



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

NOTE: WITHDRAWN EFFECTIVE OCTOBER 11, 2002

**Circular Letter No. 11 (1996)
August 1, 1996**

**TO: All Authorized Life Insurance Companies, Accredited Life Reinsurers,
Fraternal Benefit Societies And Charitable Annuity Societies**
**RE: Maximum Reserve Valuation And Maximum Life Policy Nonforfeiture
Interest Rates**

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 1996 (and other years where shown), under Sections 4217, 4218 and 4221(k) of the New York Insurance Law, as amended in 1982, 1983, 1985, 1986, 1987, 1988, 1990, and 1994.

Previous versions of this Circular Letter preceding C.L. 10(1995) dated August 1, 1995 distinguished between companies submitting an acceptable Actuarial Opinion and Memorandum (AOM) and companies not doing so. This distinction was a consequence of Section 4217(c)(4)(B)(vi) of the Insurance Law. Section 4217 of the Insurance Law was amended in 1994, and the distinction between maximum valuation interest rates with and without an acceptable AOM was eliminated.

Regulation 126, in effect on December 31, 1993, contained provisions regarding the valuation of annuities, G1Cs, deposit funds, structured settlements and single premium life policies. Such provisions were not incorporated into Regulation 126 promulgated December 1, 1994. We expect that these provisions will be incorporated in New York Regulation 151 by December 31, 1996. We expect to provide this proposed regulation to the Governor's Office of Regulatory Reform by August 15, 1996.

This Circular Letter is to be used 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. Michael Cebula or Mr. John Karwatowski of the Actuarial Valuation Section of the Life and Health Bureau at (518) 474-6605.

MAXIMUM RESERVE VALUATION AND MAXIMUM LIFE POLICY NONFORFEITURE INTEREST RATES

UNDER SECTIONS 4217, 4218 AND 4221(k) OF THE NEW YORK INSURANCE LAW

The maximum valuation and nonforfeiture interest rates, prescribed by Sections 4217 and 4221(k) of the New York Insurance Law 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 1996 (and other years where shown) are outlined below. The maximum valuation and nonforfeiture interest rates for Ordinary Life Insurance are shown in Category A of page 2, except for Single Premium Life Insurance (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 Category B on page 3.