



TO: All Domestic Insurers

FROM: Office of Corporate and Financial Regulation

DATE: January 13, 2020

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). For physical securities and forms, please contact the Insurance Department.

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 resolution adopted by the insurance company's board of directors listing the names of the authorized individuals (**Board or Corporate Resolution**) must be provided to the Pennsylvania Insurance Department. As changes occur on this list, a new/revised Board Resolution must be provided. **The Pennsylvania Insurance Department can request a copy of the Board or Corporate Resolution at any time that a transaction is requested by the insurance company.** Board or Corporate Resolutions that are older than 5 years must be replaced before the deposit/withdrawal request is processed.

The following instructions are to be followed by insurers for all Book Entry and DTC transactions.

1. The Insurance Department must receive written notification from the insurer via mail or email **at least three (3) working days prior to the date of wiring a Book Entry or DTC transaction.**
2. Complete the provided Statutory Deposit Receipt Letter Worksheet.
3. Attach the standing settlement instructions provided by your custodian bank. This should include instructions for both DTC and Fed transactions as well as cash wiring instructions, regardless of which transaction type you are requesting. **If instructions are not provided from the custodian bank on bank letterhead, the request will not be processed.**
4. The wiring instructions to deposit Federal Reserve Book Entry securities are:

BK OF NYC/CUST
CUSTODY ACCOUNT NUMBER: 861638
CUSTODY ACCOUNT NAME: CPK COP SFKPG INS DEPT CO LIC
ABA #021000018

5. The wiring instructions for DTC eligible securities are:

DTC Participant #901, AGENT ID #26500
INSTITUTION #95441
CUSTODY ACCOUNT NUMBER: 861638
CUSTODY ACCOUNT NAME: CPK COP SFKPG INS DEPT CO LIC

CAUTION: It is the insurer's responsibility to assure that the value of securities on deposit meets 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.

6. 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. Corporate bonds.
 - c. Cash
7. 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.
8. 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).
9. All requests and supporting documentation can be emailed to ra-in-company@pa.gov.

Checklist for Statutory Deposit and/or Withdrawal Requests for Securities

- **Letter of Request from the Insurer with appropriate signatures of authorized requestors to transact on behalf of the company.**
- **The Excel Statutory Worksheet that must be sent in the excel format. **No PDF's will be accepted.****
- **The Complete Wire Instructions that must come from the custodian bank on their letterhead.**
- **A Board/Corporate Resolution that is not more than five years old with names and titles of authorized officers approved to transact business on the behalf of the company.**

For physical forms and instructions, or additional questions you may contact (717) 783-2142 or send email ra-in-company@pa.gov.