DIREXION INSURANCE TRUST

PROSPECTUS APRIL 30, 2009

33 Whitehall Street, 10th Floor New York, New York 10004 (800) 851-0511

EVOLUTION VP MANAGED BOND FUND EVOLUTION VP ALL-CAP EQUITY FUND

Each Fund offers its shares to insurance company separate accounts that fund variable annuity contracts and life insurance policies. This prospectus should be read together with the prospectus for those contracts and policies. Shares are also offered to qualified pension and retirement plans outside the context of separate accounts.

Like shares of all mutual funds, these securities have not been approved or disapproved by the Securities and Exchange Commission nor has the Securities and Exchange Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

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In deciding whether to invest in the funds described herein, you should rely on information in this Prospectus or the Statement of Additional Information (the “SAI”). The Direxion Insurance Trust (the “Trust”) has not authorized others to provide additional information. The Trust does not authorize the use of this Prospectus in any state or jurisdiction in which such offering may not legally be made.

OVERVIEW

This Prospectus describes the **Evolution VP Managed Bond Fund** (the "Managed Bond Fund") and the **Evolution VP All-Cap Equity Fund** (the "All-Cap Equity Fund"), (each, a "Fund" and, collectively, the "Funds") of the Direxion Insurance Trust (formerly the Potomac Insurance Trust). Shares of the Funds may be purchased through variable annuity contracts and variable life insurance policies ("Contracts"). The Funds also may be purchased through certain qualified pension and retirement plans ("Plans").

Rafferty Asset Management, LLC ("Rafferty" or "Adviser") serves as the Funds' investment adviser. Flexible Plan Investments, Ltd. ("FPI" or "Subadviser") serves as the Funds' subadviser. (Collectively, Rafferty and FPI are referred to herein as "Advisers" in certain circumstances.)

"Evolution" in the Funds' names refers to the dynamic asset allocation strategy employed by the Subadviser in managing each Fund's assets. The Subadviser selects the investment opportunities it believes will have the best performance and holds them until it believes another opportunity has greater potential.

The Managed Bond Fund and the All-Cap Equity Fund seek high appreciation on an annual basis consistent with a high tolerance for risk. Each Fund is aggressively managed by the Subadviser. The Subadviser seeks investment opportunities for each Fund that maximizes each Fund's investment returns. The Managed Bond Fund will invest primarily in fixed-income securities indirectly through exchange-traded funds ("ETFs"), unit investment trusts ("UITs"), open and closed-end investment companies and derivative securities.. The All-Cap Equity Fund will invest primarily in equity securities, both directly through individual stocks and indirectly through other investment vehicles, including American Depositary Receipts ("ADRs"), ETFs, UITs, open and closed-end investment companies and derivative securities. Generally, when investing the assets of each Fund, the Subadviser begins by creating a universe of securities "baskets" from the securities in which each Fund may invest. Next, the Subadviser monitors daily the total return performance of the individual baskets over a predetermined period and ranks the baskets against each other. The Subadviser then selects the baskets it believes have the greatest potential when comprising each Fund's portfolio. Finally, the Adviser positions each Fund's assets in accordance with the Subadviser's recommendations.

Each Fund's investment strategy may result in the investment of a large portion or all of the assets of each Fund in cash or cash equivalents at any given time for temporary defensive purposes to provide security of principal, current income and liquidity.

There is no assurance that the Funds will achieve their objectives.

Evolution VP Managed Bond Fund

Fund Objective. The Managed Bond Fund seeks high appreciation on an annual basis consistent with a high tolerance for risk.

The Managed Bond Fund's investment objective is not a fundamental policy and may be changed by the Trust's Board of Trustees without shareholder approval upon a 60-day notice.

Portfolio Investment Strategy. The Managed Bond Fund is aggressively managed by the Subadviser. The Managed Bond Fund will invest at least 80% of its net assets (plus any borrowing for investment purposes) in fixed-income securities indirectly through securities that invest in or are a derivative of fixed-income securities, including ETFs, UITs and closed-end and open-end investment companies (collectively, "fixed-income securities"). The Managed Bond Fund also may invest in futures, options and swaps. To a limited extent, the Managed Bond Fund may invest directly in fixed-income securities. The underlying fixed-income securities in which the Managed Bond Fund seeks to gain exposure include:

- U.S. Treasury bonds and notes;
- U.S. government-sponsored enterprises, such as Fannie Mae© and Freddie Mac©;
- U.S. dollar-denominated corporate obligations;
- Mortgage and asset-backed securities;
- Corporate bonds and notes;
- Zero coupon bonds;
- Commercial paper and other money market instruments;
- Fixed-income securities issued by foreign governments and companies that are denominated in U.S. dollars or foreign currencies, some of which may be issued by governments in emerging market countries; and
- High-yield ("junk") bonds.

The Managed Bond Fund is a "non-diversified" fund, meaning that a relatively high percentage of its assets may be invested in a limited number of issuers of securities and derivatives.

The Subadviser analyzes the overall investment opportunities of various fixed-income securities and market sectors to determine how to position the Managed Bond Fund's portfolio. The Subadviser may position the Managed Bond Fund's portfolio to seek exposure to a variety of credit categories, which could range from government securities to junk bonds. The Managed Bond Fund is not limited in its exposure to junk bonds, which may include bonds in the lowest credit rating category. In addition, the Managed Bond Fund invests in fixed-income securities without any restriction on maturity. The Subadviser also may invest up to 50% of the Managed Bond Fund's assets in short positions in fixed-income securities and derivatives.

In conducting its analysis, the Subadviser may create from the universe of fixed-income securities various "baskets" of securities that are defined by differences in creditworthiness and duration to maturity. Examples of baskets of securities in which the Managed Bond Fund may invest include, but are not limited to, deep discount closed-end bond funds, bond ETFs, high yield closed-end bond funds and international closed-end bond funds. The Subadviser evaluates and ranks the short-term performance of each basket and usually invests the Managed Bond Fund's assets in the top performing baskets as well as baskets deemed "turnaround" candidates. Turnaround candidates are baskets that have fallen to the bottom of the rankings, remained there for a sufficient period of time and rallied with significant upside momentum.

The Subadviser typically assigns each basket in which it invests a minimum holding period, though a basket's actual holding period will depend on its performance ranking and likely will be longer than the assigned holding period. By establishing holding periods, the Subadviser seeks to maintain longer-term core holdings of the Managed Bond Fund.

The Subadviser generally evaluates all baskets daily based on rankings in order to minimize the impact and costs associated with trading.

The Subadviser's investment strategy attempts to respond to the performance of each basket rather than the performance of a market index or technical indicators.

This strategy is neither predictive nor based on a group of top-down economic indicators, like market-timing approaches.

Finally, in making the decision to invest in a security, long or short, the Subadviser may utilize proprietary analysis models that evaluate interest rate trends and other macroeconomic data, market momentum, price patterns and other technical data or relate to accounting periods, tax events and other calendar-related events.

The Subadviser also will create and rank a basket representing cash and/or cash equivalents ("cash basket"). As part of its investment strategy and for temporary defensive purposes, the Subadviser may invest the Managed Bond Fund's assets in such a basket. As a result, up to 100% of the Managed Bond Fund's assets may be invested in cash or cash equivalents at any given time for temporary defensive purposes. To earn income on available cash, a large portion or all of the assets of the Managed Bond Fund may be invested in high-quality, U.S. dollar-denominated, short-term obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities and repurchase agreements that are fully collateralized by such obligations. As a result of investing in cash and cash equivalents, the Managed Bond Fund may not achieve its investment objective.

Risk Factors. An investment in the Managed Bond Fund is subject to the following risks, as set forth in the "Principal Risk Factors" section of this prospectus below: Risks of Aggressive Investment Techniques, Risks of Asset-Backed Securities, Counterparty Risks, Credit Risk and Risks of Lower Quality Debt Securities, Risks of Investing in Derivatives, High Portfolio Turnover, Interest Rate Risk, Risks of Investing in Investment Companies and ETFs, Prepayment Risk and Risks of Mortgage-Backed Securities, Risks of Non-Diversification, Risks of Shorting Securities, and Risks of the Subadviser's Investment Strategy.

Evolution VP All-Cap Equity Fund

Fund Objective. The All-Cap Equity Fund seeks high appreciation on an annual basis consistent with a high tolerance for risk.

The All-Cap Equity Fund's investment objective is not a fundamental policy and may be changed by the Trust's Board of Trustees without shareholder approval upon a 60-day notice.

Portfolio Investment Strategy. The All-Cap Equity Fund is aggressively managed by the Subadviser. The All-Cap Equity Fund will invest at least 80% of its net assets (plus any borrowing for investment purposes) in equity securities either directly through individual stocks and ADRs or indirectly through securities that invest in or are a derivative of equity securities. Equity securities include common stocks, ETFs, UITs and open-end and closed-end investment companies. Investments in ETFs, UITs and investment companies may include those investing (passively or actively) in equity, income, sectors, domestic, international, commodity, currency, inverse and/or leveraged positions and alternative investments. The All-Cap Equity Fund also may invest in futures, options and swaps. The All-Cap Equity Fund is a "non-diversified" fund, meaning that a relatively high percentage of its assets may be invested in a limited number of issuers of securities. The All-Cap Equity Fund invests in equity securities of any market capitalization, investment style, market sector or industry. The All-Cap Equity Fund also may seek exposure to international issuers and there is no limit on the amount of assets that may be invested in international securities. The Subadviser also may invest up to 50% of the All Cap Equity Fund's assets in short positions in equity securities and derivatives.

The Subadviser analyzes the overall investment opportunities of various equity securities and market sectors to determine how to position the All-Cap Equity Fund's portfolio. In conducting its analysis, the Subadviser creates baskets of equity securities (long and short) each of which is defined by a common set of criteria. For example, there may be a basket of stocks with low price-to-earnings ratios and another basket containing high-yield stocks, and so on.

The Subadviser evaluates and ranks the short-term total return performance of each basket and usually invests the All-Cap Equity Fund's assets in the top-performing baskets or equity security as well as baskets deemed "turnaround" candidates. Turnaround candidates are baskets that have fallen to the bottom of the rankings, remained there for a sufficient period of time and rallied with significant upside momentum.

The Subadviser typically assigns each holding in which it invests a minimum holding period, though the actual holding period will depend on the performance ranking and likely will be longer than the assigned holding period. By establishing holding periods, the Subadviser seeks to maintain longer-term core holdings of the All-Cap Equity Fund.

The Subadviser may evaluate all baskets or individual equity securities as often as daily based on rankings in order to minimize the impact and costs associated with trading.

The Subadviser's investment strategy attempts to respond to the performance of each basket or equity security rather than the performance of a market index or technical indicators. This strategy is neither predictive nor based on a group of top-down economic indicators, like market-timing approaches. Finally, in making the decision to invest in a security, long or short, the Subadviser may utilize proprietary analysis models that evaluate interest rate trends and other macroeconomic data, market momentum, price and volatility patterns and other technical data or relate to accounting periods, tax events and other calendar-related events.

As part of its investment strategy and for temporary defensive purposes, the Subadviser may invest the All-Cap Equity Fund's assets in cash and/or cash equivalents. As a result, up to 100% of the All-Cap Equity Fund's assets may be invested in cash or cash equivalents at any given time for temporary defensive purposes. To earn income on available cash, a large portion or all of the assets of the All-Cap Equity Fund may be invested in high-quality, U.S. dollar-denominated short-term obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities and repurchase agreements that are fully collateralized by such obligations. As a result of investing in cash and cash equivalents, the All-Cap Equity Fund may not achieve its investment objective.

Risk Factors. An investment in the All Cap Equity Fund is subject to the following risks, as set forth in the "Principal Risk Factors" section of this prospectus below: Risks of Aggressive Investment Techniques, Counterparty Risks, Commodity Risk, Risks of Investing in Derivatives, Risks of Investing in Equity Securities, Risks of Investing in Foreign Securities, High Portfolio Turnover, Risks of Investing in Investment Companies and ETFs, Risks of Non-Diversification, Risks of Shorting Securities, Risks of Investing in Small Capitalization Companies, and Risks of the Subadviser's Investment Strategy.

PRINCIPAL RISK FACTORS

An investment in a Fund entails risks. A Fund could lose money, or its performance could trail that of other investment alternatives. Neither FPI nor Rafferty can guarantee that the Funds will achieve their objectives. In addition, the Funds present some risks not traditionally associated with most mutual funds. It is important that investors closely review and understand these risks before making an investment in the Funds. Unprecedented recent turbulence in financial markets and reduced liquidity in equity, credit and fixed income markets may negatively affect many issuers worldwide, which could have an adverse effect on the Funds. These and other risks are described below.

