

October 19, 1972

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 5 (1972)

TO ALL AUTHORIZED FRATERNAL BENEFIT SOCIETIES

The purpose of this letter is to give your further notice of the following changes that have been enacted by amendments contained in Chapter 476 of the Laws of 1972 which will be effective on January 1, 1973 and January 1, 1975, as indicated below. The Society should review all certificate forms currently in use and revise them to become effective as required by law.

1. Section 458 (1)(j) has added, to the standard provisions, a requirement that a life insurance contract must contain a provision that the Society shall annually ascertain and apportion any divisible surplus accruing on the certificate. This change will become effective January 1, 1973.

2. Section 458 (1)(e)(ii) added to the standard provisions a mandatory loan provision in all life certificates except term insurance on and after January 1, 1975.

3. Section 458 (a) has been amended to provide that certificate values in certificates issued after January 1, 1975 will be subject only to the requirements of Section 208-a and must be based upon the mortality table prescribed in Section 208-a, the Commissioners 1941 Standard Ordinary Mortality Table, or the Commissioners 1961 Standard Industrial Mortality Table. Paid-up Term, with the accompanying Pure Endowment offered as a non-forfeiture benefit, must be based upon mortality of not more than 130% Commissioners 1941 Standard Mortality Table, if that table is used, or not more than 1961 Industrial Extended Term Insurance Table, if that table is used. You are hereby advised that your certificates should provide non-forfeiture benefits based upon permissible mortality tables in accordance with the amended Section 458(a).

All certificates which will become effective January 1, 1973, in compliance with Section 458(1)(j), should be submitted for our review before November 15, 1972.

All certificates which require revision as a result of Section 458 (1)(8)(ii) and all certificates which must be amended to comply with Section 458(a) should be submitted no later than October 1, 1974 for our review.

Kindly note your reply for the attention of Sidney Michaelson, Chief-Policy Bureau, 324 State Street, Albany, New York 12210.

Very truly yours,

[SIGNATURE]

Robert Bertrand

Deputy Superintendent