NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

REPORT ON EXAMINATION

OF THE

FIRST INVESTORS LIFE INSURANCE COMPANY

CONDITION: DECEMBER 31, 2012

DATE OF REPORT: MAY 1, 2014

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EXAMINER:	PHARES CATON

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Andrew M. Cuomo
Governor

Benjamin M. Lawsky
Superintendent

May 16, 2014

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

Sir:

In accordance with instructions contained in Appointment No. 30955, dated February 7, 2012 and annexed hereto, an examination has been made into the condition and affairs of First Investors Life Insurance Company, hereinafter referred to as "the Company," at its administrative office located at 110 Fieldcrest Avenue, Edison, NJ 08837. The Company's statutory home office is located at 55 Broadway New York, NY, 10006.

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. EXECUTIVE SUMMARY

The material violation and recommendation contained in this report are summarized below.

- The Company violated Section 1505(d) of the New York Insurance Law when it entered into two agreements, with the intent to share corporate services and employee expenses, with IOF prior to notifying the Superintendent in writing of its intention to do so. (See item 3D of this report)

2. SCOPE OF EXAMINATION

The examination of the Company was a full scope examination as defined in the *NAIC Financial Condition Examiners Handbook, 2013 Edition* (the "Handbook"). The examination covers the three-year period from January 1, 2010 through December 31, 2012. 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, 2012 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 7 of this report.

The examination was conducted on a risk focused basis 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. 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.

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 in 2010 by the accounting firm of Tait, Weller & Baker and in 2011 and 2012, by the accounting firm of KPMG. The Company received an unqualified opinion in all of the years under review. Certain audit workpapers of KPMG were reviewed and relied upon in conjunction with this examination

The examiner reviewed the corrective actions taken by the Company with respect to the violations contained in the prior report on examination. The results of the examiner's review are contained in item 8 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 New York State on August 3, 1962, was licensed on November 1, 1962 and commenced business on December 13, 1962. Initial resources of $1,000,000, consisting of common capital stock of $500,000 and paid in and contributed surplus of $500,000, were provided through the sale of 250,000 shares of common stock (with a par value of $2) to First Investors Corporation ("FIC") for $4 per share. In June of 1968, the assets of FIC were transferred to NFIC Holding Company. In March 1973, NFIC Holding Company changed its name to First Investors Consolidated Corporation ("FICC").

On January 20, 2011, the Independent Order of Foresters ("IOF"), a Canadian Fraternal Benefit Society, purchased the Company's ultimate parent, FICC. The purchase of FICC and its family of companies included the Company, a registered broker-dealer, a registered investment advisor and a transfer agent.

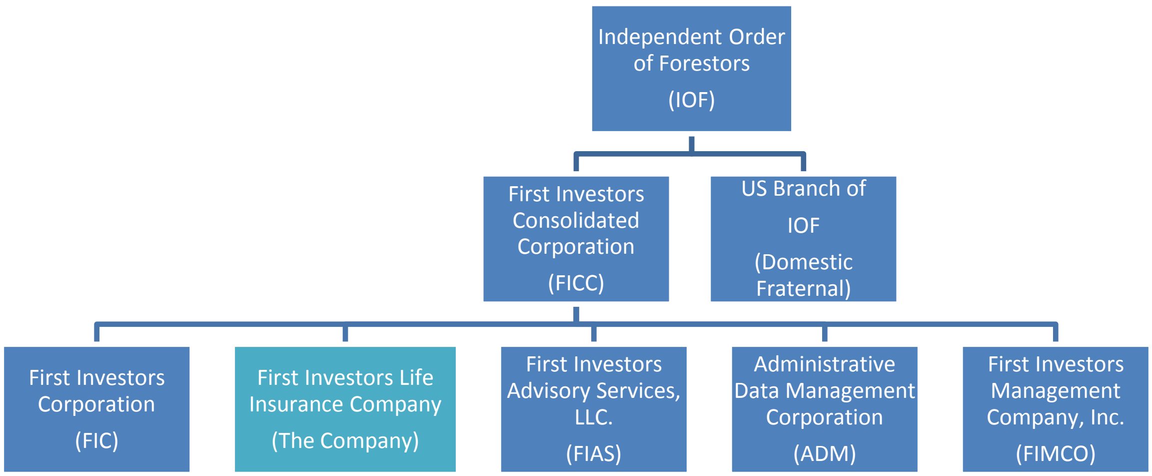
As of December 31, 2012, the common capital stock of the Company totaled $2,538,162 and the paid-in and contributed surplus amounted to $6,496,180.

B. Holding Company

The Company's immediate parent, FICC, is a holding company incorporated in the State of Delaware. FICC is in turn a wholly owned subsidiary of IOF, a fraternal benefit society incorporated under the laws of Canada.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2012 follows:



D. Service Agreements

The Company had eight service agreements in effect with affiliates 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
Investment Management Agreement File # 32545	08/02/2004	FIMCO	The Company	Investment Management Services	2010 - S(149,339) 2011 - $(121,941) 2012 - $(172,080)
Revised General Agent's Agreement File # 33519	07/29/2005	FIC	The Company	General Agent Agreement	2010 - $(9,905,604) 2011 - $(10,081,528) 2012 - $(10,050,003)
Lease and Space File # 21480A	11/08/2005	FIMCO	The Company	Office space - NJ	2010 - $(192,531) 2011 - $(225,290) 2012 - $(256,484)
Administrative Service Agreement File # 21480B	06/22/2006	FIC	The Company	Administrative Services: Marketing, Sales Support, Space, etc.	2010 - $(2,063,220) 2011 - $(2,627,867) 2012 - $(3,063,394)
Information Services Agreement File # 14825C	03/16/2007	ADM	The Company	IT Services, Customer Identification Process Services, New Employee Training	2010 - $(1,543,090) 2011 - $(1,543,998) 2012 - $(1,605,599)
Revised Lease and Space Agreement File # 37833	02/13/2008	FIMCO	The Company	Office space - NY	2010 - $(233,322) 2011 - $(240,063) 2012 - $(129,121)
Shared Corporate Services	11/16/2012	IOF	The Company	Corporate administrative services	2012 - $0
Shared Employee Services	11/16/2012	IOF	The Company	Shared costs for employees who work for FIL and affiliates	2012 - $(94,000)

