cash value is guaranteed.

Except on policy anniversaries after the tenth, the cash value does not equal the investment base (see "How Investment Base Relates to Cash Value", page 16).

POLICY LOAN

The owner may borrow money from the Insurance Company using a Policy as the only security for the loan. A loan may be taken any time a Policy is in effect. With a proper written request to the Insurance Company, an owner may designate the divisions from which the loan amounts will be transferred and to which repayments will be made. The owner may repay all or part of the loan at any time while the insured is living. The amount of the loan may not exceed the LOAN VALUE. Any existing policy debt will be subtracted from a new loan. The smallest loan is $1,000, unless the loan is being used to pay premiums on another Variable Life Insurance policy issued by the Insurance Company. The smallest repayment is $1,000.

LOAN VALUE. The loan value is:

- 75% of the cash value during the first 3 policy years; or

- 90% of the cash value after the first 3 policy years.

INTEREST. The interest rate on loans is 5.25% a year. Interest accrues each day. Interest payments are due at the end of each policy year. If interest isn't paid when due, it will be added to the amount of the loan. The sum of all outstanding loans plus accrued interest is called the POLICY DEBT. If the policy debt exceeds the cash value, the Insurance Company will terminate the Policy. The Insurance Company will not do this, however, until 31 days after the Insurance Company mails notice of its intent to terminate. If a Policy lapses with a loan outstanding, adverse tax consequences may result (see "Tax Considerations--Policy Proceeds", page 19).

EFFECT OF A LOAN. An amount equal to the loan proceeds will be transferred out of the Separate Account, and a repayment will be transferred in. Loans and repayments will be allocated among the investment divisions as elected by the owner or, in the absence of any such election, among the investment divisions in proportion to the investment base in each division as of the date of the loan or repayment. A loan, WHETHER OR NOT REPAID, will have a permanent effect on the death benefits and cash values. If not repaid, the policy debt will reduce the amount of death benefit proceeds and cash value benefits.

INCREASE IN GUARANTEED INSURANCE AMOUNT

Subject to state availability and the Insurance Company's rules as set forth below, an owner may elect to increase the scheduled Guaranteed Insurance Amounts of an in force policy. The Insurance Company will ordinarily require evidence of insurability. The insured must be in the same underwriting classification at the time of the increase as at the original issue date. The election may not be made during the six months (12 months in Kentucky) following the policy date. Thereafter, the policy-owner may elect an increase up to five times each policy year, but in no event earlier than 30 days after a previous election.

An owner may elect an increase by submitting a payment to the Insurance Company along with an application for change. The minimum payment required is $1,000; the maximum is the amount of the single premium paid for the original Policy.

The payment (net of the charges discussed below) will be added to the Policy's investment base (see "The Amount Invested: The Investment Base", page 16) and, unless otherwise specified by the owner, allocated among the investment divisions in proportion to the investment base in each division as of the effective date. The amount of the charges assessable against the payment will initially be added to the investment base. These charges will be the same as those assessed against a single premium (see "Charges Deducted from Premium", page 17) except that the administrative charge will be reduced to $25. The Insurance Company will subtract these charges from the investment base in ten equal installments beginning on the next policy anniversary after the date of the increase.

The effective date for any increase is the date the Insurance Company receives the single payment and the application with any evidence of insurability that the Insurance Company may require. The Insurance Company may contest the increase if any material statement in the application is false. The Insurance Company will not do so after the increase has been in effect during the insured's lifetime for two years from the effective date. If the insured commits suicide within two years from the effective date of any increase, while sane or insane, we'll pay only a limited benefit. The limited benefit will be the amount of single premium paid for such increase.

EFFECT OF AN INCREASE. As of the effective date of the increase, the Guaranteed Insurance Amount of the Policy will be increased by the applicable amount. The investment base will be increased by the total payment made to purchase the increase. The cash value will be increased by the payment less the charges discussed above. The variable insurance amount will remain the same until the next policy anniversary. The calculation of the variable insurance amount as of the policy anniversary will reflect an investment return and an investment return adjustment based on the increased cash value and investment base.

RIGHT TO EXCHANGE FOR FIXED LIFE INSURANCE

The owner may exchange the Policy for a policy with benefits that do not vary with investment results. The exchange must be elected within 18 months from the date of issue. No evidence of insurability will be required.

There will be a cash adjustment on exchange. The adjustment will be a Policy's net cash value minus the new policy's tabular cash value. If the result is positive, the Insurance Company will pay the owner. If the result is negative, the owner must pay the Insurance Company. Under some circumstances, it may be less advantageous to exchange a Policy for the fixed life insurance policy described below than to purchase a fixed life insurance policy in the first instance.

The Insurance Company will issue the new policy on the insured's life effective upon receipt of:

- a proper written request;

- the Policy being exchanged; and

- any amount due the Insurance Company on exchange.

OTHER FACTS ABOUT THE NEW POLICY. The new policy's owner and beneficiary will be the same as those of the Policy on the effective date of the exchange. The new policy will have the same premium and face amount as the original Policy. The death benefit under the new policy will be the Guaranteed Insurance Amount for the original Policy. The cash value will be the tabular cash value for the original Policy as set forth therein.

RIGHT TO EXAMINE A POLICY ("FREE LOOK")

Generally, a policy may be returned within 10 days after the owner receives it, or within 45 days after the owner completes Part I of the application for insurance, whichever is later. It can be mailed or delivered to either the Insurance Company or the registered representative who sold it. The returned Policy will be treated as if the Insurance Company never issued it and the Insurance Company will promptly refund any premium paid. The Insurance Company reserves the right to require a period of 6 months before it will accept an application for a new Policy with the same owner and insured as a policy which has been returned under this provision.

For a further description of how Policy benefits are calculated, see "How Policy Benefits Vary to Reflect the Separate Account's Investment Results", page 16. That description together with the foregoing description of Policy provisions is qualified by reference to a specimen of the Policy which has been filed as an exhibit to the Registration Statement. Settlement options and general provisions of the Policy are discussed in Appendix B.

THE SEPARATE ACCOUNT

THE SEPARATE ACCOUNT

The Separate Account is a separate investment account of the Insurance Company to which amounts are allocated to support the Variable Life Insurance benefits under a Policy. This Separate Account is kept separate from the Insurance Company's general account. It is used only to support Variable Life Insurance policies, including single, flexible and annual premium policies.

The Insurance Company owns the assets in the Separate Account. It is required to maintain assets which are at least equal to the reserves and other liabilities of the Separate Account. Assets equal to such reserves and other liabilities may not be charged with liabilities that arise from any other business the Insurance Company conducts. But the Insurance Company may transfer to its general account assets which exceed the reserves and other liabilities of the Separate Account.

The Separate Account was established by Tandem on November 19, 1990, and acquired by the Insurance Company on October 1, 1991 by virtue of the merger (see "Assumption of Previously Issued Policies and Subsequent Merger", page 7). The Separate Account is registered as an investment company with the Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940. The Separate Account meets the definition of a "separate account" under the federal securities laws. Registration with the SEC does not involve supervision of the management of the Separate Account or the Insurance Company by the SEC. The Account is also governed by the laws of the State of Arkansas.

Income and realized and unrealized gains or losses from assets in the Separate Account are credited to or charged against the Separate Account without regard to other income, gains or losses in the Insurance Company's other investment accounts.

The Insurance Company allocates to the Separate Account the policy loading under the Policies. The Insurance Company may accumulate in the Separate Account the charge for expense and mortality gains and losses and investment results applicable to those assets that are in excess of net assets for Variable Life Insurance policies. At some future date the Insurance Company may transfer assets in excess of the reserves, the unrecovered policy loading and other liabilities of the Separate Account to its general account. Before making any such transfer, however, the Insurance Company would consider whether the transfer could have any adverse effect on the Separate Account.

INVESTMENTS OF THE SEPARATE ACCOUNT

There currently are 37 investment divisions within the Separate Account available for new allocations. Ten of these divisions invest in a designated series of stock issued by Merrill Lynch Series Fund, Inc. Seven of these divisions invest in a designated series of stock issued by Merrill Lynch Variable Series Funds, Inc. Each series of stock represents the interest in a separate portfolio within each of the Funds. The other 20 divisions each invest in units of a designated unit investment trust which is part of The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities. Each unit investment trust contains issues of stripped U.S. treasury securities with the same maturity date. The availability of these 20 investment divisions depends on the availability of units of the Trusts.

Full descriptions of the Series Fund, the Variable Series Funds and the Trusts, their investment policies and restrictions, their charges and expenses and all other aspects of their operation are contained in the accompanying prospectuses. The prospectuses for the Series Fund, the Variable Series Funds and the Trusts must accompany, and should be read together with, this Prospectus.

THE SERIES FUND

The Series Fund receives advice with respect to the investment of each of its series from MLAM, which provides administrative services and investment advice and makes all investment decisions for the Series Fund. MLAM is a subsidiary of Merrill Lynch & Co., Inc. MLAM is a registered investment adviser under the Investment Advisors Act of 1940.

MLAM receives from the Series Fund a monthly advisory fee equivalent to an annual rate of .50% of the first $250 million of the aggregate average daily net assets of the 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. MLAM has agreed that if in any year the aggregate ordinary expenses (excluding interest, taxes, brokerage fees, commissions and extraordinary charges) of any portfolio of the Series Fund exceed the expense limitations then in effect under any state securities law or regulation, it will reduce its fee from such portfolio by such excess and, if required under such laws or regulations, it will reimburse the Series Fund in the amount of such excess.

The Insurance Company will purchase and redeem shares from the Series Fund at net asset value. Shares will be redeemed to the extent necessary for the Insurance Company to provide benefits and to make reallocations under the Policies. Any dividend or capital gain distributions received from a portfolio of the Series Fund will be reinvested at net asset value in shares of that portfolio and retained as assets of the appropriate investment division of the Separate Account.

A brief summary of the investment objectives of each Series Fund portfolio is contained in the description below. More detailed information may be found in the current prospectus for the Merrill Lynch Series Fund, Inc. The investments of each portfolio are subject to risks of changing economic conditions and the ability of the Series Fund's management to anticipate such changes. There can be no assurance that these investment objectives will be achieved. In addition, as mentioned above, a Policy's investment return will also depend upon the owner's allocation of the investment base.

MONEY RESERVE PORTFOLIO seeks preservation of capital, liquidity and the highest possible current income consistent with the foregoing objectives by investing in short term money market securities.

INTERMEDIATE GOVERNMENT BOND PORTFOLIO seeks highest possible current income consistent with the protection of capital afforded by investing in intermediate term debt securities issued or guaranteed by the United States government or its agencies.

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

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

GROWTH STOCK PORTFOLIO seeks above average long-term growth of principal by investing primarily in common stocks of aggressive growth companies that are considered to have special growth potential.

HIGH YIELD PORTFOLIO seeks high current income, consistent with prudent management, by investing principally in fixed-income securities in the lower categories of the established rating services.

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 VARIABLE SERIES FUNDS

The Merrill Lynch Variable Series Funds, Inc. receives advice with respect to the investment of each of its series from MLAM, which provides administrative services and investment advice and makes all investment decisions for the Variable Series Funds. MLAM is a subsidiary of Merrill Lynch & Co., Inc. MLAM is a registered investment adviser under the Investment Advisors Act of 1940.

The Insurance Company will purchase and redeem shares from the Variable Series Funds at net asset value. Shares will be redeemed to the extent necessary for the

Insurance company to provide benefits and to make reallocations under the Policies. Any dividend or capital gain distributions received from a portfolio of the Variable Series Funds will be reinvested at net asset value in shares of that portfolio and retained as assets of the appropriate investment division of the Separate Account.

The Variable Series Funds as part of its operating expenses, pays an investment advisory fee to MLAM. Those fees are included in the brief summaries of the investment objectives of each portfolio below. More detailed information may be found in the current prospectus for the Merrill Lynch Variable Series Funds, Inc. The investments of each portfolio are subject to risks of changing economic conditions and the ability of the Variable Series Funds' management to anticipate such changes. There can be no assurance that these investment objectives will be achieved. In addition, as mentioned above, a Policy's investment return will also depend upon the owner's allocation of the investment base.

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 portfolio 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 commissions and extraordinary expenses, such as litigation. No fee payments will be made to MLAM with respect to any portfolio during any fiscal year which would cause the expenses of such portfolio to exceed the pro rata expense limitation applicable to such portfolio 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 portfolio 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 portfolio by MLAM which, in turn, will be reimbursed by Merrill Lynch Life Agency, Inc.

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. MLAM receives from the Fund an advisory fee at the annual rate of 0.60% of the average daily net assets of the Fund.

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. MLAM receives from the Fund an advisory fee at the annual rate of 0.60% of the average daily net assets of the Fund.

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. MLAM receives from the Fund an advisory fee at the annual rate of 0.60% of the average daily net assets of the Fund.

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. MLAM receives from the Fund an advisory fee at the annual rate of 0.75% of the average daily net assets of the Fund.

INTERNATIONAL BOND FUND seeks to achieve a high total investment return by investing in a non-U.S. international portfolio of debt instruments denominated in various currencies and multi-national currency units. MLAM receives from the

Fund an advisory fee at the annual rate of 0.60% of the average daily net assets of the Fund.

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. For purposes of its investment objective, the Fund considers countries having smaller capital markets to be all countries other than the four countries having the largest equity market capitalizations. Currently, these four countries are Japan, the United Kingdom, the United States, and Germany. MLAM receives from the Fund an advisory fee at the annual rate of 1.00% of the average daily net assets of the Fund.

EQUITY GROWTH FUND seeks to attain long-term growth of capital by investing primarily in common stocks of relatively small companies that management of the Fund believes have special investment value and emerging growth companies regardless of size. Such companies are selected by management on the basis of their long-term potential for expanding their size and profitability or for gaining increased market recognition for their securities. Current income is not a factor in such selection. MLAM receives from the Fund an advisory fee at the annual rate of 0.75% of the average daily net assets of the Fund. This

is a higher fee than that of many other mutual funds, but management of the Fund believes it is justified by the high degree of care that must be given to the initial selection and continuous supervision of the types of portfolio securities in which the Fund invests.

RESOLVING MATERIAL CONFLICTS

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

It is possible that differences might arise between our Separate Account and one or more of the other separate accounts investing in the 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 differences in voting instructions from our policyowners and those of the other insurance companies, or for other reasons. We will monitor events so we can identify how to respond to such conflicts. If such a conflict occurs, we may be required to eliminate one or more divisions of the Separate Account which invest in the Funds or substitute a new portfolio in which a division invests. In responding to any conflict, we will take the action which we believe necessary to protect our policyholders.

THE TRUSTS

Merrill Lynch, Pierce, Fenner, & Smith Incorporated ("MLPF&S"), a subsidiary of Merrill Lynch & Co., Inc., will serve as sponsor for each unit investment trust of the Trusts. Because each Trust invests in a fixed portfolio, there is no investment manager. As sponsor, MLPF&S will sell units of the Trusts to the Separate Account. The price of these units will include a transaction charge which will not be paid by the Separate Account upon acquisition but will be paid directly by the Insurance Company to MLPF&S out of the Insurance Company's general account assets. The amount of the transaction charge paid will be limited by agreement between the Insurance Company and MLPF&S and will not be greater than that ordinarily paid by a dealer for similar securities. The Insurance Company will seek reimbursement for the amounts paid through a daily asset charge which will be made against the assets of investment divisions investing in the Trusts. The amount of this charge currently is equivalent to an effective annual rate of .34% at the beginning of the year. This amount may be increased in the future but in no event will it exceed an effective annual rate of .50%. The charge will be cost-based (taking into account a loss interest) with no anticipated element of profit for the Insurance Company.

Units of Trusts will be disposed of to the extent necessary for the Insurance Company to provide benefits and make reallocations under the Policies. Such units will be sold to MLPF&S, which has committed to maintain a secondary market.

The objective of the Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities is to provide safety of capital and a high yield to maturity through investment in any of its fixed portfolios consisting primarily of bearer debt; obligations issued by the United States of America that have been stripped of their unmatured interest coupons, coupons stripped from debt obligations of the United States, and receipts and certificates for such stripped debt obligations and coupons. A brief summary of the fixed portfolios purchased by each unit investment trust is set forth below. More detailed information may be found in the current prospectus for The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities.

<TABLE>

<S>	<C>
THE 20 TRUSTS	
TRUST	MATURITY DATE
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	February 15, 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	February 15, 2014

</TABLE>

From time to time we may calculate a targeted rate of return to maturity for an investment division investing in a Trust. Since the U.S. Treasury securities have been stripped of their unmatured interest coupons, they are purchased at a deep discount. If held to maturity, the

amount invested will grow to the face value of the securities and, therefore, a compound rate of growth to maturity could be determined for the Trust units. The units, however, are held in divisions of the Separate Account, and the charges described under "Expenses Charged to All Divisions of the Separate Account" and "Expenses Charged to Divisions Investing in the Trusts" must be reflected in the determination of a net return. The net rate of return to maturity thus depends on the compound rate of growth in the units and these underlying charges. It does not reflect the applicable charges for policy loading and the cost of insurance. Since the value of the Trust units will vary daily to reflect the market value of the underlying securities, the compound rate of growth to maturity and, hence, the net rate of return to maturity will correspondingly vary daily.

The value of units of the Trust prior to maturity is more volatile than that of units of a unit investment trust containing unstripped U.S. Treasury securities of comparable maturities and since that value will affect death benefits (subject to Guaranteed Insurance Amount) and cash values under the Policy, those values will fluctuate accordingly.

SUBSTITUTION OF INVESTMENTS

If, in the judgment of the Insurance Company's management, any of the Funds or unit investment trust portfolios referred to above no longer suits the purposes of

the Policies due to a change in the portfolio's investment objective or restrictions or if the shares or units should no longer be available for investment, the Insurance Company can substitute shares or units of another portfolio or an entirely separate mutual fund or unit investment trust. But the Insurance Company would get prior approval from the SEC, the Arkansas Insurance

Department and other regulatory authorities as may be necessary.

The owner may exchange a Policy for a fixed life insurance policy in accordance with state insurance regulations if The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities is terminated or if units are no longer available for investment or if one of the Funds:

- changes its investments adviser; or
- makes a material change in its investment objectives or restrictions.

The Insurance Company will notify the owner if there is any such change and will describe the terms of the exchange to a fixed life insurance policy at that time. The owner will be able to exchange a Policy within not less than 60 days of receipt of such notice or of the effective date of the change, whichever is later.

HOW POLICY BENEFITS VARY TO REFLECT THE SEPARATE ACCOUNT'S INVESTMENT RESULTS

THE AMOUNT INVESTED: THE INVESTMENT BASE

TOTAL INVESTMENT BASE. The total investment base is the amount that a Policy provides for investment at any time. It is the sum of the amounts invested in each of the investment divisions in the Separate Account. The owner selects the divisions in which to place the total investment base. Each division invests either in a single portfolio of the Funds, e.g., the Money Reserve Portfolio, or in a single unit investment trust of The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities, e.g., the unit investment trust investing in securities maturing on February 15, 2002. The total investment base can be allocated among up to 5 of the Separate Account's investment divisions.

INVESTMENT BASE IN EACH INVESTMENT DIVISION. On the policy date, the investment base is the net premium plus the policy loading. After the free look period the owner may allocate the investment base among up to five of the Separate Account's investment divisions.

At the beginning of each policy year, the portion of the Policy's investment base in each division equals the amount of a Policy's net cash value (see "Cash Value Benefits", page 10) allocated to that particular division, plus a correspondingly proportionate amount of any unrecovered policy loading (see page 17).

On each date during a policy year the portion of the investment base allocated to any particular division will be adjusted to reflect the investment experience of that division (see "Policy's Rate of Return and Resultant Investment Return", page 17).

HOW INVESTMENT BASE RELATES TO CASH VALUE. The investment base will exceed a Policy's net cash value on the policy date and during the first ten policy years by the amount of the unrecovered policy loading. During a policy year, there is an additional difference between the investment base and net cash value for all the Policies, because the net cash value reflects a daily adjustment for the cost of insurance protection, while the corresponding adjustment to the investment base is made once at the end of a policy year. Thus, the investment base is not a measure of the net cash value to which the owner is entitled except on policy anniversaries after the tenth.

POLICY LOANS WILL CHANGE CALCULATIONS. A policy loan reduces the total investment base and the investment base in each investment division. On the other hand,

repayment of a loan will cause an increase. The Insurance Company will take this into consideration in its calculations (see "Policy Loan", page 10).

POLICY'S RATE OF RETURN AND RESULTANT INVESTMENT RETURN

The determination of the investment return for a Policy, which is the dollar amount used to buy additional variable insurance (see "Variable Insurance Amount", page 8), is based upon a Policy's actual rate of return.

ACTUAL RATE OF RETURN. A Policy's actual rate of return is determined on each policy anniversary. It reflects the investment experience of each designated investment division during a policy year and the portion of the total investment base under a Policy in each investment division. The investment experience of an investment division is determined at the end of each valuation period. 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 for trading and any day in which there is sufficient trading in portfolio securities of the Series Fund or the Trusts such that the net value of the assets of an investment division might be materially affected.

The investment experience of a division reflects increases or decreases in the net asset value of the underlying shares of the Funds or the value of units of the unit investment trusts and any charges against the assets in each division (see "Expenses Charged to All Divisions of the Separate Account", page 18). Units of the unit investment trust will be valued at the Sponsor's repurchase price as defined in the prospectus for The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities. For divisions investing in the Funds, the investment experience also reflects any dividend or capital gains distribution declared by the Funds. The Insurance Company follows a consistent method for periods less than a year.

INVESTMENT RETURN FOR A POLICY. The determination of the investment return for a Policy starts on the first day of each policy year and ends on the first day of the next policy year. The investment return for a policy year is the difference between a Policy's actual rate of return for the policy year and 4.5% (a Policy's assumed rate of return), multiplied by the cash value on the first day of the policy year. In addition, during the first 10 policy years, there is an investment return adjustment (see "Investment Return Adjustment", page 9).

There will be a positive investment return for a policy year if a Policy's actual rate of return is greater than 4.5%, in which case the Variable Insurance Amount increases. There will be a negative investment return if the actual rate of return is less than 4.5%, in which case the Variable Insurance Amount decreases, subject to the investment return adjustment (see page 9) and the formula adjustment (see page 9).

CHARGES AND EXPENSES

ALLOCATION TO THE SEPARATE ACCOUNT

To support the operations of a Policy, on the policy date the Insurance Company allocates to the Separate Account an amount equal to the sum of the net premium and the policy loading.

CHARGES DEDUCTED FROM PREMIUM

The Policy's net premium equals the single premium less any additional premium amounts for extra mortality risks ("deductions") and less the charges listed below. The net premium plus the policy loading (the sum of the charges listed below) is allocated to the Separate Account on the policy date. Thereafter, the policy loading is subtracted from the investment base in equal installments at the beginning of the second through the eleventh policy years.

SALES LOAD. A charge (which may be deemed to be a sales load as defined in the 1940 Act) not to exceed 4% of the single premium. In certain group or sponsored arrangements, the charge for sales load may be reduced (see "Group or Sponsored Arrangements", page 18).

The amount of the sales load cannot be specifically related to sales expenses. To the extent that sales expenses are not recovered from the charges for sales load, such expenses may be recovered from sources other than charges deducted from the premium, which may include amounts derived indirectly from the charge for mortality and expense risks and from mortality gains.

ADMINISTRATIVE CHARGE. A charge to cover administrative expenses in connection with issuing a Policy. Such expenses include medical examinations, attending physician's statements, insurance underwriting costs, and establishing permanent policy records. The Insurance Company does not expect to make a profit from this charge.

The maximum charge for a Policy is $5 for each $1,000 of face amount, but not more than $750 per policy. The charge per $1,000 of face amount is lower at younger ages. The minimum charge per Policy is $125. In certain group or sponsored arrangements, the administrative charge may be reduced (see "Group or Sponsored Arrangements", page 18).

STATE PREMIUM TAX CHARGE. 2.25% of the single premium. Premium taxes vary from state to state. The 2.25% rate is the average rate expected to be paid on premiums from all states.

RISK CHARGE. 1.5% of the single premium, to cover the contingency that the insureds die at a time when the Guaranteed Insurance Amount exceeds the death benefit which would have been payable in the absence of such a guarantee. This risk charge is allocated to the Insurance Company's general account and set up as a reserve.

EXPENSES CHARGED TO ALL DIVISIONS OF THE SEPARATE ACCOUNT

CHARGE FOR MORTALITY AND EXPENSE RISKS. The Insurance Company makes a daily charge to the Separate Account for mortality and expense risks assumed by the Insurance Company. The amount of this charge is computed at an effective annual rate of .50% at the beginning of the year.

The mortality risk assumed is that insureds as a group may live for a shorter period of time than estimated and, therefore, a greater amount of death benefits than expected will be payable. The expense risk assumed is that expenses incurred in issuing and administering the Policies will be greater than estimated. The Insurance Company will realize a gain from this charge to the extent it is not needed to provide for benefits and expenses under the Policies.

CHARGES FOR INCOME TAXES. Currently no charge is made to the Separate Account for company Federal income taxes that may be attributable to the Separate Account. However, the Insurance Company may make such a charge in the future. Charges for other taxes, if any, attributable to the Separate Account may also be made (see "Charge for the Insurance Company's Income Taxes", page 21).

CHARGE FOR THE COST OF INSURANCE

The Policies are life insurance policies. Accordingly, a charge for the cost of life insurance is deducted daily in determining the cash value (see "Net Cash Value", page 10), while it is deducted from the investment base at the end of each policy year. The cost of insurance is computed based upon the amount of insurance provided during the year and the insured's sex and insurance age.

GROUP OR SPONSORED ARRANGEMENTS

The sales load, the administrative charge, and the minimum premium set forth in this prospectus may be reduced for Policies issued in connection with group or sponsored arrangements. In addition, under such group or sponsored arrangements, underwriting classifications set forth in this prospectus may be modified. A "group arrangement" includes a program under which a trustee, employer or similar entity purchases Policies covering a group of individuals on a group basis. A "sponsored arrangement" includes a program under which an employer permits group solicitation of its employees for the purchase of Policies on an individual basis, often through a voluntary payroll deduction arrangement.

