NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

REPORT ON EXAMINATION

OF THE

WILTON REASSURANCE LIFE COMPANY OF NEW YORK

CONDITION: DECEMBER 31, 2010

DATE OF REPORT: JUNE 21, 2012

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<u>AS OF</u>

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<u>EXAMINER</u>:	<u>ALEX QUASNITSCHKA</u>

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Andrew M. Cuomo
Governor

Benjamin M. Lawsky
Superintendent

January 25, 2012

Honorable Benjamin M. Lawsky
Superintendent of Financial Services
New York, New York 10004

Sir:

In accordance with instructions contained in Appointment No. 30664, dated February 24, 2011 and annexed hereto, an examination has been made into the condition and affairs of Wilton Reassurance Life Company of New York, hereinafter referred to as "the Company," at its home office located at 187 Danbury Road, Riverview Building, 3rd Floor, Wilton, Connecticut 06897-4122.

On October 3, 2011, the Insurance Department merged with the Banking Department to create the New York State Department of Financial Services. Wherever "Department" appears in this report, it refers to the New York State Department of Financial Services.

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

1. SCOPE OF EXAMINATION

The examination of the Company was a full scope examination as defined in the NAIC Financial Condition Examiners Handbook, 2010 Edition (the "Handbook"). The examination covers the three-year period from January 1, 2008 to December 31, 2010. The examination was conducted observing the guidelines and procedures in the Handbook and, where deemed appropriate by the examiner; transactions occurring subsequent to December 31, 2010 but prior to the date of this report (i.e., the completion date of the examination) were also reviewed.

In the course of the examination, a review was also made of the manner in which the Company conducts its business and fulfills its contractual obligations to policyholders and claimants. The results of this review are contained in item 6 of this report.

The examination was conducted utilizing a risk-focused approach in accordance with the provisions of the Handbook published by the National Association of Insurance Commissioners ("NAIC"). The Handbook guidance provides for the establishment of an examination plan based on the examiner's assessment of risk in the insurer's operations and utilizing that evaluation in formulating the nature and extent of the examination procedures. The examiner planned and performed the examination to evaluate the current financial condition as well as identify prospective risks that may threaten the future solvency of the insurer. The examiner identified key processes, assessed the risks within those processes, and evaluated the internal control systems and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, evaluating the overall financial statement presentation, and determining management's compliance with New York statutes and Department guidelines, Statutory Accounting Principles as adopted by the Department and annual statement instructions.

The examination was conducted in conjunction with the coordinated examination of the Minnesota domiciled affiliate and parent company, Wilton Reassurance Company ("Wilton Re"). The coordinated examination was led by the State of Minnesota with participation from New York. Since the lead and participating states are accredited by the NAIC, both states deemed it appropriate to rely on each other's work. The coordinated examination team identified and assessed risks in key functional activities across both Wilton Re and the Company including, but not limited to; Financial Reporting, Third-Party Administrator ("TPA") Oversight, Traditional Sales and Due Diligence, and Premiums and Claims. The examination team also assessed relevant prospective risks as they related to the insurance legal entities.

Information about the Company's organizational structure, business approach and control environment were utilized to develop the examination approach. The Company's risks and management activities were evaluated incorporating the NAIC's nine branded risk categories. These categories are as follows:

- Pricing/Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The Company was audited annually, for the years 2008 through 2010, by the accounting firm of Ernst & Young, LLP ("E&Y"). The Company received an unqualified opinion in all years under examination. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the recommendations and comments 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 the financial statements and comments on those matters which involve departure from laws, regulations or rules, or which require explanation or description.

2. DESCRIPTION OF COMPANY

A. History

The Company, under the name of American Life Insurance Company of New York ("ALNY"), was incorporated as a stock life insurance company under the laws of New York on March 23, 1955, was licensed on November 9, 1956 and commenced business on April 1, 1957. Initial resources of $2,000,000, consisting of capital stock of $500,000 and paid-in and contributed surplus of $1,500,000, were provided through the sale of 50,000 shares of common stock (with a par value of $10 each) for $40 per share.

ALNY was initially formed as a wholly-owned subsidiary of American Surety Company of New York. On December 31, 1963, control of ALNY passed to Transamerica Insurance Company, Inc. after American Surety Company of New York was absorbed in a merger. On April 1, 1981, Allied Investment Corporation, a Delaware Corporation, acquired all of the outstanding stock of ALNY from Transamerica Insurance Company, Inc. On March 4, 1988 Mutual of America Corporation ("MOAC") purchased ALNY from Allied Investment Corporation. MOAC changed its own name on September 20, 2000 to LIFCO Holding Company, Inc. ("LIFCO"). Mutual of America, ("MOA"), was the ultimate parent of MOAC and hence became the parent of LIFCO.

On March 16, 2001, Inviva, Inc. ("Inviva"), a Delaware holding company, acquired 100% of the outstanding stock of LIFCO from MOA. LIFCO owned 100% of ALNY's 1,100,000 shares of authorized common stock, with a par value of $4.55 per share, of which 550,000 shares were issued and outstanding.

On September 27, 2006, Wilton Re U.S. Holdings, Inc. ("Wilton Re Holdings") acquired all the issued and outstanding shares of ALNY, Utica National Life Insurance Company ("Utica") and the North American Company for Life and Health Insurance of New York ("NANY") for an aggregate purchase price of $156.7 million. Wilton Re Holdings contributed all of the issued and outstanding capital stock of ALNY, Utica and NANY to its wholly-owned subsidiary, Wilton Re, a Minnesota domestic insurance company.

On September 29, 2006, Utica and NANY were merged with and into ALNY with ALNY surviving. ALNY was renamed Wilton Reassurance Life Company of New York.

On July 2, 2007, Wilton Re acquired all of the issued and outstanding capital stock of Keystone State Life Insurance Company ('Keystone"), a Pennsylvania domiciled company for an aggregate purchase price of $15.3 million. On December 31, 2007 Keystone was merged with and into the Company, with the Company surviving. Wilton Re owns 100% of the Company's 1,100,000 shares of authorized common stock, with a par value of $4.55 per share, of which 550,000 shares are issued and outstanding.

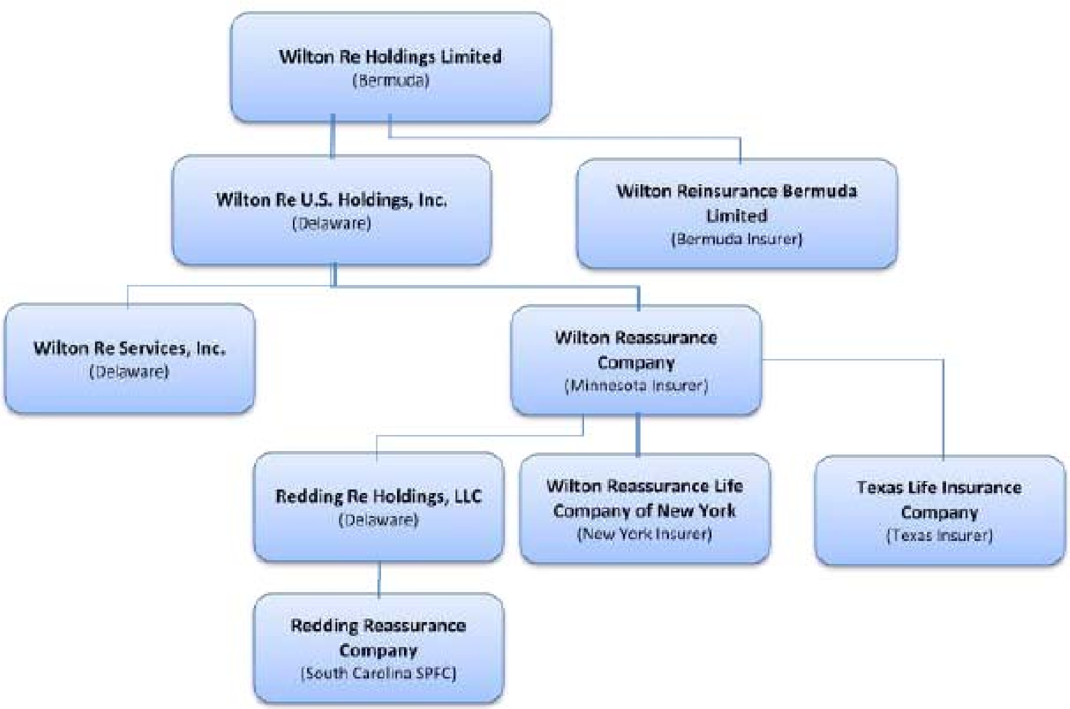
As a result of the merger of Utica and NANY with and into ALNY, the restated gross paid-in and contributed surplus as of December 31, 2004 was $56,991,518, on a combined basis. Gross paid-in and contributed surplus for the Company as of December 31, 2010 was $68,307,831. The Company reported no change in gross paid-in and contributed surplus from the prior examination for period ending December 31, 2007.

