



STATE OF NEW YORK
INSURANCE DEPARTMENT
EMPIRE STATE PLAZA
ALBANY, NEW YORK 12257

Circular Letter No. 14 (1997)
August 1, 1997

TO: ALL INSURERS AUTHORIZED TO WRITE LIFE INSURANCE, ANNUITIES OR ACCIDENT AND HEALTH INSURANCE IN NEW YORK STATE, INCLUDING ARTICLE 43 CORPORATIONS AND HEALTH MAINTENANCE ORGANIZATIONS

RE: PROCEDURAL CHANGES IN THE APPROVAL PROCESS FOR LIFE INSURANCE, ANNUITY, AND ACCIDENT AND HEALTH INSURANCE POLICY FORMS AND RATES

Pursuant to Insurance Law Section 3201, the Superintendent must approve policy forms prior to delivery in this state to ensure conformity with the requirements of the law, and must do so within a reasonable time after filing.

The interests of policyholders and insurers are best served by an approval process that is unhindered by needless delay. Unfortunately, the Department regularly receives from insurers incomplete submissions and forms which clearly are not in compliance with New York law or regulation. These inadequate and defective submissions account for needless delays and inefficient use of the Department's limited resources which could be better used to review and respond to properly filed and prepared submissions.

The Department is also endeavoring to improve its own processes and procedures to make itself more responsive to its various constituencies.

Therefore, to prevent unnecessary delays and to ensure that new products reach the market as expeditiously as possible, the Department will take the following actions:

(1) The Department will return all product and rate submissions that are incomplete or which fail to include **all** required form, rate and actuarial material, including actuarial opinions and memoranda, or that fail to comply with the Department's submission rules including those found in Circular Letter 6 (1963) and Sections 52.31, 52.33, and 52.40 of Regulation 62 (11NYCRR52). If the submission is returned, the Department will advise the insurer as to how the submission is defective and identify the submission rule that needs to be addressed.

(2) The Department will return all product and rate submissions that are not approvable because they clearly have not been drafted to conform to New York Insurance Law or Department rules and regulations or because they are clearly inconsistent with other applicable federal and state laws. The specific statutes, rules and regulations to which the submission must conform or with which the submission conflicts will be stated in writing if the submission is returned.

(3) To avoid spending an excessive or disproportionate amount of time reviewing any product or rate submission, the Department may return a submission prior to completing its initial review if the submission is poorly organized or difficult to understand or is found to contain several

substantive omissions or provisions which do not comply with the Insurance Law or Department rules and regulations. In this instance, the reason for such action, any preliminary comments and other appropriate guidance will be provided to the insurer.

(4) The Department will close its submission file if a complete written response to a Department comment letter or if other material due and owing from an insurer is not received within 45 days of the date of receipt of a comment letter or request by the Department. If a response is received thereafter, the Department will reopen the file under a new control number.

To help facilitate the approval process, the Department encourages insurers to contact appropriate Department personnel prior to making their submission with any questions concerning submission rules and filing requirements or for any guidance regarding the rules, regulations or statutes that apply to any insurance product intended for sale in this state. Department personnel will be available for meetings or conference calls to discuss new products, substantive or procedural requirements or any other appropriate matter. Initial contacts in the Life and Health Bureau may be made to:

Francis F. E. Morse, for life insurance and annuity legal issues,
Austin J. Rinella, for accident and health insurance legal issues,
William B. Carmello, for life insurance and annuity actuarial and
rating issues, and
James M. Gutterman, for accident and health insurance actuarial
and rating issues.

The Department wishes to remind insurers that they are responsible for ensuring that all forms, rate material, actuarial opinions and memoranda, submission letters, Flesch scores, required signatures, explanations of variable material, and any other required items are provided with their initial submission. In addition, insurers are responsible for making sure that products submitted for approval conform to the requirements of the New York Insurance Law and Department rules and regulations and are not inconsistent with other applicable federal or state laws. To this end, insurers should note that New York requirements may differ from certain NAIC model rules and the rules employed by other states.

Please direct all inquiries concerning this Circular Letter to
Fredric L. Bodner, Assistant Deputy Superintendent and Chief,
Life & Health Bureau, New York State Insurance Department,
Agency Building One, Empire State Plaza, Albany, New York 12257.

Very truly yours,

Fredric L. Bodner, J.D.
Assistant Deputy Superintendent
and Chief, Life & Health Bureau