

June 1, 1970

SUBJECT: INSURANCE

Circular Letter # 9 (1970)

TO ALL AUTHORIZED LIFE INSURANCE COMPANIES

Re: Terminal Dividends

On July 11, 1958 the Department issued a circular letter dealing with terminal dividends. It set forth certain criteria which must be met by domestic life insurance companies in order to qualify for favorable consideration for future Department approval of the apportionment and disbursement of accumulated surplus in the form of terminal dividends. Among the criteria was one which required that departmental approval for terminal dividends must be obtained annually. Since that time terminal dividend scales have reached a certain level of stability so that annual approval by the Department is unnecessary. Accordingly, criterion 4 of the circular letter of July 11, 1958 is amended to read:

"4. Departmental approval-shall be obtained by a domestic life insurance company prior to any change in its scale of terminal dividends."

Please acknowledge receipt of this letter to Mr. Thomas J. Kelly, Chief Actuary (Life), 123 William Street, New York, N. Y. 10038.

Very truly yours,

[SIGNATURE]

Superintendent of Insurance