Aggressive Investment Technique Risks

The Funds use investment techniques that may be considered aggressive. Risks associated with securities indices, swap agreements and futures contracts include potentially dramatic price changes (losses) in the value of the instruments and imperfect correlations between the price of the contract and the underlying security or index. These instruments may increase the volatility of a Fund and may involve a small investment of cash relative to the magnitude of the risk assumed.

Asset-Backed Securities Risk

Payment of interest and repayment of principal may be impacted by the cash flows generated by the assets backing these securities. The value of the Managed Bond Fund's asset-backed securities also may be affected by changes in interest rates, the availability of information concerning the interests in and structure of the pools of purchase contracts, financing leases or sales agreements that are represented by these securities, the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the entities that provide any supporting letters of credit, surety bonds, or other credit enhancements.

Commodity Risk

The All-Cap Equity Fund's investments in commodity-linked derivative instruments, such as structured notes, may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments. The Fund's ability to invest in commodity-related investments also may be limited by tax considerations.

Counterparty Risks

The Funds may invest in financial instruments involving counterparties for the purpose of attempting to gain exposure to a particular group of securities or asset class without actually purchasing those securities or investments, or to hedge a position. Such financial instruments include, but are not limited to, total return, index, interest rate, and credit default swap agreements, and structured notes. The Funds will use short-term counterparty agreements to exchange the returns (or differentials in rates of return) earned or realized in particular predetermined investments or instruments. The Funds will not enter into any agreement involving a counterparty unless the Adviser believes that the other party to the transaction is creditworthy. The use of swap agreements and structured notes involves risks that are different from those associated with ordinary portfolio securities transactions. For example, the Funds bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. In addition, the Funds may enter into swap agreements with a limited number of counterparties, and certain of the Funds may invest in commodity-linked structured notes issued by a limited number of issuers that will act as counterparties, which may increase the Fund's exposure to counterparty credit risk. Swap agreements also may be considered to be illiquid.

Credit Risk and Risks of Lower-Quality Debt Securities

The Managed Bond Fund could lose money if the issuer of a debt security is unable to meet its financial obligations or goes bankrupt. Credit risk usually applies to most debt securities, but generally is not a factor for U.S. government obligations. The Fund may invest in securities rated below investment grade or “junk bonds.” Junk bonds may be sensitive to economic changes, political changes, or adverse developments specific to a company. These securities generally involve greater risk of default or price changes than other types of fixed-income securities and the Fund’s performance may vary significantly as a result. Therefore, an investment in the Fund that invests in lower quality debt securities is subject to a higher risk of loss of principal than an investment in the Fund that may not invest in lower-rated securities.

Investing in Derivatives Risk

The Funds use investment techniques, including investments in derivative instruments, which may be considered aggressive. A Fund may invest in instruments that attempt to track the price movement of underlying securities or indices. Investments in derivatives in general are subject to market risks that may cause their prices to fluctuate over time. In addition, such instruments may experience potentially dramatic price changes (losses) and imperfect correlations between the price of the contract and the underlying security or index which will increase the volatility of the Funds and may involve a small investment of cash relative to the magnitude of the risk assumed. Investments in derivatives may not correctly correlate with the price movements of the underlying index or instrument. As a result, the use of derivatives may expose a Fund to additional risks that they would not be subject to if they invested directly in the securities underlying those derivatives. The use of derivatives may result in larger losses or smaller gains than otherwise would be the case.

Investing in Equity Securities Risk

The All-Cap Equity Fund may invest in publicly issued equity securities, including common stocks. Investments in common stocks are subject to market risks that may cause their prices to fluctuate over time. Fluctuations in the value of common stocks in which the Fund invests will cause the net asset value (“NAV”) of the Fund to fluctuate.

Investing in Foreign Securities Risk

Investments in foreign securities involve greater risks than investing in domestic securities. As a result, the All-Cap Equity Fund’s returns and net asset values may be affected to a large degree by fluctuations in currency exchange rates, political, diplomatic or economic conditions and regulatory requirements in other countries. The laws and accounting, auditing, and financial reporting standards in foreign countries typically are not as strict as they are in the U.S., and there may be less public information available about foreign companies.

High Portfolio Turnover

A Fund’s aggressive investment strategy may result in significant portfolio turnover to take advantage of anticipated changes in market conditions. High portfolio turnover involves correspondingly greater expenses to the Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities such sales also may result in adverse tax consequences to a Fund’s shareholders. The trading costs associated with portfolio turnover may adversely affect the Fund’s performance.

Interest Rate Risk

The Managed Bond Fund is subject to interest rate risk. Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security will fall when interest rates rise and will rise when interest rates fall. Securities with longer maturities and mortgage securities can be more sensitive to interest rate changes. In other words, the longer the maturity of a security, the greater the impact a change in interest rates could have on the security’s price. In addition, short-term and long-term interest rates do not necessarily move in the same amount or the same direction. Short-term securities tend to react to changes in short-term interest rates, and long-term securities tend to react to changes in long-term interest rates.

Investing in Investment Companies and ETFs Risk

The Funds may invest in investment companies, including open- and closed-end investment companies, UITs and ETFs to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. When a Fund invests in other investment companies, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the other investment company's expenses. In part, because of these additional expenses, a Fund's performance could differ from the performance the Fund would achieve if it invested directly in the underlying investments of another investment company. In addition, while the risks of owning shares of an investment company generally reflect the risks of owning the underlying investments of the investment company, the Fund may be subject to additional or different risks than if it had invested directly in the underlying investments. For example, shares of closed-end investment companies and ETFs are traded at market prices, which may vary from the net asset value of the underlying investments. Lack of liquidity in a closed-end fund or ETF can contribute to the increased volatility of its value in comparison to the value of the underlying portfolio securities. In addition, the Funds may invest in investment companies and other pooled investment vehicles that are not registered pursuant to the Investment Company Act of 1940, as amended (the "Investment Company Act"), and therefore, not subject to the Investment Company Act's regulatory scheme.

Non-Diversification Risk

Each Fund is non-diversified, which means that it may invest a high percentage of its assets in a limited number of securities. Since the Funds are non-diversified, their net asset values and total returns may fluctuate more or fall greater in times of weaker markets than a diversified mutual fund.

Prepayment Risk and Mortgage-Backed Securities Risk

The Managed Bond Fund is subject to prepayment risks and the risks associated with investing in mortgage-backed securities. Many types of debt securities, including mortgage securities, are subject to prepayment risk. Prepayment occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility. As a result, the Fund may have to reinvest its assets in mortgage securities or other debt securities that have lower yields.