The Insurance Company will reduce these charges in accordance with its rules in effect on the date an application for a Policy is approved. To qualify for such reductions, a group or sponsored arrangement must satisfy certain criteria as to, for example, size and number of years in existence. Generally, the sales contacts and effort, administrative cost, and mortality cost per Policy vary with the size of the group or sponsored arrangement, its stability as indicated by its term of existence and certain characteristics of its members, the purposes for which Policies are purchased, and other factors. The amounts of reductions and the criteria for qualification will reflect the reduced sales effort and administrative costs resulting from, and the different mortality experience expected as a result of, sales to qualifying group and sponsored arrangements.

Under the Insurance Company's current rules, such reductions will result in a sales load of not less than 0% and not more than 3% of the single premium. The administrative charge will be based on minimums and maximums of no less than $50 and $300, and no more than $100 and $700, respectively. In any given group or sponsored arrangement, depending upon size and type, one or more of the above reductions may apply.

The Insurance Company may modify from time to time, on a uniform basis, both the amounts of reductions and the criteria for qualification. In no event, however, will group or sponsored arrangements established for the sole purpose of purchasing Policies, or that have been in existence for less than six months, qualify for such reductions. Reductions in these charges will not be unfairly discriminatory against any person, including the affected owners and all other owners of Policies funded by the Separate Account.

EXPENSES CHARGED TO THE TRUSTS

ASSET CHARGE. The Insurance Company makes a daily asset charge against the assets of each investment division investing in a unit investment trust. This charge is to reimburse the Insurance Company for the transaction charge paid directly by the Insurance Company to MLPF&S on the sale of the units to the Separate Account. The Insurance Company pays these amounts from general account assets. The amount of the asset charge currently is equivalent to an effective annual rate of .34% at the beginning of the year. This amount may be increased in the future but in no event will it exceed an effective annual rate of .50%. The charge will be cost-based (taking into account a loss of interest) with no anticipated element of profit for the Insurance Company.

GUARANTEE OF CERTAIN CHARGES

The Insurance Company guarantees, and may not increase, the charge for the cost of insurance, the amount of the charge to the Separate Account for mortality and expense risks, and the maximum asset charge to divisions investing in a unit investment trust.

OTHER CHARGES

The Separate Account purchases shares of the Funds at net asset value. The net asset value of those shares reflects advisory fees already deducted from the assets of the Funds. Those fees are described in the prospectus for each of the Funds. Under a Reimbursement Agreement, the Series Fund will be reimbursed so that the ordinary operating expenses of the portfolio (which include the monthly advisory fee) do not exceed .50% of the average daily net assets. MLAM and Merrill Lynch Life Agency, Inc. have entered into a Reimbursement Agreement that limits the operating expenses paid by each portfolio in the Variable Series Funds in a given year to 1.25% of its average net assets.

Certain fees, including the bank trustee's and evaluator's fees, will be charged against the unit investment trusts of The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities. One interest bearing security will be deposited in each Trust to provide income with which to pay the expenses of the Trust. These fees and expenses are described in the prospectus for The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities.

ADMINISTRATIVE SERVICES

The Insurance Company and its parent, Merrill Lynch Insurance Group, Inc. ("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 the Insurance Company, including services related to the Separate Account and the policies. Expenses incurred by MLIG in relation to this service agreement are reimbursed by the Insurance Company on an allocated cost basis. Charges billed to the Insurance Company by MLIG pursuant to the agreement were $55.9 million for the year ended December 31, 1993.

DISTRIBUTION AGREEMENT AND OTHER
CONTRACTUAL ARRANGEMENTS

The Insurance Company retains MLPF&S under a distribution agreement to act as principal underwriter for the Policies described in this prospectus as well as other policies issued through the Separate Account. The Insurance Company has companion sales agreements with various insurance agency organizations affiliated with MLPF&S, including ML Life Agency Inc. in Texas, Merrill Lynch Life Agency Ltd. in Mississippi and various Merrill Lynch Life Agencies elsewhere. MLPF&S also is principal underwriter (distributor) for other registered investment companies, including other separate accounts of the Insurance Company and an affiliated insurance company. It is registered with the SEC as a broker-dealer and is a member of the National Association of Securities Dealers.

Under the distribution and sales agreements, applications for the policies are solicited by financial consultants of MLPF&S. The financial consultants are authorized under applicable state regulations to sell variable life insurance as insurance agents.

The maximum commissions as a percentage of a premium payable to qualified registered representatives will, in no event, exceed 3.5%. In addition, the organizations described above will also receive override payments and may be reimbursed under MLPF&S's expense reimbursement allowance program for portions of expenses incurred.

The total amounts paid under the distribution and sales agreements for the Separate Account for the years ended December 31, 1991, December 31, 1992, and December 31, 1993, were $1,105,775, $673,788 and $915,429, respectively.

REINSURANCE. The Insurance Company intends to reinsure a portion of the risks assumed under the Policies.

TAX CONSIDERATIONS

POLICY PROCEEDS

The Policies should receive the same Federal income tax treatment as fixed life insurance. As such, (a) the death benefit thereunder should be excludable from the gross income of the beneficiary under Section 101(a)(1) of the Internal Revenue Code ("Code") and (b) the policyowner should not be deemed to be in constructive receipt of the cash values, including increments thereof, under a Policy until lapse or actual surrender thereof. The Insurance Company believes that a Policy meets the statutory definition of life insurance and hence will receive the same tax treatment as fixed life insurance.

DIVERSIFICATION. Section 817(h) of the Internal Revenue 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 Funds, intends to comply with these requirements. Although we don't control the Funds, we intend to monitor the investments of the Funds to ensure compliance with the requirements prescribed by the Treasury Department.

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

The ownership rights under this Policy are similar to, but different in certain respects from those described by the IRS in rulings in which it determined that the policyowners were not owners of Separate Account assets. For example, the owner of this Policy has additional flexibility in allocating premiums and cash values. These differences could result in the policyowner being treated as the owner of the assets of the separate account. In addition, the Insurance Company does not know what standards will be set forth in the regulations or rulings which the Treasury has stated it expects to be issued. We therefore reserve the right to modify this Policy as necessary to attempt to prevent the policyowner from being considered the owner of the assets of the separate account.

POLICY LOANS AND OTHER TRANSACTIONS. Federal tax law establishes a new class of life insurance policies 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 premiums that can be paid into a contract each year in the first seven contract years in order to avoid modified endowment contract treatment.

Loans from, as well as collateral assignments of, modified endowment contracts will be treated as distributions to the policyowner. All pre-death distributions (including loans and collateral assignments) from these policies will be included in gross income on an income-first basis to the extent of any income in the policy immediately before the distribution.

The law also imposes a 10% penalty tax on pre-death distributions (including loans, collateral assignments 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 beneficiary.

These provisions apply to policies entered into on or after June 21, 1988. However, a policy that is not originally classified as a modified endowment contract can become so classified if a material change is made in the policy 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 computation. Certain changes made to your Policy may cause it to become subject to these provisions. We believe that these changes include your contractual right to make certain additional premium payments. You may choose not to exercise this right in order to preserve your Policy's current tax treatment. If you do preserve your Policy's current tax treatment, policy loans will be considered your indebtedness and no part of a policy loan will constitute income to you. In addition, pre-death distributions will generally not be included in gross income to the extent that the amount received does not exceed your investment in the Policy. However, a lapse of a Policy with an outstanding loan will result in the treatment of the loan cancellation (including the accrued interest) as a distribution under the Policy and may be taxable.

Any policy received in exchange for a modified endowment contract is considered a modified endowment contract.

If there is any borrowing against your Policy, whether a modified endowment contract or not, the interest paid on loans is not tax deductible.

AGGREGATION OF MODIFIED ENDOWMENT CONTRACTS. In the case of a pre-death distribution (including loans, collateral assignments and surrenders) from a policy that is treated as a modified endowment contract, a special "aggregation" requirement may apply for purposes of determining the amount of the "income on the contract." Specifically, if the Insurance Company or any of its affiliates issue to the same policyowner more than one modified endowment contract during any 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 such 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 Policy, 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 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 the Insurance Company 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 the Insurance Company, 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 an assignment, gift or pledge, no income will be recognized to the owner or beneficiary.

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

OTHER TRANSACTIONS. Changing the owner or the insured may have tax consequences. Exchanging a Policy 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. Changing the insured under a Policy 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 your or the beneficiary's specific situation.

PENSION BUSINESS. In certain HR-10 and corporate pension trust arrangements, the Policies may be used on an individually written basis (see discussion below for applicable tax charges).

OWNERSHIP OF A POLICY BY NON-NATURAL PERSONS. The above discussion of the tax consequences arising from the purchase, ownership and transfer of a Policy has assumed that the owner of the Policy 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 loans. Further, organizations purchasing Policies 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 such Policies. Such organizations should obtain tax advice prior to the acquisition of the policy and also before entering into any subsequent changes to or transactions under the Policy.

THE INSURANCE COMPANY DOES NOT MAKE ANY GUARANTEE REGARDING THE TAX STATUS OF THE POLICY OR ANY TRANSACTION REGARDING THE POLICY.

THE ABOVE DISCUSSION IS NOT INTENDED AS TAX ADVICE. FOR TAX ADVICE YOU SHOULD CONSULT A COMPETENT TAX ADVISER. ALTHOUGH OUR TAX DISCUSSION IS BASED ON OUR UNDERSTANDING OF FEDERAL INCOME TAX LAWS AS THEY ARE CURRENTLY INTERPRETED, WE CAN'T GUARANTEE THAT THOSE LAWS OR INTERPRETATIONS WILL REMAIN UNCHANGED.

CHARGE FOR THE INSURANCE COMPANY'S INCOME TAXES

The Insurance Company does not expect to incur any Federal income tax liability attributable to the Separate Account for a number of years. Based on these expectations, no charge is being made currently to the Separate Account for company Federal income taxes which may be attributable to the Separate Account.

The Insurance Company will review the question of a charge to the Separate Account for company Federal income taxes periodically. Such a charge may be made in future years for any Federal income taxes incurred by the Insurance Company. This might become necessary if there are changes made in the Federal income tax treatment of variable life insurance at the company level, or if there is a change in the Insurance Company's tax status. Any such charge would be designed to cover the Federal income taxes attributable to the investment results of the Separate Account.

The Insurance Company anticipates that, if a charge becomes necessary, the amount of such charges, as adjusted from time to time, would be accumulated on a daily basis and transferred out of each investment division and into its general account on a monthly basis. Any investment earnings during the month on any tax charges accumulated in an investment division would be retained by the Insurance Company.

Such tax charges, if they are imposed, would not be made under Policies issued in connection with the pension arrangements described above.

Under current laws, the Insurance Company may incur state and local taxes (in addition to premium taxes) in several states. At present, these taxes are not significant. If there is a material change in applicable state or local tax laws, charges for such taxes, if any, attributable to the Separate Account may be made.

LEGAL CONSIDERATIONS

On July 6, 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 on the basis of sex. In that case the Court applied its decision only to benefits derived from contributions made on or after August 1, 1983. A recent decision of the United States Court of Appeals for the Second Circuit, SPIRT V. TIAA-CREF, indicates that in other factual circumstances the Title VII prohibition of sex distinct benefits may apply at an earlier date. The Policy offered by this prospectus is based upon actuarial tables which distinguish between men and women and thus the Policy provides different benefits to men and women of the same age. Accordingly, employers and employee organizations should consider, in consultation with legal counsel, the impact of NORRIS on any employment-related insurance or benefit program (including the group or sponsored arrangements described on page 18) before purchasing this Policy.

MANAGEMENT

The Insurance Company's directors and executive officers and their positions with the Insurance Company are as follows:

<TABLE>
<CAPTION>

NAME	POSITION HELD
<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 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
Allen N. Jones	Director
Robert S. 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. Each has held various executive positions with insurance company subsidiaries of the Insurance Company's indirect parent, Merrill Lynch & Co., Inc. The principal positions of the Insurance Company's directors and executive officers for the past five years are listed below:

Mr. Vespa joined the Insurance Company in January 1994. Since February 1994, he has held the position of Senior Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Since February 1994, he has held the position of Senior Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated. 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 the Insurance Company in June 1991. From January 1989 to May 1991, he was a Principal with Coopers & Lybrand.

Mr. Skolnick joined the Insurance Company in November 1990. He joined Merrill Lynch, Pierce, Fenner & Smith Incorporated in July 1984. Since May 1992, he has held the position of Assistant General Counsel of Merrill Lynch & Co., Inc. and First Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Prior to May 1992, he held the position of Senior Counsel of Merrill Lynch & Co., Inc.

Mr. Dunford joined the Insurance Company 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. Hele joined the Insurance Company in December 1990. He joined Merrill Lynch, Pierce, Fenner & Smith Incorporated in August 1988.

Mr. Jones joined the Insurance Company 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 the Insurance Company. 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.

Mr. Boucher joined the Insurance Company 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 the Insurance Company 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 the Insurance Company, both individually and as a group, own less than one percent of the outstanding shares of common stock of Merrill Lynch & Co., Inc.

VOTING RIGHTS

RIGHT TO INSTRUCT VOTING OF SHARES OF THE FUNDS

In accordance with its view of present applicable law, the Insurance Company will vote the shares of each of the ten portfolios of the Series Fund ("Fund") and of the seven portfolios of the Variable Series Funds ("Fund") held in the Separate Account at regular and special meetings of the shareholders of such Fund based on instructions received from persons having the voting interest in corresponding investment divisions of the Separate Account. However, if the Investment Company Act of 1940 or any regulations thereunder should be amended or if the present interpretation thereof should change, and as a result the Insurance Company determines that it is permitted to vote the shares of such Fund in its own right, it may elect to do so.

The person having the voting interest under a Policy is the owner. The number of shares held in each investment division attributable to each owner is determined by dividing a Policy's investment base in that division, if any, by the net asset value of one share in the portfolio of the Fund in which that investment division invests. Fractional votes will be counted.

The number of shares which a person has the right to vote will be determined as of a date to be chosen by the Insurance Company, but not more than 90 days before any meeting of the Fund. Voting instructions will be solicited by written communication at least 14 days before such meeting.

Fund shares held in each investment division for which no timely instructions are received will be voted by the Insurance Company in the same proportion as the voting instructions which are received for all Policies participating in each investment division.

Each owner having a voting interest will receive periodic reports relating to such Fund, proxy material and a form for giving voting instructions.

DISREGARD OF VOTING INSTRUCTIONS

The Insurance Company may, when required by State insurance regulatory authorities, disregard voting instructions if the instructions require that the shares be voted so as to cause a change in the sub-classification or investment objectives of the Fund or one or more of its portfolios or to approve or disapprove an investment advisory contract for a portfolio of such Fund. In addition, the Insurance Company itself may disregard voting instructions in favor of changes initiated by an owner in the investment policy or the investment adviser of a portfolio of such Fund if the Insurance Company reasonably disapproves of such changes. A change would be disapproved only if the proposed change is contrary to state law or prohibited by state regulatory authorities or the Insurance Company determined that the change would have an adverse effect on its general account in that the proposed investment policy for a portfolio may result in overly speculative or unsound investments. In the event the Insurance Company does disregard voting instructions, a summary of that action and the reasons for such action will be included in the next semiannual report to policy owners.

REPORTS

On each quarterly anniversary of a policy a statement will be sent to the owner setting forth the death benefit, cash value and any policy debt (and interest charged for the preceding policy quarter) as of the first day of such quarter. In addition, the report will indicate the allocation of the investment base among the investment divisions as of the first day of the quarter.

An owner will be sent a semiannual report containing a financial statement for the Separate Account and a list of the portfolio securities of the Series Fund and the Variable Series Funds, as required by the Investment Company Act of 1940.

STATE REGULATION

The Insurance Company is subject to regulation and supervision by the Insurance Department of the State of Arkansas (the "Insurance Department"). A detailed financial statement in the prescribed form (the "Annual Statement") is filed with the Insurance Department each year covering the Insurance Company's operations for the preceding year and its financial condition as of the end of that year. Regulation by the Insurance Department includes periodic examination to determine contract liabilities and reserves so that the Insurance Department may certify that these items are correct. The Insurance Company's books and accounts are subject to review by the Insurance Department at all times. A full examination of the Insurance Company's operations is conducted

periodically by the Insurance Department and under the auspices of the National Association of Insurance Commissioners. The Insurance Company is also subject to the insurance laws and regulations of all jurisdictions where it is authorized to do business. The Policy has been approved by the Insurance Department of the State of Arkansas and in other jurisdictions.

LEGAL PROCEEDINGS

As an insurance company, we are ordinarily involved in various kinds of routine litigation that in our judgment is
not of material importance in relation to our total assets. None of such litigation relates to the Separate Account.

LEGAL MATTERS

The legal validity of the Policies described in the prospectus has been passed on by Barry G. Skolnick,
Senior Vice President and General Counsel of the Insurance Company.

ADDITIONAL INFORMATION

A Registration Statement under the Securities Act of 1933 has been filed with the SEC relating to the offering described in this prospectus. This prospectus does not include all the information set forth in the Registration Statement, certain portions of which have been omitted pursuant to the rules and regulations of the SEC. The omitted information may be obtained at the SEC's principal office in Washington, D.C., upon payment of the SEC's prescribed fees.

EXPERTS

The financial statements of the Insurance Company and of the Separate Account as of December 31, 1993 and 1992 and for each of the three years in the period ended December 31, 1993, included in this Prospectus have been audited by Deloitte & Touche, independent auditors, as stated in their reports appearing herein, and have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing. Deloitte & Touche's principal business address is 1633 Broadway, New York, New York 10019-6754.

Actuarial matters included in this prospectus have been examined by Joseph E. Crowne, F.S.A., Chief Actuary and Chief Financial Officer of the Insurance Company, as stated in his opinion filed as an exhibit to the Registration Statement.

APPENDIX A
ILLUSTRATIONS OF DEATH BENEFITS, CASH VALUES AND ACCUMULATED PREMIUMS

The tables on pages 26 through 33 illustrate the way in which a Policy operates. The tables are based on the following ages, amounts and premiums:

1. The illustration on pages 26 and 27 is for a Policy issued to a male age 5 in the standard-simplified underwriting class with a single premium of $10,000 and a face amount of $85,164.

2. The illustration on pages 28 and 29 is for a Policy issued to a male age 25 in the standard-simplified underwriting class with a single premium of $10,000 and a face amount of $46,341.

3. The illustration on pages 30 and 31 is for a Policy issued to a male age 40 in the standard-simplified underwriting class with a single premium of $10,000 and a face amount of $28,602.

4. The illustration on pages 32 and 33 is for a Policy issued to a female age 55 in the standard-simplified underwriting class with a single premium of $10,000 and a face amount of $21,750.

The tables show how the death benefit and cash values may vary over an extended period of time assuming hypothetical rate of return (i.e., investment income and capital gains and losses, realized or unrealized) equivalent to constant gross (after tax) annual rates of 0%, 4% and 8% or 0%, 6% and 12%.
The death benefit and cash value for a Policy would be different from those shown if the actual rates of return averaged 0%, 4% and 8% or 0%, 6% and 12% over a period of years, but also fluctuated above or below those averages for individual policy years.

The amounts shown for the death benefit and cash value as of the end of each policy year take into account the investment return adjustment and the formula adjustment, the daily charge for mortality and expense risks in the Separate Account equivalent to an effective annual charge of .50% at the beginning of the year.

The amounts shown in the tables take into account an additional charge of .490%. This charge assumes that investment base is allocated equally among all investment divisions and is based on the 1993 expenses (including the monthly advisory fees) for the 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. Pursuant to a reimbursement agreement with MLAM, the Series Fund was reimbursed for the excess which amounted to .01% and .09%, respectively, of the average daily net assets of these portfolios. (See "The Series Fund," page 13.)

Taking account of the charges for expense and mortality risks in the Separate Account and the .490% charge described above, the gross annual rate of investment return of 0%, 4% and 8% or 0%, 6% and 12% correspond to net annual rates of -0.99%, 2.99% and 6.97% or -0.99%, 4.98% and 10.95%, respectively.

The hypothetical returns shown in the tables on pages 26 through 33 are without any tax charges that may be attributable to the Separate Account in the future. In order to produce after tax returns of 0%, 4% 6%, 8% and 12%, the portfolio would have to earn a sufficient amount in excess of 0% or 4% or 6% or 8% or 12% to cover any tax charges (see "Tax Considerations--Policy Proceeds", page 19).

The second column of the tables shows the amount which would accumulate if an amount equal to the single premium were invested to earn interest (after taxes) at 4% or 5% compounded annually depending on the hypothetical rates of return of 0%, 4% and 8% or 0%, 6% and 12%, respectively.

The Insurance Company will furnish upon request a personalized illustration reflecting the proposed insured's age, face amount and premium amount requested. The illustration will assume that the proposed insured is in one of the two standard classes (depending on the face amount). In addition, if a purchase is made, a comparable illustration will be included at the delivery of a Policy reflecting the insured's risk classification.

PRIME PLAN IV

SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY
MALE ISSUE AGE 5
$10,000 SINGLE PREMIUM FOR STANDARD-SIMPLIFIED UNDERWRITING RISK

FACE AMOUNT: $85,164

<TABLE>
<CAPTION>

END OF POLICY YEAR	TOTAL PREMIUM PAID PLUS INTEREST AT 4%	DEATH BENEFIT(1)(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF 0%	4%	8%	CASH VALUE(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF 0%	4%	8%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1............................	$ 10,400	$ 85,573	$ 85,573	$ 89,095	$ 8,891	$ 9,290	$ 9,689
2............................	10,816	85,984	85,984	93,030	8,720	9,514	10,340
3............................	11,249	86,396	86,396	96,973	8,560	9,746	11,029
4............................	11,699	86,811	86,811	100,928	8,409	9,986	11,761
5............................	12,167	87,228	87,228	104,900	8,267	10,234	12,536
6............................	12,653	87,646	87,646	108,908	8,132	10,488	13,357
7............................	13,159	88,067	88,067	112,945	8,003	10,748	14,225
8............................	13,686	88,490	88,490	117,015	7,878	11,012	15,142
9............................	14,233	88,915	88,915	121,125	7,757	11,279	16,108
10............................	14,802	89,341	89,341	125,279	7,638	11,548	17,125
15............................	18,009	91,506	91,506	147,565	7,094	12,974	23,186
20 (age 25)....................	21,911	93,724	93,724	172,844	6,630	14,609	31,427
25............................	26,658	95,994	95,995	201,479	6,250	16,535	42,794
30 (age 35)....................	32,434	98,321	98,321	233,912	5,934	18,778	58,452
60 (age 65)....................	105,196	113,510	113,510	545,486	5,282	36,160	329,635

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(1) The increases in the death benefit in the 0% and 4% columns result only from the increase in the Guaranteed Insurance Amount and are unrelated to the hypothetical annual investment returns. Similarly, a substantial portion of the increase in the death benefit in the 8% column results from the increase in the Guaranteed Insurance Amount.

(2) Assumes no policy 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 DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT AND CASH VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL RATES OF RETURN AVERAGED 0%, 4% AND 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL POLICY YEARS. NO REPRESENTATIONS CAN BE MADE BY THE INSURANCE COMPANY OR THE FUNDS OR THE TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

PRIME PLAN IV

SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY
MALE ISSUE AGE 5
$10,000 SINGLE PREMIUM FOR STANDARD-SIMPLIFIED UNDERWRITING RISK

FACE AMOUNT: $85,164

<TABLE>
<CAPTION>

END OF POLICY YEAR	TOTAL PREMIUM PAID PLUS INTEREST AT 5%	DEATH BENEFIT(1)(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF 0%	6%	12%	CASH VALUE(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF 0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1.........................	$ 10,500	$ 85,573	$ 86,831	$ 93,623	$ 8,891	$ 9,489	$ 10,088
2.........................	11,025	85,984	88,441	102,470	8,720	9,923	11,197
3.........................	11,576	86,396	89,997	111,736	8,560	10,375	12,413
4.........................	12,155	86,811	91,501	121,454	8,409	10,848	13,748
5.........................	12,763	87,228	92,956	131,660	8,267	11,340	15,214
6.........................	13,401	87,646	94,378	142,408	8,132	11,854	16,823
7.........................	14,071	88,067	95,757	153,728	8,003	12,386	18,589
8.........................	14,775	88,490	97,097	165,661	7,878	12,938	20,525
9.........................	15,513	88,915	98,401	178,256	7,757	13,507	22,646
10.........................	16,289	89,341	99,670	191,565	7,638	14,094	24,969
15.........................	20,789	91,506	106,081	271,836	7,094	17,393	40,540
20 (age 25)................	26,533	93,724	112,735	381,383	6,630	21,495	65,883
25.........................	33,864	95,995	119,631	530,781	6,250	26,691	107,582
30 (age 35)................	43,219	98,321	126,774	734,602	5,934	33,244	176,255
60 (age 65)................	188,792	113,510	175,540	4,968,779	5,282	108,369	2,975,232

<FN>
- ------------------------
(1) The increase in the death benefit in the 0% column results from the increase in the Guaranteed Insurance Amount and is unrelated to the hypothetical annual investment return. Similarly, a substantial portion of the increase in the death benefit in the 6% and 12% columns result from the increase in the Guaranteed Insurance Amount.
(2) Assumes no policy 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 DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT AND CASH VALUE FOR A POLICY 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 POLICY YEARS. NO REPRESENTATIONS CAN BE MADE BY THE INSURANCE COMPANY OR THE FUNDS OR THE TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

PRIME PLAN IV
SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY
MALE ISSUE AGE 25
$10,000 SINGLE PREMIUM FOR STANDARD-SIMPLIFIED UNDERWRITING RISK

FACE AMOUNT: $46,341

<TABLE>
<CAPTION>

END OF POLICY YEAR	TOTAL PREMIUM PAID PLUS INTEREST AT 4%	DEATH BENEFIT(1)(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF 0%	4%	8%	CASH VALUE(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF 0%	4%	8%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1...............................	$ 10,400	$ 46,563	$ 46,563	$ 48,296	$ 8,910	$ 9,308	$ 9,706
2...............................	10,816	46,787	46,787	50,248	8,751	9,546	10,372
3...............................	11,249	47,012	47,012	52,198	8,598	9,788	11,074
4...............................	11,669	47,237	47,237	54,149	8,451	10,035	11,816
5...............................	12,167	47,464	47,464	56,104	8,309	10,286	12,598
6...............................	12,653	47,692	47,692	58,073	8,173	10,542	13,425

7..............................	13,159	47,921	47,921	60,051	8,042	10,803	14,299
8..............................	13,686	48,151	48,151	62,041	7,915	11,069	15,223
9..............................	14,233	48,382	48,382	64,046	7,793	11,340	16,200
10..............................	14,802	48,614	48,614	66,067	7,674	11,615	17,234
15..............................	18,009	49,792	49,792	76,927	7,133	13,096	23,448
20 (age 25).....................	21,911	50,999	50,999	89,159	6,623	14,690	31,703
25..............................	26,658	52,234	52,234	103,120	6,153	16,386	42,559
30 (age 35).....................	32,434	53,500	53,500	118,918	5,718	18,109	56,499
40 (age 65).....................	48,010	56,124	56,124	157,142	5,002	21,400	95,658

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(1) The increases in the death benefit in the 0% and 4% columns result only from the increases in the Guaranteed Insurance Amount and are unrelated to the hypothetical annual investment returns. Similarly, a substantial portion of the increase in the death benefit in the 8% columns results from the increases in the Guaranteed Insurance Amount.

