

August 9, 1991

SUBJECT: INSURANCE

WITHDRAWN

TO: ALL AUTHORIZED LIFE INSURANCE COMPANIES, ACCREDITED LIFE REINSURERS, FRATERNAL BENEFIT SOCIETIES AND CHARITABLE ANNUITY SOCIETIES

ATTN: CHIEF ACTUARY OR CONSULTING ACTUARY AND CHIEF FINANCIAL OFFICER

SUBJECT: MAXIMUM RESERVE VALUATION AND MAXIMUM LIFE POLICY NONFORFEITURE INTEREST RATES UNDER SECTIONS 4217, 4218, AND 4221(k) OF THE NEW YORK INSURANCE LAWS, AS AMNED IN 1982, 1983, 1985, 1986, 1987, 1988, AND 1990

Attached hereto is an outline, providing maximum reserve valuation and maximum life policy nonforfeiture interest rates for new issues, new purchases or changes in fund (as defined) for years 1982 through 1991 (and other years where shown), under Sections 4217, 4218 and 4221(k) of the New York Insurance Laws, as amended in 1982, 1983, 1985, 1986, 1987, 1988, and 1990.

This Circular Letter is for informational purposes, as an aid in complying with the law.

Should any person have any question or comment, in regard to this matter, please contact Mr. Robert J. Callahan, Chief of the Actuarial Valuation Bureau (518-474-7929) or Mr. Paul H. Schoener (518-474-7929) or Mr. Richard C. Dielensnyder (518-474-6605).

Unless you inform Mr. Dielensnyder to the contrary, future editions of this letter will only be sent to the Chief Actuary, or absent such, to the Chief Financial Officer.

Very truly yours,

[SIGNATURE]

Salvatore R. Curiale

Superintendent of. Insurance

CIRCULAR LETTER No. 15 (1991)

MAXIMUM VALUATION AND NONFORFEITURE INTEREST RATES UNDER SECTIONS 4217, 4218 and 4221(k) OF THE NEW YORK INSURANCE LAWS

The maximum valuation and nonforfeiture interest rates, prescribed by Sections 4217 and 4221(k) of the New York Insurance Laws for future years, will vary from year to year depending on Moody's corporate bond yield averages.

The maximum valuation interest rates for issues, purchases and changes-in-fund of years 1982 through 1991 (and other

years where shown) are outlined below. The maximum valuation and nonforfeiture interest rates for Ordinary Life Insurance are shown in A on page 2, except for Single Premium Life Insurance (of the kind referred to in Section 4217(c)(4)(B)(vi) as amended by Chapter 302 of the laws of 1987) the maximum valuation interest rates for which are shown in B on page 3.

This Circular Letter is for informational purposes, as an aid in complying with the law.

A. ORDINARY LIFE INSURANCE (Except as covered in B on page 3)

*Issue Year	**Guarantee Duration	***Maximum Reserve Valuation Interest Rate	Maximum Nonforfeiture Interest Rate	
			# 1980 CSO	1958 CSO
1979-81	See Prior Circular Letters			
1982-83				
1984	10 Years or Less	7.25%	9.00%	5.50%
	More than 10 Years, up to 20	6.75	8.50	5.50
	More than 20 Years	6.00	7.50	5.50
1985	10 Years or Less	7.25%	9.00%	5.50%
	More than 10 Years, up to 20	6.75	8.50	5.50
	More than 20 Years	6.00	7.50	5.50
1986	10 Years or Less	7.25%	9.00%	5.50%
	More than 10 Years; up to 20	6.75	8.50	5.50
	More than 20 Years	6.00	7.50	5.50
1987	10 Years or less	6.50%	## 8.25%	5.50%
	More than 10 Years, up to 20	6.00	## 7.50	5.50
	More than 20 Years	5.50	## 7.00	5.50
1988	10 Years or less	6.00%	## 7.50%	5.50%
	More than 10 years, up to 20	6.00	## 7.50	5.50
	More than 20 years	5.50	## 7.00	5.50
1989	10 Years or less	6.00%	7.50%	###
	More than 10 years, up to 20	6.00	7.50	###
	More than 20 years	5.50	7.00	###
1990	10 Years or less	6.00%	7.50%	###
	More than 10 years, up to 20	6.00	7.50	###
	More than 20 years	5.50	7.00	###
1991	10 Years or less	6.00%	7.50%	###
	More than 10 years, up to 20	6.00	7.50	###
	More than 20 years	5.50	7.00	###
1992	10 Years or less	6.00%	7.50%	#

*Issue Year	**Guarantee Duration	***Maximum Reserve Valuation Interest Rate	Maximum Nonforfeiture Interest Rate	
			# 1980 CSO	1958 CSO
	More than 10 years, up to 20	6.00	7.50	#
	More than 20 years	5.50	7.00	#

\*See the paragraph at the top of page 11.

\*\*The guarantee duration is the maximum number of years the life insurance can remain in force on a basis guaranteed in the policy.

\*\*\*The maximum reserve valuation interest rate will be the lesser of the rate as determined from the above table and the rate actually used in determining cash values. This applies to basic reserves under Section 4217, not to the minimum reserve test under Sect. 4218.

# Applicable on or after the operative date elected under Section 4221(k)(12). (See the top paragraph on page 10). These rates do not apply to policies issued pursuant to Section 4221(n-1).

# # In accordance with Section 4221(k)(9)(8)(1) of the New York Insurance Laws, the nonforfeiture interest rate used for a particular issue year may not exceed the higher of the applicable maximum nonforfeiture interest rate for such particular issue year and that for the immediately preceding issue year (e.g. 1987 issues may use the rate for 1986, 1988 issues may use the rate for 1987).

### See the paragraph at the top of page 11.

As of January 1, 1989, the 1980 CSO rate must be used for all new business.

B. Single Premium Life Insurance of the kind referred to in Section 4217(c)(4)(B)(vi) of the New York Insurance Laws (as amended by Chapter 302 of the laws of 1987). #

Year	**Guaranteed Duration J*4*Interest Rate	## Maximum Reserve Valuation			
		Issue Year		Change-In-Fund	
		Basis		Basis	
		Without AO&M ***	With AO&M ****	Without AO&M ***	With AO&M ****
1982, 1983	See Prior Circular Letters				
1984	10 years or less	7.50%	8.50%	7.75%	9.25%
	More than 10 yrs, up to 20	7.00	7.00	7.50	8.50
	More than 20 years	6.25	6.25	6.75	7.50
1985	10 years or less	7.50%	8.50	7.75%	9.00%
	More than 10 yrs, up to 20	7.00	7.00	7.50	8.50
	More than 20 years	6.25	6.25	6.50	7.50
1986	10 years or less	6.75%	7.25%	7.00%	7.75%
	More than 10 yrs, up to 20	6.50	6.50	6.75	7.25
	More than 20 years	5.75	5.75	6.00	6.50
1987	10 years or less	6.50%	6.50%	6.75%	6.75%
	More than 10 yrs, up to 20	6.00	6.00	6.50	6.50
	More than 20 years	5.50	5.50	5.75	6.00
1988	10 years or less	6.75%	7.00%	7.00%	7.50%
	More than 10 yrs, up to 20	6.25	6.25	6.75	7.00
	More than 20 years	5.75	5.75	6.00	6.25
1999	10 years or less	6.50%	7.00%	7.00%	7.25%
	More than 10 yrs, up to 20	6.25	6.25	6.50	7.00
	More than 20 years	5.50	5.50	6.00	6.25
1990	10 years or less	6.50%	6.50%	6.75%	7.00%
	More than 10 yrs, up to 20	6.25	6.25	6.50	6.50
	More than 20 years	5.50	5.50	5.75	6.00

Year	**Guaranteed Duration J*4*Interest Rate	## Maximum Reserve Valuation			
		Issue Year Basis		Change-In-Fund Basis	
		Without	With	Without	With
		AO&M	AO&M	AO&M	AO&M
		***	****	***	****
1991	10 years or less	6.50%	6.75%	6.75%	7.00%
	More than 10 yrs, up to 20	6.25	6.25	6.50	6.75
	More than 20 years	5.50	5.50	5.75	6.00

\*See the paragraph at the top of page 11.

\*\*The guarantee duration is the number of years for which interest rates provided in, or declared pursuant to, a single premium life insurance policy of the kind referred to in Section 4217(c)(4)(B)(vi) are guaranteed to exceed the greater of (1) 6% and (2) the calendar year statutory valuation interest rate for life insurance policies (other than such single premium policy) with guarantee durations in excess of 20 years.

\*\*\*Without an acceptable actuarial opinion and memorandum (using life insurance formula). Additional restrictions may apply by Regulation.

\*\*\*\*May be used only with an acceptable actuarial opinion and apply memorandum (using annuity formula).

# Said Chapter 302 amendment became effective, on a mandatory basis, on January 1, 1989. Any company could have filed a written notice of prior election.

See paragraph on reserves, for these special single premium life insurance policies on page 11. Also see paragraph, at bottom of page 4.

B. Single Premium Life Insurance of the kind referred to in Section 4217(c)(4)(B)(vi) of the New York Insurance Laws (as amended by Chapter 302 of the laws, of 1987).#

**Guarantee Duration Interest Rate	# # Maximum Reserve Valuation			
	Issue Year Basis		Change-In-Fund Basis	
	Without	With	Without	With
	AO&M	AO&M	AO&M	AO&M
	***	****	***	****

1982, 1983	See Prior Circular Letters				
1984	10 years or less.	7.50%	8.50%	7.75%	9.25%
	More than 10 yrs, up to 20	7.00	7.50	7.50	8.50
	More than 20 years	6.25	6.25	6.75	7.50
1985	10 years or less	7.50%	8.50%	7.75%	9.00%
	More than 10 yrs, up to 20	7.00	7.00	7.50	8.50
	More than 20 years	6.25	6.25	6.50	7.50
1986	10 years or less	6.75%	7.25%	7.00%	7.75%
	More than 10 yrs, up to 20	6.50	6.50	6.75	7.25
	More than 20 years	5.75	5.75	6.00	6.50
1987	10 years or less	6.50%	6.50%	6.75%	6.75%
	More than 10 yrs, up to 20	6.00	6.00	6.50	6.50
	More than 20 years	5.50	5.50	5.75	6.00
1988	10 years or less	6.75%	7.00%	7.00%	7.52%
	More than 10 yrs, up to 20	6.25	6.25	6.50	7.00
	More than 20 years	5.75	5.75	6.00	6.25
1989	10 years or less	6.50%	7.00%	7.00%	7.25%
	More than 10 yrs, up to 20	6.25	6.25	6.50	7.00
	More than 20 years	5.50	5.50	6:00	6.25
1990	10 years or less	6.50%	6.50%	6.75%	7.00%
	More than 10 yrs, up to 20	6.25	6.25	6.50	6.50
	More than 20 years	5.50	5.50	5.75	6.00
1991	10 years or less	6.50%	6.75%	6.75%	7.00%
	More than 10 yrs, up to 20	6.25	6.25	6.50	6.75
	More than 20 years	5.50	5.50	5.75	6.00

\*See the paragraph at the top of page 11.

