

October 7, 1975

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 12(1975)

October 7, 1975

TO: ALL STOCK LIFE INSURANCE COMPANIES AUTHORIZED TO WRITE PARTICIPATING LIFE INSURANCE BUSINESS IN NEW YORK STATE

RE: Schedule NP

Section 216, paragraph 6 of the New York Insurance Law provides in part, with respect to companies authorized to write both participating and non-participating business in New York

" . . . that, so long as any outstanding participating policies or contracts of such company are held by persons resident in the state of New York, no profits on participating policies and contracts in excess of the larger of (a) ten per cent of such profits, or (b) fifty cents per year per thousand dollars of participating life insurance other than group term insurance in force at the end of the year, shall inure to the benefit of the stockholders; . . . "

To expedite the administration of this provision of law, this Department will now require that the Stockholders' Surplus Fund Account Exhibit on page 4 of Schedule NP - Life be completed by all companies filing such schedule. Instruction 4 on that page should be disregarded. The stockholders' fund shall consist of the capital paid-up plus the non-participating surplus funds.

In addition, a worksheet should be appended to Schedule NP showing in full detail the basis for, and the calculation of the item on page 4 of the schedule entitled "Profits on participating policies credited".

Receipt of this letter should be acknowledged by a responsible officer of the company, in writing, to the undersigned.

[SIGNATURE]

Alvin H. Alpert

Chief of the Life Bureau