(2) Assumes no policy 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 DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT AND CASH VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL RATES OF RETURN AVERAGED 0%, 4% AND 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL POLICY YEARS. NO REPRESENTATIONS CAN BE MADE BY THE INSURANCE COMPANY OR THE FUNDS OR THE TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

PRIME PLAN IV
SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY
MALE ISSUE AGE 25
$10,000 SINGLE PREMIUM FOR STANDARD-SIMPLIFIED UNDERWRITING RISK
FACE AMOUNT: $46,341

<TABLE>
<CAPTION>

END OF POLICY YEAR	TOTAL PREMIUM PAID PLUS INTEREST OF 5%	DEATH BENEFIT(1)(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF			CASH VALUE(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF		
		0%	6%	12%	0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1..............................	$ 10,500	$ 46,563	$ 47,132	$ 50,625	$ 8,921	$ 9,507	$ 10,105
2..............................	11,025	46,787	47,892	55,094	8,774	9,955	11,230
3..............................	11,576	47,012	48,622	59,763	8,631	10,419	12,462
4..............................	12,155	47,237	49,325	64,650	8,494	10,899	13,810
5..............................	12,763	47,464	50,002	69,772	8,362	11,397	15,287
6..............................	13,401	47,692	50,662	75,155	8,235	11,914	16,907
7..............................	14,071	47,921	51,299	80,812	8,113	12,450	18,685
8..............................	14,775	48,151	51,915	86,765	7,994	13,006	20,637
9..............................	15,513	48,382	52,512	93,034	7,880	13,583	22,779
10..............................	16,289	48,614	53,092	99,642	7,769	14,181	25,133
15..............................	20,789	49,792	56,064	139,402	7,262	17,576	41,032
20 (age 25).....................	26,533	50,999	59,132	193,323	6,779	21,656	66,555
25..............................	33,864	52,234	62,402	267,024	6,330	26,505	107,181
30 (age 35).....................	43,219	53,500	65,787	367,568	5,910	32,096	170,702
40 (age 65).....................	70,400	56,124	72,927	693,121	5,204	45,288	416,229

<FN>

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(1) The increase in the death benefit in the 0% column results from the increase in the Guaranteed Insurance Amount and is unrelated to the hypothetical annual investment return. Similarly, a substantial portion of the increase in the death benefit in the 6% and 12% columns results from the increase in the Guaranteed Insurance Amount.

(2) Assumes no policy 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 DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF

FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT AND CASH VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL RATES OF RETURN AVERAGED 0%, 6% AND 12% OVER A PERIOD YEARS. NO REPRESENTATIONS CAN BE MADE BY THE INSURANCE COMPANY OR THE FUNDS OR THE TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

PRIME PLAN IV
SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY
MALE ISSUE AGE 40
$10,000 SINGLE PREMIUM FOR STANDARD-SIMPLIFIED UNDERWRITING RISK

FACE AMOUNT: $28,602

<TABLE>
<CAPTION>

		DEATH BENEFIT(1)(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF			CASH VALUE(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF		
END OF POLICY YEAR	TOTAL PREMIUM PAID PLUS INTEREST AT 4%	0%	4%	8%	0%	4%	8%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1.................................	$ 10,400	$ 28,739	$ 28,739	$ 29,729	$ 8,913	$ 9,311	$ 9,709
2.................................	10,816	28,877	28,877	30,853	8,747	9,540	10,366
3.................................	11,249	29,016	29,016	31,975	8,582	9,769	11,053
4.................................	11,699	29,155	29,155	33,098	8,420	9,998	11,772
5.................................	12,167	29,295	29,295	34,223	8,260	10,225	12,525
6.................................	12,653	29,436	29,436	35,351	8,102	10,452	13,313
7.................................	13,159	29,577	29,577	36,484	7,947	10,678	14,136
8.................................	13,686	29,719	29,719	37,623	7,793	10,901	14,997
9.................................	14,233	29,862	29,862	38,770	7,641	11,123	15,896
10.................................	14,802	30,005	30,005	39,927	7,492	11,342	16,834
15 (age 55)........................	18,009	30,732	30,732	46,333	6,808	12,487	22,361
20 (age 60)........................	21,911	31,477	31,477	53,853	6,186	13,667	29,474
25 (age 65)........................	26,658	32,239	32,239	62,408	5,601	14,773	38,286

<FN>

(1) The increases in the death benefit in the 0% and 4% columns result from the increase in the Guaranteed Insurance Amount and are unrelated to the hypothetical annual investment returns. Similarly, a substantial portion of the increase in the death benefit in the 8% column results from the increase in the Guaranteed Insurance Amount.
(2) Assumes no policy 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 DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT AND CASH VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL RATES OF RETURN AVERAGED 0%, 4% AND 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL POLICY YEARS. NO REPRESENTATIONS CAN BE MADE BY THE INSURANCE COMPANY OR THE FUNDS OR THE TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

PRIME PLAN IV
SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY
MALE ISSUE AGE 40
$10,000 SINGLE PREMIUM FOR STANDARD-SIMPLIFIED UNDERWRITING RISK
FACE AMOUNT: $28,602

<TABLE>
<CAPTION>

		DEATH BENEFIT(1)(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF			CASH VALUE(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF		
END OF POLICY YEAR	TOTAL PREMIUM PAID PLUS INTEREST AT 5%	0%	6%	12%	0%	6%	12%

1	$ 10,500	$ 28,739	$ 29,046	$ 31,094	$ 8,925	$ 9,510	$ 10,107
2	11,025	28,877	29,473	33,692	8,769	9,949	11,223
3	11,576	29,016	29,882	36,405	8,615	10,399	12,438
4	12,155	29,155	30,275	39,243	8,463	10,859	13,760
5	12,763	29,295	30,654	42,217	8,312	11,331	15,200
6	13,401	29,436	31,019	45,337	8,163	11,814	16,768
7	14,071	29,577	31,370	48,615	8,016	12,307	18,476
8	14,775	29,719	31,710	52,064	7,871	12,811	20,335
9	15,513	29,862	32,039	55,695	7,727	13,326	22,359
10	16,289	30,005	32,357	59,523	7,584	13,849	24,560
15 (age 55)	20,789	30,732	34,136	82,895	6,930	16,759	39,153
20 (age 60)	26,533	31,477	36,169	115,304	6,331	20,135	61,925
25 (age 65)	33,864	32,239	38,282	159,760	5,760	23,856	96,513

(1) The increases in the death benefit in the 0% column results from the increase in the Guaranteed Insurance Amount and is unrelated to the hypothetical annual investment returns. Similarly, a substantial portion of the increase in the death benefit in the 6% and 12% columns result from the increase in the Guaranteed Insurance Amount.

(2) Assumes no policy loan has been made.

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE AND ELSEWHERE IN THIS PROSPECTUS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT AND CASH VALUE FOR A POLICY 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 POLICY YEARS. NO REPRESENTATIONS CAN BE MADE BY THE INSURANCE COMPANY OR THE FUNDS OR THE TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

PRIME PLAN IV
SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY
FEMALE ISSUE AGE 55
$10,000 SINGLE PREMIUM FOR STANDARD-SIMPLIFIED UNDERWRITING RISK
FACE AMOUNT: $21,750

END OF POLICY YEAR	TOTAL PREMIUM PAID PLUS INTEREST AT 4%	DEATH BENEFIT(1)(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF			CASH VALUE(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF		
		0%	4%	8%	0%	4%	8%
1	$ 10,400	$ 21,854	$ 21,854	$ 22,584	$ 8,904	$ 9,302	$ 9,700
2	10,816	21,959	21,959	23,417	8,710	9,501	10,324
3	11,249	22,065	22,065	24,250	8,517	9,697	10,973
4	11,699	22,171	22,171	25,085	8,327	9,890	11,648
5	12,167	22,277	22,277	25,922	8,139	10,079	12,349
6	12,653	22,384	22,384	26,762	7,954	10,264	13,078
7	13,159	22,491	22,491	27,606	7,771	10,446	13,835
8	13,686	22,599	22,599	28,458	7,591	10,623	14,620
9	14,233	22,708	22,708	29,312	7,414	10,794	15,434
10 (age 65)	14,802	22,817	22,817	30,175	7,239	10,961	16,277
15	18,009	23,370	23,370	34,965	6,438	11,799	21,136
20 (age 75)	21,911	23,936	23,936	40,600	5,716	12,589	27,141
30 (age 85)	32,434	25,110	25,110	54,364	4,481	13,754	42,610

(1) The increases in the death benefit in the 0% and 4% columns result only from the increase in the Guaranteed Insurance Amount and are unrelated to the hypothetical annual investment returns. Similarly, a substantial portion of the increase in the death benefit in the 8% column results from the increase in the Guaranteed Insurance Amount.

(2) Assumes no policy loan has been made.

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RATES OF RETURN SHOWN ABOVE AND ELSEWHERE IN THIS PROSPECTUS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACTUAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT AND CASH VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF THE ACTUAL RATES OF RETURN AVERAGED 0%, 4% AND 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THOSE AVERAGES FOR INDIVIDUAL POLICY YEARS. NO REPRESENTATIONS CAN BE MADE BY THE INSURANCE COMPANY OR THE FUNDS OR THE TRUST THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

PRIME PLAN IV
SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY
FEMALE ISSUE AGE 55
$10,000 SINGLE PREMIUM FOR STANDARD-SIMPLIFIED UNDERWRITING RISK
FACE AMOUNT: $21,750

<TABLE>
<CAPTION>

END OF POLICY YEAR	TOTAL PREMIUM PAID PLUS INTEREST AT 5%	DEATH BENEFIT(1)(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF 0%	6%	12%	CASH VALUE(2) ASSUMING HYPOTHETICAL GROSS (AFTER TAX) ANNUAL INVESTMENT RETURN OF 0%	6%	12%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1................................	$ 10,500	$ 21,854	$ 22,079	$ 23,594	$ 8,904	$ 9,501	$ 10,098
2................................	11,025	21,959	22,396	25,518	8,710	9,908	11,179
3................................	11,576	22,065	22,701	27,530	8,517	10,323	12,349
4................................	12,155	22,171	22,995	29,636	8,327	10,743	13,618
5................................	12,763	22,277	23,278	31,846	8,139	11,170	14,991
6................................	13,401	22,384	23,551	34,166	7,954	11,603	16,479
7................................	14,071	22,491	23,814	36,606	7,771	12,042	18,090
8................................	14,775	22,599	24,069	39,174	7,591	12,488	19,834
9................................	15,513	22,708	24,316	41,880	7,414	12,934	21,721
10 (age 65).......................	16,289	22,817	24,555	44,734	7,239	13,387	23,762
15................................	20,789	23,370	25,893	62,192	6,438	15,837	37,040
20 (age 75).......................	26,533	23,936	27,423	86,472	5,716	18,540	57,082
30 (age 85).......................	43,219	25,110	30,677	165,899	4,481	24,247	129,076

<FN>

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(1) The increases in the death benefit in the 0% column results only from the increase in the Guaranteed Insurance Amount and is unrelated to the hypothetical annual investment returns. Similarly, a substantial portion of the increase in the death benefit in the 6% and 12% column results from the increase in the Guaranteed Insurance Amount.

(2) Assumes no policy 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 DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RATES OF RETURN. ACUTAL RATES OF RETURN MAY BE MORE OR LESS THAN THOSE SHOWN AND WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE INVESTMENT ALLOCATIONS MADE BY AN OWNER, PREVAILING INTEREST RATES AND RATES OF INFLATION. THE DEATH BENEFIT AND CASH VALUE FOR A POLICY 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 POLICY YEARS. NO REPRESENTATIONS CAN BE MADE BY THE INSURANCE COMPANY OR THE FUNDS OR THE TRUSTS THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

APPENDIX B--OTHER POLICY PROVISIONS

INCOME PLANS

The owner may choose one or more income plans during the insured's lifetime. If, at the time of the insured's death, no plan has been chosen for paying death benefit proceeds, the beneficiary may choose a plan within one year.

The Insurance Company's approval is needed for any plan where:

- the person named to receive payments is other than the owner or beneficiary; or

- the person named is not a natural person, such as a corporation; or

- any income payment would be less than $25.

ANNUITY PLAN. An amount can be used to purchase a single premium immediate annuity. Annuity purchase rates will be 3.0% less than for new annuitants.

DEPOSIT OPTION. An amount can be left on deposit with the Insurance Company with interest payable at a rate of not less than 3% per year.

INSTALLMENT OPTION, FIXED PERIOD. An amount can be payable in installments for up to 30 years, including interest at 3% per year. Any interest in excess of 3% is payable at the end of each installment year.

INSTALLMENT OPTION, FIXED AMOUNT. An amount can be payable in installments until proceeds applied under the option and interest on unpaid balance of not less than 3% per year are exhausted.

LIFE INCOME OPTION, PERIOD CERTAIN. An amount can be payable in monthly installments until later of death of a named person or end of a period which may be either 10 or 20 years.

JOINT LIFE INCOME. An amount can be payable in monthly installments as long as at least one of two named persons is living. While both are living, installments are at the full amount. When only one is alive, installments are at 2/3 of the full amount. Under this option, it is possible that only one payment will be made if both named persons die before the second monthly installment is paid or that only two payments will be made if both die before the third payment, and so forth.

OTHER IMPORTANT PROVISIONS

OWNER. The owner of a Policy is the insured unless another owner has been named in the application. If someone else is named as owner, that person has the rights and options described in the Policy.

An owner other than the insured may name a contingent owner. The owner may want to do this in case he or she dies before the insured. The owner's interest in a Policy would then pass to the contingent owner. If there's no contingent owner, the owner's interest would pass to the owner's estate.

If there is more than one owner, the Insurance Company will treat the owners as joint owners 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 policy's investment base by phone if the owner provides the personal identification number as well as the Policy number. One owner must be designated, in writing, to receive all notices, correspondence and tax reporting to which the owners are entitled under the Policy.

BENEFICIARY. The beneficiary is the person to whom The Insurance Company pays the proceeds upon the insured's death. The Insurance Company pays the proceeds to the primary beneficiary. If the primary beneficiary has died, the proceeds are paid to any contingent beneficiary. If there is no surviving beneficiary, the Insurance Company pays the proceeds to the insured's estate.

Two or more persons may be named as primary beneficiaries or contingent beneficiaries. In that case the Insurance Company will assume the proceeds are to be paid in equal shares to the surviving beneficiaries. The owner can specify other than equal shares. The owner can reserve the right to change beneficiaries. If the owner doesn't reserve this right, the owner and primary beneficiary must act together to exercise the rights and options under a Policy.

INCONTESTABILITY. The Insurance Company relies on the statements made in the application. Legally, they are considered representations, not warranties. The Insurance Company can contest a Policy if any material statement in the application is false and a copy of that application is attached to a Policy.

The Insurance Company won't contest a Policy after it has been in effect during the insured's lifetime for two years from the date of issue.

CHANGE OF INSURED. The owner may change a Policy for a new policy on the life of a new insured. The change will be subject to evidence of insurability and will not be available where the new insured is subject to a higher premium charge for extra mortality risk. The owner of the original Policy will be the owner of the new policy and the new policy will have a policy date that is the same as the original. Premium rates for the new policy will be those in effect on the policy date for the new insured's age and sex at that date and the underwriting class determined at the date of change. The face amount of new policies will be the same as the original. Where a negative Variable Insurance Amount exists, however, the face amount will be reduced and the Variable

Insurance Amount for the new policy at the anniversary date immediately prior to or coincident with the change date will be set to zero. The cash value of the new policy will equal the cash value of the original less a charge for administrative expenses incurred by the Insurance Company in making the change. No other adjustments or charges are made at the time of change.

CHANGES TO ATTAINED AGE SINGLE PREMIUM VARIABLE LIFE INSURANCE POLICY. Subject to the Insurance Company's rules and the Insurance Company's having obtained applicable regulatory approvals, if any, the owner may change this Policy to an Attained Age Single Premium Variable Life Insurance policy at the insured's then current age and with a policy date equal to the date of change. The change will not be subject to evidence of insurability. The face amount resulting from such a change will be less than the death benefit under this Policy and will equal the face amount of insurance under a Single Premium Variable Life Insurance policy, purchased at the insured's age at the date of change, having a single premium equal to the Policy's net cash value less a 1.5% risk charge. The risk charge covers the establishment of a new Guaranteed Insurance Amount and the contingency that the insured die at a time when that Guaranteed Insurance Amount exceeds the death benefit which would have been payable in the absence of such a guarantee. No other charges are imposed at the time of change.

BENEFICIARY INSURANCE PURCHASE. At the death of the insured, the beneficiary of record of a Policy, if the spouse of the insured, may, subject to the Insurance Company's rules, use all or part of the proceeds of the Policy to purchase a Single Premium Variable Life Insurance policy on the life of the beneficiary. To do so, the proceeds must have been otherwise payable to the beneficiary in a single sum. A satisfactory written request must be received by the Insurance Company within 90 days of the death of the insured and while the beneficiary is still living. Any part of the proceeds not used to buy the new policy will be paid to the beneficiary in a single sum.

The new policy will have an issue date and policy date as of the date the written request is received by the Insurance Company. The policy's face amount will be based on the standard medical premium rates being used by the Insurance Company as of the policy date for the sex and attained age at the nearest birthday of the beneficiary. The new policy will not have a formula adjustment. The face amount acceptable without evidence of insurability will be limited to the lesser of (i) $1,000,000 and (ii) the single premium applied plus $250,000. The premium for the new policy will be lower than the premium for a similar policy that the beneficiary could purchase from the Insurance Company without the benefit of this provision because no sales load will be charged.

SINGLE PREMIUM IMMEDIATE ANNUITY RIDER ("SPIAR"). Subject to state availability, for an additional premium, the applicant may purchase this rider to provide income for a fixed period. The income will be payable for the period specified in the rider but not less than 5 years nor more than 10 years. If the insured dies prior to the end of this period, the rider value (the present value of the remaining payments) will be payable to the beneficiary. If the rider or the Policy is surrendered prior to the end of the period, the owner may receive the rider value over a period of 5 years. The owner may also elect at any time to apply the rider value to a life income. If the owner changes ownership of the Policy, the Insurance Company will change the owner of the SPIAR to the new owner of the Policy. The rider will have no effect on the loan value of the Policy. The amount paid for this rider will be held in the Insurance Company's general account and will not affect the variable aspects of the Policy. Pledging, assigning or gifting a Policy with a SPIAR may have tax consequences to the owner (see "Tax Considerations-- Policy Proceeds", page 19).

ERROR IN AGE OR SEX. If an age or sex as stated in the application is wrong, it could mean the premium amount is wrong. Therefore, amounts payable under a Policy will be what the premium actually paid would have bought at the true age or sex.

ISSUE AGE. The Insurance Company determines the issue age based on the insured's age on the birthday nearest the Policy's policy date.

SUICIDE. If the insured commits suicide within two years from the date of issue, The Insurance Company will pay only a limited benefit. The limited benefit will be the amount of premium paid for a Policy, minus any policy debt.

PAYMENTS AND DEFERMENT. Payments of the death benefit, net cash value or loan proceeds will be made within 7 days after receipt at the Service Center of all documents required for such payments.

However, the Insurance Company may defer the determination or payment of such amounts if the effective date for determining such amounts falls within any period during which:

- The disposal or valuation of the shares of the Funds or the units of the Trusts held in the Separate Account is not reasonably practicable because the New York Stock Exchange is closed (other than customary weekend and holiday closings) or conditions are such that, under the SEC's rules and regulations, trading is restricted or an emergency is deemed to exist; or

- the SEC by order permits postponement of such actions for the protection of the Insurance Company policyholders.

Payment of the death benefit also may be delayed if the Policy is being contested (see "Incontestability", page 34).

In the case of the payment of death benefit proceeds, the Insurance Company will add interest from the date of death to the date of payment at an annual rate of at least 3%.

ASSIGNMENT. The owner can assign a Policy as collateral security for a loan or other obligation. This does not change the ownership. But the owner's rights and any beneficiary's rights are subject to the terms of the assignment. To make or release an assignment, the Insurance Company must receive written notice at the Service Center, The Insurance Company is not responsible for

the validity of any assignment. Pledging, assigning or gifting a Policy with a SPIAR may have tax consequences to the owner (see "Tax Considerations--Policy Proceeds", page 19).

DIVIDENDS. The Policies are classified as NON-PARTICIPATING. This means that they do not provide for dividend payments. Unlike participating fixed life insurance where a significant portion of dividend payments is attributable to the insurer's investment earnings, the investment return under the Policies is reflected in benefits.

The description in this prospectus of Policy provisions is qualified by reference to a specimen of the Single Premium Variable Life Insurance Policies which has been filed as an exhibit to the Registration Statement.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Merrill Lynch Life Insurance Company:

We have audited the accompanying statements of net assets of Merrill Lynch Life Variable Life Separate Account II (the "Account") as of December 31, 1993 and 1992 and the related statements of earnings and changes in net assets for the periods presented. These financial statements are the responsibility of the management of Merrill Lynch Life Insurance Company. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of mutual fund securities owned at December 31, 1993, by correspondence with the funds' transfer agent. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Account at December 31, 1993 and 1992 and the results of its operations and the changes in its net assets for the periods presented in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules included herein are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Company's management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/S/Deloitte & Touche
February 16, 1994

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
STATEMENT OF NET ASSETS AT DECEMBER 31, 1993

ASSETS	Cost	Shares	Market Value
Investment in Merrill Lynch Series Fund, Inc. (Note B):			
Money Reserve Portfolio	$ 438,620,196	438,620,196	$ 438,620,196
Intermediate Government Bond Portfolio	225,959,405	20,018,543	240,622,883
Long-Term Corporate Bond Portfolio	103,655,972	8,931,873	112,452,283
Capital Stock Portfolio	151,482,415	6,809,310	175,203,541
Growth Stock Portfolio	88,155,753	3,830,058	94,410,938
Multiple Strategy Portfolio	829,095,746	52,292,504	1,037,483,285
High Yield Portfolio	69,832,521	7,581,705	73,390,906
Natural Resources Portfolio	16,129,714	2,056,848	15,488,063
Global Strategy Portfolio	135,975,097	9,592,777	147,920,617
Balanced Portfolio	64,564,635	4,909,122	71,771,360
	2,123,471,454		2,407,364,072
Investment in Unit Investment Trusts (Note B)			
Stripped ("Zero") U.S. Treasury Securities, Series A through J:			
1994 Trust	62,986,919	81,409,995	79,709,340
1995 Trust	52,960,936	73,746,561	68,448,608
1996 Trust	33,778,238	48,745,804	44,524,905
1997 Trust	34,057,844	52,573,315	45,577,384
1998 Trust	35,089,417	59,029,626	48,094,979
1999 Trust	7,212,640	12,421,349	9,510,406
2000 Trust	8,593,935	15,320,843	11,042,804
2001 Trust	33,981,499	74,204,915	50,089,802
2002 Trust	2,397,933	4,647,270	2,915,976
2003 Trust	29,384,656	79,780,617	45,038,552
2005 Trust	12,105,242	34,041,819	17,311,286
2006 Trust	2,634,025	7,925,496	3,799,721
2007 Trust	6,828,414	23,661,566	10,529,634
2008 Trust	15,539,545	59,558,078	24,081,713
2009 Trust	6,618,415	26,421,930	9,895,277
2010 Trust	5,998,497	17,860,268	6,173,580
2011 Trust	2,787,358	9,956,141	3,207,669
2013 Trust	807,575	2,844,127	783,101
	353,763,088		480,734,737
Total Invested Assets	$ 2,477,234,542		2,888,098,809
Receivable from Merrill Lynch Series Funds, Inc.			1,852,080
Total Assets			2,889,950,889
LIABILITIES			
Payable to Merrill Lynch Life Insurance Company			17,166,480
Total Liabilities			17,166,480
Net Assets			$ 2,872,784,409

See Notes to Financial Statements

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
STATEMENT OF NET ASSETS AT DECEMBER 31, 1992

ASSETS	Cost	Shares	Market Value
Investment in Merrill Lynch Series Fund, Inc. (Note B)			

Money Reserve Portfolio	$ 532,816,891	532,816,891	$ 532,816,891
Intermediate Government Bond Portfolio	216,476,904	19,399,757	227,947,144
Long-Term Corporate Bond Portfolio	99,175,827	8,717,133	105,215,800
Capital Stock Portfolio	143,618,668	6,846,999	158,987,321
Growth Stock Portfolio	96,913,977	4,421,717	106,032,779
Multiple Strategy Portfolio	795,954,774	50,870,792	951,283,808
High Yield Portfolio	46,526,428	5,500,896	50,058,150
Natural Resources Portfolio	6,477,894	940,404	6,592,232
Global Strategy Portfolio	40,824,909	3,192,857	42,241,493
Balanced Portfolio	41,033,051	3,281,293	44,953,712
	2,019,819,323		2,226,129,330
Investment in Unit Investment Trusts (Note B)			
Stripped ("Zero") U.S. Treasury Securities,			
Series A through I:			
1993 Trust	37,496,592	45,151,587	43,849,867
1994 Trust	73,007,266	94,902,123	88,430,747
1995 Trust	59,097,885	83,324,361	72,221,390
1996 Trust	38,557,674	56,538,287	47,827,999
1997 Trust	38,829,628	60,874,945	48,005,982
1998 Trust	40,419,621	69,519,190	50,865,106
1999 Trust	7,845,057	14,074,909	9,523,928
2000 Trust	9,075,236	17,247,118	10,837,744
2001 Trust	38,096,844	84,771,958	49,149,934
2002 Trust	2,165,476	4,340,973	2,300,412
2003 Trust	33,509,411	94,023,008	44,143,802
2005 Trust	12,222,817	36,926,531	15,420,519
2006 Trust	2,925,230	9,278,844	3,607,800
2007 Trust	8,261,131	30,221,293	10,807,437
2008 Trust	19,946,021	80,157,890	25,967,950
2009 Trust	8,077,790	33,633,739	10,049,425
2010 Trust	6,489,168	25,948,098	7,105,368
2011 Trust	2,675,216	11,186,062	2,838,128
	438,698,063		542,953,538
Total Invested Assets	$ 2,458,517,386		2,769,082,868
Receivable from Merrill Lynch Series Funds, Inc.			1,168,229
Total Assets			2,770,251,097
LIABILITIES			
Payable to Merrill Lynch Life Insurance Company			18,995,996
Total Liabilities			18,995,996
Net Assets			$ 2,751,255,101

