

**ATTORNEY GENERAL OF THE STATE OF NEW YORK
BUREAU OF INVESTMENT PROTECTION**

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In the Matter of

**NEW YORK STATE UNITED TEACHERS
MEMBER BENEFITS,**

Respondent.

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**ASSURANCE OF DISCONTINUANCE
PURSUANT TO EXECUTIVE LAW § 63(15)**

EXHIBITS

EXHIBIT 1

2/18
new copy

3/5/88

TSA EXEC COMM

February 18, 1988

M E M O R A N D U M

To: Executive Committee
From: [REDACTED]
Re: TAX SHELTERED ANNUITY (TSA) ENDORSEMENT

The Member Benefits Department together with our benefit consultant, [REDACTED] have for the past eight months reviewed the possibility of recommending the endorsement of a Tax Sheltered Annuity Program (403b). After careful deliberation, the Member Benefit Trustees have unanimously recommended to the Executive Committee and Board that NYSUT Member Benefits develop an endorsed TSA program.

BACKGROUND

Tax sheltered annuities represent the best method for our members to save for retirement and lower their current income taxes. However, unlike pension plans, this is not a tightly regulated industry. In fact, in New York State there are over 1,000 agents selling hundreds of different types of TSA products to our members. New York City is the only region in the state that limits TSA products to those offered through the Retirement System.

The professional capability of the agents and the quality of the products often leave our members' hard earned retirement money at risk.

Currently our members invest over \$100 million annually in TSA's and over \$3 billion has accumulated in their accounts. Although these are sizeable sums of money, less than 30% of members eligible for participation make significant contributions to a TSA. Therefore, the vast majority of our members either cannot afford a contribution or do not understand the benefit of this program.

NBT-000067

OBJECTIVE OF A TSA ENDORSEMENT

The goal of the endorsement is to improve the financial security of our members. The first step in this process is to use the organization's collective buying power to establish a sound Tax Shelter Annuity program. Once established, the TSA will be the core of a financial planning system that will ultimately provide long term financial benefits to our members. The financial planning system will integrate all existing elements and new member benefit programs including life insurance, disability insurance, legal services, pre-retirement planning, tax preparation, TSA's, pension and estate planning. In order to determine the feasibility of such an endorsement, we analyzed the advantages versus the disadvantages, which are presented in Exhibit A. After reviewing this analysis, it became obvious that we should proceed with this venture.

PRODUCT SELECTION / DELIVERY SYSTEM

The easy part was determining that an endorsed 403(b) program was desirable. The difficult assignment was the selection of the proper company to provide this service. This task is especially formidable since we currently have only potential business to bring to the bargaining table and unfortunately, cannot transfer a large book of business to a potential carrier. Having no clout in this multi-billion dollar marketplace is a dilemma.

In association with the benefit consultants of the [REDACTED], we contacted the major providers of TSA programs. These companies were interviewed to review their capability as it relates to the specific needs of our members. Seven companies that we believed had the expertise to implement a statewide program were asked to respond to a formal Request for Proposal (RFP). After reviewing the proposals submitted, five were requested to make formal presentations to the Trustees at an all day meeting on January 30, 1988. The five companies were as follows:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
SBA (AETna Insurance)

NBT-000068

All the companies bidding believed that NYSUT would substantially increase their TSA business at the expense of their competitors, and therefore were very interested in obtaining our endorsement. However, it became apparent through discussions with the providers that they would prefer that NYSUT not endorse any carrier and continue to leave TSA's a free market.

In addition, all potential providers, because of their presence in the marketplace, had at one time or another received member complaints concerning the operation of their program or agents. This was of concern to the Trustees, but we cannot influence the actions of any company when

we have removed ourselves from the marketplace. If NYSUT gives an endorsement, there will be a grievance system to settle all complaints.

After a thorough review of the Requests for Proposals and company presentations on January 30, 1988, the Trustees selected SBA (Aetna) as the first choice and [REDACTED] as the alternate. During the past two weeks, we have been meeting with SBA (Aetna) to negotiate the structure of a potential endorsed program.

The endorsement would be with SBA, a broker/dealer subsidiary of Aetna Insurance. Products offered would be as follows:

Aetna Programs

Fixed Account, Common Stock, Money Market, Bond Fund, Guaranteed Account and Guaranteed Equity Trust

Mutual Funds

Family of high quality funds, such as Fidelity and Socially Responsible Funds

Since SBA is a broker, final product selection will be determined with NYSUT. Quality control of the agents promoting the program will be maintained by utilizing only 50 agents from the 300 registered agents Aetna has in New York. The agents will be supervised from five regional centers with a full time case manager located at NYSUT headquarters. In addition, UUP recommended Aetna because of the excellent support they have provided to UUP and their members. More specific program features are included in Exhibit B.

If we are unable to meet our specific needs with Aetna, the Trustees requested we negotiate with the second ranked provider, [REDACTED]. I anticipate that if the Executive Committee concurs with this initial proposal, most of the details of an endorsed program can be completed prior to the March 4, 1988 Board meeting.

CONCLUSION

The NYSUT endorsement of a TSA program will give our members a voice in this multi-billion dollar market through their union. The net result will be improved financial security for our members in the same way that we have been able to influence their financial well being at the bargaining table. Long term, the benefits that accrue to the membership and NYSUT will be dramatic. Therefore, I recommend the Executive Committee support the decision of the Member Benefits Trustees to endorse a TSA program.

[REDACTED]
Enclosures

NBT-000069

Exhibit A

ADVANTAGES OF A TSA ENDORSEMENT

- Members will be provided stable investment options from sound financial institutions.
- Members will only be contacted by agents that meet NYSUT's and the Locals' standard for professional qualification.
- NYSUT's endorsement will provide an atmosphere of competition thereby upgrading the quality of all TSA products offered to our members.
- Participation will increase when there is a clear choice of a complicated investment decision.
- Timing is appropriate in light of the diminished benefit of IRA's, as a result of Tax Reform.
- Reduce cost of the investment option and ability to negotiate favorable loan provisions.
- Since most districts have 8 to 15 payroll deduction slots for TSA, our members will not be limited in their selection. Therefore, any endorsement will only give our members additional investment options.
- Long term objective is to negotiate an employer contribution to the members' TSA account. This will require administrative services that are not currently available but can be established by an endorsed provider.
- Member will have an advocate (NYSUT) for their concerns or problems.

DISADVANTAGES OF A TSA ENDORSEMENT

- Unless our selected provider has the best performance, our members will second guess our selection.
- We may be competing with our own locals that have endorsed providers.

NBT-000070

Exhibit B

PROGRAM HIGHLIGHTS

- Investment options that give our members flexibility, security and confidence.
- Provide convenient, low cost loans from the members' account.
- Repayment of loans can be through payroll deduction. This is not only convenient, but avoids tax penalties if loan payments are late.
- Provide reliable administration, including immediate credit of all deposits (zero float).
- Ability for member to split their investment dollars in several programs simultaneously.
- Well supervised, professional agents that are licensed and will sell on an unbiased product basis.
- Grievance Committee of NYSUT leaders that will have the ultimate determination of member complaints.
- Individual counseling using lap top computers to determine Maximum Exclusion Allowance, net pay illustrations and future value proposal with retirement income options.
- ✓ ● (800) toll-free complaint and funds transfer contact.
- Loans from mutual funds through the use of a custodial account.
- Comprehensive financial planning and retirement planning seminars.
- Death Benefit counseling for beneficiaries concerning options available and assistance in financial planning.
- Timely statement preparation including the ability to consolidate several investment options on one report.
- Periodic analysis of alternative investment options which will help insure our members have the correct investment opportunity in relation to their capacity risk and expected return.
- NYSUT and [REDACTED] will have the right to audit the records of the provider to ensure no excess profits are earned by the provider.
- Supplemental services including social security income protection, newsletters, financial seminars and law change seminars.

NBT-000071

EXHIBIT 2

Take Advantage of your Union-Endorsed Benefits!

Every program endorsed by NYSUT Benefit Trust is researched, designed and monitored to ensure it will enhance your lifestyle. With the group buying power represented by more than 500,000 members, we're able to offer quality products and services that are competitively priced.



We've done all the background work, so you don't have to!

Insurance Benefits

Term Life
Catastrophe Major Medical
Disability
Personal Property and Liability (Umbrella)
Long-Term Care
NYSUT Retiree Dental Plan
NYSUT Senior Term Life
NYSUT WrapPlan® Term Life
Coordination Program
Accidental Death & Dismemberment

Financial Benefits

NYSUT 403(b) Program - Opportunity Plus
NYSUT 403(b)(7) Program -
Opportunity Independence
Deferred Compensation Plan -
Opportunity 457
Financial Building Blocks®
Financial Counseling Program
Preferred Savings
Mortgages

Legal Services

NYSUT Legal Service Plan
NYSUT Retiree Legal Service Plan

Other Services

Simply Certificates
Working Advantage (Discount Tickets)
Lifetime Personal Response
& Support Services
Car Rental Discounts
Six Flags Discounts
Defensive Driving
The Buyer's Edge Buying Service
Heat USA
Consumer Credit Counseling Service
MeIDESK (Division of Estate Planning for
Special Kids)
Payroll & Pension Deduction
Consumer's Guides

MEMBER
BENEFITS

nysut
Working to Benefit You

To request more information, please call:

1-800-626-8101

E-mail us at: benefits@nysutmail.org or
visit us on the Web at www.memberbenefits.nysut.org.
Some benefits may not be available in all local associations.

EXHIBIT 3

From: Lynette Metz
To: [REDACTED]
Date: 1/26/04 3:46PM
Subject: contract talks - ING

[REDACTED] would like to keep the ball rolling on the contract talk issues. He's suggesting 2/6 as our next meeting date.

If you are available - please get back to [REDACTED]

[REDACTED]. Please book a meeting room - the time has not been decided yet.

2/6/04
Mtg notes on back

[REDACTED] and I met with ING on 1/23. We discussed ope which expires on 12/31/06 and extending in 3 years. Our current contract mandates that the trust must become a broker dealer prior to 1/2005 in order to receive all the money that was contractual settled upon. It is our intention to not become a broker dealer therefore unless we come up with a different payment methodology we would stand to loose approx. \$600,000 in 2005 and 2006. In the new contract we would like to come up with a reimbursement per person vs. a set dollar amount. ING suggested \$5 per eligible participant (current NYSUT membership at 500,000) which equals \$2.5 million. This amount fell well below our 2005 contractual figure (using basis points and expense reimb. for staff) of \$3.2 million. We took a strong position that we would not settle for less than we have already contractually agreed upon. They indicated that they wanted to use some of the money to enhance our program by adding a new fix account investment option. (I'll have [REDACTED] review with you the details.) While we liked the new program we made it clear that we consider new investment option their costs - not ours. We left the meeting suggesting the following reimbursement schedule:

increased
maybe OK

- 2005 \$6
- 2006 \$7
- 2007 \$7.50
- 2008 \$8
- 2009 \$8.50 X 500,000 members = \$4.250 million

This amount would be multiplied by the entire NYSUT membership base. The reimbursement would be applied to the enhancement package costs that we decide to offer to our participants AND the expenses related to our 5 CFS, [REDACTED] and attorney.



The ING folks didn't like the above figures. [REDACTED] made a strong case that we didn't get what we deserved when they sold our block of business- I brought up the fact that if they wanted to provide detailed expense reports outlining all the costs (salaries, etc.) associated with the program - proving to us that they are really hurting for \$ that we would be better able to understand their budget crisis issues. They didn't jump at that suggestion.

In summary this was our first meeting that we really got a chance to throw some numbers around. Our next meeting should bring us closer.

Lynette

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CC: [REDACTED]

NBT-005184

Over →
2/6/04
Meeting
Notes

EXHIBIT 4



NEW YORK STATE UNITED TEACHERS
Affiliated with American Federation of Teachers, AFL-CIO

159 Wolf Road, Box 15008
Albany, NY 12212-5008
518-459-5400

March 17, 1998

MEMORANDUM

To: [Redacted]

From: [Redacted]

Re: OPPORTUNITY PLUS CONTRACT RENEWAL

Common Remitter

Listed below represents a number of issues we should discuss during the contract negotiation process with Aetna. I did not attempt to list them in priority order.

1. GET - Suggest Aetna offer a Guaranteed Equity Product (GET) at least twice each year and if possible as a regular investment option. *Very Important*

Debit Feature 2. Electronics Funds Transfer (EFT) - Can districts be encouraged to provide EFT twice per month and can Aetna credit accounts upon receipt. *(Up to 90 day safe harbor)*
- Negotiations (Common Remitter) Issues

3. Direct Deposit - Will Aetna agree to direct deposit of systematic withdrawal options.

4. Asset Retention - Suggest Aetna provide incentives to retain assets including special services to high asset individuals. This could include a free consultation with an Aetna financial planner. *(Susan Whinn - Custom Service) (Chris Wargo)*

5. Roth IRA - Can Aetna develop a Roth IRA program that adds value and beyond current offering (consolidated 403(b) and IRA statements) improved investment options, etc. *(10 Base point to the agent)*

6. Customer Survey/Focus Groups - New contract should mandate the funding of independent customer survey or focus group analysis.

7.

NBT-004730



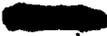
High Premium Beneficiary

- 2 -

7. Insulated Investment Contract - NYSUT members need a guaranteed invest. contract that is fully insulated from Aetna creditors. *operate as GAA*
Market Value adjustment (LIFO)
8. Assignment of Contract - Since Aetna may spin off ALIAC, I suggest we beef up this language.
9. Service Issue - We need to develop a system to monitor the performance of the ALIAC agents.
10. Service Center - The Trust should receive a monthly report from the Service Center on activity and be forewarned of any potential service problems.
11. Questions for [REDACTED]
 - *How we operate*
Will ALIAC continue to be a core business of Aetna?
 - Will NYSUT receive any notice in advance of Aetna's attempt to sell this business?
 - We have noticed greater budget pressure being placed on our relationship. Is this a temporary or long term issue for ALIAC?
 - Will ALIAC ratings improve?
 - Where does he see the annuity business in the next five years?
Uncertainty of relationship
What is the structure
12. 403(b) Employer Contributions - Is the ball in our court or do we need support from ALIAC?
13. Direct Mail - Can we offer a lower cost program through direct mail in lieu of using agents?
14. Investment Options - We are always reacting to Aetna's investment choices instead of being involved in the development of investment alternatives.
15. Partnership - Our view is that we are not equal partners but silent partners.
16. Broker/Dealer - ALIAC suggests the Trust become a Broker/Dealer. Why not provide the Trust with the appropriate level of expense reimbursement including possible staff.
17. Wrap Account - We need more discussions before we move ahead with this program. *- Need Series 7 licenses only a few have - still 7 more*

NBT-004731

18. Members Dropping Opportunity Plus - NYSUT may want to request the development of a system to contact members that stop contributing to the Opportunity Plus program for more than six months.
19. Variable Life Product - The potential sale of the life business is an issue we should discuss.
20. Management/Advisory Fee's - We should commission a study paid for by ALIAC that analyzes these fees.


oppoplus

21. Get Super Case Rate
22. Old contracts Rollover Article 4D
23. Settlement Option T+S option
24. Dedicated Sponsor Customer Agent (Bain)
25. Web Site
- 26) 80% of Mutual Funds Investment go through advisor

EXHIBIT 5



New York Teacher STATE EDITION

The official publication of New York State United Teachers.

[nysut.org](http://www.nysut.org)

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Member Benefits: Here's a source for objective financial advice

March 16, 2006

• For more information, contact NYSUT Member Benefits at (800) 626-8101, e-mail benefits@nysutmail.org, or log on to www.memberbenefits.nysut.org.

Where can you go for financial advice not connected to a brokerage firm or an individual who makes a living from commissions? New York State United Teachers members and agency fee payers can turn to the Financial Counseling Program endorsed by NYSUT Member Benefits.

The program's goal is to provide members with a sense of financial security and confidence about their financial decisions based on an independent review of their individual situations.

You get help with education funding concerns, investment planning, retirement income issues, debt management, insurance needs and estate planning.

Ernst & Young LLP, a global leader in financial services, provides this program, except as otherwise indicated.

Ernst & Young financial counselors provide objective guidance based on an individual's needs; they sell no financial products.

The program's toll-free EY Financial Planner Line can provide answers to personal and general financial planning questions, with follow-up responses to complex issues.

The EY Financial Planner Line can help with situations including adjustments to lifestyle changes, 403(b) tax-deferred contributions, tax-related issues, and questions pertaining to required minimum distributions at age 70 1/2.

Participants receive Focused Financial Analyses —customized reports on specific financial issues, developed from your answers to a targeted questionnaire.

Charts, graphs and an easy-to-understand format present suggested strategies and action steps to help reach individual goals. The EY Financial Planner Line can be used to discuss the results.

Another feature, the Understanding Personal Finances newsletter, covers various financial planning issues.

You can also request an in-person financial planning consultation (may require an additional fee). You can choose to have your consultation with either:

- an ING Financial Advisers, LLC financial planner to be scheduled at a mutually agreed-upon time and place within New York, New Jersey, Connecticut or Florida; or
- an Ernst & Young LLP financial counselor for two and one-half hours, to be completed in one or two sessions at E&Y's New York City or Lyndhurst, N.J., office.

Because the ING financial planners consulting through this program are salaried and do not earn any commissions, you are assured of receiving objective guidance, regardless of which company you select.

The plan costs \$79 a year, but the annual fee is reduced to \$73 when purchased through payroll or pension deduction. Note: Participants in any of the NYSUT Member Benefits-endorsed Opportunity Programs through ING who maintain a balance in their Opportunity account receive enrollment in the Financial Counseling Enhancement Program.

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518.213.6000. <http://www.nysut.org>.

EXHIBIT 6

To: [REDACTED]
Subject: E & Y proposed changes

In follow up to our discussion, we had one additional thought to consider. The initial purpose of the FCP program was to generate 403(b) leads for the Opp. Plus Producer. When we now make the E & Y program available to all 50,000 + Members, do we then place almost the entire focus of the FCP Program on existing Opp. Plus participants? If so, this will certainly negatively impact the Planner's ability to reach out to non participating Members.

[REDACTED]
Managing Director
Registered Principal
ING Sales & Marketing Office, G145
ING Financial Advisers, LLC
800 Troy-Schenectady Road
Latham, NY 12110-2455
Phone: [REDACTED]
Toll Free: [REDACTED]
Fax: [REDACTED]
e-mail: [REDACTED]

Insurance Affiliation: ING Life Insurance and Annuity Company
Securities Offered through ING Financial Advisers, LLC (member SIPC)

EXHIBIT 7

FINANCIAL COUNSELING PROGRAM AGREEMENT

THIS AGREEMENT, is made by and between Aetna Life Insurance and Annuity Company an insurance corporation organized and existing under the laws of the State of Connecticut, (hereinafter referred to as "Aetna") and the New York State United Teachers Benefit Trust (hereinafter referred to as the "Trust"), a trust organized and existing under the laws of the State of New York and operating for the benefit of the members and agency fee payers (hereinafter referred to as "Members") of the New York State United Teachers (hereinafter referred to as "NYSUT").

WHEREAS, the Trust desires to make a Financial Counseling Program available to Members (hereinafter referred to as "Program"); and

WHEREAS, the Trust has entered into a contractual arrangement with Ernst & Young LLP ("E&Y") whereby E&Y will provide financial education and counseling services to members as part of the Program;

WHEREAS, Aetna agrees to make available qualified representatives ("Representatives") of its affiliated registered investment advisor and registered Broker-Dealer, Aetna Financial Services, Inc., to meet the needs of the Program as further described below; and

WHEREAS, the Trust and Aetna desire Aetna to be the provider of individualized financial planning services for the Program as further described below.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

PART I: DUTIES AND RESPONSIBILITIES OF THE TRUST

1.01 Financial Planning Provider: During the term of this Agreement and except as otherwise provided herein, Aetna's Representatives will be the only persons Members will be referred to for individualized financial planning services pursuant to the Program. All requests from Members who participate in the Program for individualized financial planning services will be referred to Aetna or its Representatives. The Trust will instruct E&Y to refer Members who need or desire financial planning services to Aetna or its Representatives. The activities of the Trust under the Program will not include any marketing activity or any other activity which would require the Trust or NYSUT or any of their officers or employees to be a registered Broker-Dealer under the Securities Exchange Act of 1934, a registered investment advisor under the Investment Advisors Act of 1940 or to violate any federal or state securities laws.

1.02 The Trust Staff: The Trust will coordinate functions and assist Aetna and its Representatives in delivering the Program in an effective manner.

1.03 Staff Responsibilities: Contacts with NYSUT leaders and Members will be coordinated with the assistance of the Trust staff to assure that the Program is being delivered in a manner that

is economical and sensitive to Members and the Trust's interests. The Trust staff and consultants will assist Aetna in the development of customized group presentations. All presentations will be made solely by E&Y or Aetna.

1.04 Identification of NYSUT Sponsored Events; Arrangements for Aetna: The Trust will make its reasonable efforts to identify NYSUT sponsored events on a state, regional and local level. The Trust will provide Aetna with advance notice of and access to those events.

1.05 The Trust Facilities Available to Aetna: The Trust will make NYSUT facilities available to Aetna and E&Y, and to no other provider of financial planning services, for Program solicitation, enrollment and communication. Such availability will be on terms mutually agreed upon.

1.06 Information: The Trust will provide reasonable and pertinent information requested by Aetna to assist Aetna in delivering the Program on a timely basis. The Trust will use its reasonable efforts to make the information provided accurate and complete. The specific information will be mutually agreed upon.

1.07 School District and Union Efforts: The Trust will use its reasonable efforts to assist Aetna in obtaining use of school district facilities for communication of and enrollment in the Program.

PART II: FUNCTIONS AND RESPONSIBILITIES OF AETNA

2.01 Financial Planning: Aetna will provide qualified Representatives for face to face explanations and implementation of FFA's created by Ernst & Young HelpLine Counselors. The Representatives may utilize the information contained in the FFA, along with the Ernst & Young ProProsper software, to create alternative strategies based on client needs.

Assistance in any matter concerning the review and implementation of an FFA, including the development of appropriate implementation strategies, shall be provided without additional charge. It is understood that Aetna or its affiliated investment advisor or broker dealer may be compensated by one or more product providers as a result of the sale of financial products utilized to implement the FFA(s). Representatives will be compensated directly by Aetna as salaried employees and their compensation will not vary in any way based upon the financial products sold to Members by them.

If the Representative and the Member agree that additional services would be beneficial to that Member's financial plan, those services may be offered for an additional fee. Two services are envisioned:

a) If a comprehensive financial plan, integrating all facets of the Member's financial program, is necessary, it may be provided for a fee. The amount of the fee will be equal to or less than the average fees being charged for a similar service by "fee for service" financial planners in the metropolitan area in which the main office of the Representative is located.

b) If the value of the Member's assets is such that it would be beneficial to participate in an asset management program, such a program will be available for a fee, expressed as a percentage of the assets under management.

From time to time in the period of this Agreement it may be beneficial to add additional services to the Financial Counseling Program. These services may require an additional fee beyond that of the basic Program. The Trust shall be advised as to the scope of such proposed Program services and the magnitude of the proposed associated program fees, and retains the right to approve or disapprove any proposed Program services. The Trust must be notified of any proposed additions to the Program at least thirty days prior to the anticipated effective date of that addition.

In the event that the Trust desires modifications to the Program described herein, such modifications must be presented to Aetna at least thirty days prior to the anticipated effective date. Aetna reserves the right to accept or reject any such modification to that Program.

In the event that the Member and the Representative agree that additional services are necessary and beneficial, the fees and other costs associated with the additional services shall be fully disclosed to the Member and the Member's written consent to the additional charges will be obtained.

2.02 Program Delivery: The Program will be delivered to Members by an adequate number of Representatives. The Representatives will be the only individuals authorized to provide individualized financial planning services to Members who participate in the Program. The Trust and Aetna will agree upon the number of Representatives that are considered to be adequate. They will be assigned throughout New York State in a manner that will provide all Members with a similar level of service regardless of geographic location.

Aetna agrees not to offer the Program to any person who is not a Member. Aetna warrants and represents that, at all times, the Representatives assigned to the Program will maintain the qualifications described herein. Representatives will attend statewide annual meetings conducted by Aetna Management. Representatives will attend NYSUT Regional Education Conferences as requested by the Trust and Aetna Management.

2.03 State-wide Case Manager and Regional Offices: Aetna will assign a statewide case manager who will be housed at the Trust headquarters and appropriate support staff whose responsibility will be to assure that Representatives fulfill their duties and obligations. Aetna agrees that it will not change its Statewide Case Manager without prior approval of the Trust, which shall not be unreasonably withheld.

2.04 Trust Approved Insurance Products: If the financial planning services indicate a need for the purchase of an insurance product, Representatives shall utilize their reasonable efforts to make Members aware of the Trust approved Insurance Products listed on Exhibit A. In addition, Aetna Representatives may offer additional insurance products to members as listed on Exhibit B, as it may be amended from time to time, subject to the Trust's written approval.

2.05 Registered Products: With respect to registered investment products and securities, Representatives shall offer registered investment products and securities from the Aetna approved product list developed in consultation with E&Y and such other advisors selected by the Trust, as it may be amended from time to time, the current copy of which is attached as Exhibit C.

2.06 Software: Any software to be used by Representatives with respect to this Program must meet industry standards and must be approved by E&Y prior to its use.

2.07 Aetna Personnel: All Representatives provided by Aetna will be full-time, competent and qualified to deliver, administer and market financial planning services acceptable to the Trust. Their services under this Program will be performed in a competent, efficient and professional manner. Aetna and Representatives shall fully comply with any applicable laws, rules and regulations. Representatives will meet the following qualifications:

- ♦ Representatives will be holders of a recognized designation such as CFP, ChFC, CPA or equivalent; or will be actively engaged in the pursuit of such designation.
- ♦ Representatives will hold a NASD Series 7 and 63 registration, in addition to any other security or insurance registrations which are required by the State of New York or the NASD
- ♦ Representatives will fulfill all continuing education requirements necessary to maintain required licenses and registrations.
- ♦ Representatives will remain current on issues concerning personal finances of an educator, including 403(b) plans and the New York State Retirement System.
- ♦ Each Representative will have access to, and be efficient in using, laptop computers. Representatives will maintain strict compliance standards. Representatives will establish and maintain professional relationships with local and regional NYSUT officials.

If the Trust determines that any Representative has failed to perform as required, the Trust shall notify Aetna and Aetna shall correct or replace the Representative. The Trust, however, shall neither have, nor exercise, any control or direction over the Representatives.

2.08 ERISA: The services provided by Aetna and the Representatives are not intended to be fiduciary functions subject to the laws of ERISA; however, in the event it is determined by a court or regulatory agency with jurisdiction over these activities that Aetna's activities or the activities of Representatives constitute fiduciary functions subject to the laws of ERISA, Aetna and the Representatives shall comply with the fiduciary standards of ERISA. Aetna will indemnify and hold harmless the Trust and all of its affiliated parties, as such indemnitees are described in Section 5.03, for all costs, losses and expenses relating to or arising out of the activities of Aetna or the Representatives that are determined to be subject to the fiduciary standards of ERISA, whether such activities occur before or after such determination by a court or regulatory agency.

2.09 Year 2000 Compliance: Aetna hereby represents and warrants that it has taken all necessary action to ensure that its computer systems and software programs, utilized in

connection with this Program, will achieve Year 2000 compliance by January 1, 1999. Such Year 2000 compliance shall include, but not be limited to, the following:

(a) neither performance nor functionality shall be affected by dates prior to, during and after the Year 2000;

(b) no value for current date will cause any interruption in operation;

(c) date based functionality shall behave consistently for dates prior to, during and after Year 2000;

(d) in all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules;

Aetna hereby indemnifies and holds harmless the Trust and all of its affiliated parties, as such indemnitees are described in Section 5.03, from any costs, claims, litigation, expenses, losses or any damages which it suffers, whether directly or indirectly, from a Year 2000 compliance problem which relates to this Program.

PART III: DEVELOPMENT AND DISTRIBUTION OF MARKETING MATERIALS

3.01 Promotion of Program: Aetna will be responsible for providing at Aetna's expense text and articles for various NYSUT and Trust publications regarding the Program, as agreed to by Aetna and the Trust. Other promotional methods, e.g., video presentations, will be explored and jointly developed by the Trust and Aetna.

3.02 Review Committee: A joint Trust/Aetna committee will be established to review all marketing procedures and materials.

3.03 The Trust and Aetna Review: The Trust will provide assistance in the development and coordination of the marketing and service activities required under this Agreement. All marketing material and procedures developed by Aetna exclusively for the Trust will be reviewed by the Trust prior to their printing or implementation. The Trust will not distribute any Program related material prior to review and approval by Aetna.

3.04 Presentation of Options: Aetna will ensure that all financial plans, insurance products and investments under the Program will receive a fair presentation to Members.

3.05 Reimbursement of Expenses: AETNA shall reimburse the Trust for the expenses it and/or NYSUT incurs, including the costs of (i) printing, publishing, marketing, promotion and communication of the Program, (ii) implementing the undertakings set forth in this Agreement, and (iii) any other matters that the parties mutually agree upon (collectively, the "Costs"), all in accordance with Section 3.06 of this Agreement. The amount reimbursed by AETNA shall not exceed One Hundred and Thirty Thousand Dollars (\$130,000) in any calendar year during the term of this Agreement.

3.06 Procedure: The Trust shall invoice AETNA on a quarterly basis, for the incurred Costs, with reasonable details of such Costs in each such invoice. AETNA shall pay the Trust within 45 days after receipt of an invoice.

PART IV: GENERAL

4.01 Confidentiality: Aetna acknowledges that it has been advised by the Trust and it fully understands, that certain information relating to the membership of the New York State United Teachers, including, but not limited to, tapes, discs, mailing lists and other related information, are valuable, special and unique assets of the Trust. Such information is hereinafter called "Confidential Information." For purposes of this Agreement, Confidential Information shall not include information that is generally known to the public or is otherwise previously known to Aetna without violating any other agreement it has with the Trust.

Aetna has also been advised and fully understands, that as part of its access to such Confidential Information that: (1) it agrees to receive this Confidential Information and to maintain it, in strict confidence, and that it will not, before, during or after the Program, directly or indirectly, disclose such Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, and (2) it agrees that during and after its use of such Confidential Information it will not make use of any such Confidential Information for its own purpose or for the benefit of any person, firm, corporation or other entity other than for purposes set forth in this Agreement for the benefit of the Trust or its Members. Aetna will take reasonable steps to ensure compliance with this Agreement by its employees, agents, and representatives. All Confidential Information will be returned to the Trust no later than ninety (90) days following any mailing or event.

Aetna agrees to be bound by all the terms and conditions of this Confidentiality Clause and agrees further to execute any modifications, revisions or reissuances of this Confidentiality Clause as Trust, in its sole discretion, may deem necessary to protect the secrecy of its Confidential Information. This Agreement shall be binding upon the parties hereto, their successors and approved assigns.

Aetna agrees that money damages will be difficult to calculate and would not be sufficient remedy for any breach of the Clause and that in addition to all other remedies, the Trust shall be entitled to specific performance and injunctive or other equitable relief as a remedy for such breach and Aetna further agrees to waive any requirement for the securing or posting of any bond in connection therewith. Aetna further agrees to pay all of the Trust's costs and expenses, including reasonable attorney's fees, incurred in any action brought by the Trust to enforce the terms of this Clause, in the event the Trust prevails in such action. In the event that the Trust prevails in such action, Aetna agrees to liquidated damages in the amount of Ten Thousand Dollars (\$10,000.00) for each breach of this Agreement by Aetna.

4.02 Availability of Records: All public records of financial information relating to Aetna will be made available to the Trust and NYSUT.

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4.03 Errors and Omissions Coverage, Liability Coverage: The parties will provide information with respect to insurance and fidelity bond coverage, including errors and omissions coverage for Representatives, and officers and directors liability coverage on an annual basis. The amount of such coverages must be satisfactory to both parties, who will not unreasonably withhold approval. Such information shall be provided in the form of Certificates of Insurance, simultaneous with the execution of this Agreement.

4.04 Case Level Reports: Aetna will provide case level reports to the Trust on a calendar quarterly basis. Such reports will be provided within thirty (30) days after the end of each quarter and will be segregated to provide the information for each Representative. These reports shall include, but not be limited to, a list of products sold by each Representative, the number of referrals for financial planning sessions and number of sessions completed, the date when E&Y contacted Aetna requesting Services for a Member, the date Aetna's Representatives contacted the Member and the date the first meeting was established by the Representative with the Member requesting services.

4.05 Training: Aetna will include the Trust staff in training sessions for the Representatives and other Aetna personnel involved with the Program. The Trust will be informed at least thirty (30) days in advance of ongoing training sessions in a manner that will enable the Trust to arrange to have appropriate staff attend.

PART V: LEGAL RELATIONSHIP

5.01 Effective Date - Term of Agreement: This Agreement shall be in effect from the date signed until December 31, 2000 and from year to year thereafter. In years subsequent to 1998, this Agreement may be terminated as of the last day of the calendar year by either the Trust or Aetna, by giving the other party prior written notice by July 1, of any year this Agreement is in effect of its intention not to renew the Agreement for the next calendar year. Unless such notice is given, this Agreement will be renewed for a period of one year. Notwithstanding the foregoing, in the event that Aetna suffers a ratings drop such as would allow the Trust to co-sponsor another carrier under the Opportunities Plus Program, or if the Opportunity Plus Program is terminated for any reason, Aetna or the Trust may also terminate this Agreement at the same time.

5.02 Waiver: Failure of either the Trust or Aetna to require performance of a provision of this Agreement shall not affect either party's right to full performance thereof at any time thereafter, and waiver by either the Trust or Aetna of any breach of any provision thereof shall not constitute a waiver of similar breach at any future time, or of any other breach, or nullify the effectiveness of such provision.

5.03 Indemnification: Aetna will indemnify and hold harmless the Trust, NYSUT and its affiliates and their agents, officers, trustees, employees and representatives when acting within the scope of their duties in carrying out the Program, from every claim and demand which results from negligence or willful misconduct of Aetna, its employees, agents or representatives, acting in that capacity, which may be made against any of the aforementioned parties in connection with the Program.

The Trust will indemnify and hold harmless Aetna, its agents, officers and employees when acting within the scope of their duties in carrying out the Program, from every claim and demand which results from negligence or willful misconduct of the Trust, its employees, agents or representatives acting in that capacity, which may be made against any of the aforementioned parties in connection with the Program.

Anything in this Agreement to the contrary notwithstanding, neither party will hold the other harmless nor indemnify the other from claims and demands based upon fraud or any other criminal activity of the party seeking indemnification, its agents, officers, employees or representatives.

5.04 Arbitration of Disputes Involving this Agreement: In the event of any dispute or difference of opinion between the Trust and Aetna arising as to the interpretation of this Agreement, the matter will be referred to the American Arbitration Association within thirty (30) days following notification by either party of this Agreement; to the other of its decision to arbitrate such matter. Such arbitration is to be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association and shall be held in Albany, New York. Within sixty (60) days following the date of notification, the arbitrator will begin the arbitration. The decision of the arbitrator will be final and binding on all parties. The parties to this Agreement will equally share the fees and expenses of the arbitrator (excluding the legal fees and expenses of each party).

5.05 Joint Trust/Aetna Committee in Advisory Capacity for Consumer Oriented Grievances: A joint Trust/Aetna committee will be established and will serve in an advisory capacity on consumer-oriented grievances and any other grievances not falling under NASD grievance rules. All such grievances will be handled in a timely and reasonable fashion. If a Member makes any claim of unsatisfactory service, discourtesy, improper charges, or any other grievance, whether similar or dissimilar, Aetna will promptly conduct a thorough and complete investigation of the matter. The Trust will be informed immediately upon Aetna's learning of any complaint by a Member. The Trust will be informed periodically thereafter regarding the status of the complaint investigation and, when completed, a written report will be submitted to Trust stating the fact findings, recommendations and final conclusion of the matter.

5.06 Notice Provision: Any and all notices, requests, demands, amendments and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered by hand, or through a private mail delivery service, or received on a fax machine, or when received in the U.S. Mail by Registered or Certified Mail (Return Receipt Requested, Postage Prepaid) to the respective addresses of the parties hereto.

If addressed to Aetna:


AETNA LIFE INSURANCE AND ANNUITY COMPANY
151 Farmington Avenue
Hartford, CT 06156

If addressed to the Trust:


NYSUT BENEFIT TRUST
NYSUT HEADQUARTERS
159 Wolf Road
Albany, NY 12212-5008

5.08 Entire Agreement: This Agreement constitutes the entire Agreement between Aetna and the Trust regarding the subject matter hereof and supersedes any prior agreements or proposals. Any change or modification to this Agreement, in order to be binding upon either party, must be in writing and signed by both parties. No representation or statement which is not expressly contained in this Agreement will be binding upon Aetna and NYSUT as a warranty or otherwise.

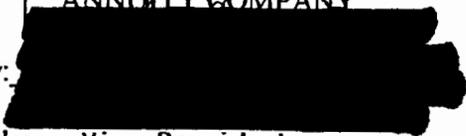
5.09 Non-Assignability: This Agreement shall be binding upon and inure solely to the benefit of the Trust and Aetna and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. This Agreement shall not be assigned or transferred by either the Trust or Aetna without the prior written approval of the non-assigning or non-transferring party. For purposes of this provision, any sale of the capital stock of Aetna, a merger or consolidation of Aetna, or any other event caused by Aetna which results in the transfer of all or substantially all of the assets of Aetna or the business of Aetna to any other person or entity shall be deemed a violation of this provision and shall give the Trust the right to terminate the Agreement.

5.10 Headings and Captions: The headings and captions contained in this Agreement are for reference purposes only and will not effect in any way the meaning and interpretation of this Agreement.

5.11 Governing Law: This Agreement shall be governed and interpreted in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned parties have duly executed this Agreement.

AETNA LIFE INSURANCE AND
ANNUITY COMPANY

By: 

Title: Vice President

Date: March 20, 1998

NYSUT BENEFIT TRUST

By: 

Title: CHAIRMAN

Date: 3/23/98

EXHIBIT A

Trust Sponsored Programs

Opportunity Plus - Tax Deferred Annuity

Property & Casualty

Term Life

Disability Income Protection

Long Term Care Insurance

\$2M Catastrophe Major Medical

NYSUT Legal Service Plan

Financial Building Blocks

Lifestyle Security Protection*

Survivor Support*

Variable Universal Life

*Only available to Opportunity Plus Participants.

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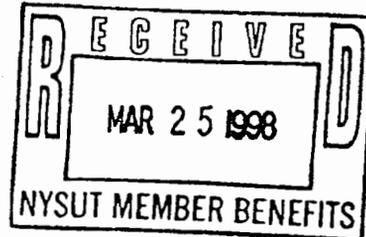
EXHIBIT B

NBT-004481

Aetna
Retirement Services

Aetna Investment Services, Inc.
159 Wolf Road
Albany, NY 12205
518-438-1228
Fax: 518-438-1210

Exhibit B



Dear [Redacted]

I have enclosed information regarding some of the alternative policies that the financial planners will offer NYSUT members in addition to the endorsed products. The selection of these products was based on both the availability of carriers through Aetna's general insurance agency and those products acceptability to NYSUT. It has been determined that we will offer only one alternative product in each category. Product offerings will be:

Variable Annuities: Hartford's Putnam Capital Manager has been selected as the alternative annuity product to compete against Opportunity Plus in the 403b market and marathon Plus in the non-qualified market. The attached matrix reviews some basic policy specifications that I consider important. It would seem that all three policies are competitive in their respective areas. A prospectus for PCM is enclosed as well.

I have ignored sub-account performance as a review criteria, simply noting that all three annuities contain recognizable sub-accounts managed by companies and people that have enjoyed favorable performance over the long haul.

Variable Universal Life- The Nationwide Flexible Premium Variable Universal Life policy has been chosen as the alternative to the endorsed product. This is a high recognition product with a large assortment of sub-account choices. A summary of fees and expenses is attached as well as a Nationwide prospectus..

Term Insurance- We have chosen American Mayflower Life, the New York marketing arm of First Colony Life and a GE Capital subsidiary, as the alternative provider. A comparison with the endorsed product, and several brochures and rate sheets, are enclosed. In is anticipated that we would utilize the company's complete product line.

Long Term Care- We are reviewing partnership and non-partnership products offered by CNA and GE Capital, with CNA as the preferred product. This review is not yet complete. Upon completion we will forward them to you.

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Disability- We have requested that Unum provide us with information. We will look at both their shelf individual DI and their association product. We hope to forward this to you shortly.

Fixed Annuity/Immediate annuity- American Mayflower & Aetna will probably be the chosen providers. Given the sensitivity of these products to the bond market and other marketing forces I am unsure as to what information you would require. Please advise.

First/second to die- One product in each category per NYSUT request. Currently will be the Aetna universal product. The second to die will be changed to the Aetna variable universal product when approved by the state. Product descriptions are enclosed.

Many of these products are approved for use in New York State only. American Mayflower would be replaced by the First Colony group outside of New York, the Nationwide Next Generation product is approved in many states and supersedes the FPVUL product when issued in a particular state and the Aetna products ex-New York are often modified. We have not reviewed these out of state products at this time.

Yours truly

[REDACTED]
March 24, 1998

cc:

[REDACTED] w/o attachment

NBT-004483

EXHIBIT C

NBT-004484

LCV

Fund Name	Asset Class Break-Down						Alpha	R ²	Alpha less Fees	Downside Variance	Final
	R ² Bench LCV	Large Value	Large Growth	Small Value	Small Growth	SB T-Bills					
Vanguard Growth & Income	0.90	0.639	0.426	0.000	0.003	(0.067)	(0.005)	0.97	(0.008)	0.000013	6.40
Fidelity Growth & Income	0.89	0.572	0.276	0.081	0.000	0.071	0.014	0.93	0.007	0.000025	4.98
Fidelity Destiny I	0.79	0.541	0.320	0.065	0.000	0.074	0.033	0.83	0.029	0.000063	4.17
Vanguard Windsor II	0.95	0.816	0.129	0.000	0.005	0.049	0.005	0.96	0.001	0.000016	3.94
MFS Massachusetts Inv A	0.89	0.562	0.406	0.000	0.000	0.031	0.005	0.95	(0.002)	0.000018	3.48
Vanguard Index Value	0.97	0.981	0.032	0.000	0.027	(0.040)	(0.010)	0.98	(0.012)	0.000008	3.28
Fidelity Destiny II	0.78	0.506	0.330	0.076	0.000	0.088	0.032	0.83	0.026	0.000063	3.01
HighMark Val Momentum Fid	0.92	0.593	0.236	0.135	0.018	0.017	0.002	0.96	(0.006)	0.000015	2.25
Washington Mutual Investors	0.93	0.852	0.090	0.000	0.000	0.058	0.006	0.93	(0.001)	0.000024	1.74
Oakmark	0.67	0.170	0.390	0.355	0.000	0.084	0.040	0.81	0.029	0.000057	1.52
Fidelity	0.84	0.489	0.359	0.123	0.016	0.014	0.007	0.91	0.001	0.000040	1.32
Guardian Park Avenue A	0.81	0.552	0.286	0.159	0.036	(0.033)	0.013	0.87	0.005	0.000059	1.27
Fundamental Investors	0.85	0.537	0.289	0.011	0.071	0.093	0.010	0.87	0.004	0.000033	0.96
T. Rowe Price Dividend Grth	0.80	0.490	0.139	0.126	0.000	0.245	0.042	0.89	0.031	0.000026	0.88
Babson Value	0.79	0.540	0.195	0.055	0.103	0.107	0.024	0.85	0.014	0.000049	0.79
Dodge & Cox Stock	0.84	0.769	0.041	0.000	0.129	0.060	0.017	0.87	0.011	0.000043	0.76
Fidelity Equity-Income	0.83	0.734	0.067	0.143	0.009	0.047	0.002	0.95	(0.004)	0.000018	0.89
Kimber-Dreman High Ret Eq A	0.79	0.577	0.369	0.066	0.000	(0.011)	0.014	0.85	0.002	0.000075	0.67
Scudder Growth & Income	0.66	0.521	0.221	0.199	0.000	0.059	0.004	0.90	(0.004)	0.000030	0.60
Victory Diversified Stock A	0.86	0.568	0.364	0.000	0.042	0.027	0.003	0.93	(0.007)	0.000032	0.60
Fidelity Adv Growth Opp T	0.80	0.491	0.331	0.056	0.000	0.122	0.019	0.85	0.006	0.000054	0.45
First Eagle Fund of America	0.68	0.679	0.113	0.075	0.000	(0.060)	0.019	0.81	0.002	0.000106	0.23
AARP Growth & Income	0.86	0.545	0.206	0.191	0.000	0.058	0.006	0.90	(0.001)	0.000031	0.13
Strong Schaller Value	0.77	0.403	0.183	0.445	0.000	(0.031)	(0.001)	0.88	(0.013)	0.000049	0.09
Pioneer A	0.88	0.521	0.387	0.057	0.000	0.035	(0.005)	0.94	(0.015)	0.000017	0.09
Fidelity Contrafund	0.62	0.590	0.034	0.000	0.295	0.081	0.020	0.80	0.012	0.000086	0.09
Clipper	0.68	0.506	0.402	0.000	0.000	0.091	0.010	0.76	(0.001)	0.000115	0.06

LCG

Asset Class Break-Down

Fund Name	R ² Bench LCG		Large Value		Large Growth		Small Value		Small Growth		SB T-Bills		Alpha	R ²	Alpha less Fees		Downside Variance	Final
Schwab 1000 Inv	0.93		0.469	0.510	0.000	0.010	0.011	0.011	0.011	0.011	(0.004)	1.00	(0.009)	0.00000043	34.84			
Vanguard Index 500	0.91		0.502	0.503	0.000	0.000	(0.005)	0.000	0.000	(0.005)	0.001	0.99	(0.001)	0.00000578	23.51			
SSGA S&P 500 Index	0.91		0.503	0.499	0.000	0.000	(0.002)	0.000	0.000	(0.002)	(0.000)	0.99	(0.002)	0.00000617	19.63			
BT Investment Equity 500 Idx	0.91		0.495	0.505	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.99	(0.002)	0.00000594	18.58			
Vanguard Index Growth	0.96		0.022	0.950	0.000	0.000	0.028	0.000	0.000	0.028	0.012	0.96	0.010	0.00002091	18.27			
One Group Equity Index Fid	0.91		0.489	0.505	0.000	0.000	0.006	0.000	0.000	0.006	(0.001)	0.99	(0.004)	0.00000578	13.86			
T. Rowe Price Equity Index	0.91		0.494	0.509	0.000	0.000	(0.002)	0.000	0.000	(0.002)	(0.001)	0.99	(0.005)	0.00000601	13.03			
Galaxy II Large Co Index Ret	0.91		0.500	0.501	0.000	0.000	(0.001)	0.000	0.000	(0.001)	(0.001)	0.99	(0.005)	0.00000602	12.22			
Vanguard Index Tot S&K Mkt	0.91		0.414	0.438	0.042	0.091	0.014	0.000	0.000	0.014	(0.002)	1.00	(0.004)	0.00000082	5.07			
Ellun Trusts	0.88		0.409	0.516	0.012	0.000	0.064	0.000	0.000	0.064	0.008	0.95	0.007	0.00001977	4.31			
Mairs & Power Growth	0.75		0.250	0.446	0.084	0.156	0.053	0.000	0.000	0.053	0.052	0.84	0.043	0.00007127	3.28			
Dreyfus Disc Stock	0.90		0.502	0.513	0.003	0.000	(0.018)	0.000	0.000	(0.018)	(0.001)	0.97	(0.010)	0.00001428	2.90			
Safeco Equity No Load	0.70		0.235	0.511	0.173	0.000	0.081	0.000	0.000	0.081	0.040	0.76	0.033	0.00007954	1.89			
Vanguard/Primecap	0.80		0.144	0.620	0.000	0.250	(0.014)	0.000	0.000	(0.014)	0.052	0.79	0.046	0.00013678	1.55			
MFS Research A	0.80		0.212	0.506	0.056	0.244	(0.018)	0.000	0.000	(0.018)	0.020	0.89	0.011	0.00005312	1.25			
DG Equity	0.90		0.054	0.840	0.000	0.000	0.106	0.000	0.000	0.106	0.011	0.91	0.002	0.00004092	0.79			
Vanguard U.S. Growth	0.90		0.000	0.881	0.000	0.000	0.119	0.000	0.000	0.119	0.008	0.91	0.004	0.00004444	0.70			
Vanguard/Morgan Growth	0.86		0.212	0.518	0.000	0.276	(0.006)	0.000	0.000	(0.006)	0.005	0.95	(0.000)	0.00002653	0.68			
Dreyfus Appreciation	0.85		0.156	0.793	0.000	0.000	0.082	0.000	0.000	0.082	0.005	0.90	(0.004)	0.00004713	0.50			
Security Equity A	0.85		0.415	0.482	0.086	0.000	0.008	0.000	0.000	0.008	0.001	0.92	(0.010)	0.00003518	0.38			
Nationwide	0.78		0.233	0.526	0.100	0.000	0.141	0.000	0.000	0.141	0.018	0.85	0.011	0.00005118	0.36			
Harbor Capital Appreciation	0.76		0.000	0.899	0.000	0.271	(0.170)	0.000	0.000	(0.170)	0.009	0.87	0.002	0.00011389	0.35			
Stagecoach Equity Index A	0.91		0.497	0.499	0.000	0.000	0.003	0.000	0.000	0.003	(0.007)	0.99	(0.017)	0.0000587	0.35			
Putnam Voyager A	0.76		0.000	0.651	0.000	0.401	(0.051)	0.000	0.000	(0.051)	0.017	0.91	0.006	0.00006277	0.26			
Oppenheimer Main St Inc&Gr A	0.69		0.157	0.510	0.339	0.000	(0.006)	0.000	0.000	(0.006)	0.011	0.78	0.001	0.00008877	0.22			
IDS New Dimensions A	0.89		0.254	0.684	0.000	0.070	(0.008)	0.000	0.000	(0.008)	(0.004)	0.91	(0.014)	0.00004256	0.22			
William Blair Growth	0.72		0.039	0.493	0.062	0.380	0.026	0.000	0.000	0.026	0.012	0.89	0.004	0.00006070	0.21			
Neuberger&Berman Part	0.76		0.400	0.337	0.243	0.091	(0.070)	0.000	0.000	(0.070)	(0.001)	0.89	(0.009)	0.00005296	0.20			
Founders Growth	0.64		0.341	0.422	0.000	0.368	(0.131)	0.000	0.000	(0.131)	0.017	0.80	0.005	0.00015248	0.19			
Warburg Pincus Cap Appr Comm	0.79		0.406	0.407	0.151	0.077	(0.041)	0.000	0.000	(0.041)	0.003	0.87	(0.008)	0.00006329	0.19			
Alliance Growth A	0.69		0.507	0.232	0.164	0.191	(0.093)	0.000	0.000	(0.093)	0.004	0.84	(0.008)	0.00008890	0.12			
Oppenheimer Capital Ap A	0.84		0.044	0.728	0.000	0.170	0.057	0.000	0.000	0.057	0.009	0.87	(0.002)	0.00007053	0.10			
Robertson Stephens Val+Gr A	0.21		0.000	0.757	0.000	0.420	(0.177)	0.000	0.000	(0.177)	0.042	0.57	0.027	0.00068757	0.07			
One Group Large Co Grth Fid	0.83		0.404	0.543	0.000	0.000	0.053	0.000	0.000	0.053	0.001	0.88	(0.009)	0.00004329	0.05			
IDS Blue Chip Advantage A	0.89		0.475	0.534	0.000	0.000	(0.009)	0.000	0.000	(0.009)	(0.009)	0.95	(0.018)	0.00002643	0.04			
Franklin Equity I	0.83		0.028	0.707	0.011	0.190	0.065	0.000	0.000	0.065	0.007	0.87	(0.002)	0.00006650	0.04			
Janus Worldwide	0.37		0.283	0.195	0.211	0.147	0.164	0.000	0.000	0.164	0.031	0.54	0.021	0.00021066	0.02			
IDS Growth A	0.76		0.064	0.829	0.000	0.344	(0.237)	0.000	0.000	(0.237)	(0.009)	0.91	(0.019)	0.00009080	0.01			

NBT-004486

LCG

Fund Name	R ² Bench LCG	Asset Class Break-Down						Alpha	R ²	Alpha less Fees	Downside Variance	Final
		Large Value	Large Growth	Small Value	Small Growth	T-Bills	SB					
Fidelity Stock Selector	0.68	0.439	0.326	0.108	0.178	(0.051)	(0.006)	0.78	(0.013)	0.00013287	0.01	
Fidelity Disciplined Equity	0.78	0.425	0.388	0.081	0.131	(0.025)	(0.009)	0.86	(0.015)	0.00007409	0.01	
Columbia Growth	0.83	0.165	0.557	0.228	0.102	(0.052)	(0.013)	0.90	(0.020)	0.00004500	0.00	
Composite Northwest A	0.60	0.000	0.475	0.173	0.298	0.054	(0.003)	0.76	(0.014)	0.00015674	0.00	
Putnam Voyager B	0.76	0.000	0.849	0.000	0.401	(0.050)	0.009	0.91	(0.009)	0.00006255	0.00	