Shorting Securities Risk

A Fund may from time to time, establish short positions designed to profit from the decline in the price of particular securities, baskets of securities or indices. In general, when a Fund shorts securities, it borrows the securities from a broker and sells the borrowed securities. The Fund is obligated to deliver to the broker securities that are identical to the securities sold short and will be subject to the risk of loss, which may be significant, in the event that the market value of the securities sold short plus related transaction costs exceeds the proceeds to the Fund from the short sale. A short sale involves the theoretically unlimited risk of an increase in the market price of the security, basket of securities or index sold short, which, except in the case of a short sale "against the box," would result in a theoretically unlimited loss. As a consequence, a Fund will lose value if and when the price of particular securities, baskets of securities or indexes rise — a result that is the opposite from traditional mutual funds. The holder of a short position is responsible for paying the dividends and interest accruing on the short position. Because dividends and interest accruing on a short position is an expense to a Fund, the performance of a Fund may be adversely impacted by the cost of maintaining its short positions.

Investing in Small Capitalization Companies Risk

The All-Cap Equity Fund is subject to the risks of investing in small-capitalization companies. Investing in the securities of small capitalization companies involves greater risks and the possibility of greater price volatility than investing in larger capitalization and more-established companies. Smaller companies may have limited operating history, product lines, and financial resources, and the securities of these companies may lack sufficient market liquidity.

Subadviser's Investment Strategy Risk

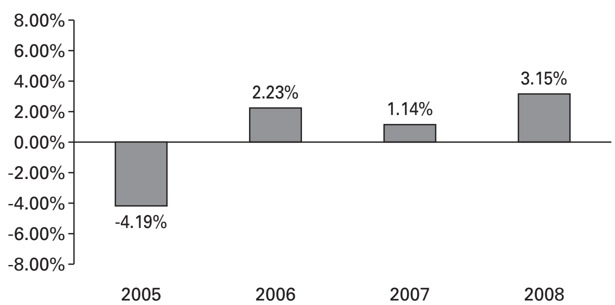
While the Subadviser seeks to take advantage of investment opportunities for a Fund that will maximize its investment returns, there is no guarantee that such opportunities will ultimately benefit a Fund. The Subadviser will aggressively change a Fund's portfolio in response to market conditions that are unpredictable and may expose a Fund to greater market risk than other mutual funds. There is no assurance that the Subadviser's investment strategy will enable a Fund to achieve its investment objectives.

HISTORICAL PERFORMANCE

The bar chart and performance tables below provide some indication of the risks of investing in the Managed Bond Fund and the All-Cap Equity Fund by comparing their performance with those of a broad measure of market performance. The information below also illustrates the risks of investing in the Managed Bond Fund and the All-Cap Equity Fund by showing their highest and lowest quarterly returns. The Managed Bond Fund and the All-Cap Equity Fund's past performance is not necessarily an indication of how they will perform in the future.

Evolution VP Managed Bond Fund

Total Return for the Calendar Year Ended December 31



Fund	Highest Quarterly Return	Lowest Quarterly Return
Managed Bond Fund	5.65% (4th quarter 2008)	−4.09% (1st quarter 2005)

Average Annual Total Returns as of December 31, 2008

	1 Year	Since Inception[(1)]
Managed Bond Fund		
Return Before Taxes	3.15%	1.31%
Barclays Capital U.S. Aggregate Bond Index[(2)]	5.24%	5.08%
Lipper High Current Yield Bond Fund Index[(3)]	−28.84%	−2.39%

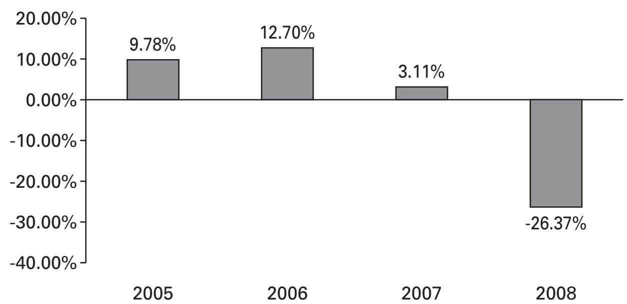
(1) The Evolution VP Managed Bond Fund commenced operations on July 1, 2004.

(2) The Barclays Capital U.S. Aggregate Bond Index (formerly known as the Lehman U.S. Aggregate Bond Index) is an unmanaged, market value weighted index of investment grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The performance of the index does not reflect deductions for fees, expenses or taxes.

(3) The Lipper High Current Yield Bond Fund Index is the average of the 30 largest mutual funds in the Lipper High Current Yield Bond Fund category. These funds aim at high (relative) current yield from fixed income securities, have no quality or maturity restrictions, and tend to invest in lower grade debt issues.

Evolution VP All-Cap Equity Fund

Total Return for the Calendar Year Ended December 31



Fund	Highest Quarterly Return	Lowest Quarterly Return
All-Cap Equity Fund	10.85% (3rd quarter 2005)	−12.21% (3rd quarter 2008)

Average Annual Total Returns as of December 31, 2008

	1 Year	Since Inception[(1)]
All-Cap Equity Fund		
Return Before Taxes	−26.37%	−0.24%
S&P 500® Index[(2)]	−37.00%	−2.93%

(1) The Evolution VP All-Cap Equity Fund commenced operations on July 1, 2004.

(2) The S&P 500® Index is an unmanaged index of 500 U.S. stocks and gives a broad look at how 500 of the largest companies in aggregate market value have performed. The performance of the index does not reflect deductions for fees, expenses or taxes.

Fees and Expenses of the Funds. The tables below describe the fees and expenses that you may pay if you buy and hold shares of the Funds. For the

Managed Bond Fund and the All-Cap Equity Fund, the expenses below are based on actual expenses incurred for the fiscal year ended December 31, 2008. The tables below do not reflect any fees and expenses imposed under the Contracts, which would increase overall fees and expenses. Please refer to your Contract Prospectus for a description of those fees and expenses.

