



THE STATE

OF WYOMING

JIM GERINGER
GOVERNOR

Insurance Department

HERSCHLER BUILDING - 122 WEST 25TH STREET - CHEYENNE, WYOMING 82002

MEMORANDUM

TO: Insurance Companies Offering Equity Indexed Products in Wyoming

FROM: Mark A. Pring, Insurance Standards Consultant *mp*

DATE: August 6, 1997

SUBJECT: Equity Indexed Products

Due to the controversial nature of the equity indexed products, the Wyoming Insurance Department previously ceased reviewing such products for approval.

Effective September 1, 1997 the Department will again be accepting filings for equity indexed products. In addition to the traditional filing requirements, we will be requiring the following information:

All marketing materials and/or illustrations which will be presented to the policyholder prior to and/or during the sale of any equity indexed product.

We ask that you also provide a response to each of the following topics:

1. The way in which you will address reinvestment risks.
2. The way in which you will address the risk of capital loss on cash outflows.
3. The way in which you will handle the lack of, or insufficient quantities of, appropriate hedging investments.
4. The way in which you address the possibility that the indexed rate may fall below the minimum contractual interest rate guaranteed in the policy.
5. The type of assets currently held or to be acquired for the equity indexed policies.

Feel free to resubmit your filing along with the above information. You may contact me at (307) 777-7401 if you have any questions regarding this memo.