LCC

Asset Class Break-Down

Fund Name	R ² Bench LCC			Large Value			Small Growth			T-Bills			Alpha	R ²	Alpha less Fees		Downside Variance	Final
	Large Value	Large Growth	Small Growth	Large Value	Large Growth	Small Value	Small Growth	T-Bills	SB	Alpha	Fees	Variance						
Schwab 1000 Inv	1.00	0.469	0.510	0.000	0.010	0.011	(0.004)	1.00	(0.009)	0.00000043	59.87							
Vanguard Index 500	0.99	0.502	0.503	0.000	0.000	(0.005)	0.001	0.99	(0.001)	0.00000578	39.56							
SSGA S&P 500 Index	0.99	0.503	0.499	0.000	0.000	(0.002)	(0.000)	0.99	(0.002)	0.00000617	33.19							
BT Investment Equity 500 Idx	0.99	0.495	0.505	0.000	0.000	0.000	0.000	0.99	(0.002)	0.00000594	31.21							
One Group Equity Index Fid	0.99	0.489	0.505	0.000	0.000	0.006	(0.001)	0.99	(0.004)	0.00000578	23.25							
T. Rowe Price Equity Index	0.99	0.494	0.509	0.000	0.000	(0.002)	(0.001)	0.99	(0.005)	0.00000601	21.64							
Galaxy II Large Co Index Ret	0.99	0.500	0.501	0.000	0.000	(0.001)	(0.001)	0.99	(0.005)	0.00000602	20.55							
Vanguard Index Growth	0.89	0.022	0.950	0.000	0.000	0.028	0.012	0.96	0.010	0.00002091	12.35							
Vanguard Growth & Income	0.97	0.639	0.426	0.000	0.000	(0.007)	(0.005)	0.97	(0.008)	0.00001289	9.60							
Vanguard Index Tot S&P Mkt	0.98	0.414	0.438	0.042	0.091	0.014	(0.002)	1.00	(0.004)	0.00000082	7.89							
Elfun Truists	0.95	0.400	0.516	0.012	0.000	0.061	0.008	0.95	0.007	0.00001977	6.46							
Fidelity Growth & Income	0.91	0.572	0.276	0.081	0.000	0.071	0.014	0.93	0.007	0.00002534	5.38							
MFS Massachusetts Inv A	0.95	0.562	0.406	0.000	0.000	0.031	0.005	0.95	(0.002)	0.00001835	5.00							
Fidelity Destiny I	0.82	0.541	0.320	0.065	0.000	0.074	0.033	0.83	0.025	0.00006282	4.67							
Dreyfus Disc Stock	0.97	0.502	0.513	0.003	0.000	(0.018)	(0.001)	0.97	(0.010)	0.00001428	4.48							
Mairs & Power Growth	0.78	0.260	0.446	0.084	0.156	0.053	0.032	0.84	0.043	0.00007127	3.51							
Fidelity Destiny II	0.82	0.506	0.330	0.076	0.000	0.022	0.032	0.83	0.026	0.00006302	3.43							
Vanguard Windsor II	0.90	0.816	0.129	0.000	0.005	0.049	0.005	0.96	0.001	0.00001602	3.04							
HighMark Val Momentum Fid	0.93	0.593	0.236	0.135	0.018	0.017	0.002	0.96	(0.006)	0.00001467	2.37							
Sateco Equity No Load	0.75	0.235	0.511	0.173	0.000	0.081	0.040	0.76	0.033	0.00007954	2.14							
Vanguard Index Value	0.91	0.981	0.032	0.000	0.027	(0.040)	(0.010)	0.98	(0.012)	0.00000795	2.13							
Oakmark	0.74	0.170	0.390	0.355	0.000	0.084	0.040	0.81	0.029	0.00005723	1.84							
Fidelity	0.90	0.489	0.359	0.123	0.016	0.014	0.007	0.91	0.001	0.00003980	1.69							
Guardian Park Avenue A	0.85	0.552	0.286	0.159	0.036	(0.033)	0.013	0.87	0.005	0.00005947	1.47							
Vanguard/Primecap	0.63	0.144	0.620	0.000	0.250	(0.014)	0.052	0.79	0.046	0.00013678	1.31							
Washington Mutual Investors	0.87	0.852	0.090	0.000	0.000	0.058	0.006	0.93	(0.001)	0.00002361	1.28							
Fundamental Investors	0.90	0.537	0.289	0.000	0.000	0.093	0.010	0.92	0.004	0.00003276	1.21							
MFS Research A	0.78	0.212	0.506	0.056	0.244	(0.018)	0.020	0.89	0.011	0.00005312	1.14							
Babson Value	0.82	0.540	0.195	0.055	0.103	0.107	0.024	0.85	0.014	0.00004869	0.87							
Victory Diversified Stock A	0.93	0.568	0.364	0.000	0.042	0.027	0.003	0.93	(0.007)	0.00003195	0.82							
Kemper-Dreman High Ret Eq A	0.84	0.577	0.369	0.066	0.000	(0.011)	0.014	0.85	0.002	0.00007450	0.81							
T. Rowe Price Dividend Grth	0.75	0.490	0.139	0.126	0.000	0.245	0.042	0.89	0.031	0.00002551	0.76							
MFS Value A	0.60	0.293	0.175	0.078	0.323	0.132	0.046	0.78	0.033	0.00009200	0.73							
Dodge & Cox Stock	0.81	0.769	0.041	0.000	0.129	0.060	0.017	0.87	0.011	0.00004308	0.70							
DG Equity	0.86	0.054	0.640	0.000	0.000	0.106	0.011	0.91	-0.002	0.00004092	0.65							
Scudder Growth & Income	0.86	0.521	0.221	0.199	0.000	0.059	0.004	0.90	(0.004)	0.00003050	0.60							
Vanguard/Morgan Growth	0.83	0.212	0.518	0.000	0.276	(0.006)	0.005	0.95	(0.000)	0.00002653	0.59							

LCC

Asset Class Break-Down

Fund Name	R ² Bench		Large		Small		Small		T-Bills		Alpha	R ²	Alpha less		Downside	Final
	LCC	LCC	Value	Growth	Value	Growth	Value	Growth	T-Bills	Fees			Variance			
Stagecoach Equity Index A	0.99	0.497	0.499	0.000	0.000	0.000	0.000	0.003	0.003	(0.007)	0.99	(0.017)	0.00000587	0.58		
Fidelity Adv Growth Opp T	0.84	0.491	0.331	0.000	0.056	0.000	0.122	0.122	0.122	(0.019)	0.85	0.006	0.00005354	0.55		
Security Equity A	0.92	0.415	0.482	0.008	0.086	0.008	0.008	0.008	0.008	(0.001)	0.92	(0.010)	0.00003518	0.54		
Vanguard U.S. Growth	0.84	0.000	0.881	0.000	0.000	0.000	0.119	0.119	0.119	0.008	0.91	0.004	0.00004444	0.54		
Fidelity Equity-Income	0.87	0.734	0.067	0.143	0.100	0.009	0.047	0.047	0.047	0.002	0.95	(0.004)	0.00001805	0.50		
Nationwide	0.84	0.233	0.526	0.100	0.100	0.000	0.141	0.141	0.141	0.018	0.85	0.011	0.00005118	0.44		
Dreyfus Appreciation	0.87	0.126	0.793	0.000	0.000	0.000	0.082	0.082	0.082	0.005	0.90	(0.004)	0.00004713	0.44		
Neuberger&Berman Part	0.83	0.400	0.337	0.091	0.243	0.091	(0.370)	(0.370)	(0.370)	(0.001)	0.89	(0.009)	0.00005296	0.25		
First Eagle Fund of America	0.72	0.579	0.113	0.075	0.075	0.133	(0.062)	(0.062)	(0.062)	0.019	0.81	0.002	0.00010636	0.25		
Oppenheimer Main St Inc&Gr A	0.73	0.157	0.510	0.339	0.000	0.000	(0.006)	(0.006)	(0.006)	0.011	0.78	0.001	0.00008877	0.24		
Harbor Capital Appreciation	0.61	0.400	0.899	0.000	0.000	0.271	(0.170)	(0.170)	(0.170)	0.009	0.87	0.002	0.00011389	0.24		
Warburg Pincus Cap Appr Comm	0.85	0.406	0.407	0.151	0.151	0.077	(0.341)	(0.341)	(0.341)	0.003	0.87	(0.008)	0.00006329	0.23		
IDS New Dimensions A	0.88	0.251	0.584	0.000	0.108	0.076	(0.008)	(0.008)	(0.008)	(0.004)	0.91	(0.014)	0.00004258	0.20		
Dreyfus MidCap Index	0.74	0.376	0.203	0.108	0.108	0.322	(0.053)	(0.053)	(0.053)	(0.007)	0.92	(0.012)	0.00003229	0.16		
Alliance Growth A	0.75	0.507	0.232	0.164	0.164	0.191	(0.093)	(0.093)	(0.093)	0.004	0.84	(0.008)	0.00008890	0.14		
AARP Growth & Income	0.86	0.545	0.206	0.191	0.191	0.000	0.058	0.058	0.058	0.006	0.90	(0.001)	0.00003076	0.13		
Pioneer A	0.94	0.521	0.387	0.057	0.057	0.000	0.035	0.035	0.035	(0.005)	0.84	(0.015)	0.00001738	0.12		
Fidelity Contrafund	0.67	0.390	0.034	0.000	0.000	0.295	0.021	0.021	0.021	0.020	0.80	0.012	0.00008642	0.10		
Strong Schaefer Value	0.77	0.403	0.183	0.000	0.000	0.000	(0.031)	(0.031)	(0.031)	(0.001)	0.88	(0.013)	0.00004866	0.09		
Oppenheimer Capital Ap A	0.77	0.044	0.728	0.000	0.000	0.170	0.057	0.057	0.057	0.009	0.87	(0.002)	0.00007053	0.08		
Clipper	0.75	0.506	0.402	0.000	0.000	0.000	0.091	0.091	0.091	0.010	0.76	(0.001)	0.00011550	0.07		
One Group Large Co Grth Fid	0.88	0.404	0.543	0.000	0.000	0.000	0.053	0.053	0.053	0.001	0.88	(0.009)	0.00004329	0.07		
IDS Blue Chip Advantage A	0.95	0.475	0.534	0.000	0.000	0.000	(0.009)	(0.009)	(0.009)	(0.009)	0.95	(0.018)	0.00002643	0.06		
Franklin Equity I	0.76	0.028	0.707	0.011	0.011	0.190	0.065	0.065	0.065	0.007	0.87	(0.002)	0.00006650	0.03		
Janus Worldwide	0.42	0.283	0.195	0.211	0.211	0.147	0.154	0.154	0.154	0.031	0.54	0.021	0.00021066	0.03		
Fidelity Stock Selector	0.71	0.439	0.326	0.108	0.108	0.178	(0.051)	(0.051)	(0.051)	(0.006)	0.78	(0.013)	0.00013287	0.01		
IDS Growth A	0.62	0.064	0.829	0.000	0.000	0.344	(0.237)	(0.237)	(0.237)	(0.009)	0.91	(0.019)	0.00009080	0.01		
Fidelity Disciplined Equity	0.82	0.425	0.388	0.081	0.081	0.131	(0.025)	(0.025)	(0.025)	(0.009)	0.86	(0.015)	0.00007409	0.01		
Columbia Growth	0.83	0.165	0.557	0.228	0.228	0.102	(0.052)	(0.052)	(0.052)	(0.013)	0.90	(0.020)	0.00004500	0.00		

SCV

Fund Name	Asset Class Break-Down										Alpha	R ²	Alpha less Fees	Downside Variance	Final
	R ² Bench SCV	Large Value	Large Growth	Small Value	Small Growth	T-Bills	SB	Large Value	Large Growth	Small Value					
T. Rowe Price Small Cap SIk	0.73	0.000	0.000	0.344	0.425	0.231	0.231	0.425	0.344	0.425	0.058	0.88	0.048	0.0000475	5.46
Vanguard Index Extend Mkt	0.78	0.257	0.080	0.147	0.452	0.034	0.034	0.452	0.147	0.452	0.008	0.98	0.006	0.0000117	3.98
Accessor Small to Mid Cap	0.75	0.203	0.146	0.345	0.358	(0.053)	(0.053)	0.358	0.345	0.358	0.013	0.92	0.001	0.0000346	2.72
Fidelity Low-Priced Stock	0.80	0.033	0.052	0.480	0.191	0.244	0.244	0.191	0.480	0.191	0.050	0.85	0.040	0.0000376	1.65
Neuberger&Berman Genesis	0.73	0.012	0.000	0.587	0.291	0.110	0.110	0.291	0.587	0.291	0.036	0.81	0.024	0.0000947	1.54
Eclipse Equity	0.76	0.017	0.088	0.520	0.292	0.083	0.083	0.292	0.520	0.292	0.016	0.85	0.005	0.0000693	0.80
Acorn	0.74	0.026	0.108	0.513	0.301	0.052	0.052	0.301	0.513	0.301	0.009	0.85	0.003	0.0000633	0.60
Galaxy II Small Co Index Ret	0.78	0.308	0.071	0.158	0.398	0.065	0.065	0.398	0.158	0.398	(0.003)	0.95	(0.007)	0.0000230	0.38
Principal MidCap A	0.64	0.627	0.323	0.194	0.299	0.317	0.317	0.299	0.194	0.299	0.025	0.85	0.012	0.0000587	0.32
Nicholas II	0.56	0.050	0.271	0.204	0.286	0.189	0.189	0.286	0.204	0.286	0.027	0.75	0.021	0.0000940	0.28
Gabelli Value	0.45	0.316	0.000	0.588	0.148	(0.072)	(0.072)	0.148	0.588	0.148	0.023	0.61	0.009	0.0002154	0.19
Visia Capital Growth A	0.77	0.203	0.070	0.241	0.315	0.061	0.061	0.315	0.241	0.315	0.005	0.89	(0.009)	0.0000451	0.14
Third Avenue Value	0.67	0.172	0.110	0.500	0.056	0.183	0.183	0.056	0.500	0.056	0.021	0.72	0.010	0.0000887	0.06
Royce Micro-Cap	0.69	0.000	0.000	0.480	0.253	0.267	0.267	0.253	0.480	0.253	0.033	0.76	0.010	0.0000877	0.05
Smallcap World	0.71	0.020	0.025	0.366	0.441	0.148	0.148	0.441	0.366	0.441	0.011	0.87	0.001	0.0000611	0.04
Crabbe Huson Equity Prim	0.66	0.290	0.056	0.285	0.293	0.076	0.076	0.293	0.285	0.293	0.004	0.77	(0.010)	0.0000933	0.03

Asset Class Break-Down

Fund Name	R ² Bench			Large			Small			SB			Alpha	R ²	Alpha less Fees	Downside Variance	Final
	SCG	Value	Growth	Value	Growth	Value	Growth	T-Bills	Growth	Value	Growth	Value					
Vanguard Index Sm Cap SIK	0.85	0.012	0.020	0.505	0.466	(0.005)	0.006	0.99	0.005	0.0000026	157.89						
Franklin Small Cap Grth I	0.86	0.000	0.134	0.000	0.907	(0.041)	0.080	0.89	0.070	0.0001207	18.65						
Lord Abbett Developing Gr A	0.83	0.000	0.000	0.000	0.978	0.022	0.093	0.85	0.082	0.0001920	8.78						
Galaxy Small Co Equity Ret A	0.89	0.000	0.000	0.000	1.027	(0.027)	0.052	0.91	0.037	0.0001222	6.69						
Kaufmann	0.88	0.000	0.169	0.000	0.805	0.026	0.050	0.90	0.031	0.0000825	6.36						
HomeState PA Growth	0.81	0.024	0.057	0.224	0.691	0.005	0.063	0.85	0.045	0.0001081	5.45						
Consulting Group Sm Cap Grth	0.84	0.000	0.000	0.000	1.162	(0.162)	0.055	0.89	0.046	0.0001618	4.49						
Managers Special Equity	0.83	0.000	0.082	0.258	0.577	0.082	0.041	0.92	0.027	0.0000519	4.12						
T. Rowe Price Mid-Cap Growth	0.69	0.083	0.154	0.158	0.477	0.128	0.061	0.85	0.051	0.0000690	4.02						
Baron Asset	0.69	0.257	0.070	0.086	0.603	0.054	0.078	0.80	0.065	0.0001252	4.00						
Mentor Growth B	0.89	0.000	0.000	0.000	0.887	0.113	0.047	0.90	0.026	0.0000954	3.82						
SSGA Small Cap	0.75	0.191	0.241	0.111	0.545	0.051	0.043	0.96	0.033	0.0000683	3.64						
Warburg Pincus Emerg Gr Contr	0.86	0.133	0.200	0.013	0.798	0.056	0.039	0.82	0.025	0.0001103	2.74						
Franklin CA Growth I	0.62	0.000	0.263	0.000	0.404	0.123	0.096	0.60	0.087	0.0001415	2.62						
Colonial Small Cap Value A	0.73	0.000	0.113	0.362	0.486	0.039	0.044	0.83	0.030	0.0000863	2.19						
Alliance Quasar A	0.76	0.022	0.174	0.060	0.689	0.054	0.054	0.79	0.037	0.0001499	1.92						
Waddell & Reed Growth B	0.76	0.000	0.127	0.000	0.705	0.169	0.054	0.80	0.033	0.0001492	0.99						
Colonial Small Cap Value S	0.74	0.000	0.112	0.060	0.490	0.039	0.037	0.13	0.016	0.0000870	0.96						
Alliance Quasar B	0.76	0.024	0.172	0.060	0.689	0.055	0.043	0.79	0.020	0.0001505	0.92						
Stagecoach Strat Growth A	0.77	0.000	0.232	0.000	1.048	(0.280)	0.029	0.85	0.016	0.0002328	0.84						
Van Kampen Am Cap Emerg Gr A	0.78	0.088	0.344	0.000	0.721	(0.153)	0.021	0.84	0.010	0.0001861	0.82						
USAA Aggressive Growth	0.87	0.000	0.075	0.000	1.139	(0.218)	0.005	0.91	(0.002)	0.0001327	0.76						
Safeco Growth No Load	0.63	0.105	0.111	0.000	0.512	(0.166)	0.038	0.71	0.028	0.0002995	0.68						
PBHG Growth PBHG	0.66	0.000	0.127	0.000	1.046	(0.173)	0.049	0.75	0.036	0.0003855	0.50						
Stein Roe Capital Opport	0.72	0.000	0.002	0.000	0.799	(0.151)	0.036	0.78	0.024	0.0003324	0.49						
PIMCo Target A	0.70	0.214	0.110	0.000	0.585	0.084	0.033	0.80	0.021	0.0001241	0.40						
Wasatch Growth	0.55	0.000	0.060	0.205	0.514	0.280	0.064	0.67	0.049	0.0001886	0.31						
SunAmerica Small Co Grth A	0.80	0.086	0.014	0.000	1.073	(0.172)	0.016	0.84	(0.001)	0.0002347	0.31						
Nicholas Limited Edition	0.57	0.128	0.000	0.099	0.502	0.271	0.045	0.74	0.036	0.0001094	0.29						
Van Kampen Am Cap Emerg Gr B	0.79	0.093	0.337	0.000	0.722	(0.152)	0.013	0.84	(0.006)	0.0001870	0.28						
Invesco Dynamics	0.70	0.137	0.362	0.000	0.506	(0.006)	0.020	0.84	0.008	0.0000970	0.26						
United New Concepts A	0.77	0.000	0.158	0.000	0.671	0.130	0.020	0.81	0.008	0.0001508	0.24						
Value Line Spec Situations	0.73	0.000	0.165	0.112	0.658	0.065	0.018	0.76	0.007	0.0002186	0.23						
MFS Emerging Growth B	0.67	0.000	0.489	0.000	0.679	(0.168)	0.028	0.76	0.008	0.0002999	0.21						
Lutheran Brotherhood Oppt Gr	-0.85	0.000	0.000	0.000	1.143	(0.143)	0.008	0.89	(0.005)	0.0002073	0.19						
Piper Emerging Growth A	0.81	0.246	0.190	0.026	0.635	(0.097)	(0.002)	0.89	(0.014)	0.0000893	0.14						
T. Rowe Price New America Gr	0.64	0.000	0.425	0.160	0.401	0.014	0.016	0.79	0.005	0.0001364	0.13						

SCG

Fund Name	Asset Class Break-Down										Alpha	R ²	Alpha less		Downside	Final
	R ² Bench	Large Value	Large Growth	Small Value	Small Growth	T-Bills	SB	Alpha	Fees	Variance						
Founders Frontier	0.86	0.000	0.131	0.000	0.769	0.100	0.100	0.007	0.88	(0.008)	0.0000936	0.13				
AIM Constellation A	0.79	0.000	0.481	0.000	0.627	(0.108)	(0.108)	(0.001)	0.87	(0.013)	0.0001387	0.11				
Seligman Henderson Glob Sm A	0.46	0.012	0.000	0.143	0.508	0.337	0.337	0.069	0.58	0.052	0.0002473	0.10				
Hancock Special Equities A	0.74	0.000	0.023	0.000	1.158	(0.181)	(0.181)	0.011	0.81	(0.003)	0.0003056	0.10				
PIMCo Target C	0.70	0.210	0.122	0.000	0.585	0.084	0.084	0.025	0.80	0.006	0.0001238	0.10				
Robertson Stephens Valt+Gr A	0.32	0.000	0.757	0.000	0.420	(0.177)	(0.177)	0.042	0.57	0.027	0.0006876	0.08				
Sit Mid Cap Growth	0.75	0.000	0.498	0.000	0.582	(0.080)	(0.080)	(0.004)	0.85	(0.014)	0.0001402	0.07				
Oppenheimer Discovery A	0.89	0.000	3.000	0.000	1.006	(0.076)	(0.076)	0.000	0.89	(0.012)	0.0001305	0.07				
One Group Growth Opport Fid	0.72	0.171	3.397	0.000	0.517	(0.073)	(0.073)	(0.002)	0.86	(0.012)	0.0000942	0.06				
Westcore Midco Growth	0.84	0.000	3.396	0.000	0.655	(0.053)	(0.053)	(0.006)	0.91	(0.017)	0.0000982	0.06				
Janus Enterprise	0.58	0.000	5.000	0.116	0.617	0.000	0.000	0.021	0.82	0.009	0.0002910	0.05				
Sierra Emerging Growth A	0.67	0.052	0.000	0.257	0.626	0.000	0.000	0.003	0.69	(0.014)	0.0002429	0.02				
Parnassus	0.47	0.000	0.200	0.189	0.512	0.000	0.000	(0.000)	0.53	(0.016)	0.0004416	0.00				

SCC

Fund Name	Asset Class Break-Down				Alpha	R ²	Decision	Alpha less Fees	Downside Variance	Final		
	R ² Bench SCC	Large Value	Large Growth	Small Value							Small Growth	T-Bits
Vanguard Index Sm Cap Stk	0.99	0.012	0.020	0.505	0.468	(0.005)	0.008	0.99	0.24	0.005	0.0000026	366.25
Franklin Small Cap Grth I	0.71	0.000	0.134	0.000	0.907	(0.041)	0.080	0.89	0.43	0.070	0.0001207	11.52
T. Rowe Price Small Cap Stk	0.85	0.000	0.000	0.344	0.425	0.231	0.058	0.88	0.31	0.048	0.0000475	8.02
Vanguard Index Extend Mkt	0.92	0.287	0.080	0.147	0.452	0.034	0.008	0.98	0.21	0.006	0.0000117	7.20
T. Rowe Price Mid-Cap Growth	0.81	0.083	0.154	0.158	0.477	0.128	0.061	0.85	0.28	0.051	0.0000690	5.82
Lord Abbett Developing Gr A	0.68	0.000	0.000	0.000	0.978	0.022	0.093	0.85	0.41	0.082	0.0001920	5.76
Managers Special Equity	0.91	0.000	0.082	0.258	0.577	0.082	0.041	0.92	0.26	0.027	0.0000519	5.73
HomeState PA Growth	0.80	0.024	0.057	0.224	0.691	0.005	0.063	0.85	0.26	0.045	0.0001081	5.24
SSGA Small Cap	0.84	0.191	0.11	0.171	0.545	0.051	0.043	0.86	0.22	0.033	0.0000683	4.98
Baron Asset	0.75	0.257	0.000	0.380	0.603	0.054	0.078	0.80	0.28	0.065	0.0001252	4.61
Kaufmann	0.78	0.000	0.169	0.000	0.805	0.026	0.050	0.50	0.25	0.031	0.0000825	4.47
Accessor Small to Mid Cap	0.87	0.203	0.145	0.345	0.358	(0.053)	0.013	0.52	0.12	0.001	0.0000346	4.17
Galaxy Small Co Equity Ret A	0.68	0.000	0.000	0.000	1.027	(0.027)	0.052	0.91	0.29	0.037	0.0001222	3.36
Colonial Small Cap Value A	0.82	0.000	0.115	0.362	0.486	0.039	0.044	0.83	0.18	0.030	0.0000663	2.91
Mentor Growth B	0.81	0.000	0.041	0.000	0.887	0.113	0.047	0.93	0.23	0.026	0.0000954	2.75
Franklin CA Growth I	0.64	0.000	0.383	0.000	0.494	0.123	0.098	0.80	0.35	0.087	0.0001415	2.72
Warburg Pincus Emerg Gr Comm	0.83	0.133	0.000	0.013	0.798	0.056	0.038	0.88	0.21	0.025	0.0001103	2.38
Consulting Group Sm Cap Grth	0.55	0.000	0.000	0.000	1.162	(0.162)	0.055	0.89	0.32	0.046	0.0001618	2.15
Alliance Quasar A	0.73	0.022	0.174	0.060	0.689	0.054	0.054	0.79	0.19	0.037	0.0001499	1.72
Fidelity Low-Priced Stoc:	0.71	0.033	0.052	0.490	0.191	0.244	0.050	0.33	0.24	0.040	0.0000376	1.27
Colonial Small Cap Value B	0.82	0.000	0.112	0.360	0.292	0.039	0.037	0.83	0.13	0.016	0.0000870	1.24
Eclipse Equity	0.83	0.017	0.088	0.520	0.292	0.083	0.016	0.85	0.10	0.005	0.0000693	1.00
Alliance Quasar B	0.73	0.024	0.172	0.060	0.689	0.055	0.045	0.79	0.13	0.020	0.0001505	0.85
MFS Value A	0.66	0.293	0.175	0.078	0.323	0.132	0.046	0.78	0.17	0.033	0.0000920	0.84
Waddell & Reed Growth B	0.70	0.000	0.127	0.000	0.705	0.169	0.054	0.80	0.18	0.033	0.0001492	0.83
Acorn	0.83	0.026	0.108	0.513	0.301	0.052	0.009	0.85	0.09	0.003	0.0000633	0.80
Safeco Growth No Load	0.61	0.105	0.111	0.437	0.512	(0.166)	0.038	0.71	0.12	0.028	0.0002996	0.65
Van Kampen Am Cap Emerg Gr A	0.67	0.088	0.344	0.158	0.721	(0.153)	0.021	0.84	0.12	0.010	0.0001861	0.61
Galaxy II Small Co Index Ret	0.88	0.308	0.071	0.158	0.398	0.065	(0.003)	0.95	0.08	(0.007)	0.0000230	0.55
Stagecoach Strat Growth A	0.48	0.000	0.232	0.000	1.048	(0.280)	0.029	0.85	0.14	0.016	0.0002328	0.45
PIMCo Target A	0.73	0.214	0.116	0.000	0.585	0.084	0.033	0.80	0.14	0.021	0.0001241	0.42
Principal MidCap A	0.74	0.027	0.323	0.194	0.299	0.157	0.025	0.85	0.13	0.012	0.0000587	0.42
Nicholas Limited Edition	0.71	0.128	0.000	0.099	0.502	0.271	0.045	0.74	0.16	0.036	0.0001094	0.40
Wasatch Growth	0.64	0.000	0.000	0.205	0.514	0.280	0.064	0.67	0.16	0.049	0.0001886	0.38
Nicholas II	0.68	0.050	0.271	0.204	0.286	0.189	0.027	0.75	0.12	0.021	0.0000940	0.34
USAA Aggressive Growth	0.57	0.000	0.079	0.000	1.139	(0.218)	0.005	0.91	0.09	(0.002)	0.0001327	0.34
Stein Roe Capital Opport	0.51	0.000	0.352	0.000	0.799	(0.151)	0.036	0.78	0.14	0.024	0.0003324	0.32
PBHG Growth PBHG	0.35	0.000	0.127	0.000	1.046	(0.173)	0.049	0.75	0.16	0.036	0.0003855	0.29
Invesco Dynamics	0.71	0.137	0.362	0.000	0.508	(0.006)	0.020	0.84	0.11	0.008	0.0000970	0.27

Fund Name	Asset Class Break-Down				Alpha	R ²	Decision	Alpha less Fees	Downside Variance	Final		
	R ² Bench SCC	Large Value	Large Growth	Small Value							Small Growth	T-Bills
William Blair Growth	0.75	0.039	0.493	0.062	0.380	0.026	0.012	0.89	0.11	0.004	0.000607	0.23
Putnam Voyager A	0.69	0.000	0.651	0.000	0.401	(0.051)	0.017	0.91	0.14	0.006	0.000628	0.22
Value Line Spec Situations	0.69	0.000	0.165	0.112	0.658	0.065	0.018	0.76	0.08	0.007	0.0002186	0.21
Van Kampen Am Cap Emerg Gr B	0.67	0.093	0.337	0.000	0.722	(0.152)	0.013	0.84	0.06	(0.006)	0.0001870	0.21
United New Concepts A	0.69	0.000	0.198	0.000	0.671	0.130	0.020	0.81	0.10	0.008	0.0001508	0.20
Gabelli Value	0.47	0.316	0.000	0.588	0.148	(0.052)	0.023	0.61	0.06	0.009	0.0002154	0.19
Dreyfus MidCap Index	0.78	0.376	0.203	0.108	0.322	(0.008)	(0.007)	0.92	0.04	(0.012)	0.0000323	0.18
SurAmerica Small Co Grth A	0.55	0.086	0.014	0.000	1.073	(0.172)	0.016	0.84	0.07	(0.001)	0.0002347	0.17
Founders Growth	0.58	0.341	0.422	0.000	0.368	(0.131)	0.017	0.80	0.08	0.005	0.0001525	0.17
Vista Capital Growth A	0.81	0.293	0.273	0.241	0.375	0.081	0.005	0.89	0.05	(0.009)	0.0000451	0.16
T. Rowe Price New America Gr	0.70	0.000	0.425	0.160	0.401	0.014	0.016	0.79	0.08	0.005	0.0001364	0.15
MFS Emerging Growth B	0.48	0.000	0.483	0.000	0.679	(0.160)	0.028	0.75	0.08	0.008	0.0002999	0.15
Piper Emerging Grwth A	0.81	0.246	0.192	0.000	0.637	(0.097)	(0.002)	0.62	0.03	(0.014)	0.0000893	0.14
Seligman Henderson Glob Sm A	0.54	0.012	0.000	0.000	0.509	0.337	0.069	0.54	0.14	0.052	0.0002473	0.12
Founders Frontier	0.80	0.000	0.131	0.000	0.769	0.100	0.007	0.86	0.05	(0.008)	0.0000936	0.11
PIMCO Target C	0.73	0.210	0.122	0.000	0.585	0.084	0.025	0.80	0.08	0.006	0.0001238	0.10
Lutheran Brotherhood Oppt Gr	0.57	0.000	0.000	0.000	1.143	(0.143)	0.008	0.89	0.07	(0.005)	0.0002073	0.09
AIM Constellation A	0.70	0.000	0.481	0.000	0.627	(0.108)	(0.001)	0.87	0.03	(0.013)	0.0001387	0.08
Smallcap World	0.87	0.020	0.025	0.366	0.411	0.148	0.011	0.87	0.09	0.001	0.0000611	0.07
Stl Mid Cap Growth	0.68	0.000	0.496	0.000	0.562	(0.080)	(0.004)	0.65	0.03	(0.014)	0.0001402	0.06
One Group Growth Opport Fid	0.73	0.171	0.387	0.000	0.517	(0.075)	(0.002)	0.86	0.03	(0.012)	0.0000842	0.08
Royce Micro-Cap	0.69	0.000	0.000	0.480	0.253	0.267	0.028	0.76	0.09	0.010	0.0000877	0.05
Hancock Special Equities A	0.41	0.000	0.027	0.000	1.158	(0.181)	0.011	0.81	0.06	(0.003)	0.0003056	0.05
Janus Enterprise	0.56	0.073	0.000	0.116	0.617	0.194	0.021	0.62	0.08	0.009	0.0002910	0.05
Third Avenue Value	0.51	0.172	0.111	0.500	0.056	0.163	0.021	0.72	0.06	0.010	0.0000887	0.05
Westcore Midco Growth	0.79	0.000	0.306	0.000	0.656	(0.053)	(0.006)	0.91	0.01	(0.017)	0.0000902	0.05
Oppenheimer Discovery A	0.71	0.000	0.000	0.000	1.006	(0.006)	0.000	0.85	0.04	(0.012)	0.0001305	0.04
Crabbe Huson Equity Prim	0.71	0.290	0.056	0.000	0.293	0.076	0.004	0.77	0.03	(0.010)	0.0000933	0.03
Sierra Emerging Growth A	0.64	0.052	0.000	0.257	0.626	0.066	0.003	0.69	0.02	(0.014)	0.0002429	0.01
Composite Northwest A	0.64	0.000	0.475	0.173	0.298	0.054	(0.003)	0.76	0.02	(0.014)	0.0001567	0.00
Parnassus	0.42	0.000	0.293	0.189	0.512	0.066	(0.005)	0.53	0.01	(0.016)	0.0004416	0.00
Putnam Voyager B	0.70	0.000	0.648	0.000	0.401	(0.050)	0.009	0.91	0.06	(0.009)	0.0000626	0.00

Intl Eq

International Asset Class Breakdown

Fund Name	R ² Bench										Alpha	R ²	Alpha less Fees	Downside Variance	Final
	INTL	MSE14	MSJAP	MSPXJ	MSEMA	MSELA	T-Bills	SB	Alpha	R ²					
Fidelity Diversified Intl	0.79	0.528	0.207	0.083	0.000	0.066	0.117	0.040	0.89	0.028	0.000056	4.67			
Vanguard Intl Growth	0.82	0.555	0.200	0.058	0.127	0.076	(0.016)	0.022	0.96	0.016	0.000024	3.49			
Dean Witter European Grwth B	0.48	0.815	0.047	0.000	0.032	0.014	0.092	0.050	0.88	0.029	0.000052	1.37			
Pulnam Intl Growth A	0.67	0.590	0.121	0.147	0.021	0.083	0.038	0.028	0.87	0.012	0.000063	1.10			
USAA International	0.67	0.456	0.147	0.017	0.160	0.123	0.096	0.033	0.89	0.022	0.000066	0.93			
Vanguard Intl Eqy European	0.49	0.995	0.000	0.000	0.002	0.006	(0.003)	0.001	0.99	(0.003)	0.000002	0.72			
Fidelity Europe	0.45	0.841	0.027	0.000	0.000	0.034	0.098	0.022	0.90	0.011	0.000039	0.65			
T. Rowe Price European Stock	0.51	0.850	0.026	0.015	0.012	0.015	0.077	0.015	0.94	0.004	0.000023	0.64			
BT Investment Intl Equity	0.54	0.655	0.095	0.009	0.005	0.114	0.080	0.033	0.85	0.018	0.000075	0.61			
T. Rowe Price Intl Stock	0.80	0.495	0.174	0.101	0.050	0.083	0.037	0.003	0.96	(0.006)	0.000020	0.50			
AIM International Equity A	0.70	0.620	0.105	0.130	0.020	0.051	(0.010)	0.012	0.94	(0.003)	0.000040	0.48			
EuroPacific Growth	0.63	0.506	0.065	0.150	0.000	0.103	0.149	0.000	0.85	0.000	0.000025	0.45			
Principal International A	0.60	0.575	0.074	0.157	0.000	0.069	0.074	0.000	0.88	0.008	0.000067	0.43			
Pulnam Global Growth A	0.63	0.491	0.111	0.031	0.000	0.104	0.147	0.011	0.97	(0.002)	0.000053	0.26			
Scudder Global	0.52	0.444	0.079	0.100	0.000	0.090	0.266	0.020	0.86	0.008	0.000052	0.24			
American Cent-20thCIntlGrInv	0.61	0.582	0.083	0.111	0.079	0.099	0.046	0.015	0.87	(0.001)	0.000083	0.23			
Fidelity Worldwide	0.57	0.489	0.101	0.106	0.000	0.096	0.207	0.015	0.84	0.004	0.000074	0.23			
Templeton Foreign I	0.46	0.383	0.052	0.140	0.020	0.087	0.309	0.010	0.91	0.008	0.000033	0.20			
Scudder International	0.78	0.522	0.124	0.112	0.000	0.074	0.080	0.001	0.92	(0.010)	0.000041	0.19			
Templeton Global Oppord I	0.41	0.402	0.034	0.226	0.000	0.138	0.193	0.027	0.82	0.013	0.000113	0.17			
Pioneer Europe A	0.30	0.819	0.000	0.000	0.009	0.042	0.122	0.025	0.79	0.005	0.000111	0.14			
Acorn International	0.39	0.277	0.076	0.081	0.121	0.116	0.328	0.056	0.78	0.024	0.000080	0.12			
Warburg Pincus Intl Eq Comm	0.67	0.240	0.266	0.150	0.073	0.189	0.038	0.019	0.88	0.006	0.000086	0.10			
Consulting Group Intl Equity	0.93	0.475	0.004	0.083	0.000	0.060	0.007	(0.006)	0.93	(0.015)	0.000044	0.07			
Oakmark International	0.35	0.357	0.093	0.165	0.021	0.218	0.155	0.017	0.72	0.004	0.000159	0.05			
Pulnam Global Growth B	0.64	0.487	0.114	0.150	0.000	0.103	0.150	0.004	0.87	(0.016)	0.000053	0.03			
Templeton Foreign Smaller Co	0.35	0.337	0.081	0.000	0.008	0.082	0.301	0.016	0.68	0.000	0.000142	0.02			

Tax Bond

Fixed Income Asset Class Break-Down

Fund Name	R ² Bench		SB		Alpha	R ²	Alpha less Fees	Downside Variance	Final
	Govt/Corp	SLH07	SLH06	T-Bills					
Dodge & Cox Income	0.98	0.30	0.72	0.04	0.04	0.98	(0.003)	0.00000160	1.26598
Vanguard Bond Idx Total	0.98	0.23	0.70	0.03	0.01	0.99	(0.004)	0.00000075	0.52667
Vanguard FI Intern-Term US	0.97	0.19	1.15	0.00	(0.002)	0.99	(0.005)	0.00000128	0.22116
Slate St Research Govt Inc A	0.95	0.23	0.63	0.02	0.00	0.98	(0.001)	0.00000097	0.16464
Strong Corporate Bond	0.85	0.39	0.14	0.41	0.06	0.93	0.005	0.00000610	0.14466
Strong Government Securities	0.96	0.19	0.79	0.12	0.00	0.96	(0.009)	0.00000293	0.08438
Oppenheimer Bond A	0.96	0.23	0.60	0.17	(0.006)	0.97	(0.012)	0.00000184	0.08121
T. Rowe Price New Income	0.97	0.28	0.60	0.00	0.01	0.98	(0.011)	0.00000142	0.05440
JP Morgan Bond	0.97	0.19	0.75	0.07	(0.003)	0.99	(0.013)	0.00000087	0.05219
AmSouth Bond Classic	0.97	0.21	0.90	0.03	(0.004)	0.97	(0.011)	0.00000209	0.05199
Preferred Fixed-Income	0.96	0.19	0.73	0.08	(0.003)	0.98	(0.011)	0.00000087	0.04204
American Cent-Ben Bond Inv	0.98	0.31	0.62	0.00	(0.003)	0.98	(0.017)	0.00000165	0.03327
IDS Selective A	0.96	0.41	0.45	0.24	0.04	0.98	(0.014)	0.00000248	0.03323
Pioneer Bond A	0.98	0.35	0.49	0.08	(0.007)	0.98	(0.017)	0.00000154	0.02703
United Bond A	0.96	0.30	0.73	0.15	(0.007)	0.97	(0.015)	0.00000256	0.02386
Van Kampen Am Cap Corp BondA	0.93	0.45	0.27	0.17	(0.007)	0.96	(0.013)	0.00000424	0.02181
Harbor Bond	0.90	0.18	0.77	0.11	0.004	0.91	(0.010)	0.00000605	0.01600
Vanguard/Wellesley Income	0.59	0.55	0.22	0.37	0.023	0.85	0.018	0.00003042	0.01589
Vanguard Preferred Stock	0.75	0.19	0.91	0.22	0.011	0.80	0.007	0.00002263	0.01281
MFS Bond A	0.92	0.43	0.12	0.34	(0.009)	0.95	(0.017)	0.00000515	0.01232
DG Government Income	0.98	0.25	0.71	0.00	(0.006)	0.99	(0.015)	0.00000044	0.01190

Muni Bond

Fixed Income Asset Class Break-Down

Fund Name	R ² Bench		Fixed Income Asset Class Break-Down							Alpha	R ²	Alpha less Fees	Downside Variance	Final
	Muni	Global	Global	Municipal	High Yield	Tax Exempt	Alpha							
United Municipal High-Inc A	0.90		0.00	0.77	0.07	0.16	0.019	0.94	0.011	0.00000443	0.06278			
T. Rowe Price Tax-Fr Hi-Yld	0.96		0.04	0.80	0.06	0.10	0.005	0.98	-0.002	0.00000167	0.04654			
Prudential CA Muni CA Inc A	0.94		0.03	0.95	0.02	0.00	0.009	0.94	0.001	0.00000543	0.04290			
Eflun Tax-Exempt Income	0.98		0.05	0.97	0.00	-0.02	-0.005	0.98	-0.008	0.00000147	0.03237			
Vanguard PA Tax-Free Ins LT	0.97		0.00	1.02	0.00	-0.02	-0.002	0.97	-0.004	0.00000261	0.02910			
Smith Barney Muni FL A	0.97		0.00	1.02	0.00	-0.02	0.003	0.98	-0.006	0.00000258	0.02692			
Evergreen FL High-Inc Muni A	0.91		0.00	0.86	0.08	0.06	0.012	0.92	0.003	0.00000761	0.02667			
First Invest M/S Ins GA A	0.95		0.04	1.08	0.00	-0.13	0.001	0.97	-0.003	0.00000373	0.02581			
Executive Investors Ins T/E	0.92		0.02	1.19	0.00	-0.21	0.005	0.97	-0.003	0.00000325	0.02445			
Franklin High Yld T/F Inc I	0.84		0.00	0.63	0.17	0.19	0.013	0.95	0.006	0.00000223	0.02202			
First Invest M/S Ins CO A	0.97		0.00	1.12	0.00	-0.12	-0.002	0.98	-0.008	0.00000195	0.02201			
USAA Tax-Exempt Interim-Term	0.96		0.00	0.85	0.00	0.15	0.003	0.98	0.000	0.00000161	0.01738			
Prudential Muni High-Yield A	0.93		0.07	0.79	0.00	0.15	0.007	0.95	0.001	0.00000335	0.01720			
Nuveen Flagship All-Amer A	0.97		0.01	1.03	0.00	-0.07	0.001	0.95	-0.007	0.00000270	0.01544			
Vanguard Muni High-Yield	0.95		0.00	1.11	0.00	-0.11	-0.003	0.96	-0.004	0.00000402	0.01250			
USAA VA Bond	0.98		0.00	1.01	0.03	-0.04	-0.003	0.98	-0.008	0.00000224	0.01229			
First Invest M/S Ins MO A	0.96		0.00	1.12	0.00	-0.12	-0.004	0.98	-0.007	0.00000220	0.01209			
Tax-Free Fund for UT A	0.98		0.00	1.02	0.00	-0.08	-0.005	0.96	-0.008	0.00000182	0.01138			
American Cent-Ben CA Muni HY	0.92		0.02	0.86	0.10	0.01	0.003	0.93	-0.002	0.00000783	0.01133			
Smith Barney Muni National A	0.97		0.01	0.98	0.06	-0.06	-0.001	0.98	-0.008	0.00000273	0.01104			
First Invest M/S Ins AZ A	0.96		0.00	1.13	0.00	-0.13	-0.003	0.98	-0.008	0.00000205	0.01103			
Kemper State Tax-Fr Inc TX A	0.92		0.03	1.00	0.00	-0.03	0.006	0.93	-0.003	0.00000705	0.01011			
Tax-Exempt Bond of America	0.99		0.01	0.90	0.07	0.03	-0.002	0.99	-0.009	0.00000073	0.00834			
Vanguard Muni Long-Term	0.94		0.00	1.17	0.00	-0.17	-0.004	0.97	-0.006	0.00000422	0.00798			
STI Classic Inv Gr T/E Inv	0.87		0.00	0.77	0.00	0.23	0.016	0.91	0.004	0.00000338	0.00762			
Vanguard OH Tax-Free Ins LT	0.96		0.00	1.09	0.00	-0.09	-0.005	0.97	-0.007	0.00000293	0.00757			
Natragansett Insured T/F A	0.97		0.00	1.12	0.00	-0.12	-0.006	0.98	-0.008	0.00000214	0.00756			
T. Rowe Price MD Tax-Free	0.98		0.02	0.95	0.00	0.02	-0.002	0.98	-0.008	0.00000198	0.00626			
Vanguard FL Insured Tax-Free	0.93		0.00	1.15	0.00	-0.15	-0.004	0.96	-0.006	0.00000554	0.00560			
Stein Roe High-Yield Munis	0.95		0.00	0.92	0.00	0.08	0.004	0.95	-0.004	0.00000366	0.00529			
First Invest M/S Ins MD A	0.96		0.01	1.09	0.00	-0.10	-0.003	0.97	-0.008	0.00000351	0.00487			
Franklin MO Tax-Free Inc I	0.86		0.00	0.85	0.06	0.09	0.001	0.97	-0.006	0.00000193	0.00437			
Vanguard NJ Tax-Free Ins LT	0.96		0.00	1.11	0.00	-0.11	-0.007	0.98	-0.008	0.00000259	0.00433			
Nuveen Flagship Interim A	0.95		0.00	0.87	0.07	0.06	0.000	0.95	-0.007	0.00000387	0.00331			
Smith Barney Managed Munis A	0.79		0.02	1.11	0.10	-0.23	0.003	0.86	-0.003	0.00001697	0.00251			
Vanguard NY Insured Long-Term	0.95		0.00	1.14	0.00	-0.14	-0.007	0.97	-0.009	0.00000343	0.00247			
Franklin AL Tax-Free Inc I	0.94		0.00	0.82	0.02	0.16	0.004	0.97	-0.003	0.00000217	0.00239			
Smith Barney Muni NY A	0.97		0.01	1.05	0.02	-0.08	-0.002	0.97	-0.009	0.00000322	0.00200			

Muni Bond

Fixed Income Asset Class Break-Down

Fund Name	R ² Bench		Global	Municipal	High Yield	Tax Exempt	Alpha	R ²	Alpha less Fees	Downside Variance	Final
	Muni	Final									
Vanguard Muni Intermed-Term	0.88	0.88	0.00	0.77	0.00	0.23	0.004	0.94	0.002	0.00000269	0.00192
Sit Tax-Free Income	0.77	0.77	0.01	0.63	0.00	0.36	0.017	0.95	0.009	0.00000227	0.00184
Excelsior Long-Term Tax-Ex	0.84	0.84	0.05	1.22	0.00	-0.27	0.001	0.93	-0.007	0.00001049	0.00139
Franklin CA Intermed-Term T/F	0.89	0.89	0.00	0.76	0.08	0.16	0.001	0.93	-0.004	0.00000412	0.00137
Franklin CO Tax-Free Inc I	0.97	0.97	0.00	0.88	0.04	0.08	0.000	0.98	-0.007	0.00000189	0.00124
Stagecoach CA T/F Bond A	0.95	0.95	0.05	0.85	0.06	0.04	-0.002	0.96	-0.009	0.00000385	0.00118
Nuveen Flagship CO Muni A	0.92	0.92	0.07	1.07	0.00	-0.14	-0.002	0.96	-0.009	0.00000548	0.00117
Vanguard Muni Insured L/T	0.93	0.93	0.00	1.18	0.00	-0.18	-0.007	0.97	-0.009	0.00000457	0.00116
Franklin Fed Tax-Free Inc I	0.91	0.91	0.00	0.74	0.05	0.21	0.004	0.98	-0.002	0.00000134	0.00114
Eaton Vance Municipal Bond I	0.92	0.92	0.00	1.15	0.14	-0.17	-0.002	0.95	-0.009	0.00000598	0.00094
Vanguard CA Tax-Free Ins L/T	0.91	0.91	0.00	1.22	0.00	-0.22	-0.007	0.96	-0.009	0.00000704	0.00093
Merrill Lynch Muni Natl A	0.96	0.96	0.00	1.08	0.00	-0.08	-0.004	0.97	-0.009	0.00000360	0.00091
Dreyfus Premier St Muni MI A	0.97	0.97	0.02	0.98	0.00	0.00	0.000	0.97	-0.009	0.00000306	0.00086
American Cent-Ben CA T/F Ling	0.93	0.93	0.05	1.09	0.00	-0.14	-0.004	0.96	-0.009	0.00000605	0.00080
Nonwest Advant Tax-Fr Inc A	0.94	0.94	0.06	0.86	0.00	0.08	-0.001	0.95	-0.007	0.00000504	0.00060
Parnassus Income CA Tax-Ex	0.95	0.95	0.00	1.14	0.00	-0.14	-0.004	0.97	-0.010	0.00000297	0.00060
Victory OH Municipal Bond	0.97	0.97	0.01	1.00	0.00	0.00	0.000	0.97	-0.009	0.00000252	0.00049
Scudder PA Tax-Free	0.98	0.98	0.00	1.06	0.00	-0.06	-0.005	0.99	-0.010	0.00000153	0.00020
Franklin PA Tax-Free Inc I	0.90	0.90	0.01	0.72	0.05	0.22	0.004	0.97	-0.002	0.00000184	0.00015
Van Kampen Am Cap T/F High A	0.77	0.77	0.01	0.73	0.12	0.14	0.002	0.79	-0.008	0.00001665	0.00002
Franklin MD Tax-Free Inc I	0.95	0.95	0.00	0.89	0.05	0.06	-0.002	0.96	-0.009	0.00000336	0.00001

NBT-004498

EXHIBIT 8

From: [REDACTED]
Sent: Friday, January 16, 2004 12:00 PM
To: [REDACTED]

Subject: RE: 2003 FCP Results

Attachments: Sales2003.xls

Sorry, it looks like there was an error in the Sales Summary. Here's a correct file.

[REDACTED]
Registered Principal
Office Manager/OSJ Operations Consultant
ING Sales & Marketing Office, G145
ING Financial Advisers, LLC
800 Troy-Schenectady Road
Latham, NY 12110-2455
Phone: [REDACTED]
Toll Free: [REDACTED]
Fax: [REDACTED]
e-mail: [REDACTED]

Insurance Affiliation: ING Life Insurance and Annuity Company
Securities Offered through ING Financial Advisers, LLC (member SIPC)

-----Original Message-----

From: [REDACTED]
Sent: Friday, January 16, 2004 11:50 AM
To: [REDACTED]
Subject: 2003 FCP Results

Attached is the 2003 FCP Sales Summary, Activity Reports & NYSUT Group Plan sales.

<< File: Sales2003.xls >> << File: 2003 [REDACTED] Activity.xls >> << File: 2003- [REDACTED] Activity.xls >> << File: 2003 [REDACTED] Activity.xls >> << File: 2003 [REDACTED] Activity.xls >> << File: NYSUT Group Plans 2003.xls >>

If you have any questions, please let me know.

Thanks.

[REDACTED]
Registered Principal
Office Manager/OSJ Operations Consultant
ING Sales & Marketing Office, G145
ING Financial Advisers, LLC
800 Troy-Schenectady Road
Latham, NY 12110-2455
Phone: [REDACTED]
Toll Free: [REDACTED]
Fax: [REDACTED]
e-mail: [REDACTED]

Insurance Affiliation: ING Life Insurance and Annuity Company
Securities Offered through ING Financial Advisers, LLC (member SIPC)

Financial Counseling Program
Sales Summary
01/01/2003 - 12/31/2003

Date	Planner	Product	Type	MF/Annuity	Stock	Acct Transfer	Annual Premium	Benefit	Client	Commission
6-Jan-03		Catastrophe Major Medical	NYSUT				\$220			\$100
10-Jan-03		Opportunity Plus	NYSUT - 403(b)	\$92,000						\$920
13-Jan-03		American Balanced Fund "C"	Investment - IRA	\$13,012						\$130
13-Jan-03		ING Variable Annuity	Annuity - IRA	\$65,776						\$4,111
14-Jan-03		Opportunity Plus	NYSUT - 403(b)	\$17,000						\$680
14-Jan-03		Opportunity Plus	NYSUT - 403(b)	\$15,000						\$600
17-Jan-03		In Person Consultation	Fee							\$100
21-Jan-03		Opportunity Plus	NYSUT - 403(b)	\$51,000						\$510
22-Jan-03		In Person Consultation	Fee							\$100
29-Jan-03		In Person Consultation	Fee							\$100
30-Jan-03		Opportunity Plus	NYSUT - 403(b)	\$42,000						\$420
30-Jan-03		Opportunity Plus	NYSUT - 403(b)	\$3,850						\$154
31-Jan-03		Met Life	NYSUT LTC							\$0
31-Jan-03		In Person Consultation	Fee							\$75
		January Total		\$299,638	\$0	\$0	\$220			\$8,000
3-Feb-03		Catastrophe Major Medical	NYSUT				\$65			\$100
3-Feb-03		ING Immediate Annuity	Annuity - IRA	\$25,000						\$1,000
3-Feb-03		Opportunity Plus	NYSUT - 403(b)	\$15,540						\$622
3-Feb-03		Opportunity Plus	NYSUT - 403(b)	\$35,724						\$357
4-Feb-03		Opportunity Plus	NYSUT - 403(b)	\$1,500						\$60
4-Feb-03		SAS II	Managed Acct	\$144,000						\$1,080
10-Feb-03		Opportunity Plus	NYSUT - 403(b)	\$4,550						\$182
10-Feb-03		Opportunity Plus - increase	NYSUT - 403(b)	\$1,313						\$53
10-Feb-03		Opportunity Plus - increase	NYSUT - 403(b)	\$7,917						\$317
10-Feb-03		Investment Co of America "A"	Investment	\$25,000						\$1,000
10-Feb-03		American Capital Income "A"	Investment	\$25,000						\$1,000
12-Feb-03		In Person Consultation	Fee							\$100
13-Feb-03		SAS II	Managed Acct	\$50,000						\$375
13-Feb-03		1st UNUM	NYSUT DI				\$1,524	\$3,450		\$122
14-Feb-03		American Mayflower	Term Life				\$87			\$39
19-Feb-03		American Mayflower	Term Life				\$360	\$250,000		\$162
20-Feb-03		Catastrophe Major Medical	NYSUT				\$237			\$100
20-Feb-03		American Mayflower	Term Life				\$655	\$100,000		\$295
20-Feb-03		American Mayflower	Term Life				\$306	\$200,000		\$138
20-Feb-03		American Mayflower	Term Life				\$452	\$200,000		\$203
21-Feb-03		Opportunity Plus - increase	NYSUT - 403(b)	\$1,050						\$42
24-Feb-03		Miscellaneous Stock	Equity			\$9,238				\$23
24-Feb-03		In Person Consultation	Fee							\$100
26-Feb-03		SAS II	Managed Acct	\$50,000						\$375
27-Feb-03		Miscellaneous Stock	Equity		\$4,131					\$80
28-Feb-03		In Person Consultation	Fee							\$100

**Financial Counseling Program
Sales Summary
01/01/2003 - 12/31/2003**

Date	Planner	Product	Type	IME/Annuity	Stock	Acct Transfer	Annual Premium	Benefit	Client	Commission
		February Total		\$386,594	\$4,131	\$9,238	\$3,686			\$8,024
		YTD Total		\$686,232	\$4,131	\$9,238	\$3,906			\$16,024
5-Mar-03		Opportunity Plus	NYSUT - 403(b)	\$1,100						\$44
11-Mar-03		Putnam Research Fund "B"	Investment - Roth IRA	\$3,500						\$140
17-Mar-03		1st UNUM	NYSUT DI				\$840	\$2,500		\$67
17-Mar-03		Opportunity Plus	NYSUT - 403(b)	\$525						\$21
17-Mar-03		Opportunity Plus	NYSUT - 403(b)	\$19,593						\$784
18-Mar-03		Term Life	NYSUT				\$112	\$200,000		\$150
18-Mar-03		Term Life	NYSUT				\$126	\$225,000		\$150
18-Mar-03		In Person Consultation	Fee							\$100
24-Mar-03		Term Life	NYSUT				\$128	\$250,000		\$150
24-Mar-03		Term Life	NYSUT				\$128	\$250,000		\$150
24-Mar-03		American Balanced Fund "B"	Investment - Roth IRA	\$1,750						\$70
24-Mar-03		American Capital Income "B"	Investment - Roth IRA	\$1,750						\$70
28-Mar-03		ING VA	Variable Annuity	\$229,358						\$14,334
28-Mar-03		SAS II	Managed Acct	\$122,772						\$921
		March Total		\$380,348	\$0	\$0	\$1,334			\$17,151
		YTD Total		\$1,066,580	\$4,131	\$9,238	\$5,240			\$33,175
2-Apr-03		Term Life	NYSUT				\$256	\$400,000		\$200
2-Apr-03		Term Life	NYSUT				\$96	\$150,000		\$150
3-Apr-03		In Person Consultation	Fee							\$100
3-Apr-03		American Mayflower	Term Life				\$594	\$300,000		\$267
3-Apr-03		American Mayflower	Term Life				\$430	\$300,000		\$194
10-Apr-03		The Growth Fund of America "B"	Investment - IRA	\$2,000						\$80
10-Apr-03		The Growth Fund of America "B"	Investment - IRA	\$2,000						\$80
10-Apr-03		In Person Consultation	Fee							\$100
16-Apr-03		American Mutual Fund "A"	Investment	\$3,000						\$150
16-Apr-03		American Capital Income Bldr "B"	Investment - Roth IRA	\$3,510						\$140
16-Apr-03		American Capital Income Bldr "B"	Investment - Roth IRA	\$2,300						\$92
17-Apr-03		1st UNUM	NYSUT DI				\$252	\$1,000		\$20
24-Apr-03		Opportunity Plus	NYSUT 403(b)	\$11,880						\$475
25-Apr-03		Opportunity Plus	NYSUT 403(b)	\$2,000						\$80
25-Apr-03		In Person Consultation	Fee							\$100
28-Apr-03		Catastrophe Major Medical	NYSUT				\$161			\$100
		April Total		\$26,690	\$0	\$0	\$1,789			\$2,329
		YTD Total		\$1,093,270	\$4,131	\$9,238	\$7,029			\$35,503

Financial Counseling Program
Sales Summary
01/01/2003 - 12/31/2003

Date	Planner	Product	Type	MF/Annuity	Stock	Acct Transfer	Annual Premium	Benefit	Client	Commission
6-May-03		Term Life	NYSUT				\$256	\$500,000		\$200
6-May-03		American Funds	Investment	\$160,000						\$4,000
8-May-03		In Person Consultation	Fee							\$100
8-May-03		ING Senior Income "A"	Investment - IRA	\$1,500						\$75
8-May-03		ING GNMA Income "A"	Investment - IRA	\$1,500						\$75
8-May-03		ING Russia Fund "A"	Investment - IRA	\$500						\$25
9-May-03		In Person Consultation	Fee							\$100
15-May-03		In Person Consultation	Fee							\$100
21-May-03		In Person Consultation	Fee							\$75
23-May-03		American Mayflower	Term Life				\$1,135	\$500,000		\$511
23-May-03		American Mayflower	Term Life				\$171	\$100,000		\$77
27-May-03		Putnam Funds	403(b)7			\$27,743				\$69
28-May-03		1st UNUM	NYSUT - DI				\$932	\$3,700		\$75
30-May-03		Term Life	NYSUT				\$51	\$100,000		\$100
30-May-03		Opportunity Plus	NYSUT 403(b)	\$30,000						\$1,200
		May Total		\$193,500	\$0	\$27,743	\$2,546			\$6,782
		YTD Total		\$1,286,770	\$4,131	\$36,981	\$9,575			\$42,285
2-Jun-03		Opportunity Plus	NYSUT - 403(b)	\$529						\$21
2-Jun-03		Opportunity Plus	NYSUT - 403(b)	\$86,677						\$867
3-Jun-03		American Mayflower	Term Life				\$1,014	\$300,000		\$456
5-Jun-03		Opportunity Plus	NYSUT - 403(b)	\$30,000						\$300
5-Jun-03		Term Life	NYSUT				\$132	\$75,000		\$100
9-Jun-03		John Hancock	LTC				\$983	\$163		\$737
9-Jun-03		John Hancock	LTC				\$1,291	\$163		\$968
10-Jun-03		Opportunity Plus	NYSUT - 403(b)	\$30,000						\$1,200
10-Jun-03		John Hancock	LTC				\$1,451	\$100		\$943
10-Jun-03		John Hancock	LTC				\$1,166	\$100		\$758
11-Jun-03		Calamos Growth & Income "A"	Investment	\$15,000						\$600
18-Jun-03		SAS II	Managed Acct	\$23,383						\$175
18-Jun-03		Miscellaneous Stock	Investment		\$1,460					\$40
19-Jun-03		Calamos Growth Fund "A"	Investment	\$5,500						\$100
19-Jun-03		Franklin NY Tax Free "A"	Investment	\$2,000						\$80
19-Jun-03		American Growth Fund "A"	Investment	\$2,500						\$275
19-Jun-03		In Person Consultation	Fee							\$100
26-Jun-03		SAS II	Managed Acct	\$146,314						\$1,097
26-Jun-03		Opportunity Plus	NYSUT - 403(b)	\$40,000						\$1,600
26-Jun-03		American Mayflower	Term Life				\$183	\$100,000		\$82
26-Jun-03		Opportunity Plus	NYSUT - 403(b)	\$1,100						\$44
27-Jun-03		ING Intermediate Bond "A" (NAV)	Investment - 403(b)7	\$12,670						\$32

**Financial Counseling Program
Sales Summary
01/01/2003 - 12/31/2003**

Date	Planner	Product	Type	M/E/Annuity	Stock	Acct Transfer	Annual Premium	Benefit	Client	Commission
27-Jun-03		ING High Yield Bond "A" (NAV)	Investment - 403(b)7	\$3,170						\$8
27-Jun-03		ING Value Opportunity "A" (NAV)	Investment - 403(b)7	\$7,600						\$19
27-Jun-03		ING Index Plus Sm Cap "A" (NAV)	Investment - 403(b)7	\$5,073						\$13
27-Jun-03		ING International "A" (NAV)	Investment - 403(b)7	\$3,160						\$8
		June Total		\$414,675	\$1,460	\$0	\$6,220			\$10,624
		YTD Total		\$1,701,446	\$5,591	\$36,981	\$15,795			\$52,909
3-Jul-03		ING Variable Annuity	Investment	\$33,000						\$2,062
14-Jul-03		John Hancock	LTC				\$1,159	\$869		\$869
14-Jul-03		John Hancock	LTC				\$1,540	\$1,155		\$1,155
16-Jul-03		Opportunity Plus	NYSUT - 403(b)	\$4,200		\$37,000				\$538
17-Jul-03		American Mayflower	Term Life				\$578	\$200,000		\$260
18-Jul-03		1st UNUM	NYSUT - Disability				\$512	\$2,000		\$36
18-Jul-03		Term Life	NYSUT - Term Life				\$104	\$200,000		\$150
18-Jul-03		1st UNUM	NYSUT - Disability				\$512	\$2,000		\$36
18-Jul-03		Term Life	NYSUT - Term Life				\$104	\$200,000		\$150
24-Jul-03		Various American Funds "A"	Investment	\$10,000						\$200
27-Jul-03		Opportunity Plus	NYSUT - 403(b)			\$50,000				\$500
28-Jul-03		Opportunity Plus	NYSUT - 403(b)	\$4,000						\$180
30-Jul-03		Opportunity Plus	NYSUT - 403(b)			\$190,000				\$1,900
31-Jul-03		Opportunity Plus	NYSUT - 403(b)	\$4,400						\$176
31-Jul-03		In Person Consultation	Fee							\$250
31-Jul-03		American Balanced Fund "B"	Investment	\$3,500						\$140
		July Total		\$26,100	\$0	\$277,000	\$4,509			\$6,520
		YTD Total		\$1,727,546	\$5,591	\$313,981	\$20,304			\$58,429
6-Aug-03		In Person Consultation	Fee							\$100
6-Aug-03		Catastrophe Major Medical	NYSUT				\$122			\$100
6-Aug-03		In Person Consultation	Fee							\$75
7-Aug-03		American High Income "A"	Investment	\$6,700						\$318
7-Aug-03		Income Fund of America "A"	Investment	\$10,100						\$480
7-Aug-03		Growth Fund of America "A"	Investment	\$6,700						\$318
7-Aug-03		Calamos Growth Fund "A"	Investment	\$6,700						\$318
7-Aug-03		Calamos Growth & Income "A"	Investment	\$3,300						\$157
8-Aug-03		TR Russell 3000 Value Index "I shrs"	Investment	\$9,800						\$81
8-Aug-03		TR S&P 500 Index "I shrs"	Investment	\$9,913						\$55
14-Aug-03		American Mayflower	Term Life				\$860	\$200,000		\$387
19-Aug-03		Opportunity Plus	NYSUT - 403(b)	\$2,000						\$80
20-Aug-03		Opportunity Plus	NYSUT - 403(b)	\$11,000						\$440
21-Aug-03		Opportunity Plus	NYSUT - 403(b)			\$26,000				\$260

**Financial Counseling Program
Sales Summary
01/01/2003 - 12/31/2003**

Date	Planner	Product	Type	MF/Annuity	Stock	Asset Transfer	Annual Premium	Benefit	Client	Commission
26-Aug-03		Miscellaneous Stock	Equity		\$14,256					\$150
28-Aug-03		In Person Consultation	Fee							\$100
		August Total		\$66,213	\$14,256	\$26,000	\$982			\$3,419
		YTD Total		\$1,793,759	\$19,847	\$339,981	\$21,286			\$62,848
2-Sep-03		Multiple Funds	Investment			\$48,405				\$121
3-Sep-03		Miscellaneous Stock	Equity		\$1,598					\$40
5-Sep-03		Lincoln Life & Annuity	Term Life				\$494	\$500,000		\$222
5-Sep-03		Lincoln Life & Annuity	Term Life				\$226	\$400,000		\$102
5-Sep-03		Calvert Social Index "A"	Investment	\$1,000						\$48
10-Sep-03		Miscellaneous Stock	Equity		\$184,204					\$0
12-Sep-03		American Mayflower	Term Life				\$534	\$300,000		\$240
12-Sep-03		American Mayflower	Term Life				\$438	\$50,000		\$197
15-Sep-03		Catastrophe Major Medical	NYSUT				\$244			\$100
24-Sep-03		In Person Consultation	Fee							\$100
26-Sep-03		Miscellaneous Stock	Equity		\$14,336					\$0
30-Sep-03		American Mayflower	Term Life				\$648	\$500,000		\$292
		September Total		\$1,000	\$200,138	\$48,405	\$2,584			\$1,462
		YTD Total		\$1,794,759	\$219,985	\$388,386	\$23,869			\$64,309
1-Oct-03		Franklin NY Tax Free "A"	Investment	\$3,000						\$120
1-Oct-03		S&P 500 I Shares	Investment	\$3,991						\$54
1-Oct-03		Income Fund of America "A"	Investment	\$6,000						\$300
1-Oct-03		American High Inc Trust "A"	Investment	\$2,000						\$60
3-Oct-03		Growth Fund of America "A"	Investment	\$15,000						\$750
3-Oct-03		Calamos Growth "A"	Investment	\$5,000						\$200
3-Oct-03		Calamos Growth & Income "A"	Investment	\$2,500						\$100
3-Oct-03		American High Inc Trust "A"	Investment	\$7,500						\$225
9-Oct-03		American Mayflower	Term Life				\$957	\$300,000		\$431
10-Oct-03		In Person Consultation	Fee							\$100
16-Oct-03		Opportunity Plus	NYSUT 403(b)	\$8,000						\$320
		October Total		\$62,991	\$0	\$0	\$957			\$2,660
		YTD Total		\$1,847,750	\$219,985	\$388,386	\$24,826			\$66,969
3-Nov-03		Opportunity Plus	NYSUT - 403(b)	\$10,800						\$108
4-Nov-03		SAS II	Investment	\$32,838						\$246
11-Nov-03		Opportunity Plus	NYSUT - 403(b)			\$100,000				\$1,000
13-Nov-04		In Person Consultation	Fee							\$100
18-Nov-03		Catastrophe Major Medical	NYSUT				\$195			\$100
18-Nov-03		1st UNUM Disability	NYSUT				\$529	\$1,500		\$42

Financial Counseling Program
Sales Summary
01/01/2003 - 12/31/2003

Date	Planner	Product	Type	MF/Annuity	Stock	Accl Transfer	Annual Premium	Benefit	Client	Commission
		November Total		\$43,638	\$0	\$100,000	\$724			\$1,596
		YTD Total		\$1,891,388	\$219,985	\$488,386	\$25,551			\$68,565
10-Dec-03		In Person Consultation	Fee							\$100
		December Total		\$0	\$0	\$0	\$0			\$100
		YTD Total		\$1,891,388	\$219,985	\$488,386	\$25,551			\$68,665

Financial Counseling Program
 Sales Summary
 01/01/2003 - 12/31/2003

Opp+ Reg	System #mt	Split Code / Notes
		113-594
		100% commissions to 
		100% commissions to 
		100% commissions to 
		100% commissions to 
		100% commissions to 
		113-595
		100% commission to 
		113-450
		113-450
		100% commissions to 
		113-595
		113-595
		113-595
		T14
		100% commissions to 
		100% commissions to 
		113-450
		100% commissions to 
		100% commissions to 
		100% commissions to 
		113-595
		113-595
		113-595
		113-590
		113-590
		113-590
		50/50 
		113-594
		S52
	3S9	
	3S9	
	100% commissions to 	
	113-595	
	113-595	
	113-590	
	113-595	
	113-595	

FOIA/FOIL CONFIDENTIAL TREATMENT REQUESTED

INGGrAE0084603

Financial Counseling Program
 Sales Summary
 01/01/2003 - 12/31/2003

Opp+ Rep	System, Pmt	Split Code / Notes
		L33
		S43
		113-590
		T43 (100% commissions to [redacted])
		S42 (100% commissions to [redacted])
		113-595
		113-595
		113-595
		113-595
		113-594
		113-594
		113-590/109-178
		113-590
		113-590
		113-590
		113-590
		T14
		T14
		113-594
		113-594
		113-590
		113-450
		T14
		T14
		113-594
		L33 (100% commissions to rep)
		S55
		113-599
		113-595

FOIA/FOIL CONFIDENTIAL TREATMENT REQUESTED

INGGrAE0084604

Financial Counseling Program
 Sales Summary
 01/01/2003 - 12/31/2003

Opp+ Rep	System, Pmt	Split Code / Notes
		113-594
		S43
		113-595
		S43
		S43
		S43
		113-450
		113-599
		113-595
		S55
		S55
		S43
		113-599
		113-594
		100% commissions to [REDACTED]
		S55
		S43
		T14
		100% commissions to [REDACTED]
		113-594
		L21
		L21
		L32
		S54
		S54
		R75
		1S5
		B70
		R75
		113-450
		1S5
		T14
		S55
		S43

FOIA/FOIL CONFIDENTIAL TREATMENT REQUESTED

INGGrAE0084605

Financial Counseling Program
 Sales Summary
 01/01/2003 - 12/31/2003

Opp+ Rep	System, Print	Split Code / Notes
		S43
		113-590
		S43
		S52
		113-594
		113-594
		113-594
		113-594
		S43
		100% commissions to [REDACTED]
		100% commissions to [REDACTED]
		113-599
		S55
		113-450
		113-594
		113-594
		4S0
		113-450
		113-450
		T14

Financial Counseling Program
 Sales Summary
 01/01/2003 - 12/31/2003

Opp+ Rep	System Fmt	Split Code / Notes
[REDACTED]		B70
		113-599
		47B
		B70
		3S8
		3S8
		S43
		S42
		T14
		T14
		113-594
		113-599
		S42
		55P
		4S0
		R75
		T14
		4S0 (100% to Opp+ rep)
		100% commissions to reps
	113-594	
	113-594	

FOIA/FOIL CONFIDENTIAL TREATMENT REQUESTED

INGGrAE0084607

Financial Counseling Program
Sales Summary
01/01/2003 - 12/31/2003

Opp+ Rep	System. Print	Split Code / Notes

EXHIBIT 9

[Printable Version](#)

NYSUT Financial Building Blocks®

Educational workshops

[Overview](#)[How to participate](#)[Benefits and programs for NYSUT members](#)[Workshop descriptions](#)[Cost](#)[Attention: Local presidents and chapter leaders](#)

Overview

Someone once said that the average person spends more time planning an annual vacation than planning for his or her financial future. Why? Probably because planning a vacation is fun while planning for your financial life can be stressful. Financial Building Blocks® takes away the stress by providing an easy "first step" whether you're just starting out, established in your career or retired.

NYSUT Benefit Trust and ING Financial Advisers, LLC (member SIPC) specifically developed Financial Building Blocks for NYSUT members and agency fee payers. **The program now offers increased flexibility with an array of shorter programs on more specific topics** – you can schedule a single workshop at a time or consider developing a schedule that offers a series of continuing education.

These educational programs are scheduled by local leaders for their members. Workshops are presented by Certified Financial Planners dedicated to providing unbiased information pertaining to an array of personal financial topics. There's *no* sales pitch – they do *not* promote specific products or services. The purpose of these programs is to provide reliable financial information. During these interactive sessions, the presenters will serve as a technical resource, available to assist members with any questions.

Additional assistance is available through the Financial Counseling Program. Information on this program will be presented at the workshop. Individuals will have the ability to take a Financial Counseling Program brochure to enroll in the program, if they wish to seek additional financial assistance. The annual fee for the Financial Counseling Program is waived for Opportunity Program participants who maintain a balance in their Opportunity Program account(s). This Opportunity Program enhancement is provided courtesy of NYSUT Member Benefits.

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How to participate

Ask your local president or chapter leader to call NYSUT Member Benefits at **800-626-8101** about hosting a Financial Building Blocks seminar for you and your

colleagues. Local Leaders that wish to inquire about scheduling a seminar, or to ask any questions, can also [e-mail us](#).

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Benefits and programs available to NYSUT members

All programs include a discussion pertaining to NYSUT Member Benefits programs and services. Members may request additional information directly from Member Benefits by submitting an easy-to-complete checklist indicating the programs of interest.

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Workshop descriptions

General overview program

The "traditional" three-hour program provides an overview of Financial Education. Seminar topics include Cash Management, Insurance/Risk Management, Investments, Education Funding, Retirement and Tax Planning as well as Estate and Gifting concepts. This seminar has been well received by many locals over the past several years — a perfect way to introduce a basic overview of financial concepts. ***Highly recommended for locals that have not previously offered this program.***

Specific Topic Workshops

Financial Building Blocks now offers the following 1½ hour sessions (allocated time can be slightly adjusted to best meet the needs of your membership):

- **Asset Allocation:** Details the basic concepts of achieving a well-balanced investment portfolio by using portfolio diversification and reallocation. A discussion on the risks of market timing will also be covered. Members will enjoy a light snack. **This workshop is recommended for all members.**
- **Cashflow Management and Pre-retirement Savings Goals/Education Funding:** Just starting out or perhaps starting over? This workshop will review the basics of budget planning — how to develop short- and long-term goals, and how to develop a saving strategy designed to reach these goals — as well as discuss the advantages of pre-tax savings with tax-deferred growth (advantages of 403(b) investments), and other saving strategies. Education funding vehicles and advantageous income tax opportunities are explored. **This program is highly recommended for new members and individuals who may have had a recent life-changing event (i.e., career change, marriage, divorce, family death).**
- **Investment Planning and Strategies:** What are your reactions to changes in financial markets? Determining your personal risk tolerance is an important step that can assist you in selecting the type of investments that may best meet your needs. This session will provide you with definitions of the various asset classes and compare the levels of relative risk associated with investments in these asset classes. The program also will cover strategies for investing (including how to structure your investments among accounts with various tax implications), Tax-Deferred Annuities [403(b)], IRAs, Roth IRAs and other types of funding vehicles. **This program is designed to meet everyone's needs...for the first time**

investor and for the more experienced investor!

- **New Directions:** This 30-minute program details basic investment concepts in a quick overview. This workshop can be added to an orientation or in-service program agenda for new members, or as a single brief introduction to investing. **This workshop is recommended for members just beginning or re-entering their careers. Note: NYSUT Member Benefits has waived the \$10 registration fee.**
- **Retirement Planning:** Do you know how much money you will need in retirement and how long your savings will last? Developing solid retirement goals is the first step to developing a retirement income plan. This workshop reviews factors that will assist you in determining what level of income you will need during retirement to meet your needs and explains various types of retirement distribution strategies. Increased limits on your pre-tax investments will be covered, including opportunities to increase investments in your 403(b) and/or IRA accounts prior to your retirement date. The session will also discuss the structuring of beneficiary designations, income tax issues pertaining to various types of plans, required minimum distributions and potential tax penalties. **This program can provide assistance to any member planning to retire at some point, and is especially beneficial to members within five years of potential retirement.**
- **Tax Planning/Understanding Estate Planning/Long-Term Care:** Are you aware of the details on the recent tax legislation changes? This seminar presents an overview of the new personal income, gift and estate tax rules and covers the increased contribution limits for retirement saving vehicles. There will be a discussion of how to structure your current savings to decrease the tax impact to your heirs. The session will also deal with structuring your asset ownership and planning your beneficiary designations for your heirs to take full advantage of flexibility and planning opportunities under the tax law. The program includes a review of important testamentary documents including your will, the uses of trusts, living wills, powers of attorney and health care proxies. Various types of testamentary plans will be reviewed. Considerations necessary when deciding if you need asset protection through long-term care insurance will be discussed. **Program beneficial to all members.**

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Cost

There is a registration fee of \$10 for each member (**the \$5 fee for a non-member guest has been eliminated**). The fee helps cover the cost of materials, the presenter and food. Each member will receive workbooks containing practical information and exercises. Note: The \$10 fee is waived for the New Directions seminar.

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Attention: Local Presidents and Chapter Leaders

We value your time and want to make your experience with Financial Building Blocks a positive one. If you reserve a date for a seminar, we will make certain that:

- Personalized invitations on your local's stationery are prepared by seminar coordinators and mailed to your members' addresses of record.
- Seminar coordinators process registrations daily and maintain up-to-the-minute registration lists.

- Catering arrangements are made with the caterer of your choice or a comparable alternative. The light buffet generally includes cold cuts, salads, bread and rolls, beverages and a dessert.
- The seminar leader will call you a few days before the seminar to discuss attendance and any special seminar content you feel important.

Your "responsibilities" are only to:

- Reserve a room with a projection screen for the seminar.
- Mail in a piece of your stationery and your signature.
- **Enthusiastically** support the program! Consider using the posters and mailbox stuffers we have available.

ING does not offer tax advice. Please consult a tax adviser or attorney before making a tax-related investment/insurance decision.

Insurance products are offered through ING Life Insurance and Annuity Company (ILIAC), 151 Farmington Avenue, Hartford, Connecticut 06156. Securities are offered through ING Financial Advisers, LLC (member SIPC) and other broker/dealers with which it has agreements. Custodial services are offered through ING National Trust. These companies are wholly owned subsidiaries of ING Groep N.V. Products and services may not be available in all states.

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EXHIBIT 10

From: [REDACTED]
Sent: Friday, January 16, 2004 11:21 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: CRM Bonus Adjustments

Importance: High

[REDACTED] and [REDACTED] played an major role in the success of Long Island far exceeding their sales & asset retention goals.

[REDACTED] was actively involved in the solicitation and and support of the Early Retirement Incentive Program, allowing Long Island to far surpass their sales goals. He worked closely with his RM, many nights and weekends, proactively seeking out opportunities by discussing benefits and incentives with NYSUT Local Presidents. In addition, [REDACTED] presented many Retirement Income seminars at NYSUT Locals, using it as a "foot in the door" to promote the Early Retirement Incentives using ING. He has built strong relationships with key NYSUT leaders in Long Island, which will lead to future opportunities for this region.

In addition to Long Island's success, [REDACTED] also was part of Albany exceeding their goals as well. She has been a major player in supporting Opportunity Plus agents by providing top-of-the-line financial planning to participants who were at high risk of moving their assets. 75% of the financial plans she delivered were for Opp+ participants. [REDACTED] has received many acknowledgements from agents for referring new participants to them to enroll into Opp+. [REDACTED] continues to work digiliently with agents to determine where she can solicit ING in areas in which the agents need access. She is considered the "senior" financial planner and is always used by management as a resource. [REDACTED] is always willing to assist management and/or NYSUT in any way necessary to achieve results. [REDACTED] knowledge, skills and demeanor are some of the reasons why NYSUT specifically request that [REDACTED] participate in presenting to their members at Conferences and Regional Meetings.

Both of their RM's requested a rating of 1 for [REDACTED] & [REDACTED]. With the limited number of 1 ratings, they were bumped down to a 2. Since their accomplishments could not be accurately recognized in their rating, we would like to recognize them in their bonus.

Thanks for considering this. We really appreciate it.

[REDACTED]
Registered Principal
Office Manager/OSJ Operations Consultant
ING Sales & Marketing Office, G145
ING Financial Advisers, LLC
800 Troy-Schenectady Road
Latham, NY 12110-2455
Phone: [REDACTED]
Toll Free: [REDACTED]
Fax: [REDACTED]
e-mail: [REDACTED]

Insurance Affiliation: ING Life Insurance and Annuity Company
Securities Offered through ING Financial Advisers, LLC (member SIPC)

-----Original Message-----

From: [REDACTED]
Sent: Friday, January 16, 2004 09:59 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: CRM Bonus Adjustments

Thanks [REDACTED]...we need comments provided to support any bonus ratings of 1...thanks.

[REDACTED]
Registered Representative
ING Financial Advisers, LLC
440 S. Warren Street Suite 603
Syracuse, NY 13202
Ph. [REDACTED]
Fx. [REDACTED]

Effective 9/8/03 my new email address is [REDACTED]

Member SIPC

-----Original Message-----
From: [REDACTED]
Sent: Friday, January 16, 2004 9:58 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: CRM Bonus Adjustments
Importance: High

Hi [REDACTED]
[REDACTED] and I discussed what adjustments we would like to make, if possible. Here's how the planners stand as far as recommended Y/E ratings:

[REDACTED] = 2
[REDACTED] = 2
[REDACTED] = 3
[REDACTED] = 3
[REDACTED] Position terminated, but is to receive a prorated bonus since termination was after October cutoff.

We would like the bonuses to be calculated as if the ratings were as follows:

[REDACTED] = 1
[REDACTED] = 1
[REDACTED] = 3
[REDACTED] = 3
[REDACTED] = take the adjustment amount of the increased bonus to [REDACTED] from [REDACTED] bonus.

If this could be done, that would be great.

Please let us know.

[REDACTED]
Registered Principal
Office Manager/OSJ Operations Consultant
ING Sales & Marketing Office, G145
ING Financial Advisers, LLC
800 Troy-Schenectady Road
Latham, NY 12110-2455
Phone: [REDACTED]
Toll Free: [REDACTED]
Fax: [REDACTED]
e-mail: [REDACTED]

Insurance Affiliation: ING Life Insurance and Annuity Company
Securities Offered through ING Financial Advisers, LLC (member SIPC)

EXHIBIT 11

From: [REDACTED]
To: MB Staff
Date: 2/5/2001 10:18:10 AM
Subject: FBB

Please make a note of the following: **When we get calls for Financial Building Blocks, please transfer them directly to [REDACTED] at 6711 or [REDACTED] at 6717.**

The reason is that everyone else over in Aetna answers the phone "ING-Aetna," and we say that FBB is NYSUT's program with no sales agenda. We don't want the local leader to get the wrong idea right off the bat. [REDACTED] and [REDACTED] answer the phones with their names, not Aetna.

Thank you.

EXHIBIT 12



159 Wolf Road, Box 15008, Albany, NY 12212-5008 ■ Phone: 518-459-5400 ■ Internet: www.nysut.org

New York State United Teachers

Thomas Y Hobart, Jr., *President*
Alan B. Lubin, *Executive Vice President*
Antonia Cortese, *First Vice President*
Walter E. Dunn, Jr., *Second Vice President*
Fred Nauman, *Secretary-Treasurer*

5/10 [redacted] ORIGINAL REQUEST TO [redacted]

February 17, 2000

2/17 [redacted] [redacted]

Mr. [redacted]

[redacted]

Dear [redacted]

Enclosed for your review and comment is a list of funds that Aetna has assembled for NYSUT's new 403(b)(7) custodial program. The program is a complement to the NYSUT endorsed Opportunity Plus 403(b) program (the full service program).

Aetna is ready to roll out the product on March 1st, but will await NYSUT's approval of the fund list. The program is designed for "do-it-yourself" investors who feel that the cost of the full service program is too high. It is the hope of Aetna and the NYSUT Benefit Trust trustees that this program will assist in retaining the 5%-6% of assets that are being lost to lower cost competitors each year.

The major differences between the two programs will be the omission of a fixed account in the 403(b)(7) product, the inability to borrow from the 403(b)(7) program, and the absence of a registered representative on site to service the account. Inquiries will be handled via an 800-phone number. Information on the current full service program is included.

Many of the funds listed are also offered in the Opportunity Plus product. However, not all of the funds are the same in the two products.

In addition to the standard measures (fund size, performance, volatility, manager name, portfolio composition, etc.), please provide a style analysis of the offerings in order to identify diversity and completeness of investment choices.

If you have any questions or need further information feel free to contact me on extension [redacted]

Sincerely,

NBT-005308

[redacted signature]

Accounting & Finance

Cc: [redacted]

RECEIVED
MAY 10 2000
OFFICE OF THE CONTROLLER
OFFICE OF THE CONTROLLER

United Teachers

Affiliated with the American Federation of Teachers, AFL-CIO
Representing teachers and other professionals, school-related personnel, higher education professionals, health care professionals, and retirees

EXHIBIT 13

**AMENDMENT
MARKETING AND ADMINISTRATION AGREEMENT**

This amendment to the Marketing and Administration Agreement ("Amendment") is made effective as of January 1, 2001 (the "Effective Date"), by and between Aetna Life Insurance and Annuity Company ("ALIAC"), an insurance corporation organized and existing under the laws of the State of Connecticut, and the NYSUT Benefit Trust ("Trust"), a trust organized and existing under the laws of the State of New York and operating for the benefit of the members and agency fee payers of the New York State United Teachers ("NYSUT").

WHEREAS, ALIAC and the Trust have previously entered into a Marketing and Administration Agreement dated February 2, 2000 ("Agreement"); and

WHEREAS, the parties desire to amend the Agreement as provided herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Section 2.04 is amended to add the following at the end of such Section:

"ALIAC will contribute to the cost incurred by the Trust in retaining six individuals employed by the Trust to assist in management of the Program up to a maximum of one hundred thousand dollars (\$100,000.00) per individual for the first year of employment. ALIAC shall make its payments to such cost incurred by the Trust on a quarterly basis within thirty (30) days of receiving an invoice from the Trust. ALIAC shall have the right to participate in the selection process for these positions and the persons selected shall be mutually agreed upon by ALIAC and the Trust. Responsibilities of this position shall include acting as liaison between ALIAC and the Trust, and overseeing on behalf of the Trust all aspects of the ALIAC programs and services sponsored by the Trust, including Opportunity Plus, Financial Building Blocks Financial Counseling Program, Variable Universal Life, Lifestyle Security Protection and Survivor Support. Contributions after the first year of employment shall be determined by mutual agreement. The parties will meet in May of each year, beginning May 2002 to reach agreement on such further contributions in order to include any agreed upon contributions in the June budgeting process. Any further contributions agreed upon will be effective September 1 of that year."

2. A new Section 4.14 and new Section 4.15 are added to the Agreement as follows:

"4.14 Employer Contribution Contract: ALIAC will offer to eligible School Districts ("School Districts") an additional group annuity contract which will be a fixed product allowing employer contributions and in which the employees of participating School Districts will be automatically enrolled ("Employer Contribution Contract"). In the event a School District elects to offer the Employer Contribution Contract and selects ALIAC as the exclusive provider of a 403(b) Plan, or 401(a) Plan as appropriate, allowing employer contributions, then ALIAC will make available, either directly or through another entity, common remitter services to such School District at no additional charge to such School

District. The terms and conditions of the Employer Contribution Contract shall be mutually agreed upon by the Trust and ALIAC. ALIAC will be the sole carrier offering this type of product sponsored by the Trust.

"4.15 Supplemental Life Insurance Program: The Trust and ALIAC agree that ALIAC will develop a new group life insurance policy to take the place of the current Policy, as defined in the Marketing and Administration Agreement for the Supplemental Variable Universal Life Insurance Program between the parties ("Life Program Agreement"). Such new life insurance policy will be consistent with typical group life insurance policies, and take advantage of current features and administrative capabilities, available from ALIAC's affiliated insurers in the ING Group of companies. The payments currently made by ALIAC to the Trust under the Life Program Agreement will remain unchanged."

3. Section 5.7 Common Remitter, is amended to add "On or before March 31, 2002," at the beginning of the Section.

4. Section 7.02 Payment to Trust, is deleted in its entirety and replaced by the following:

"7.02 Payment to Trust: While this Agreement is in effect, ALIAC will pay the Trust the following amounts during the term of the Agreement, which amounts the Trust will utilize to enhance benefits to participants in Trust sponsored programs:

(a) ALIAC will pay the Trust the following amounts during the indicated calendar year:

Year 2001: \$1,252,000.00
Year 2002: \$1,352,000.00
Year 2003: \$1,502,000.00
Year 2004: \$1,652,000.00
Year 2005: \$1,802,000.00
Year 2006: \$1,802,000.00

These amounts will be paid in pro-rated installments within thirty (30) days of the end of each calendar quarter for the preceding quarter during which this Agreement is in effect.

(b) In years 2005 and 2006, in addition to the amounts in Section 7.02(a), ALIAC will pay the Trust an amount equal to a percentage of the aggregate assets in the Modal, Single Premium and New Modal contracts referenced in Section 2.01 of this Agreement, the Voluntary 403(b)(7) Option referred to in Section 4.12 of this Agreement, and the Employer Contribution Contract referred to in Section 4.14 of this Agreement ("Program Assets"), as follows:

Year 2005: 3.1 basis points of Program Assets
Year 2006: 4.2 basis points of Program Assets

Program Assets shall be determined as of December 31st of the year prior to the year in which payment under this Section 7.02(b) is to be made, and the amounts will be paid in four

installments within thirty (30) days following the end of each calendar quarter of the year in which the payment is due while this Agreement is in effect. It is understood that ALLIAC shall be obligated to make such payments under this Section 7.02(b) only to the extent permitted by, and in compliance with, applicable laws. The Trust shall be responsible, with ALLIAC's cooperation and assistance, for obtaining any licenses, registrations or other authorizations, and for maintaining compliance with applicable laws. In the event such payments can not lawfully be made, then ALLIAC and the Trust agree to negotiate in good faith a form of payment that meets the intent of the parties to provide the Trust reasonable compensation under the Agreement."

5. Section 9.01 Effective Date – Term of Agreement is deleted in its entirety and replaced by the following:

"9.01 Term and Termination:

(a) This Agreement shall be in effect until December 31, 2006. This Agreement may be terminated as of December 31, 2006, by either the Trust or ALLIAC by either party giving the other party prior written notice by January 1, 2006, of its intention not to renew the Agreement for the subsequent calendar year. Unless such notice is given, the Agreement will be renewed automatically for a period of one year on the same terms and conditions as set forth in this Agreement, including, without limitation, the payment terms for the year 2006 set forth in Section 7.02(a) and (b) of this Agreement. Thereafter, the Agreement will automatically renew each successive year on the same terms and conditions unless written notice of termination is provided by one party to the other by January 1 of the preceding year.

(b) In the event of a Change of Control, as defined in Section 9.01(d) below, the Trust may elect to terminate this Agreement if in its reasonable judgment it is in the best interests of the Trust and the School Districts. In the event the Trust elects to terminate the Agreement due to a Change of Control, the Trust will give ALLIAC ninety (90) days prior written notification of such election ("Election Notice"). In that case, if the Change of Control giving rise to the Election Notice occurs in the year 2001, 2002, or 2003, ALLIAC shall have the right to elect to make a payment ("Continuation Payment") and continue the Agreement according to its terms and conditions. The Continuation Payment shall be three million dollars (\$3,000,000.00). ALLIAC shall provide written notice to the Trust of its election to continue the Agreement within ninety (90) days of the date of the Election Notice and, if ALLIAC elects to continue the Agreement, will make the continuation payment within one hundred twenty (120) days of the date of the Election Notice. If the Change of Control giving rise to the Election Notice occurs after 2003, then the terms of this Agreement shall be renegotiated at that time.

(c) In the event ALLIAC does not elect to make the Continuation Payment under Section 9.01(b), and the Agreement is terminated, then for a period of two (2) years following such termination, ALLIAC will not actively solicit any School District that is not, nor individual participant who is not, a participant in the Program as of the effective date of such termination to purchase or participate in a tax deferred 403(b) group annuity contract issued by ALLIAC.

(d) For purposes of this Section 9.01, a Change of Control shall mean (i) other than to, by or with any entity listed on Attachment 1 hereto or any new entity resulting from the combination of the businesses of ALLIAC and/or of any entity listed on Attachment 1 (collectively, "Permitted Affiliates"), any sale of all or substantially all of the capital stock of ALLIAC, change of all or substantially all of the ownership in ALLIAC, the sale of all or substantially all of the assets of ALLIAC, a merger or consolidation of ALLIAC, or any other event caused by ALLIAC or by an affiliate of ALLIAC which results in the transfer of all or substantially all of the assets or business of ALLIAC; or (ii) the transfer of the Program to any entity other than a Permitted Affiliate. Reference to ALLIAC in this Section 9.01(d) and in the third sentence of Section 9.09 of the Agreement shall be construed to also include ALLIAC's ultimate parent ING Groep, N.V.

(e) In the event of the termination of this Agreement pursuant to this Section 9.01, then ALLIAC will cooperate with and provide reasonable assistance to the Trust in transferring administration of the Program in a timely and orderly manner to a successor Trust sponsored provider. ALLIAC and the Trust will make best efforts to transfer administration of the Program within ninety (90) days of termination to the extent within control of the respective parties and permitted by law."

6. The second and third sentences of Section 9.09 Non-Assignability are deleted and replaced by the following:

"This Agreement shall not be assigned or transferred by either the Trust or ALLIAC without the prior written approval of the non-assigning or non-transferring party except that ALLIAC may assign or transfer this Agreement to any Permitted Affiliate without the Trust's consent. For purposes of this provision, any sale of all or substantially all of the capital stock of ALLIAC, change of all or substantially all of the ownership in ALLIAC, the sale of all or substantially all of the assets of ALLIAC, a merger or consolidation of ALLIAC, or any other event caused by ALLIAC or by an affiliate of ALLIAC which results in the transfer of all or substantially all of the assets or business of ALLIAC to any other person or entity shall be governed by the terms of Section 9.01."

7. To the extent permitted by law and company privacy policies promulgated thereunder, ALLIAC shall furnish to the Trust, on a monthly basis, demographic files containing for each Program participant: name, address, date of birth, social security number, status codes (active or inactive), contract effective date, contract termination date and type of plan (403(b)(1), or 403(b)(7) or both). To the extent practicable, ALLIAC shall utilize a secured Internet site for this purpose.
8. It is understood and agreed that consistent with Section 4.05 of the Agreement, effective February 15, 2002, the M&E Charge will be reduced to 1.00% and shall remain at 1.00% through the year 2006.
9. ALLIAC shall notify the Trust within sixty (60) days of the time that either of the following key personnel ceases to provide services in connection with the Agreement on behalf of ALLIAC:

<u>Name</u>	<u>Title</u>
[REDACTED]	Field Vice President
[REDACTED]	Managing Director

ALIAC will replace these individuals with personnel with substantially similar qualifications to be approved by the Trust. Such approval will not be unreasonably withheld.

10. Except as expressly amended by this Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this Amendment effective as of the date first shown above.

AETNA LIFE INSURANCE AND ANNUITY COMPANY

By: [REDACTED]
Title: Senior Vice President
Date: 10/22/01

NYSUT BENEFIT TRUST

By: [REDACTED]
Title: Chair
Date: 10/22/01

EXHIBIT 14

XI

From: [REDACTED]
To: [REDACTED]
Date: 5/7/2003 9:56:43 AM
Subject: 403(b) sheltering proposal

Hi [REDACTED]

I understand you have some questions regarding the proposal. I'd be happy to fax you a copy of the materials I handed out...please send me your fax number, and I'll get it on its way to you this afternoon. (I would e-mail it to you, but not everything is e-mailable.) I'm also including my phone number below...once you have read the materials, please don't hesitate to contact me if you have any remaining questions or concerns.

You might also wish to send me a regular mail address, and I'll be happy to obtain and forward you a copy of ING's prospectus for their Opportunity Plus program. I understand one of your questions regarded the cost structure, which is one of the strengths of the program. There are no upfront sales charges, no declining sales charges, no annual account fees, no penalty fees for early withdrawal, no "hidden" charges whatsoever for ING's NYSUT clients. There are mortality & expense fees, which are spelled out in the prospectus, and which are a part of literally every annuity product available. From what I have seen, these costs are extremely competitive with those of other financial providers. When you begin to examine ING's cost structure vs. other available 403(b) products, it becomes easy to see why we have endorsed them for so many years.

A final note, which I hope I made clear at the meeting, but which I would like to reiterate here: I work for NYSUT Member Benefits, not ING. My pay is not tied in any way to ING. Whether or not NYSUT members choose to use ING, or remain with ING, has no bearing whatsoever on my compensation. My sole interest is to maximize this benefit for NYSUT members, who are the only people I ultimately need to answer to.

Again, please let me know at your earliest convenience where I can fax and mail to you the materials discussed above, and don't hesitate to contact me at the number below if you have any questions or concerns whatsoever.

Best regards,

[REDACTED]

[REDACTED]
Regional Coordinator of Financial Services
New York State United Teachers
Elmsford Regional Office
[REDACTED]

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CC:

[REDACTED]

EXHIBIT 15

From: Lynette Metz{PRIVATE }
To: [REDACTED]
Date: 2/12/2002 10:25:48 AM
Subject: Re: Mid-Hudson assistance

I'll speak with [REDACTED] and [REDACTED] about thsi today.

>>> [REDACTED] 02/11/02 11:45AM >>>
I spoke with [REDACTED] on Friday.

Basically in all three cases he feels there is a lack of union support for the NYSUT endorsed product (Opportunity Plus). There doesn't appear to be any restrictive district policies in place. However, the unions are not allowing:

[REDACTED] - No daytime access

[REDACTED] - No Access to schools but union allows use of office which is 15 minutes away from schools which severely limits the ING agents.

[REDACTED] President is client. Polite relationship but not overly supportive. Tends to brush-off matters regarding access/meetings.

At our meeting we discussed coming up with marketing plans for different situations. I can certainly speak with the LRS's and maybe coordinate a lunch with Local leaders, ING Agent and LRS to try and improve relationships. I'm not sure what kind of support I will receive from the LRS's since they don't know me and I don't know them.

What kind of soft pressure tactics are we able to apply to the union leaders to stress the importance of being supportive of NYSUT and it's endorsed products (Opportunity Plus).

I'm not entirely sure how to proceed with this one since I don't know the people involved.

>>> [REDACTED] 02/06/02 05:26PM >>>

Hi [REDACTED]. Could you please help us with a [REDACTED] situation that would be handled by the Elmsford RCFS if he/she existed? [REDACTED] told the following story to Lynette:

ING agents [REDACTED] and [REDACTED] ([REDACTED]) are having trouble getting access to [REDACTED]. Could you please call [REDACTED] or [REDACTED] ([REDACTED]) to hear the tale from the horse's mouth, and then call [REDACTED] about the best approach with the [REDACTED] LRS's for proceeding? Thanks so much.

EXHIBIT 16



Memorandum

Date: April 3, 2002
To: [REDACTED]
From: [REDACTED]
Re: Assisting ING with local/school access

Some of the locals/schools are more receptive than others to allowing ING agents access to their members/employees. Below are some guidelines to assist you in determining what course of action to take when ING is having trouble getting access. Your feedback is welcome.

If an ING agent states that they are being denied access at a school district, go to the Labor Relations Specialist (LRS) to determine if the denial of access is a school district policy, or if there is discrimination against ING or a specific ING agent. If:

- A. **It's a school district policy that denies access to all 403(b) players, then the ING agent can only operate on school grounds within the limits set by the school. This means that they must follow the rules which apply to their physical presence there, as well as what marketing pieces they are allowed to distribute in the buildings.**

Other options: Direct mailing of Opp Plus information to members and an invitation to meet the ING agent at another site, such as the NYSUT Regional Office.

- B. **It's not a school district policy, but access is being denied at specific buildings, this situation requires making the school's Central Administration office aware of the problem. As always, you must first go to the LRS to discuss the best way to get this message to Central Administration (e.g. go to Central Admin. directly, meet with the local president/executive committee, or go to the building representatives involved.) If after a series of meetings, no progress is made, resort to:**

Other options: Direct mailing of Opp Plus information to members and an invitation to meet the ING agent at another site, such as the NYSUT Regional Office.

- C. **There appears to be discrimination against ING or a specific ING agent by the school district, then discuss options with LRS. Suggest a meeting with the local president, the superintendent or his/her designee, local executive committee, and/or the building representatives involved. Perhaps a formal letter of protest from the local to the district could be sent. Meet with the ING-AFS representative and record both sides of the situation. In cases where the representative has the support of NYSUT and is clearly being discriminated against, current ING participants who are members of a NYSUT local may be entitled to begin grievance procedures against the district and through the**

LRS. If a solution presents itself that satisfies all involved (NYSUT, ING-AFS, Local Union, LRS, District) implement. Otherwise, resort to:

Other options: Direct mailing of Opp Plus information to members and an invitation to meet the ING agent at another site, such as the NYSUT Regional Office.

D. There appears to be discrimination against ING or a specific ING agent by the local president, discuss with the LRS the best way to raise the issue with the president. Meet with the ING-AFS representative and record both sides of the situation. Contact ING-AFS case manager and regional manager to discuss situation and potential solutions. Alternatives could include:

- Waiting out the president;
- Rearranging the ING-AFS representative's districts;
- Dismissal of the ING-AFS representative in extreme situations; or...
- Resort to other options (direct mailings, etc.).

Here are some other ideas that could be useful in presenting information in support of allowing ING access:

- Check our statistics to determine how many NYSUT members are participating in Opportunity Plus in the district.
- Stress fairness and equity for all 403(b) providers and access to service current clients and union members.
- Provide PowerPoint chart "Potential Savings per Year for Participating Members" which explains the value of NYSUT's endorsement.
- Explain that our members voluntarily decide to participate in Opp Plus. Denial of access by the ING agent results in denial of service to our member.
- Explain the add on services in Opp Plus including FBB, FCP, LSP, Survivor Support, Common Remitter Functions, and the availability of over 50 investment options that include Fidelity, T. Rowe Price, Janus, MFS, Aetna, Scudder, Oppenheimer, Pilgrim, AIM, American Century, Wachovia, Calvert and Pax.
- Explain the structure of the NYSUT Benefit Trust, stressing the fact that no NYSUT dues monies are used in support of the Member Benefits programs, and the relationship with its vendors/providers. Trust revenue is used to improve products for NYSUT members, Trust administration, marketing, and dissemination of generic educational materials.

CC: [REDACTED]
[REDACTED]
Lynette Metz
[REDACTED]

EXHIBIT 17

From: Lynette Metz{PRIVATE }
To: [REDACTED]
Date: 2/6/2002 9:16:29 PM
Subject: Re: RE: February Meetings

[REDACTED], This approach is the way to go.
[REDACTED] Please make sure the other RCFS do the same.

>>> [REDACTED] 02/04/02 15:27 PM >>>

I would prefer to do the initial meetings by myself unless there is a really strong relationship between the Rep. and the President.

My goal in the initial meeting is to educate the leadership on the benefits for both the Employees and Employer. I do explain the process of establishing an Employer 403b account and the advantages of using the ING/Aetna Opportunity Plus 403b.

I'm concerned that the local leadership and/or District will feel "Sales" pressure if I'm there w/a Representative of ING at the initial meeting.

Once I gauge their interest, I would certainly welcome both you and/or the Representative on follow-up meetings as I have done with [REDACTED] President [REDACTED] and [REDACTED]

When we get together, we can review the locals on a case by case basis.

[REDACTED]

>>> "[REDACTED] (ING)" <[REDACTED]> 02/04/02 14:39 PM >>>
Thx [REDACTED]...Do you want me or the rep or either at all of these or some where we have strong relationships....pls advise...additionaly the reps made new relationships and renewed others which is worth an update to you when we get together this week

-----Original Message-----

From: [REDACTED] [mailto:[REDACTED]]
Sent: Monday, February 04, 2002 2:22 PM
To: [REDACTED] (ING)
Cc: [REDACTED] (ING); [REDACTED] Lynette Metz; [REDACTED]
Subject: February Meetings

[REDACTED]

Here's a list of the meeting I have with Presidents to discuss establishing an Employer Contributed 403b account. These meetings are a result of Presentations at Gurney's during the [REDACTED] Workshop and LI President's Council (so far).

2/7- [REDACTED] (President)

2/8- [REDACTED] (President)
2/8- [REDACTED] (Superintendent & Biz Mgr)
2/8- [REDACTED] (President & Lynda Larson, LRS)
2/14- [REDACTED] (President)
2/25- [REDACTED] (President)
2/27- [REDACTED]

[REDACTED] & [REDACTED] Have contacted me to hold dates and will callback once they verify the availability of the Superintendents.

I anticipate a number of additional appointments from this weekends Presentation. I'll send copies of the meeting requests on a per appointment basis in the future.

Thank You

[REDACTED]
Regional Coordinator of Financial Services
NYSUT- Suffolk Regional Office
[REDACTED]
[REDACTED]

CC: [REDACTED]

EXHIBIT 18

From: [REDACTED]
Sent: Tuesday, March 02, 2004 12:41 PM
To: [REDACTED] - AFS Producer
Cc: [REDACTED]
Subject: RE: [REDACTED] Schedule

OH MY GOD---AN EMAIL FROM [REDACTED]

Hey [REDACTED],

Thanks for setting up the meeting w/ [REDACTED], I'm free that day so you can confirm it with [REDACTED].

Generally, I prefer to do executive board meetings by myself so I can sell them on using ING exclusively without the pressure of an agent being there. I have no problem with you attending [REDACTED] since [REDACTED] invited you to do so!

However, for the [REDACTED] meeting I'll be flying solo.

[REDACTED]- Game of Phone tag- I'll try and contact the Pres today.

Thanks again,

[REDACTED]
Coordinator of Financial Services
NYSUT- Suffolk & Nassau Regional Offices
[REDACTED]

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>>> "worldnet.att.net" <[REDACTED]> 03/01/04 7:03 AM >>>

[REDACTED] called me from [REDACTED]. She would like both of us to speak to her executive board 4/12/04 4:00. follow-up on hold harmless for [REDACTED].

CAN I JOIN you for 3/9/04 [REDACTED] exec board meeting. Anything going on with [REDACTED] you and [REDACTED] had spoke with them at one of the gurney's meetings. I'm still pestering [REDACTED] from [REDACTED] and [REDACTED] from [REDACTED].

[REDACTED] CLU, ChFC
Registered Representative
Phone: [REDACTED] or [REDACTED]
Fax: [REDACTED]

ING Financial Advisers, LLC
100 Baylis Road, Suite 110
Melville, NY 11747

Insurance Affiliation: ING Life Insurance and Annuity Company Securities
Offered through ING Financial Advisers, LLC (Member SIPC)

-----Original Message-----

From: [REDACTED] [mailto:[REDACTED]]
Sent: Wednesday, February 25, 2004 10:48 AM

To: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Cc: [REDACTED]
Subject: [REDACTED] Schedule

I normally coordinate my schedule with [REDACTED] however since he is out I thought it would be beneficial for you each to have a copy of my current schedule for the next few weeks. As you know, it quickly changes so I will send out additional meetings as they are scheduled.

2/25

1:45 @ [REDACTED] (Meeting w/Pres/SI/LRS) - Establishing ER contributions to 403(b)

4pm @ [REDACTED] (Meeting w/Retirees) To explain benefits of RI/Sick Days being deposited in 403(b)

2/26

1:30 [REDACTED] (Meeting w/SI & Pres) regarding establishing a 457 plan. [REDACTED] was scheduled to attend this meeting. I'm waiting to speak w/[REDACTED] to see if she wants to re-schedule.

3:30 [REDACTED] (Retiree/Enrollment Meeting). [REDACTED] should be in attendance.

2/27 & 3/1- [REDACTED] will be out of the office on vacation!

3/2 No Meetings scheduled. I will be in the Nassau office for part of the day.

3/3

4pm [REDACTED] (Retiree/Enrollment) [REDACTED] will handle solo

4pm [REDACTED] (Intro to NYSUT/ING Financial Products) [REDACTED] will be attending.

3/4

10am-2pm ING- Meetings w/[REDACTED] and [REDACTED] in [REDACTED]

3:30 [REDACTED] - (Retiree meeting regarding newly negotiated RI for '04) [REDACTED] should be in attendance.

3/5 [REDACTED] Staff Meeting

3/8

2pm [REDACTED] (Meeting w/SI) regarding ER contributions to the 403(b).

3:30 [REDACTED] (Enrollment) [REDACTED] will run meeting

5pm [REDACTED] (Fact Finding Session). Negotiations meeting where I will try and add the ER contributions to their new Contract.

3/9

3:30 [REDACTED] (Meeting w/Exec Board) to explain benefits of ER contributions to 403b

3/10

4pm [REDACTED] Meeting- Presentation to ED-17 presidents regarding status of 403b & 457 plans.

3/11

3:10 (not a typo) [REDACTED] (Enrollment) [REDACTED] will handle meeting. [REDACTED] may attend depending on whether [REDACTED] takes the afternoon slot for a meeting w/SI.

4-5:30 [REDACTED] Enrollment Meeting (Modal Contributions). [REDACTED] and [REDACTED] will attend.

3/12- 3/14 [REDACTED] Conference @ Gurney's- [REDACTED] & [REDACTED] will co-present 3 workshops on Investment and Retirement planning (Saturday).

3/15- 2pm @ [REDACTED] (Meeting w/Pres/SI/District attorney) to negotiate for ER contributions to 403b.

3/16 4pm @ [REDACTED] (Enrollment Mtg). [REDACTED] & [REDACTED] will attend.

3/23-3/26 [REDACTED] will be at the Representative Assembly (RA) in NYC.

[REDACTED]
Coordinator of Financial Services
NYSUT- Suffolk & Nassau Regional Offices
[REDACTED]
[REDACTED]

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EXHIBIT 19

From: "[REDACTED] ING)" <[REDACTED]> {PRIVATE }
To: "[REDACTED] (ING)" <[REDACTED]>
Date: 11/26/2001 4:22:24 PM
Subject: [REDACTED]

[REDACTED]
I just wanted to document or phone conversation of this AM.

Since the appointment of [REDACTED] and [REDACTED] in my territory the future could not look brighter. What these two folks have brought to our marketing efforts with their knowledge and enthusiasm is truly gratifying. To accompany seasoned agents with them to new teacher meetings and see the enthusiasm is very noticeable. I think at this point they have worked with each of my producers at least for a day each and the rapport and chemistry is there. Both of these folks were great appointments for our short and long term marketing plans....For instance, [REDACTED] was doing a new teacher meeting last wk and made sure we knew, and [REDACTED] and [REDACTED] have 3 Employer presentations today alone...I just wanted to tell you first hand how optimistic my reps and I are for the future workings with these folks as we develop our plans.....My only question is when can I begin work in the [REDACTED] territory????

Pls forward to whoever you feel is appropriate at NYSUT

Pls note new email address

Regards,

[REDACTED]
Regional Manager - Client Relations
Registered Principal
110
Phone: [REDACTED]
Fax: [REDACTED]
Email: [REDACTED]

Aetna Investment Services, LLC
100 Baylis Road, Suite
Melville, NY 11747

Insurance Affiliation: Aetna Life Insurance and Annuity Company
Securities offered through Aetna Investment Services, Inc.

CC: "[REDACTED]" <[REDACTED]>, "[REDACTED]" <[REDACTED]>, "[REDACTED] (ING)" <[REDACTED]>

EXHIBIT 20

From: [REDACTED]
Sent: Monday, October 27, 2003 3:06 PM
To: [REDACTED]
Subject: [REDACTED]

[REDACTED], I don't know if I am accurate on my timing, but if memory serves me, this is about the time of [REDACTED] performance appraisal. I thought I would provide you with my input and comments. First and foremost [REDACTED], on the retirement incentive initiative as it affects the [REDACTED] marketing office and not the Albany office, [REDACTED] has approximately (17) accounts that he brought to closure for \$8 to \$9 million in premium. A very good job by anyone's standards in some very difficult environments.

[REDACTED] and I on this topic have had numerous meetings since early September and in light of those results I believe [REDACTED] will be even more proactive in this coming incentive season. He has already schedule a number of appointments and is helping me annotate a list of districts as potential prospects so we can get going as soon as possible.

I know in the past there were some issues with a particular office and some LRS but now as them, "[REDACTED] plays very well with others". A case in point, and you might get the information from [REDACTED] was a recent deal which was done in [REDACTED]. The union president wanted no mention of specific product or company, etc. [REDACTED] used a nice soft selling approach and somebody in the audience finally was baited to ask why this NYSUT approved ING and as a result we have an exclusive. A soft sell that worked very well. He has done this approach in many other places and some of the districts where we work are a challenge to say the least.

[REDACTED] has worked very well with myself and my immediate staff in Elmsford, [REDACTED] and has run interference with the initial communication with [REDACTED] and the LRS in [REDACTED]. As a matter of fact, I am meeting with [REDACTED] in [REDACTED] tomorrow for a meeting that [REDACTED] was able to schedule for us to break down any final barriers with LRS, financial counseling program, financial building blocks program. We have become much more active with [REDACTED] help at new teacher's meetings and new direction seminars.

[REDACTED] and I communicate effectively and constantly and I feel that is some of the reason for our success. We always know, good or bad, what is going on in the territory. If there are issues or small problems, we have created a very good team which immediately gets involved and resolves the issue.

[REDACTED], I think [REDACTED] 14 or 18 months with us (I can't remember exactly) has been a very effective growth experience for [REDACTED] and certainly very productive for my sales staff and myself. [REDACTED] is bright, enthusiastic, trustworthy, and I enjoy having him as a colleague. Any information I can supply, please feel free to contact me.

[REDACTED]
Marketing Consultant
Registered Representative

ING Financial Advisers, LLC
One Huntington Quadrangle
Suite 1C01
Melville, NY 11747

[REDACTED]
Fax: [REDACTED]
E-mail: [REDACTED]
Securities offered through ING Financial Advisers, LLC (member SIPC)

EXHIBIT 21

New York State United Teachers Benefit Trust
Board of Trustees Meeting
Meeting Minutes
December 10, 2004

OPENING:

The regular meeting of the New York State United Teachers Benefit Trust, Board of Trustees, was called to order on December 10, 2004, at NYSUT Headquarters, Latham, New York, by [REDACTED], Chair.

TRUSTEES PRESENT:

[REDACTED]
[REDACTED]

TRUSTEES EXCUSED:

[REDACTED]

ALSO PRESENT:

Lynette Metz, NYSUT Director of Member Benefits
[REDACTED] NYSUT Manager of Member Benefits
[REDACTED], Member Benefits Manager of Marketing and Communications
[REDACTED], Executive Assistant
[REDACTED] NYSUT Special Counsel
[REDACTED] NYSUT Associate Special Counsel
[REDACTED] NYSUT Controller
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

A. APPROVAL OF MINUTES

The minutes of the last meeting, September 10, 2004, were reviewed.

A motion was duly made and seconded to accept as presented, the NYSUT Benefit Trust Minutes of September 10, 2004.

CARRIED

B. PROGRAM UPDATES

ING Programs

██████████ discussed the ING and L&M agent transition. ██████████ ING's President, will be meeting with ██████████ Lynnette Metz and ██████████ next week to discuss this and other issues.

██████████ also reviewed the Opportunity Protector Program and the Opportunity Choice Advisory Program. ██████████ referenced the chart, included in the Trustees packets, noting that there are a range of options available to our members in regards to financial advice and guidance.

In the News

Lynette Metz, advised the Trustees that Eliot Spitzer has subpoenaed a number of our providers, in his investigation of the insurance industry. All of our contracts with our providers involved in the investigation required full disclosure. Lynette assured the Trustees that she will continue to monitor this matter.

Wellington Management is currently under investigation by the SEC for trading practices. Lynette Metz is in direct contact with top officials from each of our providers keeping abreast of these cases.

UnumProvident

Lynette referenced the attachments in regards to UnumProvident's settlement with the New York State Attorney General on the handling processes of long-term disability claims.

NBT-000811

Term Life Insurance

Lynette Metz stated that she would like the Trust to offer the Ernst & Young Survivor Financial Counseling Service to the surviving spouse or primary beneficiary of a deceased or terminally ill term life participant. We will only be charged for people who actually use the program.

REDACTED

CARRIED

Lynette Metz requested that the Trustees approve of the reduction of the Free New Member offer from \$50,000 to \$25,000 effective with the start of the September 2005 academic year.

A Motion was made and seconded to authorize the reduction of the Free New Member Group Term Life Insurance Offer from \$50,000 to \$25,000, effective with the commencement of the 2005-2006 academic year.

CARRIED

Voluntary Disability II Plan

Lynette requested the Trustees authorize the termination of the Unum Disability II Plan. Existing participants will be allowed to continue in the program, but the program will be closed to new participants.

A Motion was made and seconded to authorize the termination of the Unum Disability II Insurance Plan with respect to new participants only.

CARRIED

MetLife Auto and Home

Lynette Metz stated that the annual homeowner claim refund reimbursement checks will be going out by the end of the year. In previous years, the maximum allowance for the reimbursement check was \$1,500. However, under a 1099 requirement, the maximum amount of the allowable refund will now be \$500.

A Motion was made and seconded to authorize the disbursement of homeowner claim reimbursement checks in an amount not to exceed \$500 in each instance, for those Members who suffered a casualty loss

NBT-000812

Catastrophe Major Medical (CMM) Program

Lynette Metz reviewed the CMM Program as presented in the Program Updates.

Davis Vision

Lynette Metz asked that the Trustees review [REDACTED] report concerning the Request for Information they conducted on the Trust's behalf for other Vision providers. There are other vendors out there that do not have a relationship with Wal-mart.

[REDACTED] pointed out that CSEA has decided to remain with Davis, despite the relationship with Wal-mart. UUP, however is looking for another provider.

[REDACTED] remarked that [REDACTED] is a big union affiliate in New York City. It was suggested that the Trust possibly offer another provider, in addition to Davis Vision until the contract with Davis expires, which is set for the end of 2006.

Lynette Metz asked the Trustees for direction on how they would like her to proceed. It was agreed upon that the Trust should start the process in finding another provider.

Delta Dental

Lynette Metz reviewed the Delta Dental information as presented in the Program Updates.

REDACTED

New Program Offerings

Lynette Metz reviewed the new program offerings that the Trust has been working on. These two offers will only be activated through the Benefit Trust web site.

C. ADMINISTRATIVE UPDATES

Draft Year-End Audit as of August 31, 2004

██████████, a representative from our auditing firm, ██████████ reviewed the audit. The Trustees will receive the Final audit at the next Trustees meeting. The Trustees had no questions regarding the audit.

A MOTION was duly made and seconded to accept the August 31, 2004 year-end audit (fiscal year for 2003-2004) performed by ██████████

CARRIED

NYSUT Benefit Trust Investments

Per the Trustees request, ██████████ was hired to do an asset allocation study on the Benefit Trust Investments. The report has been received, however due to time limitations; Lynette Metz recommended that the Trustees meet for a short meeting in January 2005, to review the report. A representative from Milliman will be present at that meeting.

NBT-000813

REDACTED

November 5-6, 2004, NYSUT Benefits Conference Results

Lynette Metz stated that the evaluation results from the Benefits Conference were given to the Trustees for their review. It's worth noting that the session with HIPAA issues and the session on IRS were two high-attendance sessions.

HIPAA Compliance Update

Betsy Porter stated that the next phase of HIPAA compliance for the Benefit Trust is HIPAA Security. ██████████ stated that the Trust will become compliant first, and then the Benefit Trust will conduct workshops for the Benefit Funds as to what they must do to become compliant with HIPAA Security.

A motion was made and seconded to authorize the distribution of up to \$50,000 for consulting services to be performed by [REDACTED] to assist the Trust in its HIPAA Security compliance obligations under HIPAA.

CARRIED

Provider Site Visits

Lynette mentioned the provider site visits listing in the Administrative Updates, made available for the Trustees review.

Provider Financial Ratings

Lynette Metz pointed out that the Provider Financial Ratings sheet was provided in the Trustees' packets for their review.

Funding of the Trust's Expenses & Product Competitiveness

Lynette indicated that at the last Trustees meeting, these issues came up and to please see [REDACTED] December Board Report for a response.

NYSUT HQ Telephone System Upgrade

Lynette stated that the Trust agreed to pay for a portion of NYSUT HQ's telephone system upgrade. Our portion of the upgrade will be reflected on our 2004-05 financial statements as a fixed asset and depreciated over a period of time as dictated by our auditors.

A Motion was made and seconded to authorize the distribution of up to \$30,000 as a contribution to NYSUT Headquarters' telephone system upgrade efforts for the Member Benefits' telephone system.

CARRIED

Staff Update

[REDACTED] indicated that a Member Benefits' staff member has announced retirement; however, would like it to remain confidential until February. There is a desire to hire someone to work with this staff member for six months prior to the retirement.

A Motion was made and seconded to authorize the hiring of a staff member to replace the retiring staff member (effective retirement date of September, 2005) effective for March 1, 2005, in accordance with the procedures of the NYSUT-PSA collective bargaining agreement, at a compensation level commensurate with the replacement's education, qualifications and experience.

CARRIED

[REDACTED] also cited that [REDACTED] from the Member Benefits Marketing Department, will begin maternity leave at the end of January 2005 and her duties will be taken care of by the remaining Marketing staff.

Telephone/E-Mail/Web Contacts

The Trustees were given a report for their information.

REDACTED

NBT-000814

REDACTED

TIME & LOCATION OF NEXT MEETING

IN GENERAL

The next meeting will be scheduled in coordination with the NYSUT Board of Directors' meeting. The Trustees will be notified of the date and time.

Adjournment:

There being no further business to come before the Trustees, upon motion duly made and approved, the meeting was adjourned.

Chair

Secretary

EXHIBIT 22

**NYSUT Benefit Trust
Program Updates
January 28, 2005**

Please refer to NYSUT [REDACTED] NYSUT Board Report (attached) which refers to the following:

- Ongoing Davis Vision/Wal-mart Relationship
- ING Fee Disclosure
- Unum Provident Claim Settlement
- Hurricane Wind Damage Relief Efforts

MetLife Bank

As of December 31, 2004, the MetLife Bank program had 2,100 open accounts representing more than \$52 million. We continue to be MetLife Bank's largest customer.

MetLife Auto & Home Program

There is good news for our MetLife auto insurance participants who reside in New York State. These participants will benefit from rate reductions that average 10 percent. The actual rate adjustment will vary across the state, depending on the rate territory in which they reside. This reduction is a result of last year's favorable claims experience in addition to MetLife's efforts to reduce fraudulent claims activity.

These reduced rates become effective February 1, 2005 for new business and April 1, 2005 for renewals, which means as of April 1, current participants' policies that come up for renewal will have the rate reductions applied at time of renewal.

ING

In November 2004, the IRS issued proposed regulations for 403(b) plans. Attached you will find a summary that we provided to our NYSUT Field Staff. Please keep in mind these regulations are not finalized. When they are, we will notify the Trustees. As you will see, plan documents and account transfers are topics we may need to address in the future.

On May 1, 2005, ING will add four retail mutual funds from the American Funds Group to the Opportunity Plus investment line-up.

- Washington Mutual Investors Fund Class R-4
- The Growth Fund of America Class R-4
- Europacific Growth Fund Class R-4
- New Perspective Fund Class R-4

[REDACTED] appears to be behind another NYSUT Benefit Trust 403(b) negative publicity campaign. This time our program was highlighted on a PBS show called *Wall Street Week*. The late-night program aired December 24, 2004. New York State United Teachers was briefly mentioned as endorsing a 403(b) program that charges significant fees to members and receives compensation for the endorsement. Once again, we struggle with how to respond to these negative and misleading statements.

REDACTED

These issues are clearly outlined in the prospectus material that is provided to each participant. Having said that, we understand that our members may not take the time to review the prospectus material. Because of that, we are in the process of preparing an internal document, which will outline the fees associated with our program and compare it to the fees found in other 403(b) and 403(b)(7) programs in the industry. In past studies, we have come out on top in comparison. In addition, we will outline the operating costs associated with the administration of the Opportunity programs and the enhancement package costs.

From the internal studies, we will create an informational piece that will be made available to our current participants in addition to it becoming part of our enrollment kit going forward, which will clearly outline the fees associated with the program and the Trust's expense reimbursement arrangements with ING.

Bottom line, it's all about choices. Our members have many options available to them when saving for their retirement. We believe, and our consultants agree, in the 403(b) arena you will not find another program that will match what we offer our members. We will continue to educate our members about these issues going forward and let them decide what the best option is for themselves.

NYSUT BOARD OF DIRECTORS' MEETING
January 28, 2005



NYSUT MEMBER BENEFITS

Davis Vision

The NYSUT Benefit Trust Trustees reviewed a Request for Information (RFI) study, prepared by The Segal Company, pertaining to Optical Administrators at their December 10, 2004 meeting. The report clearly demonstrated that there are many Optical Administrators interested in our endorsement who have union labor affiliations, although perhaps limited and do not include Wal-Mart in their networks. Ongoing conversations and meetings are continuing to take place between the Chairperson and top management of the Trust and Davis Vision. While the current contract does not expire until June 30, 2006, other avenues are continuing to be explored. It should be noted that Davis Vision does not take this issue lightly. They have made every effort to demonstrate their union commitment to the NYSUT leadership as well as their efforts to contain their involvement with the Wal-Mart organization. We will continue to report to you any progress on this matter.

ING

In light of the current financial and insurance industry environment, issues continue to arise regarding the fees associated with 403(b) programs. In order to address these issues and better educate our members, the Trust is in the process of creating an internal document, which fully explains the fees connected to the ING Opportunity programs as well as the expense reimbursement paid to the Trust. A final reader-friendly version of the document will be available at the NYSUT RA in April and will be included going forward in the ING Opportunity Plus enrollment kits.

Unum Provident

After a year-long battle with regulators and plaintiff attorneys for allegedly not handling claims in a proper manner, Unum reached settlement agreements with state and federal regulators. Unum has agreed to reassess 215,000 past cases dating back to 2000 and pay \$15 million in fines. Unum has reserved \$85 million to pay benefits in reassessed cases. At this time, we believe approximately 130 NYSUT members will be affected by the reassessment process, which is currently underway. The NYSUT Benefit Trust will continue to monitor the situation.

NBT-000830

Hurricane Wind Damage Relief Efforts

In 2002, the Benefit Trust established a special reserve linked to our MetLife Homeowner's insurance program. This fund was established to offset a new insurance industry-wide practice of applying a special wind damage deductible to hurricane claims. This deductible is equal to one percent of the home's value. The Trust is pleased to report that, in the very near future, approximately 20 NYSUT members living in Florida will be refunded a total of nearly \$100,000 from this special reserve. The refunds represent the difference between the members' hurricane deductibles and their normal policy deductibles. These checks are being sent to assist our members through this difficult period of recovering their losses and as a "thank you" for participating in their union's endorsed homeowner's program.

New Programs

The Trust is in the process of finalizing contract language with Barnes&Noble.com and Carlson/Wagonlit/Carnival Cruise Lines in order to add these programs to our discount offerings. It is also expected that Dell Computers will be added to our discount programs in the near future.

NYSUT HURRICANE DISASTER RELIEF

HURRICANE DISASTER RELIEF

2004 Florida Hurricane Claims Update

To date, the NYSUT Disaster Relief Fund has received 21 requests for applications. Fifteen applications have been returned to us for processing, with two applications coming from retired UFT members.

After a review of the applications, it was decided that each applicant will receive a check for \$1,000, provided each claim warranted such an amount. In the case of UFT, which is also sending assistance to their members, NYSUT will send UFT applicants an additional \$1,000 above UFT's assistance where claims warrant that amount.

If no future claims are made, NYSUT will consider dispersing the remaining funds to the needier claims.

Total donations received equal \$31,000.

NYSUT TASK FORCE ON SCHOOL BUDGETS

Recent trends have indicated that New York State's long record of successful passage of school budgets may be threatened in future years. Recent surveys and election results have given rise to speculation that taxpayers may not be supporting school spending as strongly as they have in the past.

NBT-000831

NYSUT's School Budget Task Force is moving forward with a pilot project encompassing nearly a dozen NYSUT locals from across the state. The locals in the pilot have all faced difficulty in achieving budget passage in recent years. NYSUT staffers will work with the locals to review their budget efforts and craft strategies for the end result of budget passage. In addition, NYSUT will be polling members statewide to look at reasons for low voter turnout among NYSUT members in school budget votes.

Over the course of the 18-month pilot project, the Task Force is hoping to develop a best practices list, materials, and a "how to" manual and training program that can be implemented statewide.

NBT-000832

EXHIBIT 23

From: Lynette Metz{PRIVATE }
To: [REDACTED]
Date: 2/23/2005 5:32:03 PM
Subject: Fwd: [REDACTED] 4-page piece - revised

Just thought you'd like to see a new piece that is going in the 403(B) enrollment kit. (see attached) We went from a "try to hid it" to a "full disclosure" environment within the last year on the topic of expense reimbursement. The [REDACTED] of the world, Security and Insurance sandals have moved us in this direction. [REDACTED] thought is to spell it out up fount that we get an expense reimb. for the program - if members don't like it then they can go elsewhere. This way our enemies can't shoot us in the back. Any thoughts on this? Lynette

PS. I still have to set up our other meeting.

CONFIDENTIALITY NOTICE: This e-mail, including attachments, is for the sole use of the individual(s) to whom it is addressed, and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you receive this e-mail in error, please notify the sender by reply e-mail and destroy this message and its attachments.

>>> [REDACTED] 02/23/05 4:50 PM >>>

Replace the prior attachment with this one - this reflects the addition of [REDACTED] contact info. Next week, when [REDACTED] and I are here on the same day, I'll ask him to combine this with the pdf of More Options More Opportunities and we can go ahead and print for [REDACTED]

Do you want [REDACTED] to review before we print?

Any idea what quantity to print?

Dear NYSUT Member:

Congratulations! You have in your hands some information about a truly unique optional retirement savings program, Opportunity Plus.

Opportunity Plus is a 403(b) tax-deferred variable annuity (TDA) that was designed for New York State United Teachers members by NYSUT Benefit Trust in conjunction with what was then Aetna Life Insurance and Annuity Company, now called ING Life Insurance and Annuity Company. Since the program was introduced in 1989, many enhancements have been added, resulting in a TDA that brings valuable advantages to more than 50,000 participants in the program.

I encourage you to learn more about Opportunity Plus and how it can help you to secure your financial future. I also encourage you to compare Opportunity Plus to other TDAs. I'm confident you will discover that Opportunity Plus has many features not found in any other TDA. From a cost and value standpoint, you will be hard pressed to find another program like it in the marketplace. You also have the comfort of knowing that NYSUT is your advocate and we continually monitor this program for quality and value. Please take a look at the features throughout.

In solidarity,



Richard C. Iannuzzi
NYSUT Vice President
NYSUT Benefit Trust Chairperson

P.S. If you have any questions, please contact the NYSUT Benefit Trust Financial Services Coordinator listed below who services your area.

Buffalo, Rochester, Jamestown and Elmira, call [REDACTED].

Albany, Plattsburgh and Potsdam, call [REDACTED].

Nassau and Suffolk, call [REDACTED].

Elmsford and Mid-Hudson, call [REDACTED].

Syracuse, Utica, Watertown and Vestal, call [REDACTED].

NYSUT Benefit Trust Oversight and Advocacy

Opportunity Plus provides extra safeguards through the NYSUT Benefit Trust's endorsement process and advocacy role. The Trust's endorsement process is thorough and comprehensive. In the early stages of a program's development, the Trust taps into its staff of experienced professionals, board of trustees, and our independent benefits consultant to aid in product design and provider research.

The endorsement process doesn't end once a program and provider are granted endorsement by NYSUT Benefit Trust. Staff and consultants carefully monitor the program for participation, member satisfaction, utilization and product competitiveness. Several times each year, we meet with endorsed providers to discuss the program and negotiate for improvements and enhancements.

For a program the size and scope of Opportunity Plus, the Trust mandates on-site representation at our NYSUT headquarters building in order to keep abreast of the issues that need attention on a daily basis. Because of this intense process, you can feel secure in knowing that the Trust works every day to oversee and monitor the program, our relationship with ING, and ING's registered representatives who are servicing our participants' accounts.

Our role as advocate for our members is also one we take very seriously. If a member should ever encounter a program with one of our programs, we want to be made aware of it. Our involvement in these situations assures that we address our members' needs in a timely manner.

NYSUT Benefit Trust Expense Reimbursement Arrangements

Obviously, this close oversight comes at a cost. NYSUT Benefit Trust is a separate not-for-profit Trust within NYSUT. It has its own budget and financial statements. Because it is a separate entity, it receives no NYSUT dues dollars to pay for its operating expenses.

Therefore, the Trust receives funds to cover our operating expenses from negotiated expense reimbursement arrangements with some of the endorsed carriers who provide these benefit programs to our members. These expense reimbursements are used to pay salaries and benefits for the Trust's 38 employees; occupancy expenses in the NYSUT headquarters building and regional offices; independent auditing, legal and consulting services; insurance; and promotion and communications for our 45-plus programs and services. Just as no NYSUT dues dollars are used to support the Trust in any way, no expense reimbursement dollars received by the Trust are shared with NYSUT.

The expense reimbursement arrangement between NYSUT Benefit Trust and ING is fully disclosed in the ING contract prospectus and prospectus supplement. Specifically, in 2005, ING pays \$6 to the Trust for each of NYSUT's approximate 500,000 members. While this sounds like a lot of money, keep in mind that these funds are used to provide the recent Opportunity Plus enhancement package (term life insurance, survivor financial counseling, legal service plan and financial counseling program) at no cost to participants, monitor the program's activities, promote and support the program throughout the state, create new savings and investing options within the "Opportunity" array of programs, and offset the operating expenses incurred by the Trust to administer and monitor the programs. When all is said and done, this expense reimbursement represents just a fraction of what is necessary to support the program and the Trust's operations.

EXHIBIT 24



Aetna Life Insurance and Annuity Company

Opportunity Plus Processing Office
P. O. Box 12894
Albany, NY 12212-2894

Variable Annuity Account C

Prospectus Dated:
February 15, 1989



OPPORTUNITY PLUS Group Variable Multiple Option Annuity Contracts

This prospectus describes the provisions of the group installment and single Purchase Payment Contracts (contracts") issued by Aetna Life Insurance and Annuity Company ("Company"). These Contracts were developed to at the needs of the Opportunity Plus program.

Opportunity Plus is endorsed by the New York State United Teachers and the New York State United Teachers Trust (collectively referred to as "NYSUT"). It is a tax-deferred annuity program meeting the requirements of Section 403(b) of Internal Revenue Code of 1986, as amended ("Code") to be adopted by school boards in the State of New York.

Both Contracts provide for the accumulation of values and payment of annuity benefits under a fixed or variable ion, or a combination of fixed and variable options.

The variable options will reflect the investment experience of one or more of the following open-end management estment companies ("Funds") selected by the Participant:

- Aetna Variable Fund, a conservative common stock fund ("Common Stock Fund")
- Aetna Income Shares, a bond fund ("Bond Fund")
- Aetna Variable Encore Fund, a money market fund ("Money Market Fund")
- Advisers Management Trust, an investment company consisting of four portfolios, one of which invests in growth common stocks ("Growth Fund")
- Calvert Socially Responsible Series, a socially responsible fund ("Socially Responsible Fund")
- Franklin Government Securities Trust, a government bond fund ("Government Bond Fund")
- Lexington Gold Trust, a gold fund ("Gold Fund")
- T. Rowe Price International Equity Fund, an international common stock fund ("International Common Stock Fund")

Except where a credited interest option is specifically mentioned, this prospectus describes only the variable options e Contracts. Information concerning the credited interest options is found in the Appendix on page 18 of this pectus.

This prospectus sets forth concisely the information about Variable Annuity Account C ("Account C") that a pro- tive investor ought to know before investing. Additional information about Account C is contained in a Statement of itional Information dated February 15, 1989, which has been filed with the Securities and Exchange Commission ommission"). The Table of Contents for the Statement of Additional Information may be found on page 17 of this pectus. A Statement of Additional Information may be obtained without charge by indicating your request on the illment form or prospectus receipt contained in this prospectus or calling (203) 273-9794.

THIS PROSPECTUS IS VALID ONLY WHEN ACCOMPANIED BY THE CURRENT PROSPECTUSES OF AETNA VARIABLE ND, AETNA INCOME SHARES, AETNA VARIABLE ENCORE FUND, ADVISERS MANAGEMENT TRUST (GROWTH RTFOLIO), CALVERT SOCIALLY RESPONSIBLE SERIES, FRANKLIN GOVERNMENT SECURITIES TRUST, KINGTON GOLD TRUST, AND T. ROWE PRICE INTERNATIONAL EQUITY FUND. ALL PROSPECTUSES SHOULD READ AND RETAINED FOR FUTURE REFERENCE.

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

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATIONS, HER THAN THOSE CONTAINED IN THIS PROSPECTUS, IN CONNECTION WITH THE OFFERS CONTAINED IN IS PROSPECTUS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFERING IN ANY JURISDICTION IN WHICH CH OFFERING MAY NOT LAWFULLY BE MADE.

GLOSSARY OF SPECIAL TERMS

As used in this prospectus, the following terms have the meanings shown:

Accumulation Period: The period during which Net Purchase Payment(s) are accumulated to provide future annuity benefits.

Accumulation Unit: A measure of the net investment results of each appropriate investment medium used to calculate the value of the Individual Account during the Accumulation Period.

Aggregate Purchase Payment(s): The sum of all Purchase Payment(s) made under an Individual Account.

Annuitant: A person who receives annuity payments.

Annuity: A series of payments for life or a definite period.

Annuity Period: The period during which Annuity payments are made.

Annuity Unit: A measure of the net investment results of the Common Stock Fund and/or the Bond Fund used to calculate the amount of the variable Annuity payments.

Contract Holder: The entity to which the Contract is issued. The Contract Holder is usually the employer.

Contract Year: The period of 12 months measured from the Contract's effective date or from any anniversary of such effective date.

Individual Account: A record established for each Participant to identify Contract values accumulated on the Participant's behalf during the Accumulation Period. The Individual Account includes amounts held under an installment Purchase Payment Contract and a single Purchase Payment Contract for one Participant.

Individual Account Year: The period of 12 months measured from the date an Individual Account is established or from any anniversary of such date.

Net Purchase Payment(s): The Purchase Payment(s) less premium taxes, if applicable.

Participant: An eligible person participating in the Opportunity Plus program.

Purchase Payment(s): The gross payment(s) made to the Company under a Contract.

Purchase Payment Period: For installment Purchase Payment Contracts, the period of time for completion of the agreed-upon annual number and amount of Purchase Payments. For example, if it is determined that the Purchase Payment Period will consist of 12 payments per year and only 11 payments are made, the Purchase Payment Period is not completed until the twelfth Purchase Payment is made. When a particular remittance is intended to include more than one regular Purchase Payment, the Company will credit the number of Purchase Payments represented by such remittance in determining the Purchase Payment Period. However, the number of completed Purchase Payment Periods may never be greater than the number of full calendar years since the date an Individual Account is established under the Contract.

Redemption Payment: The amount paid to the Participant upon a withdrawal request.

Valuation Period: The time from the end of one business day on the New York Stock Exchange to the end of the next business day or such other day that one or more of the Funds determines its net asset value.

Valuation Reserve: A reserve established pursuant to the insurance laws of Connecticut to measure voting rights during the Annuity Period and the value of a commutation right available under the "Payments for a Specified Period" nonlife-time optional Annuity form when elected on a variable basis under the Contract.

Variable Annuity Contract: An Annuity Contract providing retirement payments which vary in dollar amount with investment results.

SYNOPSIS

These Contracts are designed to accumulate values and provide retirement benefits to Participants of the Opportunity Plus program. This program, endorsed by NYSUT, is a tax-deferred annuity program adopted by school boards in the State of New York.

Account C is a separate account established by the Company and is registered as a unit investment trust under the Investment Company Act of 1940. Assets of Account C attributable to the Contracts are invested in shares of one or more of the Funds. A description of the Company, Account C and the Funds can be found on page 7 of this prospectus.

These Contracts are purchased by the Contract Holder by completing the proper application form and submitting it to the Company's Opportunity Plus Processing Office. A Participant establishes an Individual Account by completing an enrollment form (and any other required forms) and submitting it to the Company's Opportunity Plus Processing Office. Page 13 of the prospectus outlines the complete process of purchasing a Variable Annuity Contract.

The Participant may redeem all or a portion of the Individual Account value during the Accumulation Period by properly completing and submitting to the Company's Opportunity Plus Processing Office a surrender request form provided by the Company's Opportunity Plus Processing Office. The Code restricts full and partial redemptions in certain circumstances. These restrictions may be found under "Redemption Payments During Accumulation Period," page 14. The maximum deferred sales charge that could be assessed on a full or partial surrender is 5% of the amount withdrawn. (See "Deferred Sales Charge," page 9 and "Redemption Payments During Accumulation Period," page 14.) A 10% federal penalty tax may also be imposed on the taxable portion of a distribution to a Participant. (See "Tax Status of Payments Under the Contract," page 16.)

Certain other charges are associated with these Contracts such as the Maintenance Fee, Mortality and Expense Risk Charges, Administrative Expense Charge, Fund Expenses, Allocation and Transfer Fees, ALIAC Guarantee (if applicable), and Premium Tax. A complete explanation of these charges starts on page 8 of this prospectus.

The Contract Holder may cancel the Contract no later than ten days after receiving it by returning it along with a written notice of cancellation to the Company's Opportunity Plus Processing Office. In addition, the Participant may request cancellation of the Individual Account within 10 days of receiving their certificate by returning the certificate and a written notice of cancellation to the Company's Opportunity Plus Processing Office. (See "Right to Cancel," page 15.)

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CONDENSED FINANCIAL INFORMATION

(Selected data for accumulation units outstanding throughout each period)
The following information, except for the nine months ended September 30, 1988, has been examined by Peat Marwick Main & Co., independent public accountants, whose reports appear in the Statement of Additional Information.

	Nine months ended September 30, 1988 (unaudited)	1987	1986	1985	1984	1983	1982	1981	1980	1979
ÆTNA VARIABLE FUND										
Value at beginning of period	\$52.885	\$50.760	\$43.205	\$33.323	\$31.298	\$25.895	\$20.574	\$20.660	\$16.389	\$13.662
Value at end of period	\$58.902	\$52.885	\$50.760	\$43.205	\$33.323	\$31.298	\$25.895	\$20.574	\$20.660	\$16.389
Increase (decrease) in value of accumulation unit ⁽¹⁾	11.38%	4.19%	17.49%	29.66%	6.47%	20.87%	25.86%	0.07%	25.45%	19.96%
Number of accumulation units outstanding at end of period	16,663,920	16,497,406	16,578,251	14,186,456	12,216,300	12,411,823	8,733,334	8,317,011	7,436,681	7,194,378
ÆTNA INCOME SHARES										
Value at beginning of period	\$24.061	\$23.308	\$20.703	\$17.145	\$15.215	\$14.181	\$10.947	\$10.415	\$10.214	\$10.141
Value at end of period	\$25.739	\$24.061	\$23.308	\$20.703	\$17.145	\$15.215	\$14.181	\$10.947	\$10.415	\$10.214
Increase (decrease) in value of accumulation unit ⁽¹⁾	6.97%	3.23%	12.58%	20.75%	12.68%	7.29%	29.54%	5.11%	1.97%	0.72%
Number of accumulation units outstanding at end of period	5,740,205	5,372,271	6,188,470	4,673,837	3,421,146	3,951,169	2,994,831	962,067	704,951	557,081
ÆTNA VARIABLE ENCORE FUND										
Value at beginning of period	\$26.171	\$24.812	\$23.504	\$21.942	\$20.048	\$18.597	\$16.614	\$14.338	\$12.921	\$11.757
Value at end of period	\$27.326	\$26.171	\$24.812	\$23.504	\$21.942	\$20.048	\$18.597	\$16.614	\$14.338	\$12.921
Increase (decrease) in value of accumulation unit ⁽¹⁾	4.41%	5.48%	5.57%	7.12%	9.45%	7.80%	11.94%	15.87%	10.97%	9.90%
Number of accumulation units outstanding at end of period	7,593,658	7,326,151	6,692,947	7,220,756	8,189,255	7,686,950	10,021,327	5,300,229	1,509,779	789,425
ÆTNA GUARANTEED EQUITY TRUST										
SERIES A										
Value at beginning of period	\$10.538	\$10.000*								
Value at end of period	\$11.449	\$10.538								
Increase (decrease) in value of accumulation unit ⁽¹⁾	8.64%	5.38%								
Number of accumulation units outstanding at end of period	18,503,365	19,435,182								

* The initial Ætina Guaranteed Equity Trust Series A Accumulation Unit value was established at \$10 on August 25, 1987.

⁽¹⁾ The above figures are calculated by subtracting the beginning Accumulation Unit value from the ending Accumulation Unit value during a calendar year, and dividing the result by the beginning Accumulation Unit value. These figures do not reflect the deferred sales charges. They also do not take into account the fixed dollar annual maintenance fee, if any. Investment results will be further reduced by deferred sales charges or maintenance fees, if any.

Information concerning Advisers Management Trust (Growth Portfolio), Calvert Socially Responsible Series, Franklin Government Securities Trust, Lexington Gold Trust, and T. Rowe Price International Equity Fund will be developed when their respective Accumulation Unit values have been established.

The Company may distribute sales literature which compares the percentage change in Accumulation Unit values for any of the Funds against established market indexes such as the Standard & Poor's 500 Stock Index, the Dow Jones Industrial Averages or other management investment companies which have investment objectives similar to the Fund being compared.

The Account C Ætina Variable Encore Fund annualized yield for the seven-day period ending September 30, 1988 was 6.45%, calculated as described in the Statement of Additional Information, which also contains financial statements for Account C and the Company.

PERFORMANCE DATA

From time to time, the Company may advertise performance data for the various investment media under the Contracts. Such data will show the percentage change in the value of an Accumulation Unit based on the performance of an investment medium over a period of time, usually a calendar year, determined by dividing the increase (decrease) in value for that unit by the Accumulation Unit value at the beginning of the period. This percentage figure will reflect the deduction of any asset based charges under the Contracts but will not reflect the deduction of any applicable maintenance fees or deferred sales charge. The deduction of any applicable maintenance fees or deferred sales charge would reduce any percentage increase or make greater any percentage decrease.

Any advertisement will also include total return figures calculated as described in the Statement of Additional Information. The total return figures do reflect the deduction of any applicable maintenance fees and deferred sales charge, as well as any asset based charges.

DESCRIPTION OF THE COMPANY, VARIABLE ANNUITY ACCOUNT C AND THE FUNDS

A. The Company

Ætna Life Insurance and Annuity Company ("Company") is a stock life insurance company organized in 1976 under the insurance laws of Connecticut. The Company, the depositor for Variable Annuity Account C, is a wholly owned subsidiary of Ætna Life and Casualty Company which, with its subsidiaries, constitutes one of the nation's largest diversified financial services organizations. The Company's Home Office is located at 151 Farmington Avenue, Hartford, Connecticut 06156.

B. Variable Annuity Account C

Variable Annuity Account C is a separate account established by the Company in 1976 pursuant to the insurance laws of Connecticut. Account C was formed for the purpose of segregating assets attributable to the variable portions of Contracts from other assets of the Company. Account C is registered as a unit investment trust under the Investment Company Act of 1940.

Although the assets of Account C are owned by the Company, such assets equal to the reserves and other Contract liabilities which depend on the investment performance of Account C are not chargeable with liabilities arising out of any other business the Company may conduct. Income, gains or losses of Account C are credited to or charged against the assets of Account C without regard to other income, gains or losses of the Company. However, all obligations arising under the Contracts are general corporate obligations of the Company.

C. The Funds

Assets of Account C attributable to the Contracts are invested in shares of one or more of the Funds selected by the Participant.

- Ætna Variable Fund seeks to maximize total return through investments in a diversified portfolio of common stocks and securities convertible into common stock. The Company is the investment adviser.
- Ætna Income Shares seeks to maximize total return through investments in a diversified portfolio consisting primarily of long-term debt securities. The Company is the investment adviser.
- Ætna Variable Encore Fund seeks as high a level of current income as can reasonably be achieved consistent with the preservation of capital, primarily through investment in short-term "money market" debt securities. The Company is the investment adviser.
- Advisers Management Trust (Growth Portfolio) seeks capital growth through investments in common stocks of companies that the investment adviser believes will have above-average earnings or otherwise provide investors with above-average potential for capital appreciation. The investment adviser is Neuberger & Berman Management Incorporated, which is a corporate affiliate of Neuberger & Berman and retains that firm as sub-adviser to furnish the investment adviser with

investment recommendations and research information without cost to the Trust.

- Calvert Socially Responsible Series seeks growth of capital through investment in enterprises that make a significant contribution to society through their products and services and through the way they do business. Calvert Asset Management Company, Inc. serves as investment adviser and the United States Trust Company of Boston serves as sub-adviser.
- Franklin Government Securities Trust seeks income through investments in obligations of the U. S. Government or its agencies or instrumentalities, primarily GNMA obligations. The investment adviser is Franklin Advisers, Inc.
- Lexington Gold Trust seeks capital appreciation and such hedge against loss of buying power as may be obtained through investment in gold and equity securities of companies engaged in mining or processing gold throughout the world. Lexington Management Corporation is the investment adviser.
- T. Rowe Price International Equity Fund seeks a total return on its assets from long-term growth of capital and income principally through investments in marketable securities of established, non-United States issuers. Rowe Price-Fleming International, Inc. is the investment adviser.

Contract Holders and Participants should read the accompanying prospectuses of the Funds carefully before investing. Fund prospectuses may be obtained from the Company at its Home Office.

Participants with tax-deferred Annuity Contracts with the Company prior to January 1, 1989 may have Accumulation Units of Ætna Guaranteed Equity Trust ("GET"). GET seeks to participate in favorable equity performance without compromising the achievement of a minimum targeted rate of return during a specific period of time. The Fund invests in equities and fixed income securities. Although Purchase Payments may no longer be allocated to GET, a Participant's existing Accumulation Units of GET can be transferred to an Opportunity Plus Individual Account if the Participant elects to transfer the total account value of existing Contracts into an Opportunity Plus Individual Account.

D. Voting Rights

Each Contract Holder may direct the Company in the voting of shares at meetings of shareholders of the appropriate Fund(s). The number of votes to which each Contract Holder may give direction will be determined as of the record date.

The number of votes each Contract Holder is entitled to direct with respect to a particular Fund during the Accumulation Period is equal to the portion of the current value of the Contract attributable to that Fund, divided by the net asset value of one share of that Fund. During the Annuity Period, the number of votes is equal to the Valuation Reserve applicable to the portion of the Contract

attributable to that Fund, divided by the net asset value of one share of that Fund. In determining the number of votes, fractional votes will be recognized. Where the value of the Contract or Valuation Reserve relates to more than one Fund, the calculation of votes will be performed separately for each Fund.

Participants and Annuitants have a fully vested (100%) interest in the benefits provided under the Contract. Therefore, Participants and Annuitants may instruct the Contract Holder how to direct the Company to cast the votes for the portion of the Contract value or Valuation Reserve attributable to their Individual Accounts. Votes attributable to those Participants and Annuitants who do not instruct the Contract Holder will be cast by the Company in the same proportion as votes for which instructions have been received by the Contract Holder. Votes attributable to Contract Holders who do not direct the Company will be cast by the Company in the same proportion as the votes for which directions have been received by the Company.

DEDUCTIONS APPLICABLE TO THE VARIABLE ANNUITY CONTRACTS

1. Maintenance Fee (Accumulation Period Only)

A \$15 annual maintenance fee is deducted from each installment Purchase Payment Contract Individual Account during the Accumulation Period. One fourth of this fee (\$3.75) is deducted on the last business day of each calendar quarter. The Company deducts this fee from each respective investment option in the same proportion as the values held under each option have to the total value of the installment Purchase Payment Contract portion of the Individual Account established by a Participant. This fee is to reimburse the Company for some of its administrative expenses relating to the establishment and maintenance of the Individual Account(s).

2. Mortality and Expense Risk Charges (Variable Options Only)

During the Accumulation and Annuity Periods, the Company makes a daily deduction from the variable portion of Contract values equivalent to 1.25% per year for mortality and expense risks. This deduction may, in the Company's judgment, be reasonably apportioned as 0.25% for the Annuity mortality risk and 1.00% for the contractual promise that the maintenance fee, mortality and expense risk charges, administrative expense charge, allocation and transfer fees, and deferred sales charges cannot be increased beyond the maximums specified in the Contract. The mortality risk charge is to compensate the Company for the risk it assumes when it promises to continue making payments to individual Annuitants for their lifetimes according to Annuity rates specified in the Contract at issue. For the nine months ended September 30, 1988, the Company received \$17,131,459 for

Participants and Annuitants entitled to instruct the casting of votes for a particular Fund will receive a notice of each meeting of shareholders of that Fund, together with any proxy solicitation materials, and a statement of the number of votes attributable to their participation under the Contract and stating the right to instruct the Contract Holder how such votes shall be cast.

E. Opportunity Plus Processing Office

The Company has established the Opportunity Plus Processing Office to provide administrative support to Participants of the Opportunity Plus program. This office will handle enrollments, billing, transfers, redemptions, and inquiries for all Opportunity Plus Participants. All forms and correspondence should be sent to:

Aetna Life Insurance and Annuity Company
Opportunity Plus Processing Office
P. O. Box 12894
Albany, New York 12212-2894

Telephone number: (518) 438-1416

mortality and expense risks from Contracts funded through Account C.

3. Administrative Expense Charge (Variable Options Only)

The Company reserves the right to deduct a daily charge of not more than 0.25% per year from the variable portion of Contract values to reimburse the Company for some of the expenses incurred by the Company for administering the Contract. This charge will be established by the Company on an annual basis effective each May 1 and continue until April 30 of the following year. During the Accumulation Period, the charge may fluctuate annually. Once an Annuity option is elected, no further change will be made to the then-effective administrative expense fee deducted from the variable portion of Annuity payments. For the period February 15, 1989 through April 30, 1989, the Company has established the charge to be zero (0). Since the administrative expense charge is a percentage of the variable portion of Contract values, there may be no relationship between the amount so deducted and the amount of expenses attributable to the Contract.

4. Fund Expenses

Each Fund has an investment adviser. An investment advisory fee, based on the Fund's average net assets, is deducted from the assets of each Fund and paid to the investment adviser.

The following identifies the investment adviser for each Fund and the investment advisory fee.

<u>Fund</u>	<u>Investment Adviser</u>	<u>Investment Advisory Fee (annual basis)</u>
Common Stock Fund Bond Fund Money Market Fund	Ætna Life Insurance and Annuity Company	0.25%
Growth Fund	Neuberger & Berman Management Incorporated	0.50%
Socially Responsible Fund	Calvert Asset Management Company, Inc.	0.70% on the first \$500 million 0.65% on the next \$500 million 0.60% over \$1 billion
Government Bond Fund	Franklin Advisers, Inc.	0.625% on the first \$100 million 0.50% over \$100 million up to and including \$250 million 0.45% over \$250 million up to and including \$10 billion
Gold Fund	Lexington Management Corporation	1.00%
International Common Stock Fund	Rowe Price-Fleming International, Inc.	0.75%

The Company acts as investment advisor to GET and the daily advisory fee is equivalent, on an annual basis, to 0.50% of average net assets during the guarantee period.

Most expenses incurred in the operations of each Fund are borne by that Fund. For further details on each Fund's expenses, Contract Holders and Participants should read the accompanying prospectus for each Fund.

5. Allocation and Transfer Fees

The Company permits four changes during each calendar year, without charge, in the manner in which future Net Purchase Payments will be allocated to the available investment media under the Individual Account. After four changes, each additional change is subject to a fee of not more than \$10, deducted from the Individual Account value. Currently the fee is \$10.

During the Accumulation Period only, the Company permits four free transfers per calendar year of accumulated values in the Individual Account. Transfers of not less than \$500 may be made among the available Funds or from any of the Funds to a credited interest option. After four transfers, each additional transfer is subject to a fee of not more than \$10, deducted from the Individual Account value. Currently the fee is \$10.

Accumulation Units will be surrendered based on the Accumulation Unit value next determined after a proper request is received by the Company's Opportunity Plus Processing Office. New Accumulation Units will be purchased based on the Accumulation Unit value next determined on the business day following the surrender. For example, a transfer request received on Monday by the Opportunity Plus Processing Office would be processed using the Accumulation Unit value(s) determined at the close of business on Monday. Accumulation Unit(s) of the new investment option(s) would then be purchased using the Accumulation Unit value(s) determined at the close of business on Tuesday.

Transfers of GET values at the maturity date are not counted as one of the four free transfers of accumulated values in the Individual Account.

6. Deferred Sales Charge (Installment Purchase Payment Contracts)

There are no deductions from Purchase Payment(s) for sales or administrative expenses and no deferred sales charge deduction(s) from amounts withdrawn from a single Purchase Payment Contract.

However, if all or any portion of an Individual Account value is withdrawn during the Accumulation Period from an installment Purchase Payment Contract, a percentage of the amount withdrawn may be deducted from that amount for a deferred sales charge, so that the Company may recover sales and administration-related expenses. In addition, if the nonlifetime Annuity option is elected on a variable basis and the remaining value is withdrawn before three years of Annuity payments have been completed, the applicable deferred sales charge will be assessed. (See "Optional Annuity Forms," page 12.) For a further explanation of a deferred sales charge calculation, see "Redemption Payments During Accumulation Period," page 14.

The following table reflects the deferred sales charge deduction as a percentage of the amount withdrawn:

Purchase Payment Periods Completed	Deferred Sales Charge Deduction
Less than 5	5%
5 or more but less than 7	4%
7 or more but less than 9	3%
9 or 10	2%
More than 10	0%

The deduction for the deferred sales charge will not exceed 9% of the total Purchase Payments actually made to the Individual Account.

A deferred sales charge is not deducted from any Individual Account value which is:

- (a) applied to provide Annuity benefits,
- (b) withdrawn on or after the tenth anniversary of the effective date of the Individual Account,

- (c) withdrawn from an installment Purchase Payment Contract providing the Participant is at least age 59 1/2 and nine Purchase Payment Periods have been completed to the Individual Account of the Participant,
- (d) paid due to the death of the Participant,
- (e) withdrawn due to disability as specified in the Code,
- (f) withdrawn due to financial hardship as specified in the Code, or
- (g) withdrawn due to retirement which will be defined as eligibility to commence receiving benefits under the New York State Teachers' or Employees' Retirement Systems.

In addition, no deferred sales charge is deducted from the full surrender of an Individual Account where the Individual Account value is less than \$2,500 and no surrenders have been made from that Individual Account within the prior 12 months. If more than one Individual Account is being fully surrendered on behalf of a Participant, all Individual Account values will be added together to determine eligibility for the \$2,500 exemption.

There is no deferred sales charge provision on single Purchase Payment Contracts. However, if funds are transferred from a single Purchase Payment Contract to an installment Purchase Payment Contract, the applicable deferred sales charge provisions apply to all funds in the installment Purchase Payment Contract.

If a Participant transfers the total account value from a tax-deferred Annuity Contract with the Company to an Opportunity Plus Individual Account, the effective date of the new Individual Account, for purposes of calculating the deferred sales charge, will be the effective date of the Participant's original Individual Account under a Tax-Deferred Annuity Contract with the Company. The Participant will also receive credit for the number of completed Purchase Payment Periods from that Individual Account plus the number of completed Purchase Payment Periods of the Opportunity Plus Individual Account when calculating the total number of completed Purchase Payment Periods in order to determine the deferred sales charge.

Based on its actuarial determination, the Company does not anticipate that the deferred sales charge will cover all sales and administrative expenses which the Company will incur in connection with the Contract. Also, the Company does not intend to profit from either the annual maintenance fee or the administrative expense charge, if imposed. The Company does hope to profit from the daily deduction for mortality and expense risks. Any such profit, as well as any other profit realized by the Company and held in the general account (which supports insurance and Annuity obligations), would be available for any proper corporate purpose, including, but not limited to, payment of sales and distribution expenses.

7. ALIAC Guarantee (GET Only)

The Company guarantees that if the GET Accumulation Unit value on the maturity date is less than the GET Accumulation Unit value was on the first business day of the guarantee period, the Company will increase the GET

Accumulation Unit value to what it was on the first business day of the guarantee period ("ALIAC Guarantee"). The ALIAC Guarantee applies only to Accumulation Units in GET as of the maturity date. It does not apply to Accumulation Units withdrawn or transferred from GET before the maturity date of GET. Any amounts deducted from the annual maintenance fee are also not covered by the ALIAC Guarantee. For the ALIAC Guarantee, the Company deducts a daily fee at the annual rate of 0.25% from the portion of Individual Account values in GET.

8. Premium Tax

Currently, there is no premium tax on Annuities under New York regulations. However, in states that do impose a premium tax, it would be deducted from the amount applied to an Annuity option. The Company reserves the right to deduct a state premium tax at any time from the Purchase Payment(s) or from the Individual Account value based upon the Company's determination of when such tax is due.

9. Commissions and Expenses

The commissions paid to dealers are considered equivalent to approximately 2.25% of the Purchase Payment(s) credited to an installment Purchase Payment Contract and 2.00% of the Purchase Payment credited to a single Purchase Payment Contract.

Expenses for Account C during 1987 amounted to 1.25% of average net assets.

10. Contract Loans

During the Accumulation Period, a Participant may request a loan from the Individual Account value, in lieu of a partial withdrawal, by properly completing and submitting to the Company's Opportunity Plus Processing Office, P. O. Box 12894, Albany, NY 12212-2894, a loan request form provided by the Opportunity Plus Processing Office. A loan may not be requested within 12 months from the date of any prior loan request. If the loan meets the requirements described below, it will not be reported to the Internal Revenue Service ("IRS") by the Company as a taxable distribution.

The loan amount must be at least \$3,500 with a minimum Individual Account balance of \$5,000. The loan amount may not exceed the lesser of: (a) 50% of the Individual Account value reduced by any outstanding loan balance on the date on which the loan is made, or (b) \$50,000 reduced by the highest outstanding balance of loans within the preceding 12 months ending on the day before the loan is made. However, if the Participant's Individual Account balance is between \$5,000 and \$20,000, the loan maximum is the lesser of (a) 75% of the Individual Account value, or (b) \$10,000.

The Code requires the aggregation of all loans made to an individual employee under a single employer-sponsored 403(b) Plan. However, since the Company has no information concerning the outstanding loans that a Participant may have with other companies, it will only use the information available under Contracts issued by the Company.

Loan interest payable to the Company will accrue daily at the rate of 1% annually unless a higher rate is required

by law. Principal and interest will be amortized over a five-year term. However, loans taken for the acquisition of the Participant's principal residence may be amortized over a period of 1 to 20 whole years, as elected by the Participant, but the projected final repayment can be no later than the end of the calendar year in which the Participant attains age 70. Whether or not the loan has been used to acquire a principal residence, interest paid on this loan is "personal interest" as defined in Code Section 163.

A bill in the amount of the quarterly principal and interest will be mailed directly to the Participant in advance of the payment due date. The initial quarterly repayment will be due three months from the loan date. The loan date will be the date that the Opportunity Plus Processing Office receives the loan request form in good order. Payment is due within 30 calendar days after the due date. Subsequent quarterly installments are based on the first due date.

If a billed quarterly installment of principal and interest is not paid within the 30 calendar day period, a partial surrender equal to the quarterly amount of principal and interest due, and deferred sales charge, if applicable, will be made from the Participant's Individual Account. This partial surrender may be subject to the 10% federal penalty tax (see "Tax Status of Payments Under the Contract," page 16). A partial surrender equal to any remaining loan balance and interest due, and a deferred sales charge, if applicable, will be made from the Participant's Individual Account if a second billed quarterly installment of principal and interest, within a 12-month period, is not paid. This amount may also be subject to the 10% federal penalty tax (see "Tax Status of Payments Under the Contract").

If a partial surrender is taken from a Participant's Individual Account due to nonpayment of a billed quarterly installment, the date of the surrender will be the first business day following the 30 calendar day period in which the repayment was due.

If a repayment in excess of a billed amount is received, the excess will be applied towards the principal portion of the outstanding loan. Payments received which are less than the billed amount will not be accepted and will be returned to the Participant.

Prepayment of the entire loan is allowed. At the time of prepayment, the Opportunity Plus Processing Office will bill the Participant for any accrued interest. The Company will consider the loan paid when the loan balance and accrued interest is paid.

If the Individual Account is surrendered with an outstanding loan balance, accrued interest and any applicable deferred sales charge will be deducted from the Redemption Payment. If the Individual Account is surrendered, with an outstanding loan balance, due to the Participant's death or the election of an Annuity option, only accrued interest will be deducted from the Redemption Payment.

The Company may require that all outstanding loans be paid if the Individual Account value falls below an amount equal to 25% of total loans outstanding.

Loans can only be made from Individual Account values held in the allowable variable investment options (loans

are not allowed from GET) and held in a credited interest option (if any) that allows loans (see "Appendix," page 18). However, the entire Individual Account value may be used to determine the value against which a loan may be made.

When a loan is made, the number of Accumulation Units equal to the loan amount will be withdrawn from the Individual Account. Accumulation Units taken from the Individual Account to provide a loan do not participate in the investment experience of the related investment media. Unless instructed otherwise, the amount will be withdrawn on a pro rata basis from the allowable investment media under which values are accumulating.

When repayment of principal is made, Accumulation Units will be reallocated on a current value basis among the same investment media and in the same proportion as when the loan was initially made, unless instructed otherwise.

Loan repayments must be made to the same Contract within the Individual Account from which the loan originated. For example, loans made from a single Purchase Payment Contract must be repaid to the same Contract (i.e., not repaid to an installment Purchase Payment Contract).

GENERAL DESCRIPTION OF VARIABLE ANNUITY CONTRACTS

1. Rights under the Contract

The Contract Holder has no right, title, or interest in the amounts held under the Contracts or Individual Accounts. The Contracts and Individual Accounts are not subject to the claims of any creditors of the Contract Holder. Participants may make all elections under the Contracts.

2. Modification of the Contract

Changes to the following Contract provisions may be considered material by the Company and cannot be changed without the approval of appropriate state or federal regulatory authorities: transfers among investment options; notification to the Contract Holder; conditions governing payments of surrender values; terms of Annuity options; death benefit payments; and maintenance fee provisions.

The Company may modify the Contract by giving written notice to the Contract Holder 30 days prior to the effective date of the modification. However, changes to items (a) through (f) listed below will apply only to new Participants enrolled under a Contract after the effective date of the modification:

- (a) the Annuity options,
- (b) the contractual promise that no deduction will be made from Purchase Payment(s) for sales or administrative expenses,
- (c) the deferred sales charges, if applicable,
- (d) the mortality and expense risk charges,
- (e) the administrative expense charge provision, if applicable, and
- (f) the annual maintenance fee charge.

The most likely reason for a change to the Contract would be to ensure compliance with applicable law.

If the Contract Holder has not accepted the proposed modification at the time of its effective date, no new Participants may be enrolled under the Contract. However, additional Purchase Payments may continue to be made on behalf of Participants already enrolled under the Contract.

No modification may affect any Annuity commencing prior to the effective date of such modification unless deemed necessary for the Opportunity Plus program or Contract to comply with the requirements of the Code or other laws and regulations affecting the Opportunity Plus program or Contract.

Modification of items (b) through (f) above will also require approval by the Commission.

3. Contract Holder/Participant Inquiries

A Contract Holder or Participant may direct inquiries to the Company's Opportunity Plus Processing Office at the address shown on the cover page of this prospectus.

4. Transfer of Ownership; Assignment

Unless contrary to applicable law, assignment of the Contract or Individual Account is prohibited.

ANNUITY PERIOD

1. Optional Annuity Period Elections

The Participant must notify the Company's Opportunity Plus Processing Office in writing of the Annuity commencement date and Annuity option elected. Until a date and option are elected, the Individual Account will continue in the Accumulation Period.

The Participant may give written notice to the Opportunity Plus Processing Office at least 30 days prior to the commencement of Annuity payments electing or changing (a) the date on which Annuity payments are to commence, (b) the Annuity option, (c) whether the payments are to be made monthly, quarterly, semi-annually or annually, and (d) the investment option(s) used to provide Annuity payments (i.e., an available credited interest option, the Common Stock Fund, the Bond Fund, or any combination thereof). The Money Market Fund, GET, Growth Fund, Socially Responsible Fund, Government Bond Fund, Gold Fund, and International Common Stock Fund cannot be used as investment media during the Annuity Period.

If Annuity payments are to be made on a variable basis (i.e., the Common Stock Fund and/or the Bond Fund are chosen), the first and subsequent payments will vary depending on the assumed net investment rate (3 1/2% per annum, unless a 5% annual rate is elected). Selection of a 5% rate causes a higher first payment, but Annuity payments will increase thereafter only to the extent that the net investment rate increases by more than 5% on an annualized basis. Annuity payments would decline if the rate failed to increase by 5%. Use of the 3 1/2% assumed rate causes a lower first payment, but subsequent payments would increase more rapidly or decline more slowly as changes occur in the net investment rate.

No election may be made that would result in a first Annuity payment of less than \$20 or total yearly Annuity payments of less than \$100. If the value of the Individual Account is insufficient to elect an option for the minimum amount specified, a lump-sum payment must be elected.

When payments start, the age of the Annuitant plus the number of years for which payments are guaranteed must not exceed 95.

A 50% federal penalty tax will be assessed on the amount of distribution required each year which is not distributed under the Code's minimum distribution rules.

Distributions of the Individual Account value as of December 31, 1986 must generally begin by age 75. Distributions of the Individual Account value attributable to contributions made after January 1, 1987 and any earnings on the entire Individual Account after that date must generally begin by April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2 or retires, whichever occurs later. These distribution dates may be further deferred if allowed under federal law or regulations.

The present value of the expected payments to the Participant must be more than 50% of the present value of the total expected payments to be made to the Participant and beneficiary. Annuity payments may not extend beyond (a) the life of the Annuitant, (b) the joint lives of the Annuitant and beneficiary, (c) a period certain greater than the Annuitant's life expectancy, or (d) a period certain greater than the joint life expectancies of the Annuitant and beneficiary.

2. Optional Annuity Forms

Lifetime:

(a) Life Annuity — an Annuity with payments guaranteed to the date of the Annuitant's death. This option may be elected with payments guaranteed for 5, 10, 15 or 20 years. Because it provides a specified minimum number of Annuity payments, the election of a guaranteed payment period results in somewhat lower payments.

(b) Joint and Last Survivor Life Annuity — an Annuity with payments guaranteed to the date of death of the surviving Annuitant. Payments to the survivor may be continued at 100%, 66 2/3%, or 50% of the original payments, as elected. If payments at 100% of the original payments are to continue to the survivor, this option may also be elected with payments guaranteed for 10 years. Because it provides a specified minimum number of Annuity payments, the election of a guaranteed payment period results in somewhat lower payments.

(c) Joint and 1/2 Contingent Life Income Annuity — an Annuity with payments guaranteed to the date of death of the surviving Annuitant. If the joint Annuitant dies first, full Annuity payments continue to the Annuitant; if the Annuitant dies first, one-half (1/2) of the Annuity payment amount continues to the joint Annuitant.

Payments under any lifetime Annuity option will be determined without regard to the sex of the Annuitant(s). Such Annuity payments will be based solely on the age of the Annuitant(s).

If lifetime option (a) or (b) is elected without a guaranteed minimum payment period, or lifetime option (c) is elected, it is possible that only one Annuity payment will be made if the Annuitant under (a), or the surviving Annuitant under (b) or (c), should die prior to the due date of the second Annuity payment.

Once lifetime Annuity payments begin, the Annuitant cannot elect to receive a lump-sum settlement.

Nonlifetime:

(a) Payments for a Specified Period — an Annuity with payments to be made for three to thirty years, as selected. If this option is elected on a variable basis, the Annuitant may request at any time during the payment period that the present value of all or any portion of the remaining variable payments be paid in one sum. However under an installment Purchase Payment Contract, any lump-sum elected before three years of payments have been completed will be treated as a withdrawal during the Accumulation Period and any applicable deferred sales charge will be assessed. (See "Deferred Sales Charge," page 9.) This option is not available on a variable basis under a Contract which provides for immediate Annuity benefits.

The Company makes a daily deduction for mortality and expense risks from any Contract values held on a variable basis (see "Mortality and Expense Risk Charges," page 8). Therefore, electing the nonlifetime option on a variable basis will result in a deduction being made even though the Company assumes no mortality risk.

The Company may make available to Participants and other payees optional methods of payment in addition to the Annuity options described.

DEATH BENEFIT

A portion or all of any death proceeds may be (a) paid to the beneficiary in a lump sum; (b) applied under any of the "Optional Annuity Forms," page 12; (c) subject to applicable provisions of the Code, left in the variable investment options; or (d) subject to applicable provisions of the Code, left on deposit in the Company's general account with the beneficiary electing to receive monthly, quarterly, semiannual or annual interest payments at the interest rate then currently being credited on such deposits (the balance on deposit can be withdrawn at any time or applied under any "Optional Annuity Forms," page 12). Any lump-sum payment paid during the Accumulation Period or allowed under the applicable lifetime or nonlifetime Annuity options will normally be made within seven calendar days after proof of death acceptable to the Company and a request for payment is received at the Opportunity Plus Processing Office.

1. Accumulation Period

If a lump-sum distribution is elected, the beneficiary will receive the value of the Individual Account determined as of the Valuation Period in which proof of death acceptable to the Company and request for payment is received at the Company's Opportunity Plus Processing Office.

If the beneficiary is the surviving spouse, the beneficiary has until the Participant would have attained age

70 1/2 to begin Annuity payments or to receive a lump-sum distribution.

If the beneficiary is not the surviving spouse, either Annuity payments must begin within one year of the Participant's death, or the entire value must be distributed within five years of the Participant's death.

In no event may Annuity payments to any beneficiary extend beyond the life of the beneficiary or any period certain greater than the beneficiary's life expectancy.

2. Annuity Period

Should an Annuitant die after Annuity payments have begun, any death benefit payable will depend upon the terms of the Contract and the Annuity option selected.

If lifetime option (a) or (b) was elected without a guaranteed minimum payment period under the Contract, Annuity payments will cease upon the death of the Annuitant under a Life Annuity or the death of the survivor under a Joint and Last Survivor Life Annuity. Annuity payments will also cease upon the death of the surviving Annuitant under the Joint and 1/2 Contingent Life Income Annuity option. No further payments will be made.

Under the Contract, if lifetime options (a) or (b) were elected with a guaranteed minimum payment period and the death of the Annuitant under a Life Annuity or the survivor under a Joint and Last Survivor Life Annuity occurs prior to the end of that period, the Company will pay to the designated beneficiary in a lump sum, unless otherwise requested, the present value of the guaranteed Annuity payments remaining. The amount of the payment will be based on the value as of the date of death (using the applicable Annuity Unit value next computed after the date of death) less any payments made after the date of death.

If a nonlifetime option was elected under the Contract and the Annuitant dies before all payments are made, the value of any remaining payments may be paid in a lump sum to the beneficiary and no deferred sales charge will be imposed. Such value will be determined as of the Valuation Period in which proof of death acceptable to the Company is received at the Company's Opportunity Plus Processing Office.

If the Annuitant dies after Annuity payments have commenced and if there is a death benefit payable under the Annuity option elected, the remaining value must be distributed to the beneficiary at least as rapidly as under the original method of distribution.

PURCHASE OF CONTRACT; CONTRACT VALUE

1. Purchase

The Contract application form, completed by the prospective Contract Holder, is forwarded to the Company's Opportunity Plus Processing Office, P. O. Box 12894, Albany, NY 12212-2894. Upon acceptance, the Contract is prepared, executed by duly authorized officers of the Company, and forwarded to the Contract Holder by the Opportunity Plus Processing Office. If, within five business days after the Opportunity Plus Processing Office receives the application and cannot accept the applica-

tion, and if the prospective Contract Holder has not given the Company consent to hold the application, the Opportunity Plus Processing Office will return the application to the prospective Contract Holder.

A Participant may establish an Individual Account by completing an enrollment form (and any other required forms) and forwarding it to the Company's Opportunity Plus Processing Office. The enrollment form will be returned to the Participant if the Company cannot accept the enrollment form.

Two group Contracts are issued to each individual school board to cover all present and future Participants. Contracts are issued in allocated form which provides for the establishment of an Individual Account for each Participant.

Single Purchase Payment Contracts are issued for lump-sum transfers to the Company of amounts accumulated under a pre-existing plan. Installment Purchase Payment Contracts are established to accept continuing periodic payments. The Company reserves the right to set a minimum Purchase Payment on single Purchase Payment Contracts. Lump-sum transfers below this minimum will be applied to an installment Purchase Payment Contract.

The Code imposes a maximum limit on annual Purchase Payments which may be excluded from a Participant's gross income. Such limit must be calculated in accordance with Sections 403 and 415 of the Code. In addition, Purchase Payments will be excluded from a Participant's gross income only if the 403(b) Plan meets certain Code non-discrimination requirements.

2. Net Purchase Payments

Each Purchase Payment is forwarded to the Opportunity Plus Processing Office and, to the extent it is to be accumulated on a variable basis, is placed in Account C and credited to the Contract.

The Participant may elect to have the Net Purchase Payment(s) accumulated (a) on a variable basis invested in shares of one or more of the available Funds; (b) on a fixed basis under one or more of the credited interest options (if available); or (c) in a combination of any of the available investment media. The Net Purchase Payment(s) must be allocated to the respective media in increments of whole percentage amounts.

Under an installment Purchase Payment Contract, the Participant may elect to change the allocation of future Net Purchase Payments to any mode of accumulation described above.

3. Crediting Accumulation Units — Contract and Individual Account Value

Each Net Purchase Payment is credited to the Individual Account in the form of Accumulation Units. The number of Accumulation Units credited is determined by dividing the appropriate portion of the Net Purchase Payment by the Accumulation Unit value of the appropriate Fund computed for the applicable Valuation Period in which the Initial Purchase Payment, accompanied by an enrollment form in good order, and subsequent Purchase Pay-

ments (if any) are received at the Opportunity Plus Processing Office.

Accumulation Units are valued separately for each Fund. Therefore, a Participant who has elected to have the Net Purchase Payment(s) invested in a combination of Funds will have Accumulation Units credited from more than one source. The value of the Individual Account is determined by adding the value of any Accumulation Units attributable to the Fund(s) to the value of any payments attributable to a credited interest option.

4. Net Investment Factor for Each Valuation Period

The value of an Accumulation Unit for any Valuation Period is calculated by multiplying the Accumulation Unit value for the immediately preceding Valuation Period by the net investment factor of the appropriate investment medium for the current period.

The net investment factor is calculated separately for each Fund in which assets of Account C are invested.

The net investment rate equals (a) the net assets of the Fund held by Account C at the end of a Valuation Period, minus (b) the net assets of the Fund held by Account C at the beginning of a Valuation Period, plus or minus (c) taxes or provision for taxes, if any, attributable to the operation of Account C, divided by (d) the value of the Fund's Accumulation and Annuity Units held by Account C at the beginning of the Valuation Period, minus (e) a daily charge at an annual rate of 1.25% for the Annuity mortality and expense risks, a daily administrative expense charge which will not exceed 0.25% (zero (0) for the period February 15, 1989 through April 30, 1989) on an annual basis, and, if applicable, a daily charge at an annual rate of 0.25% for the ALIAC Guarantee. The net investment rate may be more or less than zero (0).

The net investment rate is then added to 1.0000000 to arrive at the net investment factor.

REDEMPTION PAYMENTS DURING ACCUMULATION PERIOD

The Participant may redeem all or a portion of the Individual Account value during the Accumulation Period by properly completing and submitting to the Company's Opportunity Plus Processing Office, P. O. Box 12894, Albany, NY 12212-2894 a surrender request form provided by the Opportunity Plus Processing Office.

Effective January 1, 1989, the Code imposes restrictions on full or partial surrenders from 403(b) Individual Accounts attributable to Purchase Payments made on or after January 1, 1989 under a salary reduction agreement, and to any earnings on the entire 403(b) Individual Account credited on and after January 1, 1989. Surrenders of these amounts are allowed only if the Participant (a) has died, (b) has become disabled, as defined in the Code, (c) has attained age 59½, or (d) has separated from service. Surrenders are also allowed if the Participant can show "hardship," as defined by the IRS, but the surrender is limited to the lesser of Purchase Payments made on or after January 1, 1989 or the amount necessary to relieve

the hardship. Even if a surrender is permitted under these provisions, a 10% federal tax penalty may be assessed on the withdrawn amount if it does not otherwise meet the exceptions to the penalty tax provisions (see "Tax Status of Payments Under the Contract").

Under the Code, a Participant may request a full or partial surrender of an amount equal to the Individual Account cash value of December 31, 1988 (the "grandfathered" amount), subject to the terms of the 403(b) Plan. Although the Code surrender restrictions do not apply to this amount, a 10% federal penalty tax may be assessed on the withdrawn amount if it does not otherwise meet the exceptions to the penalty tax provisions (see "Tax Status of Payments Under the Contract").

The Company believes that the Code surrender restrictions do not apply to tax-free exchanges of contracts under Section 1035 of the Code. The Company further believes that the surrender restrictions will not apply to any "grandfathered" amount which is exchanged into another 403(b) Contract.

The Redemption Payment, in the case of a full surrender of the Individual Account, will be the value of the Individual Account less the applicable deferred sales charge (if any). The Redemption Payment for any partial surrender, where a percentage of the value of an Individual Account is requested, will be the percentage requested less a deferred sales charge (if any). For any partial surrender where a specific dollar amount is requested, the Redemption Payment will be the amount requested; sufficient Accumulation Units will be cancelled to cover both the specific surrender amount requested and any deferred sales charge. In addition, federal income and state taxes will be withheld from any payments paid to a Participant.

The value of the Accumulation Units cancelled for a Redemption Payment will be determined as of the end of the next Valuation Period in which a surrender request form properly completed by the Participant is received at the Opportunity Plus Processing Office or on such later date as the surrender form may specify. Surrender request forms are available from the Opportunity Plus Processing Office.

For any partial surrender, unless requested otherwise by the Participant, the value of the Accumulation Units cancelled will be withdrawn from the respective investment media in the same proportions as their respective values have to the total value of the Individual Account.

Redemption Payments will normally be made within seven calendar days after a properly completed surrender form is received at the Opportunity Plus Processing Office or within seven calendar days of the date the surrender form may specify. Redemption Payments may be delayed for: (a) any period in which the New York Stock Exchange ("Exchange") is closed (other than customary weekend and holiday closings) or in which trading on the Exchange is restricted; (b) any period in which an emergency exists where disposal of securities held by the Funds is not reasonably practicable or it is not reasonably practicable for the value of the assets of the Funds to be fairly determined; or (c) such other periods as the Commission may by order permit for the protection of Participants. The conditions under which restricted trading or an emer-

gency exists shall be determined by the rules and regulations of the Commission.

REINSTATEMENT PRIVILEGE

A Participant may elect to reinvest all or a portion of the proceeds received from the full surrender of an Individual Account within 30 days after such surrender. Accumulation Units will be credited to the Individual Account for the amount reinvested, as well as any applicable portion of any deferred sales charge imposed at the time of surrender. Any maintenance fee which falls due after the surrender and before the reinstatement will be deducted from the amount reinvested. Such reinvested amounts will be reallocated to the applicable investment media in the same proportion as they were allocated at the time of surrender. GET funds will be reallocated to other investment media. The number of Accumulation Units credited will be based upon the Accumulation Unit value(s) next computed following receipt at the Company's Opportunity Plus Processing Office of the reinstatement request along with the amount to be reinvested. The reinstatement privilege may be utilized only once. A Participant contemplating reinstatement should seek competent advice regarding the tax consequences associated with such a transaction.

RIGHT TO CANCEL

The Participant may cancel his or her participation under the Contract no later than ten days after receiving the certificate by returning it, along with a written notice of cancellation, to the Company's Opportunity Plus Processing Office. The Opportunity Plus Processing Office will produce a refund not later than seven days after it receives the certificate and the written notice. Unless the applicable state law requires a refund of Purchase Payment(s) only, the Company will refund the Purchase Payment(s) plus any increase or minus any decrease in the value attributable to any Purchase Payment(s) allocated to the variable option(s).

TAX STATUS

1. Federal Tax Status of the Contract

Subject to an important exception described below, certain investment diversification standards apply to separate accounts and Funds supporting Variable Annuity Contracts. These diversification requirements, found in section 817(h) of the Code, have been modified recently by the Technical and Miscellaneous Revenue Act of 1988 and are further detailed in temporary and proposed Treasury regulations. If a separate account or Fund fails to comply with these rules at the end of each calendar quarter (or within 30 days thereafter), a Variable Annuity Contract(s) funded through the non-complying separate account or Fund will not be treated as an Annuity Contract for purposes of the Code.

Aetna Variable Fund, Aetna Income Shares, Aetna Variable Encore Fund, and Aetna Guaranteed Equity Trust have met the diversification requirements since the date those rules were first effective. The Company intends to take any action necessary to maintain the compliance of these Funds with those standards.

The diversification standards described here do not apply to "pension plan contracts" defined in section 818(a). Consequently, Separate Account C and the other Funds available under this Contract will not necessarily comply with the diversification standards, because these Funds and Separate Account C are available only to Contracts that are exempt from those standards. The Company intends to take any action necessary to maintain the exemption of these Contracts.

2. Use of the Contract

These Contracts are designed to provide retirement benefits to Participants enrolled in the Opportunity Plus program.

3. Tax Status of Payments Under the Contract

The following description of the federal income tax status of amounts received under the Contracts is not exhaustive and is not intended to cover all situations. Participants should seek advice from their tax advisers as to the application of federal (and where applicable, state and local) tax laws to amounts received by them and by their beneficiaries under the Contracts.

Whether the Participant elects a lump sum or Annuity payments, if a Participant has made after-tax contributions to an Opportunity Plus Individual Account, the Participant will have a cost basis (equal to such contributions) which can be recovered tax free from distributions from the Opportunity Plus program.

Federal income and state taxes will be withheld from any payments paid directly to a Participant, unless instructed otherwise. The Company will report to the IRS

the taxable portion of all distributions whether or not income taxes are withheld.

The Code imposes a 10% penalty tax on the taxable portion of any distribution unless made when (a) the Participant has attained age 59 1/2, (b) the Participant has become disabled, (c) the Participant has died, or (d) the Participant has attained age 55 and has separated from service with the school board, (e) the distribution amount is rolled over into a 403(b) plan or to an Individual Retirement Account ("IRA") in accordance with terms of the Code, or (f) the distribution amount is annuitized over the life or life expectancy of the Participant or the joint lives or life expectancies of the Participant and beneficiary, provided the Participant has separated from service with the school board. In addition, the penalty tax is abated for the amount of a distribution equal to unreimbursed medical expenses incurred by the Participant that qualify for deduction as specified in the Code.

a. Accumulation Period

The Purchase Payments and investment results of Account C credited to the value of the Individual Account are not taxable to Participants until distributed. Lump-sum payments will generally be taxed to Participants as ordinary income in the year received.

b. Annuity Period

Annuity payments will generally be fully taxable to Participants as ordinary income when received.

LEGAL PROCEEDINGS

The Company and its Board of Directors know of no material legal proceedings pending to which Account C is a party or which would materially affect Account C.

STATEMENT OF ADDITIONAL INFORMATION — TABLE OF CONTENTS

The following items are the contents of the Statement of Additional Information:

General Information and History	3
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Offering and Purchase of Contracts	4
Calculation of Yield Quotations For Aetna Variable Encore Fund	4
Total Return Quotation Figures For The One, Five, and Ten-Year Periods Ending September 30, 1988	5
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APPENDIX

Credited Interest Options Provided Under the Contracts

Under either credited interest option, Contract values are held in the Company's general account which supports insurance and Annuity obligations. Because of provisions which exempt the general account from registration as an investment company under the Investment Company Act of 1940 and which exempt interests in the general account from securities registration under the Securities Act of 1933, neither the general account nor the portion of Contract values held therein is generally subject to the provisions of these Acts. Disclosure in this prospectus regarding the Company's general account and Contract values held therein under the following credited interest options, however, may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of the statements. Disclosure in this Appendix regarding the general account and interests therein has not been reviewed by the Commission.

Credited Interest Options

- **Fixed Account** — This option guarantees the minimum interest rate specified in the Contract. The Company may credit a higher interest rate from time to time. Under this option, the Company assumes the risk of investment gain or loss by guaranteeing Net Purchase Payment values and promising a minimum interest rate and Annuity payment. This option is only available under installment Purchase Payment Contracts.

The Company, under certain emergency conditions, may defer payment of a Fixed Account surrender value (a) for a period of up to 6 months or (b) as provided by federal law.

In addition, if allowed by state law, the Company may pay any Fixed Account surrender value in equal payments, with interest, over a period not to exceed 60 months, when:

- (a) the Fixed Account surrender value for the Contract or for the total of the Individual Accounts under the Contract exceeds \$250,000 on the day prior to the surrender; and
- (b) the sum of the current Fixed Account surrender and the total of all Fixed Account surrenders from the Contract or any Individual Account under the Contract within the past 12 calendar months exceeds 20% of the amount in the Fixed Account on the day prior to the current surrender.

Interest, as used above, will not be more than two percentage points below any rate determined prospectively by the Board of Directors for this class of Contract. In no event will the interest rate be less than 4%.

- **Guaranteed Accumulation Account ("GAA")** — This option guarantees to credit daily to Purchase Payments received during a specified deposit period an interest rate guaranteed for a stated term, generally one to five years. Under this option, the Company assumes a risk of investment gain or loss by guaranteeing both Net Purchase Payment values (if held to the end of the stated term) and a stated interest rate. The Company may apply a market value adjustment to any amount surrendered from GAA before the end of the stated term. GAA is available during the Accumulation Period only.

Mortality and Expense Risk Charges

The credited interest options will reflect a compound interest rate credited by the Company. The interest rate quoted is an annual effective yield. The Company makes no deductions from the credited interest rate for mortality and expense risks; these risks are considered in determining the credited rate.

Transfers Among Investment Media

Transfers from the Fixed Account to any other available investment medium are allowed once in each calendar year during the Accumulation Period. The amount which may be transferred may vary at the Company's discretion; however, it will never be less than 10% of the amount held under the Fixed Account. Assets accumulating under GAA may be transferred during the Accumulation Period to any of the available Funds or to the Fixed Account. However, amounts applied to GAA during a deposit period may not be transferred during that deposit period or for 90 days thereafter. The Company may apply a market value adjustment to GAA withdrawals made prior to the end of any stated term.

By giving notice to the Company at the Opportunity Plus Processing Office at least 30 days before the commencement of Annuity payments, the Participant may elect to have amounts which have been accumulating under the Fixed Account and/or GAA transferred to the Common Stock Fund or the Bond Fund, or both, to provide variable Annuity payments. (GAA cannot be used as investment medium during the Annuity Period.)

Contract Loans

Loans may be made from those Individual Account values held in the Fixed Account. Loans may not be made against amounts held in GAA, although such value is included in determining the value of the Individual Account against which a loan may be made.

Reinstatement Privilege

Any amounts reinstated will be applied to the current deposit period of GAA. Any negative market value adjustment amount applied to a surrender will not be included in the reinstatement.



OPPORTUNITY PLUS
Endorsed by New York State United Teachers
PARTICIPANT ENROLLMENT FORM
 Tax Deferred Annuity Plan for New York
 Public School Employees in NYSUT Affiliates

Complete and return this form to
 Aetna Life Insurance and
 Annuity Company
 Opportunity Plus Processing Office
 P. O. Box 12894
 Albany, NY 12212-2894

PART I PARTICIPANT INFORMATION

Name (Last, First, Middle Initial)		Social Security Number	Date of Birth
Street Address			Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
City	State	Zip Code	Home Phone Number ()
School District	Payroll Location Number		Date of Employment
Office Phone Number ()	Are you a member of NYSUT? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you have an existing Aetna TDA contract? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, what is the contract number?	Do you have an active loan outstanding on this contract? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Expected Retirement Age	Years with Employer	Annual Salary	
Marital Status	Number of Dependents	Citizenship	
Total income of applicant and immediate family: <input type="checkbox"/> \$19,999 or less <input type="checkbox"/> \$30,001 to \$40,000 <input type="checkbox"/> \$50,001 to \$75,000 <input type="checkbox"/> \$20,000 to \$30,000 <input type="checkbox"/> \$40,001 to \$50,000 <input type="checkbox"/> \$75,001 or more			
The National Association of Securities Dealers, Inc. requires that the sales representative must have reason to believe that this contract is suitable for the participant. The sales representative must rely on information provided above by the participant and any other information available.			

PART II DESIGNATION OF BENEFICIARY

Primary Beneficiary(ies)	Relationship	Social Security Number	Date of Birth	Address
1.				
2.				
3.				
Contingent Beneficiary(ies)				
1.				
2.				

If there are any additional beneficiaries, please attach a separate sheet of paper with this information.

PART III REPLACEMENT OF PREVIOUS CONTRACT ("1035" EXCHANGE)

Will this contract change or replace any existing life insurance or annuity contracts? <input type="checkbox"/> Yes <i>Complete a 1035 Exchange Request Form #82140.</i> <input type="checkbox"/> No	Amount of one time contribution from existing contract \$
If yes, please provide carrier name and account number	
Contributions exchanged into this plan will not be subject to a deferred sales charge upon surrender. These funds will be established in a contract separate from the modal contracts. The Aetna Fixed Account is not available for these contributions. Contributions will be allocated as follows:	

PART IV MODAL CONTRIBUTION INVESTMENT OPTIONS

I wish to participate in the Opportunity Plus Tax Deferred Annuity Plan effective _____, 19____. I hereby agree to contributions of \$_____ OR _____% per pay period. I understand that a \$15.00 annual maintenance fee will be deducted from my account at a rate of \$3.75 per calendar quarter.

I wish to establish the investment of my modal contributions as follows:

AEtna Fixed Account _____	Calvert Socially Responsible Series _____
AEtna Variable Fund _____	Franklin Government Securities Trust _____
AEtna Variable Encore Fund _____	Lexington Gold Trust _____
AEtna Income Shares _____	Advisers Management Trust (Growth Portfolio) _____
AEtna Guaranteed Accumulation Account _____	T. Rowe Price International Equity Fund _____

PERCENTAGE CONTRIBUTIONS MUST TOTAL 100 % OR
DOLLAR CONTRIBUTIONS MUST EQUAL TOTAL AMOUNT DEFERRED

PART V SIGNATURE AGREEMENT - VERIFICATION OF TAXPAYER IDENTIFICATION NUMBER (FORM W-9)

Enter your taxpayer identification number in the appropriate box. For individuals, this is your social security number. (See instructions to IRS Form W-9 for assistance in determining the proper Taxpayer Identification Number to report).

FOR OFFICE USE ONLY			
Social Security Number	TIN Verified	Initials	Date
+ +	<input type="checkbox"/> Yes <input type="checkbox"/> No		

I certify that the information shown on this form is correct and complete and, under the penalties of perjury, I certify that the number shown on this form is my correct social security number. (See the instructions to IRS W-9 for assistance in determining the proper social security number to report).

I understand that amounts withdrawn from AEtna Guaranteed Accumulation Account may be subject to a market value adjustment as specified in the contract, while annuity payments and termination values (if any) when based on the investment experience of a separate account, are variable and not guaranteed as to fixed dollar amount.

I certify that I have received current prospectuses pertaining to all of the investment options within the Opportunity Plus Tax Deferred Annuity Plan.

Signature of Participant _____
Date

Signature of Agent	Date	Print Agent Name	Branch Office	Agent Number	% of Participation
1.					
2.					
3.					
4.					

FOR OFFICE USE ONLY		
Date Initial Contributions Will Begin	Approved By	Date



Aetna Life Insurance and Annuity Company
Opportunity Plus Processing Office
P. O. Box 12894
Albany, NY 12212-2894

ACKNOWLEDGMENT

I understand that, effective January 1, 1989, federal tax law has imposed restrictions on withdrawals from all tax-deferred annuity contracts issued under Section 403(b) of the Internal Revenue Code.

Specifically, I understand that withdrawals may only be made if:

- I have attained age 59½;
- I have separated from service;*
- I can prove hardship;*
- I have become disabled;* or
- In the event of my death.

These restrictions do not prevent my taking loans under my Opportunity Plus contract or transferring to any other Section 403(b) investment options which may be approved by my employer.

Signed,

(Participant's Signature)

(Date)

*As defined by the Internal Revenue Code and/or current or future federal regulations.

PART IV MODAL CONTRIBUTION INVESTMENT OPTIONS

I wish to participate in the Opportunity Plus Tax Deferred Annuity Plan effective _____, 19____. I hereby agree to contributions of \$_____ OR _____ .0 % per pay period. I understand that a \$15.00 annual maintenance fee will be deducted from my account at a rate of \$3.75 per calendar quarter.

I wish to establish the investment of my modal contributions as follows:

AEtna Fixed Account _____	Caivert Socially Responsible Series _____
AEtna Variable Fund _____	Franklin Government Securities Trust _____
AEtna Variable Encore Fund _____	Lexington Gold Trust _____
AEtna Income Shares _____	Advisers Management Trust (Growth Portfolio) _____
AEtna Guaranteed Accumulation Account _____	T. Rowe Price International Equity Fund _____

PERCENTAGE CONTRIBUTIONS MUST TOTAL 100 % OR
DOLLAR CONTRIBUTIONS MUST EQUAL TOTAL AMOUNT DEFERRED

PART V SIGNATURE AGREEMENT - VERIFICATION OF TAXPAYER IDENTIFICATION NUMBER, (FORM W-9)

Enter your taxpayer identification number in the appropriate box. For individuals, this is your social security number. (See instructions to IRS Form W-9 for assistance in determining the proper Taxpayer Identification Number to report).

Social Security Number								

FOR OFFICE USE ONLY

TIN Verified		Initials	Date
<input type="checkbox"/> Yes	<input type="checkbox"/> No		

I certify that the information shown on this form is correct and complete and, under the penalties of perjury, I certify that the number shown on this form is my correct social security number. (See the instructions to IRS W-9 for assistance in determining the proper social security number to report).

I understand that amounts withdrawn from AEtna Guaranteed Accumulation Account may be subject to a market value adjustment as specified in the contract, while annuity payments and termination values (if any) when based on the investment experience of a separate account, are variable and not guaranteed as to fixed dollar amount.

I certify that I have received current prospectuses pertaining to all of the investment options within the Opportunity Plus Tax Deferred Annuity Plan.

Signature of Participant

Date

Signature of Agent	Date	Print Agent Name	Branch Office	Agent Number	% of Participation
1.					
2.					
3.					
4.					

FOR OFFICE USE ONLY

Date Initial Contributions Will Begin	Approved By	Date

PFS 727.00.1



Aetna Life Insurance and Annuity Company
Opportunity Plus Processing Office
P. O. Box 12894
Albany, NY 12212-2894

ACKNOWLEDGMENT

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Specifically, I understand that withdrawals may only be made if:

- I have attained age 59½;
- I have separated from service;*
- I can prove hardship;*
- I have become disabled;* or
- In the event of my death.

These restrictions do not prevent my taking loans under my Opportunity Plus contract or transferring to any other Section 403(b) investment options which may be approved by my employer.

Signed,

(Participant's Signature)

(Date)

*As defined by the Internal Revenue Code and/or current or future federal regulations.



**OPPORTUNITY PLUS
TRANSFER PASSWORD
AND AUTHORIZATION**

AETna Life Insurance and Annuity Company
Opportunity Plus Processing Office
P. O. Box 12894
Albany, NY 12212-2894

Opportunity Plus is responding to your need for clear and current information about your retirement account with a toll-free telephone service:

OPPORTUNITY PLUS TRANSFER is a toll-free telephone service that allows you to make changes in your investment options and is currently in service from 9:00 am to 5:00 pm Monday - Friday.

**OPPORTUNITY PLUS TRANSFER
1-800-248-2812**

You'll need a personal password to use Opportunity Plus Transfer. Complete this form to select your personal password. Please read the Opportunity Plus Transfer Conditions and sign the form. Your signed authorization allows us to accept your password.

OPPORTUNITY PLUS TRANSFER INFORMATION

Opportunity Plus makes it easy for you to make changes in your investment options. When you call, an analyst will ask the following questions. Please be sure you have all information ready prior to calling because AETna will be unable to honor incomplete telephone transfer requests. Please note that changes may only be made to the Opportunity Plus contract with your call.

- Please state your full name.
- Please state your telephone number (including area code) where we may contact you during business hours.
- Are you the participant?
- Are you authorized to make changes?
- Please state your payroll location number.
- Please state your account number.
- Please state your Opportunity Plus Transfer password.
- If you wish to change the investment options for FUTURE payments, the analyst will ask you to state the percentages or dollar amounts and the investment options. Percentages must total 100%. If you wish no changes to the investment options for future payments, please state "none".
- If you wish to transfer EXISTING account values from one investment option to any other available investment options, the analyst will ask you to provide the following information:
 - The investment option you are transferring FROM.
 - The investment option(s) you are transferring INTO.
 - And the dollar amount or percentage of this transaction.
 - If you wish no changes, please state "none".

If you have any questions concerning your account or Opportunity Plus Transfer, call your Agent or the Opportunity Plus office.

PLEASE FOLD, STAPLE AND HAND TO AGENT.



**OPPORTUNITY PLUS
TRANSFER PASSWORD
AND AUTHORIZATION**

Aetna Life Insurance and Annuity Company
Opportunity Plus Processing Office
P. O. Box 12894
Albany, NY 12212-2894

Opportunity Plus is responding to your need for clear and current information about your retirement account with a toll-free telephone service:

OPPORTUNITY PLUS TRANSFER is a toll-free telephone service that allows you to make changes in your investment options and is currently in service from 9:00 am to 5:00 pm Monday - Friday.

**OPPORTUNITY PLUS TRANSFER
1-800-248-2812**

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- Are you the participant?
- Are you authorized to make changes?
- Please state your payroll location number.
- Please state your account number.
- Please state your Opportunity Plus Transfer password.
- If you wish to change the investment options for FUTURE payments, the analyst will ask you to state the percentages or dollar amounts and the investment options. Percentages must total 100%. If you wish no changes to the investment options for future payments, please state "none".
- If you wish to transfer EXISTING account values from one investment option to any other available investment options, the analyst will ask you to provide the following information:
 - The investment option you are transferring FROM.
 - The investment option(s) you are transferring INTO.
 - And the dollar amount or percentage of this transaction.
 - If you wish no changes, please state "none".

If you have any questions concerning your account or Opportunity Plus Transfer, call your Agent or the Opportunity Plus office.

PLEASE FOLD, STAPLE AND HAND TO AGENT.

OPPORTUNITY PLUS TRANSFER LINE

PLEASE TYPE OR PRINT

Payroll Location Number	School District
Participant Name and Address	Social Security Number
	Telephone Number (Include Area Code)

Password

Select any four-character alphabetical or numerical sequence. You will be asked for this code when you call. Please note that you will not receive notification that your password has been recorded. Please allow 10 days before you make your first call.

OPPORTUNITY PLUS TRANSFER CONDITIONS

- I understand that I must have CURRENT Prospectuses and Disclosure Booklets for the investment options, in order to make changes in investment options. If I do not, I will call my Agent or the Opportunity Plus office and request these materials before making changes.
- Calls received during times when the New York Stock Exchange (NYSE) is open will be processed using account values and unit prices as of the close of business that day. Calls received when the NYSE is not open will be processed using account values and unit prices as of the close of the next NYSE business day.
- Opportunity Plus Transfer cannot be used to execute Aetna Guaranteed Accumulation Account (GAA) maturity transfers. To transfer money out of GAA at maturity, you must return the form provided with the maturity notice.
- Opportunity Plus Transfer can be used to transfer funds out of Aetna Guaranteed Equity Trust (GET).
- Aetna is unable to honor telephone requests where incomplete information is provided, or when instructions for transfer are incorrect or unclear.
- Aetna is not liable for transfer activity not completed because of failings beyond our control: i.e., problems with telephone lines, equipment, incomplete or incorrect information, etc.
- You should receive confirmation of your Opportunity Plus Transfer transaction within 10 working days after your call. If you do not receive it, or if you have any questions regarding the activity described in your confirmation, you should contact your Agent or the Opportunity Plus office within 30 days.

I authorize Aetna to accept telephone instructions from me to make investment changes in my account. I understand that the provisions of my contract apply to any changes I make. This authorization will remain in force until written revocation is received by Aetna's Opportunity Plus Processing Office or Aetna discontinues service.

I agree that I will not disclose my password to anyone. Aetna reserves the right to refuse transfer if the caller has not sufficiently identified him/herself by name and correct password. Requests for information on lost passwords must be made in writing.

Signed at _____
City and State

Date _____

Signature of Participant

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VARIABLE ANNUITY ACCOUNT C

OPPORTUNITY PLUS
GROUP VARIABLE MULTIPLE OPTION
ANNUITY CONTRACTS

DATED FEBRUARY 15, 1989



I hereby acknowledge receipt of all current prospectuses pertaining to all of the investment options within the Opportunity Plus Tax Deferred Annuity Plan.

CONTRACT HOLDER'S SIGNATURE



Aetna Life Insurance and Annuity Company

Opportunity Plus Processing Office

P. O. Box 12894

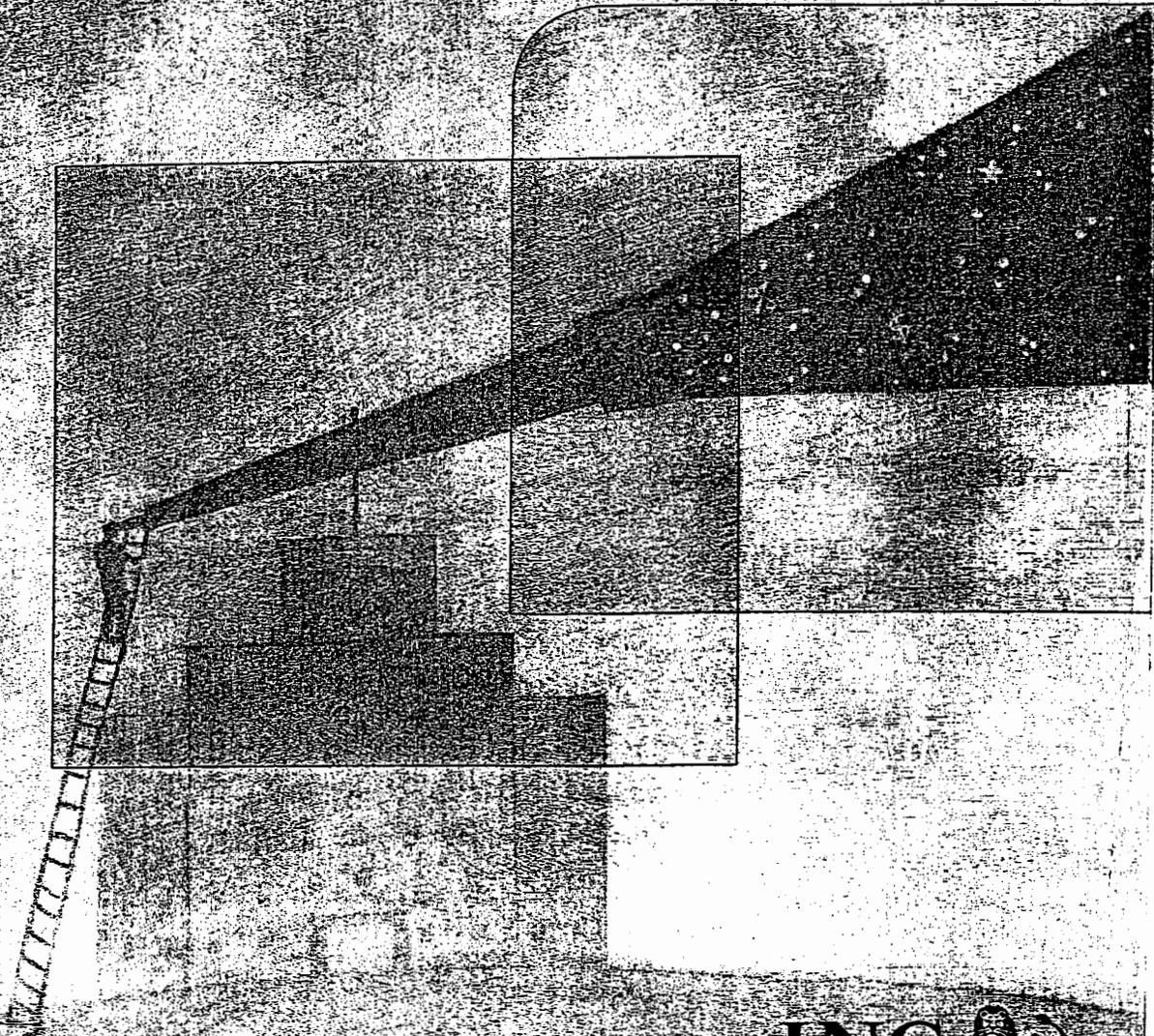
Albany, NY 12212-2894

EXHIBIT 25

Opportunity Plus

Variable Annuity Account C

Multiple Option Group
Variable Annuity Contracts



PRO.75962-01 (5/01)



The Contracts. The contracts described in this prospectus are group deferred variable annuity contracts issued by Aetna Life Insurance and Annuity Company (the Company). The contracts may be single purchase payment contracts, which allow for lump-sum payments, or installment purchase payment contracts, which allow for installment payments. They are intended to be used as funding vehicles for certain types of supplemental retirement plans, including those that qualify for beneficial tax treatment and/or to provide current income reduction under certain sections of the Internal Revenue Code of 1986, as amended (Tax Code).

Why Reading this Prospectus is Important. Before you participate in the contract through a supplemental retirement plan, you should read this prospectus. It provides facts about the contract and its investment options. Plan sponsors (generally your employer) should read this prospectus to help determine if the contract is appropriate for their plan. Keep this document for future reference.

Table of Contents . . . page 3

You may participate in this contract if you are an eligible employee of a school district or public university in the State of New York and if you are a member of the New York State United Teachers Trust (NYSUT) or the United University Professions (UUP).

Investment Options. The contracts offer variable investment options and fixed interest options. When we establish your account, you instruct us to direct account dollars to any of the available options. Some investment options may be unavailable through certain contracts and plans.

Variable Investment Options. These options are called subaccounts. The subaccounts are within Variable Annuity Account C (the separate account). Each subaccount invests in one of the mutual funds (funds) listed on this page. Earnings on amounts invested in a subaccount will vary depending upon the performance of its underlying fund. You do not invest directly in or hold shares of the funds.

Risks Associated with Investing in the Funds. Information about the risks of investing in the funds is located in the "Investment Options" section in this prospectus at page 10 and in each fund prospectus. Read this prospectus in conjunction with the fund prospectuses, and retain the fund prospectuses for future reference.

* This fund is available to the general public. See "Additional Risks of Investing in the Funds."

** Transfers or deposits are not allowed into the subaccount investing in this fund, except from accounts established under the contract before May 1, 1998. As soon as all those who have current allocations to the subaccount under the contract have redirected their allocations to other investment options, we will close the subaccount to all investments (except loan repayments that we automatically deposit into the subaccount according to our loan repayment procedures).

The Funds

Aetna Ascent VP
 Aetna Balanced VP, Inc.
 Aetna Income Shares d/b/a Aetna Bond VP
 Aetna Crossroads VP
 Aetna Growth VP
 Aetna Variable Fund d/b/a Aetna Growth and Income VP
 Aetna Index Plus Large Cap VP
 Aetna Index Plus Mid Cap VP
 Aetna Index Plus Small Cap VP
 Aetna International VP
 Aetna Legacy VP
 Aetna Variable Encore Fund d/b/a
 Aetna Money Market VP
 Aetna Small Company VP
 Aetna Technology VP
 Aetna Value Opportunity VP
 A I M V.I. Capital Appreciation Fund
 A I M V.I. Growth Fund
 A I M V.I. Growth and Income Fund
 A I M V.I. Value Fund
 American Century Income & Growth Fund (Advisor Class)*
 Calvert Social Balanced Portfolio DEM Equity Fund (Institutional Shares)*
 Fidelity Variable Insurance Products Fund (VIP) Equity-Income Portfolio
 Fidelity Variable Insurance Products Fund (VIP) High Income Portfolio
 Fidelity Variable Insurance Products (VIP) Overseas Portfolio
 Fidelity Variable Insurance Products Fund II (VIP II) Asset Manager Portfolio
 Fidelity Variable Insurance Products Fund II (VIP II) Contrafund® Portfolio
 Fidelity Variable Insurance Products Fund II (VIP II) Index 500 Portfolio
 Janus Aspen Aggressive Growth Portfolio
 Janus Aspen Balanced Portfolio
 Janus Aspen Capital Appreciation Portfolio (Service Shares)
 Janus Aspen Growth Portfolio
 Janus Aspen Worldwide Growth Portfolio
 MFS Total Return Series
 Oppenheimer Developing Markets Fund (Class A Shares)*
 Oppenheimer Global Securities Fund/VA
 Oppenheimer Strategic Bond Fund/VA
 Pax World Balanced Fund, Inc.*
 Pilgrim Emerging Markets Fund, Inc. (formerly Lexington Emerging Markets Fund, Inc.)
 Pilgrim Natural Resources Trust (formerly Lexington Natural Resources Trust)**
 Portfolio Partners, Inc. (PPI) MFS Capital Opportunities Portfolio
 Portfolio Partners, Inc. (PPI) MFS Emerging Equities Portfolio
 Portfolio Partners, Inc. (PPI) MFS Research Growth Portfolio
 Portfolio Partners, Inc. (PPI) Scudder International Growth Portfolio
 Portfolio Partners, Inc. (PPI) T. Rowe Price Growth Equity Portfolio
 Wachovia Special Values Fund (Class A Shares)*

Prospectus - May 1, 2001 (continued)

Fixed Interest Options.

- ▷ Guaranteed Accumulation Account
- ▷ Fixed Account

Except as specifically mentioned, this prospectus describes only the variable investment options. However, we describe the fixed interest options in the appendices to this prospectus. There is also a separate prospectus for the Guaranteed Accumulation Account.

Getting Additional Information. You may obtain the May 1, 2001, Statement of Additional Information (SAI) by indicating your request on your enrollment materials or calling the Opportunity Plus Service Center at 1-800-677-4636. You may also obtain an SAI for any of the funds by calling that number. This prospectus, the SAI and other information about the separate account may be obtained by accessing the Securities and Exchange Commission's (SEC) web site, www.sec.gov. Copies of this information may also be obtained, after paying a duplicating fee, by contacting the SEC Public Reference Room. Information on the operation of the SEC Public Reference Room may be obtained by calling 1-202-942-8090 or 1-800-SEC-0330, e-mailing publicinfo@sec.gov or by writing to SEC Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. The SAI table of contents is listed on page 39 of this prospectus. The SAI is incorporated into this prospectus by reference.

Additional Disclosure Information. Neither the SEC, nor any state securities commission, has approved or disapproved the securities offered through this prospectus or passed on the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. This prospectus is valid only when accompanied by current prospectuses of the funds and the Guaranteed Accumulation Account. We do not intend for this prospectus to be an offer to sell or a solicitation of an offer to buy these securities in any state that does not permit their sale. We have not authorized anyone to provide you with information that is different than that contained in this prospectus.

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Questions: Contacting the Company to answer your questions, contact your financial representative or write to the Company through Department of Insurance, Office of General Services, Albany, New York 12242. ESCOPPE INFO: 800-571-1111. Sending Forms and Written Requests in Good Order: For more information on your benefits, contact your financial representative or write to the Department of Insurance, Office of General Services, Albany, New York 12242. For more information on the Department of Insurance, Office of General Services, Albany, New York 12242. For more information on the Department of Insurance, Office of General Services, Albany, New York 12242.

Contract Overview

The following is a summary. Please read each section of this prospectus for additional information.

Who's Who

You (the participant): The individual participating in a supplemental retirement plan, where the plan uses the contracts as funding options.
Plan Sponsor: The sponsor of your supplemental retirement plan. Generally, your employer.
Contract Holder: The person or entity to whom we issue the contract. Generally, the plan sponsor.
We (the Company): Aetna Life Insurance and Annuity Company. We issue the contract.

The Contract and Your Supplemental Retirement Plan

Supplemental Retirement Plan (plan): A plan sponsor has established a supplemental retirement plan for you. The contracts are offered as funding options for that plan. We are not a party to the plan, so the terms and the conditions of the contracts and the plan may differ.

Plan Type: We refer to plans in this prospectus as 403(b) plans. For a description, see "Taxation."

Contract Rights

You hold all rights under the contract and may make all elections for your accounts.

Contract Features

Free Look/Right to Cancel: Contract holders and participants may cancel their purchase no later than ten days after they receive the contract (or other document evidencing their interest.) See "Right To Cancel."

Death Benefit: A beneficiary may receive a benefit in the event of your death prior to the income phase. Death benefits during the income phase depend on the payment option selected. See "Death Benefit" and "The Income Phase."

Withdrawals: During the accumulation phase, you may, subject to the limits in the contract, withdraw all or a part of your account value. Certain fees and taxes may apply. See "Withdrawals" and "Taxation." Amounts withdrawn from the Guaranteed Accumulation Account may be subject to market value adjustment. See Appendix I.

Systematic Distribution Options: You may elect to receive regular payments from your account, while retaining the account in the accumulation phase. See "Systematic Distribution Options."

Fees: Certain fees are deducted from your account value. See "Fee Table" and "Fees."

Taxation: You will not generally pay taxes on any earnings from the annuity contract described in this prospectus until they are withdrawn. Tax-qualified retirement arrangements (e.g., 403(b) plans) also defer payment of taxes on earnings until they are withdrawn. When an annuity contract is used to fund a tax-qualified retirement arrangement, you should know that the annuity contract does not provide any additional tax deferral of earnings beyond the tax deferral provided by the tax-qualified retirement arrangement. However, annuities do provide other features and benefits which may be valuable to you. You should discuss your alternatives with your financial representative.

Amounts you receive as a distribution will be generally included in your gross income and will be subject to taxation. Tax penalties may apply in some circumstances. See "Taxation".

Contract Phases

I. The Accumulation Phase (accumulating retirement benefits)

STEP 1: You or the contract holder provide Aetna Life Insurance and Annuity Company with your completed enrollment materials. The contract holder directs us to set up one or more accounts for you. We may set up account(s) for employer contributions and/or contributions from your salary.

Payments to
Your Account

Step 1 ↓

Aetna Life Insurance and Annuity Company

a) ↓

Step 2

b) ↓

Fixed
Interest
Options

Variable Annuity
Separate Account
Variable Investment Option
The Subaccounts

↓ Step 2 b) ↓

Mutual Fund
Investment Fund

STEP 2: You direct us to invest your account dollars in any of the following investment options:

- (a) Fixed Interest Options; or
- (b) Variable Investment Options. (The variable investment options are the Subaccounts of Variable Annuity Account C. Each one invests in a specific mutual fund.) The subaccount(s) selected purchases shares of its corresponding fund.

II. The Income Phase (Receiving income phase payments from your contract).

If you wish to begin receiving payments from your contracts, you may select from the options available. The contract offers several income phase payment options, if you wish to elect one (see "The Income Phase.") In general, you may:

- ▷ Receive income phase payments over a lifetime or for a specified period;
- ▷ Receive income phase payments monthly, quarterly, semi-annually or annually;
- ▷ Select an income phase payment option that provides a death benefit to your beneficiary(ies); or
- ▷ Select fixed income phase payments, variable income phase payments (that vary based on the performance of the variable investment options you select), or a combination of fixed and variable income phase payments.

In This Section:

- Early Withdrawal Charge Schedule
- Fees Deducted From the Subaccounts
- And Fees
- Hypothetical Example

Also See the Fees Section for:

- Early Withdrawal Charge Schedule
- How, When and Why Fees are Charged
- Premium and Other Taxes
- Charges for Aetna's Life Insurance
- The Income Phase and Fees During the Income Phase

Fee Table

The tables and examples in this section show the fees your account may incur while accumulating dollars under the contract (the Accumulation Phase). See "The Income Phase" for fees that may apply after you begin receiving payments under the contract. The fees shown below do not include premium taxes that may be applicable.

Transaction Fees

Early Withdrawal Charge. As a percentage of the amount withdrawn.

Early Withdrawal Charge Schedule⁽¹⁾

Installment Purchase Payment Contracts	
Purchase Payment Periods Completed	Early Withdrawal Charge
Fewer than 5	5%
5 or more but fewer than 7	4%
7 or more but fewer than 9	3%
9 or 10	2%
More than 10	0%

Fees Deducted From the Subaccounts During the Accumulation Phase

(Daily deductions equal to the given percentage of values invested in the subaccounts on an annual basis)

Mortality and Expense Risk Charge	1.05% ²
Administrative Expense Charge	0.00% - 0.25% ³
Total Separate Account Expenses	1.05% - 1.30%

- ⁽¹⁾ For Single Purchase Payment Contracts, there is no withdrawal charge. For Installment Purchase Payment Contracts, we waive the withdrawal charge for dollars contributed to the funds or the Guaranteed Accumulation Account on or after April 1, 1995. (See "Fees—Early Withdrawal Charge.")
- ⁽²⁾ The mortality and expense risk charge for all subaccounts except the Aetna Money Market VP subaccount is 1.05% on an annual basis effective February 15, 2001, and 1.00% on an annual basis effective February 15, 2002. The mortality and expenses risk charge for the Aetna Money Market VP subaccount is 0.35% on an annual basis. During the income phase, the mortality and expense risk charge for all subaccounts is 1.25% annually.
- ⁽³⁾ We do not currently impose an administrative expense charge. However, we reserve the right to deduct a daily charge of not more than 0.25% on an annual basis from the subaccounts.

Fees Deducted by the Funds

Using this information. The following table shows the investment advisory fees and other expenses charged annually by each fund. Fund fees are one factor that impacts the value of a fund share. To learn about additional factors, refer to the fund prospectus.

How Fees are Deducted. Fund fees are not deducted from account values. Instead, fees are deducted from the value of fund shares on a daily basis, which in turn will affect the value of each subaccount on a daily basis. Except as noted below, the following figures are a percentage of the average net assets of each fund, and are based on figures for the year ended December 31, 2000.

Fund Expense Table⁽¹⁾

Fund Name	Investment			Total Fund	Total	Net Fund
	Advisory Fees	12b-1 Fee	Other Expenses	Expenses Without Waivers or Reductions	Waivers and Reductions	Annual Expenses After Waivers or Reductions
Aetna Balanced VP, Inc.	0.50%	—	0.09%	0.59%	—	0.59%
Aetna Crossroads VP ⁽³⁾	0.60%	—	0.15%	0.75%	0.05%	0.70%
Aetna Growth and Income VP	0.50%	—	0.08%	0.58%	—	0.58%
Aetna Index Plus Mid Cap VP ⁽³⁾	0.40%	—	0.22%	0.62%	0.02%	0.60%
Aetna International VP ⁽³⁾	0.85%	—	0.49%	1.34%	0.19%	1.15%
Aetna Money Market VP	0.25%	—	0.09%	0.34%	—	0.34%
Aetna Technology VP ⁽³⁾	0.95%	—	0.25%	1.20%	0.05%	1.15%
AIM V.I. Capital Appreciation Fund	0.61%	—	0.21%	0.82%	—	0.82%
AIM V.I. Growth and Income Fund	0.60%	—	0.24%	0.84%	—	0.84%
American Century Income & Growth Fund ⁽⁴⁾⁽⁵⁾	0.42%	0.50%	—	0.92%	—	0.92%
DEM® Equity Fund ⁽⁷⁾	0.90%	0.25%	1.21%	2.36%	1.11%	1.25%
Fidelity VIP High Income Portfolio	0.58%	—	0.10%	0.68%	—	0.68%
Fidelity VIP II Asset Manager Portfolio	0.53%	—	0.08%	0.61%	—	0.61%
Fidelity VIP II Index 500 Portfolio ⁽⁹⁾	0.24%	—	0.09%	0.33%	0.05%	0.28%
Janus Aspen Balanced Portfolio ⁽¹⁰⁾	0.65%	—	0.01%	0.66%	0.00%	0.66%
Janus Aspen Growth Portfolio ⁽¹⁰⁾	0.65%	—	0.02%	0.67%	0.00%	0.67%
MFS® Total Return Series ⁽¹¹⁾	0.75%	—	0.15%	0.90%	0.00%	0.90%
Oppenheimer Global Securities Fund/VA	0.64%	—	0.04%	0.68%	—	0.68%
Pax World Balanced Fund, Inc.	0.51%	0.23%	0.22%	0.96%	—	0.96%
Pilgrim Natural Resources Trust	1.00%	—	0.66%	1.66%	—	1.66%
PPI MFS Emerging Equities Portfolio ⁽¹³⁾	0.66%	—	0.13%	0.79%	0.00%	0.79%
PPI Scudder International Growth Portfolio ⁽¹³⁾	0.80%	—	0.20%	1.00%	0.00%	1.00%
Wachovia Special Values Fund ⁽¹⁴⁾	0.80%	—	0.41%	1.21%	0.00%	1.21%

Footnotes to the "Fund Expense Table"

- (1) Certain of the fund advisers reimburse the Company for administrative costs incurred in connection with administering the fund as variable funding options under the contract. These reimbursements generally are separate from the expenses shown above and do not affect, directly or indirectly, the expenses paid by investors. For the AIM Funds, the reimbursements may be paid out of fund assets in an amount up to 0.25% annually. Any such reimbursements paid from the AIM Funds' assets are included in the "Other Expenses" column.
- (2) The investment adviser is contractually obligated through December 31, 2001 to waive all or a portion of its investment advisory fee and/or its administrative services fee and/or to reimburse a portion of other expenses in order to maintain a certain expense ratio. Actual expenses for these funds for the period ended December 31, 2000 were at or below contractual limits.
- (3) The investment adviser is contractually obligated through December 31, 2001 to waive all or a portion of its investment advisory fee and/or its administrative services fee and/or to reimburse a portion of other expenses in order to ensure that the fund's total fund annual expenses do not exceed the percentage reflected under "Net Fund Annual Expenses After Waivers or Reductions."
- (4) Investment Advisory Fees are based on expenses incurred during the fund's most recent fiscal year ended December 31, 2000. The fund has a stepped fee. As a result, the fund's management fee rates generally decrease as fund assets increase.
- (5) Other Expenses include the fees and expenses of the fund's independent directors and their legal counsel as well as interest, which were less than 0.005% for the most recent fiscal year ended December 31, 2000.
- (6) "Other Expenses" reflect an indirect fee of 0.02% relating to an expense offset arrangement with the portfolio's custodian. The amount shown under Total Waivers and Reductions does not reflect a voluntary reduction of fees paid indirectly. If this voluntary reduction of fees paid indirectly was reflected, the amount shown under Net Fund Annual Expenses After Waiver or Reductions would be 0.86%.
- (7) The fees and expenses listed above are for the fund's fiscal year ended October 31, 2000. The fund's investment adviser has contractually agreed to limit the total annual operating expenses of the fund, solely attributable to the Institutional Shares, to 1.25% of average daily net assets effective March 17, 2000 until at least December 31, 2010. However, there is no guarantee the fund's investment adviser will contract to limit the total annual operating expenses of the fund attributable to the Institutional Shares beyond December 31, 2010.
- (8) Actual annual class operating expenses were lower because a portion of the brokerage commissions that the fund paid was used to reduce the fund's expenses. In addition, through arrangements with the fund's custodian, credits realized as a result of uninvested cash balances were used to reduce a portion of the fund's custodian expenses. These offsets may be discontinued at any time.
- (9) The fund's manager has voluntarily agreed to reimburse the class to the extent that total operating expenses (excluding interest, taxes, certain securities lending costs, brokerage commissions and extraordinary expenses) exceed 0.28%. This arrangement can be discontinued by the fund's manager at any time. Including this reimbursement, the investment advisory fee, other expenses and total annual expenses in 2000 were 0.24%, 0.04% and 0.28%, respectively.
- (10) Expenses are based upon expenses for the fiscal year ended December 31, 2000, restated to reflect a reduction in the management fee for Aggressive Growth, Balanced, Growth and Worldwide Growth Portfolios. All expenses are shown without the effect of any expense offset arrangements.
- (11) The series has an expense offset arrangement which reduces the series' custodian fee based upon the amount of cash maintained by the series with its custodian and dividend disbursing agent. The series may enter into other such arrangements and directed brokerage arrangements, which would also have the effect of reducing the series' expenses. The "Other Expenses" shown above do not take into account these expense reductions, and are therefore higher than the actual expenses of the series. Had these fee reductions been taken into account, Net Fund Annual Expenses After Waivers or Reductions would be lower and would equal 0.89% for the series.
- (12) The fees and expenses listed above are for the fund's fiscal year ended August 31, 2000. All expenses are shown without the effect of any expense offset arrangements.
- (13) The investment adviser has agreed to reimburse the portfolios for expenses and/or waive its fees, so that, through at least April 30, 2002, the aggregate of each portfolio's expenses will not exceed the combined investment advisory fees and other expenses shown under the Net Fund Annual Expenses After Waivers or Reductions column above.
- (14) Expense information listed above is for the fiscal year ended November 30, 2000. Other Expenses include a Shareholder Services Fee of 0.25%. Pursuant to an agreement between the fund's adviser and The Wachovia Funds (the Trust), the fund's adviser agreed during the period from December 15, 1998 through January 31, 2002 to waive its fees, and/or make reimbursements to the fund so that the fund's net operating expenses do not exceed, in the aggregate, the fund's Net Fund Annual Expenses After Waivers or Reductions listed above. The fund's adviser agrees that this obligation shall constitute a contractual commitment enforceable by the Trust and that the fund's adviser shall not assert any right to reimbursement of amounts so waived or reimbursed.

Hypothetical Examples

Account Fees Incurred Over Time. The following hypothetical examples show the fees paid over time if \$1,000 is invested in a subaccount, assuming a 5% annual return on the investment. For the purposes of these examples, we deducted a mortality and expense risk charge of 1.05% annually for all subaccounts except the Aetna Money Market VP subaccount, and 0.35% annually for the Aetna Money Market VP subaccount, and the maximum administrative expense charge of 0.25% annually (not currently charged). The total fund expenses used are those shown in the column "Total Annual Expenses Without Waivers or Reductions" in the Fund Expense Table.

EXAMPLE A

If you withdraw your entire account value at the end of the periods shown, you would pay the following fees, including any applicable early withdrawal charge assessed.*

EXAMPLE B

If you leave your entire account value invested or if you select an income phase payment option at the end of the periods shown, you would pay the following fees (no early withdrawal charge is reflected):**

Fund Name	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years
Aetna Balanced VP, Inc.	\$71	\$114	\$160	\$221	\$19	\$ 59	\$102	\$221
Aetna Crossroads VP	\$72	\$119	\$168	\$238	\$21	\$ 64	\$110	\$238
Aetna Growth and Income VP	\$71	\$114	\$160	\$220	\$19	\$ 59	\$102	\$220
Aetna Index Plus Mid Cap VP	\$71	\$115	\$162	\$224	\$20	\$ 60	\$104	\$224
Aetna International VP	\$78	\$136	\$196	\$297	\$27	\$ 82	\$140	\$297
Aetna Money Market VP	\$62	\$ 86	\$113	\$115	\$10	\$ 30	\$ 52	\$115
Aetna Technology VP	\$77	\$132	\$190	\$284	\$25	\$ 78	\$133	\$284
AIM VI. Capital Appreciation Fund	\$73	\$121	\$172	\$245	\$22	\$ 66	\$114	\$245
AIM VI. Growth and Income Fund	\$73	\$121	\$173	\$247	\$22	\$ 67	\$115	\$247
American Century Income and Growth Fund	\$74	\$124	\$176	\$255	\$23	\$ 69	\$119	\$255
DEM® Equity Fund	\$88	\$164	\$243	\$391	\$37	\$112	\$189	\$391
Fidelity VIP High Income Portfolio	\$72	\$117	\$165	\$231	\$20	\$ 62	\$107	\$231
Fidelity VIP II Asset Manager Portfolio	\$71	\$115	\$161	\$223	\$19	\$ 60	\$103	\$223
Fidelity VIP II Index 500 Portfolio	\$68	\$107	\$148	\$193	\$17	\$ 51	\$ 89	\$193
Janus Aspen Balanced Portfolio	\$71	\$116	\$164	\$229	\$20	\$ 62	\$106	\$229
Janus Aspen Growth Portfolio	\$72	\$117	\$164	\$230	\$20	\$ 62	\$106	\$230
MFS® Total Return Series	\$74	\$123	\$175	\$253	\$22	\$ 69	\$118	\$253
Oppenheimer Global Securities Fund/VA	\$72	\$117	\$165	\$231	\$20	\$ 62	\$107	\$231
Pax World Balanced Fund, Inc.	\$74	\$125	\$178	\$260	\$23	\$ 71	\$121	\$260
Pilgrim Natural Resources Trust	\$81	\$145	\$211	\$328	\$30	\$ 92	\$156	\$328
PPI MFS Emerging Equities Portfolio	\$73	\$120	\$170	\$242	\$21	\$ 65	\$112	\$242
PPI Scudder International Growth Portfolio	\$75	\$126	\$180	\$264	\$23	\$ 72	\$123	\$264
Wachovia Special Values Fund	\$77	\$132	\$190	\$285	\$25	\$ 78	\$134	\$285

* This example reflects deduction of an early withdrawal charge calculated using the schedule applicable to Installment Purchase Payment Contracts. Under that schedule, if only one \$1,000 payment was made as described above, fewer than 5 purchase payment periods would have been completed at the end of years 1, 3 and 5, and the 5% charge would apply. At the end of the tenth account year, the early withdrawal charge is waived regardless of the number of purchase payment periods completed, and no early withdrawal charge would apply.

** This example does not apply if during the income phase, a nonlifetime payment option with variable payments is selected and a lump-sum withdrawal is requested within 3 years after payments start. In this case, the lump-sum payment is treated as a withdrawal during the accumulation phase and may be subject to an early withdrawal charge as shown in Example A.

Condensed Financial Information

Understanding Condensed Financial Information. In Appendix IV, we provide condensed financial information about the Variable Annuity Account C (the separate account) subaccounts available under the contracts. The tables show the value of the subaccounts over the past 10 years. For subaccounts that were not available 10 years ago, we give a history from the date of first availability.

Investment Options

The contract offers variable investment options and fixed interest options. When we establish your account(s), you instruct us to direct account dollars to any of the available options.

Variable Investment Options. These options are called subaccounts. The subaccounts are within Variable Annuity Account C (the separate account), a separate account of the Company. Earnings on amounts invested in a subaccount will vary depending upon the performance and fees of its underlying fund. You do not invest directly in or hold shares of the funds.

▷ **Fund Descriptions.** We provide brief descriptions of the funds in Appendix III. Please refer to the fund prospectuses for additional information. Fund prospectuses may be obtained, free of charge, from the Opportunity Plus Service Center at the address and phone number listed under "Contract Overview—Questions: Contacting the Company", by accessing the SEC's website or by contacting the SEC Public Reference Room.

Fixed Interest Options. For descriptions of the fixed interest options, see Appendix I and II and the Guaranteed Accumulation Account prospectus.

Selecting Investment Options

- **Choose options appropriate for you.** Your local representative can help you evaluate which investment options may be appropriate for your financial goals.
- **Understand the risks associated with the options you choose.** Some subaccounts invest in funds that are considered riskier than others. Funds with additional risks are expected to have a value that rises and falls more rapidly and to a greater degree than other funds. For example, funds investing in foreign or international securities are subject to additional risks not associated with domestic investments, and their performance may vary accordingly. Also, funds using derivatives in their investment strategy may be subject to additional risks.
- **Be informed.** Read this prospectus, the fund prospectus, fixed interest option appendices and the Guaranteed Accumulation Account prospectus.

Limits on Option Availability. The funds and fixed interest options are subject to applicable regulatory authorization, and not all options may be available at all times. We may add, withdraw or substitute funds, subject to the conditions in the contract and compliance with regulatory requirements.

Limits on Number of Options Selected. No more than 18 investment options may be selected for your account at any one time during the accumulation

phase. If you have an outstanding loan, you may currently make a total of 18 cumulative selections over the life of your account. Each subaccount, the Fixed Account and each classification of the Guaranteed Accumulation Account counts as one option. If you have a loan on the account, each option counts toward the limit, even after the full value is transferred to other options.

Limits Imposed by the Underlying Fund. Orders for the purchase of fund shares may be subject to acceptance by the fund. We reserve the right to reject, without prior notice, any allocation of purchase payments to a subaccount if the subaccount's investment in the corresponding fund is not accepted by the fund for any reason.

Additional Risks of Investing in the Funds.

Variable Funds (*Mixed and Shared Funding*)

"Shared funding" occurs when shares of a fund, which the subaccounts buy for variable annuity contracts, are also bought by other insurance companies for their variable annuity contracts.

"Mixed funding" occurs when shares of a fund, which the subaccounts buy for variable annuity contracts, are bought for variable life insurance contracts issued by us or other insurance companies.

- ▷ Shared—bought by more than one company.
- ▷ Mixed—bought for annuities and life insurance.

Public Funds. The following funds, which the subaccounts buy for variable annuity contracts, are also available to the general public:

- ▷ American Century Income & Growth Fund (Advisor Class)
- ▷ DEM® Equity (Institutional Shares)
- ▷ Oppenheimer Developing Markets Fund (Class A Shares)
- ▷ Pax World Balanced Fund, Inc.
- ▷ Wachovia Special Values Fund (Class A Shares)

See "Taxation—Use of Public Funds in a Section 403(b) Contract" for a discussion of investing in one of the public funds under a 403(b) annuity contract.

Possible Conflicts of Interest. With respect to the variable funds and the public funds, it is possible that a conflict of interest may arise due to mixed and shared funding, a change in law affecting the operations of variable annuity separate accounts, differences in the voting instructions of the contract holder and others maintaining a voting interest in the funds, or some other reason. Such a conflict could adversely impact the value of a fund. For example, if a conflict of interest occurred and one of the subaccounts withdrew its investment in a fund, the fund may be forced to sell its securities at disadvantageous prices, causing its share value to decrease. Each variable fund's board of directors or trustees will monitor events in order to identify any material irreconcilable conflicts which may arise and to determine what action, if any, should be taken to address such conflicts. With respect to both the public funds and the variable funds, in the event of a conflict, the Company will take any steps necessary to protect contract holders and annuitants maintaining a voting interest in the funds, including the withdrawal of Variable Annuity Account C from participation in the funds which are involved in the conflict.

Transfers

Transfers Among Investment Options. During the accumulation phase and the income phase, you may transfer among investment options. You may make a request in writing, by telephone, or electronically. Transfers must be made in accordance with the terms of the contract and your plan. Transfers from fixed interest options are restricted as outlined in Appendices I and II.

Value of Transferred Dollars. The value of amounts transferred into or out of the subaccounts will be based on the subaccount unit values next determined after we receive your request in good order at our Home Office, or if you are participating in the Dollar Cost Averaging Program, after your scheduled transfer. (See "Contract Overview—Questions.")

Telephone and Electronic Transfers: Security Measures. To prevent fraudulent use of telephone and electronic transactions (including, but not limited to, internet transactions), we have established security procedures. These include recording calls on our toll-free telephone lines and requiring use of a personal identification number (PIN) to execute transactions. You are responsible for keeping your PIN and account information confidential. If we fail to follow reasonable security procedures, we may be liable for losses due to unauthorized or fraudulent telephone or other electronic transactions. We are not liable for losses resulting from telephone or electronic instructions we believe to be genuine. If a loss occurs when we rely on such instructions, you will bear the loss.

Limits on Frequent Transfers. The contracts are not designed to serve as vehicles for frequent trading in response to short-term fluctuations in the market. Such frequent trading can disrupt management of a fund and raise its expenses. This in turn can have an adverse effect on fund performance. Accordingly, organizations or individuals that use market-timing investment strategies and make frequent transfers should not purchase the contracts.

We reserve the right to restrict, in our sole discretion and without prior notice, transfers initiated by a market-timing organization or individual or other party authorized to give transfer instructions on behalf of multiple contract holders or participants. Such restrictions could include: (1) not accepting transfer instructions from an agent acting on behalf of more than one contract holder or participant; and (2) not accepting preauthorized transfer forms from market timers or other entities acting on behalf of more than one contract holder or participant at a time.

We further reserve the right to impose, without prior notice, restrictions on any transfers that we determine, in our sole discretion, will disadvantage or potentially hurt the rights or interests of other contract holders or participants.

The Dollar Cost Averaging Program. The contracts allow you to participate in our Dollar Cost Averaging Program. There is no additional charge for this service. Dollar cost averaging is a system for investing that buys fixed dollar amounts of an investment at regular intervals, regardless of price. Our program transfers, at regular intervals, a fixed dollar amount from Aetna Money Market VP to the Fixed Account, GAA, or one or more subaccounts that you select. Allocations to the Aetna Fixed Account may limit your ability to execute subsequent transfers out of this fixed option. Amounts transferred to or from the Fixed Account and subsequently withdrawn from the contract during the accumulation phase may be subject to early withdrawal charge. (See "Fees").

Amounts transferred from the Guaranteed Accumulation Account before the end of a guaranteed term may be subject to a market value adjustment. (See Appendix I and the Guaranteed Accumulation Account prospectus.) Dollar cost averaging is not permitted into the Pilgrim Natural Resources Trust subaccount. Dollar cost averaging neither ensures a profit nor guarantees against loss in a declining market. You should consider your financial ability to continue purchases through periods of low price levels. For additional information about this program, contact your local representative or call the Company at the number listed in "Contract Overview—Questions."

The Asset Rebalancing Program. Subject to state approval, this program allows you to have your account value automatically reallocated to specified percentages on a scheduled basis. If elected, only account values invested in the subaccounts (excluding GET) are eligible to be rebalanced. Account values invested in the Guaranteed Accumulation Account and the Fixed Account are not eligible to be rebalanced. To elect to participate in Asset Rebalancing, you should contact the Opportunity Plus Service Center. This program is not available to participants in the Dollar Cost Averaging program.

Contract Purchase or Participation

Contracts Available for Purchase. The contracts available for purchase are deferred annuity contracts that the Company offers in connection with supplemental retirement plans under Code Section 403(b). The plans are established by school districts and public universities in the state of New York, for participants who are members and agency fee payers of the New York State United Teachers Trust (NYSUT) and United University Professions (UUP).

There are two group deferred variable annuity contracts:

- (1) Single purchase payment contracts issued for lump-sum transfers to us of amounts accumulated under a pre-existing plan; and
- (2) Installment purchase payment contracts established to accept continuing periodic payments.

We reserve the right to set a minimum purchase payment on single purchase payment contracts. Lump-sum transfers below this minimum will be applied to an installment purchase payment contract.

Purchasing the Contract. The contract holder submits the required forms and application to the Company. We approve the forms and issue a contract to the contract holder.

Participating in the Contract. To participate in the contract, complete an enrollment form and submit it to the Opportunity Plus Service Center. (See "Contract Overview—Questions.") If your enrollment is accepted, we establish one or more accounts for you under the contract(s). We may establish an employee account for contributions from your salary or rollover amount, and an employer account for employer contributions. Your account includes amounts held under both the installment purchase payment contract and the single purchase payment contract.

Acceptance or Rejection of Application or Enrollment Forms. We must accept or reject an application or your enrollment materials within two business days of

receipt. If the forms are incomplete, we may hold any forms and accompanying payments for five days, unless you consent to our holding them longer. Under limited circumstances, we may also agree, for a particular plan, to hold payments for longer periods with the permission of the contract holder. If we agree to this, we will deposit the payments in the Aetna Money Market VP subaccount until the forms are completed (for a maximum of 105 days). If we reject the application or enrollment forms, we will return the forms and any payments.

Allocating Purchase Payments to the Investment Options. You direct us to allocate initial contributions to the investment options available under the plan. Generally you will specify this information on your enrollment materials. After your enrollment, changes to allocations for future purchase payments or transfer of existing balances among investment options may be requested in writing, by telephone, or electronically.

Allocations must be in whole percentages and there may be limitations on the number of investment options that can be selected at any one time. (See "Investment Options" and "Transfers.")

Contract Ownership and Rights

Who Owns the Contract? The contract holder. This is the person or entity to whom we issue the contract, usually your employer.

Who Owns Money Accumulated Under the Contract? We establish one or more accounts for you under the contracts. Generally, we establish an employee account to receive salary reduction and rollover amounts, and an employer account to receive employer contributions. You have the right to the value of your employee account and any employer account.

What Rights Do I Have Under the Contract? You hold all rights under the contract and may make all elections for your accounts.

Right to Cancel

When and How to Cancel. You or the contract holder may cancel your purchase within ten days after receiving the contract (or other document evidencing your interest) by returning it to the Opportunity Plus Service Center or your local representative along with a written notice of cancellation.

Refunds. We will produce a refund to you or the contract holder not later than seven days after we receive the contract or other document evidencing your interest and the written notice of cancellation at the Opportunity Plus Service Center. The refund will equal the dollars contributed to the contract plus any earnings or less any losses attributable to the purchase payments allocated to the variable investment options.

Fees

The following repeats and adds to information provided in the "Fee Table" section. Please review both this section and the Fee Table for information on fees.

Transaction Fees

Early Withdrawal Charge

Under installment purchase payment contracts, withdrawals of all or a portion of your account value may be subject to a charge. There is no early withdrawal charge for single purchase payment contracts.

Amount. The charge is a percentage of the amount withdrawn. The percentage will be determined by the early withdrawal charge schedule that applies to your account. The charge will never be more than 8.5% of total payments to your account.

Purpose. This is a deferred sales charge. The charge reimburses us for some of the sales and administrative expenses associated with the contract. If our expenses are greater than the amount we collect for the early withdrawal charge, we may use any of our corporate assets, including potential profit that may arise from the mortality and expense risk charge, to make up any difference.

Early Withdrawal Charge Schedules:

Installment Purchase Payment Contracts	
Purchase Payment Periods Completed	Early Withdrawal Charge
Fewer than 5	5%
5 or more but fewer than 7	4%
7 or more but fewer than 9	3%
9 or 10	2%
More than 10	0%

Free Withdrawals. If you are between the ages of 59½ and 70½, you may withdraw up to 10% of your account value during each calendar year without being charged a withdrawal fee. The free withdrawal only applies to the first partial withdrawal you make in each calendar year. The 10% amount will be based on your account value calculated on the valuation date next following our receipt of your request for withdrawal. Outstanding contract loans are excluded from the account value when calculating the 10% free withdrawal amount.

The free withdrawal will not apply:

- ▷ To a full withdrawal of your account; or
- ▷ To partial withdrawals due to a default on a contract loan.

Types of Fees

There are four types of fees on an account that may be assessed:

- Transaction Fees
- Early Withdrawal Charge
- Fees Deducted from the Subaccount
- Mortality and Expense Risk Charge
- Administrative Expense Charge
- Fees Deducted by the Fund
- Investment Advisory Fees
- Other Expenses
- Charges for Withdrawal from Fund

Terms to Understand in the Schedules

Calendar Year—a 12-month period measured from the date we establish your account or measured from the anniversary of an initial purchase payment period for installment purchase payment contracts. The period of time necessary to complete the number of installment payments expected to be made to your account over a year. For example, if your payment frequency is monthly, payments are completed after 12 payments are made, the payment period is one year. If payments are made quarterly, the payment period is three months, regardless of the number of payments made.

Waiver. The early withdrawal charge is waived for portions of a withdrawal where one or more of the following apply:

- ▷ Used to provide payments to you during the income phase;
- ▷ Paid because of your death before income phase payments begin;
- ▷ Paid where your account value is \$2,500 or less and no part of the account has been taken as a withdrawal or a loan or used to provide income phase payments within the prior 12 months;
- ▷ Taken because of the election of a systematic distribution option (See "Systematic Distribution Options");
- ▷ Taken when you are 59½ or older, have an installment purchase payment account and have completed at least nine purchase payment periods;
- ▷ Withdrawn due to disability as specified in the Tax Code;
- ▷ Taken on or after the tenth anniversary of the effective date of the account;
- ▷ Due to a financial hardship as defined in the Tax Code;
- ▷ Withdrawn due to your separation from service with your current employer, while meeting the age and service requirements to receive benefits under the New York State Teachers' or Employee's Retirement Systems (even if you are not a member of either system); or
- ▷ Withdrawn from the portion of the account value invested in the subaccounts and/or GAA attributable to payments made on or after April 1, 1995. This waiver does not apply to:
 - ▷ Amounts deposited in the Fixed Account;
 - ▷ Amounts deposited in a subaccount or GAA but then transferred to the Fixed Account; or
 - ▷ Amounts that came from the Fixed Account but were then transferred to a subaccount or GAA.
- ▷ For any withdrawal, the account value of the payments made on or after April 1, 1995 will be withdrawn first, then the remaining value will be used to satisfy the disbursement request.

Early Withdrawal Charge Schedule For GAA For Certain New York Contracts

The following schedule applies to withdrawals from GAA under installment purchase payment master contracts issued after July 29, 1993 in the State of New York. This schedule is based on the number of completed account years.

Installment Purchase Payment Contracts	
Account Years Completed	Early Withdrawal Charge
Fewer than 3	5%
3 or more but fewer than 4	4%
4 or more but fewer than 5	3%
5 or more but fewer than 6	2%
6 or more but fewer than 7	1%
7 or more	0%

Fees Deducted from the Subaccounts

Mortality and Expense Risk Charge

Amount. During the accumulation phase, for all subaccounts except the Aetna Money Market VP subaccount, 1.05% annually of your account value invested in the subaccounts effective February 15, 2001, and 1.00% annually effective February 15, 2002. For the Aetna Money Market VP subaccount, 0.35% annually of your account value invested in the subaccount. See "The Income Phase—Charges Deducted" for fees deducted during the income phase.

When/How. We deduct this fee daily from the subaccounts corresponding to the funds you select. We do not deduct this from any fixed interest option.

Purpose. The fee compensates us for the mortality and expense risks we assume under the contracts.

- ▷ The mortality risks are those risks associated with our promise to make lifetime payments based on annuity rates specified in the contracts and our funding of the death benefit and other payments we make to owners or beneficiaries of the accounts.
- ▷ The expense risk is the risk that the actual expenses we incur under the contracts will exceed the maximum costs that we can charge.

If the amount we deduct for this fee is not enough to cover our mortality costs and expenses under the contracts, we will bear the loss. We may use any excess to recover distribution costs relating to the contract and as a source of profit. We expect to make a profit from this fee.

Administrative Expense Charge

Maximum Amount. 0.25% We currently do not impose this fee. We reserve the right, however, to charge up to 0.25% on an annual basis from your account value invested in the funds.

When/How. If imposed, we will deduct this fee daily from your account value held in the subaccounts corresponding to the funds you select. This fee may be assessed during the accumulation phase and/or the income phase. If we are imposing this fee under the contract when you enter the income phase, the fee will apply to you during the entire income phase.

Purpose. This fee helps defray our administrative expenses that cannot be covered by the mortality and expense risk charge described above. The fee is

not intended to exceed the average expected cost of administering the contracts. We do not expect to make a profit from this fee.

Fund Expenses

Amount. Each fund determines its own advisory fee and expenses. For a list of fund fees see "Fee Table." The fees are described in more detail in each fund prospectus.

When/How. Fund fees are not deducted from your account. Fund advisory fees and expenses are reflected in the daily value of the fund shares, which will in turn affect the daily value of each subaccount.

Purpose. These amounts help to pay the funds' investment advisor and operating expenses.

Premium and Other Taxes. Currently, there is no premium tax on annuities under New York regulations. If the state does impose a premium tax, it would be deducted from the amount applied to an income phase payment option. We reserve the right to deduct a charge for state premium tax at any time from the purchase payment(s) or from the account value at any time, but no earlier than when we have a tax liability under state law.

For example, we may deduct a charge for premium taxes at the time of a complete withdrawal or we may reflect the cost of premium taxes in our income phase payment rates when you commence income phase payments. We will not deduct a charge for any municipal premium tax of 1% or less, but we reserve the right to reflect such an expense in our annuity purchase rates.

In addition, the Company reserves the right to assess a charge for any federal taxes due against the separate account. (See "Taxation.")

Charges for Aetna GET Fund

Various series of Aetna GET Fund may be offered from time to time, and additional charges may apply if you elect to invest in one of these series. If a series is available, it will be described in a supplement to this prospectus at the time it is offered. The supplement will include fee table information about the option.

Your Account Value

During the accumulation phase, your account value at any given time equals:

- ▷ Account dollars directed to the fixed interest options, including interest earnings to date; less
- ▷ Deductions, if any, from the fixed interest options (e.g. withdrawals, fees); plus
- ▷ The current dollar value of amounts invested in the subaccounts.

Subaccount Accumulation Units. When a fund is selected as an investment option, your account dollars invest in "accumulation units" of the Variable Annuity Account C subaccount corresponding to that fund. The subaccount invests directly in the fund shares. The value of your interests in a subaccount is

expressed as the number of accumulation units you hold multiplied by an "Accumulation Unit Value," as described below, for each unit.

Accumulation Unit Value (AUV). The value of each accumulation unit in a subaccount is called the accumulation unit value or AUV. The value of accumulation units varies daily in relation to the underlying fund's investment performance. The value also reflects deductions for fund fees and expenses, the mortality and expense risk charge, and the administrative charge (if any). We discuss these deductions in more detail in "Fee Table" and "Fees."

Valuation. We determine the AUV every business day after the close of the New York Stock Exchange. At that time, we calculate the current AUV by multiplying the AUV last calculated by the "net investment factor" of the subaccount. The net investment factor measures the investment performance of the subaccount from one valuation to the next.

$$\text{Current AUV} = \text{Prior AUV} \times \text{Net Investment Factor}$$

Net Investment Factor. The net investment factor for a subaccount between two consecutive valuations, equals the sum of 1.0000 plus the net investment rate.

Net Investment Rate. The net investment rate is computed according to a formula that is equivalent to the following:

- ▷ The net assets of the fund held by the subaccount as of the current valuation, minus
- ▷ The net assets of the fund held by the subaccount at the preceding valuation, plus or minus
- ▷ Taxes or provisions for taxes, if any, due to subaccount operations (with any federal income tax liability offset by foreign tax credits to the extent allowed); divided by
- ▷ The total value of the subaccount units at the preceding valuation; minus
- ▷ A daily deduction for the mortality and expense risk charge, and administrative expense charge, if any, and any other fees, such as guarantee charges for Aetna GET Fund, deducted from investments in the separate account.

The net investment rate may be either positive or negative.

Hypothetical Illustration. As a hypothetical illustration, assume that an investor contributes \$5,000 to his account and directs us to invest \$3,000 in Fund A and \$2,000 in Fund B. After receiving the contribution and following the next close of business of the New York Stock Exchange, the applicable AUV's are \$10 for Subaccount A, and \$25 for Subaccount B. The investor's account is credited with 300 accumulation units of Subaccount A and 80 accumulation units of Subaccount B.



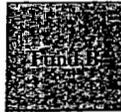
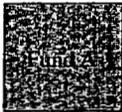
Step 1 ↓



Step 2 ↓

Variable Annuity Account		
Subaccount A	Subaccount B	Total
300 accumulation units	80 accumulation units	

Step 3 ↓ ↓



Step 1: You make an initial contribution of \$5000.

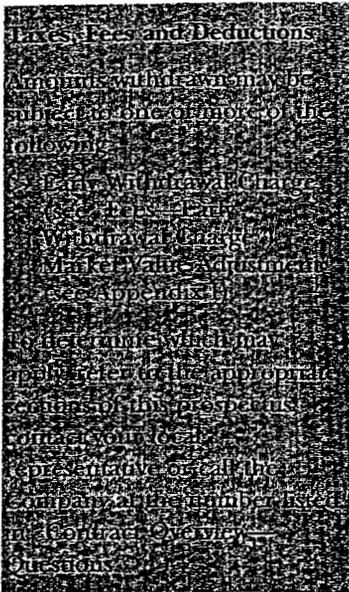
- Step 2:**
- A. You direct us to invest \$3,000 in Fund A. The purchase payment purchases 300 accumulation units of Subaccount A (\$3,000 divided by the current \$10 AUV).
 - B. You direct us to invest \$2,000 in Fund B. The purchase payment purchases 80 accumulation units of Subaccount B (\$2,000 divided by the current \$25 AUV).

Step 3: The separate account then purchases shares of the applicable funds at the then current market value (net asset value or NAV).

The fund's subsequent investment performance, expenses and charges, and the daily charges deducted from the subaccount, will cause the AUV to move up or down on a daily basis.

Purchase Payments to Your Account. If all or a portion of initial purchase payments are directed to the subaccounts, they will purchase subaccount accumulation units at the AUV next computed after our acceptance of the applicable application or enrollment forms. Any subsequent purchase payments or transfers directed to the subaccounts that we receive by the close of business of the New York Stock Exchange (Exchange) will purchase subaccount accumulation units at the AUV computed after the close of the Exchange on that day. The value of subaccounts may vary day to day.

Withdrawals



Making a Withdrawal. Subject to the Tax Code withdrawal restrictions described below, you may withdraw all or a portion of your account value at any time during the accumulation phase.

Steps for Making A Withdrawal. You must:

- ▷ Select the Withdrawal Amount.
 - 1) Full Withdrawal: You will receive, reduced by any required withholding tax, your account value allocated to the subaccounts, the Guaranteed Accumulation Account (plus or minus any applicable market value adjustment) and to the Fixed Account, minus any applicable early withdrawal charge.
 - 2) Partial Withdrawal (Percentage or Specified Dollar Amount): You will receive, reduced by any required withholding tax, the amount you specify, subject to the value available in your account. However, the amount actually withdrawn from your account will be adjusted by any applicable early withdrawal charge, and any positive or negative market value adjustment for amounts withdrawn from the Guaranteed Accumulation Account.
- ▷ Select Investment Options. If this is not specified, we will withdraw dollars in the same proportion as the values you hold in the various investment options from each investment option in which you have an account value.
- ▷ Properly complete a disbursement form and submit it to the Opportunity Plus Service Center.

Calculation of Your Withdrawal. We determine your account value every normal business day after the close of the New York Stock Exchange. We pay withdrawal amounts based on your account value either: (1) as of the next valuation after we receive a request for withdrawal in good order at the Opportunity Plus Service Center, or (2) on such later date as specified on the disbursement form.

Delivery of Payment. Payments for withdrawal requests will be made in accordance with SEC requirements. Normally, the payment will be sent not later than seven calendar days following our receipt of the disbursement form in good order at the Opportunity Plus Service Center.

Withdrawal Restrictions from 403(b) Plans. Section 403(b)(11) of the Tax Code generally prohibits withdrawal under 403(b) contracts prior to your death, disability, attainment of age 59½, separation from service or financial hardship, of the following:

- 1) Salary reduction contributions made after December 31, 1988 and;
- 2) Earnings on those contributions and earnings on amounts held before 1989 and credited after December 31, 1988.

Income attributable to salary reduction contributions and credited on or after January 1, 1989, may not be distributed in the case of hardship.

Reinvestment Privilege. The contracts allow one-time use of a reinvestment privilege. Within 30 days after a full withdrawal, if allowed by law and the contract, you may elect to reinvest all or a portion of the proceeds. We must receive reinvested amounts within 60 days of the withdrawal. We will credit the account for the amount reinvested based on the subaccount values next computed following our receipt of your request and the amount to be reinvested. We will credit the amount reinvested proportionally for early withdrawal charges imposed at the time of withdrawal. We will reinvest in the same investment options and proportions in place at the time of withdrawal. If you withdraw amounts from a series of the Aetna GET Fund and then elect to reinvest them, we will reinvest them in a GET Fund series that is then accepting deposits, if one is available. If one is not available, we will reallocate your GET amounts among other investment options in which you invested, on a pro rata basis. Special rules apply to reinvestments of amounts withdrawn from the Guaranteed Accumulation Account (see Appendix I). Seek competent advice regarding the tax consequences associated with reinvestment.

Loans

Availability. You may take a loan from your account value during the accumulation phase. Loans are only allowed from amounts allocated to certain subaccounts and fixed interest options. Additional restrictions may apply under the Tax Code or due to our administrative practices.

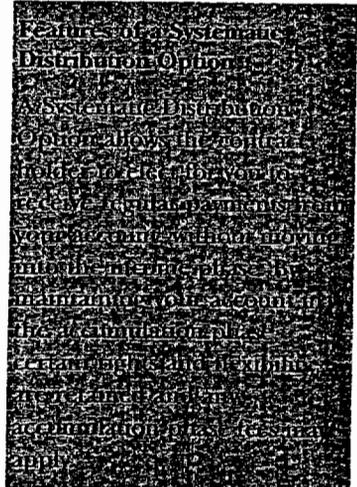
Requests. If you are eligible to obtain a loan, you may request one by properly completing the loan request form and submitting it to the Opportunity Plus Service Center. Read the terms of the loan agreement before submitting any request.

Systematic Distribution Options

Availability of Systematic Distribution Options. These options may be exercised at any time during the accumulation phase of the contract. To exercise one of these options the account value must meet any minimum dollar amount and age criteria applicable to that option. To determine which Systematic Distribution Options are available, check with the contract holder or the Company at the Opportunity Plus Service Center.

The following Systematic Distribution Options may be available:

- ▷ **SWO—Systematic Withdrawal Option.** SWO is a series of automatic partial withdrawals from your account based on the payment method selected. It is designed for those who want a periodic income while retaining investment flexibility for amounts accumulated under the contract. You may not elect this option if you have an outstanding contract loan.
- ▷ **LEO—Life Expectancy Option.** This option provides for annual payments for a number of years equal to your life expectancy or the expectancy of you and a designated beneficiary. It is designed to meet the substantially equal



periodic payment exception to the 10% premature distribution penalty under Tax Code Section 72. (See "Taxation.")

- ▷ **ECO—Estate Conservation Option.** ECO offers the same investment flexibility as SWO, but is designed for those who want to receive only the minimum distribution that the Tax Code requires each year.

Under ECO, we calculate the minimum distribution amount required by law at the later of age 70½ or retirement and pay you that amount once a year.

- ▷ **Other Systematic Distribution Options.** We may add additional Systematic Distribution Options from time to time. You may obtain additional information relating to any of the Systematic Distribution Options from your local representative or from the Company at the Opportunity Plus Service Center.

Availability of Systematic Distribution Options. The Company may discontinue the availability of one or all of the Systematic Distribution Options at any time, and/or change the terms of future elections.

Terminating a Systematic Distribution Option. Once a Systematic Distribution Option is elected, you may revoke it at any time by submitting a written request to the Opportunity Plus Service Center. Any revocation will apply only to the amount not yet paid. Once an option is revoked for an account, it may not be elected again, nor may any other Systematic Distribution Option be elected unless the Tax Code permits it.

Charges and Taxation. When you elect a Systematic Distribution Option, your account value remains in the accumulation phase and subject to the charges and deductions described in the "Fees" section. Taking a withdrawal through a Systematic Distribution Option may have tax consequences. If you are concerned about tax implications consult a tax adviser before one of these options is elected.

Death Benefit

The contract provides a death benefit in the event of your death, which is payable to the beneficiary you name for your account.

During the Accumulation Phase

Payment Process

- 1) Following your death, your beneficiary must provide the Company with proof of death acceptable to us and a payment request in good order.
- 2) The payment request should include selection of a benefit payment option.
- 3) Within seven days after we receive proof of death acceptable to us and a payment request in good order at the Opportunity Plus Service Center, we will mail payment, unless otherwise requested.

Until a payment option is selected, account dollars will remain invested as at the time of your death, and no distribution will be made.

If you die during the accumulation phase of your account, the following payment options are available to your beneficiary, if allowed by the Tax Code:

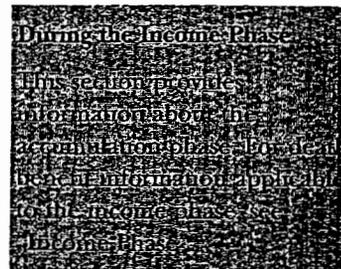
- ▷ Lump-sum payment;
- ▷ Payment in accordance with any of the available income phase payment options (see "The Income Phase—Payment Options"); or
- ▷ If the beneficiary is your spouse, payment in accordance with an available Systematic Distribution Option (See "Systematic Distribution Options").

The following options are also available; however, the Tax Code limits how long the death benefit proceeds may be left in these options:

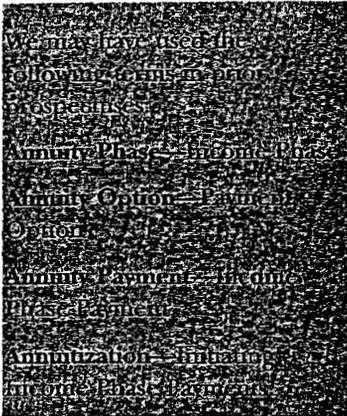
- ▷ Leaving your account value invested in the contract; or
- ▷ Under some contracts, leaving your account value on deposit in the Company's general account, and receiving monthly, quarterly, semi-annual or annual interest payments at the interest rate then being credited on such deposits. The beneficiary may withdraw the balance on deposit at any time or request to receive payment in accordance with any of the available income phase payment options. (See "The Income Phase—Payment Options").

The Value of the Death Benefit. The death benefit will be based on your account value as calculated on the next valuation following the date on which we receive proof of death in good order. Interest, if any, will be paid from the date of death at a rate no less than required by law. For amounts held in the Guaranteed Accumulation Account (GAA), any positive aggregate market value adjustment (the sum of all market value adjustments calculated due to a withdrawal) will be included in your account value. If a negative aggregate market value adjustment applies, it would be deducted only if the death benefit is withdrawn more than six months after your death. We describe the market value adjustment in Appendix I and in the GAA prospectus.

Tax Code Requirements. The Tax Code requires distribution of death benefit proceeds within a certain period of time. Failure to begin receiving death benefit payments within those time periods can result in tax penalties. Regardless of the method of payment, death benefit proceeds will generally be taxed to the beneficiary in the same manner as if you had received those payments. (See "Taxation" for additional information.)



The Income Phase



During the income phase you stop contributing dollars to your account and start receiving payments from your accumulated account value.

Initiating Payments. At least 30 days prior to the date you want to start receiving income phase payments, you must notify us in writing of the following:

- ▷ Payment start date;
- ▷ Income phase payment option (see the income phase payment options table in this section);
- ▷ Payment frequency (i.e., monthly, quarterly, semi-annually or annually);
- ▷ Choice of fixed, variable or a combination of both fixed and variable payments; and
- ▷ Selection of an assumed net investment rate (only if variable payments are elected).

Your account will continue in the accumulation phase until you properly initiate payments. Once a payment option is selected, it may not be changed; however, certain options allow you to withdraw a lump sum.

What Affects Income Phase Payment Amounts? Some of the factors that may affect the amount of your income phase payment include: your age, your account value, the income phase payment option selected, number of guaranteed payments (if any) selected, and whether fixed, variable or a combination of both fixed and variable payments are selected; and, for variable payments, the assumed net investment rate selected.

Fixed Income Phase Payments. Amounts funding fixed income phase payments will be held in the Company's general account. The amount of fixed payment amounts do not vary over time.

Variable Payments. Amounts funding your variable income phase payments will be held in the subaccount(s) selected. The contracts may restrict the subaccounts available during the income phase. You may make up to twelve transfers per calendar year among available investment options. For variable payments, an assumed net investment rate must be selected.

Assumed Net Investment Rate. If you select variable income phase payments, you must also select an assumed net investment rate of either 5% or 3½%. If you select a 5% rate, your first income phase payment will be higher, but subsequent payments will increase only if the investment performance of the subaccounts selected is greater than 5% annually, after deduction of fees. Payment amounts will decline if the investment performance is less than 5%, after deduction of fees.

If you select a 3½% rate, your first income phase payment will be lower and subsequent payments will increase more rapidly or decline more slowly depending upon the investment performance of the subaccounts selected. For more information about selecting an assumed net investment rate, request a copy of the Statement of Additional Information by calling the Opportunity Plus Service Center. (See "Contract Overview—Questions.")

Minimum Payment Amounts. The income phase payment option selected must result in one or both of the following:

- ▷ A first income phase payment of at least \$20; or
- ▷ Total yearly income phase payments of at least \$100.

If your account value is too low to meet these minimum payment amounts, you must elect a lump-sum payment.

Charges Deducted. During the income phase, we make a daily deduction of 1.25% annually for mortality and expense risks from amounts held in the subaccounts. Therefore, if you choose variable income phase payments and a nonlifetime income phase payment option, we still make this deduction from the subaccounts selected, even though we no longer assume any mortality risk for you. We may also deduct a daily administrative charge from amounts held in the subaccounts. (See "Fees.")

Death Benefit During the Income Phase. The death benefits that may be available to a beneficiary are outlined in the payment option table below. If a lump-sum payment is due as a death benefit, we will make payment within seven calendar days after we receive proof of death acceptable to us and the payment request in good order at the Opportunity Plus Service Center.

Taxation. To avoid certain tax penalties, you and any beneficiary must meet the distribution rules imposed by the Tax Code. (See "Taxation.")

Income Phase Payment Options

The following tables list the income phase payment options and accompanying death benefits which may be available under the contracts. Some contracts restrict the options and the terms available. Check with your contract holder for details. We may offer additional income phase payment options under the contract from time to time.

Terms used in the Tables:

Annuitant: The person(s) on whose life expectancy the income phase payments are calculated.

Beneficiary: The person designated to receive the death benefit payable under the contract.

Lifetime Income Phase Payment Options	
Life Income	<p>Length of Payments: For as long as the annuitant lives. It is possible that only one payment will be made should the annuitant die prior to the second payment's due date.</p> <p>Death Benefit—None: All payments end upon the annuitant's death.</p>
Life Income—Guaranteed Payments	<p>Length of Payments: For as long as the annuitant lives, with payments guaranteed for a choice of 5-30 years or as otherwise specified in the contract.</p> <p>Death Benefit—Payment to the Beneficiary: If the annuitant dies before we have made all the guaranteed payments, we will continue to pay the beneficiary the remaining payments. Unless prohibited by a prior election of the contractholder, the beneficiary may elect to receive a lump-sum payment equal to the present value of the remaining guaranteed payments.</p>
Life Income—Two Lives	<p>Length of Payments: For as long as either annuitant lives. It is possible that only one payment will be made should both annuitants die before the second payment's due date.</p> <p>Continuing Payments:</p> <p>(a) This option allows a choice of 100%, 66⅔% or 50% of the payment to continue to the surviving annuitant after the first death; or</p> <p>(b) 100% of the payment to continue to the annuitant on the second annuitant's death, and 50% of the payment to continue to the second annuitant on the annuitant's death.</p> <p>Death Benefit—None: Payments end after the deaths of both annuitants.</p>
Life Income—Two Lives—Guaranteed Payments	<p>Length of Payments: For as long as either annuitant lives, with payments guaranteed for a minimum of 60 months and a maximum of 360 months, or as otherwise specified in the contract.</p> <p>Continuing Payments: 100% of the payment to continue to the surviving annuitant after the first death.</p> <p>Death Benefit—Payment to the Beneficiary: If both annuitants die before the guaranteed payments have all been paid, we will continue to pay the beneficiary the remaining payments. Unless prohibited by a prior election of the contractholder, the beneficiary may elect to receive a lump-sum payment equal to the present value of the remaining guaranteed payments.</p>
Life Income—Refund Option—fixed payment only	<p>Length of Payments: For as long as the annuitants lives.</p> <p>Death Benefit—Payment to the Beneficiary: Following the annuitant's death, we will pay a lump-sum payment equal to the amount originally applied to the payment option (less any premium tax) and less the total amount of fixed income payments paid.</p>
Life Income—Two Lives—Cash Refund Option—fixed payment only	<p>Length of Payments: For as long as either annuitant lives.</p> <p>Continuing Payment: 100% of the payment to continue after the first death.</p> <p>Death Benefit—Payment to the Beneficiary: When both annuitants die, we will pay a lump-sum payment equal to the amount applied to the income phase payment option (less any premium tax) and less the total amount of fixed income payments paid.</p>
Nonlifetime Income Phase Payment Options	
Nonlifetime—Guaranteed Payments	<p>Length of Payments: Payments generally may be fixed or variable and may be made for 3-30 years. In certain cases a lump-sum payment may be requested at any time (see below).</p> <p>Death Benefit—Payment to the Beneficiary: If the annuitant dies before we make all the guaranteed payments, we will continue to pay the beneficiary the remaining payments. Unless prohibited by a prior election of the contractholder, the beneficiary may receive a lump-sum payment equal to the present value of the remaining guaranteed payments, and we will not impose any early withdrawal charge.</p>
<p>Lump-Sum Payment: If the "Nonlifetime—Guaranteed Payments" option is elected with variable payments, you may request at any time that all or a portion of the present value of the remaining payments be paid in one sum. A lump sum elected before three years of payments have been completed will be treated as a withdrawal during the accumulation phase and we will charge any applicable early withdrawal charge. If the early withdrawal charge is based on completed purchase payment periods, each year that passes after income payments begin will be treated as a completed purchase payment period, even if no additional payments are made. (See "Fees—Early Withdrawal Charge.") Lump-sum payments will be sent within seven calendar days after we receive the request for payment in good order at the Opportunity Plus Service Center.</p> <p>Calculation of Lump-Sum Payments: If a lump-sum payment is available to a beneficiary or to you in the options above, the rate we use to calculate the present value of the remaining guaranteed payments is the same rate we use to calculate the income phase payments (i.e., the actual fixed rate used for fixed payments, or the 3¼% or 5% assumed net investment rate for variable payments.)</p>	

Taxation

Introduction

This section discusses our understanding of current federal income tax laws affecting the contract. You should keep the following in mind when reading it:

- ▷ Your tax position (or the tax position of the beneficiary, as applicable) determines federal taxation of amounts held or paid out under the contract.
- ▷ Tax laws change. It is possible that a change in the future could affect contracts issued in the past.
- ▷ This section addresses federal income tax rules and does not discuss federal estate and gift tax implications, state and local taxes or any other tax provisions.
- ▷ We do not make any guarantee about the tax treatment of the contract or transaction involving the contract.

We do not intend this information to be tax advice. For advice about the effect of federal income taxes or any other taxes on amounts held or paid out under the contract, consult a tax adviser. For more comprehensive information contact the Internal Revenue Service (IRS).

The Contract

The contract is designed for use with Tax Code section 403(b) plans. Contract holders and participants are responsible for determining that contributions, distributions and other transactions satisfy applicable laws. Legal counsel and a tax adviser should be consulted regarding the suitability of the contract. If the contract is purchased in conjunction with a retirement plan, the plan is not a part of the contract and we are not bound by the plan's terms or conditions.

Withdrawals and Other Distributions

Certain tax rules apply to distributions from the contract. A distribution is any amount taken from the contract including withdrawals, income phase payments, rollovers, and death benefit proceeds.

We report the taxable portion of all distributions to the IRS.

Taxation of Distributions

All distributions from 403(b) plans are taxed as received unless:

- ▷ The distribution is rolled over to another plan of the same type or to a traditional individual retirement annuity/account (IRA) in accordance with the Tax Code; or
- ▷ You made after-tax contributions to the plan. In this case, depending upon the type of distribution, a portion of the amount may be excluded from gross income according to the rules detailed in the Tax Code.

In general, payments received by your beneficiaries after your death are taxed in the same manner as if you had received those payments.

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10% Penalty Tax

The Tax Code may impose a 10% penalty tax on the taxable portion of a distribution from a 403(b) plan, unless one or more of the following have occurred:

- ▷ You have attained age 59½;
- ▷ You have become totally and permanently disabled;
- ▷ You have died;
- ▷ You have separated from service with the plan sponsor on or after age 55;
- ▷ The distribution is rolled over into another plan of the same type or to an IRA in accordance with the Tax Code;
- ▷ The distribution is due to an IRS levy upon the individual's account; or
- ▷ The distribution is made in substantially equal periodic payments (at least annually) over your life or life expectancy or the joint lives or joint life expectancies of you and your beneficiary. Also, you must have separated from service with the plan sponsor.

In addition, the penalty tax does not apply for the amount of a distribution equal to unreimbursed medical expenses that qualify for deduction as specified in the Tax Code. The Tax Code may impose other penalty taxes in other circumstances.

Withholding for Federal Income Tax Liability

Any distributions under the contract are generally subject to withholding. Federal income tax liability rates vary according to the type of distribution and the recipient's tax status.

Generally, distributions from 403(b) plans are subject to a mandatory 20% federal income tax withholding. However, you or a beneficiary may elect not to have tax withheld from certain distributions. If you or your beneficiary is a non-resident alien, then any withholding is governed by Tax Code section 1441 based on the individual's citizenship, the country of domicile and treaty status.

Minimum Distribution Requirements

To avoid certain tax penalties, you and any beneficiary must meet the minimum distribution requirements imposed by the Tax Code. These rules may dictate one or more of the following:

- ▷ Start date for distributions;
- ▷ The time period in which all amounts in your account(s) must be distributed; or
- ▷ Distribution amounts.

The rules are complex and you and any beneficiary should consult with a tax adviser before electing the method of calculation to satisfy the minimum distribution requirements. The rules are subject to change as a result of new regulations proposed by the IRS on January 17, 2001.

Start Date. Generally, you must begin receiving distributions by April 1 of the calendar year following the calendar year in which you attain age 70½ or retire, whichever occurs later, unless you had amounts under the contract as of December 31, 1986. In this case, distribution of these amounts generally must

begin by the end of the calendar year in which you attain age 75 or retire, if later. However, if you take any distributions in excess of the minimum required amount, then special rules require that some or all of the December 31, 1986 balance be distributed earlier.

Time Period. We must pay out distributions from the contract over one of the following time periods:

- ▷ Over your life or the joint lives of you and your beneficiary, or
- ▷ Over a period not greater than your life expectancy or the joint life expectancies of you and your beneficiary.

50% Excise Tax. If you fail to receive the minimum required distribution for any tax year, a 50% excise tax is imposed on the required amount that was not distributed.

Minimum Distribution of Death Benefit Proceeds. Different distribution requirements apply if your death occurs:

- ▷ After you begin receiving minimum distributions under the contract, or
- ▷ Before you begin receiving such distributions.

If your death occurs after you begin receiving minimum distributions under the contract, distributions must be made at least as rapidly as under the method in effect at the time of your death. Tax Code section 401(a)(9) provides specific rules for calculating the minimum required distributions at your death. The rules differ, dependent upon:

- ▷ Whether your minimum required distribution was calculated each year based on your single life expectancy or the joint life expectancies of you and your beneficiary, and
- ▷ Whether life expectancy was recalculated.

The rules are complex and any beneficiary should consult with a tax adviser before electing the method of calculation to satisfy the minimum distribution requirements. The rules are subject to change as a result of new regulations proposed by the IRS on January 17, 2001.

If your death occurs before you begin receiving minimum distributions under the contract, your entire balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the date of your death. For example: if you die on September 1, 2001, your entire balance must be distributed to the beneficiary by December 31, 2006. However, if the distribution begins by December 31 of the calendar year following the calendar year of your death, then payments may be made in either of the following time-frames:

- ▷ Over the life of the beneficiary, or
- ▷ Over a period not extending beyond the life expectancy of the beneficiary.

Start Dates for Spousal Beneficiaries. If the beneficiary is your spouse, the distribution must begin on or before the later of the following:

- ▷ December 31 of the calendar year following the calendar year of your death; or
- ▷ December 31 of the calendar year in which you would have attained age 70½.

Assignment or Transfer of Contracts

Adverse tax consequences to the plan and/or to you may result if your beneficial interest in the contract is assigned or transferred to any person except to an alternate payee under a qualified domestic relations order in accordance with Tax Code section 414(p) or to the Company as collateral for a loan.

Use of Public Funds in a Section 403(b) Contract

In addition to being offered as an investment option under the contract, shares of certain of the Funds

- ▷ American Century Income & Growth Fund (Advisor Class)
- ▷ DEM® Equity Fund (Institutional Shares)
- ▷ Oppenheimer Developing Markets Fund (Class A Shares)
- ▷ Pax World Balanced Fund, Inc.
- ▷ Wachovia Special Values Fund (Class A Shares)

are also offered for sale directly to the general public. In order to qualify for favorable tax treatment under Section 403(b), a contract must be considered an "annuity." In Revenue Procedure 99-44, the Internal Revenue Service concluded that it will treat a contract as an "annuity" for tax purposes under Section 403(b), notwithstanding that contract premiums are invested at the contract holder's direction in publicly available securities. This treatment will be available provided no additional federal tax liability would have been incurred if the contribution were paid into a trust or a custodial account in an arrangement that satisfied the requirements of Section 401(a) or 403(b)(7)(A). We believe that the contract satisfies the requirements set forth in Revenue Procedure 99-44 and will therefore be treated as an annuity for tax purposes, notwithstanding the fact that investments may be made in publicly available securities. However, the exact nature of the requirements of Revenue Procedures 99-44 is unclear, and you should consider consulting with a tax adviser before electing to invest in one of the Funds that are offered for sale to the general public.

Exclusions from Gross Income

Under Tax Code section 403(b), contributions made by public school systems or nonprofit healthcare organizations and other Tax Code section 501(c)(3) tax exempt organizations to purchase annuity contracts for their employees are generally excludable from the gross income of the employee.

In order to be excludable from gross income, total annual contributions made by you and your employer to a 403(b) plan cannot exceed the lesser of the following limits set by the Tax Code:

- ▷ The first limit, under Tax Code section 415, is generally the lesser of 25% of your compensation or \$35,000. Compensation means your compensation from the employer sponsoring the plan and, for years beginning after December 31, 1997, includes any elective deferrals under Tax Code section 402(g) and any amounts not includible in gross income under Tax Code sections 125 or 457.
- ▷ The second limit, which is the exclusion allowance under Tax Code section 403(b), is usually calculated according to a formula that takes into account your length of employment, any pretax contributions you and your employer

have already made under the plan, and any pretax contributions to certain other retirement plans.

These two limits apply to your contributions as well as to any contributions made by your employer on your behalf.

- ▷ An additional limit specifically limits your salary reduction contributions to generally no more than \$10,500 annually (subject to indexing). Your own limit may be higher or lower, depending on certain conditions.

Payments to your account(s) will be excluded from your gross income only if the plan meets certain nondiscrimination requirements.

Restrictions on Distributions

Tax Code section 403(b)(11) restricts the distribution under 403(b) contracts of:

- ▷ salary reduction contributions made after December 31, 1988;
- ▷ earnings on those contributions; and
- ▷ earnings during such period on amounts held as of December 31, 1988.

Distribution of those amounts may only occur upon your death, attainment of age 59½, separation from service, disability, or financial hardship. Income attributable to salary reduction contributions and credited on or after January 1, 1989 may not be distributed in the case of hardship.

Transfers from 403(b)(7) Custodial Accounts

If pursuant to Revenue Ruling 90-24, the Company agrees to accept under the contracts amounts transferred from a code section 403(b)(7) custodial account, such amounts will be subject to the withdrawal restrictions set forth in code section 403(b)(7)(A)(iii).

Taxation of Gains Prior to Distribution

You will generally not pay taxes on any earnings from the annuity contract described in this prospectus until they are withdrawn. Tax-qualified retirement arrangements under Tax Code section 403(b) also generally defer payment of taxes on earnings until they are withdrawn. (See "Taxation of Distributions" in this "Taxation" section for a discussion of how distributions under 403(b) plans are taxed.) When an annuity contract is used to fund a tax-qualified retirement arrangement with an annuity contract, you should know that the annuity contract does not provide any additional tax deferral of earnings beyond the tax deferral provided by the tax-qualified retirement arrangement. However, annuities do provide other features and benefits which may be valuable to you. You should discuss your alternatives with your financial representative.

Additionally, although earnings under the contract are generally not taxed until withdrawn, the IRS has stated in published rulings that a variable contract owner, including participants under Tax Code section 403(b) plans, will be considered the owner of separate account assets if the owner possesses incidents of investment control over the assets. In these circumstances, income and gains from the separate account assets would be currently includible in the variable contract owner's gross income.

The Treasury announced that it will issue guidance regarding the extent to which owners could direct their investments among subaccounts without being treated as owners of the underlying assets of the separate account. It is possible that the Treasury's position, when announced, may adversely affect the tax

treatment of existing contracts. The Company therefore reserves the right to modify the contract as necessary to attempt to prevent the owner from being considered the federal tax owner of a pro rata share of the assets of the separate account.

Taxation of the Company

We are taxed as a life insurance company under the Tax Code. Variable Annuity Separate Account C is not a separate entity from us. Therefore, it is not taxed separately as a "regulated investment company", but is taxed as part of the Company.

We automatically apply investment income and capital gains attributable to the separate account to increase reserves under the contracts. Because of this, under existing federal tax law we believe that any such income and gains will not be taxed to the extent that such income and gains are applied to increase reserves under the contracts. In addition, any foreign tax credits attributable to the separate account will be first used to reduce any income taxes imposed on the separate account before being used by the Company.

In summary, we do not expect that we will incur any federal income tax liability attributable to the separate account and we do not intend to make any provision for such taxes. However, changes in federal tax laws and/or their interpretation may result in our being taxed on income or gains attributable to the separate account. In this case, we may impose a charge against the separate account (with respect to some or all of the contracts) to set aside provisions to pay such taxes. We may deduct this amount from the separate account, including from your account value invested in the subaccounts.

Other Topics

The Company

Aetna Life Insurance and Annuity Company (the Company, we, us, our) issues the contracts described in this prospectus and is responsible for providing each contract's insurance and annuity benefits.

We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976 and an indirect wholly owned subsidiary of ING Groep N.V., a global financial institution active in the fields of insurance, banking and asset management. Through a merger, our operations include the business of Aetna Variable Annuity Life Insurance Company (formerly known as Participating Annuity Life Insurance Company, an Arkansas life insurance company organized in 1954).

We are engaged in the business of issuing life insurance and annuities. Our principal executive offices are located at:

151 Farmington Avenue
Hartford, Connecticut 06156

Variable Annuity Account C

We established Variable Annuity Account C (the separate account) in 1976 as a continuation of the separate account established in 1974 under Arkansas law of Aetna Variable Annuity Life Insurance Company. The separate account was established as a segregated asset account to fund variable annuity contracts. The separate account is registered as a unit investment trust under the Investment Company Act of 1940 (the "40 Act"). It also meets the definition of "separate account" under the federal securities laws.

The separate account is divided into "subaccounts." These subaccounts invest directly in shares of a pre-assigned fund.

Although we hold title to the assets of the separate account, such assets are not chargeable with the liabilities of any other business that we conduct. Income, gains or losses of the separate account are credited to or charged against the assets of the separate account without regard to other income, gains or losses of the Company. All obligations arising under the contracts are obligations of the Company.

Performance Reporting

We may advertise different types of historical performance for the subaccounts including:

- ▷ Standardized average annual total returns; and
- ▷ Non-standardized average annual total returns.

We may also advertise certain ratings, rankings or other information related to the Company, the subaccounts or the funds. For further details regarding performance reporting and advertising, request a Statement of Additional Information at the number listed in "Contract Overview—Questions."

Standardized Average Annual Total Returns. We calculate standardized average annual total returns according to a formula prescribed by the SEC. This shows the percentage return applicable to \$1,000 invested in the subaccount over the most recent one, five and 10-year periods. If the investment option was not available for the full period, we give a history from the date money was first received in that option under the separate account. Standardized average annual total returns reflect the deduction of all recurring charges during each period (e.g., mortality and expense risk charges, administrative expense charges, if any, and any applicable early withdrawal charges).

Non-Standardized Average Annual Total Returns. We calculate non-standardized average annual total returns in a similar manner as that stated above, except we do not include the deduction of any applicable early withdrawal charge. If we reflected these charges in the calculation, they would decrease the level of performance reflected by the calculation. Non-standardized returns may also include performance from the fund's inception date, if that date is earlier than the one we use for standardized returns.

Voting Rights

Each of the subaccounts holds shares in a fund and each is entitled to vote at regular and special meetings of that fund. Under our current view of applicable law, we will vote the shares for each subaccount as instructed by persons having a voting interest in the subaccount. Under the contracts described in this prospectus, you have a fully vested interest in the value of your account. Therefore, under the plan you generally have the right to instruct the contract

holder how to direct us to vote shares attributable to your account. Currently, for group contracts used with section 403(b) plans, we obtain participant voting instructions directly from participants, subject to receipt of authorization from the contract holder to accept such instructions. We will vote shares for which instructions have not been received in the same proportion as those for which we received instructions. Each person who has a voting interest in the separate account will receive periodic reports relating to the funds in which he or she has an interest, as well as any proxy materials and a form on which to give voting instructions. Voting instructions will be solicited by a written communication at least 14 days before the meeting.

The number of votes (including fractional votes) any person is entitled to direct will be determined as of the record date set by any fund in which that person invests through the subaccounts.

- ▷ During the accumulation phase the number of votes is equal to the portion of the account value invested in the fund, divided by the net asset value of one share of that fund.
- ▷ During the income phase the number of votes is equal to the portion of reserves set aside for the contract's share of the fund, divided by the net asset value of one share of that fund.

Contract Distribution

The Company's subsidiary, Aetna Investment Services, LLC (AIS) serves as the principal underwriter for the contracts. AIS, a Delaware limited liability company, is registered as a broker-dealer with the SEC. AIS is also a member of the National Association of Securities Dealers, Inc. (NASD) and the Securities Investor Protection Corporation. AIS' principal office is located at 151 Farmington Avenue, Hartford, Connecticut 06156.

The contracts are offered to the public by individuals who are registered representatives of AIS or other broker dealers which have entered into a selling arrangement with AIS. We refer to AIS and the other broker-dealers selling the contracts as "distributors."

All registered representatives selling the contracts must also be licensed as insurance agents for the Company.

Commission Payments

Persons who offer and sell the contracts may be paid a commission. The maximum percentage that may be paid with respect to a given purchase payment is the first-year percentage which ranges from 1% to a maximum of 4% of the first year of payments to an account. Renewal commissions may also be paid on payments made after the first year and, under group contracts, asset-based service fees.

The average of all commissions and asset-based service fees paid is estimated to equal approximately 2.5% of the total payments made over the life of an average contract. Some sales personnel may receive various types of non-cash compensation as special sales incentives, including trips and educational and/or business seminars. However, any such compensation will be paid in accordance with NASD rules. The total compensation package for sales, supervisory and management personnel of affiliated or related broker-dealers may be positively impacted if the overall amount of investments in the contracts and other products issued or advised by the Company or its affiliates increases over time.

The distributor may be reimbursed for certain expenses. The name of the distributor and the registered representative responsible for your account are stated in your enrollment materials. Commissions and sales related expenses are paid by us and are not deducted from payments to your account.

Changes in Beneficiary Designations

The designated beneficiary may be changed at any time. Such change will not become effective until written notice of the change is received by the Company.

Opportunity Plus Service Center

We established the Opportunity Plus Service Center to provide administrative support to you and other participants of the Opportunity Plus Program. This office handles enrollment, billing, transfers, redemptions and inquiries. Send forms and correspondence to:

Opportunity Plus Service Center
P.O. Box 12894
Albany, New York 12212-2894
Telephone Number: 1-800-677-4636

Agreement with the Company

NYSUT Benefit Trust is a non-profit trust organized and existing under the laws of the State of New York. This Trust operates for the benefit of its members and agency fee payers of New York State United Teachers.

The Company (our, we) and NYSUT Benefit Trust agree to the following:

- ▷ Sponsorship of the Opportunity Plus program by NYSUT Benefit Trust;
- ▷ Our provision, to all members and agency fee payers of educational programs focused on financial planning for retirement; and
- ▷ Our employment of trained personnel to conduct these programs exclusively for members.

Additionally:

- ▷ We reimburse NYSUT Benefit Trust for direct out-of-pocket expenses up to a maximum of \$40,000 per year incurred in the promotion of the Opportunity Plus program.
- ▷ We will pay NYSUT Benefit Trust \$313,000 per quarter beginning in 2001. This payment will increase in subsequent years, and may include, in the future, an asset based component. NYSUT Benefit Trust utilizes these amounts to enhance benefits to participants in programs it sponsors.
- ▷ We contribute to the costs incurred by NYSUT Benefit Trust for retaining up to six employees who assist in management of the Opportunity Plus program.
- ▷ We compensate United University Professions \$6,000 per month for the use of on-site campus facilities and the sponsorship of the Opportunity Plus program.

Contract Modification

We may change the contract as required by federal or state law. In addition, we may, upon 30 days' written notice to the contract holder, make other changes to group contracts that would apply only to individuals who become participants under that contract after the effective date of such changes. If the group contract holder does not agree to a change, we reserve the right to refuse to establish new accounts under the contract. Certain changes will require the approval of appropriate state or federal regulatory authorities.

Legal Matters and Proceedings

We are aware of no material legal proceedings pending which involve the separate account as a party or which would materially affect the separate account. The validity of the securities offered by this prospectus has been passed upon by Counsel to the Company.

In recent years, a number of companies have been named as defendants in class action lawsuits relating to life insurance. The Company is a defendant in one such lawsuit, a purported class action which was filed against the Company in the United States District Court for the Middle District of Florida on June 30, 2000, by Helen Reese, Richard Reese, Villere Bergeron, and Alan Eckert (the "Reese Complaint"). The Reese Complaint claims that the Company engaged in unlawful sales practices in marketing life insurance policies. The Company intends to defend this action vigorously.

The Company also is a party to other litigation and arbitration proceedings in the ordinary course of its business, none of which is expected to have a material adverse effect on the Company.

Payment Delay or Suspension

We reserve the right to suspend or postpone the date of any payment of benefits or values under the following circumstances: (a) on any valuation date when the New York Stock Exchange is closed (except customary weekend and holidays) when trading on the Exchange is restricted; (b) when an emergency exists as determined by the SEC so that disposal of the securities held in the subaccounts is not reasonably practicable or it is not reasonably practicable to fairly determine the value of the subaccount's assets; (c) during any other periods the SEC may by order permit for the protection of investors. The conditions under which restricted trading or an emergency exists shall be determined by the rules and regulations of the SEC.

Intent to Confirm Quarterly

We will provide confirmation of scheduled transactions quarterly rather than immediately to the participant.

Contents of the Statement of Additional Information

The Statement of Additional Information contains more specific information on the separate account and the contract, as well as the financial statements of the separate account and the Company. A list of the contents of the SAI is set forth below:

General Information and History	2
Variable Annuity Account C.....	3
Offering and Purchase of Contracts	3
Performance Data	4
General	4
Average Annual Total Return Quotations	4
Income Phase Payments	9
Sales Material and Advertising	10
Independent Auditors	10
Financial Statements of the Separate Account	S-1
Financial Statements of Aetna Life Insurance and Annuity Company	F-1

You may request an SAI by calling the Opportunity Plus Service Center at the number listed in "Contract Overview—Questions."

Appendix I

Guaranteed Accumulation Account

The Guaranteed Accumulation Account (GAA) is a fixed interest option that may be available during the accumulation phase under the contracts. This Appendix is only a summary of certain facts about GAA. Please read the GAA prospectus before investing in this option.

General Disclosure. Amounts that you invest in GAA will earn a guaranteed interest rate if amounts are left in GAA for the specified period of time. If you withdraw or transfer those amounts before the specified period of time has elapsed, we may apply a "market value adjustment," which may be positive or negative.

When you decide to invest money in GAA, you will want to contact your representative or the Company to learn:

- ▷ The interest rate we will apply to the amounts that you invest in GAA. We change this rate periodically, so be certain you know what rate we guarantee on the day your account dollars are invested into GAA.
- ▷ The period of time your account dollars need to remain in GAA in order to earn that rate. You are required to leave your account dollars in GAA for a specified period of time (guaranteed term), in order to earn the guaranteed interest rate.

Deposit Periods. A deposit period is the time during which we offer a specific interest rate if you deposit dollars for a certain guaranteed term. For a particular interest rate and guaranteed term to apply to your account dollars, you must invest them during the deposit period during which that rate and term are offered.

Interest Rates. We guarantee different interest rates, depending upon when account dollars are invested in GAA. The interest rate we guarantee is an annual effective yield; that means that the rate reflects a full year's interest. We credit interest daily at a rate that will provide the guaranteed annual effective yield over one year. The guaranteed interest rate will never be less than the rate stated in the contract.

Fees and Other Deductions. If all or a portion of your account value in GAA is withdrawn, you may incur the following:

- ▷ Market Value Adjustment (MVA)—as described in this appendix and in the GAA prospectus;
- ▷ Tax Penalties and/or Tax withholding—see "Taxation"; or
- ▷ Early Withdrawal Charge—see "Fees".

We do not make deductions from amounts in GAA to cover mortality and expense risks. Rather, we consider these risks when determining the credited rate.

Market Value Adjustment (MVA).

If you withdraw or transfer your account value from GAA before the guaranteed term is completed, an MVA may apply. The MVA reflects the change in the value of the investment due to changes in interest rates since the date of deposit. The MVA may be positive or negative. If you have elected ECO as described in "Systematic Distribution Options," no MVA applies to amounts withdrawn from GAA.

- ▷ If interest rates at the time of withdrawal have increased since the date of deposit, the value of the investment decreases and the MVA will be negative. This could result in your receiving less than the amount you paid into GAA.
- ▷ If interest rates at the time of withdrawal have decreased since the date of deposit, the value of the investment increases and the MVA will be positive.

Guaranteed Terms. The guaranteed term is the period of time account dollars must be left in GAA in order to earn the guaranteed interest rate specified for that guaranteed term. We offer different guaranteed terms at different times. Check with your representative or the Company to learn the details about the guaranteed term(s) currently being offered.

In general we offer the following guaranteed terms:

- ▷ Short-term—three years or fewer; and
- ▷ Long-term—ten years or less, but greater than three years.

At the end of a guaranteed term, you may:

- ▷ Transfer dollars to a new guaranteed term;
- ▷ Transfer dollars to other available investment options; or
- ▷ Withdraw dollars.

Deductions may apply to withdrawals. See "Fees and Other Deductions" in this section.

Transfer of Account Dollars. Generally, account dollars invested in GAA may be transferred among guaranteed terms offered through GAA, and/or to other investment options offered through the contract. However, transfers may not be made during the deposit period in which your account dollars are invested in GAA or for 90 days after the close of that deposit period. We will apply an MVA to transfers made before the end of a guaranteed term.

Income Phase. GAA can not be used as an investment option during the income phase. However, you may notify us at least 30 days in advance to elect a variable payment option and to transfer your GAA account dollars to any of the subaccounts available during the income phase.

Borrowing Against Amounts held in GAA. You cannot take a loan from your account value in GAA. However, we include your account value in GAA when determining the amount of your account value we will distribute as a loan.

Reinvesting Amounts Withdrawn from GAA. If amounts are withdrawn from GAA and then reinvested in GAA, we will apply the reinvested amount to the current deposit period. This means that the guaranteed annual interest rate, and guaranteed terms available on the date of reinvestment, will apply. Amounts will be reinvested proportionately in the same way as they were allocated before withdrawal.

We will not credit your account for market value adjustments that were deducted at the time of withdrawal or refund any taxes that were withheld.

Appendix II Fixed Account

The Fixed Account is an investment option available during the accumulation phase under the contracts. Amounts allocated to the Fixed Account are held in the Company's general account which supports insurance and annuity obligations. The Fixed Account is only available under installment purchase payment contracts.

Additional information about this option may be found in the contract.

General Disclosure. Interests in the Fixed Account have not been registered with the SEC in reliance on exemptions under the Securities Act of 1933, as amended. Disclosure in this prospectus about the Fixed Account may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of the statements. Disclosure in this Appendix regarding the Fixed Account has not been reviewed by the SEC.

Interest Rates. The Fixed Account guarantees that amounts allocated to this option will earn the minimum interest rate specified in the contract. We may credit a higher interest rate from time to time, but the rate we credit will never fall below the guaranteed minimum specified in the contract. Among other factors, the safety of the interest rate guarantees are based on the claims-paying ability of the Company. Amounts applied to the Fixed Account will earn the interest rate in effect at the time money is applied. Amounts in the Fixed Account will reflect a compound interest rate as credited by us. The rate we quote is an annual effective yield.

Our determination of credited interest rates reflects a number of factors, including mortality and expense risks, interest rate guarantees, the investment income earned on invested assets and the amortization of any capital gains and/or losses realized on the sale of invested assets. Under this option, we assume the risk of investment gain or loss by guaranteeing the amounts you allocate to this option and promising a minimum interest rate and income phase payment.

Charges. We do not make deductions from amounts in the Fixed Account to cover mortality and expense risks. We consider these risks when determining the credited rate. If you make a withdrawal from amounts in the Fixed Account, an early withdrawal charge may apply. (See "Fees—Early Withdrawal Charge.")

Transfers. During the accumulation phase, you may transfer account dollars from the Fixed Account to any other available investment option. There is no limit on the number of transfers that you can make out of the Fixed Account in a calendar year. However, we only allow you to transfer amounts which equal your account value in the Fixed Account multiplied by the current maximum percentage of the transfer allowed (the "window") minus any previous transfers you made from this option during the calendar year. We will waive the transfer limit when your account value in the Fixed Account is \$1,000 or less.

Income Phase. By notifying the Opportunity Plus Service Center at least 30 days before income payments begin, you may elect to have amounts transferred to one or more of the subaccounts available during the income phase to provide variable payments.

Contract Loans. Contract loans may be made from account values held in the Fixed Account.

Appendix III Fund Descriptions

The investment results of the mutual funds (funds) are likely to differ significantly and there is no assurance that any of the funds will achieve their respective investment objectives. Shares of the funds will rise and fall in value and you could lose money by investing in the funds. Shares of the funds are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, the Federal Deposit Insurance Corporation or any other government agency. Except as noted, all funds are diversified, as defined under the Investment Company Act of 1940.

- ▷ *Aetna Balanced VP, Inc.* seeks to maximize investment return, consistent with reasonable safety of principal by investing in a diversified portfolio of one or more of the following asset classes: stocks, bonds, and cash equivalents, based on the investment adviser's judgment of which of those sectors or mix thereof offers the best investment prospects.⁽¹⁾
- ▷ *Aetna Income Shares d/b/a Aetna Bond VP* seeks to maximize total return, consistent with reasonable risk, through investments in a diversified portfolio consisting primarily of debt securities. It is anticipated that capital appreciation and investment income will both be major factors in achieving total return.⁽¹⁾
- ▷ *Aetna Variable Fund d/b/a Aetna Growth and Income VP* seeks to maximize total return through investments in a diversified portfolio of common stocks and securities convertible into common stock. It is anticipated that capital appreciation and investment income will both be major factors in achieving total return.⁽¹⁾
- ▷ *Aetna Variable Encore Fund d/b/a Aetna Money Market VP* seeks to provide high current return, consistent with preservation of capital and liquidity, through investment in high-quality money market instruments. *An investment in the fund is neither insured nor guaranteed by the U.S. Government.*⁽¹⁾
- ▷ *Aetna Generation Portfolios, Inc.—Aetna Ascent VP* seeks to provide capital appreciation.⁽¹⁾
- ▷ *Aetna Generation Portfolios, Inc.—Aetna Crossroads VP* seeks to provide total return (i.e., income and capital appreciation, both realized and unrealized).⁽¹⁾
- ▷ *Aetna Generation Portfolios, Inc.—Aetna Legacy VP* seeks to provide total return consistent with preservation of capital.⁽¹⁾
- ▷ *Aetna Variable Portfolios, Inc.—Aetna Growth VP* seeks growth of capital through investment in a diversified portfolio consisting primarily of common stocks and securities convertible into common stocks believed to offer growth potential.⁽¹⁾
- ▷ *Aetna Variable Portfolios, Inc.—Aetna Index Plus Large Cap VP* seeks to outperform the total return performance of the Standard & Poor's 500 Composite Index (S&P 500), while maintaining a market level of risk.⁽¹⁾
- ▷ *Aetna Variable Portfolios, Inc.—Aetna Index Plus Mid Cap VP* seeks to outperform the total return performance of the Standard & Poor's MidCap 400 Index (S&P 400), while maintaining a market level of risk.⁽¹⁾
- ▷ *Aetna Variable Portfolios, Inc.—Aetna Index Plus Small Cap VP* seeks to outperform the total return performance of the Standard and Poor's SmallCap 600 Index (S&P 600), while maintaining a market level of risk.⁽¹⁾
- ▷ *Aetna Variable Portfolios, Inc.—Aetna International VP* seeks long-term capital growth primarily through investment in a diversified portfolio of common stocks principally traded in countries outside of the United States. The fund will not target any given level of current income.⁽¹⁾
- ▷ *Aetna Variable Portfolios, Inc.—Aetna Small Company VP* seeks growth of capital primarily through investment in a diversified portfolio of common stocks and securities convertible into common stocks of companies with smaller market capitalizations.⁽¹⁾
- ▷ *Aetna Variable Portfolios, Inc.—Aetna Technology VP* seeks long-term capital appreciation.⁽¹⁾⁽⁴⁾
- ▷ *Aetna Variable Portfolios, Inc.—Aetna Value Opportunity VP* seeks growth of capital primarily through investment in a diversified portfolio of common stocks and securities convertible into common stock.⁽¹⁾
- ▷ *AIM V.I. Capital Appreciation Fund* seeks growth of capital.⁽²⁾

- ▷ *AIM V.I. Growth Fund* seeks growth of capital.⁽²⁾
- ▷ *AIM V.I. Growth and Income Fund* seeks growth of capital with a secondary objective of current income.⁽²⁾
- ▷ *AIM V.I. Value Fund* seeks to achieve long-term growth of capital with a secondary objective of income.⁽²⁾
- ▷ *American Century Income & Growth Fund (Advisor Class)* seeks capital growth by investing in common stocks. Income is a secondary objective.⁽³⁾
- ▷ *Cabert Social Balanced Portfolio* seeks to achieve a competitive total return through an actively managed *non-diversified* portfolio of stocks, bonds and money market instruments which offer income and capital growth opportunity and which satisfy the investment and social criteria for the Portfolio.^{(4)(a)}
- ▷ *DEM® Equity Fund* is a nondiversified fund that seeks to provide aggressive long-term growth through capital appreciation.⁽⁵⁾
- ▷ *Fidelity Variable Insurance Products—Equity-Income Portfolio* seeks reasonable income. Also considers the potential for capital appreciation. Seeks a yield which exceeds the composite yield on the securities comprising the Standard & Poor's 500 Index.^{(6)(a)}
- ▷ *Fidelity Variable Insurance Products—High Income Portfolio* seeks a high level of current income while also considering growth of capital.^{(6)(b)}
- ▷ *Fidelity Variable Insurance Products—Overseas Portfolio* seeks long-term growth of capital.^{(6)(c)}
- ▷ *Fidelity Variable Insurance Products II—Asset Manager Portfolio* seeks to obtain high total return with reduced risk over the long term by allocating its assets among stocks, bonds and short-term instruments.^{(6)(d)}
- ▷ *Fidelity Variable Insurance Products II—Contrafund® Portfolio* seeks long-term capital appreciation.^{(6)(b)}
- ▷ *Fidelity Variable Insurance Products II—Index 500 Portfolio* seeks investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the Standard & Poor's 500 Index (S&P 500).^{(6)(e)}
- ▷ *Janus Aspen Series—Aggressive Growth Portfolio* is a *nondiversified* portfolio that seeks long-term growth of capital.⁽⁷⁾
- ▷ *Janus Aspen Series—Balanced Portfolio* seeks long-term capital growth, consistent with preservation of capital and balanced by current income.⁽⁷⁾
- ▷ *Janus Aspen Series—Capital Appreciation Portfolio (Service Shares)* is a *nondiversified* portfolio that seeks long-term growth of capital.⁽⁷⁾
- ▷ *Janus Aspen Series—Growth Portfolio* seeks long-term growth of capital in a manner consistent with the preservation of capital.⁽⁷⁾
- ▷ *Janus Aspen Series—Worldwide Growth Portfolio* seeks long-term growth of capital in a manner consistent with the preservation of capital.⁽⁷⁾
- ▷ *MFS® Total Return Series* seeks mainly to provide above-average income (compared to a portfolio invested entirely in equity securities) consistent with the prudent employment of capital, and secondarily to provide a reasonable opportunity for growth of capital and income.⁽⁸⁾
- ▷ *Oppenheimer Developing Markets Fund (Class A Shares)* aggressively seeks capital appreciation.⁽⁹⁾
- ▷ *Oppenheimer Global Securities Fund/VA* seeks long-term capital appreciation by investing a substantial portion of assets in securities of foreign issuers, "growth-type" companies, cyclical industries, and special situations that are considered to have appreciation possibilities.⁽⁹⁾
- ▷ *Oppenheimer Strategic Bond Fund/VA* seeks a high level of current income principally derived from interest on debt securities.⁽⁹⁾
- ▷ *Pax World Balanced Fund, Inc.* seeks to provide its shareholders with a diversified holding of securities of companies which offer primarily income and conservation of principal and secondarily possible long-term growth of capital.⁽¹⁰⁾

- ▷ *Pilgrim Emerging Markets Fund, Inc. (formerly Lexington Emerging Markets Fund, Inc.)* seeks long-term growth of capital primarily through investment in equity securities and equity equivalents of emerging market companies.⁽¹¹⁾
- ▷ *Pilgrim Natural Resources Trust (formerly Lexington Natural Resources Trust)* seeks long-term growth of capital through investment primarily in common stocks of companies that own or develop natural resources and other basic commodities, or supply goods and services to such companies. Current income will not be a factor. Total return will consist primarily of capital appreciation.⁽¹¹⁾
- ▷ *Portfolio Partners, Inc. (PPI) MFS Capital Opportunities Portfolio* seeks capital appreciation.^{(12)(a)}
- ▷ *Portfolio Partners, Inc. (PPI) MFS Emerging Equities Portfolio* seeks long-term growth of capital.^{(12)(a)}
- ▷ *Portfolio Partners, Inc. (PPI) MFS Research Growth Portfolio* seeks long-term growth of capital and future income.^{(12)(a)}
- ▷ *Portfolio Partners, Inc. (PPI) Scudder International Growth Portfolio* seeks long-term growth of capital.^{(12)(b)}
- ▷ *Portfolio Partners, Inc. (PPI) T. Rowe Price Growth Equity Portfolio* seeks long-term capital growth, and secondarily, increasing dividend income.^{(12)(c)}
- ▷ *Wachovia Special Values Fund (Class A Shares)* seeks to produce growth of principal.⁽¹³⁾

Investment Adviser:

- (1) Investment Adviser: Aeltus Investment Management, Inc. (Aeltus)
 - (a) Subadviser: Elijah Asset Management, LLC (EAM)
- (2) Investment Adviser: A I M Advisors, Inc.
- (3) Investment Adviser: American Century Investment Management, Inc.
- (4) Investment Adviser: Calvert Asset Management Company, Inc.
 - (a) Subadviser: NCM Capital Management Group, Inc.
- (5) Investment Adviser: Chapman Capital Management, Inc.
- (6) Investment Adviser: Fidelity Management & Research Company
 - (a) Subadviser: FMR Co., Inc.
 - (b) Subadvisers:
 - (c) Fidelity Management & Research (U.K.) Inc.
Fidelity Management & Research (Far East) Inc.
Fidelity Investments Japan Limited
FMR Co., Inc.
 - (c) Subadvisers:
Fidelity Management & Research (U.K.) Inc.
Fidelity Management & Research (Far East) Inc.
Fidelity International Investment Advisors
Fidelity International Investment Advisors (U.K.) Limited
Fidelity Investments Japan Limited
FMR Co., Inc.
 - (d) Subadvisers:
Fidelity Management & Research (U.K.) Inc.
Fidelity Management & Research (Far East) Inc.
Fidelity Investments Japan Limited
Fidelity Investments Money Management, Inc.
FMR Co., Inc.
 - (e) Subadviser:
Bankers Trust Company
FMR Co., Inc.
- (7) Investment Adviser: Janus Capital Corporation
- (8) Investment Adviser: Massachusetts Financial Services Company (MFS)
- (9) Investment Adviser: OppenheimerFunds, Inc.
- (10) Investment Adviser: Pax World Management Corp.

- (11) Investment Adviser: ING Pilgrim Investments, LLC
- (12) Investment Adviser: Aetna Life Insurance and Annuity Company
 - (a) Subadviser: Massachusetts Financial Services Company
 - (b) Subadviser: Zurich Scudder Investments, Inc.
 - (c) Subadviser: T. Rowe Price Associates, Inc.
- (13) Investment Adviser: Wachovia Asset Management

Appendix IV Condensed Financial Information

(Selected data for accumulation units outstanding throughout each period)

The condensed financial information presented below for each of the periods in the ten-year period ended December 31, 2000 (as applicable), is derived from the financial statements of the separate account, which have been audited by KPMG LLP, independent auditors. The financial statements and the independent auditors' report thereon for the year ended December 31, 2000 are included in the Statement of Additional Information.