B. Holding Company

The Company is a wholly-owned subsidiary of Wilton Re, a Minnesota insurance company. Wilton Re is in turn wholly-owned by Wilton Re Holdings, a Delaware corporation. The ultimate parent of the Company is Wilton Re Holdings Limited, a Bermuda corporation.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2010 follows:



* All Subsidiaries are 100% owned by parent company unless otherwise stated

D. Service Agreements

The Company had one service agreement in effect with an affiliate 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	Income/ (Expense)* For Each Year of the Examination
Administrative Services 35181H	09/27/06	Wilton Re Services Inc.	Wilton Reassurance Life Company of New York	Accounting Actuarial and Administrative	2008 $(3,593,927) 2009 $(3,389,969) 2010 $(2,689,689)

* Amount of Income or (Expense) Incurred by the Company

The Company participates in a federal income tax allocation agreement with its parent and affiliates.

E. Management

The Company's by-laws provide that the board of directors ("the board") shall be comprised of not less than 7 and not more than 13 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in April of each year. As of December 31, 2010, the board consisted of eight members. Subsequent to year end, one member resigned on March 31, 2011. Meetings of the board are held annually and as frequently as the dispatch of business shall require.

The eight board members and their principal business affiliation as of December 31, 2010, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Robert L. Beisenherz* The Woodlands, TX	Director for Tangent Investments Co., LLC Retired	2006
Perry H. Braun Scarsdale, NY	Sr. Vice President and Chief Investment Officer Wilton Reassurance Life Company of New York	2006
Robert V. Deutsch* Farmington, CT	Managing Director GCP Capital Partners	2006
Michael E. Fleitz Wilton, CT	Sr. Vice President and Chief Financial Officer Wilton Reassurance Life Company of New York	2006

Name and Residence	Principal Business Affiliation	Year First Elected
Michael L. Greer Wilton, CT	Sr. Vice President and Chief Pricing Officer Wilton Reassurance Life Company of New York	2006
Herman D. Overbeeke* Wilton, CT	President Affinia Group, Inc	2007
Mark R. Sarlitto Cross River, NY	Sr. Vice President and General Counsel Wilton Reassurance Life Company of New York	2006
Chris C. Stroup Wilton, CT	Chairman, President and Chief Executive Officer Wilton Reassurance Life Company of New York	2006

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

In March, 2011, Michael L. Greer resigned from the board and no longer serves as a member.

The examiner's review of the minutes of the meetings of the board 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, 2010:

Name	Title
Chris C. Stroup	Chairman, President and Chief Executive Officer
Michael E. Fleitz	Sr. Vice President and Chief Financial Officer
Michael L Greer	Sr. Vice President and Chief Pricing Officer
Mark R. Sarlitto	Sr. Vice President and General Counsel

The Company's designated consumer services officer per Section 216.4(c) of Department Regulation No. 64 is Patricia Harrigan, Associate General Counsel.