</TABLE>

See Notes to Financial Statements

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
STATEMENT OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 and 1991

<TABLE>
<CAPTION>

<S>	1993 <C>	1992 <C>	1991 <C>
Reinvested Dividends	$ 157,524,630	$ 78,117,694	$ 133,875,282
Net Gain:			
Realized	77,222,781	55,204,908	27,512,318
Unrealized	100,298,797	11,977,660	298,587,822
Investment Earnings	335,046,208	145,300,262	459,975,422
Mortality and Expense Charges (Note C)	(17,816,608)	(17,216,984)	(16,812,719)
Transaction Charges (Note D)	(1,822,452)	(1,859,668)	(2,066,645)
Net Earnings	315,407,148	126,223,610	441,096,058
Capital Shares Transactions:			
Transfers of Net Premiums	13,356,961	15,870,188	19,594,863
Transfers of Policy Loading, Net	(14,938,127)	(21,375,095)	(23,616,907)
Transfers Due to Deaths	(25,399,159)	(23,583,884)	(16,282,859)
Transfers Due to Other Terminations	(66,518,195)	(80,167,617)	(156,876,94)
Transfers Due to Policy Loans	(62,711,054)	(97,684,959)	(91,688,506)
Transfers of Cost of Insurance	(34,885,568)	(33,436,957)	(29,220,826)
Transfers of Loan Processing Charges	(2,784,789)	(2,224,380)	(1,559,790)

Transfers of Shares from Assumption Reinsurance, Net	2,091	(557,174)	2,726,746,278
Increase in Net Assets	121,529,308	(116,936,268)	2,868,191,369
Net Assets Beginning Balance	2,751,255,101	2,868,191,369	0
Net Assets Ending Balance	$ 2,872,784,409	$ 2,751,255,101	$ 2,868,191,369

</TABLE>
See Notes to Financial Statements

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY

Notes to Financial Statements
December 31, 1993

Note - A Merrill Lynch Life Variable Life Separate Account II ("Account"), a separate account of Merrill Lynch Life Insurance Company ("Merrill Lynch Life") was established by a board of directors resolution on November 19, 1990 and is governed by Arkansas State Insurance Law. The Account is a registered unit investment trust under the Investment Company Act of 1940 and consists of twenty-eight investment divisions (twenty-nine during the year). Ten of the divisions invest in the securities of a single mutual fund portfolio of the Merrill Lynch Series Fund, Inc. ("Series Fund"). The portfolios of the Series Fund have varying investment objectives relative to growth of capital and income. The Series Fund receives investment advice from Merrill Lynch Asset Management, L.P. for a fee at an effective annual rate of .50% of the first $250 million of net assets of the Series Fund with declining rates to .30% of such assets over $800 million. Eighteen of the divisions (nineteen during the year) invest in the securities of a single trust of the Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities, Series A through J. Each trust of the Series consists of Stripped Treasury Securities with a fixed maturity date and a Treasury Note deposited to provide income to pay expenses of the trust.

On various dates during 1991 Tandem Insurance Group, Inc. ("Tandem Insurance") an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("Merrill") and an affiliate assumed substantially all variable life policies issued by Monarch Life Insurance Company ("Monarch Life") and sold through the Merrill retail network. On October 1, 1991, Tandem Insurance was merged with and into Merrill Lynch Life. References in these financial statements and notes to financial statements to Merrill Lynch Life in addition refers to Tandem Insurance. This merger has been accounted for as a combination of entities under common control. The Account's financial statements are reported on a historical basis.

The Account was formed by Merrill Lynch Life, an indirect wholly-owned subsidiary of Merrill to support Merrill Lynch Life's operations respecting certain variable life insurance contracts ("Contracts"). The assets of the Account are the property of Merrill Lynch Life. The portion of the Account's assets applicable to the Contracts are not chargeable with liabilities arising out of any other business Merrill Lynch Life may conduct.

The change in net assets maintained in the Account provides the basis for the periodic determination of the amount of increased or decreased benefits under the Contracts.

The net assets may not be less than the amount required under Arkansas State Insurance Law to provide for death benefits (without regard to the minimum death benefit guarantee) and other Contract benefits.

Note - B The significant accounting policies of the Account are as follows:

* Investments are made in the divisions and are valued at the net asset values of the respective Portfolios.

* Transactions are recorded on the trade date.

* Income from dividends is recognized on the ex-dividend date. All dividends are automatically reinvested.

* Realized gains and losses on the sales of investments are computed on the first in first out method.

* The operations of the Account are included in the Federal income tax return of Merrill Lynch Life. Under the provisions of the Contracts, Merrill Lynch Life has the right to charge the Account for any Federal income tax attributable to the Account. No charge is currently being made against the Account for income tax, since under current tax law, Merrill Lynch Life pays no tax on investment income and capital gains reflected in variable life insurance policy reserves. However, Merrill

Lynch Life retains the right to charge for any Federal income tax incurred which is attributable to the Account if the law is changed. Charges for state and local taxes, if any, attributable to the Account may also be made.

Note - C Merrill Lynch Life assumes mortality and expense risks related to the operations of the Account and will deduct a daily charge from the assets of the Account to cover these risks. The daily charges vary by Contract form and are equal to a rate of .50% to .90% (on an annual basis) of the net assets for Contract owners.

Merrill Lynch Life makes certain deductions from each premium. For certain Contracts, the deductions are made before the premium is allocated to the Account. For other Contracts, the deductions are taken in equal installments on the first through the tenth Contract anniversaries. The deductions are for (1) premiums for optional benefits (2) additional premiums for extra mortality risks, (3) sales load, (4) administrative expenses, (5) state premium taxes and (6) a risk charge for the guaranteed minimum death benefit.

In addition, the cost of providing life insurance coverage will be deducted only on processing dates. This cost will vary dependant upon the insured's underwriting class, sex (except where unisex rates are required by state law), attained age of each insured and the Contract's net amount at risk.

Note - D Merrill Lynch Life pays all Transaction Charges to Merrill Lynch, Pierce, Fenner & Smith Inc., sponsor of the unit investment trusts, on the sale of Series A through J Unit Investment Trust units to the Account and deducts a daily asset charge against the assets of each trust for the reimbursement of these transaction charges. The assets charge is equivalent to an effective annual rate of .34% (annually at the beginning of the year) of net assets for Contract owners.

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

Divisions Investing In

<S>	Money Reserve Portfolio <C>	Intermediate Government Bond Portfolio <C>	Long-Term Corporate Bond Portfolio <C>	Capital Stock Portfolio <C>
Reinvested Dividends	$ 14,579,642	$ 19,756,552	$ 8,906,432	$ 8,483,704
Net Gain (Loss):				
Realized	0	2,368,600	2,037,165	9,255,863
Unrealized	0	3,193,238	2,756,338	8,352,474
Investment Earnings	14,579,642	25,318,390	13,699,935	26,092,041
Mortality and Expense Charges (Note C)	(3,235,134)	(1,481,978)	(729,699)	(1,049,934)
Transaction Charges (Note D)	0	0	0	0
Net Earnings	11,344,508	23,836,412	12,970,236	25,042,107
Capital Shares Transactions:				
Transfers of Net Premiums	3,244,129	664,464	410,338	1,613,438
Transfers of Policy Loading, Net	(3,804,574)	(1,150,420)	(535,370)	(746,736)
Transfers Due to Deaths	(5,579,687)	(1,567,950)	(1,132,049)	(1,441,652)
Transfers Due to Other Terminations	(25,788,859)	(3,398,749)	(1,564,718)	(2,886,981)
Transfers Due to Policy Loans	(17,840,370)	(5,444,951)	(2,352,782)	(2,723,453)
Transfers of Cost of Insurance	(6,469,103)	(3,032,428)	(1,480,593)	(2,071,101)
Transfers of Loan Processing Charges	(582,722)	(215,248)	(120,170)	(148,107)
Transfers of Shares from Assumption Reinsurance, Net	0	0	0	(9,251)
Transfers Among Investment Divisions	(46,276,980)	3,170,917	990,311	(674,380)
Increase (Decrease) in Net Assets	(91,753,658)	12,862,047	7,185,203	15,953,884
Net Assets Beginning Balance	526,438,460	226,628,332	104,702,393	158,603,030
Net Assets Ending Balance	$ 434,684,802	$ 239,490,379	$ 111,887,596	$ 174,556,914

</TABLE>

<TABLE>
<CAPTION>

	Growth	Multiple	High	Natural

	Stock Portfolio	Strategy Portfolio	Yield Portfolio	Resources Portfolio
<S>	<C>	<C>	<C>	<C>
Reinvested Dividends	$ 5,665,091	$ 87,413,712	$ 6,392,554	$ 294,435
Net Gain (Loss):				
Realized	5,031,894	12,104,149	3,761,965	994,165
Unrealized	(2,863,617)	53,058,504	26,663	(755,989)
Investment Earnings	7,833,368	152,576,365	10,181,182	532,611
Mortality and Expense Charges (Note C)	(662,670)	(5,971,729)	(400,671)	(73,112)
Transaction Charges (Note D)	0	0	0	0
Net Earnings	7,170,698	146,604,636	9,780,511	459,499
Capital Shares Transactions:				
Transfers of Net Premiums	1,156,863	3,314,727	170,174	107,007
Transfers of Policy Loading, Net	(527,407)	(4,743,076)	(305,484)	(62,087)
Transfers Due to Deaths	(424,081)	(9,386,175)	(269,656)	(19,504)
Transfers Due to Other Terminations	(2,765,551)	(19,554,318)	(481,749)	(143,466)
Transfers Due to Policy Loans	(425,398)	(20,329,642)	(848,315)	(333,844)
Transfers of Cost of Insurance	(1,212,545)	(11,614,386)	(773,730)	(133,409)
Transfers of Loan Processing Charges	(119,166)	(936,321)	(83,586)	(9,751)
Transfers of Shares from Assumption Reinsurance, Net	0	0	0	(5,990)
Transfers Among Investment Divisions	(14,943,118)	3,152,807	16,183,411	8,982,492
Increase (Decrease) in Net Assets	(12,089,705)	86,508,252	23,371,576	8,840,947
Net Assets Beginning Balance	105,940,870	945,906,570	49,468,427	6,564,031
Net Assets Ending Balance	$ 93,851,165	$ 1,032,414,822	$ 72,840,003	$ 15,404,978

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1993

<TABLE>
<CAPTION>

	Divisions Investing In			
	Global Strategy Portfolio	Balanced Portfolio	1993 Trust	1994 Trust
<S>	<C>	<C>	<C>	<C>
Reinvested Dividends	$ 2,776,280	$ 3,256,228	$ 0	$ 0
Net Gain (Loss):				
Realized	2,181,371	718,355	7,600,757	2,947,880
Unrealized	10,528,938	3,286,065	(6,353,275)	1,298,940
Investment Earnings	15,486,589	7,260,648	1,247,482	4,246,820
Mortality and Expense Charges (Note C)	(504,473)	(383,357)	(221,901)	(508,606)
Transaction Charges (Note D)	0	0	(118,827)	(286,599)
Net Earnings	14,982,116	6,877,291	906,754	3,451,615
Capital Shares Transactions:				
Transfers of Net Premiums	883,491	946,132	21,992	23,935
Transfers of Policy Loading, Net	(268,321)	(247,293)	(277,995)	(370,852)
Transfers Due to Deaths	(182,566)	(192,062)	(459,218)	(644,926)
Transfers Due to Other Terminations	(762,976)	(530,808)	(1,517,138)	(1,493,290)
Transfers Due to Policy Loans	(617,005)	(1,179,288)	(1,344,280)	(1,442,272)
Transfers of Cost of Insurance	(965,449)	(728,980)	(491,114)	(1,148,711)
Transfers of Loan Processing Charges	(76,146)	(56,909)	(21,391)	(50,783)
Transfers of Shares from Assumption Reinsurance, Net	0	0	0	0
Transfers Among Investment Divisions	92,899,773	21,494,125	(40,428,502)	(6,937,701)
Increase (Decrease) in Net Assets	105,892,917	26,382,208	(43,610,892)	(8,612,985)
Net Assets Beginning Balance	42,026,750	45,006,299	43,610,892	87,973,500

Net Assets Ending Balance	$ 147,919,667	$ 71,388,507	$ 0	$ 79,360,515

</TABLE>

<TABLE>
<CAPTION>

<S>	1995 Trust <C>	1996 Trust <C>	1997 Trust <C>	1998 Trust <C>
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	2,531,808	2,210,012	2,210,676	2,994,693
Unrealized	2,364,168	1,476,343	2,343,186	2,560,078
Investment Earnings	4,895,976	3,686,355	4,553,862	5,554,771
Mortality and Expense Charges (Note C)	(419,735)	(285,506)	(296,476)	(316,125)
Transaction Charges (Note D)	(239,987)	(159,486)	(159,716)	(172,825)
Net Earnings	4,236,254	3,241,363	4,097,670	5,065,821
Capital Shares Transactions:				
Transfers of Net Premiums	30,144	115,040	53,460	69,848
Transfers of Policy Loading, Net	(335,217)	(227,076)	(230,677)	(240,503)
Transfers Due to Deaths	(470,755)	(257,684)	(356,746)	(852,485)
Transfers Due to Other Terminations	(1,583,904)	(777,122)	(892,523)	(696,428)
Transfers Due to Policy Loans	(526,706)	(1,254,579)	(700,428)	(1,135,551)
Transfers of Cost of Insurance	(918,171)	(526,125)	(516,461)	(582,580)
Transfers of Loan Processing Charges	(62,879)	(37,166)	(39,762)	(44,413)
Transfers of Shares from Assumption Reinsurance, Net	0	0	0	0
Transfers Among Investment Divisions	(4,037,538)	(3,570,145)	(3,812,833)	(4,276,293)
Increase (Decrease) in Net Assets	(3,668,772)	(3,293,494)	(2,398,300)	(2,692,584)
Net Assets Beginning Balance	71,771,752	47,580,295	47,743,574	50,542,096
Net Assets Ending Balance	$ 68,102,980	$ 44,286,801	$ 45,345,274	$ 47,849,512

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1993

<TABLE>
<CAPTION>

	Divisions Investing In			
<S>	1999 Trust <C>	2000 Trust <C>	2001 Trust <C>	2002 Trust <C>
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	625,244	863,965	2,818,246	88,089
Unrealized	618,895	686,361	5,055,214	383,108
383,108				
Investment Earnings	1,244,139	1,550,326	7,873,460	471,197
Mortality and Expense Charges (Note C)	(64,753)	(69,214)	(325,829)	(18,118)
Transaction Charges (Note D)	(33,994)	(38,396)	(174,748)	(9,812)
Net Earnings	1,145,392	1,442,716	7,372,883	443,267
Capital Shares Transactions:				
Transfers of Net Premiums	38,088	23,917	157,512	24,031
Transfers of Policy Loading, Net	(46,671)	(45,190)	(233,056)	(11,613)
Transfers Due to Deaths	(58,665)	(135,087)	(578,022)	0
Transfers Due to Other Terminations	(110,441)	(43,082)	(278,181)	(6,472)
Transfers Due to Policy Loans	(83,801)	(1,006,945)	(622,795)	(33,626)
Transfers of Cost of Insurance	(99,900)	(119,952)	(567,843)	(37,523)
Transfers of Loan Processing Charges	(5,080)	(6,601)	(59,429)	(2,780)
Transfers of Shares from Assumption Reinsurance, Net	0	0	0	0

Transfers Among Investment Divisions	(791,329)	95,520	(4,245,238)	237,399
Increase (Decrease) in Net Assets	(12,407)	205,296	945,831	612,683
Net Assets Beginning Balance	9,474,383	10,782,807	48,896,335	2,288,723
Net Assets Ending Balance	$ 9,461,976	$ 10,988,103	$ 49,842,166	$ 2,901,406

</TABLE>
<TABLE>
<CAPTION>

<S>	2003 Trust <C>	2005 Trust <C>	2006 Trust <C>	2007 Trust <C>
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	3,582,928	1,234,406	348,296	1,360,880
Unrealized	5,019,505	2,008,342	483,127	1,154,914
Investment Earnings	8,602,433	3,242,748	831,423	2,515,794
Mortality and Expense Charges (Note C)	(287,455)	(103,227)	(27,829)	(71,351)
Transaction Charges (Note D)	(158,308)	(57,414)	(13,328)	(38,431)
Net Earnings	8,156,670	3,082,107	790,266	2,406,012
Capital Shares Transactions:				
Transfers of Net Premiums	75,547	22,035	12,663	2,105
Transfers of Policy Loading, Net	(177,031)	(64,933)	(22,622)	(40,889)
Transfers Due to Deaths	(134,868)	(59,006)	0	(157,848)
Transfers Due to Other Terminations	(505,225)	(118,556)	(78,723)	(179,374)
Transfers Due to Policy Loans	(539,543)	(79,214)	(105,193)	(360,953)
Transfers of Cost of Insurance	(478,519)	(178,631)	(43,120)	(127,078)
Transfers of Loan Processing Charges	(34,708)	(10,141)	(4,227)	(6,469)
Transfers of Shares from Assumption Reinsurance, Net	0	0	0	0
Transfers Among Investment Divisions	(5,463,264)	(708,013)	(357,722)	(1,810,743)
Increase (Decrease) in Net Assets	899,059	1,885,648	191,322	(275,237)
Net Assets Beginning Balance	43,914,851	15,340,588	3,589,009	10,751,148
Net Assets Ending Balance	$ 44,813,910	$ 17,226,236	$ 3,780,331	$ 10,475,911

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1993

<TABLE>
<CAPTION>

	Divisions Investing In		
<S>	2008 Trust <C>	2009 Trust <C>	2010 Trust <C>
Reinvested Dividends	$ 0	$ 0	$ 0
Net Gain (Loss):			
Realized	3,557,489	1,137,602	2,093,934
Unrealized	2,520,239	1,305,227	(441,116)
Investment Earnings	6,077,728	2,442,829	1,652,818
Mortality and Expense Charges (Note C)	(170,845)	(69,964)	(45,688)
Transaction Charges (Note D)	(90,609)	(35,465)	(22,783)
Net Earnings	5,816,274	2,337,400	1,584,347
Capital Shares Transactions:			
Transfers of Net Premiums	53,137	51,618	70,774
Transfers of Policy Loading, Net	(125,814)	(41,754)	(38,843)
Transfers Due to Deaths	(909,544)	(27,469)	(101,454)
Transfers Due to Other Terminations	(256,678)	(163,074)	(1,851)
Transfers Due to Policy Loans	(990,614)	(330,661)	(21,361)

Transfers of Cost of Insurance	(322,908)	(121,041)	(81,977)
Transfers of Loan Processing Charges	(32,008)	(8,178)	(5,672)
Transfers of Shares from Assumption Reinsurance, Net	17,332	0	0
Transfers Among Investment Divisions	(5,118,459)	(1,847,994)	(2,330,052)
Increase (Decrease) in Net Assets	(1,869,282)	(151,153)	(926,089)
Net Assets Beginning Balance	25,814,557	10,001,748	7,070,268
Net Assets Ending Balance	$ 23,945,275	$ 9,850,595	$ 6,144,179

</TABLE>

<TABLE>
<CAPTION>

<S>	2011 Trust <C>	2013 Trust <C>	Total <C>
Reinvested Dividends	$ 0	$ 0	$ 157,524,630
Net Gain (Loss):			
Realized	512,543	49,806	77,222,781
Unrealized	257,400	(24,473)	100,298,797
Investment Earnings	769,943	25,333	335,046,208
Mortality and Expense Charges (Note C)	(19,623)	(1,606)	(17,816,608)
Transaction Charges (Note D)	(10,835)	(889)	(1,822,452)
Net Earnings	739,485	22,838	315,407,148
Capital Shares Transactions:			
Transfers of Net Premiums	352	0	13,356,961
Transfers of Policy Loading, Net	(14,956)	(1,667)	(14,938,127)
Transfers Due to Deaths	0	0	(25,399,159)
Transfers Due to Other Terminations	82,576	(20,534)	(66,518,195)
Transfers Due to Policy Loans	19,147	(56,631)	(62,711,054)
Transfers of Cost of Insurance	(38,852)	(3,338)	(34,885,568)
Transfers of Loan Processing Charges	(4,862)	(114)	(2,784,789)
Transfers of Shares from Assumption Reinsurance, Net	0	0	2,091
Transfers Among Investment Divisions	(415,002)	838,551	0
Increase (Decrease) in Net Assets	367,888	779,105	121,529,308
Net Assets Beginning Balance	2,823,413	0	2,751,255,101
Net Assets Ending Balance	$ 3,191,301	$ 779,105	$ 2,872,784,409

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1992

<TABLE>
<CAPTION>

	Divisions Investing In			
<S>	Money Reserve Portfolio <C>	Intermediate Government Bond Portfolio <C>	Long-Term Corporate Bond Portfolio <C>	Capital Stock Portfolio <C>
Reinvested Dividends	$ 22,006,017	$ 15,890,139	$ 8,024,792	$ 4,338,858
Net Gain (Loss):				
Realized	0	1,689,998	1,273,535	3,168,830
Unrealized	0	(2,226,297)	(1,195,461)	(3,597,985)
Investment Earnings	22,006,017	15,353,840	8,102,866	3,909,703
Mortality and Expense Charges (Note C)	(3,929,324)	(1,363,780)	(657,773)	(914,528)
Transaction Charges (Note D)	0	0	0	0

Net Earnings	18,076,693	13,990,060	7,445,093	2,995,175
Capital Shares Transactions:				
Transfers of Net Premiums	5,467,801	836,687	376,705	1,549,160
Transfers of Policy Loading, Net	(6,930,695)	(1,562,142)	(714,760)	(926,057)
Transfers Due to Deaths	(7,815,127)	(2,006,749)	(1,415,186)	(1,055,715)
Transfers Due to Other Terminations	(32,425,439)	(5,051,648)	(2,062,193)	(3,690,645)
Transfers Due to Policy Loans	(31,693,789)	(6,033,996)	(3,086,307)	(4,189,413)
Transfers of Cost of Insurance	(7,228,700)	(2,838,314)	(1,332,568)	(1,897,482)
Transfers of Loan Processing Charges	(602,385)	(155,901)	(80,489)	(107,816)
Transfers of Shares from Assumption Reinsurance, Net	(107,209)	(45,866)	(21,171)	(31,990)
Transfers Among Investment Divisions	(70,853,737)	12,147,255	2,603,164	30,369,948
Increase (Decrease) in Net Assets	(134,112,587)	9,279,386	1,712,288	23,015,165
Net Assets Beginning Balance	660,551,047	217,348,946	102,990,105	135,587,865
Net Assets Ending Balance	$ 526,438,460	$ 226,628,332	$ 104,702,393	$ 158,603,030

</TABLE>

<TABLE>
<CAPTION>

<S>	Growth Stock Portfolio <C>	Multiple Strategy Portfolio <C>	High Yield Portfolio <C>	Natural Resources Portfolio <C>
Reinvested Dividends	$ 15,890,139	$ 8,024,792	$ 4,338,858	$ 461,367
Net Gain (Loss):				
Realized	6,100,529	9,219,951	4,160,760	(290,834)
Unrealized	(3,507,907)	9,785,832	(915,428)	315,376
Investment Earnings	3,053,989	39,431,027	8,421,286	131,514
Mortality and Expense Charges (Note C)	(568,453)	(5,652,221)	(292,987)	(44,158)
Transaction Charges (Note D)	0	0	0	0
Net Earnings	2,485,536	33,778,806	8,128,299	87,356
Capital Shares Transactions:				
Transfers of Net Premiums	1,187,051	3,842,605	96,505	93,559
Transfers of Policy Loading, Net	(624,624)	(6,187,450)	(352,368)	(49,921)
Transfers Due to Deaths	(498,231)	(6,130,130)	(171,610)	(32,925)
Transfers Due to Other Terminations	(1,946,570)	(18,535,334)	(913,904)	(129,655)
Transfers Due to Policy Loans	(4,517,451)	(24,006,432)	(1,638,098)	(365,526)
Transfers of Cost of Insurance	(1,159,032)	(10,959,496)	(608,235)	(85,457)
Transfers of Loan Processing Charges	(85,558)	(756,898)	(60,550)	(5,148)
Transfers of Shares from Assumption Reinsurance, Net	(21,335)	(191,410)	(10,072)	(1,326)
Transfers Among Investment Divisions	25,655,951	29,925,062	7,320,604	712,036
Increase (Decrease) in Net Assets	20,475,737	779,323	11,790,571	222,993
Net Assets Beginning Balance	85,465,133	945,127,247	37,677,856	6,341,038
Net Assets Ending Balance	$ 105,940,870	$ 945,906,570	$ 49,468,427	$ 6,564,031

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1992

<TABLE>
<CAPTION>

	Divisions Investing In			
<S>	Global Strategy Portfolio <C>	Balanced Portfolio <C>	1992 Trust <C>	1993 Trust <C>
Reinvested Dividends	$ 617,279	$ 1,071,072	$ 0	$ 0

