

File No. SR-NSCC-2003-04

**Securities and Exchange Commission
Washington, D.C. 20549**

**Form 19b-4
Proposed Rule Change
By**

NATIONAL SECURITIES CLEARING CORPORATION

Pursuant to Rule 19b-4 under the
Securities Exchange Act of 1934

1. Text of Proposed Rule Change.

(a) The proposed rule change consists of an enhancement to the Insurance Processing Service (“IPS”) of the National Securities Clearing Corporation (“NSCC”) that will provide information about insurance products to distributors of those products. The enhancement will allow Insurance Carrier Members and Data Services Only Members of NSCC to populate a series of databases maintained by NSCC, known collectively as the “Product Repository,” with information related to insurance products, and, if appropriate, limit access to this information. Members and Data Services Only Members may access the databases to obtain information about insurance products. The text of the proposed new Section 5 of NSCC’s Rule 57 is set forth in Exhibit A.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

(a) The proposed change does not require the approval of NSCC’s Board of Directors.

(b) Contact regarding questions and comments:

Jeffrey T. Waddle (212) 855-3260

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) The purpose of the proposed rule filing is to create an enhancement to IPS that will provide information about insurance products to distributors of those products. Insurance Carrier Members and Data Services Only Members of NSCC will populate the Product Repository databases with information related to insurance products, and Members and Data Services Only Members may access the Product Repository to obtain information about insurance products.

The Product Repository is a series of databases maintained by IPS that will contain information relating to insurance products, initially annuities, thereafter life insurance and long term care and other products. The Product Repository databases will be populated with respect to each contract of a particular Insurance Carrier Member or Data Services Only Member only by that Insurance Carrier Member or Data Services Only Member.

The Insurance Carrier Member or Data Services Only Member that populates the relevant database for a particular contract will be responsible for the contents and for any necessary updates. Such Insurance Carrier Member or Data Services Only Member will specify any limitation with respect to access to such data. As with other IPS services, NSCC will not be responsible for the completeness or accuracy of any of the information contained in the databases, or for any errors, omissions or delays which may occur relating to the databases in the absence of gross negligence on NSCC's part.

There will be no money settlement associated with the Product Repository.

(b) The proposed rule change is consistent with the provisions of the Securities Exchange Act of 1934 (the "Act"), as amended, and the rules and regulations there under, since it will provide information that may facilitate the prompt and accurate processing of transactions.

4. Self-Regulatory Organization's Statement on Burden on Competition.

NSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

No written comments relating to the proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

6. Extension of Time Period for Commission Action.

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2).

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) We are requesting accelerated effectiveness in order to provide information to NSCC members to aid them in processing transactions relating to insurance products more efficiently in an automated fashion, which enhancement will be available commencing on April 7, 2003.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

The proposed rule change is not based on the rules of either another self-regulatory organization or of the Commission. Product Repository is, however, similar to an existing NSCC service, Mutual Fund Profile Service.

9. Exhibits

- Exhibit A - Text of the proposed change to NSCC's Rules.
- Exhibit B - Notice of the proposed rule change for publication in the Federal Register.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the self-regulatory organization has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

NATIONAL SECURITIES CLEARING CORPORATION

BY: /s/ Karen L. Saperstein
Karen L. Saperstein
Managing Director and Secretary

Exhibit A

TEXT OF PROPOSED CHANGES TO NSCC'S RULES

Double Underlined and Bolded text indicates additions to NSCC's Rules and Procedures.

~~[Strikethrough and Bracketed]~~ text indicates deletions to NSCC's Rules and Procedures.

Rule 57 INSURANCE PROCESSING SERVICE

PRODUCT REPOSITORY

SEC. 5. (a) The Corporation may offer a service to provide Members and Data Services Only Members with insurance product information (the "Repository Data") as the Corporation may determine from time to time. Such service shall be known as the Product Repository and will be accomplished in accordance with the provisions of this Rule.

(b) The Repository Data may only be submitted by Insurance Carrier Members or Data Services Only Members and must be in such formats and by such times as established by the Corporation from time to time. The submitting Insurance Carrier Member or Data Services Only Member shall specify any limitation with respect to access to such data.

SEC. ~~[5]~~**6**. Submission of IPS Data **and Repository Data** to, or alteration or withdrawal of IPS Data **and Repository Data** from, the Corporation shall not relinquish, extinguish or affect any legal or regulatory right or obligation of the Member, Insurance Carrier Member or Data Services Only Member.

SEC. ~~[6]~~**7**. The Corporation will not be responsible for the completeness or accuracy of the IPS Data **and Repository Data** received from or transmitted to an Insurance Carrier Member, Member or Data Services Only Member through IPS nor for any errors, omissions or delays which may occur in the absence of gross negligence on

the Corporation's part, in the transmission of such IPS Data **and Repository Data** to or from an Insurance Carrier Member, or Data Services Only Member.

Exhibit B

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-NSCC-2003-04)

Proposed Rule Change by NATIONAL SECURITIES CLEARING CORPORATION ("NSCC") enhances the Insurance Processing Service ("IPS") of NSCC. Comments requested within days after the date of this publication.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on , NSCC filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NSCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change.

The proposed rule change consists of an enhancement to IPS that will provide information about insurance products to distributors of those products. The enhancement will allow Insurance Carrier Members and Data Services Only Members of NSCC to populate a series of databases maintained by NSCC, known collectively as the "Product Repository," with information related to insurance products, and, if appropriate, limit access to this information. Members and Data Services Only Members may access the databases to obtain information about insurance products. The text of the proposed new Section 5 of NSCC's Rule 57 is set forth in Exhibit A to NSCC's filing on Form 19b-4, File No. SR-NSCC-2003-04.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in item IV below. Set forth in sections (A), (B) and (C) below, are the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) The purpose of the proposed rule filing is to create an enhancement to IPS that will provide information about insurance products to distributors of those products. Insurance Carrier Members and Data Services Only Members of NSCC will populate the Product Repository databases with information related to insurance products, and Members and Data Services Only Members may access the Product Repository to obtain information about insurance products.

The Product Repository is a series of databases maintained by IPS that will contain information relating to insurance products, initially annuities, thereafter life insurance and long term care and other products. The Product Repository databases will be populated with respect to each contract of a particular Insurance Carrier Member or Data Services Only Member only by that Insurance Carrier Member or Data Services Only Member.

The Insurance Carrier Member or Data Services Only Member that populates the relevant database for a particular contract will be responsible for the contents and for any necessary updates. Such Insurance Carrier Member or Data Services Only Member will specify any limitation with respect to access to such data. As with other IPS services, NSCC will not be responsible for the completeness or accuracy of any of

the information contained in the databases, or for any errors, omissions or delays which may occur relating to the databases in the absence of gross negligence on NSCC's part.

There will be money settlement associated with the Product Repository.

(b) The proposed rule change is consistent with the provisions of the Securities Exchange Act of 1934 (the "Act"), as amended, and the rules and regulations there under, since it will provide information that may facilitate the prompt and accurate processing of transactions.

B. Self-Regulatory Organization's Statement on Burden on Competition.

NSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

No written comments relating to the proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action.

The foregoing rule change has become effective pursuant to Section 19(b)(2) of the Act and subparagraph (e) of the Securities Exchange Act rule 19b-4. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments.

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the rule filing that are filed with the Commission, and all written communications relating to the rule filing between the Commission and any person, other than those that may be withheld from the public in accordance with provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room in Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted within days after the date of this publication.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz
Secretary

Dated: