

September 3, 1968

SUBJECT: INSURANCE

Circular Letter # 8(1968)

TO ALL AUTHORIZED LIFE INSURANCE COMPANIES

Re: Agents' Licenses - Individual Variable Annuities

The State Legislature enacted Chapter 601 of the Laws of 1968 authorizing the issuance of individual variable annuities in New York State beginning November 1, 1968. The Securities and Exchange Commission, in exercising its jurisdiction over the sale of securities has imposed certain requirements relative to the licensing of agents who sell such annuities. The National Association of Insurance Commissioners has developed a suggested examination and rules that will satisfy the requirements of the Commission.

The Superintendent of Insurance of New York has obtained the approval of the Securities and Exchange Commission to his proposed method of licensing individual variable annuity agents. The examination proposed by the NAIC will be used. The procedure will be as follows:

1. The license will be in the form of a supplement to a life license. No one without a life license and this supplement can sell variable annuities in New York State.
2. The supplementary variable annuity agent's license will be required only for the sale of individual variable annuities. The Superintendent has never required more than a life license for group variable annuities and the SEC has never exercised jurisdiction over group annuities.
3. The NAIC examination is divided into Part I - relating to securities - and Part II - relating to variable annuities. Anyone who is licensed as a securities salesman by the National Association of Securities Dealers will be excused from Part I of the NAIC examination.
4. One who has a life agent's license need complete only a short form application for the supplementary variable annuity agent's license. Others must complete our long form life agent's license application which has been revised. Both forms will be available shortly after September 20th.
5. The first examination for the supplementary license will be held November eighth. Subsequent examinations will be held monthly unless the demand fails to justify such frequency.
6. There will be an examination fee of \$ 10.00. The license fee will depend upon the application of the retaliatory statute.
7. The same minimum age (18) that is required for a life agent's license will be required for the supplementary variable annuity agent's license.

Very truly yours,

(Signed) GEORGE K. BERNSTEIN

FIRST DEPUTY SUPERINTENDENT