Net Gain (Loss):				
Realized	521,975	550,190	5,335,630	928,963
Unrealized	(228,462)	1,012,077	(4,534,655)	1,514,319
Investment Earnings	910,792	2,633,339	800,975	2,443,282
Mortality and Expense Charges (Note C)	(209,795)	(235,318)	(27,039)	(269,634)
Transaction Charges (Note D)	0	0	(8,060)	(149,809)
Net Earnings	700,997	2,398,021	765,876	2,023,839
Capital Shares Transactions:				
Transfers of Net Premiums	479,919	802,264	2,607	135,013
Transfers of Policy Loading, Net	(204,029)	(243,889)	(172,438)	(285,539)
Transfers Due to Deaths	(47,596)	(409,842)	(163,829)	(99,880)
Transfers Due to Other Terminations	(655,634)	(1,783,976)	(1,166,098)	(845,239)
Transfers Due to Policy Loans	(684,504)	(1,240,184)	(759,943)	(1,584,357)
Transfers of Cost of Insurance	(508,996)	(552,102)	(5,679)	(564,168)
Transfers of Loan Processing Charges	(25,160)	(24,185)	(10,565)	(26,407)
Transfers of Shares from Assumption Reinsurance, Net	(8,500)	(9,045)	0	(8,823)
Transfers Among Investment Divisions	20,769,227	15,587,010	(56,216,376)	(573,047)
Increase (Decrease) in Net Assets	19,815,724	14,524,072	(57,726,445)	(1,828,608)
Net Assets Beginning Balance	22,211,026	30,482,227	57,726,445	45,439,500
Net Assets Ending Balance	$ 42,026,750	$ 45,006,299	$ 0	$ 43,610,892

</TABLE>

<TABLE>
<CAPTION>

<S>	<C> 1994 Trust	<C> 1995 Trust	<C> 1996 Trust	<C> 1997 Trust
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	2,610,315	2,271,387	1,257,415	1,947,415
Unrealized	2,824,333	3,032,629	2,122,761	1,601,238
Investment Earnings	5,434,648	5,304,016	3,380,176	3,548,653
Mortality and Expense Charges (Note C)	(542,689)	(422,591)	(287,864)	(301,352)
Transaction Charges (Note D)	(311,741)	(243,949)	(162,967)	(163,582)
Net Earnings	4,580,218	4,637,476	2,929,345	3,083,719
Capital Shares Transactions:				
Transfers of Net Premiums	36,436	36,083	144,662	66,161
Transfers of Policy Loading, Net	(538,242)	(437,466)	(298,255)	(331,375)
Transfers Due to Deaths	(1,188,327)	(493,318)	(207,470)	(668,603)
Transfers Due to Other Terminations	(2,318,390)	(969,030)	(935,793)	(1,386,805)
Transfers Due to Policy Loans	(2,612,556)	(3,641,307)	(1,549,436)	(1,693,110)
Transfers of Cost of Insurance	(1,126,608)	(879,003)	(499,474)	(523,572)
Transfers of Loan Processing Charges	(36,820)	(38,786)	(25,756)	(38,097)
Transfers of Shares from Assumption Reinsurance, Net	(17,793)	(14,532)	(9,624)	(9,659)
Transfers Among Investment Divisions	(5,548,921)	1,676,118	(1,887,019)	636,185
Increase (Decrease) in Net Assets	(8,771,003)	(123,765)	(2,338,820)	(865,156)
Net Assets Beginning Balance	96,744,503	71,895,517	49,919,115	48,608,730
Net Assets Ending Balance	$ 87,973,500	$ 71,771,752	$ 47,580,295	$ 47,743,574

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1992

<TABLE>
<CAPTION>

	Divisions Investing In			
	1998	1999	2000	2001

<S>	Trust <C>	Trust <C>	Trust <C>	Trust <C>
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	1,978,460	432,160	364,216	3,025,840
Unrealized	2,037,056	294,364	477,824	1,364,039
Investment Earnings	4,015,516	726,524	842,040	4,389,879
Mortality and Expense Charges (Note C)	(314,764)	(59,160)	(53,013)	(314,326)
Transaction Charges (Note D)	(173,236)	(30,899)	(31,129)	(171,279)
Net Earnings	3,527,516	636,465	757,898	3,904,274
Capital Shares Transactions:				
Transfers of Net Premiums	56,447	43,518	32,138	203,026
Transfers of Policy Loading, Net	(337,509)	(65,263)	(52,380)	(311,440)
Transfers Due to Deaths	(161,616)	(93,762)	0	(302,479)
Transfers Due to Other Terminations	(1,484,947)	(593,025)	(55,143)	(1,065,449)
Transfers Due to Policy Loans	(1,444,388)	(273,479)	(79,069)	(1,187,536)
Transfers of Cost of Insurance	(561,265)	(98,893)	(121,427)	(533,551)
Transfers of Loan Processing Charges	(30,546)	(2,415)	(2,249)	(39,568)
Transfers of Shares from Assumption Reinsurance, Net	(10,235)	(1,916)	(2,181)	(9,890)
Transfers Among Investment Divisions	(1,432,887)	728,991	2,378,824	(4,544,704)
Increase (Decrease) in Net Assets	(1,879,430)	280,221	2,856,411	(3,887,317)
Net Assets Beginning Balance	52,421,526	9,194,162	7,926,396	52,783,652
Net Assets Ending Balance	$ 50,542,096	$ 9,474,383	$ 10,782,807	$ 48,896,335

</TABLE>

<TABLE>
<CAPTION>

<S>	2002 Trust <C>	2003 Trust <C>	2005 Trust <C>	2006 Trust <C>
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	26,071	1,696,939	916,369	409,732
Unrealized	134,936	2,086,310	377,163	(76,345)
Investment Earnings	161,007	3,783,249	1,293,532	333,387
Mortality and Expense Charges (Note C)	(6,635)	(260,338)	(87,309)	(23,692)
Transaction Charges (Note D)	(3,841)	(145,216)	(48,886)	(12,819)
Net Earnings	150,531	3,377,695	1,157,337	296,876
Capital Shares Transactions:				
Transfers of Net Premiums	14,905	71,711	21,711	10,019
Transfers of Policy Loading, Net	(7,161)	(237,175)	(99,944)	(25,382)
Transfers Due to Deaths	0	(156,811)	(93,821)	(37,825)
Transfers Due to Other Terminations	0	(360,248)	(476,523)	(93,906)
Transfers Due to Policy Loans	(15,563)	(1,616,928)	(738,270)	(594,690)
Transfers of Cost of Insurance	(26,869)	(448,917)	(166,413)	(46,811)
Transfers of Loan Processing Charges	(1,900)	(24,874)	(2,428)	(2,428)
Transfers of Shares from Assumption Reinsurance, Net	(463)	(8,882)	(3,103)	(726)
Transfers Among Investment Divisions	2,175,243	(1,712,942)	1,378,399	(11,118)
Increase (Decrease) in Net Assets	2,288,723	(1,117,371)	976,945	(505,991)
Net Assets Beginning Balance	0	45,032,222	14,363,643	4,095,000
Net Assets Ending Balance	$ 2,288,723	$ 43,914,851	$ 15,340,588	$ 3,589,009

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1992

<TABLE>

<CAPTION>

<S>	Divisions Investing In 2007 Trust	2008 Trust	2009 Trust
Reinvested Dividends	$ 0	$ 0	$ 0
Net Gain (Loss):			
Realized	705,402	2,107,671	983,782
Unrealized	192,789	(81,117)	(35,465)
Investment Earnings	898,191	2,026,554	948,317
Mortality and Expense Charges (Note C)	(69,051)	(165,156)	(74,239)
Transaction Charges (Note D)	(37,814)	(89,573)	(37,842)
Net Earnings	791,326	1,771,825	836,236
Capital Shares Transactions:			
Transfers of Net Premiums	5,203	83,901	99,978
Transfers of Policy Loading, Net	(65,817)	(168,104)	(78,759)
Transfers Due to Deaths	(59,083)	(140,781)	(23,234)
Transfers Due to Other Terminations	(201,485)	(651,093)	(240,905)
Transfers Due to Policy Loans	(489,246)	(790,756)	(793,779)
Transfers of Cost of Insurance	(125,522)	(291,092)	(134,265)
Transfers of Loan Processing Charges	(6,334)	(23,545)	(231)
Transfers of Shares from Assumption Reinsurance, Net	(2,175)	(5,225)	(2,022)
Transfers Among Investment Divisions	(1,342,447)	(6,613,529)	(2,020,575)
Increase (Decrease) in Net Assets	(1,495,580)	(6,828,399)	(2,357,556)
Net Assets Beginning Balance	12,246,728	32,642,956	12,359,304
Net Assets Ending Balance	$ 10,751,148	$ 25,814,557	$ 10,001,748

</TABLE>

<TABLE>
<CAPTION>

<S>	2010 Trust	2011 Trust	Total
Reinvested Dividends	$ 0	$ 0	$ 78,117,694
Net Gain (Loss):			
Realized	1,514,943	297,264	55,204,908
Unrealized	(904,726)	108,462	11,977,660
Investment Earnings	610,217	405,726	145,300,262
Mortality and Expense Charges (Note C)	(52,895)	(16,900)	(17,216,984)
Transaction Charges (Note D)	(28,100)	(8,926)	(1,859,668)
Net Earnings	529,222	379,900	126,223,610
Capital Shares Transactions:			
Transfers of Net Premiums	69,763	4,650	15,870,188
Transfers of Policy Loading, Net	(46,551)	(20,360)	(21,375,095)
Transfers Due to Deaths	(109,934)	0	(23,583,884)
Transfers Due to Other Terminations	(47,970)	(80,570)	(80,167,617)
Transfers Due to Policy Loans	(272,172)	(92,674)	(97,684,959)
Transfers of Cost of Insurance	(82,858)	(30,188)	(33,436,957)
Transfers of Loan Processing Charges	(4,311)	(3,030)	(2,224,380)
Transfers of Shares from Assumption Reinsurance, Net	(1,430)	(571)	(557,174)
Transfers Among Investment Divisions	(3,250,604)	1,943,889	0
Increase (Decrease) in Net Assets	(3,216,845)	2,101,046	(116,936,268)
Net Assets Beginning Balance	10,287,113	722,367	2,868,191,369
Net Assets Ending Balance	$ 7,070,268	$ 2,823,413	$ 2,751,255,101

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1991

Divisions Investing In

	Money Reserve Portfolio	Intermediate Government Bond Portfolio	Long-term Corporate Bond Portfolio	Capital Stock Portfolio
Reinvested Dividends	$ 42,494,243	$ 15,386,857	$ 8,179,650	$ 8,408,677
Net Gain (Loss):				
Realized	0	188,847	267,826	1,583,293
Unrealized	0	13,696,538	7,235,434	18,966,638
Investment Earnings	42,494,243	29,272,242	15,682,910	28,958,608
Mortality and Expense Charges (Note C)	(4,565,285)	(1,191,403)	(601,344)	(705,268)
Transaction Charges (Note D)	0	0	0	0
Net Earnings	37,928,958	28,080,839	15,081,566	28,253,340
Capital Shares Transactions:				
Transfers of Net Premiums	9,977,575	862,153	363,578	1,183,556
Transfers of Policy Loading, Net	(7,528,208)	(1,710,127)	(822,327)	(789,341)
Transfers Due to Deaths	(6,087,555)	(2,398,586)	(625,538)	(714,735)
Transfers Due to Other Terminations	(65,822,275)	(9,463,351)	(7,025,439)	(3,497,651)
Transfers Due to Policy Loans	(25,610,053)	(5,664,253)	(3,646,753)	(3,812,241)
Transfers of Cost of Insurance	(8,295,550)	(2,161,182)	(1,119,526)	(1,209,561)
Transfers of Loan Processing Charges	(438,288)	(114,187)	(50,662)	(66,229)
Transfers of Shares from Assumption Reinsurance, Net	751,546,719	194,199,831	95,098,320	95,033,713
Transfers Among Investment Divisions	(25,120,276)	15,717,809	5,736,886	21,207,014
Increase (Decrease) in Net Assets	660,551,047	217,348,946	102,990,105	135,587,865
Net Assets Beginning Balance	0	0	0	0
Net Assets Ending Balance	$ 660,551,047	$ 217,348,946	$ 102,990,105	$ 135,587,865

	Growth Stock Portfolio	Multiple Strategy Portfolio	High Yield Portfolio	Natural Resources Portfolio
Reinvested Dividends	$ 813,465	$ 51,053,482	$ 4,402,876	$ 256,267
Net Gain (Loss):				
Realized	8,126,665	4,685,648	1,744,896	106,710
Unrealized	12,626,710	145,543,202	4,447,150	(201,038)
Investment Earnings	21,566,840	201,282,332	10,594,922	161,939
Mortality and Expense Charges (Note C)	(368,368)	(5,181,740)	(213,252)	(41,989)
Transaction Charges (Note D)	0	0	0	0
Net Earnings	21,198,472	196,100,592	10,381,670	119,950
Capital Shares Transactions:				
Transfers of Net Premiums	644,068	3,434,521	60,027	74,369
Transfers of Policy Loading, Net	(437,584)	(6,927,708)	(331,430)	(56,776)
Transfers Due to Deaths	(184,659)	(3,648,907)	(241,601)	(11,316)
Transfers Due to Other Terminations	(2,387,823)	(36,493,347)	(1,750,095)	(273,439)
Transfers Due to Policy Loans	(848,497)	(30,274,645)	(1,198,475)	(189,115)
Transfers of Cost of Insurance	(576,751)	(8,663,613)	(363,547)	(77,119)
Transfers of Loan Processing Charges	(31,773)	(545,539)	(34,323)	(5,233)
Transfers of Shares from Assumption Reinsurance, Net	36,035,780	831,507,604	30,462,867	8,112,975
Transfers Among Investment Divisions	32,053,900	638,289	692,763	(1,353,258)

Increase (Decrease) in Net Assets	85,465,133	945,127,247	37,677,856	6,341,038
Net Assets Beginning Balance	0	0	0	0
Net Assets Ending Balance	$ 85,465,133	$ 945,127,247	$ 37,677,856	$ 6,341,038

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1991

<TABLE>
<CAPTION>

	Divisions Investing In			
	Global Strategy Portfolio	Balanced Portfolio	1991 Trust	1992 Trust
<S>	<C>	<C>	<C>	<C>
Reinvested Dividends	$ 1,261,845	$ 1,617,920	$ 0	$ 0
Net Gain (Loss):				
Realized	176,901	241,945	1,225,015	521,959
Unrealized	1,645,045	2,908,584	0	4,534,655
Investment Earnings	3,083,791	4,768,449	1,225,015	5,056,614
Mortality and Expense Charges (Note C)	(121,955)	(160,519)	(113,269)	(359,206)
Transaction Charges(Note D)	0	0	(64,292)	(202,210)
Net Earnings	2,961,836	4,607,930	1,047,454	4,495,198
Capital Shares Transactions:				
Transfers of Net Premiums	319,716	695,016	5,106	42,984
Transfers of Policy Loading, Net	(148,835)	(226,125)	(250,217)	(497,575)
Transfers Due to Deaths	(115,941)	(52,595)	(267,588)	(152,778)
Transfers Due to Other Terminations	(999,077)	(2,010,069)	(2,808,344)	(2,989,438)
Transfers Due to Policy Loans	(605,337)	(1,042,695)	(708,861)	(2,138,660)
Transfers of Cost of Insurance	(224,429)	(285,377)	(216,033)	(666,304)
Transfers of Loan Processing Charges	(11,963)	(15,490)	(7,207)	(20,006)
Transfers of Shares from Assumption	0	0	0	0
Reinsurance, Net	15,844,427	23,629,619	32,384,805	62,276,724
Transfers Among Investment Divisions	5,190,629	5,182,013	(29,179,115)	(2,623,700)
Increase (Decrease) in Net Assets	22,211,026	30,482,227	0	57,726,445
Net Assets Beginning Balance	0	0	0	0
Net Assets Ending Balance	$ 22,211,026	$ 30,482,227	$ 0	$ 57,726,445

</TABLE>

<TABLE>
<CAPTION>

	1993 Trust	1994 Trust	1995 Trust	1996 Trust
<S>	<C>	<C>	<C>	<C>
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	281,081	(531,800)	(392,415)	(266,487)
Unrealized	4,838,957	(309,583)	(229,286)	(151,327)
Investment Earnings	5,120,038	13,204,197	10,702,058	7,425,040
Mortality and Expense Charges (Note C)	(252,309)	(531,800)	(392,415)	(266,487)
Transaction Charges(Note D)	(142,530)	(309,583)	(229,286)	(151,327)
Net Earnings	4,725,199	12,362,814	10,080,357	7,007,226
Capital Shares Transactions:				
Transfers of Net Premiums	137,008	54,808	35,841	231,538
Transfers of Policy Loading, Net	(366,292)	(602,188)	(473,264)	(339,276)
Transfers Due to Deaths	(58,198)	(560,714)	(68,903)	(101,746)
Transfers Due to Other Terminations	(2,211,211)	(3,415,258)	(2,355,488)	(1,709,676)

Transfers Due to Policy Loans	(1,723,749)	(1,819,893)	(1,516,801)	(1,621,600)
Transfers of Cost of Insurance	(473,730)	(995,239)	(690,150)	(416,590)
Transfers of Loan Processing Charges	(13,067)	(33,994)	(22,889)	(7,931)
Transfers of Shares from Assumption Reinsurance, Net	42,272,777	92,245,651	67,275,247	43,188,437
Transfers Among Investment Divisions	3,150,763	(491,484)	(368,433)	3,688,733
Increase (Decrease) in Net Assets	45,439,500	96,744,503	71,895,517	49,919,115
Net Assets Beginning Balance	0	0	0	0
Net Assets Ending Balance	$ 45,439,500	$ 96,744,503	$ 71,895,517	$ 49,919,115

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1991

<TABLE>
<CAPTION>

	Divisions Investing In			
	1997 Trust	1998 Trust	1999 Trust	2000 Trust
<S>	<C>	<C>	<C>	<C>
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	308,682	370,460	74,930	160,868
Unrealized	7,575,116	8,408,428	1,384,507	1,284,684
Investment Earnings	7,883,798	8,778,888	1,459,437	1,445,552
Mortality and Expense Charges (Note C)	(277,321)	(292,460)	(48,449)	(40,804)
Transaction Charges (Note D)	(150,454)	(161,727)	(24,883)	(23,673)
Net Earnings	7,456,023	8,324,701	1,386,105	1,381,075
Capital Shares Transactions:				
Transfers of Net Premiums	72,467	91,068	426,046	33,826
Transfers of Policy Loading, Net	(323,775)	(350,446)	(16,662)	(48,372)
Transfers Due to Deaths	(41,440)	(219,704)	0	0
Transfers Due to Other Terminations	(1,577,483)	(1,707,643)	(110,274)	(229,143)
Transfers Due to Policy Loans	(1,372,804)	(1,280,234)	(176,565)	(235,446)
Transfers of Cost of Insurance	(403,071)	(480,837)	(74,545)	(67,719)
Transfers of Loan Processing Charges	(19,720)	(24,903)	(2,724)	(134)
Transfers of Shares from Assumption Reinsurance, Net	44,951,299	47,316,489	6,572,362	7,363,139
Transfers Among Investment Divisions	(132,766)	753,035	1,190,419	(270,830)
Increase (Decrease) in Net Assets	48,608,730	52,421,526	9,194,162	7,926,396
Net Assets Beginning Balance	0	0	0	0
Net Assets Ending Balance	$ 48,608,730	$ 52,421,526	$ 9,194,162	$ 7,926,396

</TABLE>

<TABLE>
<CAPTION>

	2001 Trust	2003 Trust	2005 Trust	2006 Trust
<S>	<C>	<C>	<C>	<C>
Reinvested Dividends	$ 0	$ 0	$ 0	$ 0
Net Gain (Loss):				
Realized	651,478	778,530	363,186	156,154
Unrealized	9,689,050	8,548,081	2,820,540	758,915
Investment Earnings	10,340,528	9,326,611	3,183,726	915,069

Mortality and Expense Charges (Note C)	(297,700)	(258,243)	(83,928)	(24,553)
Transaction Charges (Note D)	(163,728)	(146,550)	(47,406)	(13,845)
Net Earnings	9,879,100	8,921,818	3,052,392	876,671
Capital Shares Transactions:				
Transfers of Net Premiums	227,270	88,531	96,471	9,617
Transfers of Policy Loading, Net	(385,411)	(318,571)	(104,635)	(27,367)
Transfers Due to Deaths	(71,823)	(261,174)	(15,487)	(32,940)
Transfers Due to Other Terminations	(1,898,611)	(1,546,345)	(850,740)	(109,393)
Transfers Due to Policy Loans	(1,285,979)	(1,536,398)	(641,929)	(134,292)
Transfers of Cost of Insurance	(447,747)	(388,972)	(142,520)	(36,448)
Transfers of Loan Processing Charges	(25,002)	(15,604)	(6,585)	(2,784)
Transfers of Shares from Assumption Reinsurance, Net	48,827,981	45,630,160	14,950,612	4,742,517
Transfers Among Investment Divisions	(2,036,126)	(5,541,223)	(1,973,936)	(1,190,581)
Increase (Decrease) in Net Assets	52,783,652	45,032,222	14,363,643	4,095,000
Net Assets Beginning Balance	0	0	0	0
Net Assets Ending Balance	$ 52,783,652	$ 45,032,222	$ 14,363,643	$ 4,095,000

</TABLE>

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
MERRILL LYNCH LIFE INSURANCE COMPANY
SUPPLEMENTAL CONSOLIDATING SCHEDULE OF EARNINGS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1991

<TABLE>
<CAPTION>

Divisions Investing In

<S>	2007 Trust <C>	2008 Trust <C>	2009 Trust <C>
Reinvested Dividends	$ 0	$ 0	$ 0
$ 0 $ 0			
Net Gain (Loss):			
Realized	583,050	1,188,093	1,305,106
Unrealized	2,353,517	6,103,046	2,007,100
Investment Earnings	2,936,567	7,291,139	3,312,206
Mortality and Expense Charges (Note C)	(80,581)	(193,511)	(84,925)
Transaction Charges (Note D)	(44,848)	(106,911)	(47,420)
Net Earnings	2,811,138	6,990,717	3,179,861
Capital Shares Transactions:			
Transfers of Net Premiums	31,104	170,389	134,126
Transfers of Policy Loading, Net	(105,867)	(261,416)	(101,321)
Transfers Due to Deaths	(101,308)	(59,671)	(6,200)
Transfers Due to Other Terminations	(828,616)	(2,072,045)	(555,241)
Transfers Due to Policy Loans	(300,167)	(1,419,093)	(400,688)
Transfers of Cost of Insurance	(131,216)	(379,531)	(137,009)
Transfers of Loan Processing Charges	(6,546)	(24,096)	(8,249)
Transfers of Shares from Assumption Reinsurance, Net	17,386,413	35,668,829	20,622,165
Transfers Among Investment Divisions	(6,508,207)	(5,971,127)	(10,368,140)
Increase (Decrease) in Net Assets	12,246,728	32,642,956	12,359,304
Net Assets Beginning Balance	0	0	0
Net Assets Ending Balance	$ 12,246,728	$ 32,642,956	$ 12,359,304

</TABLE>

<TABLE>
<CAPTION>

	2010 Trust	2011 Trust	Total

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

Reinvested Dividends	0	0	133,875,282
Net Gain (Loss):			
Realized	848,220	79,068	27,512,318
Unrealized	1,520,925	54,450	298,587,822
Investment Earnings	2,369,145	133,518	459,975,422
Mortality and Expense Charges (Note C)	(61,532)	(2,103)	(16,812,719)
Transaction Charges (Note D)	(34,796)	(1,176)	(2,066,645)
Net Earnings	2,272,817	130,239	441,096,058
Capital Shares Transactions:			
Transfers of Net Premiums	92,084	0	19,594,863
Transfers of Policy Loading, Net	(62,188)	(3,603)	(23,616,907)
Transfers Due to Deaths	(181,752)	0	(16,282,859)
Transfers Due to Other Terminations	(160,728)	(18,699)	(156,876,942)
Transfers Due to Policy Loans	(475,259)	(8,024)	(91,688,506)
Transfers of Cost of Insurance	(93,192)	(3,318)	(29,220,826)
Transfers of Loan Processing Charges	(4,662)	0	(1,559,790)
Transfers of Shares from Assumption Reinsurance, Net	11,530,632	68,184	2,726,746,278
Transfers Among Investment Divisions	(2,630,639)	557,588	0
Increase (Decrease) in Net Assets	10,287,113	722,367	2,868,191,369
Net Assets Beginning Balance	0	0	0
Net Assets Ending Balance	$ 10,287,113	$ 722,367	$ 2,868,191,369

</TABLE>

INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Merrill Lynch Life Insurance Company:

We have audited the accompanying balance sheets of Merrill Lynch Life Insurance Company (the "Company"), a wholly-owned subsidiary of Merrill Lynch Insurance Group, Inc., as of December 31, 1993 and 1992, and the related statements of earnings, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company at December 31, 1993 and 1992, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 1993 the Company changed its method of accounting for certain investments in debt and equity securities to conform with Statement of Financial Accounting Standards No. 115.

/s/Deloitte & Touche

February 28, 1994

MERRILL LYNCH LIFE INSURANCE COMPANY
(A wholly-owned subsidiary of Merrill Lynch Insurance Group, Inc.)

BALANCE SHEETS
AS OF DECEMBER 31, 1993 AND 1992
(Dollars in Thousands)

<TABLE>
<CAPTION>

ASSETS	1993	1992
INVESTMENTS:		
Fixed maturity securities available for sale, at estimated fair value (amortized cost: 1993 - $5,369,236; 1992 - $334,638)	$ 5,597,359	$ 335,916
Fixed maturity securities held for trading, at estimated fair value (amortized cost: 1993 - $140,635)	144,035	0
Fixed maturity securities to be held to maturity, at amortized cost (estimated fair value: 1992 - $6,713,831)	0	6,449,981
Equity securities available for sale, at estimated fair value (cost: 1993 - $24,424; 1992 - $31,598)	24,970	33,186
Equity securities held for trading, at estimated fair value (cost 1993 - $19,694)	20,585	0
Mortgage loans on real estate	191,214	264,966
Real estate available for sale (accumulated depreciation: 1993 - $850; 1992 - $321)	29,761	12,847
Policy loans on insurance contracts	924,579	834,461
Total Investments	6,932,503	7,931,357
CASH AND CASH EQUIVALENTS	122,218	172,124
ACCRUED INVESTMENT INCOME	120,337	138,797
DEFERRED POLICY ACQUISITION COSTS	318,903	373,214
FEDERAL INCOME TAXES - DEFERRED	16,878	19,982
REINSURANCE RECEIVABLES	1,190	856
RECEIVABLES FROM AFFILIATES - NET	789	0
OTHER ASSETS	21,481	19,864
SEPARATE ACCOUNTS ASSETS	4,715,278	3,127,767
TOTAL ASSETS	$ 12,249,577	$ 11,783,961

</TABLE>

See notes to financial statements.

