

August 19, 1988

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 15 (1988)

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 OF THE NEW YORK INSURANCE LAWS, AS AMENDED IN 1982, 1983, 1985, 1986 and 1987

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, 1983, 1984, 1985, 1986, 1987, and 1988 (and other years where shown), Under Sections 4217, 4218 and 4221 of the New York Insurance Laws, as amended in 1982, 1983, 1985, 1986 and 1987.

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. William R. Burns (518-474-6605) or Mr. Peter L. Smith (518-474-6605).

Very truly yours,

[SIGNATURE]

James P. Corcoran

Superintendent of Insurance

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

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

The maximum valuation interest rates for issues, purchases and changes-in-fund of 1982, 1983, 1984, 1985, 1986, 1987 and 1988 (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) which are shown in B on page 3. #

A. ORDINARY LIFE INSURANCE (Except Single Premium Life Insurance covered in Bon page 3)

*Issue		***Maximum Reserve Valuation	Maximum Nonforfeiture	
Year	**Guarrantee Duration	Interest Rate	Interest Rate	
			#1980 CSO	1958 CSO
1979-81	10 Years or Less	4.50%		5.50%
	More than 10 Years, up to 20	4.50		5.50
	More than 20 Years	4.50		5.50
1982	10 Years or Less	6.75%	8.50%	5.50%
	More than 10 Years, up to 20	6.25	7.75	5.50
	More than 20 Years	5.50	7.00	5.50
1983	10 Years or Less	7.25%	9.00%	5.50%
	More than 10 Years, up to 20	8.50 6.75	5.50	
	More than 20 Years	6.00	7.50	5.50
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,	6.75	8.50	5.50

*Issue Year	**Guarrantee Duration	***Maximum Reserve Valuation Interest Rate	Maximum Nonforfeiture Interest Rate	
			#1980 CSO	1958 CSO
	up to 20 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	##

*See the first paragraph under the table on page 9.

**The guaranteed 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 Section 4218.

Applicable on or after the operative date elected under Section 4221(k)(12). (See the last paragraph at the bottom of page 9).

##In accordance with Section 4221(k)(9)(B)(i) of the New York Insurance Laws, the nonforfeiture interest rate used for a particular issue year may not exceed

*Issue	**Guarrantee Duration	***Maximum Reserve Valuation	Maximum Nonforfeiture Interest Rate
Year		Interest Rate	
			#1980 CSO
			1958 CSO

the higher of the applicable maximum nonforfeiture interest rate for such particular issue year and that for the immediately preceeding issue year (e.g. 1987 issues may use the rate for 1986, 1988 issues may use the rate for 1987).

###See second paragraph from bottom of page 9. All new business must use 1980 CSO by January 1, 1989.

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	Year	### Maximum Reserve Valuation	Maximum Nonforfeiture Interest Rate (Issue Basis)
		Issue Year Basis	Change-In-Fund CSO	##1980
		Without A0&M	With A0&M	Without A0&M
		***	****	With A0&M

1982	10 years or less	8.25%	10.00%	8.50%
	More than 10 yrs, up to 20	7.25	7.25	8.25
	More than 20 years	6.25	6.25	7.25
				8.75
1983	10 years or less	7.50	8.75	8.00
	More than 10 yrs,	7.00	7.00	7.50
				8.75

*Year	**Guaranteed Duration	### Maximum Reserve Valuation				Maximum Non- forfeiture Interest Rate (Issue Basis) ##1980
		Year		Change-In-Fund		
		Issue Year Basis		CSO		
		Without A0&M	With A0&M	Without A0&M	With A0&M	
	up to 20					
	More than 20 years	6.25	6.25	6.75	7.75	
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	9.00%
	More than 10 yrs, up to 20	6.00	6.00	6.50	6.50	8.25
	More than 20 years	5.50	5.50	5.75	6.00	7.25
1988	10 years or less	6.75	7.00	7.00	7:50	8.25
	More than 10 yrs,	6.25	6.25	6.75	7.00	7.50

*Year	**Guaranteed Duration	### Maximum Reserve Valuation				Maximum Non-forfeiture Interest Rate (Issue Basis) ##1980
		Interest Rate		Change-In-Fund		
		Issue Year Basis	Year	Without A0&M	With A0&M	
	up to 20					
	More than 20. years	5.75	5.75	6.00	6.25	7.00
1989	10 years or less					8.75
	More than 10 yrs, up to 20					7.75
	More than 20 years					7.25

*See the first paragraph under the table on page 9.

**The guaranteed 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 will become effective, on a mandatory basis, on January 1, 1989. Any company may file a written notice of prior election.

##These interest rates do not apply to contracts issued after the election of Section 4221(n-1).

