



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

NOTE: WITHDRAWN EFFECTIVE SEPTEMBER 1, 2004
[See Circular Letter No. 6 \(2004\)](#)

Circular Letter No. 27 (2000)
August 21, 2000

TO: All Insurers Authorized to Write Life Insurance and Annuities, Including Life Insurers, Fraternal Benefit Societies, Charitable Annuity Societies and All Licensed Viatical Settlement Companies

RE: Procedural Changes in the Approval Process and Recommended Changes

As part of the Department's initiative to improve the "speed to market" objective for life insurance and annuity products in the expanding financial services market, the Department has developed an optional prior approval procedure. The new procedure involves the use of product checklists, a certification of compliance, underlining (or highlighting) changes made to previously approved forms and expanded submission letters. The Department anticipates that this new procedure will assist in streamlining the current review and approval process as we continue our efforts toward establishing a timeframe that is responsive to the needs of the changing marketplace. The current prior approval procedure and the alternative approval procedure under Section 3201(b)(1) and (6), respectively, remain in effect.

The [product outlines available on the Department website](http://www.ins.state.ny.us) at <http://www.ins.state.ny.us> will be modified to include new product checklists. The checklists will identify required and optional provisions and provide space to specify the location in the policy form where the complying language or provisions may be found. In addition to completing the checklist, an appropriate certification of compliance in the form prescribed by the Department (see Attachment 1) must be completed by the insurer. The certification of compliance will serve to ensure that the policy submissions have been developed and reviewed for compliance with New York law, regulations and circular letters. The completed certification and checklist will permit the Department, to expedite reviews of the policy forms. If it is determined that a certification of compliance is inaccurate, the company and certifying officer will be advised of the inaccuracy and of the need to take corrective action.

All submissions made under the new procedure that revise a previously approved form, other than a complete revision of the form, must underline (or highlight) the changes being made. The submission letter must clearly set forth an explanation as to the reason(s) for such changes. Any innovative or unique product or product features must be identified in the submission letter. In general, an innovative or unique product or feature would include one that has not been previously approved by the Department for the insurer or is new to the marketplace in New York. In addition, the submission letter or an attachment thereto must include a description of the material financial risks, including any asset/liability matching and liquidity risks, associated with the product, and a description of how such risks will be managed.

Policy form submissions which are accompanied by properly completed product checklists, the certification of compliance, are properly underlined (or highlighted) when necessary, identify any innovative or unique product or product features, identify the material financial risks and explain how such risks will be managed will be given priority in the processing of submissions. Insurers choosing to use this new procedure must include a statement in bold print in the submission letter clearly indicating that the insurer has chosen the "PRIOR APPROVAL WITH CERTIFICATION" procedure.

In addition to the above new filing option for policy form submissions, the Department strongly encourages for all available filing options that insurers interested in streamlining the review process for their product submissions utilize the following practices:

1. Second Product Checklist

If an insurer chooses to complete the product checklist on the Department website, we encourage insurers to follow one of the following procedures:

(a) Complete and submit a second checklist which follows the format or table of contents of the actual policy form (e.g., cover page, specification page, page one etc.) and identifies the applicable provisions of the product outline for each provision of the policy form. Such checklist would serve to compliment the website checklist by assisting the policy form examiner as each page of the policy is reviewed. Insurers using "Word" or "Excel" should be able to automatically produce the second checklist.

(b) In lieu of completing a second checklist, it is recommended that the actual policy form be annotated so that each provision of the policy identifies the applicable section of the product outline.

2. Previously Approved Forms

In addition to underlining or highlighting the changes being made to a previously approved form, it is suggested that insurers include a copy of the previously approved stamped version of the form as part of the submission package. The previously approved form can be used for comparison purposes.

3. Submission Letters

Submission letters should be as detailed as possible in explaining revisions to previously approved policy forms or new product submissions. Innovative or unique product or product features should be identified and explained. The submission letter should identify the material financial risks and explain how the insurer will manage such risks. Providing additional information in the submission letter will result in fewer questions from the Department. Please refer to the Filing Requirements in the product outlines, which set forth the information necessary for submission letters.

4. Standard Provisions

We encourage insurers with respect to any future submissions to begin to review their product portfolios in order to establish uniform policy language for standard policy provisions (required) by statute or regulation. Once such provisions have been reviewed and approved by the Department, an insurer's future submission letters should reference the prior approval (including Department file number and policy form number) and provide written assurance that identical language is being utilized for the identified standard provisions. This procedure will eliminate the need for Department personnel to review those provisions in the new submission.

The Department's prior Circular Letters, including [Circular Letter No. 14 \(1997\)](#), [Circular Letter No. 7 \(1999\)](#), [Circular Letter No. 8 \(1999\)](#), [Circular Letter No. 21 \(1999\)](#) and [Circular Letter No. 22 \(1999\)](#), which brought to insurers' attention procedures utilized by the Department in the review of policy form and rate filings, remain in effect. These procedures include the following:

(a) initially screening the filing for completeness and rejecting any filing which is deficient in information necessary for processing by the Department;

(b) the insurer's obligation to ensure that filings comply with appropriate statutory provisions and regulations;

(c) the availability of the product outlines on the Department website;

(d) the insurers' obligation to properly format the "Re" of the submission letter;

(e) the insurers' obligation to respond in a timely manner to any Department comments and/or questions on the submission;

(f) the ability for an insurer to revise a pending filing to be in accordance with a new product outline; and

(g) the suggested best practices resulting from the Joint Department/Industry Working Groups on policy forms and rate filings.

Correspondence regarding this circular letter should be addressed to Kathleen Nelligan, Chief Insurance Policy Examiner, New York State Insurance Department, Agency Building One, Seventh Floor, Empire State Plaza, Albany, NY 12257.

Very truly yours,

Jeffrey Angelo
Deputy Chief Examiner
Life Bureau

Attachments

Policy Form Compliance Certification

- **Policy Form Compliance Certification - *Word Format***
 - **Policy Form Compliance Certification - *PDF Format***
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