<TABLE>
<CAPTION>

LIABILITIES AND STOCKHOLDER'S EQUITY	1993	1992
LIABILITIES:		
POLICY LIABILITIES AND ACCRUALS:		
Policyholders' account balances	$ 6,691,811	$ 7,804,447
Claims and claims settlement expenses	20,295	7,565
Total policy liabilities and accruals	6,712,106	7,812,012
OTHER POLICYHOLDER FUNDS	28,768	14,637
LIABILITY FOR GUARANTY FUND ASSESSMENTS	28,083	27,104
OTHER LIABILITIES	68,165	16,790
FEDERAL INCOME TAXES - CURRENT	10,122	30,010
PAYABLE TO AFFILIATES - NET	0	2,638
SEPARATE ACCOUNTS LIABILITIES	4,715,278	3,118,296

Total Liabilities	11,562,522	11,021,487
STOCKHOLDER'S EQUITY:		
Common stock, $10 par value - 200,000 shares authorized, issued and outstanding	2,000	2,000
Additional paid-in capital	637,590	654,717
Retained earnings	47,860	102,873
Net unrealized investment gain (loss)	(395)	2,884
Total Stockholder's Equity	687,055	762,474
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 12,249,577	$ 11,783,961

</TABLE>

MERRILL LYNCH LIFE INSURANCE COMPANY
(A wholly-owned subsidiary of Merrill Lynch Insurance Group, Inc.)

STATEMENTS OF EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991
(Dollars in Thousands)

<TABLE>
<CAPTION>

<S>	<C> 1993	<C> 1992	<C> 1991
REVENUES:			
Investment revenue:			
Net investment income	$ 586,461	$ 712,739	$ 787,603
Net realized investment gains (losses)	63,052	(29,639)	(21,957)
Policy charge revenue	95,684	81,653	82,745
Total Revenues	745,197	764,753	848,391
BENEFITS AND EXPENSES:			
Interest credited to policyholders' account balances	454,671	546,979	638,984
Market value adjustment expense	30,816	6,229	1,198
Policy benefits (reinsurance recoveries: 1993 - $6,004; 1992 - $5,555; 1991 - $6,328)	17,030	12,066	9,537
Reinsurance premium ceded	12,665	12,457	12,765
Amortization of deferred policy acquisition costs	109,456	88,795	93,391
Insurance expenses and taxes	47,784	72,560	78,448
Total Benefits and Expenses	672,422	739,086	834,323
Earnings Before Federal Income Tax Provision	72,775	25,667	14,068
FEDERAL INCOME TAX PROVISION (BENEFIT):			
Current	20,112	28,549	42,919
Deferred	4,803	(19,913)	(40,459)
Total Federal Income Tax Provision	24,915	8,636	2,460
NET EARNINGS	$ 47,860	$ 17,031	$ 11,608

</TABLE>

See notes to financial statements.

MERRILL LYNCH LIFE INSURANCE COMPANY
(A wholly-owned subsidiary of Merrill Lynch Insurance Group, Inc.)

STATEMENTS OF STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991
(Dollars in Thousands)

	Common stock	Additional paid-in capital	Retained earnings	Net unrealized investment gain (loss)	Total stockholder's equity
BALANCE, JANUARY 1, 1991	$ 2,000	$ 572,321	$ 74,234	$ (103)	$ 648,452
Capital contribution		82,396			82,396
Net earnings			11,608		11,608
Net unrealized investment loss				(1,142)	(1,142)
BALANCE, DECEMBER 31, 1991	2,000	654,717	85,842	(1,245)	741,314
Net earnings			17,031		17,031
Net unrealized investment gain				4,129	4,129
BALANCE, DECEMBER 31, 1992	2,000	654,717	102,873	2,884	762,474
Dividend to Parent		(17,127)	(102,873)		(120,000)
Net earnings			47,860		47,860
Net unrealized investment loss (1)				(3,279)	(3,279)
BALANCE, DECEMBER 31, 1993	$ 2,000	$ 637,590	$ 47,860	$ (395)	$ 687,055

(1) Asset gains less adjustment of policyholders' account balances and deferred policy acquisition costs (See Note 1).

See notes to financial statements.

MERRILL LYNCH LIFE INSURANCE COMPANY
(A wholly-owned subsidiary of Merrill Lynch Insurance Group, Inc.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991
(Dollars in Thousands)

	1993	1992	1991
OPERATING ACTIVITIES			
Net earnings	$ 47,860	$ 17,031	$ 11,608
Adjustments to reconcile net earnings to net cash and cash equivalents provided (used)			

	1993	1992	1991
by operating activities:			
Amortization of deferred policy acquisition costs	109,456	88,795	93,391
Capitalization of policy acquisition costs	(91,189)	(39,146)	(149,440)
Depreciation and amortization	1,142	(16,033)	(25,417)
Net realized investment (gains) losses	(63,052)	29,639	21,957
Interest credited to policyholders' account balances	454,671	546,979	638,984
Provision for deferred Federal income tax	4,803	(19,913)	(40,459)
Cash and cash equivalents provided (used) by changes in operating assets and liabilities:			
Accrued investment income	18,460	6,018	(9,271)
Policy liabilities and accruals	12,730	7,775	101,521
Federal income taxes - current	(19,888)	14,955	44,782
Other policyholder funds	14,131	12,826	(25,035)
Liability for guaranty fund assessments	979	16,439	10,665
Payable to Family Life Insurance Company	0	0	(28,224)
Policy loans	(90,118)	(126,925)	(88,362)
Investment trading securities	(145,972)	0	0
Other, net	49,425	(26,296)	(30,343)
Net cash and cash equivalents provided by operating activities	303,438	512,144	526,357

</TABLE>

(Continued)

MERRILL LYNCH LIFE INSURANCE COMPANY
(a wholly-owned subsidiary of Merrill Lynch Insurance Group, Inc.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991
(Concluded) (Dollars In Thousands)

<TABLE>
<CAPTION>

<S>	<C> 1993	<C> 1992	<C> 1991
INVESTING ACTIVITIES:			
Fixed maturity securities sold	571,337	1,281,705	4,005,959
Fixed maturity securities matured	2,776,992	2,206,447	746,273
Fixed maturity securities purchased	(1,866,857)	(2,806,416)	(5,142,471)
Equity securities available for sale purchased	(8,983)	(17,843)	(67,348)
Equity securities available for sale sold	6,451	44,188	20,768
Mortgage loans on real estate principal payments received	35,561	8,548	5,977
Mortgage loans on real estate acquired	(674)	(853)	(740)
Real estate available for sale purchased	0	(340)	(22,706)
Real estate available for sale sold	7,408	178	25,000
Interest rate swaps sold	0	2,302	0
Recapture of investment in Separate Accounts	29,389	0	0
Investment in Separate Accounts	(20,000)	(3,841)	0
Net cash and cash equivalents provided (used) by investing activities	1,530,624	714,075	(429,288)
FINANCING ACTIVITIES:			
Paid-in capital from parent	0	0	82,396
Dividend paid to parent	(120,000)	0	0
Affiliated notes payable	(3,427)	(83,200)	18,794
Policyholders' account balances:			
Deposits	814,314	217,410	436,564
Withdrawals (net of transfers to Separate Accounts)	(2,574,854)	(1,338,034)	(772,811)
Net cash and cash equivalents used by financing activities	(1,883,967)	(1,203,824)	(235,057)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(49,906)	22,395	(137,988)
CASH AND CASH EQUIVALENTS			
Beginning of year	172,124	149,729	287,717
End of year	$ 122,218	$ 172,124	$ 149,729

</TABLE>

See notes to financial statements.

MERRILL LYNCH LIFE INSURANCE COMPANY
(a wholly-owned subsidiary of Merrill Lynch Insurance Group, Inc.)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: Merrill Lynch Life Insurance Company (the "Company") is a wholly-owned subsidiary of Merrill Lynch Insurance Group, Inc. ("MLIG"). The Company is an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("Merrill Lynch & Co.").

The Company sells life insurance and annuity products which comprise one business segment. The primary products that the Company currently markets are immediate annuities, market value adjusted annuities, variable life insurance and variable annuities. The Company is currently licensed to sell insurance in forty-nine states, the District of Columbia, the U.S. Virgin Islands and Guam. The Company markets its products solely through the Merrill Lynch & Co. retail network.

On June 12, 1991, the Company's former parent, Family Life Insurance Company ("Family Life"), was sold to a non-affiliated entity. Immediately prior to this sale, Family Life, through a dividend, transferred its 100% ownership interest in the Company to its parent MLIG. (See Note 8).

On October 1, 1991, Tandem Insurance Group, Inc. ("Tandem"), a wholly-owned subsidiary of MLIG, was merged with and into the Company. This merger has been accounted for as a combination of entities under common control. The assets, liabilities, stockholder's equity, earnings and cash flows as presented in these financial statements are reported on a combined historical basis for all periods presented.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles for stock life insurance companies.

Revenue Recognition: Revenues for the Company's interest sensitive life, interest sensitive annuity, variable life and variable annuity products consist of policy charges for the cost of insurance, deferred sales charges, policy administration charges and/or withdrawal charges assessed against policyholder account balances during the period.

Policyholders' Account Balances: Liabilities for the Company's universal life type contracts, including its life insurance and annuity products, are equal to the full accumulation value of such contracts as of the valuation date plus deficiency reserves for certain products. Interest crediting rates for the Company's fixed rate products are as follows:

Interest sensitive life products	4.0% - 8.8%
Interest sensitive deferred annuities	2.4% - 9.0%
Immediate annuities	4.0% - 10.0%

These rates may be changed at the option of the Company, subject to minimum guarantees, after initial guaranteed rates expire.

Liabilities for unpaid claims equal the death benefit for those claims which have been reported to the Company and an estimate based upon prior experience for those claims which are unreported as of the valuation date.

Reinsurance: Effective during 1992, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 113 "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts" ("SFAS No. 113"), which requires that reinsurance receivables and prepaid reinsurance premium ceded be reported as assets. SFAS No. 113 eliminates the practice by insurance enterprises of reporting assets and liabilities relating to reinsured contracts net of the effects of reinsurance. The impact of adopting SFAS No. 113 was not material.

In the normal course of business, the Company seeks to limit its exposure to loss on any single insured life and to recover a portion of benefits paid by ceding reinsurance to other insurance enterprises or reinsurers under indemnity reinsurance agreements, primarily excess coverage and coinsurance agreements. On life insurance contracts which the Company is currently marketing, the maximum amount of mortality risk retained by the Company is $500,000 on a single life.

Indemnity reinsurance agreements do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company regularly evaluates the financial condition of its reinsurers so as to minimize its exposure to significant losses from reinsurer insolvencies. The Company holds collateral under reinsurance agreements in the form of letters of credit and funds withheld totaling $1,024,000 that can be drawn upon for delinquent reinsurance recoverables.

As of December 31, 1993, the Company had life insurance in-force which was ceded to other life insurance companies of $2,005,191,000.

Deferred Policy Acquisition Costs: Policy acquisition costs for life and annuity contracts are deferred and amortized based on the estimated future gross profits for each group of contracts. These future gross profit estimates are subject to periodic evaluation by the Company, with necessary revisions applied against amortization to date.

Policy acquisition costs are principally commissions and a portion of certain other expenses relating to policy acquisition, underwriting and issuance, which are primarily related to and vary with the production of new business. Certain costs and expenses reported in the statements of earnings are net of amounts deferred. Policy acquisition costs can also arise from the acquisition or reinsurance of existing in-force policies from other insurers. These costs include ceding commissions and professional fees related to the reinsurance assumed.

Included in deferred policy acquisition costs are those costs related to the acquisition by assumption reinsurance of insurance contracts from unaffiliated insurers. The deferred costs will be amortized in proportion to the future gross profits over the anticipated life of the acquired insurance contracts utilizing an interest methodology.

In December 1990, the Company entered into an assumption reinsurance agreement with a non-affiliated insurer (See Note 6). The acquisition costs relating to this agreement are being amortized over a twenty-year period using an effective interest rate of 9.01%. This reinsurance agreement provides for payment of contingent ceding commissions based upon the persistency and mortality experience of the insurance contracts assumed. Any payments made for the contingent ceding commissions will be capitalized and amortized using an identical methodology as that used for the initial acquisition costs. The following is a reconciliation of the acquisition costs for the reinsurance transaction for the three years ended December 31,:

<TABLE>
<CAPTION>

	1993	1992	1991
		(In Thousands)	
<S>	<C>	<C>	<C>
Beginning balance	$ 150,450	$ 160,235	$ 24,294
Capitalized amounts	6,987	6,060	156,641
Interest accrued	13,136	15,401	14,071
Amortization	(30,926)	(31,246)	(34,771)
Ending balance	$ 139,647	$ 150,450	$ 160,235

</TABLE>

The following table presents the expected amortization of these deferred acquisition costs over the next five years. The amortization may be adjusted based on periodic evaluation of the expected gross profits on the reinsured policies.

1994	$18,732,000
1995	17,840,000
1996	16,056,000
1997	12,488,000
1998	8,925,000

Investments: Effective December 31, 1993, the Company has adopted SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS No. 115"). In compliance with SFAS No. 115, the Company classified its investments in fixed maturity securities and equity securities in two categories, each separately identified:

Available for sale securities include both fixed maturity and equity securities. These securities may be sold for the Company's general liquidity needs, asset/liability management strategy, credit dispositions and investment opportunities. These securities are carried at estimated fair value with unrealized gains and losses included in stockholder's equity (net of tax). If a decline in value of a security is determined by management to be other than temporary, the carrying value is adjusted to the estimated fair value at the date of this determination and recorded in the net realized investment gains (losses) caption of the statement of earnings.

Trading securities represent securities that are managed with an investment objective to maximize total return subject to the Company's quality guidelines. Investments in this portfolio will consist primarily of marketable fixed maturity and equity investments. These securities are carried at estimated fair value with unrealized gains and losses included in the statement of earnings. The debt and equity securities classified as trading securities as of December 31, 1993 were acquired in 1993 and immediately classified as trading securities in compliance with SFAS No. 60 "Accounting and Reporting by Insurance Enterprises", prior to the adoption of SFAS No. 115.

SFAS No. 115 allows fixed maturity securities to be carried at amortized cost if the Company has both the ability and positive intent to hold these securities to maturity. The Company has determined that it can not guarantee that it will not have the need or opportunity to sell any particular security in its investment holdings. As such, the Company did not utilize this classification as of December 31, 1993.

In compliance with a recent Securities and Exchange Commissions ("SEC") staff announcement, the Company has recorded certain adjustments to deferred policy acquisition costs and policyholders' account balances in conjunction with its adoption of SFAS No. 115. The SEC requires that companies adjust those assets and liabilities that would have been adjusted had the unrealized investment gains or losses from securities classified as available for sale actually been realized with corresponding credits or charges reported directly to shareholder's equity. Accordingly, deferred policy acquisition costs have

been decreased by $36,044,000 and policyholders' account balances have been increased by $193,233,000 as of December 31, 1993.

As of December 31, 1992, the Company classified its investments in fixed maturity securities as either "to be held to maturity" or "available for sale." Fixed maturity securities to be held to maturity are stated in the balance sheets at amortized cost. Fixed maturity securities available for sale are stated at estimated fair value. The net unrealized gain and loss on these securities are reflected as a component of stockholder's equity.

For fixed maturity securities, premiums are amortized to the earlier of the call or maturity date, discounts are accrued to the maturity date and interest income is accrued daily. Realized gains and losses on the sale or maturity of the investments are determined on the basis of identified cost.

Fixed maturity securities may contain securities which are considered high yield. The Company defines high yield fixed maturity securities as unsecured corporate debt obligations which do not have a rating equivalent to Standard and Poor's (or similar rating agency) BBB or higher, and are not guaranteed by an agency of the federal government. Probable losses are recognized in the period that a decline in value is determined to be other than temporary.

Mortgage loans on real estate are stated at unpaid principal balances net of valuation allowances. Such valuation allowances are based on the decline in value expected by management to be realized on in-substance foreclosures of mortgage loans and on mortgage loans which management believes may not be collectible in full. In establishing valuation allowances management considers, among other things, the estimated fair value of the underlying collateral.

The Company has previously made mortgage loans collateralized by real estate and direct investments in real estate. The return on and the ultimate recovery of these loans and investments are generally dependent on the successful operation, sale or refinancing of the real estate. In many parts of the country, current real estate markets are characterized by above-normal vacancy rates, a lack of ready sources of credit for real estate financing, reduced or declining real estate values, and similar factors.

The Company employs a system to monitor the effects of current and expected real estate market conditions and other factors when assessing the collectability of mortgage loans and the recoverability of the Company's real estate investments. When, in management's judgment, these assets are impaired, appropriate losses are recorded. Such estimates necessarily include assumptions, which may include anticipated improvements in selected market conditions for real estate, which may or may not occur. The more significant assumptions management considers involve estimates of the following: lease, absorption and sales rate; real estate values and rates of return; operating expenses; required capital improvements; inflation; and sufficiency of any collateral independent of the real estate.

Resulting from the Company's management and valuation of its mortgage loans on real estate, management believes that the carrying value approximates the fair value of these investments.

During 1993 the Financial Accounting Standards Board issued SFAS No. 114 "Accounting by Creditors for Impairment of a Loan" ("SFAS No. 114"). SFAS No. 114 requires that for impaired loans, the impairment shall be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral. Impairments of mortgage loans on real estate are established as valuation allowances and recorded to net realized investment gains (losses). SFAS No. 114 must be adopted for fiscal years beginning after December 15, 1994. The Company has decided not to early adopt this statement. The Company estimates that the impact on both financial position and earnings from adopting SFAS No. 114 would be immaterial.

Real estate available for sale, including real estate acquired in satisfaction of debt subsequent to its acquisition date, is stated at depreciated cost less valuation allowances and estimated selling costs.

Depreciation is computed using the straight-line method over the estimated useful lives of the properties, which generally is 40 years.

Policy loans on insurance contracts are stated at unpaid principal balances. The Company estimates the fair market value of policy loans as equal to the book value of the loans. Policy loans are fully collateralized by the account value of the associated insurance contracts, and the spread between the policy loan interest rate and the interest rate credited to the account value held as collateral is fixed.

Fair Value of Financial Instruments: Beginning in 1992, the Company adopted SFAS No. 107, "Disclosures about Fair Value of Financial Instruments", which requires companies to report the fair value of financial instruments, for certain assets and liabilities both on and off - balance sheet.

Federal Income Taxes: The results of the operations of the Company are included in the consolidated Federal income tax return of Merrill Lynch & Co.. The Company has entered into a tax-sharing agreement with Merrill Lynch & Co. whereby the Company will calculate its current tax provision based on its operations. Under the agreement, the Company periodically remits to Merrill Lynch & Co. its current federal tax liability.

Effective the first quarter 1992, the Company adopted SFAS No. 109, "Accounting for Income Taxes" ("SFAS No. 109") which requires an asset and liability method in recording income taxes on all transactions that have been recognized in the financial statements. SFAS No. 109 provides that deferred taxes be adjusted to reflect tax rates at which future tax liabilities or assets are expected to be settled or realized. Previously, the Company accounted for income taxes in accordance with SFAS No. 96, "Accounting for Income Taxes." The effect of adopting SFAS No. 109 was not material.

Separate Accounts: The Separate Accounts are established in conformity with Arkansas insurance law, the Company's domiciliary state, and under such law, if and to the extent provided under the applicable insurance contracts, assets held in the Separate Accounts equal to the reserves and other contract liabilities with respect to the Separate Accounts may not be chargeable with liabilities that arise from any other business of the Company. Separate Accounts assets may be subject to General Account claims only to the extent the value of such assets exceeds the Separate Accounts liabilities.

Assets and liabilities of the Separate Accounts, representing net deposits and accumulated net investment earnings less fees, held for the benefit of policyholders, are shown as separate captions in the balance sheets. Assets held in the Separate Accounts are carried at quoted market values.

The carrying value for Separate Accounts assets and liabilities approximates the estimated fair value of the underlying assets.

Postretirement Benefits Other Than Pensions: During the fourth quarter 1992, the Company adopted SFAS No. 106, "Employer's Accounting for Postretirement Benefits Other Than Pensions" ("SFAS No. 106"). SFAS No. 106 requires the accrual of postretirement benefits (such as health care benefits) during the years an employee provides service. Prior to 1992, the cost of these benefits were expensed on a modified pay-as-you-go basis when such cost was allocated from MLIG as a component of the Company's operating expenses. The effect of adopting SFAS No. 106 was not material.

Statements of Cash Flows: For the purpose of reporting cash flows, cash and cash equivalents include cash on hand and on deposit and short-term investments with original maturities of three months or less.

The carrying amounts approximate the estimated fair value of cash and cash equivalents.

Reclassifications: To facilitate comparisons with the current year, certain amounts in the prior years have been reclassified.

NOTE 2. INVESTMENTS

The amortized cost (original cost for equity securities) less valuation allowances and estimated fair value of investments in fixed maturity securities and equity securities as of December 31 are:

<TABLE>
<CAPTION>

1993	Amortized Cost less Valuation Allowances	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In Thousands)			
<S>	<C>	<C>	<C>	<C>
Fixed maturity securities available for sale:				
Corporate securities	$ 3,181,667	$ 159,233	$ 18,440	$ 3,322,460
Mortgage-backed securities	2,015,328	79,645	3,998	2,090,975
U.S. Treasury securitiesand obligations of U.S. government corporations and agencies	159,329	10,887	126	170,090
Obligations of states and political subdivisions	12,912	922	0	13,834
Total fixed maturity securities available for sale	$ 5,369,236	$ 250,687	$ 22,564	$ 5,597,359
Equity securities available for sale:				
Common stocks	$ 4,481	$ 577	$ 657	$ 4,401
Non-redeemable preferred stocks	19,943	757	131	20,569

Total equity securities available for sale	$ 24,424	$ 1,334	$ 788	$ 24,970

</TABLE>

<TABLE>
<CAPTION>

<S>	1992 Amortized Cost less Valuation Allowances <C>	Gross Unrealized Gains <C>	Gross Unrealized Losses <C>	Estimated Fair Value <C>
	(In Thousands)			
Fixed maturity securities to be held to maturity:				
Corporate securities	$ 3,052,333	$ 134,016	$ 7,721	$ 3,178,628
Mortgage-backed securities	3,292,132	141,387	5,215	3,428,304
U.S. Treasury securities and obligations of U.S. government corporations and agencies	97,976	1,798	1,396	98,378
Obligations of states and political subdivisions	7,540	981	0	8,521
Total fixed maturity securities to be held to maturity	$6,449,981	$ 278,182	$ 14,332	$ 6,713,831

</TABLE>

<TABLE>
<CAPTION>

<S>	1992 Amortized Cost less Valuation Allowances <C>	Gross Unrealized Gains <C>	Gross Unrealized Losses <C>	Estimated Fair Value <C>
	(In Thousands)			
Fixed maturity securities available for sale:				
Corporate securities	$ 134,675	$ 6,648	$ 938	$ 140,385
Mortgage-backed securities	117,248	3,316	8,337	112,227
U.S. Treasury securities and obligations of U.S. government corporations and agencies	74,109	916	560	74,465
Obligations of states and political subdivisions	8,606	233	0	8,839
Total fixed maturity securities available for sale	$ 334,638	$ 11,113	$ 9,835	$ 335,916
Equity securities available for sale:				
Common stocks	$ 12,980	$ 762	$ 0	$ 13,742
Non-redeemable preferred stocks	18,618	826	0	19,444
Total equity securities available for sale	$ 31,598	$ 1,588	$ 0	$ 33,186

</TABLE>

For publicly traded securities, the estimated fair value is determined using quoted market prices. For securities without a readily ascertainable market value, the Company has determined an estimated fair value using a discounted cash flow approach, including provision for credit risk, based upon the assumption that such securities will be held to maturity. Such estimated fair values do not necessarily represent the values for which these securities could have been sold at the dates of the balance sheets. At December 31, 1993 and 1992, respectively, securities without a readily ascertainable market value, having an amortized cost less valuation allowances of approximately $773,965,000 and $992,340,000, had an estimated fair value of approximately $819,866,000 and $1,064,915,000, respectively.

The amortized cost less valuation allowances and estimated fair value of fixed maturity securities available for sale at December 31, 1993 by contractual maturity are shown below:

<TABLE>
<CAPTION>

Amortized Cost less	Estimated

	Valuation Allowances	Fair Value
	(In Thousands)	
Fixed maturity securities available for sale:		
Due in one year or less	$ 293,809	$ 299,884
Due after one year through five years	1,162,162	1,207,307
Due after five years through ten years	1,499,057	1,585,524
Due after ten years	398,880	413,669
	3,353,908	3,506,384
Mortgage-backed securities	2,015,328	2,090,975
Total fixed maturity securities available for sale	$ 5,369,236	$ 5,597,359

Fixed maturity securities not due at a single maturity date have been included in the preceding table in the year of final maturity. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

The Company's investment in mortgage loans on real estate consists principally of loans collateralized by commercial real estate. The largest concentrations of commercial real estate mortgage loans are for properties located in California ($53,795,000 or 24%), Illinois ($28,294,000 or 13%) and Pennsylvania ($27,558,000 or 12%).

For the years ended December 31, 1993 and 1992, $29,555,000 and $3,126,000, respectively, of real estate was acquired in satisfaction of debt.