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
AETNA ASCENT VP										
Value at beginning of period	\$17,940	\$15,886	\$15,422	\$13,291 ⁽¹⁾						
Value at end of period	\$17,624	\$17,940	\$15,886	\$15,422						
Number of accumulation units outstanding at end of period	28,874	33,852	21,430	380						
AETNA BALANCED VP, INC.										
Value at beginning of period	\$32,002	\$28,524	\$24,700	\$20,419	\$17,954	\$14,270	\$14,519	\$13,379	\$12,736	\$10,896
Value at end of period	\$31,470	\$32,002	\$28,524	\$24,700	\$20,419	\$17,954	\$14,270	\$14,519	\$13,379	\$12,736
Number of accumulation units outstanding at end of period	1,630,256	2,155,445	2,294,877	2,160,305	2,716,641	9,193,181	21,990,186	30,784,750	34,802,433	22,898,099
AETNA BOND VP										
Value at beginning of period	\$53,738	\$54,819	\$51,330	\$47,992	\$46,913	\$40,173	\$42,283	\$39,038	\$36,789	\$31,192
Value at end of period	\$58,266	\$53,738	\$54,819	\$51,330	\$47,992	\$46,913	\$40,173	\$42,283	\$39,038	\$36,789
Number of accumulation units outstanding at end of period	603,259	867,416	994,987	959,336	835,724	2,377,622	5,108,720	8,210,666	8,507,292	7,844,412
AETNA CROSSROADS VP										
Value at beginning of period	\$16,458	\$15,120	\$14,456	\$12,577 ⁽¹⁾						
Value at end of period	\$16,343	\$16,458	\$15,120	\$14,456						
Number of accumulation units outstanding at end of period	36,196	30,738	31,468	873						
AETNA GROWTH VP										
Value at beginning of period	\$9,343 ⁽¹⁾									
Value at end of period	\$7,718									
Number of accumulation units outstanding at end of period	87,757									
AETNA GROWTH AND INCOME VP										
Value at beginning of period	\$284,994	\$245,765	\$217,359	\$169,448	\$137,869	\$105,558	\$107,925	\$102,383	\$97,165	\$77,846
Value at end of period	\$250,928	\$284,994	\$245,765	\$217,359	\$169,448	\$137,869	\$105,558	\$107,925	\$102,383	\$97,166
Number of accumulation units outstanding at end of period	1,257,857	1,555,542	1,747,097	1,826,355	2,071,139	6,364,000	13,966,072	21,148,863	24,201,565	20,948,226
AETNA INDEX PLUS LARGE CAP VP										
Value at beginning of period	\$23,044	\$18,772	\$14,444	\$14,495 ⁽²⁾						
Value at end of period	\$20,645	\$23,044	\$18,772	\$14,444						
Number of accumulation units outstanding at end of period	2,198,550	2,748,955	1,302,825	17,771						
AETNA INDEX PLUS MID CAP VP										
Value at beginning of period	\$12,967	\$11,338	\$9,928 ⁽¹⁾							
Value at end of period	\$15,377	\$12,967	\$11,338							
Number of accumulation units outstanding at end of period	344,475	73,984	35,201							
AETNA INDEX PLUS SMALL CAP VP										
Value at beginning of period	\$10,019	\$9,157	\$10,193 ⁽¹⁾							
Value at end of period	\$10,881	\$10,019	\$9,157							
Number of accumulation units outstanding at end of period	185,350	118,433	81,388							
AETNA INTERNATIONAL VP										
Value at beginning of period	\$9,610 ⁽¹⁾									
Value at end of period	\$8,094									
Number of accumulation units outstanding at end of period	2,641									
AETNA LEGACY VP										
Value at beginning of period	\$15,070	\$14,248	\$13,491	\$12,296 ⁽³⁾						
Value at end of period	\$15,620	\$15,070	\$14,248	\$13,491						
Number of accumulation units outstanding at end of period	44,930	46,462	95,526	2,279						
AETNA MONEY MARKET VP										
Value at beginning of period	\$44,501	\$42,883	\$41,174	\$39,528	\$37,988	\$36,271	\$35,282	\$34,619	\$33,812	\$32,138
Value at end of period	\$47,123	\$44,501	\$42,883	\$41,174	\$39,528	\$37,988	\$36,271	\$35,282	\$34,619	\$33,812
Number of accumulation units outstanding at end of period	685,272	845,679	564,537	455,502	597,656	1,836,260	3,679,802	5,086,515	7,534,662	8,430,082

Condensed Financial Information (continued)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
AETNA SMALL COMPANY VP										
Value at beginning of period	\$10,292 ⁽¹⁾									
Value at end of period	\$9,145									
Number of accumulation units outstanding at end of period	136,234									
AETNA TECHNOLOGY VP										
Value at beginning of period	\$9,991 ⁽¹⁾									
Value at end of period	\$5,710									
Number of accumulation units outstanding at end of period	138,503									
AETNA VALUE OPPORTUNITY VP										
Value at beginning of period	\$14,274	\$12,088	\$11,472 ⁽¹⁾							
Value at end of period	\$15,556	\$14,274	\$12,088							
Number of accumulation units outstanding at end of period	227,331	74,768	33,957							
AIM V.I. CAPITAL APPRECIATION FUND										
Value at beginning of period	\$9,838 ⁽¹⁾									
Value at end of period	\$7,500									
Number of accumulation units outstanding at end of period	69,307									
AIM V.I. GROWTH FUND										
Value at beginning of period	\$9,482 ⁽¹⁾									
Value at end of period	\$7,162									
Number of accumulation units outstanding at end of period	61,815									
AIM V.I. GROWTH AND INCOME FUND										
Value at beginning of period	\$9,776 ⁽¹⁾									
Value at end of period	\$7,842									
Number of accumulation units outstanding at end of period	380,759									
AIM V.I. VALUE FUND										
Value at beginning of period	\$9,503 ⁽¹⁾									
Value at end of period	\$8,315									
Number of accumulation units outstanding at end of period	23,719									
CALVERT SOCIAL BALANCED PORTFOLIO										
Value at beginning of period	\$30,131	\$27,186	\$23,675	\$19,965	\$17,951	\$13,990	\$14,640	\$13,726	\$12,913	\$11,233
Value at end of period	\$28,864	\$30,131	\$27,186	\$23,675	\$19,965	\$17,951	\$13,990	\$14,640	\$13,726	\$12,913
Number of accumulation units outstanding at end of period	708,861	880,319	917,567	929,282	898,279	856,361	743,464	705,415	503,006	355,851
FIDELITY VIP EQUITY-INCOME PORTFOLIO										
Value at beginning of period	\$19,201	\$18,285	\$16,587	\$13,110	\$11,617	\$10,000 ⁽¹⁾				
Value at end of period	\$20,588	\$19,201	\$18,285	\$16,587	\$13,110	\$11,617				
Number of accumulation units outstanding at end of period	1,521,271	2,271,494	2,533,673	2,139,178	1,454,755	628,582				
FIDELITY VIP HIGH INCOME PORTFOLIO										
Value at beginning of period	\$9,638	\$9,023	\$9,995 ⁽¹⁾							
Value at end of period	\$7,389	\$9,638	\$9,023							
Number of accumulation units outstanding at end of period	159,263	194,440	178,601							
FIDELITY VIP OVERSEAS PORTFOLIO										
Value at beginning of period	\$9,535 ⁽¹⁾									
Value at end of period	\$8,471									
Number of accumulation units outstanding at end of period	5,930									
FIDELITY VIP II ASSET MANAGER PORTFOLIO										
Value at beginning of period	\$18,343	\$16,719	\$14,715	\$12,349	\$10,912	\$9,447	\$10,000 ⁽¹⁾			
Value at end of period	\$17,427	\$18,343	\$16,719	\$14,715	\$12,349	\$10,912	\$9,447			
Number of accumulation units outstanding at end of period	1,239,976	1,511,789	1,596,943	1,576,603	1,384,927	1,316,916	1,254,504			
FIDELITY VIP II CONTRAFUND* PORTFOLIO										
Value at beginning of period	\$27,214	\$22,177	\$17,276	\$14,092	\$11,763	\$10,000 ⁽¹⁾				
Value at end of period	\$25,130	\$27,214	\$22,177	\$17,276	\$14,092	\$11,763				
Number of accumulation units outstanding at end of period	3,098,835	3,780,287	3,333,320	2,706,862	1,522,169	525,476				

Condensed Financial Information (continued)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
FIDELITY VIP II INDEX 500 PORTFOLIO										
Value at beginning of period	\$28.147	\$23.650	\$18.662	\$14.240	\$11.740	\$10.000 ⁽¹⁾				
Value at end of period	\$25.246	\$28.147	\$23.650	\$18.662	\$14.240	\$11.740				
Number of accumulation units outstanding at end of period	3,615,259	4,354,723	3,947,187	3,093,080	1,490,937	290,547				
JANUS ASPEN AGGRESSIVE GROWTH PORTFOLIO										
Value at beginning of period	\$53.644	\$24.098	\$18.174	\$16.334	\$15.323	\$12.169	\$10.000 ⁽²⁾			
Value at end of period	\$36.169	\$53.644	\$24.098	\$18.174	\$16.334	\$15.323	\$12.169			
Number of accumulation units outstanding at end of period	3,203,706	3,274,450	2,142,130	1,939,607	1,893,718	1,280,953	393,553			
JANUS ASPEN BALANCED PORTFOLIO										
Value at beginning of period	\$9.909 ⁽¹⁾									
Value at end of period	\$9.491									
Number of accumulation units outstanding at end of period	199,295									
JANUS ASPEN GROWTH PORTFOLIO										
Value at beginning of period	\$32.036	\$22.529	\$16.816	\$13.872	\$11.859	\$10.000 ⁽²⁾				
Value at end of period	\$27.071	\$32.036	\$22.529	\$16.816	\$13.872	\$11.859				
Number of accumulation units outstanding at end of period	2,566,224	2,721,885	1,354,047	1,109,942	663,945	109,717				
JANUS ASPEN WORLDWIDE GROWTH PORTFOLIO										
Value at beginning of period	\$38.648	\$23.797	\$18.690	\$15.493	\$12.158	\$10.000 ⁽²⁾				
Value at end of period	\$32.231	\$38.648	\$23.797	\$18.690	\$15.493	\$12.158				
Number of accumulation units outstanding at end of period	4,666,562	5,548,674	4,687,167	3,873,511	2,090,908	314,653				
MFS® TOTAL RETURN SERIES										
Value at beginning of period	\$10.720	\$10.531	\$10.182 ⁽¹⁾							
Value at end of period	\$12.300	\$10.720	\$10.531							
Number of accumulation units outstanding at end of period	167,946	63,822	36,633							
OPPENHEIMER GLOBAL SECURITIES FUND/VA										
Value at beginning of period	\$16.126	\$10.303	\$10.077 ⁽²⁾							
Value at end of period	\$16.759	\$16.126	\$10.303							
Number of accumulation units outstanding at end of period	424,092	59,571	20,548							
OPPENHEIMER STRATEGIC BOND FUND/VA										
Value at beginning of period	\$10.089	\$9.935	\$10.055 ⁽¹⁾							
Value at end of period	\$10.240	\$10.089	\$9.935							
Number of accumulation units outstanding at end of period	125,233	173,219	100,555							
PILGRIM EMERGING MARKETS FUND, INC.										
Value at beginning of period	\$12.315	\$5.470	\$7.715	\$8.832	\$8.323	\$8.772	\$10.000 ⁽³⁾			
Value at end of period	\$7.254	\$12.315	\$5.470	\$7.715	\$8.832	\$8.323	\$8.772			
Number of accumulation units outstanding at end of period	657,383	940,817	745,856	750,330	548,618	371,156	144,750			
PILGRIM NATURAL RESOURCES TRUST										
Value at beginning of period	\$12.882	\$11.433	\$14.403	\$13.611	\$10.862	\$9.412	\$10.071	\$9.193	\$9.018	\$9.608
Value at end of period	\$15.080	\$12.882	\$11.433	\$14.403	\$13.611	\$10.862	\$9.412	\$10.071	\$9.193	\$9.018
Number of accumulation units outstanding at end of period	269,501	437,491	534,962	650,486	587,248	530,562	533,016	341,771	198,338	144,139
PPI MFS CAPITAL OPPORTUNITIES PORTFOLIO										
Value at beginning of period	\$43.112	\$29.339	\$23.440	\$23.106 ⁽⁴⁾						
Value at end of period	\$40.196	\$43.112	\$29.339	\$23.440						
Number of accumulation units outstanding at end of period	2,301,513	2,448,587	2,244,308	2,018,219						
PPI MFS EMERGING EQUITIES PORTFOLIO										
Value at beginning of period	\$28.710	\$19.268	\$15.046	\$15.236 ⁽⁴⁾						
Value at end of period	\$20.220	\$28.710	\$19.268	\$15.046						
Number of accumulation units outstanding at end of period	2,380,370	3,024,975	3,101,880	2,707,904						

Condensed Financial Information (continued)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
PPI MFS										
RESEARCH GROWTH										
PORTFOLIO										
Value at beginning of period	\$17.796	\$14.528	\$11.960	\$12.195 ⁽⁴⁾						
Value at end of period	\$18.587	\$17.796	\$14.528	\$11.960						
Number of accumulation units outstanding at end of period	999,127	194,296	1,379,653	232,418						
PPI SCUDDER										
INTERNATIONAL										
GROWTH PORTFOLIO										
Value at beginning of period	\$32.585	\$20.829	\$17.709	\$17.490 ⁽⁴⁾						
Value at end of period	\$25.910	\$32.585	\$20.829	\$17.709						
Number of accumulation units outstanding at end of period	2,322,473	2,807,485	2,962,631	3,237,710						
PPI T. ROWE PRICE										
GROWTH EQUITY										
PORTFOLIO										
Value at beginning of period	\$25.283	\$20.929	\$16.608	\$16.276 ⁽⁴⁾						
Value at end of period	\$24.994	\$25.283	\$20.929	\$16.608						
Number of accumulation units outstanding at end of period	1,359,111	1,549,310	1,564,888	1,317,058						

Footnote for period ended December 31, 2000:

- (1) Funds were first received in this option during September 2000.

Footnotes for period ended December 31, 1998:

- (1) Funds were first received in this option during May 1998.
 (2) Funds were first received in this option during June 1998.

Footnotes for period ended December 31, 1997:

- (1) Funds were first received in this option during February 1997.
 (2) Funds were first received in this option during December 1997.
 (3) Funds were first received in this option during May 1997.
 (4) Funds were first received in this option during November 1997.

Footnotes for period ended December 31, 1995:

- (1) The initial accumulation unit value was established at \$10.000 during May 1995, when the fund became available under the contract.
 (2) The initial accumulation unit value was established at \$10.000 during July 1995, when the fund became available under the contract.

Footnotes for period ended December 31, 1994:

- (1) The initial accumulation unit value was established at \$10.000 during March 1994, when funds were first received under this option.
 (2) The initial accumulation unit value was established at \$10.000 during June 1994, when funds were first received in this option.
 (3) Funds were first received in this option during October 1994.

For Master Applications Only

I hereby acknowledge receipt of an Account C Opportunity Plus group deferred variable annuity prospectus dated May 1, 2001 as well as all current prospectuses pertaining to the variable investment options available under the Contracts.

_____ *Please send an Account C Statement of Additional Information (Form No. SAI.75962-01) dated May 1, 2001.*

CONTRACT HOLDER'S SIGNATURE

DATE

PRO.75962-01

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www.aetnafinancial.com



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PRO.75962-01 (5/01)

EXHIBIT 26

From: [REDACTED] (PRIVATE)
To: Metz, Lynette
Date: 1/22/2004 2:40:23 PM
Subject: Re: Op Plus Meeting January 23rd

A couple comments:

1. What [REDACTED] is referring to on the life insurance is commonly referred to a step-up death benefit in the annuity world. I don't know how common it is in the 403(b) annuity arena, but it simply states that should a account holder pass away, their beneficiary will receive the greater of - the current balance of the account, the total of their contributions, or the previous December 31 balance - all minus any withdrawals that they made. Going back five years for a balance will never fly. I think ING has looked into this a few times but seems to stay away. I also don't think this should ever come from "our enhancement" money as that is something they should do to increase the competitiveness of their product. I also would not want to see any of this money go back into ING's pocket for any type of incentive that they can come up with. In addition, we can market any of your suggested enhancements fairly easily, and we cannot if it's an actual product enhancement which involves compliance (and more specifically.. [REDACTED])

2. I do not see this cheapening the plan by offering it free with an endorsed product or by separate purchase. Those who don't utilize that specific endorsed product have an option to purchase the program, Those who utilize the product receive an extra benefit.

3. Survivor support - I like the idea of offering it to a opp+ client if their spouse passes away - obviously we would see a slight increase in costs.

4. Trust reimbursement - I am hesitate to have the prospectus outline a reimbursement per Opp+ client. I know that myself and most likely the other financial coordinators and probably others, often pitch ING as an exclusive carrier of employer monies. We also have a role in assisting ING in school Districts that ING may be having difficulty with. I am often asked or simply bring up myself, that neither NYSUT nor myself receive extra money from ING should a local choose to use them as an exclusive carrier. Same goes when were assisting with access. Should the prospectus outline a dollar amount reimbursement based on the number of Opp+ clients, we can no longer state that, and I feel that we lose some of our objectivity. I can certainly see us using that as an "off the books" formula in determining the dollar amount, but would prefer not to have it in the prospectus. Also, if and when matching contributions come up ,we may see a significant increase in opp+ accounts, and that would also reflect poorly if mentioned in the prospectus.

That's all I've got.....for now

[REDACTED]
[REDACTED]
[REDACTED]
NYSUT Member Benefits - Albany

[REDACTED]

[REDACTED]@nysutmail.org

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EXHIBIT 27

EXHIBIT



159 Wolf Road, Box 15008, Albany, NY 12212-5008 ■ Phone: 518-459-5400 ■ Internet: www.nysut.org

New York State United Teachers

Thomas Y. Hobart, Jr., *President*
Alan B. Lubin, *Executive Vice President*
Antonia Cortese, *First Vice President*
Walter E. Dunn, Jr., *Second Vice President*
Ivan Tiger, *Secretary-Treasurer*

February 13, 2002

[REDACTED]
Chief Executive Officer
ING Aetna Financial Services
151 Farmington Avenue
Hartford, CT 06156

Dear [REDACTED]

This letter is in regard to a problem that we are currently experiencing with the promotion of the Aetna Opportunity Plus 403(b) program. The issue relates to the disclosure language that ING's Compliance and Legal Department mandates be placed on all print material related to our program. You may not be aware of this but the program has not been properly marketed for over two years due to this issue. After much debate, the following is the suggested language from both parties:

ING

Opportunity Plus is a tax deferred variable annuity issued by Aetna Life Insurance and Annuity Company. All fees and expenses associated with Opportunity Plus including those received by NYSUT Benefit Trust are detailed in the current prospectus, which should be read carefully prior to investing or sending money.

NYSUT Benefit Trust

Opportunity Plus is a tax deferred variable annuity issued by Aetna Life Insurance and Annuity Company. All fees and expenses associated with the program are detailed in the current prospectus, which should be read carefully prior to investing in the Opportunity Plus tax-deferred variable annuity.

United Teachers

NBT-003686

*Affiliated with the American Federation of Teachers, AFL-CIO
Representing teachers and other professionals, school-related personnel, higher education professionals, health care professionals, and retirees*



[REDACTED]
February 13, 2002

Page 2

The issue, as I'm sure you can understand, is that the Trust does not want to advertise the financial arrangement between ING and the NYSUT Benefit Trust to our competition. This is exactly what will happen, as they will use this information against us to persuade potential participants against our program. In addition, the ING type of disclosure on work site posters could create political problems for our local presidents. We need the support of local presidents in order to properly market this program. As you can well imagine, competition is fierce in New York State school districts. It is our position that the expense reimbursement arrangement should be disclosed to participants only in the prospectus. This matter must be resolved in order to resume more active marketing and promotion of our program. Millions of dollars are being lost to our competition each day that this matter is allowed to go unresolved.

I close by stating that in the history of our relationship, we have never once received a complaint regarding our original disclosure language or the lack thereof. It would appear that ING has now decided to hold us to a higher standard than our other endorsed insurance companies at the detriment of the program. I would appreciate your prompt response to this complicated matter. The future of our program depends upon it.

Sincerely,

[REDACTED]

Executive Director of
Finance and Administration

DF/js

CC:

[REDACTED]
L. Metz ✓

EXHIBIT 28

11111

From: Lynette Metz{PRIVATE }
To: [REDACTED]
Date: 5/3/2002 12:47:57 PM
Subject: RE: Opportunity Independence

[REDACTED] - I think this lang. is even better. It makes you think that the expenses they are talking about are the expense of the ING National Trust.

REDACTED

>>> [REDACTED] 05/01/02 02:31PM >>>
The below disclosure language is fine.

>>> [REDACTED] <[REDACTED]@ING-AFS.com> 05/01/02 12:16PM >>>
[REDACTED] forwarded me the following as the approved language to cover both Opp Plus and Opp Independence (she had to use it for an article this past week, I believe) --

Opportunity Plus is a tax-deferred variable annuity issued by ING Life Insurance and Annuity Company (ILIAC). Opportunity Independence is a series of mutual funds offered through a custodial account with ING National Trust. All fees and expenses associated with these products, including those of the Trust, are detailed in the current prospectuses or custodial documents, which should be read carefully prior to investing or sending money. Call your ING representative or the Service Center at 1-800-677-4636 for additional information.

Please let me know asap whether this has to change for the NYSUT comparison because I will have to stop this from printing to change...

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, May 01, 2002 12:10 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Opportunity Independence

Issue is that the disclosure is also on Opportunity Independence and NYSUT VLI and this wording doesn't satisfy requirements for those products.

-----Original Message-----

From: [REDACTED] [mailto:[REDACTED]@nysutmail.org]
Sent: Tuesday, April 30, 2002 1:52 PM
To: [REDACTED]
Subject: RE: Opportunity Independence

Sorry for the delay in responding. The Opp Plus disclosure language that we all agreed upon is as follows:

"Opportunity Plus is a tax deferred variable annuity issued by Aetna Life

> Insurance and Annuity Company. All fees and expenses associated with
> Opportunity Plus including those of the Trust are detailed in the current
> prospectus, which should be read carefully prior to investing or sending
> money."
>
> We have also agreed with NYSUT that each piece of advertising material
> must refer to NYSUT Benefit Trust by its full name somewhere in the piece.
> Please call me if you have any questions.

From the above info., it appears to me that the below disclosure needs to include "NYSUT," if "NYSUT Benefit Trust" doesn't appear anywhere else.

>>> "[REDACTED] <[REDACTED]@ING-AFS.com> 04/23/02 03:34PM >>>
I think we take out "nysut"

> Original Message-----

> From: [REDACTED]
> Sent: Tuesday, April 23, 2002 12:43 PM
> To: [REDACTED]@nysutmail.org'
> Cc: [REDACTED]
> Subject: Opportunity Independence

>
> The disclosure needs some tweaking for this product. This is the proposed
> language - I think we need to tweak the word prospectus to custodial
> agreement

> But what do you think

> Opportunity Plus is a tax deferred variable annuity issued by ING
> Life Insurance and Annuity Company. Opportunity Independence is a series
> of mutual funds offered through a custodial account with ING National
> Trust. All fees and expenses associated with these supplemental
> retirement programs, including those of NYSUT Benefit Trust, are detailed
> in the current prospectuses, which should be read carefully prior to
> investing or sending money.

>

>

>

>

> [REDACTED]
> Registered Representative
> Aetna Investment Services, LLC.
> 159 Wolf Road, Albany, NY 12205

>

>

> [REDACTED]@ing-afs.com
> Insurance Affiliation: Aetna Life Insurance and Annuity Co.
> Securities Offered Through: Aetna Investment Services, LLC. (Member SIPC)

>

EXHIBIT 29

We Take Time For Some Important Things.



So You Have Time For Others.

You needn't spend a lot of time searching for quality insurance and investments. We already did.

NYSUT Member Benefits offers you the important things you need with the savings and convenience you want. We're committed to helping you provide the best for your family. And we work hard to see that you get it.

Benefits include:

Insurance Plans:

Term Life
Catastrophe
Automobile
Boat
Homeowners/Renters

Personal Umbrella
Disability Income Protection
Accident
Supplemental In-Hospital

The Payroll Advantage, our payroll deduction plan

Opportunity Plus Tax Deferred Annuity Plan

Legal Service Plan

Road America Motor Club

Free Accidental Death &

Dismemberment Insurance

Discounts:

Car Rental

Amusement Park

Regional Fuel Oil

Consumer's Guides

nysut Member Benefits

Working in your interest.

For complete information about NYSUT Member Benefits, call 1-800-626-8101.

EXHIBIT 30

Benefits Available



*Summary of
Programs
and Services*

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BENEFITS**
nysut
Working to Benefit You

4/04

NBT-001314



Dear Colleague:

New York State United Teachers (NYSUT) is pleased to offer you the programs and services of our Member Benefits department. Every program endorsed by NYSUT Benefit Trust is researched, designed and monitored to ensure it will enhance your lifestyle. Whether it's insuring your personal property, deferring taxes on funds earmarked for your retirement years, obtaining legal assistance at economical rates, or simply saving money on entertainment, Member Benefits has something for you.

By building on the group buying power of more than 500,000 members, we're able to offer competitively priced products and services. There is truly strength in numbers. When you participate in a NYSUT benefit program, NYSUT acts as your advocate to ensure that you receive satisfaction.

In addition, NYSUT automatically insures each member or agency fee payer of NYSUT in the event of death or dismemberment due to accidental injuries. This coverage is provided at no cost to you.

We invite you to participate in the programs and services offered exclusively to NYSUT members and agency fee payers by NYSUT Member Benefits. Use the postage-paid reply card on the back cover of this brochure to request more information on any of these benefits, call the NYSUT Member Benefits department at 800-626-8101, e-mail the department at benefits@nysutmail.org, or use the convenient information request form on our Web site, www.memberbenefits.nysut.org.

In solidarity,

Thomas Y. Hobart, Jr.
President, NYSUT

Walter E. Dunn, Jr.
Second Vice President, NYSUT
Chairperson, NYSUT Benefit Trust

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 Latham, NY 12110-2455
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 E-mail: benefits@nysutmail.org
 Web site: www.memberbenefits.nysut.org

The Payroll & Pension Advantage



Payroll deduction of NYSUT benefits is available in locals that have made the necessary arrangements for payroll deduction of NYSUT benefits.

Pension deduction of NYSUT benefits is available to retirees who are collecting a monthly pension benefit from New York State Teachers' Retirement System, New York State Employees' Retirement System, New York City Teachers' Retirement System or TIAA-CREF.

With payroll and pension deduction, you gain the advantage of convenience. No checks need to be written; no payment due dates need to be remembered. Premiums are divided into even amounts and are automatically deducted from paychecks or pension benefits. It's that easy!

What's more, all of the programs listed in this brochure with the Payroll/Pension logo  can be purchased through payroll or pension deduction. Many of these programs offer reduced premiums, elimination of service fees or additional coverage provided at no cost. **It's truly the Payroll/Pension Advantage!**

Insurance Benefits

Term Life Insurance



It's the economical way to provide extra protection for your family. If you and your spouse or domestic partner are under age 65, you both are eligible to apply for coverage up to \$1 million at premiums negotiated especially for NYSUT members. Accelerated death benefit up to 60 percent of the life insurance benefit is available for terminally ill insureds. One low premium covers all of your dependent children under the age of 23.

The Payroll & Pension Advantage: Save 10% on premiums and receive free travel Accidental Death and Dismemberment (AD&D) insurance in the amount of your term life coverage, up to \$100,000. Also receive an additional \$25,000 of AD&D benefits if you are the victim of a physical assault occurring during an employment-related activity.



NYSUT Senior Term Life Insurance Plan

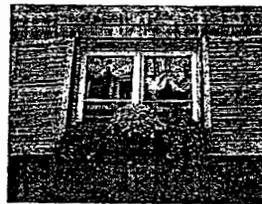
This plan offers members and their spouses or domestic partners between the ages of 65 and 84 who are not already enrolled in NYSUT's Term Life Insurance Plan the opportunity to apply for up to \$30,000 in coverage, depending on age at issue. The plan provides decreasing term coverage to age 85. Benefits decrease as age bands increase.

The Payroll & Pension Advantage: Save \$2 processing fee per billing cycle.

NYSUT WrapPlan® Term Life Coordination Program



This plan offers members a way to plan for the continuing need for life insurance coverage, while taking advantage of the term life insurance they already have. This program allows you to purchase life insurance coverage that increases as your term life coverage decreases or terminates. Premiums may be set at a level to produce as much or as little accumulation cash value at age 95 as may be desired. You must be age 65 or under to apply.



Personal Property and Liability Insurance Plans

Whether you're looking to insure your automobile, your domicile, your boat or any other personal property and liability, NYSUT Member Benefits offers you access to apply for the right coverage for you. You may be eligible for a variety of policy discounts, depending on where you live. You can obtain a rate quote and service Mondays through Saturdays. Emergency claims reporting service is available 24 hours a day, seven days a week. Personal property and liability (umbrella) insurance policies include:

• **Automobile Insurance** - You'll get competitive rates, quality service and access to roadside assistance. Various driver discounts are offered.

The Payroll & Pension Advantage: Save 8% on premiums in New York state (availability and amount of discount vary by state).

• **Boatowners Insurance** - Watercraft policies provide coverage for your boat, boating equipment, unattached equipment, accessories and emergency services. Medical payments coverage and liability protection may be included.

• **Homeowners/Renters Insurance** - Whether you own or rent a home, apartment, co-op or condominium, you can get the proper coverages for your individual needs. Discounts are available.

• **Personal Excess Liability (Umbrella) Insurance** - This policy provides an extra buffer of protection by covering expenses beyond the limits of your underlying auto, home, boat, recreational vehicle and snowmobile policies. Coverage amounts available: \$500,000; \$1 million and \$2 million.

• **Other Insurances** - Mobile Home, Recreational Vehicle, Snowmobile, Motorcycle, Fire and Landlord's Rental Dwelling.

Disability Insurance Plan



Protect your most valuable asset – your income – with this plan. It provides tax-free benefits to help meet your living expenses if a covered sickness or injury prevents you from working. You can select coverage up to \$5,000 a month, depending on your salary. A short-term policy offering benefits for up to one year and a long-term policy offering benefits up to age 65 are available. Members who are under age 64 and who work 20 or more hours per week may apply.

The Payroll Advantage: Save up to 20% on long term disability insurance premiums.

Disability Insurance Plan II



This plan is available to associate members, retiree members, and spouses or domestic partners of NYSUT members and agency fee payers. Applicants must be under the age of 64 and work 30 or more hours per week in an insurable occupation. It provides tax-free benefits to help meet one's living expenses if a covered sickness or injury prevents one from working. Coverage can be applied for up to \$5,000 a month, depending on one's salary and occupation. Short and long term plans are available.

The Payroll & Pension Advantage: Save up to 10% on long term disability insurance premiums.

Accidental Death & Dismemberment Insurance 

This benefit covers you 24 hours a day, 365 days a year against any type of accident in the course of business or pleasure. Coverage includes accidents on or off the job, in or away from the home, traveling by train, airplane (as a passenger only), automobile, or other public or private conveyance. The plan provides 100 percent of the elected amount of coverage in the event of accidental death and reduced benefits in the event of dismemberment or paralysis. Choose benefit levels of \$25,000, \$50,000 or \$100,000. Individual and family coverage are offered.

With this plan, you will receive Worldwide Emergency Travel Services (worldwide medical and travel emergency services for you and your family when traveling 100 miles or more from home or in a foreign country) and an Education Benefit for qualified children.

Note: This plan is separate and apart from the free Accidental Death & Dismemberment Insurance Plan provided to all NYSUT members and agency fee payers.

Catastrophe Major Medical Insurance 

This plan supplements your basic hospitalization and major medical insurance, including Medicare. After the plan's deductible has been met, it will pay up to 100 percent of eligible expenses not recovered by other insurance coverage for up to five years or up to \$2 million, whichever comes first. Besides major medical expenses, the plan offers some nursing home, home health care and private

duty nursing benefits. The plan coordinates with long-term care insurance. Members must be age 79 or younger to apply. Coverage can be added for spouse, parents, parents-in-law (age 79 or younger) and dependent children.

The Payroll & Pension Advantage: Save 10% on premiums.

Long-Term Care Insurance 

With NYSUT's flexible long-term care insurance plan, you can choose the plan design and daily benefit amount that best meet your needs. Services provided include care planning and coverage for home health care, adult day care, homemaker services, licensed assisted living facilities, nursing home care, hospice care at home or in a licensed hospice facility, and respite care. Two plans, the NYSUT Long-Term Care Plan and the New York State Partnership Plan, allow choices for specific coverages. You, your spouse or domestic partner, parents (and in-laws) and grandparents (and in-laws) are eligible to apply.

The Payroll & Pension Advantage: Save 10% on standard monthly premiums.



NYSUT Retiree Dental Plan 

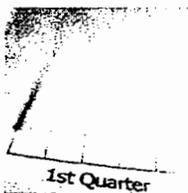
This plan pays benefits for preventive, restorative and major restorative services. Retirees have the choice of using a participating dentist or they may go out-of-network. Greatest benefits are received and least out-of-pocket expenses are incurred when participating dentists are used. The plan

features more than 60,000 participating dentists throughout the country. Retirees may add coverage for their spouses or domestic partners, and for their dependent children.

The Pension Advantage: Save \$4 service fee per billing cycle.

Financial Benefits

Opportunity Plus - A convenient way to save for your future, the innovative 403(b) tax-deferred variable annuity sponsored by NYSUT offers personal service, diversification, flexibility and easy access to your money through a liberal loan provision. The Opportunity Plus Service Center features toll-free access to meet your information and service needs. Opportunity Plus is available in NYSUT locals that have signed a contract to offer it. Opportunity Plus can also accept funds from an existing tax-deferred annuity.



Opportunity Independence - For do-it-yourselfers, this NYSUT-sponsored tax-deferred custodial account is available under Section 403(b)(7) of the Internal Revenue Code. An extensive range of mutual funds is offered to match your risk/reward preferences. Opportunity Independence is serviced using a toll-free number with little or no registered representative assistance. Because it's a self-service product rather than a personal service product, expenses for a custodial account are generally less than those of a variable annuity. A custodial account also differs from a variable annuity in that it does not contain an annuity option at retirement, it has no fixed account investment option, and it offers no loan provisions.

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Opportunity 457 - A newer option, which is only available if your employer adopts and sponsors this 457(b) deferred compensation plan, provides another way to save for your retirement. Contributions to 457(b) plans are not aggregated with 403(b) contribution amounts, i.e., each has its own maximum contribution limit that is independent of each other. Opportunity 457 offers a wide range of investment options, a loan provision, personal service and a dedicated service center.

Note: Participants who have made a contribution to their Opportunity Plus annuity, Opportunity Independence custodial account, or Opportunity 457 deferred compensation plan within the past 24 months receive Lifestyle Security Protection® and SurvivorSupport® Financial Counseling Service, compliments of NYSUT Benefit Trust. SurvivorSupport® is a financial advisement service offered for a period of six months to terminally ill participants or beneficiary(ies) of deceased participants.

SurvivorSupport® is a registered trademark of The Ayco Company, L. P.

Financial Counseling Program



Have you ever wished you could ask questions about your personal financial matters to an independent financial counselor, someone who has no underlying motives and wants to help you with your particular situation? Now you can! For an annual fee, this program provides you with toll-free telephone access to independent financial counselors who will help you make decisions and move forward with your own personalized action plan. You can choose financial analyses, customized to your individual circumstances,



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from a menu of financial planning topics, such as tax-deferred annuities, education funding, insurance needs and more. You'll receive a financial planning newsletter every other month, featuring up-to-date information and tips on planning for specific life events. If desired, you have the option of requesting an in-person financial planning consultation at an additional fee.

The Payroll & Pension Advantage: Save \$6 on the annual fee.

Financial Building Blocks®

This program offers a variety of educational workshops designed to help members of all ages meet their changing financial needs. Workshops provide the information needed to make plans to reach immediate and long-term financial goals. Seminar leaders are salaried Certified Financial Planners dedicated to providing unbiased financial information. *Workshops are arranged through local presidents, chapter leaders, retiree council leaders or retiree chapter leaders.* They are offered at the low rate of \$10 per member. Members may bring one non-member guest at no charge. (Registration fee is waived for New Directions 30-minute program.)

Preferred Savings PlusSM - NEW!

This plan offers NYSUT members some of today's highest interest rates on Certificates of Deposit, Money Market and Savings accounts. You can access your money and account information 24 hours a day, 7 days a week, by phone, Internet, mail or ATM. Accounts are insured by FDIC for up to \$100,000 per depositor. Home financing programs are also available.

Legal Services



NYSUT Legal Service Plan

For an annual fee, this Plan offers legal assistance for personal matters. One of the most widely used aspects of the legal plan is toll-free legal advice. If your matter can't be resolved over the phone or with a legal letter written on your behalf, you will be referred to a participating referral attorney in your area. These attorneys have agreed to charge reduced rates for NYSUT members. The plan also offers coupons for two free hour-long office consultations, a free simple Will or update, guaranteed maximum fees for a number of personal legal matters and more. Optional riders for business protection and Elder Law services can be purchased to provide additional legal coverage.

The Payroll & Pension Advantage: Save \$5 off the annual fee.

NYSUT Retiree Legal Service Plan

Retiree members of NYSUT can choose between the Legal Service Plan or Retiree Legal Service Plan. The Retiree Legal Service Plan costs less than the regular plan. It provides one-half hour free office consultation and a free simple power of attorney. All of the other benefits between the two plans remain the same. The optional riders for Elder Law services and for Business Legal Protection can be purchased.

The Pension Advantage: Save \$3 off the annual fee.

Discounts

Simply Certificates - NEW!

Looking for the perfect gift? Gift certificates from Simply Certificates are accepted at hundreds of restaurants, day spas, resorts, golf courses and ski areas. Receive a 10% discount on all gift certificates purchased through the link off the NYSUT Member Benefits Web site or a toll-free number. You can request a listing of participating merchants through Member Benefits or access it through the Web site link.



Working Advantage - NEW!

Get discounted movie tickets, video rentals, theme parks, Broadway shows, on-line shopping, sporting events and more! Order your tickets through the link off the NYSUT Member Benefits Web site, a toll-free number or mail order. You'll need NYSUT Benefit Trust's ID#: 704689984.

Lifeline Personal Response and Support Services - NEW!

Do you worry about your older relatives who live at home? This easy-to-use personal response service ensures older adults will get quick assistance whenever it is needed. NYSUT members and agency fee payers receive a discount off the initial installation fee and monthly monitoring costs.

Car Rental Discounts

Alamo, Avis and Hertz provide discounted passenger car rental rates to NYSUT members. Use these NYSUT discount ID numbers:

Alamo: #213855 and Rate Code BY
Avis: #A441200
Hertz: CDP #85352

Check with NYSUT Member Benefits for availability of promotional discount coupons.

Note: In some cases, you may get a better deal through the Internet. The NYSUT Member Benefits' Web site, www.memberbenefits.nysut.org, has links to these sites.

Six Flags Discounts

Discounted admissions for participating Six Flags theme parks are available in the spring and summer.

The Buyer's Edge

Use this buying service to comparison shop for your best deal on major appliances, furniture, luggage, automobiles and more.

Heat USA

This program uses group buying power to provide members with substantial discounts on heating oil. Participants also receive a free lifetime 24-hour service contract with carefully screened full-service local suppliers. First-year membership fee is \$25; second year is free. Free annual cleaning and tune-up along with automatic delivery are some of the benefits included. This program is currently only available in limited areas in New York, New Jersey and Connecticut.

Other Services

Consumer's Guides

Pamphlets provide candid, objective information on auto insurance; disability insurance; homeowners and renters insurance; legal services; life insurance; long-term care insurance; and tax-deferred savings. This information is helpful when making purchasing decisions.

Consumer Credit Counseling Service

Toll-free credit management advice is available seven days a week. If in-depth counseling is needed, arrangements will be made with a counselor in your area. As a HUD certified counseling agency, housing counseling and education are available. Counseling for credit management and housing is provided free of charge. A Debt Repayment Plan, offered on a sliding scale monthly administration fee, allows financially stressed consumers to repay creditors over time, without additional loans or stress of personal bankruptcy. For a fee, you can request a credit report review, which includes suggestions on improving your credit history. Please note: Credit report review services are available in many locations in New York state, but not all; these services may not be available in all states.

Defensive Driving Program

Besides brushing up on defensive driving skills, course completion will yield premium reductions on your automobile insurance premiums and point reductions on your license. *Courses are arranged through local presidents, chapter leaders, retiree council leaders or retiree chapter leaders* and are offered at \$25 per person. Available in New York state only.

AFT PLUS Benefits



NYSUT members are also members of the American Federation of Teachers, our national affiliate, and are entitled to participate in the benefits offered by AFT.

For information on AFT benefits, call 1-800-238-1133, ext. 8643.

Important Phone Numbers

NYSUT Member Benefits	1-800-626-8101
Accidental Death & Dismemberment Insurance	1-800-626-8101
Alamo Car Rental (NYSUT ID# 213855BY)	1-800-354-2322
Avis Car Rental (NYSUT ID# A441200)	1-800-698-5685
Buyer's Edge	1-800-626-8101
Catastrophe Major Medical Insurance	1-888-386-9788
Consumer Credit Counseling Services	1-800-479-6026
Consumer's Guides	1-800-626-8101
Defensive Driving	1-800-626-8101
Disability Insurance Plans	1-888-386-9788
Financial Building Blocks®	1-800-626-8101
Financial Counseling Program	1-800-626-8101
Free AD&D Insurance	1-800-626-8101
Heat USA	1-888-432-8872
Hertz Car Rental (NYSUT ID# CDP85352)	1-800-654-2200
Lifeline	1-800-543-3546 ext. 1500
Long-Term Care Insurance	1-800-638-0133
NYSUT Legal Service Plan	1-800-626-8101
NYSUT Retiree Dental Plan	1-888-883-0046
NYSUT Retiree Legal Service Plan	1-800-626-8101
NYSUT Senior Term Life Insurance Plan	1-888-386-9788
NYSUT WrapPlan® Term Life Coordination Program	1-866-697-8897
Opportunity Independence 403(b)(7)	1-800-626-8101
Opportunity Plus 403(b)	1-800-677-4636
Opportunity 457	1-800-677-4636
Payroll/Pension Advantage	1-800-626-8101
Personal Property and Liability Insurance	1-800-438-6381
Preferred Savings Plus SM	1-866-697-8822
Simply Certificates	1-866-746-7591
Six Flags Discounts	1-800-626-8101
Term Life Insurance	1-888-386-9788
Working Advantage (NYSUT ID# 704689984)	1-800-565-3712

To receive additional information, please complete and return the attached postcard.

Insurance

- Accidental Death & Dismemberment (13)
- Automobile (03)
- Boat (06)
- Catastrophe Major Medical (02)
- Disability (08)
- Disability Plan II (52)
- Free Accidental Death & Dismemberment (39)
- Homeowners/Renters (04)
- Long-Term Care (12)
- NYSUT Retiree Dental Plan (51)**
- NYSUT Senior Term Life Plan (53)
- NYSUT WrapPlan®-Term Life Coordination Program (07)
- Personal Excess Liability (05)
- Term Life (01)

Financial

- Financial Building Blocks® (18)††
- Financial Counseling Program (49)
- Opportunity Independence (15)††
- Opportunity Plus (16)††
- Opportunity 457 (14)††
- Preferred Savings PlusSM (15)
- NYSUT Legal Service Plan (09)
- NYSUT Retiree Legal Service Plan (10)*

Legal

- Buyer's Edge (38)
- Car Rental (36)
- Heat USA (40)
- Lifeline (57)
- Simply Certificates (55)
- Six Flags (47)
- Working Advantage (56)

Discounts

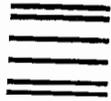
- NYSUT Legal Service Plan (09)
- NYSUT Retiree Legal Service Plan (10)*
- Buyer's Edge (38)
- Car Rental (36)
- Heat USA (40)
- Lifeline (57)
- Simply Certificates (55)
- Six Flags (47)
- Working Advantage (56)

Other

- Consumer's Guides to:
 - Auto Insurance (23)
 - Disability Insurance (22)
 - Homeowners & Renters Insurance (24)
 - Legal Service Plans (26)
 - Life Insurance (21)
 - Long-Term Care Insurance (25)
 - Tax-Deferred Savings (27)
 - Consumer Credit Counseling Service (29)
 - Defensive Driving (37)†
 - Payroll Advantage (in-service members) (42)
 - Pension Advantage (retiree members) (43)
- UFT Retirees are covered by the UFT Welfare Fund Retiree Legal Plan.
- ** Your local association may already provide retiree dental coverage.
- † UFT offers its own classes for UFT members.
- †† Not available to members of UFT and PSC00WY.

(Please Print)
NYSUT Member Name _____

Address _____ City _____ State _____ Zip _____
 E-mail address _____



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 23 LATHAM NY

POSTAGE WILL BE PAID BY ADDRESSEE

NYSUT MEMBER BENEFITS
800 TROY SCHENECTADY ROAD
LATHAM NY 12110-9924



**Benefits Available
from NYSUT Member Benefits**

Term Life Insurance

NYSUT Senior Term Life Insurance Plan

NYSUT WrapPlan® Term
Life Coordination Program

Personal Property and Liability Insurance

Disability Insurance Plan

Disability Insurance Plan II

Accidental Death &
Dismemberment Insurance

Catastrophe Major Medical Insurance

Long-Term Care Insurance

NYSUT Retiree Dental Plan

Opportunity Plus 403(b)

Opportunity Independence 403(b)(7)

Opportunity 457

Financial Counseling Program

Financial Building Blocks®

Preferred Savings PlusSM

NYSUT Legal Service Plan

NYSUT Retiree Legal Service Plan

Simply Certificates

Working Advantage

Lifeline

Car Rental Discounts

Six Flags Discounts

The Buyer's Edge

Heat USA

Consumer's Guides

Consumer Credit Counseling Service

Defensive Driving

Payroll & Pension Advantage

EXHIBIT 31



New York State United Teachers
Benefit Trust
159 Wolf Road
Box 15008
Albany, NY 12212-5008

(518) 459-5400
(800) 626-8101
FAX (518) 454-6413

June 28, 1999

MEMORANDUM

TO: Benefit Trust Trustees
FROM: [REDACTED]
RE: OPPORTUNITY PLUS CONTRACT RENEWAL

We started contract negotiations with Aetna in the fall of 1998. Our objective was to use the contract expiration date of 12/31/99 as leverage to enhance the Opportunity Plus Program. The first issue was to determine if the Trust should send out a formal request for proposal (RFP) to potential providers. We opted for an informal process, which included meeting with Aetna's major competitors. The companies we contacted included [REDACTED]. Based on the information collected at these meetings, it was clear our best option to pursue was negotiations to improve the Opportunity Plus Program. After months of negotiations, I am pleased to recommend renewal of the contract based on the enhancements described below.

- ◆ Effective with a new 3-year contract, Aetna will reduce the Mortality and Expense (M&E) charges currently 1.25%, as follows:
 - ❖ Beginning February 15, 2000, for all variable funds (except the Aetna Money Market VP Fund), the charge will be reduced to 1.10%
 - ❖ On February 15, 2001, the charge for all funds will be 1.05%
 - ❖ On February 15, 2002, the charge for all funds will be 1.00%

Based on current assets, the "cost" to Aetna will be approximately \$7.5 million over the three-year period.

- ◆ Beginning February 15, 2000, the Mortality and Expense charge on the Aetna Money Market VP Fund will be reduced from 1.25% to .35%.

Trustees of NYSUT
Benefit Trust &
NYSUT Group
Benefits Plans

E. Dunn, Jr.
Second VP

Secretary
Louis Stoller
Un. College Empls. of FIT

Richard J. Boris
Prof. Staff Congress/CUNY

Alan B. Lubin
NYSUT Executive VP

Thomas E. Matthews
UUP

Katherine McKenna
Syracuse TA

Fred Nauman
NYSUT Sec-Treasurer

Abraham Ruda
UFT

Gary Terwilliger
Lockport EA

Dennis Tracey
N. Rockland TA

Dan Frasca
NYSUT Controller

Dorothy M. Chapman
Director of Benefits

NBT-000951



- ◆ Aetna will create an alternative fixed account that is ^{assets} insulated from creditors. The new product will offer an enhanced rate for a long-term Guaranteed Accumulation Account. The maximum enhancement will be 0.75% above the standard GAA rate. The enhanced rate will not exceed the Aetna Fixed Account unless the standard long-term GAA declared rate is already greater than the Aetna Fixed Account. This investment option addresses the need for total investment security in a guaranteed interest account.
- ◆ Beginning January 1, 2003, Aetna will no longer impose a deferred sales charge on variable assets invested prior to April 1, 1995. The deferred sales charge on assets in the Aetna Fixed Account will continue to be charged based on the contract schedules. However, the fixed account will be the only option (30 current options) with a deferred sales charge after 2003.
- ◆ Aetna will introduce a NYSUT 403(b)(7) option for members. This option will make available over 60 retail mutual funds from 13 leading fund families (Aetna, AIM, Baron, Calvert, Chapman, Fidelity, Franklin/Templeton, Goldman Sachs, Invesco, Lazard, MFS, Oppenheimer, and Pioneer). NYSUT and its consultants will be given the opportunity to review and approve the fund selection.
 - ❖ This product will be serviced out of the Opportunity Plus Service Center.
 - ❖ There will be no set up fee, no deferred sales charge, no annual maintenance fee.
 - ❖ There will be no charge for unlimited fund transfers between funds and the 403(b)(1) account.
 - ❖ ~~*~~ There will be a .40% wrap fee compared to the current 1.25% M & E charge. *Reduced Cost to participants*
 - ❖ Modal contributions will be accepted.
 - ❖ The lower fee is achieved by reducing the Aetna agent support to participants.
- ◆ Effective with the introduction of the 403(b)(7) option, any deferred sales charge on variable assets transferred from Opportunity Plus to the NYSUT 403(b)(7) will be waived, provided that the assets transferred remain in the 403(b)(7) option (or are returned to the Opportunity Plus contract) for a period of one year.

- ◆ During the term of our next contract, Aetna and NYSUT will explore a Strategic Advisory Service account. This account could offer:
 - ❖ Over 750 no load mutual funds
 - ❖ One-on-one financial planning and advice
 - ❖ Customized asset allocation strategies and recommendations
 - ❖ Special pricing for NYSUT members and agency fee payers

- ◆ At no additional charge, Opportunity Plus will be enhanced for all participants to include the following features:
 - ❖ Automatic asset rebalancing
 - ❖ Dollar cost averaging
 - ❖ Electronic Fund Transfer feature for the Estate Conservation Option (ECO) and Systematic Withdrawal Option (SWO) payments

- ◆ In addition to the standard annuity options available under Opportunity Plus, Aetna will make new payout features available:
 - ❖ For participants under the age of 59 ½, a Life Expectancy Option (LEO) will be added. This option provides a method of distribution which allows a participant (who is separated from service) to withdraw qualified money and avoid the 10% premature distribution penalty.
 - ❖ Aetna and NYSUT, working together, will explore adding other innovative payout options for members.

Also, a new Single Premium Immediate Annuity (SPIA) with enhanced features has recently been made available to NYSUT members.

- ◆ Aetna will work with NYSUT to explore a new loan program. Some of the features to be analyzed will include replacing the loan interest rate charge with a reduced fee structure, and the possibility of payroll/pension deduction for loan repayments. Currently, participants can borrow from their account at a net cost of 1%.

- ◆ New communication materials will be developed for potential and current participants. This will also include a review of the NYSUT prospectus and the current participant quarterly statements to improve appearance, content and clarity of information.

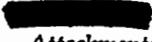
- ◆ Aetna will make available two Guaranteed Equity Trust (GET) offerings per year. Aetna will investigate the possibility of having the offerings on the same dates each year.
- ◆ Aetna will introduce new educational programs and materials for NYSUT members who are anticipating retirement, newly retired, or nearing the minimum distribution requirement period, in order to help members make decisions about their financial options. Target age for these programs is 53 - 55 and 68 - 70.
- ◆ Aetna is committed to make the Financial Building Blocks program available to a minimum of 4,000 members annually. In addition, Aetna will explore the feasibility of segmenting the program to address the specific needs of members in different stages of their careers.
- ◆ Aetna is committed to assist the United Federation of Teachers in developing their in-house financial education programs, seminars and materials.
- ◆ Aetna will also develop a Financial Building Blocks program that will focus on payout options and minimum distribution requirements. Aetna will develop educational brochures that assist NYSUT members in making the appropriate distribution decisions.
- ◆ Aetna will continue to support and enhance the Ernst & Young financial counseling program. This will include the hiring of additional financial planners as needed.
- ◆ Aetna will make available common remitter and "case-level" Maximum Exclusion Allowance (MEA) testing services for all NYSUT school districts.
- ◆ Aetna will continue to work with NYSUT on the development of employer match deferrals for their 403(b) programs and provide technical consultants to assist NYSUT staff in promoting/negotiating this program.
- ◆ Aetna will meet with NYSUT and our consultants on a quarterly basis to review the investment options and performance in the Opportunity Plus program. Aetna representation at the meetings will include the President of Aeltus Investment Services.

- ◆ Aetna will fund a position within the NYSUT Benefit Trust to act as liaison between NYSUT Member Benefits and Aetna. The objective of this new position is to improve coordination of the Opportunity Plus program on a local level.
- ◆ Aetna agrees that it will move its local sales, marketing and administration organization (Systematized Benefits Administrators, Inc.) to the new NYSUT building.
- ◆ Aetna is committed to keep their financial strength and claims paying rating in the AA category. NYSUT will have opt-out language in the contract if Aetna's rating falls below competitors in the industry. Again, all monies are insulated except the fixed account, and we have addressed this concern by introducing a new GAA fund.

The major achievement of this contract renewal is the reduction in the Mortality and Expense fee and the introduction of a low cost 403(b)(7) option. Members with substantial account balances could save as much as \$1,000+ each year by switching to the new low cost 403(b)(7) option.

The program revisions described will permit NYSUT to continue to offer the best and most competitive program in the 403(b) industry. Further, Aetna is committed to enhance the program during the contract term to be competitive with enhancements offered by other 403(b) providers.

The progress of this program is best illustrated in the attached schedules that outline the milestones reached by Opportunity Plus and Financial Building Blocks. Based on our past achievements and proposed improvements, I am recommending the Trustees approve a three-year contract with Aetna that will commence January 1, 2000 and expire December 31, 2002.


Attachments
Sec-Treas. 553