



TO: All Domestic Insurers

FROM: Rikki E. Weimer  
Office of Corporate and Financial Regulation

SUBJECT: **PROCEDURES FOR DEPOSIT OR WITHDRAWAL OF SECURITIES  
UTILIZING THE FEDERAL RESERVE BOOK ENTRY SYSTEM AND/OR  
DTC FORM**

These instructions apply to securities issued in electronic form placed on deposit with the Insurance Commissioner under Article IV of The Insurance Department Act of 1921 (40 P.S. §§ 181-184).

Instructions for the deposit, exchange or withdrawal of securities held by the Insurance Commissioner must be submitted in writing from an officer of the insurance company with the authority to do so. A **Board Resolution** listing the names of the authorized individuals must be provided to the Pennsylvania Insurance Department. As changes occur on this list, a new/revised Board Resolution must be provided.

The following instructions are to be followed, without exception, by insurers for all **Book Entry** and **DTC** transactions.

1. The Insurance Department must receive written notification from the insurer via mail, fax or email at least two (2) working days prior to the date of wiring a Book Entry or DTC transaction.
2. The written notice must contain the following information:
  - a.) A complete description of the security being deposited and/or withdrawn including the CUSIP number.
    - i.) Please include in your deposit information the name of the originating bank and/or broker name and number.
    - ii.) When depositing U.S. Treasury Notes, please indicate whether the note is an "Inflation Index Treasury."

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- b) Interest Payments. For securities being deposited, please provide complete cash wiring instructions for interest payments. If you prefer interest payment via check, please provide complete mailing address.
  - c) For securities being withdrawn, complete description as well as complete wiring instructions, i.e., an ABA number, account number must be provided.
  - d) For matured securities being withdrawn, complete cash wiring instructions must be provided.
3. The wiring instructions to deposit Federal Reserve Book Entry securities are:

**Federal Reserve Bank of New York  
ABA #021000018  
BK OF NYC/TRUST/CPKFSK01302**

4. Wiring instructions for DTC eligible securities are:

**DTC #954  
Agent #26017  
Institution #93752  
Commonwealth of PA/CPKFSK01302**

**CAUTION: It is the insurer's responsibility to assure that the value of securities on deposit meet the requirements of all applicable state laws. Pennsylvania's statutory deposit requirement is \$100,000 par value in order to do fidelity and surety or HMO business.**

5. The Department will not accept the following:
- a) Securities that provide for periodic payments of both principal and interest or otherwise do not maintain their par or principal value.
  - b) Investment grade corporate bonds.

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It is the insurer's responsibility to ensure that securities deposited with the Commissioner maintain the designated value and to replace the securities upon maturity, or in the event of an early call or a decline in required value through market forces. It is also the insurer's responsibility to monitor the status of securities deposited with the Commissioner through investment information services that provide notice of early calls.

5. Securities cannot be withdrawn without a replacement of at least equal value unless the insurer can demonstrate that the withdrawal meets the conditions of Section 403 of The Insurance Department Act of 1921, (40 P.S. § 183).