

October 3, 1985

SUBJECT: INSURANCE

WITHDRAWN

CIRCULAR LETTER NO. 7 (1985)

October 3, 1985

TO: ALL INSURERS LICENSED TO WRITE LIFE INSURANCE AND ANNUITIES IN NEW YORK STATE

RE: LIMITATIONS ON NEW BUSINESS

The Department is concerned with the unusually rapid growth of the life insurance and annuity business of a number of companies. This has led to numerous requests for waivers of the limitations on new business imposed by Section 4227 (formerly 212) of the New York Insurance Law. Many of these requests have been initiated after the end of the period in question.

Accordingly, at the end of each of the first three quarters of any year each insurer should determine whether new life or annuity business written for the year to date exceeds the pro-rata portion of the corresponding statutory limit, adjusted for anticipated seasonal trends. If, as a result of these calculations, it appears that the Section 4227 limitations on new business for the entire year will be exceeded, the insurer should submit a request for waiver(s) within 45 days of the close of the quarter.

The information furnished should include the statutory limits on production, and an estimate of excess production, together with statements as to any possible effect of any writings in excess of the limits on the surplus, the gain from operations and the several Schedule Q limits. A full description of any pertinent reinsurance arrangements, as well as a complete statement regarding immunization procedures with respect to annuity business and other interest-sensitive products should also be included.

Comments may be made as to any unusual circumstances which may have result in the limits being exceeded, e.g. uneven distribution or sales.

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

Superintendent of Insurance