

August 23, 1965

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 9 (1965)

TO: ALL AUTHORIZED INSURANCE COMPANIES WRITING GUARANTEED RENEWABLE ACCIDENT AND HEALTH POLICIES

The recent report of the Industry Advisory Committee with respect to reserves for individual health insurance policies was adopted by the N.A.I.C. Subcommittee and formally approved by the N.A.I.C. (see 1965 N.A.I.C. Proceedings, Volume 1, pages 73-86). The report recommends the adoption of a new table, the 1964 Commissioners Disability Table, as a minimum reserve standard for policies issued on and after January 1, 1965 providing loss of time benefits for disability due to accident or sickness. The report also encompasses without any significant change the prior reserve requirements for policies providing benefits other than loss of time benefits (guaranteed renewable hospital, medical and major medical policies) set forth in the Department's circular letter of September 13, 1957 and in the Task Force 4 report (see 1957 N.A.I.C. Proceedings, Volume 1, pages 77-84).

The purpose of this letter is to advise that subject to the additional requirement hereafter described for non-cancellable accident and health loss of time benefits, the recommendations in the report are hereby adopted as minimum valuation standards for such contracts pursuant to Section 73 of the Insurance Law. In the case of non-cancellable accident and health loss of time contracts subject to the provisions of Section 219 of the Insurance Law, companies desiring to use the new 1964 Commissioners Disability Tables should make the necessary calculations to be in a position to demonstrate initially and at any other subsequent date that the aggregate of the active and disabled life reserves according to the 1964 Commissioners Disability Tables, or modifications thereof, is at least equal to the statutory minimum reserves.

9 (1965)

Very truly yours,

[SIGNATURE]

Superintendent of Insurance.