3. TERRITORY AND PLAN OF OPERATIONS

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 all 50 states, the District of Columbia and the U.S. Virgin Islands. In 2010, 72% of life premiums, 91% of annuity considerations, and 86% of accident and health premiums, were received from New York.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2010:

Life Insurance Premiums		Annuity Considerations	
New York	72.0%	New York	90.9%
Florida	4.9	Connecticut	3.9
Pennsylvania	4.2	New Jersey	2.3
New Jersey	3.7	Florida	1.1
North Carolina	1.5	Ohio	0.7
Subtotal	86.3%	Subtotal	98.9%
All others	13.7	All others	1.1
Total	100.0%	Total	100.0%

A. Statutory and Special Deposits

As of December 31, 2010, the Company had $5,041,769 (Book Adjusted Carrying Value) of Type B assets on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company. As per confirmations received from the following states which were reported in Schedule E of the 2010 filed annual statement, an additional $9,664,265 was being held by the states of Arkansas, California, Florida, Georgia, Massachusetts, New Mexico, North Carolina, South Carolina, Virginia and the U.S. Virgin Islands.

B. Direct Operations

The majority of the Company's business is in run-off as the Company is not actively marketing or writing new business.

With the exception of honoring: (a) certain existing Utica worksite enrollment commitments; and (b) term product contractual conversion rights, the Company has not written any new business since the merger on September 29, 2006. The Company's operating strategy is focused on the acquisition of closed blocks of life and fixed annuities business. Historically, marketing efforts have been concentrated in New York. The acquisition of Keystone on July 2, 2007, a Pennsylvania domiciled company, accounts for the increase in premiums in that state.

Computer Sciences Corporation ("CSC") is the Company's TPA as of July 1, 2009. The Company does not administer any direct policy business. All other administration functions are outsourced to CSC. With a heavy reliance on CSC, as part of their in-house TPA Monitoring Program, the Company utilizes Statement on Auditing Standards ("SAS") No. 70 reports (now SSAE 16 reports) to ensure there are adequately designed controls that are operating effectively over all CSC administrative areas.

C. Reinsurance

As of December 31, 2010, the Company had reinsurance treaties in effect with 27 companies, of which 18 were authorized or accredited. The Company's life and accident and health business is reinsured on a coinsurance, modified-coinsurance, and yearly renewable term basis. Reinsurance is provided on an automatic and facultative basis.

The maximum retention limit for individual life contracts is $1,000,000. The total face amount of life insurance ceded as of December 31, 2010 was $11,393,079,980, which represents 60% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies, totaling $45,660,429 was supported by letters of credit, trust agreements and funds withheld.

At December 31, 2008, the Company entered into a novation agreement with its parent whereby business previously ceded to Wilton Reassurance Company from Protective Life Insurance Company of New York will be ceded to the Company. Assets supporting the $10 million reserve were transferred to the Company, net of ceding allowance of $2 million settled during the first quarter of 2009. The total face amount of life insurance assumed as of December 31, 2010, was $519,949,019.

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 (decline) during the period under review:

	December 31, 2007	December 31, 2010	Increase (Decrease)
Admitted assets	$1,219,486,299	$1,199,634,337	$ (19,851,930)
Liabilities	$1,126,124,901	$1,100,983,465	$ (25,141,436)
Common capital stock	$ 2,502,500	$ 2,502,500	$ 0
Gross paid in and contributed surplus	68,307,831	68,307,831	0
Additional admitted deferred tax asset	0	3,528,426	3,528,426
Unassigned funds (surplus)	22,551,067	24,312,116	1,761,049
Total capital and surplus	$ 93,361,398	$ 98,650,873	$ 5,289,475
Total liabilities, capital and surplus	$1,219,486,299	$1,199,634,338	$ (19,851,961)

The decrease in liabilities was predominately due to a reduction in reserves of approximately $38 million as a result of the Company's run-off strategy. This was partially off-set by an increase to Interest Maintenance Reserve by approximately $9 million as a result of net realized capital gains coupled with normal amortization.

The increase to total capital and surplus was due to an increase to additional admitted deferred tax asset of approximately $3.5 million based on the Company's projected net income and tax deferred assets expected to be realized within the year. The approximately $1.5 million increase to unassigned funds (surplus) was primarily driven by increases to net income.

