

FAX COVER SHEET

NYS INSURANCE DEPARTMENT



Date 8/21/2009

Number of pages including cover sheet 2

TO: *Jolie Matthews*

FROM: *Kermitt Brooks*
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Superintendent

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CC:

REMARKS: *Urgent* *For your review* *Reply ASAP* *Please Comment*

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

David A. Paterson
Governor

James J. Wrynn
Acting Superintendent

The Honorable Thomas R. Sullivan
Chair, NAIC Life Insurance and Annuities (A) Committee
Commissioner, Connecticut Insurance Department
153 Market Street
Hartford, CT 06103

August 21, 2009

Re: Consideration of Standard Valuation Law

Dear Commissioner Sullivan:

We are concerned that the proposed changes to the standard valuation law will result in an overhaul of the structure for establishing life insurer reserves. The current life reserve structure, including objective floors, has enabled the states to ensure that life insurers had enough assets to pay claims during this historic financial services crisis, for which the states have been justifiably lauded.

Before eliminating the objective floors in the law, we should take time to study carefully the lessons learned from the financial services crisis, and from upcoming reviews of variable annuity risk-based capital and reserve submissions.

For this reason, we believe it is inappropriate to adopt the proposed version of the standard valuation law at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "Kermit J. Brooks".

Kermit J. Brooks
First Deputy Superintendent
New York State Insurance Department

cc: James J. Wrynn
NAIC Life Insurance and Annuities (A) Committee members
Jolie Matthews, NAIC Staff