\*\*The guarantee duration is the number of years for which interest rates provided in, or declared pursuant to, a single premium life insurance policy of the kind referred to in Section 4217(c)(4)(B)(vi) are guaranteed to exceed the greater of (1) 6% and (2) the calendar year

statutory valuation interest rate for life insurance policies (other than such single premium policy) with guarantee durations in excess of 20 years.

\*\*\*Without an acceptable actuarial opinion and memorandum (using life insurance formula). Additional restrictions may apply by Regulation.

\*\*\*\*May be used only with an acceptable actuarial opinion and memorandum (using annuity formula).

# Said Chapter 302 amendment became effective., on a mandatory basis, on January 1, 1989. Any company could have filed a written notice of prior election.

See paragraph on reserves for these special single premium life insurance policies on page 11. Also see paragraph at bottom of page 4.

D. Other Annuities and, Guaranteed Interest Contracts, with cash settlement options and with interest rate guarantees on future considerations, valued on the "Issue Year" basis.

Issue Year	Guarantee Duration ##	Maximum Reserve Valuation Interest Rate Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula)		
		A	B	C
1992, 1983	See Prior Circular Letters			
	5 years or less	9.50%	7.75%	7.00%
	More than 5 yrs, up to 10	9.00	7.75	7.00
	More than 10 yrs, up to 20	8.25	7.00	6.75
	More than 20 years	6.75	5.75	5.75
1985	5-years or less	9.50%	\$ 7.75%	7.00%
	More than 5 yrs, up to 10	9.00	7.75	7.00
	More than 10 yrs, up to 20	8.25	7.00	6.50
	More than 20 years	6.50	5.75	5.75

Issue Year	Guarantee Duration ##	Maximum Reserve Valuation Interest Rate Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula) *Plan Type		
		A	B	C
1986	5 years or less	8.50%	7.00%	6.50%
	More than 5 yrs, up to 10	8.25	7.00	6.50
	More than 10 yrs, up to 20	7.50	6.50	6.00
	More than 20 years	6.00	5.50	5.50
1987	5 years or less	8.00%	6.75%	6.00%
	More than 5 yrs, up to 10	7.75	6.75	6.00
	More than 10 yrs, up to 20	7.00	6.00	5.75
	More than 20 years	5.75	5.25	5.25
1988	5 years or less	8.25%	7.00%	6.25%
	More than 5 yrs, up to 10	8.00	7.00	6.25
	More than 10 yrs, up to 20	7.25	6.25	6.00
	More than 20 years	6.00	5.25	5.25
1989	5 years or less	8.25%	7.00%	6.25%
	More than 5 yrs, up to 10	8.00	7.00	6.25
	More than 10 yrs, up to 20	7.25	6.25	6.00
	More than 20 years	6.00	5.25	5.25
1990	5 years or less	8.00%	6.75%	6.25%
	More than 5 yrs, up to 10	7.75	6.75	6.25
	More than 10 yrs, up to 20	7.00	6.25	5.75
	More than 20 years	5.75	5.25	5.25
1991	5 years or less	8.00%	6.75%	6.25%

Maximum Reserve  
Valuation  
Interest Rate  
Without Acceptable  
Actuarial Opinion  
and Memorandum #  
(Using Life  
Insurance Formula)  
\*Plan Type

Issue Year	Guarantee Duration ##	A	B	C
	More than 5 yrs, up to 10	7.75	6.75	6.25
	More than 10 yrs, up to 20	7.00	6.25	5.75
	More than 20 years	5.75	5.25	5.25

# See requirements for actuarial opinion and memorandum in footnote on page 4.

Additional restrictions apply, under Regulation 126, where an acceptable actuarial opinion and memorandum have not been filed.

With Acceptable  
Actuarial Opinion  
and Memorandum#  
(Using Annuity  
Formula)  
\*Plan Type

Issue Year	A	B	C
1992, 1983			
1984	11.25%	9.25%	8.00%
	10.75	9.25	8.00
	8.25	7.00	6.75
	6.75	5.75	5.75
1985	11.00%	9.00%	8.00%
	10.50	9.00	8.00
	8.25	7.00	6.50

With Acceptable  
Actuarial Opinion  
and Memorandum#  
(Using Annuity  
Formula)  
\*Plan Type

Issue Year	A	B	C
	6.50	5.75	5.75
1986	9.25%	7.75%	6.75%
	8.75	7.75	6.75
	7.50	6.50	6.00
	6.00	5.50	5.50
1987	8.00%	6.75%	6.25%
	7.75	6.75	6.25
	7.00	6.00	5.75
	5.75	5.25	5.25
1988	8.75%	7.50%	6.75%
	8.50	7.50	6.75
	7.25	6.25	6.00
	6.0	5.25	5.25
1989	8.75%	7.25%	6.50%
	8.25	7.25	6.50
	7.25	6.25	6.00
	6.00	5.25	5.25
1990	8.25%	7.00%	6.25%
	8.00	7.00	6.25
	7.00	6.25	5.75
	5.75	5.25	5.25
1991	8.25%	7.00%	6.25%
	8.00	7.00	6.25
	7.00	6.25	5.75

With Acceptable  
Actuarial Opinion  
and Memorandum#  
(Using Annuity  
Formula)  
\*Plan Type

Issue Year	A	B	C
	5.75	5.25	5.25

# See requirements for  
actuarial opinion and  
memorandum in footnote on  
page 4.

Additional restrictions  
apply, under Regulation 126,  
where an acceptable  
actuarial opinion  
and memorandum have not  
been filed.

