



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

**Circular Letter No. 19 (1996)
December 20, 1996**

TO: All Domestic Life Insurance Companies Licensed to Write Life Insurance in New York State

RE: Life Insurer Commitment Agreements

The Insurance Department has reviewed the various Commitment Agreements which some New York domestic life insurance companies ("companies") have been required to sign as a condition of initial licensure or continuation of licensure in New York. This review was part of the Department's ongoing review of the Department's rules and procedures in accordance with Governor Pataki's Executive Order Number 2.

The Insurance Department has determined that these Commitment Agreements do not meaningfully enhance regulation of subject companies, have given an unfair competitive advantage to companies not subject to a Commitment Agreement, and have likely impeded the development of the life insurance industry in New York. Effective immediately, therefore, all companies subject to a Commitment Agreement are forever released from its terms.

Notwithstanding the foregoing, companies remain subject to all statutes and regulations applicable to insurers licensed to conduct the business of insurance in the State of New York. This includes, but is not limited to, the requirement that a company's principal place of business be situated in New York, that a company's books and records be maintained at its principal place of business in New York, and that a company maintain a separate operating identity from its parent and/or any affiliated companies within its holding company system.

The Insurance Department may determine in the future that companies should be subject to terms or conditions pertaining to the operation of the company which would be in addition to those already set forth specifically in the Insurance Law or an existing regulation. Should such a determination be made, such terms and conditions will only be imposed pursuant to an amendment of the Insurance Law or by a regulation promulgated in accordance with the State Administrative Procedures Act.

Any questions regarding this Circular Letter should be directed to Mr. Martin Carus at 212-602-0316.