The Company's invested assets as of December 31, 2010 were mainly comprised of bonds (92%). The majority (92.7%) of the Company's bond portfolio, as of December 31, 2010, was comprised of investment grade obligations. You only need to put any assets over 5%

The following indicates, for each of the years listed, the amount of life insurance issued and in-force by type (in thousands of dollars):

Year	Individual Whole Life Issued	Individual Whole Life In Force	Individual Term Issued	Individual Term In Force
2006	$122,435	$6,364,956	$41,510	$18,553,276
2007	$ 95,594	$6,273,942	$21,927	$16,943,939
2008	$ 2,269	$5,801,821	$52,491	$16,336,186
2009	$ 0	$5,780,355	$40,158	$14,706,352
2010	$ 25,528	$5,108,778	$ 9,112	$13,942,721

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:

	2008	2009	2010
Ordinary:			
Life insurance	$(32,214,528)	$29,861,313	$5,730,087
Individual annuities	31,686,935	15,918,035	3,685,627
Supplementary contracts	(369,622)	28,429	305,711
Total ordinary	$ (897,215)	$45,807,777	$9,721,425
Group:			
Life	$ (24,687)	$ 4,276	$ 2,713
Annuities	181,723	32,185	18,933
Total group	$ 157,036	$ 36,461	$ 21,646
Accident and health:			
Group	$ 19,500	$ 1,796	$ (4,115)
Other	4,159	70,903	(6,004)
Total accident and health	$ 23,659	$ 72,699	$ (10,119)
Total	$ (716,520)	$45,916,937	$9,732,952

The total net gain from operations in 2009 was driven by a significant decrease in the asset adequacy reserve, which mainly impacted the ordinary life business. The Company established an asset adequacy reserve of $50.0 million at December 31, 2009. This represents a decrease of $32.0 million from the $82.0 million reported at December 31, 2008. The decrease was driven primarily by the recovery of the overall economic environment, which permitted a release of some of the conservatism introduced with the uncertainty prevalent during 2008. The Company also allocated its asset portfolio to align the assets with the liabilities.

The decrease in net gain from operations in 2010 was driven by significant decreases in ordinary life business. The Company established an asset adequacy reserve of $60.0 million at December 31, 2010 representing an increase of $10.0 million from the $50.0 million noted at 2009 year-end. The decrease in this reserve, included in the Statement of Operations, was $32.0 million in 2009.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2010, as contained in the Company's 2010 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, 2010 filed annual statement.

A. Independent Accountants

E&Y was retained by the Company to audit the Company's combined statutory basis statements of financial position of the Company as of December 31st of each year in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flows for each of the years then ended.

E&Y concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Company at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

B. Net Admitted Assets

Bonds	$1,075,887,653
Stocks:	
Preferred stocks	19,055,300
Cash, cash equivalents and short term investments	41,353,636
Contract loans	30,692,260
Other invested assets	2,320,757
Receivable for securities	60,135
Investment income due and accrued	11,176,162
Premiums and considerations:	
Uncollected premiums and agents’ balances in the course of collection	1,698,341
Deferred premiums	239,371
Reinsurance:	
Amounts recoverable from reinsurers	3,820,210
Funds held by or deposited with reinsured companies	920,221
Other amounts receivable under reinsurance contracts	182,732
Net deferred tax asset	5,648,388
Prepaid reinsurance – NYSID allowed under Circular Letter 11	6,073,782
Modco asset	(83,281)
From separate accounts, segregated accounts and protected cell accounts	588,670
Total admitted assets	$1,199,634,337

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$1,035,921,712
Aggregate reserve for accident and health contracts	116,941
Liability for deposit-type contracts	17,219,891
Contract claims:	
Life	10,262,008
Accident and health	5,401
Premiums and annuity considerations for life and accident and health contracts received in advance	282,899
Contract liabilities not included elsewhere:	
Surrender values on cancelled contracts	(59,612)
Other amounts payable on reinsurance	1,951,871
Interest maintenance reserve	8,846,494
Commissions and expense allowances payable on reinsurance assumed	(266,699)
General expenses due or accrued	1,387,357
Taxes, licenses and fees due or accrued, excluding federal income taxes	307,822
Current federal and foreign income taxes	6,265,739
Unearned investment income	104,030
Amounts withheld or retained by company as agent or trustee	88,845
Amounts held for agents' account	522,046
Remittances and items not allocated	3,082,885
Miscellaneous liabilities:	
Asset valuation reserve	2,139,581
Reinsurance in unauthorized companies	3,382,345
Funds held under reinsurance treaties with unauthorized reinsurers	5,076,313
Payable to parent, subsidiaries and affiliates	1,213,468
Payable for securities	9,856
Aggregate write-ins for liabilities:	
Abandoned property	1,559,070
Payable to NACOLAH	717,599
Contingency Reserve	250,000
Modco Payable	6,933
From Separate Accounts statement	588,670
Total liabilities	$1,100,983,465
Common capital stock	$2,502,500
Gross paid in and contributed surplus	68,307,831
Additional Admitted Deferred Tax Asset	3,528,426
Unassigned funds (surplus)	24,312,116
Surplus	$ 96,148,373
Total capital and surplus	$ 98,650,873
Total liabilities, capital and surplus	$1,199,634,338

D. Condensed Summary of Operations

	2008	2009	2010
Premiums and considerations	$ 63,495,985	$ 53,591,513	$ 49,250,635
Investment income	69,434,071	69,891,786	67,740,206
Commissions and reserve adjustments on reinsurance ceded	4,614,821	3,341,884	3,766,580
Miscellaneous income	75,532	(54,292)	6,128,761
Total income	$ 137,620,409	$126,770,891	$126,886,182
Benefit payments	$ 127,260,250	$ 95,298,899	$ 90,689,767
Increase in reserves	(14,581,753)	(32,011,755)	8,925,796
Commissions	5,631,591	2,097,582	1,304,758
General expenses and taxes	12,595,198	9,261,189	9,768,549
Increase in loading on deferred and uncollected premiums	6,244,070	0	0
Net transfers to (from) Separate Accounts	16,859	20,807	(51,375)
Miscellaneous deductions	179,989	(126,302)	250,000
Total deductions	$137,346,204	$74,540,420	$110,887,495
Net gain (loss)	$ 274,205	$52,230,471	$ 15,998,687
Federal and foreign income taxes incurred	990,723	6,313,535	6,265,739
Net gain (loss) from operations before net realized capital gains	$ (716,518)	$45,916,936	$ 9,732,948
Net realized capital gains (losses)	(25,433,816)	(17,900,148)	(124,924)
Net income	$ (26,150,334)	$28,016,788	$ 9,608,024

E. Capital and Surplus Account

	2008	2009	2010
Capital and surplus, December 31, prior year	$ 93,361,398	$ 70,632,379	$95,258,224
Net income	$(26,150,334)	$ 28,016,788	$ 9,608,024
Change in net unrealized capital gains (losses)	(125,931)	(112,992)	188,780
Change in net deferred income tax	11,730,490	(6,061,152)	795,103
Change in non-admitted assets and related items	(11,829,832)	3,384,662	4,181,414
Change in liability for reinsurance in unauthorized companies	(994,774)	(822,892)	(334,192)
Change in asset valuation reserve	4,641,357	221,432	(2,046,485)
Dividends to stockholders	0	0	(9,000,000)
Net change in capital and surplus for the year	$(22,729,024)	$ 24,625,846	$ 3,392,644
Capital and surplus, December 31, current year	$ 70,632,374	$ 95,258,225	$98,650,868

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 Company did not engage in any advertising or sales activities during the period under review.

B. Underwriting and Policy Forms

The Company did not write any business during the period under review.

C. Treatment of Policyholders

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

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

7. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

Item	Description
A	The examiner commented that the Company's investment portfolio was impacted by the downturn in the financial markets in 2008.
	The Company's investment portfolio was negatively affected by the downturn in the financial markets in 2008. Unrealized losses on bonds and preferred stocks increased during 2008, and the Company recognized realized losses from the sale of securities as well as the recognition of other-than-temporary impairments. The Company responded to the difficult financial environment by reducing its exposure to securities exhibiting deteriorating financial performance, continued close dialogue with investment managers regarding the performance of its investments and intensified its watch list and impairment reviews with its investment advisors. As of December 31, 2010, the majority (93%) of the Company's bond portfolio was comprised of investment grade bonds.
B	The examiner recommended that the Company continue to pursue obtaining detailed subsidiary information on the remaining account balances.
	The Company agreed that these subsidiary accounts, specifically agents balances and unclaimed property, required additional research, and as such the Company began working with its third-party administrators in order to provide detailed subsidiary information on the related account balances.
C	The examiner recommended that the Company implement the vendor packaged general ledger solution owned by its parent, or another similar alternative, as soon as is possible.
	In the past, the Company has relied upon a Microsoft Excel file to aggregate source files and to analyze the Company's results. In 2007, the Company began to transition to the utilization of DataMart and Fiserv's PRO General Ledger Package. During the 4^{th} Quarter of 2008, the Company ran parallel processes. The conversion to the DataMart and General Ledger applications occurred in the 1^{st} Quarter of 2009.

Item	Description
D	The examiner recommended that the Company take steps to ensure that adequate information technology ("IT") Risk/Control assessments be performed on all of its financially significant systems and/or TPAs, at least annually. The Company has processes and procedures in place to ensure that adequate IT Risk/Control assessments are performed annually on all of its financially significant systems and/or TPAs. Third party providers are contractually obligated to have a SAS No. 70 Type II report that covers both its information technology and business processing areas.
E	The examiner recommended that IT management perform a thorough review of the Company's business continuity and disaster recovery strategy to ensure that it continually reflects actual business requirements, and the recovery strategies are based on the results of a recent business impact analysis. Since the prior examination, the Company implemented a business continuity and disaster recovery plan that addresses the functions of the corporate office. Additionally, each third-party provider is contractually obligated to have a SAS No. 70 Type II report that covers both its information technology and business processing areas.
F	The examiner recommended that the Company establish formal user access recertification procedures, including the processing and reviewing of network aging reports. The Company developed, tested and implemented a new electronic user form since the prior examination. The first recertification process using this form for all employees and contractors was completed in 2009 Additionally; the Company has included the recertification process in its Sarbanes-Oxley ("SOX") internal controls program.

Item	Description
G	The examiner recommended that the Company increase its fidelity bond coverage to at least $1,250,000, the amount calculated in accordance with the Handbook. Current coverage includes a fidelity bond issued by Chubb Group with Wilton Re US Holdings, Inc. as the names insured. The bond has two parts of coverage: (1) single loss liability for Directors and Officers with coverage at $1.25 million, and (2) Aggregate Limit for each period regarding fiduciary coverage of $4.0 million. The minimum coverage as determined by the NAIC is $2.0 million. The minimum coverage amount was calculated using asset and income balances from both Wilton Reassurance Company, Wilton Reassurance Life Company of New York, and Texas Life Insurance Company, as this amount represents the majority of asset and income amounts of the four companies included in the bond coverage. Redding Reassurance Company was omitted as its financials were minimal and would not impact the minimum amount for coverage required.
H	The examiner recommended that the Company continue to have its outside directors, as well as all other associates, complete annual conflict of interest questionnaires in a timely manner, in accordance with its own Code of Business Conduct and Ethics. Outside directors, as well as all other associates, are required to complete an annual conflict of interest questionnaire in a timely manner in accordance with the Company's Code of Business Conduct and Ethics.
I	The Company violated Section 216.4(e) of the Department Regulation No. 64 by failing to include all complaints in the Company's complaint log. In January 2010, the Company instructed its primary TPA to include verbal complaints in its definition of a complaint and to record such claims in the complaint log. A review of complaints indicated that the Company's complaint log included all complaints.
J	The examiner recommended that the Company revise its complaint definition and written procedures to include both written and verbal complaints on the Company's complaint log. In January 2010, the Company instructed its primary TPA to include verbal complaints in its definition of a complaint and to record such claims in the complaint log. A review of complaints indicated that the Company's complaint log included all complaints.