See definition of guarantee duration for Categories D, E, G and H on page 10.

See descriptions of plan types on page 10.

E. Other Annuities and Guaranteed Interest Contracts, with cash settlement options but without interest rate guarantees on future considerations, valued on the "Issue Year" basis.

Maximum Reserve Valuation  
Interest Rate  
Without Acceptable  
Actuarial Opinion  
and Memorandum#  
(Using Life  
Insurance Formula)  
\*Plan Type

Issue Year	Guarantee Duration##	A	B	C
1982, 1983	See Prior Circular			

Maximum Reserve Valuation  
Interest Rate  
Without Acceptable  
Actuarial Opinion  
and Memorandum#  
(Using Life  
Insurance Formula)  
\*Plan Type

Issue Year	Guarantee Duration##	A	B	C
1984	5 years or less	10.00%	8.25%	7.50%
	More than 5 yrs, up to 10	9.50	8.25	7.50
	More than 10 yrs, up to 20	8.75	7.50	7.00
	More than 20 years	7.00	6.25	6.25
1985	5 years or less	9.75%	8.25%	7.50%
	More than 5 yrs, up to 10	9.50	8.25	7.50
	More than 10 yrs, up to 20	8.50	7.50	7.00
	More than 20 years	7.00	6.25	6.25
1986	5 years or less	8.75%	7.50%	6.75%
	More than 5 yrs, up to 10	8.50	7.50	6.75
	More than 10 yrs, up to 20	7.75	6.75	6.50
	More than 20 years	6.50	5.75	5.75
1987	5 years or less	8.25%	.00%	6.50%
	More than 5 yrs, up to 10	8.00	7.00	6.50
	More than 10 yrs, up to 20	7.25	6.50	6.00
	More than 20 years	6.00	5.50	5.50
1988	5 years or less	8.75%	7.25%	6.75%
	More than 5 yrs, up to 10	8.25	7.25	6.75
	More than 10 yrs, up to 20	7.50	6.50	6.25
	More than 20 years	6.25	5.75	5.75
1989	5 years or less	8.50%	7.25%	6.50%
	More than 5 yrs, up to 10	8.25	7.25	6.50

Maximum Reserve Valuation  
Interest Rate  
Without Acceptable  
Actuarial Opinion  
and Memorandum#  
(Using Life  
Insurance Formula)  
\*Plan Type

Issue Year	Guarantee Duration##	A	B	C
	More than 10 yrs, up to 20	7.50	6.50	6.25
	More than 20 years	16.25	5.50	5.50
1990	5 years or less	8.25%	7.00%	6.50%
	More than 5 yrs, up to 10	8.00	7.00	6.50
	More than 10 yrs, up to 20	7.50	6.50	6.25
	More than 20 years	6.25	5.50	5.50
L1991	5 years or less	8.25%	7.00%	6.50%
	More than 5 yrs, up to 10	8.00	7.00	6.50
	More than 10 yrs, up to 20	7.50	6.50	6.25
	More than 20 years	6.25	5.50	5.50

# See requirements for actuarial opinion and memorandum in footnote on page 4.

Additional restrictions apply, under Regulation 126, where an acceptable actuarial opinion and memorandum have not been filed.

## See definition of guarantee duration for Categories D, E, G and H on page 10.

See descriptions of plan types on page 10.

Issue Year	Guarantee Duration ##	With Acceptable Actuarial Opinion and Memorandum# (Using Annuity Formula) *Plan Type		
		A	6	C
1984	5 years or less	11.75%	9.75%	8.50%
	More than 5 yrs, up to 10	11.25	9.75	8.50
	More than 10 yrs, up to 20	8.75	7.50	7.00
	More than 20 years	7.00	6.25	6.25
1985	5 years or less	11.50%	9.50%	8.50%
	More than 5 yrs, up to 10	11.00	9.50	8.50
	More than 10 yrs, up to 20	8.50	7.50	7.00
	More than 20 years	7.00	6.25	6.25
1986	5 years or less	9.50%	8.00%	7.25%
	More than 5 yrs, up to 10	9.25	8.00	7.25
	More than 10 yrs, up to 20	7.75	6.75	6.50
	More than 20 years	6.50	5.75	5.75
1987	5 years or less	8.50%	7.25%	6.50
	More than 5 yrs, up to 10	8.00	7.25	6.50
	More than 10 yrs, up to 20	7.25	6.50	6.00
	More than 20 years	6.00	5.50	5.50
1988	5 years or less	9.25%	7.75%	7.00%
	More than 5 yrs, up to 10	8.75	7.75	7.00
	More than 10 yrs, up to 20	7.50	6.50	6.25
	More than 20 years	6.25	5.75	5.75
1989	5 years or less	9.00%	7.50%	7.00%
	More than 5 yrs, up to 10	8.75	7.50	7.00
	More than 10 yrs, up to 20	7.50	6.50	6.25
	More than 20 years	6.25	5.50	5.50

Issue Year	Guarantee Duration ##	With Acceptable Actuarial Opinion and Memorandum# (Using Annuity Formula) *Plan Type		
		A	6	C
1990	5 years or less	8.50%	7.25%	6.50%
	More than 5 yrs, up to 10	8.25	7.25	6.50
	More than 10 yrs, up to 20	7.50	6.50	6.25
	More than 20 years	6.25	5.50	5.50
1991	5 years or less	8.75%	7.25%	6.75%
	More than 5 yrs, up to 10	8.25	7.25	6.75
	More than 10 yrs, up to 20	7.50	6.50	6.25
	More than 20 years	6.25	5.50	5.50