###See paragraph on reserves for these special single premium life insurance policies at bottom of page 10.

C. Single Premium Immediate Annuities and annuity benefits arising from life insurance policies and annuity and guaranteed interest contracts with cash settlement options.

Issues of or Purchases During	Maximum Reserve Valuation Interest Rate	
	Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula)	With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula)
	1982	10.50%
1983	9.50	11.25
1984	9.50	11.25
1985	9.50	11.00
1986	8.50	9.25
1987	8.00	8.00
1988	8.25	8.75

The actuarial opinion and memorandum, referred to in C, D, E, F, G and H herein, are as required by Section 4217(c)(4)(B)(vi) of the New York Insurance Laws. The above valuation interest rates, under the heading "With Acceptable Actuarial. Opinion and Memorandum", may be used only with an acceptable actuarial opinion and memorandum. Additional restrictions apply under Regulation 126, where an acceptable actuarial opinion and memorandum have not been filed.

Section 95.8(d) of Regulation 126 requires, for 1988 year-end, that an acceptable actuarial opinion and memorandum be filed, with respect to all issues of 1982 and later and all issues prior to 1982 Which have been valued on a change in fund basis, with respect to annuities, annuity benefits and guaranteed interest contracts. Regulation 126 specifies the minimum reserves to be held where an acceptable actuarial opinion and memorandum are not filed for such business.

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.

		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	5 years or less	10.50%	8.50%	7.75%
	More than 5 yrs, up to 10	10.00	8.50	7.75
	More than 10 yrs, up to 20	8.50	7.25	6.75
	More than 20 years	6.75	6.00	6.00
1983	5 years or less	9.50%	8.00%	7.00%
	More than 5 yrs, up to 10	9.25	8.00	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
1984	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
1986	5 years or less	8.50%	7.00%	6.50%
	More than 5 yrs, up to 10	8.25	7.00	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	6.00
	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

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.

		Maximum Reserve Valuation Interest Rate		
		With Acceptable Actuarial Opinion and Memorandum# (Using Annuity Formula)		
		*Plan Type		
Issue Year	Guarantee Duration##	A	B	C
1982	5 years or less	13.25%	10.50%	9.25%
	More than 5 yrs, up to 10	12.50	10.50	9.25
	More than 10 yrs, up to 20	8.50	7.25	6.75
	More than 20 years	6.75	6.00	6.00
1983	5 years or less	11.25%	9.25%	8.25%
	More than 5 yrs, up to 10	10.75	9.25	8.25
	More than 10 yrs, up to 20	8.25	7.00	6.75
	More than 20 years	6.75	5.75	5.75
1984	5 years or less	11.25%	9.25%	8.00%
	More than 5 yrs, up to 10	10.75	9.25	8.00
	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	11.00%	9.00%	8.00%
	More than 5 yrs, up to 10	10.50	9.00	8.00
	More than 10 yrs, up to 20	8.25	7.00	6.50
	More than 20 years	6.50	5.75	5.75
1986	5 years or less	9.25%	7.75%	6.75%
	More than 5 yrs, up to 10	8.75	7.75	6.75
	More than 10 yrs, up to 20	7.50	6.50	6.00
	More than 20 years	6.00	5.50	5.50

Issue Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate		
		With Acceptable Actuarial Opinion and Memorandum# (Using Annuity Formula)		
		*Plan Type		
		A	B	C
1987	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	6.00	5.75
	More than 20 years	5.75	5.25	5.25
1988	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	7.25	6.25	6.00
	More than 20 years	6.00	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		
		With Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula)		
		*Plan Type		
Issue Year	Guarantee Duration##	A	B	C
1982	5 years or less	11.00%	9.00%	8.25%
	More than 5 yrs, up to 10	10.50	9.00	8.25
	More than 10 yrs, up to 20	8.75	7.50	7.25
	More than 20 years	7.25	6.25	6.25
1983	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
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

Issue Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate		
		With Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula)		
		*Plan Type		
		A	B	C
1987	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	7.25	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

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.

		Maximum Reserve Valuation Interest Rate		
		With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula)		
		*Plan Type		
Issue Year	Guarantee Duration##	A	B	C
1982	5 years or less	13.75%	11.25%	10.00%
	More than 5 yrs, up to 10	13.25	11.25	10.00
	More than 10 yrs, up to 20	8.75	7.50	7.25
	More than 20 years	7.25	6.25	6.25
1983	5 years or less	11.75%	9.75%	8.75%
	More than 5 yrs, up to 10	11.25	9.75	8.75
	More than 10 yrs, up to 20	8.75	7.50	7.00
	More than 20 years	7.00	6.25	6.25
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

Issue Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate		
		With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula)		
		*Plan Type		
		A	B	C
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

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.

