

November 6, 1958

SUBJECT: INSURANCE

WITHDRAWN

TO ALL AUTHORIZED NON-PROFIT HOSPITAL SERVICE AND MEDICAL EXPENSE INDEMNITY
CORPORATIONS

Re: RESERVE FOR DEFERRED MATERNITY BENEFITS

Gentlemen:

The purpose of this circular letter, which supersedes a like communication dated November 23, 1943, is to advise all Plans with respect to the calculating and reporting of the Reserve for Deferred Maternity Benefits (Page 5, item 13-A -- Annual Statement Blank.)

Henceforth in the preparation of all financial statements, each Plan should limit this reserve solely to the estimated amount of maternity benefits payable in the nine months subsequent to the statement date for which it is contractually liable in the event that coverage is terminated for any reason.

For the purpose of information only, Plans may insert as a footnote in their financial statements, a memorandum notation reading substantially as follows:

"Estimated amount of Deferred Maternity Benefits not included in above liabilities and for which the Plan is not contractually liable in the event that coverage is terminated for any reason."

Very truly yours,

(Signed) JULIUS S. WIKLER

Superintendent of Insurance