Item	Description
K	The examiner recommended that the Company maintain its complaint log in the format outlined in Department Circular Letter No. (1978). The Company revised its complaint log as recommended.
L	The examiner recommended that the Company present the quarterly reports from the complaint log on a rolling 12 month basis to provide better data for trending and analysis. The Company presents this information in the Management Complaint Report.
M	The examiner recommended that the Company provide written or timely acknowledgement to the complainant or the Department in the timeframe required by the Department. Acknowledgement letters for receipt of Department complaints were implemented September 1, 2009.

Item	Description
N	The examiner recommended that the Company date-stamp all correspondence and maintain all correspondence received in the complaint file. The Company has instructed its TPA to keep a record of the date for all correspondence. The automated workflow system used by the Company (AWD) contains a record of receipt equivalent to a date-stamp. When mail items are received, they are not physically date-stamped as they are scanned into AWD the same day that they are received. They can be indexed as a Complaint or DOI Complaint (DOICOMP). If the complaint is received by fax, it is automatically scanned into AWD system so it can be indexed to a Complaint or DOICOMP. AWD is the Company's date-stamp, as the Complaint or DOICOMP is coded with the date received (when scanned) and a source code.
O	The examiner recommended the Company perform periodic reviews of the complaint handling function to monitor compliance with Department and Company requirements. The Company monitors compliance in several ways. Management receives a monthly Management Complaint Report. In addition, Company personnel review each claim response prepared by the TPA and monitor response dates on a regular basis. Records of this interaction appear in the complaint files.
P	The examiner recommended that written approval from the Company be maintained in each complaint file. Maintaining evidence of Company approval is part of the complaint procedures. This evidence may consist of a system-recorded approval.
Q	The Company violated Section 216.11 of Department Regulation No. 64 by not maintaining within each claim or surrender file all communications, transactions, notes and workpapers relating to the claim or surrenders and by not dating all communications and transactions, whether written or oral. The Company is aware of the condition of the files inherited from the former owners of the blocks of business and works with the current administrators to address file maintenance.

Item	Description
R	The Company violated Section 216.4(b) of Department Regulation No. 64 by failing to respond to pertinent communications from policy holders within 15 business days. The Company is aware of the condition of the files inherited from the former owners of the blocks of business and works with the current administrators to address file maintenance.
S	The examiner recommended that the Company perform periodic on-site reviews of surrender and claims transactions at the TPAs to verify compliance with Company and regulatory requirements. The Company performs compliance audits on its TPAs to ensure compliance with Company and regulatory requirements.
T	The examiner recommended that written approvals required by the Company be maintained in the claim file. Maintaining evidence of Company approval is part of the claim procedures. This evidence may consist of a system-recorded approval.
U	The Company violated Section 86.4(a) of Department Regulation No. 95 by using claim forms that did not contain the required fraud statement. The Company claim forms were revised in November 2009 to include the fraud statement.
V	The examiner recommended that the Company improve its ability to obtain necessary information from its TPAs on a timely basis. The Company has access to workflow/image systems that have current policy file and claim information. In addition, information is also posted by the TPAs to the Company's Sharepoint portals as needed.

Item	Description
W	The examiner recommended that the Company ensure that its TPAs take greater care in the maintenance of files. The Company has in place a TPA monitoring process and maintains access to workflow/image systems that have current policy file and claim information.

Respectfully submitted,

/s/
ALEX QUASNITSCHKA,
Certified Financial Examiner

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

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

/s/
ALEX QUASNITSCHKA,

Subscribed and sworn to before me

this__________ day of ___________________

APPOINTMENT NO. 30664

STATE OF NEW YORK

INSURANCE DEPARTMENT

I, JAMES J. WRYNN, Superintendent of Insurance of the State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:

ALEX QUASNITSCHKA

as a proper person to examine into the affairs of the

WILTON REASSURANCE LIFE 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 24th day of February, 2011

JAMES J. WRYNN
Superintendent of Insurance

Superintendent