

September 10, 1980

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 12
Addendum to Circular Letter No. 16
October 16, 1979

TO: ALL DOMESTIC LIFE INSURANCE COMPANIES

RE: GUIDELINES FOR THE APPROVAL OF RETIREMENT PLANS OF DOMESTIC LIFE INSURANCE COMPANIES

Under Section 214 of the New York Insurance Law, retirement plans of domestic life insurance companies must be approved by the Insurance Department. Accordingly Circular Letter Number 16, (1979) was issued on October 16, 1979 to provide all domestic life insurance companies with guidelines specifying the Department's current objectives and requirements in approving retirement plans under this statute.

Since the issuance of this Circular Letter the Department has given further consideration to the effect of compensation received by the employee after such retirement. The result of this review indicates that the last sentence of Section 4 should be amended to read as follows:

Any retirement benefit otherwise payable to any retired employee shall be reduced by any compensation received from the company after such employee's retirement date, unless an agreement for such compensation (1) be in writing, (2) be first authorized by a vote of the Board of Directors of such company, and (3) be certified in the minutes of the Board that such agreement was not authorized as a means to supplement the pension of such employee. The preceding sentence shall not apply to director's fees, deferred compensation payments, commissions earned on the sale of insurance and professional services rendered.

[SIGNATURE]

ALBERT B. LEWIS

Superintendent of Insurance