F. Other Annuities and Guaranteed Interest Contracts, without cash settlement options, 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
1982	5 years or less	10.50%
	More than 5 yrs, up to 10	10.00
	More than 10 yrs, up to 20	9.00
	More than 20 years	7.25
1983	5 years or less	9.50%
	More than 5 yrs, up to 10	9.25
	More than 10 yrs, up to 20	8.25
	More than 20 years	6.75
1984	5 years or less	9.50%
	More than 5 yrs, up to 10	9.00
	More than 10 yrs, up to 20	8.25
	More than 20 years	6.75
1985	5 years or less	9.50%
	More than 5 yrs, up to 10	9.00
	More than 10 yrs, up to 20	8.25
	More than 20 years	6.50
1986	5 years or less	8.50%
	More than 5 yrs, up to 10	8.25
	More than 10 yrs, up to 20	7.50
	More than 20 years	6.00
1987	5 years or less	8.00
	More than 5 yrs, up to 10	7.75
	More than 10 yrs, up to 20	7.00

Maximum Reserve Valuation Interest Rate

Without Acceptable
Actuarial Opinion
and Memorandum #
(Using Life Insurance Formula)

*Plan Type

Issue Year	Guarantee Duration**	A
	More than 20 years	5.75
1988	5 years or less	8.25
	More than 5 yrs, up to 10	8.00
	More than 10 yrs, up to 20	7.25
	More than 20 years	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.

**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.

Maximum Reserve Valuation Interest Rate

With Acceptable
Actuarial Opinion
and Memorandum #
(Using Annuity Formula)

*Plan Type

Issue Year	Guarantee Duration**	A
1982	5 years or less	13.25%

Maximum Reserve Valuation Interest Rate

With Acceptable
Actuarial Opinion
and Memorandum #
(Using Annuity Formula)

*Plan Type

Issue Year	Guarantee Duration**	A
	More than 5 yrs, up to 10	12.50
	More than 10 yrs, up to 20	11.25
	More than 20 years	8.75
1983	5 years or less	11.25%
	More than 5 yrs, up to 10	10.75
	More than 10 yrs, up to 20	9.75
	More than 20 years	7.75
1984	5 years or less	11.25%
	More than 5 yrs, up to 10	10.75
	More than 10 yrs, up to 20	9.75
	More than 20 years	
1985	5 years or less	11.00%
	More than 5 yrs, up to 10	10.50
	More than 10 yrs, up to 20	9.50
	More than 20 years	7.50
1986	5 years or less	9.25%
	More than 5 yrs, up to 10	8.75
	More than 10 yrs, up to 20	8.00
	More than 20 years	6.50
1987	5 years or less	8.00
	More than 5 yrs, up to 10	7.75
	More than 10 yrs, up to 20	7.25
	More than 20 years	6.00

Maximum Reserve Valuation Interest Rate

With Acceptable
Actuarial Opinion
and Memorandum #
(Using Annuity Formula)

*Plan Type

Issue Year	Guarantee Duration**	A
1988	5 years or less	8.75
	More than 5 yrs, up to 10	8.50
	More than 10 yrs, up to 20	7.75
	More than 20 years	6.25

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 descriptions of plan types on page 10.

**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.

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.

Change in Fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate		
		A	B	C
		Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula)		
		*Plan Type		
1982	5 years or less	12.00%	11.00%	8.25%
	More than 5 yrs, up to 10	11.50	11.00	8.25
	More than 10 yrs, up to 20	10.50	10.00	7.75
	More than 20 years	8.50	8.50	6.75
1983	5 years or less	10.75%	10.00%	7.50%
	More than 5 yrs, up to 10	10.50	10.00	7.50
	More than 10 yrs, up to 20	9.50	9.25	7.00
	More than 20 years	8.00	8.00	6.25
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

Change in Fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate		
		A	B	C
	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

Without Acceptable
Actuarial Opinion
and Memorandum #
(Using Life
Insurance Formula)

*Plan Type

#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		
		A	B	C
		With Acceptable Actuarial Opinion and Memorandum # (Using Annuity Formula)		
		*Plan Type		
1982	5 years or less	15.00%	13.75%	10.00%
	More than 5 yrs, up to 10	14.50	13.75	10.00
	More than 10 yrs, up to 20	13.25	12.50	9.25
	More than 20 years	10.50	10.50	8.00
1983	5 years or less	12.75%	11.75%	8.75%
	More than 5 yrs, up to 10	12.25	11.75	8.75
	More than 10 yrs, up to 20	11.25	10.75	8.25
	More than 20 years	9.25	9.25	7.25
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

Change in Fund During Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate		
		A	B	C
	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

With Acceptable
Actuarial Opinion
and Memorandum #
(Using
Annuity Formula)

*Plan Type

#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.