F. Other Annuities and Guaranteed Interest Contracts, without cash settlement options, valued on the "Issue Year" basis.

Issue Year	Guarantee Duration**	Maximum Reserve Valuation Interest Rate	
		Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula) *Plan Type	With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula) *Plan Type
1982, 1983	See Prior Circular Letters	A	A
1984	5 years or less	9.50%	11.25%
	More than 5 yrs, up to 10	9.00	10.75
	More than 10 yrs, up to 20	8.25	9.75
	More than 20 years	6.5	7.50

		Maximum Reserve Valuation Interest Rate	
		Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula) *Plan Type	With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula) *Plan Type
Issue Year	Guarantee Duration**	A	A
1985	5 years or less	9.50%	11.00%
	More than 5 yrs, up to 10	9.00	10.50
	More than 10 yrs, up to 20	8.25	9.50
	More than 20 years	6.50	7.50
1986	5 years or less	8.50%	9.25%
	More than 5 yrs, up to 10	8.25	8.75
	More than 10 yrs, up to 20	7.50	8.00
	More than 20 years	6.00	6.50
1987	5 years or less	8.00%	8.00%
	More than 5 yrs, up to 10	7.75	7.75
	More than 10 yrs, up to 20	7.00	7.25
	More than 20 years	5.75	6.00
1988	5 years or less	8.25%	8.75%
	More than 5 yrs, up to 10	8.00	8.50
	More than 10 yrs, up to 20	7.25	7.75
	More than 20 years	6.00	6.25
1989	5 years or less	8.25%	8.75%
	More than 5 yrs, up to 10.	8.00	8.25
	More than 10 yrs, up to 20	7.25	7.50
	More than 20 years	6.00	6.25
1990	5 years or less	8.00%	8.25%
	More than 5 yrs, up to 10	7.75	8.00
	More than 10 yrs, up to 20	7.00	7.25

		Maximum Reserve Valuation Interest Rate	
		Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula) *Plan Type	With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula) *Plan Type
Issue Year	Guarantee Duration**	A	A
	More than 20 years	5.75	6.00
1991	5 years or less	8.00%	8.25%
	More than 5 yrs, up to 10	7.75	8.00
	More than 10 yrs, up to 20	7.00	7.25
	More than 20 years	5.75	6.00

# See requirements for actuarial opinion and memorandum in footnote on page 4.

Additional restrictions apply, under Regulation 126, where an acceptable actuarial opinion and memorandum have not been filed.

\* See Descriptions of plan types on page 10.

guarantee duration, for other annuities and guaranteed interest contracts without cash settlement options, is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence.

G. Other Annuities and Guaranteed. Interest Contracts, with cash settlement options and with interest rate guarantees on future considerations, valued on the "Change in Fund" basis.

		Maximum Reserve Valuation Interest Rate		
		Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula) *Plan Type		
Change in Fund During Year	Guarantee Duration##	A	B	C
1982, 1983	See Prior Circular Letters			

Change in Fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula)		
		A	B	C
1984	5 years or less	10.75%	10.00%	7.50%
	More than 5 yrs, up to 10	10.25	10.00	7.50
	More than 10 yrs, up to 20	9.50	9.00	7.00
	More than 20 years	7.75	7.75	6.25
1985	5 years or less	10.50%	9.75%	7.50
	More than 5 yrs, up to 10	10.25	9.75	7.50
	More than 10 yrs, up to 20	9.50	9.00	7.00
	More than 20 years\$	7.75	7.75	6.25
1986	5 years or less	9.50%	8.75%	6.75%
	More than 5 yrs, up to 10	9.25	8.75	6.75
	More than 10 yrs, up to 20	8.50	8.25	6.50
	More than 20 years	7.00	7.00	5.75
1987	5 years or less	9.00%	8.25%	6.50%
	More than 5 yrs, up to 10	8.50	8.25	6.50
	More than 10 yrs, up to 20	8.00	7.75	6.00
	More than 20 years	6.75	6.75	5.50
1988	5 years or less	9.25%	8.75%	6.75%
	More than 5 yrs, up to 10	9.00	8.75	6.75
	More than 10 yrs, up to 20	8.25	8.00	6.25
	More than 20 years	7.00	7.00	5.75
1989	5 years or less	9.25%	8.50%	6.50%

\*Plan Type

Change in Fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula)		
		A	B	C
	More than 5 yrs, up to 10	9.00	8.50	6.50
	More than 10 yrs, up to 20	8.25	8.00	6.25
	More than 20 years	7.00	7.00	5.50
1990	5 years or less	9.00%	8.25%	6.50%
	More than 5 yrs, up to 10	8.75	8.25	6.50
	More than 10 yrs, up to 20	8.00	7.75	6.25
	More than 20 years	6.75	5.75	5.50
1991	5 years or less	9.00%	8.25%	6.50%
	More than 5 yrs, up to 10	8.75	8.25	6.50
	More than 10 yrs, up to 20	8.00	7.75	6.25
	More than 20 years	6.75	6.75	5.50

# See requirements for actuarial opinion and memorandum in footnote on page 4.

Additional restrictions apply, under Regulation 126, where an acceptable actuarial opinion and memorandum have not been filed.

## See definition of guarantee duration for Categories D, E, G and H on page. 10.

\* See descriptions of plan types on page 10.

