

DRAFT

<Date>

XYZ Life Ins Co  
John Jones  
9876 Any Street, Suite A  
City, State 56789-1234

Re: 2007 Life & Annuity Market Conduct Annual Statement

Under the auspices of the National Association of Insurance Commissioners' ("NAIC") Market Conduct Annual Statement Working Group ("Group"), the Market Conduct Annual Statement ("Annual Statement") project was developed from input of both state insurance regulators and the insurance industry. The Annual Statement supplies insurance regulators with key market performance data, which in turn helps regulators more effectively allocate market conduct resources.

In an effort to simplify and streamline the Annual Statement project, the Group has been tasked with coordinating the efforts of participating states. This year, in lieu of sending one (1) letter to each company in hard copy on behalf of each participating state, the Group has elected to email one (1) letter to each company on behalf of each participating state, which includes a list of participating states and the applicable legal authority of each participating state. Each department will keep the data and analysis confidential to the extent permitted by applicable state law.

Your Company is receiving this letter because positive premium for the applicable lines of business was reported in the Company's 2006 Financial Annual Statement for one or more of the participating states. If your Company is an insurance company authorized to do business in any of the participating states, the Company is required to provide data in the Annual Statement for each participating state in which the Company reported at least \$50,000 in life insurance premium or \$50,000 in annuity considerations or both for that state. **The Company is exempt from filing in a particular participating state if it is not licensed to do business in that state or if it reported less than \$50,000 life premiums and less than \$50,000 annuity considerations for that particular participating state.** Please review your State Pages in the 2007 Financial Annual Statement and confirm the states in which your Company is required to file. Each company within a holding company system must file separately for each state in which it does business.

Starting with this year, a Certificate of Compliance must be included with each filing sent to a participating state. The Certificate is to be signed by an officer of the company, who will be indicating that they have reviewed the state filing requirements and have complied with all applicable statutory and regulatory provisions for the state for which the Market Conduct Annual Statement has been prepared. Complete instructions and the required form can be found on the NAIC's Market Conduct Annual Statement web page. For the first year only, the Certificate of Compliance form and Instruction Sheet will be sent with the call letter emails.

By **December 31, 2007**, the person who will be in charge of this project for your Company will need to access the NAIC website at [http://www.naic.org/industry\\_home.htm](http://www.naic.org/industry_home.htm) or [http://www.naic.org/committees\\_d\\_mcas.htm](http://www.naic.org/committees_d_mcas.htm) and enter contact information for your Company. The contact information submitted to the NAIC will be forwarded to the applicable states and will be used by each of the participating states. Separate contact information for each company within a holding company system required to participate in the project must be provided. If the contact information changes during the project, new contact information must be provided via the NAIC's website.

Data is requested for the period January 1, 2007 through December 31, 2007, and is due to the states by **June 30, 2008**. Please note that you will need to download the data request(s), Certificate of Compliance, and the Microsoft Access database from the NAIC website. You may access the NAIC website at [http://www.naic.org/industry\\_home.htm](http://www.naic.org/industry_home.htm) to obtain the database, certificate, instructions, and additional information. The data request, database and other supporting documents will be available by **January 31, 2008**.

We recommend your contact person bookmark the NAIC website and check frequently for updates during the data collection and filing process. It is the responsibility of the Company to verify the Company's filings meet the requirements of the data request and other documentation available through the NAIC website. It is strongly recommended the Company internally confirm the accuracy of all information provided. This information is heavily relied upon and comprises a large portion of each participating state's market analysis program. Failure to validate this information may lead to further scrutiny by the participating state, including, but not limited to, an examination.

If your Company participated in last year's Annual Statement, report cards from the 2006 Life & Annuity Market Conduct Annual Statement should have already been sent by state insurance departments to the contact person designated in your electronic filing.

If you have any questions, please contact the applicable state's Market Conduct Annual Statement contact person as listed in the "Participating States" document found on the NAIC's website.

Sincerely,

<<Enter appropriate closing>>

Attach.