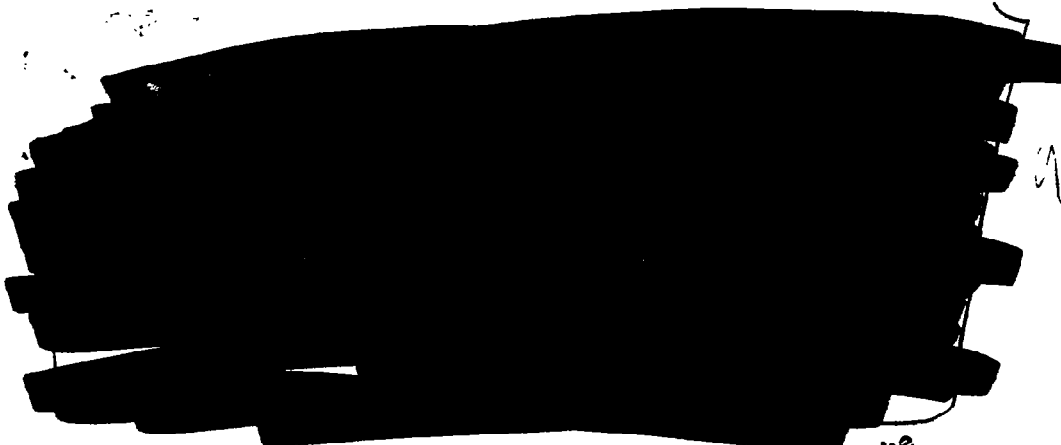


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96-19635

PS



May 24, 1996 the
This material may be subject to the
Confidentiality Provisions of Section
5 of the Act, which restricts
the release of information

VIA HAND DELIVERY

Mr. Patrick Sharpe
Compliance Specialist
Federal Trade Commission
Premerger Notification Office
Room 300
5th Street and Pennsylvania Avenue, NW

RECEIVED
MAY 24 1 58 PM '96
FEDERAL TRADE COMMISSION

Dear Patrick:

This is to confirm our telephone conversation that the
Scottish American improvements not held under the Act
promulgated thereunder.

Company A, a life insurance company, proposes entering into

agreements with Company B in the face amount of
approximately \$1.7 billion¹. The reserves for the reinsured
policies are approximately \$117.8 million. The assets to be

ASSETS

to account receivable policy loans and cash in the approximate amount of \$103.6
million. The initial ceding allowance will be \$5.5 million.

Consistent with the approach taken in ABA
Interpretation # 120, the acquisition price for the "purchase" of

¹For purposes of this letter, please assume that the size of



