

October 9, 2001

To: Domestic Property and Casualty Insurance Companies

From: Jack Messmore, Deputy Director, Financial-Corporate Regulatory Division

Re: (CB#2001-06) NAIC SSAP No. 62 "9 Month Rule"

Reply to: James M. Hanson, Assistant to the Deputy Director(217)782-6284
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Because of the terrorist attack in New York City on September 11, 2001, some insurers have expressed concern about possible accounting penalties related to the "9 Month Rule" in paragraph 23 of NAIC SSAP No. 62. This rule requires that all reinsurance contracts be completed within nine months of the effective date.

For contracts whose completion was delayed by the events at the World Trade Center on September 11, 2001, and having an effective date of January 1, 2001, a three month extension will be permitted. Retrospective accounting will not be required for the contract if they are completed by December 31, 2001.

Questions may be directed to Jim Hanson @ (217)782-6284.