

**SUPPORTING STATEMENT**  
**For the Paperwork Reduction Act Information Collection Submission for**  
**Rule 6e-2 and Form N-6EI-1**

**A. JUSTIFICATION**

**1. Necessity for the Information Collection**

Rule 6e-2 (17 CFR 270.6e-2) under the Investment Company Act of 1940 (“Act”) provides exemptions from certain provisions of the Act to separate accounts formed by life insurance companies to fund certain variable life insurance products, subject to conditions set forth in the rule.

Rule 6e-2 provides a separate account with an exemption from the registration provisions of section 8 of the Act if the account files with the Securities and Exchange Commission (“Commission” or “SEC”) Form N-6EI-1 (17 CFR 274.301), a notification of claim of exemption.

The rule also exempts a separate account from a number of other sections of the Act provided that the separate account makes certain disclosure in its registration statements (in the case of those separate accounts that elect to register), reports to contractholders, or proxy solicitations, as prescribed by the rule, and/or makes certain disclosure to state regulatory authorities. The requirements for registration statements, reports to contractholders, and proxy solicitations are separately approved under the Paperwork Reduction Act.

**2. Purpose and Use of the Information Collection**

Without this rule, management separate accounts and sponsoring life insurers would bear the expense of filing individual exemptive applications, in addition to registration statements, in order to obtain the relief needed to administer the separate accounts. Accordingly, the Commission staff would be required to process such applications. Because the exemptive

applications would seek relief from a number of sections of the Act, such applications would be quite lengthy and burdensome on both the life insurers and the staff. In addition, information gathered under rule 6e-2, including information collected on Form N-6EI-1, is aimed at minimizing the possibility that the rule will be abused.

### **3. Consideration Given to Information Technology**

The Commission's electronic filing system, the Electronic Data Gathering, Analysis and Retrieval system ("EDGAR"), is designed to automate the filing, processing and dissemination of all disclosure filings. All registrants must file their disclosure documents via EDGAR, which has increased the speed, ease, accuracy and availability of information. At present, none of the information collections required by rule 6e-2 are filed on EDGAR, but they may be considered for electronic filing in the future.

### **4. Duplication**

The rule does not call for duplicative information. The information requirement conforms to other rules under the Act to which separate accounts are subject, so as to coordinate them with existing information collection and reporting procedures.

### **5. Effect on Small Entities**

The insurance companies affected by the rule are not considered "small entities."

### **6. Consequences of Not Conducting Collection**

The assets of a separate account held in custody by the insurer must be continuously monitored and periodically audited to assure their safety. Other information collections are required by the rule only when certain events occur.

### **7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)**

Not applicable.

**8. Consultation Outside the Agency**

The Commission requested public comment on the collection of information requirements in rule 6e-2 before it submitted this request for extension and approval to the Office of Management and Budget. The Commission received one public comment in response to its request. The comment did not address rule 6e-2 or Form N-6EI-1; the comment proposed treating separate account stable value products similar to general account stable value products.

The Commission and the staff of the Division of Investment Management also participate in an ongoing dialogue with representatives of the investment company industry through public conferences, meetings and informal exchanges. These various forums provide the Commission and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry.

**9. Payment or Gift**

Not applicable.

**10. Confidentiality**

Not applicable.

**11. Sensitive Questions**

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include names, job titles and work addresses. However, the agency has determined that the information collection does not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier.

**12. Burden of Information Collection**

Since 2008, there have been no filings of Form N-6EI-1 by separate accounts. Therefore, there has been no cost or burden to the industry since that time.

The staff of the Division of Investment Management estimates that the completion and submission of the form takes one hour. However, it is expected that most, if not all, separate accounts will not elect the exemption from registration that triggers the form requirement under the rule. Therefore, the form is not expected to present any additional burden. With respect to information required in registration statements, reports to contractholders, proxy solicitations, and submissions to state agencies, issuers would be filing with the Commission and those state agencies as a matter of course to fulfill other requirements. Consequently, rule 6e-2 does not result in any additional cost or burden to the industry. The Commission requests authorization to maintain an inventory of one burden hour for administrative purposes.

**13. Cost to Respondents**

Not applicable.

**14. Cost to the Federal Government**

It is expected that most, if not all, separate accounts will not elect the exemption from registration that triggers the requirement to file Form N-6EI-1 under the rule. Therefore, the form is not expected to present any additional burden. The information collection requirements of rule 6e-2 relating to custodianship impose no burden on the government because no information is reviewed by the government. With respect to information required in registration statements, reports to contractholders, proxy solicitations, and submissions to state agencies, issuers would be filing with the Commission and those state agencies as a matter of course to fulfill other requirements. Consequently, it is expected that rule 6e-2 and Form N-6EI-1 will not result in any additional cost to the government.

**15. Change in Burden**

Not applicable.

**16. Information Collection Planned for Statistical Purposes**

Not applicable.

**17. Approval to Omit OMB Expiration Date**

Not applicable.

**18. Exceptions to Certification Statement for Paperwork Reduction Act Submission**

Not applicable.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable