STATE OF NEW YORK INSURANCE DEPARTMENT

REPORT ON EXAMINATION

OF THE

FIRST CENTRAL NATIONAL LIFE INSURANCE COMPANY
OF NEW YORK

CONDITION: December 31, 2006

DATE OF REPORT: March 7, 2008

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AS OF

DECEMBER 31, 2006

DATE OF REPORT:	MARCH 7, 2008
EXAMINER:	MANISH GAJIWALA

TABLE OF CONTENTS

STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

David A. Paterson
Governor

Eric Dinallo
Superintendent

October 16, 2008

Honorable Eric Dinallo
Superintendent of Insurance
Albany, New York 12257

Sir:

In accordance with instructions contained in Appointment No. 22668, dated July 31, 2007 and annexed hereto, an examination has been made into the condition and affairs of First Central National Life Insurance Company of New York, hereinafter referred to as "the Company," at its home office located at 452 Fifth Avenue, New York, NY 10018.

Wherever "Department" appears in this report, it refers to the State of New York Insurance Department.

The report indicating the results of this examination is respectfully submitted.

1. EXECUTIVE SUMMARY

The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2006 filed annual statement. (See item 5 of this report)

The Company violated Section 51.6 (a)(2) of Department Regulation No. 60 when the Company failed to require with or as part of each application, a completed definition of replacement signed by the applicant and agent. (See item 6A of this report)

The Company violated Section 51.6 (a)(4) of Department Regulation No. 60 when the Company failed to require with or as part of each application, a statement signed by the agent or broker as to whether, to the best of his or her knowledge, replacement of a life insurance policy contract is involved in the transaction. (See item 6A of this report)

The Company violated Section 51.8 of Department Regulation No. 60 when the Company used a modified definition of replacement form without prior approval. (See item 7 of this report)

The Company violated Section 1505(d)(3) of the New York Insurance Law when it received services on a regular and systematic basis from HSBC Finance Corporation and BFC Insurance Agency of Nevada without having a filed service agreement in effect. (See item 3B of this report)

2. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 2003. This examination covers the period from January 1, 2004 through December 31, 2006. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2006 but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a verification of assets and liabilities as of December 31, 2006 to determine whether the Company's 2006 filed annual statement fairly presents its financial condition. The examiner reviewed the Company's income and disbursements necessary to accomplish such verification and utilized the National Association of Insurance Commissioners' Examiners Handbook or such other examination procedures, as deemed appropriate, in such review and in the review or audit of the following matters:

Company history
Management and control
Corporate records
Fidelity bond and other insurance
Territory and plan of operation
Market conduct activities
Growth of Company
Business in force by states
Mortality and loss experience
Reinsurance
Accounts and records
Financial statements

The examiner reviewed the corrective actions taken by the Company with respect to the violations and recommendations contained in the prior report on examination. The results of the examiner's review are contained in item 7 of this report.

This report on examination is confined to financial statements and comments on those matters which involve departure from laws, regulations or rules, or which require explanation or description.

3. DESCRIPTION OF COMPANY

A. History

The Company was incorporated as a stock life insurance company under the laws of the State of New York on September 30, 1971, under the name of American Republic Life Insurance Company of New York and was licensed and commenced business on November 9, 1971. Initial resources of $3,000,000, consisting of common capital stock of $1,000,000 and paid in and contributed surplus of $2,000,000, were provided through the sale of 10,000 shares of common stock (with a par value of $100 each) for $300 per share.

On November 9, 1981, Penn Mutual Life Insurance Company of Philadelphia acquired the Company. On November 18, 1986, Western National Life Holding Company Inc., whose ultimate parent was Beneficial Corporation ("Beneficial"), acquired the Company. On December 11 1986, the Company changed its name to American Western National Life Insurance Company.

On March 19, 1990, Western National Life Holding Company Inc., was dissolved and the ownership of the Company was transferred to The Central National Life Insurance Company of Omaha. On January 6, 1992, the Company's name was changed to First Central National Life Insurance Company of New York.

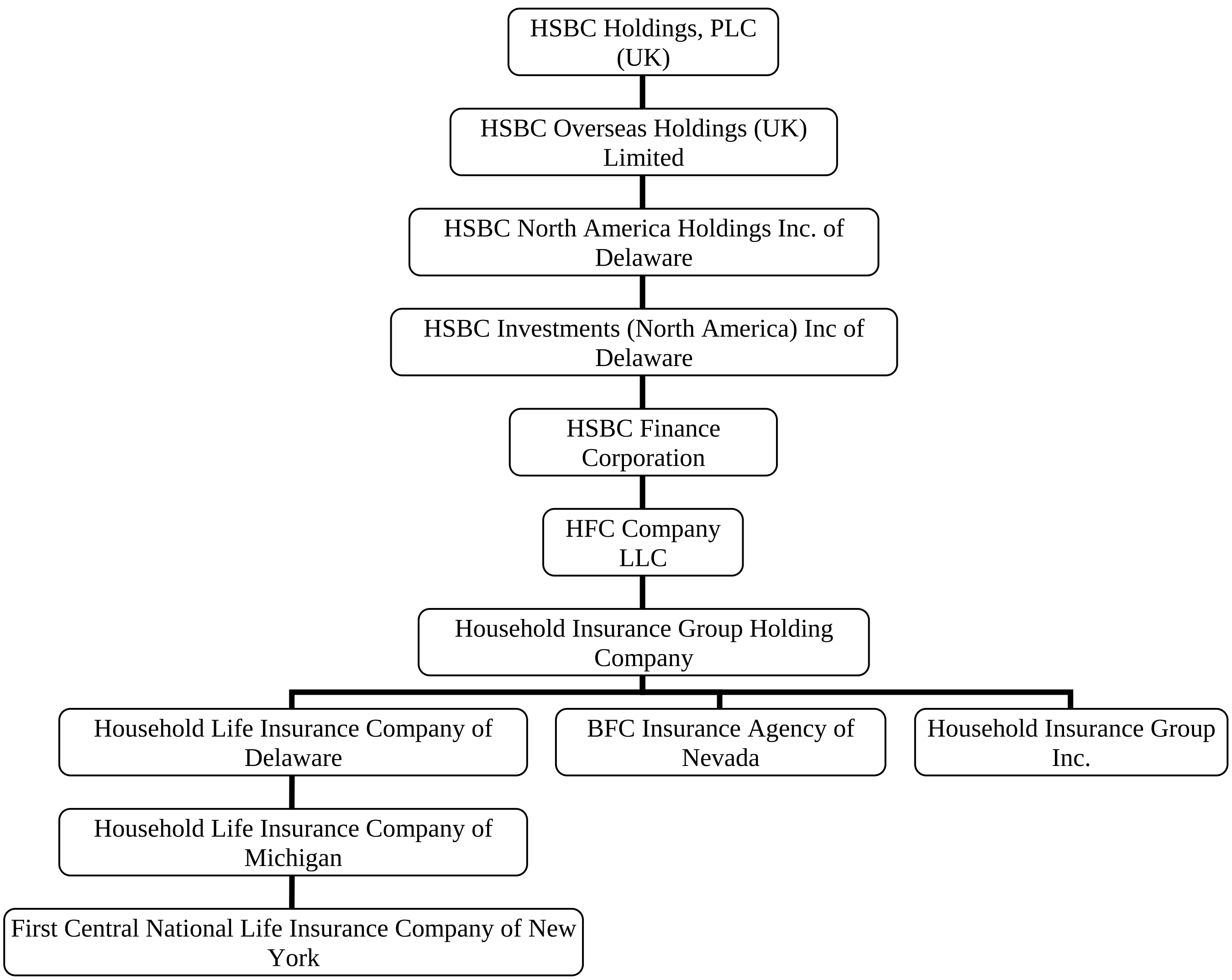
On June 30, 1998, Household International, Inc., ("HI") acquired Beneficial. In December 1999, HI sold The Central National Life Insurance Company of Omaha, and transferred the ownership of the Company to Household Life Insurance Company ("HLIC") a life insurance subsidiary of HI domiciled in Michigan.

On March 28, 2003, HI was acquired by HSBC Holdings, plc. ("HSBC"). HSBC is currently the ultimate parent of the Company. On December 15, 2005, HI merged with Household Finance Corporation ("HFC") and its name was changed to HSBC Finance Corporation.

B. Holding Company:

The Company is a wholly owned subsidiary of HLIC, which is a wholly owned subsidiary of HLIC of Delaware. HLIC of Delaware is in turn a wholly owned subsidiary of Household Insurance Group Holding Company ("HIG"), an insurance group holding company domiciled in the state of Delaware The Company's ultimate parent is HSBC.

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2006 follows:



The Company had four service agreements in effect during the examination period.

Type of Agreement and Department File Number	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Expense incurred For Each Year of the Examination
Administrative Service Agreement 22853H	11/1/86 (last amended 5/20/02)	HIG	The Company	All services other than investment management services.	2004 $0 2005 $0 2006 $0
Investment Management Agreement 29505	8/31/01	HSBC Finance Corporation (formerly HI)	The Company	Investment management services	2004 $0 2005 $11,566 2006 $12,372
Service Agreement	9/1/02	HSBC Finance Corporation (formerly HFC)	The Company	All services other than advertising and auditing	2004 $876,736 2005 $861,677 2006 $471,406
Administrative Service Agreement	10/1/03	BFC insurance agency of Nevada	The Company	Premium collection services	2004 $74,695 2005 $74,695 2006 $74,695

Section 1505(d) of the New York Insurance Law states in part:

> "(d) The following transactions between a domestic controlled insurer and any person in its holding company system may not be entered into unless the insurer has notified the superintendent in writing of its intention to enter into any such transaction at least thirty days prior thereto, or such shorter period as he may permit, and he has not disapproved it within such period . . .
> (3) rendering of services on a regular or systematic basis . . ."

The Company received various services from HSBC Finance Corporation, and premium collection services from BFC Insurance Agency of Nevada, under administrative service agreements during the examination period without notifying the superintendent in writing thirty days prior to receiving such services.

The Company violated Section 1505(d)(3) of the New York Insurance Law when it received services on a regular and systematic basis from HSBC Finance Corporation and BFC Insurance Agency of Nevada without having a filed service agreement in effect.

C. Management

The Company's by-laws provide that the board of directors shall consist of not less than nine directors but shall be increased to not less than thirteen within one year following the end of the calendar year in which the Company exceeds one and one-half billion dollars in admitted assets. Directors are elected for a period of one year at the annual meeting of the stockholders held in February of each year. As of December 31, 2006, the board of directors consisted of 13 members. Meetings of the board are held quarterly.

The 13 board members and their principal business affiliation, as of December 31, 2006, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Charles E. Compton III Scotch Plains, NJ	Chief Financial Officer and Treasurer First Central National Life Insurance Company of New York	2005
Patrick A. Cozza Bernardsville, NJ	President and Chief Executive Officer First Central National Life Insurance Company of New York	1988

Name and Residence	Principal Business Affiliation	Year First Elected
Lorraine Gash * Manhasset, NY	Retired	2003
Mitchell R. Katcher Stamford, CT	Vice President – Product Development First Central National Life Insurance Company of New York	2006
Richard C. Klesse Branchburg, NJ	Senior Vice President – Business Development First Central National Life Insurance Company of New York	2006
William D. Latza * New York, NY	Associate Partner Stroock Stroock & Lavan LLP	1987
Gerard Lunemann Hillsborough, NJ	Chief Actuary First Central National Life Insurance Company of New York	1988
Cheryl K. Neal Pennington, NJ	Vice President – Marketing First Central National Life Insurance Company of New York	2005
Daniel R. O’Brien * Little Silver, NJ	Retired	1987
Claudia H. Ormrod Hopatcong, NJ	Director – Government Relations HSBC Pay Services, Inc.	1996
Marilou Sullivan Annandale, NJ	Chief Operating Officer First Central National Life Insurance Company of New York	2006
Timothy J. Titus Ringoes, NJ	Chief Compliance Officer First Central National Life Insurance Company of New York	1998
Phillip S. Toohey * Orchard Park, NY	Retired	2006

* Not affiliated with the Company or any other company in the holding company system

In November 2007, Claudia Ormrod and Richard Klesse retired from the board and Reynold Sbrilli was elected.

Section 1202 (b)(1) of New York Insurance Law states, in part,

> "… not less than one-third of the directors of a domestic stock life insurance company … shall be persons who are not officers or employees of such company or of any entity controlling, controlled by, or under common control with such company and who are not beneficial owners of a controlling interest in the voting stock of such company or any such entity."

The Board of directors contained thirteen members of which only four were unaffiliated members which is less than the one third required by Section 1202(b)(1) of the New York Insurance Law.

The Company violated Section 1202(b)(1) of the New York Insurance Law by failing to maintain a minimum of unaffiliated directors equaling at least one third of the Company's board of directors.

The examiner's review of the minutes of the meetings of the board of directors and its committees indicated that meetings were well attended and that each director attended a majority of meetings.

The following is a listing of the principal officers of the Company as of December 31, 2006:

Name	Title
Patrick A. Cozza	President and Chief Executive Officer
Charles E. Compton III	Chief Financial Officer and Treasurer
Anthony J. Del Piano *	Secretary
Richard C. Klesse	Senior Vice President, Business Development
Marilou Sullivan	Chief Operating Officer
Timothy J. Titus	Chief Compliance Officer
Gerard Lunemann	Chief Actuary

* Designated consumer services officer per Section 216.4(c) of Department Regulation No. 64

In November, 2007, Richard Klesses retired and was not replaced.

D. Territory and Plan of Operation

The Company is authorized to write life insurance, annuities and accident and health insurance as defined in paragraphs 1, 2 and 3 of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business in two states, namely New York and Delaware. In 2006, 99.5% of life insurance premiums were received from New York. Policies are written on a non-participating basis. The principal business sold during the examination was group credit life insurance and group credit accident and health insurance.

The Company does not have an agency sales force. Insurance is offered through affiliated company loan offices. A borrower who receives a loan from one of the Company's affiliates is eligible to apply for credit life and/or credit disability insurance under a group master policy. The salaried employees of the affiliates do not receive commissions or any compensation related to the sale of insurance products.

During March of 2007 the Company received Department approval to begin issuing a new term life product. Between March 2007 and September 2007 the Company issued approximately 1500 term life policies. The Company is utilizing three separate distribution channels to market this product: internet or web based sales, HSBC and affiliate branch sales and telephone sales.

The Company utilizes a non-affiliated third party administrator ("TPA") to conduct its telephone sales operation. The TPA created a log of all incoming and out going calls related to the Company's telephone sales operations. The examiner selected a sample of taped phone calls from the log and found that the description listed on the log did not adequately describe the phone call.

The examiner recommends that the Company and its TPA develop a naming convention for its phone log which more clearly identifies each call. The examiner also recommends that the Company develop monitoring and quality control procedures which can be accessed by the Company's internal audit staff and the examiners.

E. Reinsurance

As of December 31, 2006, the Company had one reinsurance treaty in effect with Employers Reassurance Corporation, an accredited reinsurer. Under the agreement, the Company ceded 100% of its ordinary life business, a closed block of business, on a 100% coinsurance basis. In connection with this reinsurance transaction, the Company has also entered into an agreement with Americo Services, Inc., which serves as a third party administrator on behalf of the Company for the ordinary life business.

4. SIGNIFICANT OPERATING RESULTS

Indicated below is significant information concerning the operations of the Company during the period under examination as extracted from its filed annual statements. Failure of items to add to the totals shown in any table in this report is due to rounding.

The following table indicates the Company's financial growth during the period under review:

	December 31, 2003	December 31, 2006	Increase
Admitted assets	$46,736,999	$60,855,978	$14,118,979
Liabilities	$15,347,122	$22,108,380	$ 6,761,258
Common capital stock	$ 1,000,000	$ 1,000,000	$ 0
Gross paid in and contributed surplus	9,200,000	9,200,000	0
Unassigned funds (surplus)	21,189,877	28,547,598	7,357,721
Total capital and surplus	$31,389,877	$38,747,598	$ 7,357,721
Total liabilities, capital and surplus	$46,736,999	$60,855,978	$14,118,979

The Company's invested assets as of December 31, 2006, were mainly comprised of bonds (97.4%) and cash and short-term investments (2.6%). The Company's entire bond portfolio, as of December 31, 2006, was comprised of investment grade obligations.

The following is the net gain (loss) from operations by line of business after federal income taxes but before realized capital gains (losses) reported for each of the years under examination in the Company's filed annual statements:

	2004	2005	2006
Individual annuities	$ 9,185	$ 10,040	$ 1,699
Group Credit life	$1,836,088	$2,069,519	$3,306,270
Group credit accident and health	$ 508,014	$ 892,890	$1,356,320
Other accident and health	0	(129,757)	(122,370)
Total accident and health	$ 508,014	$ 763,133	$1,233,950
Total	$2,353,287	$2,842,692	$4,541,919

The increase in income in group credit life and group credit accident and health lines of business is primarily related to a general increase in premium volume. The Other A&H line of business represents Long Term Care coverage assumed via a reinsurance relationship with Med America. Driving the loss on the business each year are the commissions to Med America.

The following ratios, applicable to the accident and health business of the Company, have been extracted from Schedule H for each of the indicated years:

	2004	2005	2006
Premiums earned	100.0%	100.0%	100.0%
Incurred losses	104.2%	79.8%	63.2%
Commissions	(1.2)	5.8	13.8
Expenses	29.1	16.5	10.9
	132.1%	102.1%	87.9%
Underwriting results	(32.1)%	(2.2)%	12.2%

The combination of increased premium and lower losses resulted in the lower loss ratio in 2005 and 2006. Increased commission expense in 2005 and 2006 is due to the assumption of long term care business from Med America. The expense ratio has declined each year due to increased premiums earned and lower allocated expenses.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2006, as contained in the Company's 2006 filed annual statement, a condensed summary of operations and a reconciliation of the capital and surplus account for each of the years under review. The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2006 filed annual statement.

A. ASSETS, LIABILITIES, CAPITAL AND SURPLUS AS OF DECEMBER 31, 2006

Admitted Assets

Bonds	$57,351,897
Cash, cash equivalents and short term investments	1,520,891
Investment income due and accrued	845,372
Reinsurance:	
Amounts recoverable from reinsurers	7,291
Net deferred tax asset	328,336
Receivables from parent, subsidiaries and affiliates	801,759
Items and Remittances not yet allocated	432
Total admitted assets	$60,855,978

Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$5,096,844
Aggregate reserve for accident and health contracts	10,481,887
Contract claims:	
Life	4,943,215
Accident and health	350,360
Contract liabilities not included elsewhere:	
Interest maintenance reserve	153,267
Commissions and expense allowances payable on reinsurance assumed	10,194
General expenses due or accrued	60,482
Taxes, licenses and fees due or accrued, excluding federal income taxes	219,005
Current federal and foreign income taxes	382,157
Remittances and items not allocated	7,500
Miscellaneous liabilities:	
Asset valuation reserve	129,562
Payable to parent, subsidiaries and affiliates	120,778
State taxes payable	153,128
Total liabilities	$22,108,380
Common capital stock	$1,000,000
Gross paid in and contributed surplus	9,200,000
Unassigned funds (surplus)	28,547,598
Surplus	$37,747,598
Total capital and surplus	$38,747,598
Total liabilities, capital and surplus	$60,855,978

B. CONDENSED SUMMARY OF OPERATIONS

	2004	2005	2006
Premiums and considerations	$ 8,281,404	$12,722,098	$13,195,243
Investment income	2,461,317	2,317,897	2,618,772
Total income	$10,742,721	$15,039,995	$15,814,015
Benefit payments	$ 5,969,011	$ 6,095,734	$ 6,865,746
Increase in reserves	111,730	3,156,011	141,601
Commissions	358	215,560	655,235
General expenses and taxes	1,217,559	1,184,110	996,758
Total deductions	$ 7,298,658	$10,651,415	$ 8,659,340
Net gain	$ 3,444,063	$ 4,388,580	$ 7,154,675
Federal and foreign income taxes incurred	1,090,775	1,545,888	2,612,756
Net gain from operations before net realized capital gains	$ 2,353,288	$ 2,842,692	$ 4,541,919
Net income	$ 2,353,288	$ 2,842,692	$ 4,541,919

In 2005, the Company became the direct writer of credit insurance for HFC's consumer lending loans in New York, which was the primary reason for the increase in premiums and reserves in 2005.

C. CAPITAL AND SURPLUS ACCOUNT

	2004	2005	2006
Capital and surplus, December 31, prior year	$31,389,877	$31,123,118	$34,101,728
Net income	$2,353,288	$ 2,842,692	$ 4,541,919
Change in net deferred income tax	12,177	76,978	(19,099)
Change in non-admitted assets and related items	(8,410)	83,617	148,629
Change in asset valuation reserve	(23,814)	(24,677)	(25,579)
Dividends to stockholders	(2,600,000)	0	0
Net change in capital and surplus for the year	$ (266,759)	$ 2,978,610	$ 4,645,870
Capital and surplus, December 31, current year	$31,123,118	$34,101,728	$38,747,598

6. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

A. Advertising and Sales Activities

The examiner reviewed a sample of the Company's advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

The Company introduced a new term life product in March 2007 and sold 922 policies via web, 333 policies via telephone sales and 212 policies via HSBC branches by September 2007. For its web sales, the Company had received an approval to use alternate procedures for replacement under Department Regulation No. 60.

Section 51.6 of Department Regulation No. 60 states, in part,

> "(a) Each insurer shall:…
>
> (2) Require with or as part of each application, a completed "Definition of Replacement" signed by the applicant and agent or broker;…
>
> (4) Require with or as part of each application a statement signed by the agent or broker as to whether, to the best of his or her knowledge, replacement of a life insurance policy or annuity contract is involved in the transaction"

The Company failed to require with or as part of each application, a completed Definition of Replacement signed by the applicant and agent for all policies sold at HSBC branch offices and in 12 out of 39 cases, the Company did not require a completed Definition of Replacement signed by the applicant and agent for its telephone sales.

The Company failed to require with or as part of each application, a statement signed by the agent or broker as to whether, to the best of his or her knowledge, replacement of a life insurance policy is involved in the transaction in all HSBC branch office issued policies and in 18 of 39 transactions involving telephone sales.

The Company violated Section 51.6 (a)(2) of Department Regulation No. 60 when the Company failed to require with or as part of each application, a completed definition of replacement signed by the applicant and agent.

The Company violated Section 51.6 (a)(4) of Department Regulation No. 60 when the Company failed to require with or as part of each application, a statement signed by the agent or broker as to whether, to the best of his or her knowledge, replacement of a life insurance policy contract is involved in the transaction.

Section 51.8 of Department Regulation No. 60 states,

> "The forms set forth in Appendixes 10A, 10B, 10C and 11 of this Title are hereby approved for use as specified in this Part… Substantially equivalent forms may be adopted with the prior approval of the Superintendent of Insurance."

Definition of replacement forms used by the Company in policies sold at its branch offices did not contain the signature portion as set forth in appendix 11. The Company used substantially equivalent forms without obtaining the prior approval of the Superintendent of Insurance.

The Company violated Section 51.8 of Department Regulation No. 60 when it used a modified definition of replacement form without obtaining the prior approval of the Superintendent.

B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms.

Based upon the sample reviewed, no significant findings were noted.

C. Treatment of Policyholders

The examiner reviewed a sample of various types of claims, surrenders, changes and lapses. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

Section 409(a) of the New York Insurance Law states, in part:

> "Every insurer writing … group … accident and health insurance policies … except for insurers that write less than three thousand of such policies, … shall… file with the superintendent a plan for the detection, investigation and prevention of fraudulent insurance activities in this state and those fraudulent insurance activities affecting policies issued or issued for delivery in this state."

Section 409(g) of the New York Insurance Law states, in part:

> "Every insurer required to file a fraud prevention plan shall report to the superintendent on an annual basis, no later than January fifteenth, describing the insurer's experience, performance and cost effectiveness in implementing the plan,…"

The Company issued 16,673, 20,254 and 11,584 group credit accident and health policies in 2006, 2005 and 2004 respectively. The Company did not file annual reports, describing the Company's experience, performance, and cost effectiveness in implementing the fraud prevention plan, with the Department during the examination period.

The Company violated Section 409 (g) of New York Insurance law by failing to file the required annual fraud report.

7. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violations and recommendations contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

Item	Description
A	The Company violated Section 1505(d)(3) of the New York Insurance Law when it failed to comply with its service agreement.
	The examiner found that the Company has substantially complied with its service agreements..
B	The Company violated Section 1202(b)(2) of the New York Insurance Law when it failed to evaluate the performance of its principal officers in 2001 and 2002.
	The audit, nominating and evaluation committee evaluated the performance of its principal officers since filing of the last examination report.
C	The Company violated Section 325(a) of the New York Insurance Law when it failed to maintain the minutes of the meetings of the board committees at its principal office in this state.
	The Company maintained the minutes of the meetings of the board committees at its principal office in this state.
D	The examiner recommends that the Company adhere to its underwriting guidelines.
	The examiner's review indicated that the Company adhered to its underwriting guidelines.
E	The Company violated Section 243.2(b)(1) of Department Regulation No. 152 when it failed to maintain policy records as required by the Regulation.
	The Company maintained policy records as required by the Regulation.

8. SUMMARY AND CONCLUSIONS

Following are the violations and recommendations contained in this report:

Item	Description	Page No(s).
A	The Company violated Section 1505(d)(3) of the New York Insurance Law when it received services on a regular and systematic basis from HSBC Finance Corporation and BFC Insurance Agency of Nevada without having a filed service agreement in effect.	7
B	The Company violated Section 1202(b)(1) of the New York Insurance Law by failing to maintain a minimum of unaffiliated directors equaling at least one third of the Company's board of directors.	9
C	The examiner recommends that the Company and its TPA develop a naming convention for its phone log which more clearly identifies each call. The examiner also recommends that the Company develop monitoring and quality control procedures which can be access by the Company's internal audit staff and the examiners.	10
D	The Company violated Section 51.6 (a)(2) of Department Regulation No. 60 when the Company failed to require with or as part of each application, a completed definition of replacement signed by the applicant and agent.	19
E	The Company violated Section 51.6 (a)(4) of Department Regulation No. 60 when the Company failed to require with or as part of each application, a statement signed by the agent or broker as to whether, to the best of his or her knowledge, replacement of a life insurance policy contract is involved in the transaction.	19
F	The Company violated Section 51.8 of Department Regulation No. 60 when the Company used modified definition of replacement form without the prior approval of the Superintendent.	19
G	The Company violated Section 409 (g) of New York Insurance law by not filing the required annual fraud reports during the period under examination.	20

Respectfully submitted,

/s/
Manish Gajiwala
Senior Insurance Examiner

STATE OF NEW YORK)
)SS:
COUNTY OF NEW YORK)

Manish Gajiwala, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/
Manish Gajiwala

Subscribed and sworn to before me

this__________ day of ____________________

APPOINTMENT NO. 22668

STATE OF NEW YORK

INSURANCE DEPARTMENT

I, ERIC R. DINALLO, Superintendent of Insurance of the State of New York,

pursuant to the provisions of the Insurance Law, do hereby appoint:

MANISH GAJIWALA

as a proper person to examine into the affairs of the

FIRST CENTRAL NATIONAL LIFE INSURANCE COMPANY OF NEW YORK

and to make a report to me in writing of the condition of the said

COMPANY

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by name
and affixed the official Seal of the Department
at the City of New York

this 31st day of July, 2007

ERIC R. DINALLO
Superintendent of Insurance

Superintendent