H. 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		
			A	B	C
			Without Acceptable Actuarial Opinion and Memorandum # (Using Life Insurance Formula)		
			*Plan Type		
	1982	5 years or less	12.25%	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	8.25
		More than 20 years	9.00	9.00	7.25
	1983	5 years or less	11.25%	10.50%	8.00%
		More than 5 yrs, up to 10	10.75	10.50	8.00
		More than 10 yrs, up to 20	10.00	9.50	7.50
		More than 20 years	8.25	8.25	6.75
	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%

Change in Fund During	Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate		
			A	B	C
		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

Without Acceptable
Actuarial Opinion
and Memorandum #
(Using Life
Insurance Formula)

*Plan Type

#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.

Maximum Reserve
Valuation Interest
Rate

With Acceptable
Actuarial Opinion
and Memorandum #
(Using
Annuity Formula)

*Plan Type

Change
in Fund
During

Year	Guarantee Duration##	A	B	C
1982	5 years or less	15.75%	14.50%	10.50%
	More than 5 yrs, up to 10	15.00	14.50	10.50
	More than 10 yrs, up to 20	13.75	13.25	10.00
	More than 20 years	11.25	11.25	8.75
1983	5 years or less	13.50%	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	8.75
	More than 20 years	9.75	9.75	7.75
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%	7.7

Change in Fund During	Year	Guarantee Duration##	Maximum Reserve Valuation Interest Rate		
			A	B	C
		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

With Acceptable
Actuarial Opinion
and Memorandum #
(Using
Annuity Formula)

*Plan Type

#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. 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.

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 installments over less than five years.

Plan Type C: The policy holder 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, 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).

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

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 1989 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.

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. The Regulation to be promulgated pursuant to such Chapter 302 may limit the applicable duration of a maximum reserve valuation interest rate specified in B on page 3.

APPENDIX

To Circular Letter Number 15 (1988)

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:

$$I = 3.00\% + W(R1-3.00)\% + W/2(R2-9.00)\%, \text{ (Formula 1, called "Life Insurance Formula")} \text{ or}$$

$$I = 3.00\% + W(R-3.00)\%, \text{ (Formula 2, called "Annuity Formula")}$$

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 (.01 of 1%).

R1= Lesser of R and 9.00%.

R2. 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

TABLE 1

Benefit (Category in Circular Letter)	Guarantee Duration (Where duration t, in years, is). > 20	Valuation Basis Issue Year
B	= or < 10	Change-in-Fun
	> 10, = or < 20	Change-in-Fun
	> 20	Change-in-Fund
C	All durations	Issue or Purchase Year

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	(1)	.80*

Benefit (Category in Circular Letter)	Guarantee Duration (Where duration t, in years, is)	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)
		Issue	
	= or < 5	Year	(1)
	> 5, = or < 10		(1)
	> 10, = or < 20		(3)
F	= or < 5	Issue	(1)
	> 5, = or < 10	Year	(1)
	> 10, = or < 20		(1)
	> 20		(1)
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)

Weighting

Benefit (Category in Circular Letter)	Factor
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Varies By Plan Type

Benefit (Category in Circular Letter)	Weighting		
	Factor		
D	A	B	C
	.80*	.60*	.50*
	.75*	.60*	.50*
	.65	.50	.45
	.45	.35	.35
	A	B	C
	.85*	.65*	.55*
	.80*	.65*	.55*
	.70	.55	.50
	.50	.40	.40
	A		
	.80*		
F	.75*		
	.65*		
	.45*		
	A	B	C
G	.95*	.85*	.55*
	.90*	.85*	.55*
	.80*	.75*	.50*
	.60*	.60*	.40*
H	A	B	C
	1.00*	.90*	.60*
	.95*	.90*	.60*
	.85*	.80*	.55*
	.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	12 Month	36 Month	
Ending	Running	Running	Lesser of
June 30	Average	Average	Two Averages
of Year	(1)	(2)	(3)
1981	13.71%	11.57%	11.57%
1982	15.70	13.64	13.64
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

The maximum nonforfeiture 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, is equal to 125% of the maximum reserve valuation interest rate for the same issue year, rounded to the nearer 1/4%.

The maximum nonforfeiture interest rate for Single Premium Life Insurance (covered in Category B on page 3 of the Circular Letter), for a particular issue year, is equal to 125% of the maximum reserve valuation interest rate, on an issue year basis, with an acceptable actuarial opinion and memorandum, for the next previous 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%, the maximum reserve valuation interest rate for such particular issue year will be the same as that for such next previous issue year.