Shareholder Fees (fees paid directly from your investment):

Maximum Sales Charge Imposed on Purchases (as a % of offering price)	None
Maximum Deferred Sales Charge (as a % of original purchase price or sales proceeds, whichever is less)	None

Annual Operating Expenses (%) (expenses that are deducted from Fund assets):

	Evolution VP Managed Bond Fund	Evolution VP All-Cap Equity Fund
Management Fees	1.00%	1.00%
Distribution (12b-1) Fees[1]	0.25%	0.25%
Other Expenses[2]	0.93%	0.95%
Acquired Fund Fees and Expenses[3]	0.28%	0.05%
Total Annual Fund Operating Expenses	2.46%	2.25%
Expense Waiver/Reimbursement	0.00%	0.00%
Net Annual Fund Operation Expenses	2.46%[4]	2.25%[4]

(1) The Funds have adopted a Rule 12b-1 Plan pursuant to which each Fund is authorized to pay an annualized Rule 12b-1 fee of up to 0.25% of its average daily net assets for distribution and shareholder services. The Funds currently pay Rule 12b-1 fees in the amount of 0.25%.

(2) Other Expenses include custodian, transfer agency and other customary fund expenses. Other Expenses also include a separate shareholder servicing fee paid by each Fund in the amount of 0.20% of a Fund's average daily net assets on an annual basis. In addition, as part of the Managed Bond Fund and the All-Cap Equity Fund's investment strategy, they may take short positions in securities, which may result in dividend and interest expenses that may increase the Funds' Other Expenses. During the fiscal year ended December 31, 2008, the Managed Bond and the All-Cap Equity Fund did not enter into short positions, and, thus, no additional expenses associated with these positions are included in the calculation above. If a Fund incurs such expenses in the future, actual Fund expenses may be higher than those shown.

(3) The Funds are required to disclose Acquired Fund Fees and Expenses in the fee table above. Acquired Fund Fees and Expenses are indirect fees and expenses that a Fund incurs from investing in the shares of other registered and unregistered investment companies ("Acquired Fund(s)"). The indirect fee represents a pro rata portion of the cumulative expenses charged by the Acquired Fund. Acquired Fund Fees and Expenses are reflected in the Acquired Fund's net asset value. Because the Total Annual Fund Operating Expenses in the table above include Acquired Fund Fees and Expenses, they do not correlate to the ratio of Expenses to Average Net Assets found within the "Financial Highlights" section of this prospectus. Without Acquired Fund Fees and Expenses, the Total Annual Fund Operating Expenses would have been 2.18% and 2.20%, for the Managed Bond Fund and the All-Cap Equity Fund, respectively.

(4) Rafferty has contractually agreed to waive all or a portion of its management fee and/or reimburse the Managed Bond Fund and the All-Cap Equity Fund for Other Expenses through May 1, 2010 to the extent that each Fund's Total Annual Fund Operating Expenses exceed 2.35% (excluding, as applicable, among other expenses, front-end or contingent deferred sales loads, taxes, leverage interest, dividends and interest on short positions, other interest expenses, brokerage commissions, expenses incurred in connection with any merger or reorganization, Acquired Fund Fees and Expenses, and extraordinary expenses such as litigation). Any expense waiver is subject to reimbursement by the Managed Bond Fund and the All-Cap Equity Fund, as applicable, within the following three years if overall expenses fall below these percentage limitations. This contractual waiver and reimbursement arrangement can be altered only with the approval of the Board of Trustees.

Expense Example

The table below is intended to help you compare the cost of investing in shares of the Funds with the cost of investing in other mutual funds. The table shows what you would have paid if you invested $10,000 in the Funds over the periods shown and then redeemed all your shares at the end of those periods. It also assumes that your investment has a 5% return each year and the operating expenses remain the same. For the Managed Bond and All-Cap Equity Funds, the 1 year dollar amounts and the dollar amounts for the first year of the 3, 5 and 10 year columns for each Fund reflect the "Net Annual Fund Operating Expenses" of each Fund that result from any contractual expense limitation arrangement. The second and later years within the 3, 5 and 10 year columns for the Managed Bond Fund and the All-Cap Equity Fund reflect the "Total Annual Fund Operating Expenses" of each Fund without any expense limitation. The table does not reflect any fees and expenses imposed under a Contract, which would increase overall fees and expenses. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Evolution VP Managed Bond Fund	$249	$767	$1,311	$2,796
Evolution VP All-Cap Equity Fund	$228	$703	$1,205	$2,585

Share Prices of the Funds

A fund's share price is known as its net asset value ("NAV"). Each Fund's share price is calculated after the close of regular trading, usually as of 4:00 pm Eastern time, each day the New York Stock Exchange ("NYSE") is open for business ("Business Day"). The value of a Fund's assets that trade in markets outside the United States or in currencies other than the U.S. dollar may fluctuate on days that foreign markets are open but the Funds are not open for business. However, on days that the Securities Industry and Financial Markets Association ('SIFMA') recommends that the bond markets close all day, the Managed Bond Fund does not calculate its NAVs, even if the NYSE is open for business. Similarly, on days that SIFMA recommends that the bond markets close early, the Managed Bond Fund calculates its NAV as of the time of the recommended close, usually 2:00 p.m. Eastern time, rather than the close of regular trading on the NYSE.

All shareholder transaction orders received in good form by the Funds' transfer agent or an authorized financial intermediary by the close of regular trading (generally 4:00 p.m. Eastern time) will be processed at that day's NAV. Transaction orders received after 4:00 p.m. Eastern time will receive the next business day's NAV.

Share price is calculated by dividing each Fund's net assets by its shares outstanding. In calculating its NAV, each Fund generally values its assets on the basis of market quotations, last sale prices, or estimates of value furnished by a pricing service or brokers who make markets in such instruments. If such information is not available for a security held by the Fund, is determined to be unreliable, or (to the Adviser's knowledge) does not reflect a significant event occurring after the close of the market on which the security principally trades (but before the close of trading on the NYSE), the security will be valued at fair value estimates by the Adviser under guidelines established by the Board of Trustees. Foreign securities, currencies and other assets denominated in foreign currencies are translated into U.S. dollars at the exchange rate of such currencies against the U.S. Dollar, as provided by an independent pricing service or reporting agency. The Funds also rely on a pricing service in circumstances where the U.S. securities markets exceed a pre-determined threshold to value foreign securities held in the Fund's portfolio. The pricing service, its methodology or the threshold may change from time to time. Debt obligations with maturities of 60 days or less are valued at amortized cost.