Change in Fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula)		
		*Plan Type		
		A	B	C
1982, 1983	See Prior Circular Letters			
1984	5 years or less	12.75%	11.75%	8.50%
	More than 5 yrs, up to 10	12.25	11.75	8.50
	More than 10 yrs, up to 20	11.25	10.75	8.00
	More than 20 years	9.25	9.25	7.00
1985	5 years or less	12.50%	11.50%	8.50%
	More than 5 yrs, up to 10	12.00	11.50	8.50
	More than 10 yrs, up to 20	11.00	10.50	8.00
	More than 20 years	9.00	9.00	7.00
1986	5 years or less	10.25%	9.50%	7.25%
	More than 5 yrs, up to 10	10.00	9.50	7.25
	More than 10 yrs, up to 20	9.25	8.75	6.75
	More than 20 years	7.75	7.75	6.00
1987	5 years or less	9.00%	8.50%	6.50%
	More than 5 yrs, up to 10	8.75	8.50	6.50
	More than 10 yrs, up to 20	8.00	7.75	6.25
	More than 20 years	6.75	6.75	5.50
1988	5 years or less	10.00%	9.25%	7.00%
	More than 5 yrs, up to 10	9.50	9.25	7.00
	More than 10 yrs, up to 20	8.75	8.50	6.75
	More than 20 years	7.50	7.50	6.00
1989	5 years or less	9.75%	9.00%	7.00%

Change in Fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula)		
		A	B	C
		*Plan Type		
	More than 5 yrs, up to 10	9.50	9.00	7.00
	More than 10 yrs, up to 20	8.75	8.25	6.50
	More than 20 years	7.25	7.25	5.75
1990	5 years or less	9.25%	8.50%	6.50%
	More than 5 yrs, up to 10	8.75	8.50	6.50
	More than 10 yrs, up to 20	8.25	8.00	6.25
	More than 20 years	7.00	7.00	5.50
1991	5 years or less	9.25%	8.75%	6.75%
	More than 5 yrs, up to 10	9.00	8.75	6.75
	More than 10 yrs, up to 20	8.25	8.00	6.25
	More than 20 years	7.00	7.00	5.75

Other Annuities and guaranteed interest contracts, with cash settlement options but without interest rate guarantees on future considerations, valued on the "Change in Fund" basis.

Change in fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate Without Acceptable Actuarial Opinion and Memorandum# (Using Life Insurance Formula)		
		A	B	C
		*Plan Type		
1982, 1983	See Prior Circular Letters			

Change in fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate Without Acceptable Actuarial Opinion and Memorandum# (Using Life Insurance Formula) *Plan Type		
		A	B	C
1984	5 years or less	11.00%	10.25%	7.75%
	More than 5 yrs, up to 10	10.75	10.25	7.75
	More than 10 yrs, up to 20	10.00	9.50	7.50
	More than 20 years	8.25	8.25	6.75
1985	5 years or less	11.00%	10.25%	7.75%
	More than 5 yrs, up to 10	10.50	10.25	7.75
	More than 10 yrs, up to 20	9.75	9.50	7.50
	More than 20 years	8.25	8.25	6.50
1986	5 years or less	9.75%	9.25%	7.00%
	More than 5 yrs, up to 10	9.50	9.25	7.00
	More than 10 yrs, up to 20	8.75	8.50	6.75
	More than 20 years	7.50	7.50	6.00
1987	5 years or less	9.25%	8.50%	6.75%
	More than 5 yrs, up to 10	9.00	8.50	6.75
	More than 10 yrs, up to 20	8.25	8.00	6.50
	More than 20 years	7.00	7.00	5.75
1988	5 years or less	9.75%	9.00%	7.00%
	More than 5 yrs, up to 10	9.25	9.00	7.00
	More than 10 yrs, up to 20	8.75	8.25	6.75
	More than 20 years	7.25	7.25	6.00
1989	5 years or less	9.50%	9.00%	7.00%
	More than 5 yrs, up to 10	9.25	9.00	7.0

Change in fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate Without Acceptable Actuarial Opinion and Memorandum# (Using Life Insurance Formula) *Plan Type		
		A	B	C
	More than 10 yrs, up to 20	8.50	8.25	6.50
	More than 20 years	7.25	7.25	6.00
1990	5 years or less	9.25%	8.75%	6.75%
	More than 5 yrs, up to 10	9.00	8.75	6.75
	More than 10 yrs, up to 20	8.25	8.00	6.50
	More than 20 years	7.00	7.00	5.75
1991	5 years or less	9.25%	8.75%	6.75%
	More than 5 yrs, up to 10	9.00	8.75	6.75
	More than 10 yrs, up to 20	8.25	8.00	6.50
	More than 20 years	7.00	7.00	5.75

# See requirements for actuarial opinion and memorandum in footnote on page 4.

Additional restrictions apply, under Regulation 126, where an acceptable actuarial opinion and memorandum have not been filed.

## See definition of guarantee duration for Categories D, E, G and H on page 10.

\*See descriptions of plan types on page 10.

