

July 7, 2008

Dear clients and friends:

Last week the New York State Insurance Department changed the formula for calculating the amount of money that non-profits offering Charitable Gift Annuities in the State must devote to their CGA reserve fund. The amount is increasing over the next three years. Some organizations scurried to understand the impact of the new formula.

Our clients can rest easy.

For our clients, you are already fulfilling the increased reserve requirement. We know your CGA program well because we work onsite with you several times a month. In a few cases, not onsite, but we're frequently talking with you about your program. You devote 100% of the face value of every gift annuity to your NY State reserve fund. And you adhere to the American Council on Gift Annuities recommended rates. Together, these will satisfy the regulation change.

For those who are not our clients, in every case we counsel these prudent practices. In every case our clients have chosen these responsible courses. We know our clients' programs because we work very closely with them.

Later this month in *The Martignetti Report* I'll provide more detail about last week's change. Our clients will find this purely informational. They have no urgency.

If you are among those concerned about how this change effects your CGA program, you may wish to read the American Council's pdf memo. You can download it from <http://www.acga-web.org/NYReserveRequirement.pdf>

If you are not working with us, I welcome the opportunity to discuss your fundraising and our philosophy and services.

Best regards,

Tony Martignetti, Esq.