Fair Value Pricing. Portfolio securities and other assets are valued chiefly by market prices from the primary market in which they are traded. Securities are priced at a fair value as determined by the Adviser, under the supervision of the Board of Trustees, when reliable market quotations are not readily available, the Funds' pricing service does not provide a valuation for such securities, or the Funds' pricing service provides a valuation that in the judgment of the Adviser does not represent fair value, the Adviser believes that the market price is stale, or an event that affects the value of an instrument (a "Significant Event") has occurred since the closing prices were established, but before the time as of which the Funds calculate their NAVs. Examples of Significant Events may include: (1) events that relate to a single issuer or to an entire market sector; (2) significant fluctuations in domestic or foreign markets; or (3) occurrences not tied directly to the securities markets, such as natural disasters, armed conflicts, or significant government actions. If such Significant Events occur, the Funds may value the instruments at fair value, taking into account such events when it calculates each Fund's NAV. Fair value determinations are made in good faith in accordance with procedures adopted by the Board of Trustees. In addition, the Funds may also fair value an instrument if trading in a particular instrument is halted and does not resume prior to the closing of the exchange or other market.

Attempts to determine the fair value of securities introduce an element of subjectivity to the pricing of securities. As a result, the price of a security determined through fair valuation techniques may differ from the price quoted or published by other sources and may not accurately reflect the market value of the security when trading resumes. If a reliable market quotation becomes available for a security formerly valued through fair valuation techniques, Rafferty compares the market quotation to the fair value price to evaluate the effectiveness of the Funds' fair valuation procedures.

Rule 12b-1 Fees

The Funds have adopted a distribution plan under Rule 12b-1 (the "Plan") which allows each Fund to charge up to 0.25% of that Fund's average daily net assets to pay insurance companies or plan sponsors for distribution and shareholder services. The Funds currently pay Rule 12b-1 fees in the amount of 0.25% and a separate shareholder servicing fee in the amount of 0.20% to the insurance companies that issue variable annuity and variable life policies through which you may invest in the Funds. Because these fees are paid out of each Fund's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

How to Invest in Shares of the Funds

The Direxion Insurance Trust offers shares of each Fund to insurance company separate accounts that serve as investment vehicles for Contracts. The Trust also offers shares of each Fund to certain Plans. The separate accounts and plan sponsors, not the individual contract owners or plan beneficiaries, are the shareholders of the Funds. However, the separate accounts and plan sponsors may pass through voting rights to the Contract owners or Plan beneficiaries.

Contract owners and Plan beneficiaries that desire to purchase, sell or exchange shares in the Funds should consult with the insurance company that issued their Contracts, the accompanying variable Contract prospectus or their plan sponsor. There may be other restrictions and costs for purchases, sales or exchanges.

Excessive Trading. Each Fund is intended for long-term investors. Short-term "market-timers" who engage in frequent purchases and redemptions may disrupt the Funds' investment program and create additional transaction costs that are borne by all shareholders. The Board of Trustees has adopted a policy regarding excessive trading. Shares of the Funds are only available through Contracts and Plans, in which the Funds' Subadviser generally initiates transactions in shares of the Funds. As a result, the Funds do not currently impose any trading restrictions or redemption fees on Fund shareholders.

However, the Funds discourage excessive, short-term trading and other abusive trading practices and the Funds may use a variety of techniques to monitor trading activity and detect abusive trading practices. As approved by the Board of Trustees, these techniques may change from time to time as determined by the Funds in their sole discretion.

In an effort to discourage abusive trading practices and minimize harm to the Funds and their shareholders, the Funds reserve the right, in its sole discretion, to identify trading practices as abusive. The Funds further reserve the right to refuse purchase requests from an account that a Fund has identified as engaging in abusive trading practices or any individuals or groups who, in each Fund's view, are likely to engage in market timing or excessive trading. In making such judgments, the Funds seek to act in a manner that they believe is consistent with the best interests of shareholders.

Due to the complexity and subjectivity involved in identifying abusive trading activity and the volume of shareholder transactions each Fund handles, there can be no assurance that the Funds' efforts will identify all trades or trading practices that may be considered abusive. In particular, since each Fund receives purchase and sale orders through financial intermediaries that use group or omnibus accounts, the Funds cannot always detect frequent trading. As a consequence, the Funds' ability to monitor and discourage abusive trading practices in omnibus accounts may be limited.

ADDITIONAL INFORMATION

Management of the Funds

Rafferty provides investment services to the Funds. Rafferty has been managing mutual funds since June 1997. Rafferty is located at 33 Whitehall Street, 10th Floor, New York, New York, 10004. As of March 31, 2009, the Adviser had approximately $4.8 billion in assets under management.

Under an investment advisory agreement ("Advisory Agreement") between the Trust and Rafferty, each Fund pays Rafferty fees at an annualized rate of 1.00% of a Fund's average daily net assets. For the fiscal year ended December 31, 2008, the Adviser received net management fees as a percentage of average daily net assets of 0.82% and 0.80% from the Managed Bond Fund and the All-Cap Equity Fund, respectively.

Rafferty has retained FPI to serve as subadviser to the Funds under an investment subadvisory agreement ("Subadvisory Agreement"). Rafferty (not the Funds) pays FPI a subadvisory fee at an annualized rate of 0.60% on assets up to $250 million, 0.65% on assets between $250 million and $350 million, 0.70% on assets between $350 million and $450 million and 0.75% on assets over $450 million. FPI is located at 3883 Telegraph Road, Suite 100, Bloomfield Hills, Michigan, 48302. FPI was founded in 1981 by its President, Jerry C. Wagner. FPI provides investment management services to individuals, pension and profit plans and non-profit organizations. It is expected that investments in the Funds will come from individuals with whom FPI has a contractual relationship pursuant to which FPI provides investment management and other services for a fee. In addition to the subadvisory fee, FPI may receive from the Trust Rule 12b-1 and/or Shareholder Service Fees for providing certain shareholder services to clients of FPI who are shareholders in the Funds. FPI reduces any amounts due FPI under contractual relationships with its clients by amounts received from Rafferty and the Funds.

An investment team from FPI consisting of Mr. Wagner and Dr. George Yang manages the Funds' assets under the supervision of Rafferty. Under the subadvisory arrangement, FPI directs the allocation of the Funds' assets among various investment vehicles selected by FPI. Rafferty implements FPI's allocation decisions for each Fund by placing all brokerage orders for the purchase and sale of those securities.

A discussion regarding the basis on which the Board of Trustees approved the Advisory Agreement and Subadvisory Agreement is included in the Annual Report to shareholders for the fiscal year ended December 31, 2008 for the Managed Bond and All-Cap Equity Funds.

Mr. Wagner has served as co-portfolio manager to the Funds since their inception. Mr. Wagner has been President, Director and sole shareholder of FPI since its organization in 1981.

Dr. Yang serves as co-portfolio manager of the Funds and joined FPI in July 2008 as of Director of Research, following a 10-year engineering career developing quantitative and analytical methods in the automotive industry. Dr. Yang holds an MBA from the University of Michigan, a Ph.D. from Cornell University and a Bachelor of Science from the University of Science and Technology of China. He has been a member of the Global Association of Risk Professionals (GARP) since 2006. Dr. Yang was a winner of Henry Ford Technology Award from Ford Motor Company in 1999.

The Funds' SAI provides additional information about the compensation of the Funds' portfolio managers, other accounts they manage and their ownership of securities of the Funds.

PORTFOLIO HOLDINGS INFORMATION

A description of the Funds' policies and procedures with respect to the disclosure of each Fund's portfolio securities is available in the Funds' SAI. Currently, disclosure of each Fund's holdings is required to be made quarterly within 60 days of the end of each fiscal quarter in the Annual Report and Semi-Annual Report to Fund shareholders and in the quarterly holdings report on Form N-Q. The Annual and Semi-Annual Reports will be available by contacting the Direxion Insurance Trust, c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or calling (800) 851-0511.

DISTRIBUTIONS AND TAXES

Distributions. Each Fund distributes dividends from its net investment income at least annually. Net investment income generally consists of interest income and dividends received on investments, less expenses.

Each Fund also distributes any realized net capital gains at least annually. A Fund realizes capital gains mainly from sales of its portfolio assets for a profit.

Dividends and capital gain distributions (collectively, "distributions") will be reinvested automatically at the NAV per share in shares of the distributing Fund unless you request otherwise in writing. If you were to elect to receive distributions from a Fund by check and the U.S. Postal Service cannot deliver the check, or the check remains uncashed for six months, the Fund reserves the right to reinvest the check in your account at the then-current NAV per share and to reinvest all subsequent distributions in shares of the Fund until an updated address is received.

Taxes. Each Fund, which is treated as a separate corporation for Federal tax purposes, intends to continue to qualify for treatment as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"), so that it will not have to pay federal income tax on that part of its investment company taxable income (determined without regard to any deduction for dividends paid) and net capital gain (*i.e.*, the excess of net long-term capital gain over net short-term capital loss) that it distributes to its shareholders.

Fund shares are offered only to insurance company separate accounts that fund Contracts ("Separate Accounts") and to Plans. Under the Code, no tax is imposed on an insurance company with respect to income of a qualifying separate account properly allocable to the value of eligible variable annuity or variable life insurance contracts. See the applicable Contract prospectus for a discussion of the federal income tax status of (1) the Separate Accounts and (2) the holders of Contracts funded through the Separate Accounts. Plans generally are exempt from federal income tax, though distributions from Plans usually are taxable. For more information, contact your Plan administrator.

It is important for each Fund to maintain its status as a regulated investment company (and to satisfy certain other requirements), because its shareholders that are Separate Accounts will then be able to use a "look-through" rule in determining whether the Contracts indirectly funded by the Fund meet the investment diversification requirements that apply to those accounts. If a Fund failed to meet those requirements, owners of Contracts funded through it would be taxed immediately on the accumulated investment earnings under their Contracts and would lose any benefit of tax deferral. Accordingly, the Adviser monitors each Fund's compliance with the applicable regulated investment company qualification and Separate Account diversification requirements.

The foregoing is only a summary of some of the important federal income tax considerations generally affecting the Funds and their shareholders; see the SAI for a more detailed discussion. Prospective shareholders are urged to consult their tax advisers.

MASTER/FEEDER OPTION

The Funds may in the future operate under a master/feeder structure. This means that each Fund would be a "feeder" fund that attempts to meet its objective by investing all or a portion of its investable assets in a "master" fund with the same investment objective. The "master" fund would purchase instruments for investment. It is expected that any such investment company would be managed by Rafferty in substantially the same manner as the Funds. If permitted by law at that time, the Board of Trustees may approve the implementation of such a structure for the Funds without seeking shareholder approval. However, the Trustees' decision will be made only if the investments in the master funds are in the best interests of the Funds and their shareholders. In making that determination, the Trustees will consider, among other things, the benefits to shareholders and/or the opportunity to reduce costs and achieve operational efficiencies. You also will receive a 30-day notice prior to the implementation of the master/feeder structure.

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the financial performance of shares of the Managed Bond Fund and the All-Cap Equity Fund for the periods indicated. The information shown below was audited by Ernst & Young LLP, whose report, along with the Funds' financial statements, are included in the Annual Report, which is available upon request. Certain information reflects financial results for a single share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions).

	Evolution VP Managed Bond Fund				
	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006	Year ended December 31, 2005	July 1, 2004[1] to December 31, 2004
Net asset value, beginning of year/period	$19.64	$20.00	$19.61	$20.76	$20.00
Net investment income (loss)[4]	0.52	0.73	0.63	0.67[6]	0.32
Net realized and unrealized gain (loss) on investments[4]	0.08	(0.51)	(0.19)	(1.54)	0.44
Net increase (decrease) in net asset value resulting from operations	0.60	0.22	0.44	(0.87)	0.76
Dividends from net investment income	(0.83)	(0.58)	(0.05)	(0.25)	—
Distributions from realized capital gains	—	—	—	(0.03)	—
Total distributions	(0.83)	(0.58)	(0.05)	(0.28)	—
Net asset value, end of period	$19.41	$19.64	$20.00	$19.61	$20.76
Total return[8]	3.15%	1.14%	2.23%	(4.19)%	3.80%[2]
Net assets, end of year/period (,000)	$10,818	$11,767	$13,240	$4,197	$754
Ratio to average net assets					
Including short interest					
Total expenses	—	—	—	4.93%	—
Net expenses	—	—	—	2.24%	—
Excluding short interest					
Total expenses	2.18%	2.06%	2.55%	4.69%	23.17%[3]
Net expenses	2.00%	2.00%	2.00%	2.00%	2.00%[3]
Net investment income (loss) after expense reimbursement/recoupment	2.70%	3.62%	3.19%	3.37%[7]	3.19%[3]
Portfolio turnover rate[5]	323%	958%	954%	978%	7%[2]

1 Commencement of operations.

2 Not Annualized.

3 Annualized.

4 Net investment income (loss) per share represents net investment income (loss) divided by the daily average shares of beneficial interest outstanding throughout each year/period.