Change in fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate With Acceptable Actuarial Opinion and Memorandum# (Using Annuity Formula) *Plan Type		
		A	B	C
1982, 1983	See Prior Circular Letters			
1984	5 years or less	13.25%	12.25%	9.25%
	More than 5 yrs, up to 10	12.75	12.25	9.25
	More than 10 yrs, up to 20	11.75	11.25	8.50
	More than 20 years	9.75	9.75	7.50
1985	5 years or less	13.00%	12.00%	9.00%
	More than 5 yrs, up to 10	12.50	12.00	9.00
	More than 10 yrs, up to 20	11.50	11.00	8.50
	More than 20 years	9.50	9.50	7.50
1986	5 years or less	10.75%	10.00%	7.75%
	More than 5 yrs, up to 10	10.25	10.00	7.75
	More than 10 yrs, up to 20	9.50	9.25	7.25
	More than 20 years	8.00	8.00	6.50
1987	5 years or less	9.50%	8.75%	6.75%
	More than 5 yrs, up to 10	9.00	8.75	6.75
	More than 10 yrs, up to 20	8.50	8.00	6.50
	More than 20 years	7.25	7.25	6.00
1988	5 years or less	10.25%	9.50%	7.50%
	More than 5 yrs, up to 10	10.00	9.50	7.50
	More than 10 yrs, up to 20	9.25	8.75	7.00
	More than 20 years	7.75	7.75	6.25

Change in fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate With Acceptable Actuarial Opinion and Memorandum# (Using Annuity Formula) *Plan Type		
		A	B	C
1989	5 years or less	10.00%	9.50%	7.25%
	More than 5 yrs, up to 10	9.75	9.50	7.25
	More than 10 yrs, up to 20	9.00	8.75	7.00
	More than 20 years	7.50	7.50	6.25
1990	5 years or less	9.50%	8.75%	7.00%
	More than 5 yrs, up to 10	9.25	8.75	7.00
	More than 10 yrs, up to 20	8.50	8.25	6.50
	More than 20 years	7.25	7.25	6.00
1991	5 years or less	9.75%	9.00%	7.00%
	More than 5 yrs, up to 10	9.25	9.00	7.00
	More than 10 yrs, up to 20	8.75	8.25	6.75
	More than 20 years	7.25	7.25	6.00

Said Section 4221(k)(12) was amended by Chapter 81 of the Laws of 1983 to permit a company to elect to comply with the new provisions of Section 4221 on a plan-by-plan basis, with the proviso that the entire portfolio must be converted to the new provisions on or before January 1 of the third calendar year following the calendar year of compliance for the first plan so converted, but not, in any event, later than January 1, 1989.

Plan types, as used in the above tables, are defined as follows:

Plan Type A: The policyholder may withdraw funds only (1) with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or (2) without such adjustment but in installments over five years or more, or (3) as an immediate life annuity.

Plan Type B: The policyholder may not withdraw funds before the expiration of the interest rate guarantee or, if withdrawals are permitted before the expiration of such guarantee, may withdraw funds only (1) with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or (2) without such adjustment but in installments over five years or more. At the end of the interest rate guarantee, funds may be withdrawn without such adjustment in a single sum or in installments over less than five years.

Plan Type C: The policyholder may withdraw funds before the expiration of the interest rate guarantee in a single sum or installments over less than five years either (1) without adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or (2) subject only to a fixed surrender charge stipulated in the contract as a percentage of the fund.

(The most popular plan type, in the group annuity area, for current issues, is plan type B; while, the most popular plan type, in the individual annuity area, for current issues, is plan type C.)

The guarantee duration, for other annuities and guaranteed interest contracts with cash settlement options, generally is the number of years for which the contract guarantees interest rates in excess of the calendar year statutory valuation interest rate for life insurance policies (covered in A on page 2) with guarantee durations of more than twenty years (See D, E, G and H herein).

The guarantee duration, for other annuities and guaranteed interest contracts without cash settlement options, is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence.

Other annuities and guaranteed interest contracts, without cash settlement Options, may be valued only on an "Issue Year" basis.

For structured settlement annuities with lump-sum payments, see Section 95.12 of Regulation 126.

The maximum reserve valuation interest rates, for annuities and guaranteed interest contracts and for single premium life insurance policies of the kind referred to in Section 4217(c)(4)(B)(vi), are based on Moody's Corporate Bond Yield Averages for a one or three year period ending in June of the year of issue, purchase or change in fund. Consequently, we are not able to compute rates applicable to 1992 at this time.

The attached Appendix describes the method of calculating the maximum reserve valuation interest rates, in accordance with the specifications of Section. 4217 of the New York Insurance Laws, as amended.

Section 4217, as amended by Chapter 749 of the Laws of 1983, permits the dynamic interest rates (under the 1982 amendments) to be used for issues of January 1, 1982 and later, irrespective of a company's election or non-election under Section 4221 (k)(12). Thus, the new dynamic interest rates may be used either with 1958 CSO issues of January 1, 1982 through December 31, 1988 or with 1980 CSO issues of January 1, 1982 and later, for valuation purposes.

The reserve for a Single Premium Life Insurance policy, of the kind referred to in Section 4217(c)(4)(B)(vi) of the New York Insurance Laws (as amended by Chapter 302 of the laws of 1987), must not be less than its cash value. Section 95.14 of Regulation 126 limits the applicable duration of maximum reserve valuation interest rates specified in B on page 3.

## APPENDIX

To Circular Letter Number 15 (1991)

The maximum reserve valuation interest rates are based on reference interest rates, which are averages of corporate bond earnings published by Moody's Investors Service, Inc., and weighting factors prescribed by Section 4217.

The weighting factors do not vary from year to year. None of the weighting factors given in Table 1 below will change unless Section 4217 is revised by new legislation. The following formulas are used to compute the maximum reserve valuation interest rates:

$$I = 3.00\% + W(R[1]-3.00)\% + W/2(R[2]-9.00)\%, \text{ (Formula 1, called "Life Insurance Formula")}$$

or

$I = 3.00\% + W(12-3.00)\%$ , (Formula 2, called "Annuity Formula")

Where:

I.= Maximum calendar year statutory valuation interest rate, rounded to the nearer 1/4%.