Net investment income arose from the following sources for the years ended December 31,:

	1993	1992	1991
		(In Thousands)	
Fixed maturity securities	$ 511,655	$ 652,136	$ 715,102
Equity securities	4,143	4,813	2,852
Mortgage loans on real estate	20,342	25,954	32,827
Real estate available for sale	32	1,004	310
Policy loans on insurance contracts	46,129	40,843	34,366
Other	11,135	5,924	13,015
Gross investment income	593,436	730,674	798,472
Less expenses	(6,975)	(17,935)	(10,869)
Net investment income	$ 586,461	$ 712,739	$ 787,603

Net realized investment gains (losses), including changes in valuation allowances, determined by specific identification for the years ended December 31,:

	1993	1992	1991
		(In Thousands)	
Fixed maturity securities available for sale	$ 67,473	$ 15,907	$ (12,689)
Fixed maturity securities held for trading	5,562	0	0
Equity securities available for sale	22	(3,051)	(804)
Equity securities held for trading	2,587	0	0
Mortgage loans on real estate	(9,310)	(42,997)	(12,913)
Real estate available for sale	(4,733)	(1,800)	3,224
Other	1,451	2,302	1,225
Net realized investment gains (losses)	$ 63,052	$ (29,639)	$ (21,957)

Valuation allowances have been established to reflect other than temporary declines in estimated fair value of the following classification of investments as of December 31,:

	1993	1992
	(In Thousands)	
Fixed maturity securities to be held to maturity	$ 0	$ 19,711
Fixed maturity securities available for sale	850	0
Equity securities available for sale	0	210
Mortgage loans on real estate	45,924	55,610
Real estate available for sale	20,797	5,600
	$ 67,571	$ 81,131

Proceeds, gains and losses from the sale or maturity of fixed maturity securities available for sale and held to maturity for the years ended December 31,:

	1993	1992	1991
		(In Thousands)	
Proceeds	$ 3,348,329	$ 3,488,152	$ 4,752,232
Realized investment gains	71,599	51,925	88,230
Realized investment losses	4,126	25,732	91,745

Approximately $4,291,000 of unrealized holding gains from investment trading securities were recorded in net realized investment gains during 1993.

The Company held investments at December 31, 1993 of $22,672,000 which have been non-income producing for the preceding twelve months.

The Company had investment securities of $28,702,000 and $19,030,000 held on deposit with insurance regulatory authorities at December 31, 1993 and 1992, respectively.

At December 31, 1992, the Company retained $9,741,000 in the Separate Accounts, including unrealized gains of $1,504,000. The investments in the Separate Accounts were for the purpose of providing original funding of certain mutual funds available as investment options to variable life and annuity policyholders. No funds were retained in the Separate Accounts at December 31, 1993.

The Company has restructured the terms of certain of its investments in fixed maturity securities and mortgage loans on real estate during 1993 and 1992. The following table provides the amortized cost less valuation allowances immediately prior to restructuring, gross interest income that would have been earned had the loans been current per their original terms ("Expected Income"), gross interest income recorded during the year ("Actual Income") and equity interests which were received in the restructuring:

	1993	1992
	(In Thousands)	
Fixed maturity securities:		
Amortized cost less valuation allowances	$ 3,743	$ 13,148
Expected income	916	2,781
Actual income	103	1,011
Equity interest received	1,833	2,003
Mortgage loans on real estate:		
Amortized cost less valuation allowance	$ 79,624	$ 0
Expected income	6,859	0
Actual income	5,076	0

NOTE 3. FEDERAL INCOME TAXES

The Company's operating results (excluding Tandem prior to September 30, 1991) are consolidated with those of MLIG. MLIG and the Company are included in Merrill Lynch & Co.'s consolidated Federal income tax returns. It is the policy of Merrill Lynch & Co. to allocate the tax associated with such operating results to its respective subsidiaries on a separate company basis. The Company has the intent to pay accumulated Federal income tax to MLIG upon request. For the nine months ended September 30, 1991, Tandem filed a separate Federal income tax return.

The following is a reconciliation of the provision for income taxes based on income before income taxes, computed using the Federal statutory tax rate, with the provision for income taxes for the three years ended December 31,:

<TABLE>
<CAPTION>

	1993	1992	1991
		(In Thousands)	
<S>	<C>	<C>	<C>
Provision for income taxes computed at Federal statutory rate	$ 25,471	$ 8,726	$ 4,783
Increase (decrease) in income taxes resulting from:			
Federal tax rate increase	(631)		
Recognition of prior year capital loss tax benefits			(2,219)
Other	75	(90)	(104)
Federal income tax provision	$ 24,915	$ 8,636	$ 2,460

</TABLE>

The Federal statutory rate for 1993, 1992 and 1991 was 35%, 34% and 34%, respectively.

The Company provides for deferred income taxes resulting from temporary differences which arise from recording certain transactions in different years for income tax reporting purposes than for financial reporting purposes. The sources of these differences and the tax effect of each were as follows:

<TABLE>
<CAPTION>

	1993	1992	1991
		(In Thousands)	
<S>	<C>	<C>	<C>
Deferred policy acquisition costs	$ (9,030)	$ (17,633)	$ (32,834)
Policyholders' account balances	6,433	21,301	(6,282)
Estimated liability for guaranty fund assessments	(1,066)	(2,735)	(3,626)
Investment adjustments	7,941	(21,875)	2,437
Other	525	1,029	(154)
Deferred Federal income tax provision (benefit)	$ 4,803	$ (19,913)	$ (40,459)

</TABLE>

Deferred tax assets and liabilities as of December 31, are determined as follows:

<TABLE>
<CAPTION>

	1993	1992
	(In Thousands)	
<S>	<C>	<C>
Deferred tax assets:		
Policyholders' account balances	$ 99,475	$ 105,908
Investment adjustments	19,596	27,537
Estimated liability for guaranty fund assessments	7,427	6,361
Total deferred tax asset	126,498	139,806
Deferred tax liabilities:		
Deferred policy acquisition costs	92,625	101,655
Net unrealized investment gain (loss)	(213)	1,486
Other	17,208	16,683

Total deferred tax liability	109,620	119,824
Net deferred tax asset	$ 16,878	$ 19,982

</TABLE>

The Company anticipates that all deferred tax assets will be realized, therefore no valuation allowance has been provided.

Federal income taxes paid (recovered) totaled $40,000,000, $13,594,000 and $(1,560,000) in 1993, 1992 and 1991, respectively.

NOTE 4. RELATED PARTY TRANSACTIONS

The Company and MLIG are parties to a service agreement whereby MLIG has agreed to provide certain data processing, legal, actuarial, management, advertising and other services to the Company. Expenses incurred by MLIG in relation to this service agreement are reimbursed by the Company on an allocated cost basis. Charges billed to the Company by MLIG pursuant to the agreement were $55,843,000, $63,300,000 and $78,306,000 for the years ended December 31, 1993, 1992 and 1991, respectively.

The Company and Merrill Lynch Asset Management, L.P. ("MLAM") are parties to a service agreement whereby MLAM has agreed to provide certain invested asset management to the Company. The Company pays a fee to MLAM for these services, through the MLIG service agreement.

The Company has a general agency agreement with Merrill Lynch Life Agency Inc. ("MLLA") whereby registered representatives of Merrill Lynch, Pierce, Fenner and Smith, Inc. ("MLPF&S") who are the

Company's licensed insurance agents, solicit applications for contracts to be issued by the Company. MLLA is paid commissions for the contracts sold by such agents. Commissions paid to MLLA were approximately $67,102,000, $25,158,000 and $27,974,000 for 1993, 1992 and 1991, respectively. Substantially all of these commissions were capitalized as deferred policy acquisition costs and are being amortized in accordance with the policy discussed in Note 1.

In connection with the acquisition of a block of variable life insurance business from Monarch Life Insurance Company ("Monarch Life"), the Company borrowed funds from Merrill Lynch & Co. to partially finance the transaction. As of December 31, 1991, the outstanding balance of these loans was approximately $83,200,000. These loans were repaid during 1992. Interest was calculated on these loans at LIBOR plus 150 basis points. Intercompany interest paid on these loans during 1992 and 1991 was approximately $4,025,000 and $6,300,000, respectively.

The Company and Merrill Lynch Trust Company ("ML Trust") were parties to an agreement whereby the Company retained ML Trust to hold certain invested assets upon the terms and conditions of the agreement. ML Trust was paid a fee based on its current fee schedule. This agreement was terminated during 1993.

The Company has entered into certain other marketing and administrative service agreements with affiliates in connection with the variable life and annuity policies it sells.

During 1993, 1992 and 1991, the Company allowed the recapture of certain policies previously indemnity reinsured by the Company from Family Life. Simultaneously with the recapture, the Company's affiliate, ML Life Insurance Company of New York ("ML Life"), assumption reinsured these policies. These transactions resulted in the transfer of approximately $11,900,000 $2,000,000 $19,200,000 of policy reserves during 1993, 1992 and 1991, respectively.

The fair value of the Company's payables to affiliates is estimated at carrying value. These borrowings are payable on demand and bear a variable interest rate based on LIBOR.

Total intercompany interest paid was $737,000, $5,409,000 and $8,567,000 for 1993, 1992 and 1991, respectively.

NOTE 5. STOCKHOLDER'S EQUITY AND STATUTORY REGULATIONS

On December 20, 1993, the Company paid a $44,988,000 ordinary dividend and a $75,012,000 extraordinary dividend to MLIG. The Company received approval from the Arkansas Insurance Commissioner prior to the declaration and payment of the extraordinary dividend.

At December 31, 1993 and 1992, approximately $37,221,000 and $44,988,000, respectively, of retained earnings was available for distribution to the Company's stockholder. Statutory capital and surplus at December 31, 1993 and 1992, was $374,209,000 and $451,888,000, respectively.

During 1991, MLIG contributed capital to the Company of $82,396,000. The contribution was made to support the underwriting of additional insurance premiums and deposits. No contributions were received during 1993 and 1992.

Applicable insurance department regulations require that the Company report its accounts in accordance with statutory accounting practices. Statutory accounting practices primarily differ from the principles utilized in these financial statements by charging policy acquisition costs to expense as incurred, establishing future policy benefit reserves using different actuarial assumptions, not providing for deferred taxes and valuing securities on a different basis. The Company's statutory net income for the years ended December 31, 1993, 1992 and 1991 was $45,604,000, $60,140,000 and $65,771,000, respectively.

The National Association of Insurance Commissioners ("NAIC") has developed and implemented effective December 31, 1993, the Risk Based Capital ("RBC") adequacy monitoring system. The RBC calculates the amount of adjusted capital which a life insurance company should have based upon that company's risk profile. The NAIC has established four different levels of regulatory action with respect to the RBC adequacy monitoring system. Each of these levels may be triggered if an insurer's total adjusted capital is less than a corresponding level of RBC. These levels are as follows:

For companies with capital levels which are below 100% of the basic RBC level (company action level) calculated for that company, the company must submit to the domiciliary insurance commissioner, and implement, an approved plan to increase adjusted capital to at least 100% of the basic RBC.

For companies with capital levels which are below 75% of the basic RBC level calculated for that company, the company must submit to an examination by the domiciliary insurance department and as a result of the findings of the examination, corrective orders may be issued.

For companies with capital levels which are below 50% of the basic RBC level (authorized control level) calculated for that company, the domiciliary insurance commissioner will have the authority to place the company into conservatorship or liquidation.

For companies with capital levels which are below 35% of the basic RBC level calculated for that company, the domiciliary insurance commissioner will be required to place the company into conservatorship or liquidation.

As of December 31, 1993, based on the RBC formula, the Company's total adjusted capital level was 279% of the basic RBC level.

NOTE 6. REINSURANCE AGREEMENTS

On December 28, 1990, the Company entered into an indemnity reinsurance agreement with Family Life, in which the Company 100% coinsured substantially all of Family Life's general account interest-sensitive life and annuity business, and modified coinsured all of the separate account variable annuity business. As of December 31, 1993, substantially all of this business has been assumption reinsured by the Company and an affiliate.

On December 31, 1990, the Company and an affiliate entered into a 100% reinsurance agreement with respect to all variable life policies issued by Monarch Life and sold through the Merrill Lynch & Co. retail network. As a result of the indemnity provisions of the agreement, the Company became obligated to reimburse Monarch Life for its net amount at risk with regard to the reinsured policies. At the date of acquisition, assets of approximately $553,000,000 supporting general account reserves, on a statutory accounting basis, were transferred from Monarch Life to the Company. This agreement provides for contingent ceding commission payments to Monarch Life dependent upon the lapse rate during the five years ending in 1995 and mortality experience during the ten years ending in 2000. To date, the Company has paid approximately $225,900,000 to Monarch Life under the terms of the agreement. As of December 31, 1993, the Company has accrued $7,673,000 for such payments.

On various dates during 1992 and 1991, the Company and an affiliate assumption reinsured substantially all such policies, wherever permitted by appropriate regulatory authorities. Upon assumption, the policy liabilities and the underlying assets of approximately $2,625,000,000 were transferred to the Merrill Lynch Life Variable Life Separate Account II. As a result of the assumptions, the Company became directly obligated to the policyholders, rather than to Monarch Life. Certain contract owners of the reinsured policies elected to remain with Monarch Life as permitted under certain

state insurance laws. Assets and liabilities of those policies not assumption reinsured by the Company or its affiliate have remained with Monarch Life. The Company and its affiliate have indemnified Monarch Life against its net amount at risk on such policies. As of December 31, 1993, approximately 10 life insurance policies with $1,499,000 life insurance in force remain under the indemnity provisions of the reinsurance agreement.

During 1992, the Company, and its affiliates, entered into an agreement with Monarch Life for the purchase, transfer or assignment of certain services and assets owned, licensed or leased by Monarch Life. Additionally, the Company along with its affiliates were allowed to actively solicit the employment of individuals employed by Monarch Life, who are required to service the Company's and its affiliates' variable life insurance policies and Monarch Life's variable life insurance policies. In consideration of this, the Company and its affiliate, ML Life, transferred title to Monarch Life certain telecommunications equipment owned by Merrill Lynch Insurance Group Services, Inc., an affiliate of the Company, with a net book value of $1,753,000. The Company agreed to service Monarch Life's variable life insurance policies for a period of five years at an annual rate of $100 per policy. Monarch Life has an option to terminate the service agreement upon proper notification.

NOTE 7. INTEREST RATE SWAP CONTRACTS

The Company enters into interest rate swap contracts for the purpose of minimizing exposure to fluctuations in interest rates of specific assets held. The notional amount of such swaps outstanding at December 31, 1993 and 1992 was approximately $155,082,000 and $197,024,000 respectively. The average unexpired term at December 31, 1993 and 1992 was 3.2 and 3.5 years, respectively.

The current amount at risk, on a present value basis, of terminating or replacing at current market rates all outstanding matched swaps in a loss position at December 31, 1993 and 1992 was $0 and $0, respectively. During 1992 and 1991, a net investment gain of approximately $2,302,000 and $4,750,000, respectively, was recorded in connection with interest rate swap activity. The Company did not realize net investment gains (losses) from interest rate swap activity during 1993.

During 1993, 1992 and 1991, the Company did not enter into unmatched interest rate swap arrangements and did not act as an intermediary or broker in interest rate swaps.

Estimated fair values for the Company's interest rate swaps are based on broker quotes. At December 31, 1993 and 1992, the estimated fair value for these contracts was $4,317,000 and $10,551,000, respectively.

NOTE 8. SALE OF FAMILY LIFE INSURANCE COMPANY

On June 12, 1991, MLIG sold Family Life to a non-affiliated entity. Prior to closing, MLIG transferred to affiliates of Family Life, to the extent permitted by law, all assets and liabilities of Family Life that were not related to Family Life's mortgage protection life insurance business. Certain life insurance and annuity products sold through the retail network of Merrill Lynch & Co. and underwritten by Family Life have been or will be assumption reinsured by the Company or its affiliate in those jurisdictions in which the Company or its affiliate has the authority to do so. (See Note 6)

NOTE 9. COMMITMENTS AND CONTINGENCIES

State insurance laws generally require that all life insurers who are licensed to transact business within a state become members of the state's life insurance guaranty association. These associations have been established for the protection of policyholders from loss (within specified limits) as a result of the insolvency of an insurer. At the time an insolvency occurs, the guaranty association assesses the remaining members of the association an amount sufficient to satisfy the insolvent insurer's policyholder obligations (within specified limits). During 1991, and to a lesser extent 1992, there were certain highly

publicized life insurance insolvencies. The Company has utilized public information to estimate what future assessments it will incur as a result of these insolvencies. At December 31, 1993 and 1992, the Company had accrued an estimated liability for future guaranty fund assessments of $28,083,000 and $27,104,000, respectively. The Company regularly monitors public information regarding insurer insolvencies and will adjust its estimated liability where appropriate.

In the normal course of business, the Company is subject to various claims and assessments. Management believes the settlement of these matters would not have a material effect on the financial position or results of operations of the Company.

* * * * * *

PART II. OTHER INFORMATION
UNDERTAKING TO FILE REPORTS

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

RULE 484 UNDERTAKING

Merrill Lynch Life Insurance Company's By-Laws provide, in Article VI, as follows:

SECTION 1. ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer or employee of the Corporation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer or employee of the Corporation, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other Court shall deem proper.

SECTION 3. RIGHT TO INDEMNIFICATION. To the extent that a director, officer or employee of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 4. DETERMINATION OF RIGHT TO INDEMNIFICATION. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a Court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, or employee is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article. Such determination shall be made (i) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

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 & Co., Inc. are entitled to indemnification from Merrill Lynch & Co., Inc., 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 & Co., Inc. 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 & Co., Inc. prior to such initiation.

DIRECTORS' AND OFFICERS' INSURANCE

Merrill Lynch & Co., Inc. 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. Merrill Lynch Life Insurance Company will pay an allocable portion of the insurance premium paid by Merrill Lynch & Co., Inc. with respect to such insurance policy.

ARKANSAS BUSINESS CORPORATION LAW

In addition, Section 4-26-814 of the Arkansas Business Corporation Law generally provides that a corporation has the power 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.

CONTENTS OF REGISTRATION STATEMENT

This Registration Statement comprises the following papers and documents:

The facing sheet.

The Prospectus consisting of 76 pages.

Undertaking to file reports.

Rule 484 Undertaking.

The signatures.

Written Consents of the following persons:

1. Barry G. Skolnick, Esq.

2. Joseph E. Crowne, F.S.A.

3. Deloitte & Touche, Certified Public Accountants

The following exhibits:

1A.	(8)	(e)	Form of Participation Agreement Between Merrill Lynch Variable Series Funds, Inc., Merrill Lynch Life Insurance Company, ML Life Insurance Company of New York and Family Life Insurance Company
	(9)	(c)	Service Agreement among Merrill Lynch Life Insurance Company, Family Life Insurance Company and Merrill Lynch Insurance Group, Inc.
	(11)		Memorandum describing Merrill Lynch Life Insurance Company's Issuance, Transfer and Redemption Procedures.
3.			Opinion and Consent of Barry G. Skolnick, Esq. as to the legality of the securities being registered.
6.			Opinion and Consent of Joseph E. Crowne, F.S.A. as to actuarial matters pertaining to the securities being registered.
8.		(a)	Written Consent of Barry G. Skolnick, Esq. See Exhibit 3.
		(b)	Written Consent of Joseph E. Crowne, F.S.A. See Exhibit 6.
		(c)	Written Consent of Deloitte & Touche, Certified Public Accountants.

SIGNATURES

As required by the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, Merrill Lynch Life Variable Life Separate Account II, has caused this Post-Effective Amendment No. 4 to the Registration Statement to be signed on its behalf in the City of Plainsboro and the State of New Jersey, on the 13th day of May, 1994.

MERRILL LYNCH LIFE VARIABLE LIFE SEPARATE ACCOUNT II
(Registrant)

By: MERRILL LYNCH LIFE INSURANCE COMPANY
(Depositor)

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Attest: /s/ TERRY L. RAPP	By: /s/ BARRY G. SKOLNICK
Terry L. Rapp Assistant Secretary	Barry G. Skolnick Senior Vice President

</TABLE>

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on May 13, 1994.

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SIGNATURE	TITLE
* 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
* David M. Dunford	Director, Senior Vice President, and Chief Investment Officer
*	Director and Senior Vice President

- --
John C.R. Hele
*   Director
- --
Allen N. Jones
*By: /s/ BARRY G. SKOLNICK   In his own capacity as Director, Senior Vice President and General Counsel and as Attorney-In-Fact
----
Barry G. Skolnick
</TABLE>

EXHIBIT INDEX

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1 A. (1) Resolutions of the Board of Directors of Merrill Lynch Life Insurance Company establishing the Separate Account. Incorporated by reference to the Registration Statement filed by the Registrant on Form S-6 (File No. 33-43057).
(2) Not applicable.
(3) Distributing Contracts:
(a) Distribution Agreement between Merrill Lynch Life Insurance Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated. Incorporated by reference to the Pre-Effective Amendment No. 1 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).
(b) Amended Sales Agreement between Merrill Lynch Life Insurance Company and Merrill Lynch Life Agency, Inc. Incorporated by reference to the Pre-Effective Amendment No. 1 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).
(c) Schedules of Sales Commissions. See Exhibit A (3)(b).
(4) Not applicable.
(5) Variable Life Insurance Policies:
(1) Annual Premium Version. Incorporated by reference to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
(2) Single Premium Version. Incorporated by reference to the Post-Effective Amendment No. 2 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
(3) Annual Premium Level Death Benefit Version. Incorporated by reference to the Post-Effective Amendment No. 4 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
(4) Single Premium Variable Life Insurance Policy. Incorporated by reference to the Post-Effective Amendment No. 8 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
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(5) (a) Policy Rider. Incorporated by reference to the Post-Effective Amendment No. 1 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
(b) Form of Change of Insured Privilege. Incorporated by reference to the Post-Effective Amendment No. 1 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
(c) Policy Amendment Rider Loan Interest. Incorporated by reference to the Post-Effective Amendment No. 4 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
(d) Policy Amendment Rider Increase in Investment Base. Incorporated by reference to the Post-Effective Amendment No. 6 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company

			on Form S-6 (File No. 2-68886).
		(e)	Single Premium Term Rider. Incorporated by reference to the Post-Effective Amendment No. 9 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).

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		(f)	Policy Amendment Rider Adjustable Loan Interest Rate. Incorporated by reference to the Post-Effective Amendment No. 9 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
		(g)	Policy Amendment Rider Additional Investment Division. Incorporated by reference to the Post-Effective Amendment No. 10 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
		(h)	Policy Amendment Rider Investment Divisions of the Unit Investment Trusts. Incorporated by reference to the Post-Effective Amendment No. 10 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
		(i)	Increase in Guaranteed Insurance Amount Rider. Incorporated by reference to the Post-Effective Amendment No. 11 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
		(j)	Beneficiary Insurance Purchase Rider. Incorporated by reference to the Post-Effective Amendment No. 11 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
		(k)	Policy Amendment Rider Right to Examine This Policy. Incorporated by reference to the Post-Effective Amendment No. 12 to the Registration Statement Filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).
(5)	(c)		Certificate of Assumption. Incorporated by reference to Pre-Effective Amendment No. 1 to Tandem Insurance Group, Inc. Registration Statement on Form S-6 (File No. 33-38095).
	(d)		Company Name Change Endorsement. Incorporated by reference to Post-Effective Amendment No. 3 to Tandem Insurance Group, Inc. Registration Statement on Form S-6 (File No. 33-38095).
(6)	(a)		Articles of Amendment, Restatement, and Redomestication of the Articles of Incorporation of Merrill Lynch Life Insurance Company. Incorporated by reference to the Registration Statement filed by the Registrant on Form S-6 (File No. 33-43057).
	(b)		Amended and Restated By-laws of Merrill Lynch Life Insurance Company. Incorporated by reference to the Registration Statement filed by the Registrant on Form S-6 (File No. 33-43057).
(7)	Not applicable.		
(8)	(a)		Agreement between Merrill Lynch Life Insurance Company and Merrill Lynch Series Fund, Inc. Incorporated by reference to the Pre-Effective Amendment No. 1 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).
	(b)		Agreement between Merrill Lynch Life Insurance Company and Merrill Lynch Funds Distributor, Inc. Incorporated by reference to the Pre-Effective Amendment No. 1 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).
	(c)		Agreement between Merrill Lynch Life Insurance Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated. Incorporated by reference to the Pre-Effective Amendment No. 1 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).

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(d) Participation Agreement among Merrill Lynch Life Insurance Company, ML Life Insurance Company of New York, and Monarch Life Insurance Company. Incorporated by reference to Post Effective Amendment No. 3 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).

(e) Form of Participation Agreement Between Merrill Lynch Variable Series Funds, Inc., Merrill Lynch Life Insurance Company, ML Life Insurance Company of New York, and Family Life Insurance Company.

(9) (a) Amended form of terminated Service Agreement between Merrill Lynch Life Insurance Company and Monarch Life Insurance Company. Incorporated by reference to Post-Effective Amendment No. 1 to the Tandem Insurance Group, Inc's Registration Statement on Form S-6 (File No. 33-38095).

(b) Plan of merger between Tandem Insurance Group, Inc. and Merrill Lynch Life Insurance Company. Incorporated by reference to Post-Effective Amendment No. 3 to Tandem Insurance Group, Inc. Registration Statement on Form S-6 (File No. 33-38095).

(c) Service Agreement among Merrill Lynch Life Insurance Company, Family Life Insurance Company and Merrill Lynch Insurance Group, Inc.

(10) Application Form for Variable Life Insurance Policy. Incorporated by reference to the Registration Statement filed by Variable Account A of Monarch Life Insurance Company on Form S-6 (File No. 2-68886).

(11) Memorandum describing Merrill Lynch Life Insurance Company's Issuance, Transfer and Redemption Procedures.

2. See 1 above.

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.

7. (a) Power of Attorney of Joseph E. Crowne (Incorporated by Reference to Post-Effective Amendment No. 2 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).

(b) Power of Attorney of David E. Dunford (Incorporated by Reference to Post-Effective Amendment No. 2 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).

(c) Power of Attorney of John C.R. Hele (Incorporated by Reference to Post-Effective Amendment No. 2 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).

(d) Power of Attorney of Allen N. Jones (Incorporated by Reference to Post-Effective Amendment No. 2 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).

(e) Power of Attorney of Barry G. Skolnick (Incorporated by Reference to Post-Effective Amendment No. 2 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).

(f) Power of Attorney of Anthony J. Vespa (Incorporated by Reference to Post-Effective Amendment No. 2 to the Registration Statement filed by Merrill Lynch Variable Life Separate Account on Form S-6 (File No. 33-55472).

8. (a) Written Consent of Barry G. Skolnick, Esq. See Exhibit 3.

(b) Written Consent of Joseph E. Crowne, F.S.A. See Exhibit 6.

