



**STATE OF NEW YORK
INSURANCE DEPARTMENT
160 WEST BROADWAY
NEW YORK, NEW YORK 10013**

**Circular Letter No. 12 (1995)
August 17, 1995**

TO: All Licensed Life Insurers and Accredited Life Reinsurers

RE: Synthetic Guaranteed Investment Contracts

As part of an overall review of regulation and its impact on the competitive posture of New York licensed life insurers, the Insurance Department has reconsidered its position on the permissibility of synthetic guaranteed investment contracts. In the Department's Circular Letter No. 9 (1994) the Department concluded that synthetic GICs were not products authorized for life insurers. After further consideration, the Department has determined that such contracts can be considered ancillary activity to companies engaged in group life insurance or reinsurance. Accordingly:

(1) Circular Letter No. 9 (1994) is hereby rescinded.

(2) Companies wishing to issue synthetic GICs should submit their forms for prior approval by the Department. Please direct all inquiries and requests for form approval to Fred Bodner, Assistant Deputy Superintendent/Chief, Health and Life Bureau at Empire State Plaza, Agency Building One, Albany, NY 12257.