5 Portfolio turnover ratio is calculated without regard to short-term securities having a maturity of less than one year. Investments in options, swaps, futures contracts and repurchase agreements are deemed short-term securities. The Fund's aggressive investment strategy may result in significant portfolio turnover to take advantage of anticipated changes in market conditions.

6 Net investment income (loss) before dividends on short positions for the year ended December 31, 2005 was $0.72.

7 The net investment income (loss) ratio included dividends on short positions. The ratio excluding dividends on short positions for the year ended December 31, 2005 was 3.60%.

8 All returns reflect reinvested dividends, if any, but do not reflect the impact of taxes or any fees and expenses imposed under the Contracts and Plans, which would increase overall fees and expenses. Please refer to your Contract or Plan prospectuses for a description of those fees and expenses.

	Evolution VP All-Cap Equity Fund				
	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006	Year ended December 31, 2005	July 1, 2004[1] to December 31, 2004
Net asset value, beginning of year/period	$25.19	$25.71	$23.12	$21.06	$20.00
Net investment income (loss)[4]	(0.12)	(0.07)	0.11	0.03	(0.15)
Net realized and unrealized gain (loss) on investments	(6.60)	0.88	2.83	2.03	1.21
Net increase (decrease) in net asset value resulting from operations	(6.72)	0.81	2.94	2.06	1.06
Dividends from net investment income	—	(0.08)	0.00[6]	—	—
Distributions from realized capital gains	(3.23)	(1.25)	(0.35)	—	—
Total distributions	(3.23)	(1.33)	(0.35)	—	—
Net asset value, end of period	$15.24	$25.19	$25.71	$23.12	$21.06
Total return[7]	(26.37)%	3.11%	12.70%	9.78%	5.30%[2]
Net assets, end of year/period (,000)	$15,415	$27,865	$27,204	$7,980	$1,044
Ratio to average net assets					
Including short interest					
Total expenses	—	—	—	—	—
Net expenses	—	—	—	—	—
Excluding short interest					
Total expenses	2.20%	1.94%	2.09%	3.84%	20.13%[3]
Net expenses	2.00%	2.00%	2.00%	2.00%	2.00%[3]
Net investment income (loss) after expense reimbursement/recoupment	(0.52)%	(0.27)%	0.44%	0.12%	(1.53)%[3]
Portfolio turnover rate[5]	1,796%	1,018%	909%	1,001%	2%[2]

1 Commencement of operations.

2 Not Annualized.

3 Annualized.

4 Net investment income (loss) per share represents net investment income (loss) divided by the daily average shares of beneficial interest outstanding throughout each year/period.

5 Portfolio turnover ratio is calculated without regard to short-term securities having a maturity of less than one year. Investments in options, swaps, futures contracts and repurchase agreements are deemed short-term securities. The Fund's aggressive investment strategy may result in significant portfolio turnover to take advantage of anticipated changes in market conditions.

6 Amount less than $0.005 per share.

7 All returns reflect reinvested dividends, if any, but do not reflect the impact of taxes or any fees and expenses imposed under the Contracts and Plans, which would increase overall fees and expenses. Please refer to your Contract or Plan prospectus for a description of those fees and expenses.

PRIVACY NOTICE

At the Direxion Insurance Trust, we are committed to protecting your privacy. To open and service your Direxion accounts, we collect and maintain certain nonpublic personal information about you, such as your address, phone number, social security number, purchases, sales, account balances, bank account information and other personal financial information. We collect this information from the following sources:

- Account applications or other forms on which you provide information;
- Mail, e-mail, the telephone and our website; and
- Your transactions and account inquiries with us.

We safeguard the personal information that you have entrusted to us in the following ways:

- As a general policy, only those employees who maintain your account and respond to your requests for additional services have access to your account information.
- We maintain physical, electronic, and procedural safeguards to insure the security of your personal information and to prevent unauthorized access to your information.

We do not disclose any nonpublic personal information about you or our former shareholders to anyone, except as permitted or required by law. In the course of conducting business and maintaining your account we may share shareholder information, as allowed by law, with our affiliated companies and with other service providers, including financial intermediaries, custodians, transfer agents and marketing consultants. Those companies are contractually bound to use that information only for the services for which we hired them. They are not permitted to use or share our shareholders' nonpublic personal information for any other purpose. There may also be times when we provide information to federal, state or local authorities as required by law.

In the event that you hold fund shares of Direxion through a financial intermediary, including, but not limited to, a broker-dealer, bank or trust company, the privacy policy of your financial intermediary would govern how your nonpublic personal information would be shared with nonaffiliated third parties. For questions about our policy, please contact us at (800) 851-0511.

This page is not a part of the Prospectus.

THE DIREXION INSURANCE TRUST

PROSPECTUS APRIL 30, 2009

33 Whitehall Street, 10th Floor New York, New York 10004 (800) 851-0511

EVOLUTION VP MANAGED BOND FUND EVOLUTION VP ALL-CAP EQUITY FUND

MORE INFORMATION ON THE DIREXION INSURANCE TRUST

Statement of Additional Information ("SAI"):

The Funds' SAI contains more information on the Funds and their investment policies. The SAI is incorporated in this Prospectus by reference (meaning it is legally part of this Prospectus). A current SAI is on file with the Securities and Exchange Commission ("SEC").

Annual and Semi-Annual Reports to Shareholders:

The Funds' reports provide additional information on their investment holdings, performance data and a letter discussing the market conditions and investment strategies that significantly affected the Funds' performance during that period.

The Trust does not maintain a website with Fund information because it is intended only for use when accompanied by a Separate Account prospectus or qualified pension or retirement plan document, which is only available from the insurance companies or qualified plan sponsors that have selected the Funds as an investment vehicle. To receive the Funds' SAI or Fund Reports free of charge, contact the insurance company that issued your Contract or contact the Funds directly using the information below.

To Obtain the SAI or Fund Reports Free of Charge:

Write to:	Direxion Insurance Trust P.O. Box 701 Milwaukee, Wisconsin 53201-0701
Call:	(800) 851-0511
By Internet:	www.direxionfunds.com

These documents and other information about the Funds can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. Reports and other information about the Funds may be viewed on-screen or downloaded from the EDGAR Database on the SEC's website at http://www.sec.gov. Copies of these documents may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0213.

Rafferty Capital Markets, LLC, Distributor
59 Hilton Avenue
Garden City, New York 11530

SEC File Number: 811-09761