

March 26, 1943

SUBJECT: INSURANCE

WITHDRAWN

TO ALL AUTHORIZED GROUP WRITING COMPANIES:

There is enclosed herewith a copy of a letter received from R. A. Hohaus, Associate Actuary, Metropolitan Life Insurance Company, New York, N. Y., dated March 8, together with a copy of reply of March 20. The letters are self-explanatory.

Very truly yours,

THOMAS J. CULLEN

Acting Superintendent

BY

(Signed) CHARLES C. DUBUAR

Principal Actuary

R. A. Hohaus, Associate Actuary
Metropolitan Life Insurance Company
1 Madison Avenue
New York, N. Y.

Dear Sir:

This will acknowledge receipt of your letter of March 8 with proposal to charge your regular commission scale on individual group insurance policies (group life and group accident and health) issued to employers entitled to reimbursement in accordance with the War Department's Group Insurance Rating Plan and to credit such savings to the experience of such policies as a separate class, the individual contracts thus sharing in any such credit in proportion to the regular commission charges made to each such policy. Your letter and proposal conform to our previous understanding and conclusion in this matter, namely, that the procedure contemplated is not inconsistent with the principle laid down in our ruling in 1927. The segregation of such business as a separate class appears warranted in view of the existence of certain peculiar underwriting features as, for instance, the requirement that a special Pool Reserve will be built up by prescribed deductions from any experience refunds otherwise payable, such pool to be available for certain defined losses under any of the company's policies operating under the Plan.

Very truly yours,

(Signed) THOMAS J. CULLEN

Acting Superintendent of Insurance