(c) Written Consent of Deloitte & Touche, Certified Public Accountants.

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PARTICIPATION AGREEMENT

THIS AGREEMENT is made by and among Merrill Lynch Variable Series Funds, Inc. (the "Fund"), Merrill Lynch Life Insurance Company, an insurance company organized under the laws of the State of Arkansas, ML Life Insurance Company of New York, an insurance company organized under the laws of the State of New York, Family Life Insurance Company, an insurance company organized under the laws of the State of Washington, -----------------, - ------------------, (collectively, the "Participating Insurance Companies") and separate accounts of the Participating Insurance Companies that currently invest or in the future will invest in the Fund (such separate accounts being referred to herein as the "Separate Accounts").

WHEREAS, the Fund is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (the "1940 Act") as an open-end diversified investment management company; and

WHEREAS, the Fund is organized as a series fund, currently with fourteen portfolios; and

WHEREAS, the Fund was organized as a funding vehicle for variable annuity contracts; and

WHEREAS, the Participating Insurance Companies are desirous of having the Fund serve as one of the funding vehicles for their respective variable annuity contracts and/or variable life insurance contracts issued through the Separate Accounts.

NOW, THEREFORE, and in consideration of the mutual covenants herein contained, it is hereby agreed by and among the Participating Insurance Companies as follows:

1. Each Participating Insurance Company shall designate an individual to monitor for the occurrence of any event which may give rise to the existence of any material irreconcilable conflict between the interests of the participants of all Separate Accounts investing in the Fund, and to advise each other Participating Insurance Company and the Board of Directors of the Fund (the "Board"), if any such event shall occur. Such an event may include (but will not necessarily be limited to): (a) an action by any state insurance regulatory authority; (b) a change in applicable federal or state insurance, tax, or securities laws or regulations, or public ruling, private letter ruling, no action or interpretive letter, or any similar action by insurance, tax or securities regulatory authorities; (c) an administrative or judicial decision in any relevant proceeding; (d) the manner in which the investments of any portfolio are being managed; or (e) a decision by a Participating Insurance Company to disregard the voting instructions of its contract owners.

2. (a) If a Participating Insurance Company shall have advised the other Participating Insurance Companies of the occurrence of an event which may give rise to a material irreconcilable conflict as provided in paragraph 1 above, the Participating Insurance Companies shall consult with each other in a good faith effort (i) to determine whether such event gives rise to such a conflict and, (ii) if it does, to attempt to resolve such conflict within a reasonable period of time without resort to the provisions of paragraph 2(b) of this Agreement.

(b) If the Participating Insurance Companies are unable to resolve a conflict through consultation as provided in paragraph 2(a), and if any Participating Insurance Company determines that such conflict is a material irreconcilable conflict:

(i) if the event giving rise to the conflict involves the inability, for state insurance regulatory or any other reason, of one or more of the Participating Insurance Companies to invest in the Fund or one of its portfolios unless the investment adviser or principal underwriter of the Fund or such portfolio is changed, then such Participating Insurance Company or Companies shall withdraw their investments from the Fund or such portfolio within a reasonable period of time; provided, however, that if such Participating Insurance Company or Companies own a majority of the then outstanding shares of the Fund or such portfolio, the Participating Insurance Companies will advise the Board that the agreement with the investment adviser or principal underwriter, as the case may be, for the Fund or such portfolio is to be terminated and that the Participating Insurance Companies intend to vote their shares in the Fund to effect such termination (and if the Board does not then terminate such agreement, the Participating Insurance Companies shall recommend to their respective contract owners that the shares in the Fund be voted to effect such termination); and

(ii) if the event giving rise to the conflict involves a need to change the investment policy of the Fund or one of its portfolios so that one or more of the participating insurance companies may continue to invest in the Fund or such portfolio, the participating insurance companies agree to advise the Board of Directors of the Fund of the changes in the investment policies of the Fund or such portfolio that must be effected so as to permit all of the participating insurance companies to continue to invest in the Fund or such portfolio (and if required to effect such change, the participating insurance companies will recommend to their respective contract owners that the shares in the Fund be voted to effect such change).

(c) The Participating Insurance Company which, pursuant to paragraph 1 of this Agreement, initially advises of an event which may give rise to a conflict shall also advise the Board as to whether such event in fact gave rise to a conflict and, if so, the action taken by the Participating Insurance Companies pursuant to paragraph 2 of this Agreement to resolve such conflict.

3. If, as provided in paragraph 2(b) of this Agreement, it is determined by the Participating Insurance Companies that a material irreconcilable conflict exists and that one or more of the Participating Insurance Companies must withdraw their assets from the Fund or one of its portfolios (or if a Participating Insurance Company determines that it should withdraw its assets from the Fund so as to avoid a material irreconcilable conflict), such Company or Companies shall take whatever steps are necessary to effect such withdrawal within a reasonable period of time, up to and including: (a) withdrawing the assets allocable to some or all of the Separate Accounts from the Fund or any portfolio and reinvesting such assets in a different investment medium (including another portfolio of the Fund) or submitting the question of whether such withdrawal should be implemented to a vote of all affected participants and, as appropriate, withdrawing the assets of any particular group (i.e., contract owners of one or more Participating Insurance Companies) that votes in favor of such withdrawal, or offering to the affected participants the option of making such a change; and (b) establishing a new registered management investment company or management separate account. No charge or penalty will be imposed on contract owners directly or indirectly as a result of such a withdrawal. In no event will the Fund or the investment adviser of the Fund be required to establish a new funding medium for any variable insurance contract. No Participating Insurance Company will be required to establish a new funding medium for any variable insurance contract. No Participating Insurance Company will be required to establish a new funding medium for any variable insurance contract if an offer to do so has been declined by vote of a majority of participants materially adversely affected by the material irreconcilable conflict.

4. The Participating Insurance Companies acknowledge to the Fund that prospectus disclosure regarding potential risks of mixed and shared funding permitted by this Agreement may be appropriate.

5. The Fund will file with its books and records all reports received by the Board concerning potential or existing conflicts, and the means by which it is proposed that any conflicts be resolved, will note the receipt of such reports in the minutes of meetings of the Board and will make such reports available to the Securities and Exchange Commission (the "Commission") upon request.

6. Each of the Participating Insurance Companies agrees that any action taken by it under this Agreement, including any action in identifying and resolving any material conflicts of interest, will be carried out with a view only to the interest of its contract owners participating in the Fund.

7. Each Participating Insurance Company shall provide pass-through voting privileges to all of its contract owners so long as the Commission continues to interpret the 1940 Act to require such pass-through voting privileges for variable insurance

contract owners. Each Participating Insurance Company shall be responsible for assuring that its Separate Accounts calculate voting privileges in a manner consistent with the other Participating Insurance Companies. It is a condition of this Agreement that each Participating Insurance Company will vote shares, for which it has not received voting instructions as well as shares attributable to it, in the same proportion as it votes shares for which it has received instructions.

8. This Agreement shall terminate automatically in the event of its assignment, unless made with the written consent of each party.

9. This Agreement shall be subject to the provisions of the 1940 Act and the rules and regulations thereunder, including any exemptive relief therefrom and the orders of the Commission setting forth such relief.

Executed this day of , 1994.

MERRILL LYNCH LIFE INSURANCE COMPANY

By

Name:
Title:

ML LIFE INSURANCE COMPANY OF NEW YORK

By

Name:
Title:

FAMILY LIFE INSURANCE COMPANY

By

Name:
Title:

MERRILL LYNCH VARIABLE SERIES FUNDS, INC.

By

Name:
Title:

By

Name:
Title:

SERVICE AGREEMENT
BETWEEN
MERRILL LYNCH INSURANCE GROUP, INC.,
FAMILY LIFE INSURANCE COMPANY
AND
MERRILL LYNCH LIFE INSURANCE COMPANY

This Service Agreement is entered into as of the 29th day of November, 1990 between Family Life Insurance Company, a Washington Corporation ("FLIC"), Merrill Lynch Life Insurance Company, a Washington corporation ("MLLIC") and Merrill Lynch Insurance Group, Inc., a Delaware corporation, for itself and for its affiliates other than FLIC and MLLIC ("MLIG").

W I T N E S S E T H:

WHEREAS, FLIC is a wholly-owned subsidiary of MLIG, and MLLIC is a wholly-owned subsidiary of FLIC, and

WHEREAS, each party to this Agreement desires to utilize certain services to be provided by the other parties in carrying out certain of their respective corporate functions, and

WHEREAS, each party is willing to furnish, or cause its affiliates to furnish, such services on the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties do hereby mutually agree as follows, effective as to FLIC and MLLIC respectively, only so long as it is an affiliate of MLIG:

1. Each party will provide or contract or arrange with any of its affiliates for the providing of, as available, services as listed in Exhibit I hereto, if and to the extent requested by the other. Exhibit I may be modified from time to time by agreement between the parties.

2. For services provided, the service recipient agrees to pay the service provider:

(a) the amounts as may be specified in one or more Schedules, pertaining to particular categories of services, as may be executed by the parties and attached to and incorporated into this Agreement; or

(b) if not so specified, to pay those charges (direct and indirect) and expenses incurred by the service provider which, as reasonably determined by the service provider and demonstrated to the reasonable satisfaction of service recipient, reflect actual cost of such services to the service provider, provided that

(1) charges and expenses for personnel shall be based on a reasonable allocation of the time spent on service recipient matters relative to time spent on other matters;

(2) charges and expenses for property or other services shall be based on a reasonable allocation of the proportion of and period of time such property or services is utilized for service recipient matters relative to that utilized for other matters, and;

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(3) no charges or expenses shall exceed those charged by the service provider in the relevant market for comparable personnel, property or services as the case may be.

After the end of each month, the service provider will send the service recipient a bill covering service charges and expenses which have been incurred, or the amount of which has been ascertained, during such month, and the service recipient will pay for such charges and expenses upon receipt of the bill.

3. The book, accounts and records of MLIG, its affiliates providing services hereunder, FLIC and MLLIC as to all transactions hereunder shall be maintained so as to clearly and accurately disclose the nature and details of the transactions, including such accounting information as is necessary to support the reasonableness of the charges, expenses or fees hereunder. The service recipient shall have the right, at its own expense, and at any reasonable time, to make an audit of the services rendered and the amounts charged therefor.

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4. The term of this Agreement shall commence as of the date hereinabove indicated and continue until December 31, 1990, and thereafter shall be deemed to be renewed automatically, upon the same terms and conditions, for successive periods of one year each, until any party, at least 60 days prior to the expiration of the original term or of any extended term, shall give written notice to the other parties of its intention not to renew the Agreement, provided that, notwithstanding the foregoing, electronic data processing services will be made available to the service recipient for up to six months following any such termination, if the service recipient shall so request.

5. It is understood that (a) MLIG, any of its affiliates or subsidiaries, will invest for their own account and may act as investment advisor for others and that MLIG or such others or persons or organizations affiliated with MLIG could have investment interests adverse to the interests of FLIC or MLLIC in the same or related investments; (b) MLIG is not obligated to make available to FLIC or MLLIC any particular investment opportunity which comes to MLIG or its subsidiaries or affiliates, regardless or whether such opportunity is consistent with the investment policies of FLIC or MLLIC; and (c) FLIC and MLLIC shall retain full control over their respective investment activities, and MLIG or any of its affiliates or subsidiaries shall have no power or authority by virtue of this Agreement, whether as agent or otherwise, to obligate or commit FLIC or MLLIC for the acquisition or disposition of any investment.

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6. All differences between MLIG, FLIC and MLLIC on which agreement cannot be reached will be decided by arbitration. The arbitrators will interpret this Agreement in accordance with the usual business practices, rather than strict technicalities or rule of law. Three arbitrators will decide any differences. They must be officers of life insurance companies other than the parties to this agreement, their parents, subsidiaries and affiliates. One of the arbitrators is to be appointed by service provider and one by the service recipient, and these two will select a third. If the two are unable to agree on a third, the choice will be left to the President of the American Council of Life Insurance or its successor organization. The arbitrators' decision will be by majority vote and no appeal will be taken from it. The costs of the arbitration will be borne by the losing party unless the arbitrators decide otherwise.

7. No assignment of this Agreement shall be made by any party without the consent of the other parties.

8. Subject to the foregoing Clause 7, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

9. This Agreement shall supersede that Management Services Agreement between FLIC and MLLIC dated April 28, 1986.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

MERRILL LYNCH INSURANCE GROUP, INC.

By: /s/ Thomas H. Patrick

FAMILY LIFE INSURANCE COMPANY

By: /s/ James W. Grace

MERRILL LYNCH LIFE INSURANCE COMPANY

By: /s/ James W. Grace

EXHIBIT I

To Service Agreement
Between MLIG, FLIC and MLLIC

Personnel, Property and Services (except as provided under separate agreements or Schedules):

1. Accounting and auditing.
2. Actuarial.
3. Administration.
4. Advertising, marketing and public relations.
5. Claims (pursuant to the service recipient's guidelines and subject to final approval by the service recipient).
6. Corporate Secretary.
7. Development of software programs.
8. Electronic date processing.
9. Financial and cash advice or management.
10. Investment advisory or management.
11. Legal.
12. Office and general supplies.
13. Payroll services.
14. Personnel.
15. Premium billing and collection.
16. Printing.
17. Product design and development.
18. Regulatory filings and reports.
19. Storage.
20. Underwriting (pursuant to the service recipient's guidelines and subject to final approval by the service recipient).

AMENDMENT
to
SERVICE AGREEMENT
between
MERRILL LYNCH INSURANCE GROUP, INC.
and
MERRILL LYNCH LIFE INSURANCE COMPANY

The above referenced Agreement is amended as follows:

1. MLLIC shall have ultimate control of and responsibility for any functions delegated to the service provider under this Agreement.

2. MLLIC shall have the right to terminate this Agreement in the event the service provider does not perform services delegated to it to the satisfaction of MLLIC.

3. Section (a) of Clause 2 of the Agreement shall be deleted. In Section (b) of Clause 2:

(i) the following words shall be deleted "(b) if not so specified, to pay."

(ii) the word "reflect," shall be deleted and the word "represent," shall be added in its place.

4. Item 10 of Exhibit 1 is amended to read as follows:
Investment advisory or management (pursuant to the service recipient's guidelines and subject to final approval by the service recipient).

IN WITNESS WHEREOF, the parties hereto have dully executed this Agreement as of the 25 day of February, 1993.

MERRILL LYNCH LIFE INSURANCE COMPANY

By: /s/ Sandra K. Kelly

MERRILL LYNCH INSURANCE GROUP, INC.

By: /s/ Robert M. Bordeman

Exhibit 11

Description of Merrill Lynch Life Insurance Company's
Issuance, Transfer and Redemption Procedures
for Policies Pursuant to

Rule 6e-2(b) (12) (ii)

This document sets forth the administrative procedures that will be followed by Merrill Lynch Life Insurance Company ("Merrill Lynch") in connection with the issuance of its Single Premium Variable Life Insurance Policy ("Policy") issued through the Merrill Lynch Life Variable Life Separate Account II ("Account"), the transfer of assets held under the Policies, and the redemption by owners of their interests in said Policies.

I. PROCEDURES RELATING TO ISSUANCE AND PURCHASE OF THE POLICIES

A. PREMIUM RATE STRUCTURE AND UNDERWRITING STANDARDS

Premiums for Merrill Lynch's Policy will not be the same for all owners. Insurance is based on the principle of pooling and distribution of mortality risks, which assumes that each owner pays a premium commensurate with the insured's mortality risk as actuarially determined, reflecting factors such as age, sex, health and occupation. A uniform premium for all insureds would discriminate unfairly in favor of those insureds representing greater risks. Although there will be no uniform premium for all insureds, there will be a single price for all insureds of the same age and sex in a given risk classification.

The Policy will be offered and sold pursuant to an established premium rate structure and underwriting standards in accordance with state insurance laws. The prospectus specifies

premiums for illustrative ages. In addition, the premium to be paid by an owner will be specified in the Policy.

B. APPLICATION AND PREMIUM PROCESSING

When a completed application is received, Merrill Lynch 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.

The date on which a Policy 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 Policies. The net single premium plus the policy loading will be credited to Merrill Lynch's Account and the benefits will begin to vary with investment experience on the later of the issue date and the date the single premium is received. Merrill Lynch may, however, provide temporary life insurance coverage, the death benefit of which shall not exceed $100,000 prior to the policy's issue date, provided the premium has been paid.

The policy date is the date used to determine the policy years and anniversaries. As provided for under state insurance law, the policyholder, to preserve insurance age, may determine

the policy date. In no case may the policy date be more than six months prior to the issue date.

C. REPAYMENT OF LOAN

A loan under Merrill Lynch's Policies may be repaid while the insured is living and the Policy is in force by paying an amount equal to the monies borrowed plus 5 1/4% interest compounded annually. Upon repayment of a policy loan, transfers will be made from the general account to the Account in an amount equal to the repaid loan. An owner may designate the investment divisions to which the repayment will be made.

II. TRANSFERS AMONG INVESTMENT DIVISIONS

The Account currently has 37 investment divisions, 10 of which invest in shares of a corresponding fund of the Merrill Lynch Series Fund, Inc. (the "Series Fund"), 7 of which invest in shares of a corresponding fund of the Merrill Lynch Variable Series Funds, Inc. (the "Variable Series Funds") and 20 of which invest in a corresponding series of The Merrill Lynch Fund of Stripped ("Zero") U.S. Treasury Securities (the "Trust"). The Series Fund and the Variable Series Funds are each registered under the 1940 Act as an open end investment company. The Trust is registered under the 1940 Act as a unit investment trust. The owner may transfer among the investment divisions up to five times a year. Allocations can be made into as many as five divisions at any time.

III. "Redemption Procedures":
SURRENDER AND RELATED TRANSACTIONS

A. SURRENDER FOR CASH VALUES

An owner of a policy may surrender the Policy for its net cash value at any time while the insured is living. The surrender is effective on the date the policyholder transmits the request to Merrill Lynch. Merrill Lynch will pay a net cash value on surrender based on the next computed value after a request is received at the Service Center. The net cash value will be paid within seven days after receipt, at Merrill Lynch's Variable Life Service Center, of the Policy and a signed request for surrender. Computations with respect to the investment experience of the Account will be made at the close of trading on the New York Stock Exchange on any day the New York Stock Exchange is open for trading and any day in which there is sufficient trading in portfolio securities of the Funds or the Trust such that the net value of the assets of an investment division might be materially affected.

The net cash value of a Policy equals the cash value less any outstanding policy loan, including any accrued interest. The cash value at the end of a policy year is equal to the reserve for that Policy. The cash value between policy anniversaries may increase or decrease daily depending on the investment experience of the divisions in which the investment base for the Policy is vested. No minimum amount of cash value is guaranteed.

The initial cash value will be the net premium, which is the single premium less the charges set forth in the prospectus.

The cash value on a date during a policy year, assuming no policy loans, will be calculated by taking the cash value at the end of the preceding year, adding the actual return for the Policy applied to the investment base, and then subtracting the charge for the cost of insurance protection provided since the end of the preceding year. The investment base will include any unrecovered policy loading. During the first 10 policy years the investment base (the amount that a Policy provides for investment) will exceed the Policy's cash value (the amount available to the owner) by the amount of any unrecovered loading. On Policy anniversaries after the tenth, the investment base will equal the cash value.

Merrill Lynch will make the payment of the net cash value out of its general account and, at the same time, transfer assets from the Account to its general account in an amount equal to the investment base applicable to the Policy held in the Account.

In lieu of receiving the net cash value in a single sum, upon surrender of a Policy, the owner may elect to apply the net cash value under one of the income plans described in the Policy. The income plans are subject to the restrictions and limitations set forth in the Policy.

B. DEATH CLAIMS

Merrill Lynch will pay a death benefit to the beneficiary within seven days after receipt at its Variable Life Service Center of the Policy, due proof of death of the insured, and all other requirements necessary to make payment.

On each Policy anniversary, Merrill Lynch will determine the Variable Insurance Amount to take into account the investment experience of the designated investment divisions during the previous policy year. The death benefit during a policy year will equal the sum of the Guaranteed Insurance Amount, plus the Variable Insurance Amount (established at the beginning of the Policy year), if positive. The death benefit will never be less than the Guaranteed Insurance Amount. The amount of the death benefit determined at the beginning of the policy year will remain the same for the remainder of the year.

The proceeds payable to the beneficiary will be adjusted to reflect any insurance benefits added by rider and any outstanding policy loans, including any accrued interest. The proceeds payable on death also reflect interest from the date of death to the date of payment.

Merrill Lynch will make payment of the death benefit out of its general account, and will transfer the investment base out of the Account.

In lieu of payment of the death benefit in a single sum, an income plan may be elected as described above with respect to cash values.

C. POLICY LOAN

The owner may borrow up to 75% of a Policy's cash value during policy years 1 through 3 and 90% thereafter. The cash value for this purpose will be the cash value computed on the date a proper request for a loan is received by Merrill Lynch. Payment of the loan from Merrill Lynch's general account will be made to the policyholder within seven days of receipt. Interest accrues daily at an effective annual rate of 5 1/4% compounded on each policy anniversary. The smallest loan is generally $1,000. The owner may repay all or a portion of any loan and accrued interest while the insured is living and the Policy is in force. With a proper written request to Merrill Lynch, an owner may designate the divisions from which the loan amounts will be transferred and to which repayments will be made.

When a loan is taken out, a portion of the cash value equal to the loan is transferred from the Account to Merrill Lynch's general account, and repayment of a loan will result in a transfer back to the Account. Unless designated otherwise by the owner, loans and any repayments will be allocated among the investment divisions of the Account based upon the investment base in each investment division as of the date the loans or the repayments are made. The amount maintained in the general account will not be credited with the return earned by the Account during the period the loan is outstanding. Instead, interest will be credited daily at an effective annual rate of 4 1/2% compounded daily. Therefore, a Policy's death benefit above the guaranteed minimum and a Policy's cash value are permanently affected by any loan whether or not repaid in whole or in part.

The amount of any outstanding loan plus loan interest is subtracted from the death benefit or the cash value on payment.

Whenever the then outstanding loan plus loan interest exceeds the cash value, the Policy terminates 31 days after notice has been mailed by Merrill Lynch to the owner and any assignee of record at their last known addresses, unless a repayment of the amount in excess of the cash value is made within that period.

IV. INCREASE IN GUARANTEED INSURANCE AMOUNT

Subject to state availability and Merrill Lynch's rules, a policyowner may make a payment to increase the Guaranteed Insurance Amount of an in force policy. Evidence of insurability will ordinarily be required.

The payment (net of certain charges) will be allocated to the division investing in the Money Reserve Portfolio on the

business day next following receipt. Once the underwriting is completed and Merrill Lynch accepts the payment, the amount applicable to the payment in the division investing in the Money Reserve Portfolio will be allocated as of the date the underwriting is completed either according to the owner's instructions or, if no instructions have been received, proportionately to the investment base in each division.

Once underwriting is completed and Merrill Lynch accepts the payment, the acceptance will be effective as of the next business day following receipt of the payment and the application with any evidence of insurability that Merrill Lynch may require.

[LOGO]

May 13, 1994

Board of Directors
Merrill Lynch Life Insurance Company
800 Scudders Mill Road
Plainsboro, New Jersey 08536

To The Board of Directors:

In my capacity as General Counsel of Merrill Lynch Life Insurance Company (the "Company"), I have supervised the establishment of the Merrill Lynch Life Variable Life Separate Account II (the "Account"), by the Board of Directors of the Company as a separate account for assets applicable to certain variable life insurance policies (the "Policies") issued by the Company pursuant to the provisions of Section 23-81-402 of the Insurance Laws of the State of Arkansas. Moreover, I have supervised the preparation of Post-Effective Amendment No. 4 to the Registration Statement on Form S-6 (as so amended, the "Registration Statement") (File No. 33-43057) filed by the Company and the Account with the Securities and Exchange Commission under the Securities Act of 1933, for the registration of the Policies 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 judgement 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 Arkansas 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 Arkansas Law.

3. The assets in the Account equal to the reserves and other contract liabilities with respect to the Account will not be chargeable with liabilities arising out of any other business the Company may conduct.

4. The Policies 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

[LOGO]

May 13, 1994

Board of Directors
Merrill Lynch Life Insurance Company
800 Scudders Mill Road
Plainsboro, New Jersey 08536

To The Board of Directors:

This opinion is furnished in connection with the filing of Post-Effective Amendment No. 4 to the Registration Statement on Form S-6 (as so amended, the "Registration Statement") (File No. 33-43057) which covers premiums received under the single premium variable life insurance policies ("Policies" or "Policy") issued by Merrill Lynch Life Insurance Company (the "Company").

The Prospectus included in the Registration Statement describes Policies which are issued by the Company. The Policy forms were reviewed under my direction, and I am familiar with the Registration Statement and Exhibits thereto. In my opinion:

1. Using the interest rate and mortality tables guaranteed in the Policy, current mortality rates cannot be established at levels such that the "sales load," as defined in paragraph (c)(4) of Rule 6(e)-2 under the Investment Company Act of 1940, would exceed 9 percent of any payment.

2. The illustrations of death benefits, investment base, cash surrender values and accumulated premiums included in the Registration Statement for the Policy and based on the assumptions stated in the illustrations, are consistent with the provision of the Policy. The rate structure of the Policies has not been designed so as to make the relationship between premiums and benefits, as shown in the illustrations, appear more favorable to a prospective purchaser of a Policy for the ages and sexes shown, than to prospective purchasers of a Policy for other ages and sex.

3. The table of illustrative net single premium factors included in the "Death Benefit" section is consistent with the provisions of the Policies.

I hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the use of my name relating to actuarial matters under the heading "Experts" in the Prospectus.

Very truly yours,

/s/ Joseph E. Crowne

Joseph E. Crowne, FSA
Senior Vice President and
Chief Financial Officer

Exhibit 8(c)

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Post-Effective Amendment No. 4 to Registration Statement No. 33-43057 of Merrill Lynch Life Variable Life Separate Account II on Form S-6 of our reports on (i) Merrill Lynch Life Insurance Company dated February 28, 1994, and (ii) Merrill Lynch Life Variable Life Separate Account II dated February 16, 1994, appearing in the Prospectus, which is a part of such Registration Statement and to the reference to us under the heading "Experts" in such Prospectus.

New York, New York
May 13, 1994