

DIREXION INSURANCE TRUST
EVOLUTION VP MANAGED BOND FUND
EVOLUTION VP ALL-CAP EQUITY FUND

**Supplement dated July 1, 2009 to the
Statement of Additional Information (“SAI”) dated December 29, 2008**

On May 20, 2009, the Board of Trustees of the Direxion Insurance Trust approved a new contractual fee arrangement on behalf of the Evolution VP Managed Bond Fund and the Evolution VP All-Cap Equity Fund (the “Funds”). The corresponding information found under the last paragraph beginning on the bottom of page 27 and continuing to the top of page 28 of the section entitled “Investment Adviser and Subadviser” of the SAI is changed as follows:

Effective July 1, 2009, for each Fund, Rafferty is contractually obligated to pay all Fund expenses (excluding, management fees, distribution and/or service fees, shareholder service fees, Acquired Fund Fees and Expenses, taxes, leverage interest, dividends or interest on short positions, other interest expenses, brokerage commissions, expenses incurred in connection with any merger or reorganization and extraordinary expenses such as litigation or other expenses outside the typical day-to-day operations of the Funds). This agreement may be terminated at any time by the Board of Trustees.

Please retain this Supplement with the SAI for future reference.