R= Reference interest rate, derived from moody's corporate bond monthly yield averages, rounded to the nearer basis point 1.01 of 1%).

R[1]= Lesser of R and 9.00%.

R[2]= Greater of R and 9.00%.

W = Weighting factor.

The third term of Formula 1 is dropped whenever the reference interest rate falls below 9.00%. The weighting factors vary by type of benefit, guarantee duration, and valuation basis (i.e. 'issue year' basis or 'change-in-fund' basis). An asterisk (\*), where shown with the weighting factor in Table 1, indicates that Formula 2 may optionally be used with a given factor if an acceptable actuarial opinion and memorandum are provided, as required by Section 4217(c)(4)(B)(vi).

TABLE 1

Benefit (Category in Circular Letter)	Guarantee Duration (Where duration t, in years, is)	Valuation Basis
A	= or < 10	Issue
	> 10, = or < 20	Year
	> 20	
B	= or < 10	Issue Year
	> 10, = or < 20	Issue Year
	> 20	Issue Year
B	= or < 10	Change-in-Fund
	> 10, = or < 20	Change-in-Fund
	> 20	Change-in-Fund
C	Not applicable Purchase Year	Issue or (1)

Benefit (Category in Circular Letter)	Reference Interest Rate (Column from Table 2)	Weighting Factor		
	A	(3)	.50 .45 .35	
B	(1)	.55*		
	(3)	.50		
	(3)	.40		
B	(1)	.60*		
	(1)	.55*		
	(1)	.45*		
C		.80*	Valuation Basis	Reference Interest Rate (Column from Table 2)
D	= or < 5	Issue		(1)
	> 5, = or < 10	Year		(1)
	> 10, = or < 20			(3)
	> 20			(3)
E	= or < 5	Issue		
	> 5, = or <,10	Year		(1)
	> 10, = or <20			(3)
	> 20			(3)
F	= or < 5,	Issue		(1)
	> 5, = or < 10	Year		(1)
	> 10, = or < 20			(1)
	> 20			(1)

Benefit (Category in Circular Letter)	Guarantee Duration (Where duration t, in years, is)	Valuation Basis	Reference Interest Rate (Column from Table 2)
G	= or < 5	Change	(1)
	> 5, = or < 10	in	(1)
	> 10, = or < 20	Fund	(1)
	> 20		(1)
H	= or < 5	Change	(1)
	> 5, = or < 10	in	(1)
	> 10, = or < 20	Fund	(1)
	> 20		(1)

Benefit (Category in Circular Letter)	Guarantee Duration (Where duration t, in years, is)	Weighting Factor		
		Varies By Plan Type		
		A	B	C
D	= or < 5	.80*	.60*	.50*
	> 5, = or < 10	.75*	.60*	.50*
	> 10, = or < 20	.65	.50	.45
	> 20	.45	.35	.35
E	= or < 5	.85*	.65*	.55*
	> 5, = or <,10	.80*	.65*	.55*
	> 10, = or <20	.70	.55	.50
	> 20	.50	.40	.40
F	= or < 5,	.80*		
	> 5, = or < 10	.75*		
	> 10, = or < 20	.65*		

Benefit (Category in Circular Letter)	Guarantee Duration (Where duration t, in years, is)	Weighting Factor		
		Varies By Plan Type		
	> 20	.45*		
G	= or < 5	A	B	C
	> 5, = or < 10	.95*	.85*	.55*
	> 10, = or < 20	.90*	.85*	.55*
	> 20	.80*	.75*	.50*
H	= or < 5	A	B	C
	> 5, = or < 10	.60*	.60*	.40*
	> 10, = or < 20	1.00*	.90	.60*
	> 20	.95*	.90*	.60*
	> 20	.85*	.80*	.55*
	> 20	.65*	.65*	.45*

The reference interest rates are based on the average corporate bond earnings published by Moody's Investors Service, Inc.

Section 4217 defines running averages of the published monthly yield rates for 12-month and 36-month periods.

The year of issue, of purchase or of change-in-fund, applicable to the running yield average ending in the current year, is the next following year for Life. Insurance other than single premium life insurance of the kind referred to in Section 4217(c)(4)(B)(vi) (i.e. Category A in the Circular Letter) and the current year for all other business (i.e. Categories B through H in the Circular Letter).

The following table shows Moody's yield averages for recent years:

TABLE 2

For Period

Ending June 30 of Year	12-Month Running Average	36-Month Running Average	Lesser of Two Averages
	(1)	(2)	(3)
1981	13.71%	11.57%	11.57%
1982	15.70	13.64	13.64

For Period	12-Month	36-Month	
Ending	Running	Running	Lesser of
June 30	Average	Average	Two Averages
of Year			
1983	13.39%	14.26%	13.39%
1984	13.22	14.10	13.22
1985	13.01%	13.21%	13.01%
1986	10.75	12.33	10.75
1987	9.40%	11.05%	9.40%
1988	10.32	10.15	10.15
1989	10.09%	9.93%	9.93%
1990	9.52	9.97	9.52
1991	9.63%	9.74%	9.63%

The maximum nonforfeiture interest rate for Life Insurance, under Section 422)(k), for a particular issue year, is equal to 125% of the maximum reserve valuation interest rate for the same issue year, rounded to the nearer 1/4%.

Should the computed maximum reserve valuation interest rate for Life Insurance (other than Single Premium Life Insurance covered in Category B on page 3 of the Circular letter) for a particular issue year be different from the actual maximum reserve valuation Interest rate for the next previous issue year by less than 1/2%, then the maximum reserve valuation interest rate for such particular issue year will be the same as that for such next previous issue year.