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

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

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

> "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 entered into two service agreements with its ultimate parent, IOF, on November 16, 2012, under which IOF was to provide shared corporate services including actuarial services, compliance and legal services, human resources services and financial services at cost plus 20%, and shared employee services at cost plus any additional expenses. The Company entered into these agreements without first notifying the superintendent in writing of its intention to enter into such agreements at least 30 days prior thereto.

During the review, the examiner did not note any payments to IOF under the shared corporate services agreement. The examiner however noted that the Company reimbursed IOF for the expense of sharing two employees. The Company further explained that the expenses were reimbursed at cost and not at cost plus additional expenses as stated in the agreement.

The Company violated Section 1505(d) of the New York Insurance Law when it entered into two agreements, with the intent to share corporate services and employee expenses, with IOF prior to notifying the Superintendent in writing of its intention to do so.

The Company disagrees with the Department's position that these agreements must be filed pursuant to Article 15 of the New York Insurance Law. However, the Company has agreed to file the aforementioned two agreements with the Department. Going forward, the Company has committed to file certain agreements and to notify the Department of others prior to entering into affiliate transactions as detailed in such commitment. The Company has also agreed to engage the Department in further discussion of this issue at a later date, as part of a broader discussion on acquisition of domestic insurers by alien companies.

E. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than seven and not more than 21 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in June of each year. As of December 31, 2012, the board of directors consisted of seven members. Meetings of the board are held twice during the year.

The seven board members and their principal business affiliation, as of December 31, 2012, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Craig D. Cloyed* Carbondale, CO	President and Director Calvert Investment Distributors, Inc.	2012
Steven Gutternam* Remsenburg, NY	Chief Executive Officer Instant Labs	2012
William M. Lipkus Morganville, NJ	Chairman of the Board and Chief Financial Officer First Investors Life Insurance Company	2012
Loretta McCarthy* New York, NY	Director Carnegie Speech Company	2012
Martha E. Marcon Glendale, CA	Retired Partner, KPMG	2011
George S. Mohasci Ontario, Canada	President and Chief Executive Officer Independent Order of Forestors	2011
Carol E. Springsteen River Vale, NJ	President First Investors Life Insurance Company	2003

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

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, 2012:

Name	Title
Carol E. Springsteen	President
William H. Drinkwater	Senior Vice President
Lawrence M. Falcon*	Senior Vice President
Pratibha Canaran	Vice President
William M. Lipkus	Chief Financial Officer
Glen E. Mueller	Vice President and Chief Underwriter
David M. Schimmel	Vice President

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

In April 2013, William Lipkus resigned as Chief Financial Officer of the Company and was replaced by Francis X. Gannon

Effective August 15, 2013, Pratibha Canaran resigned her position as Vice President of the Company to return to the Company's ultimate parent, IOF.

4. 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 states except South Dakota. In 2012, 25.9% of life premiums and 24.7% of annuity considerations were received from New York. 12% of annuity considerations were received from New Jersey and 12% of annuity considerations were received from Connecticut**.** Policies are written on a participating and non-participating basis.

The following tables show the percentage of direct premiums received by state, and by major lines of business for the year 2012:

Life Insurance Premiums	
New York	25.85%
New Jersey	7.46
Oregon	7.10
Subtotal	40.41%
All others	59.59%
Total	100.00%

Annuity Considerations	
New York	24.65%
New Jersey	11.97
Connecticut	11.91
Florida	7.48
All others	43.99
Total	100.00%

A. Statutory and Special Deposits

As of December 31, 2012, the Company had $1.5 million (par value) of United States Treasury Bonds 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 2012 filed annual statement, an additional $1.7 million was being held by Arkansas, Georgia, Massachusetts, Nevada, New Hampshire, New Mexico, North Carolina and South Carolina.

B. Direct Operations

The Company writes individual life insurance products including term life, whole life and interest sensitive whole life. The Company also offers individual annuity products including fixed annuities, immediate annuities, and variable annuities.

The Company's agency operations are conducted on a general agency basis. FIC and its representatives function as the Company's sole distribution channel.

C. Reinsurance

As of December 31, 2012, the Company had reinsurance treaties in effect with four companies, of which three were authorized or accredited. The Company's life insurance business is reinsured on a coinsurance, and/or yearly renewable term basis. Reinsurance is provided on an automatic and/or facultative basis.

The maximum retention limit for individual life contracts is $250,000. The total face amount of life insurance ceded as of December 31, 2012, was $5,476,106,195, which represents 55.65% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies, totaling $13,273,997, was supported by trust agreements.

On October 1, 2005, the Company entered into agreements with Swiss Re Life Insurance Company of America and RGA Reinsurance Company where the Company's ceded life insurance is automatically split between the two companies on a 50-50 basis. The Company reinsures substandard risks over $1.2 million and all other risks over $2 million on a facultative basis.

The life insurance that is reinsured with Lincoln National Life Insurance Company and Cologne Life Insurance Company is in run-off mode. There has been no new reinsurance placed with those two companies since October 2005.

5. 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, 2009	December 31, 2012	Increase (Decrease)
Admitted assets	$1,139,211,520	$1,341,125,230	$201,913,710
Liabilities	$1,019,184,279	$1,294,599,834	$275,415,555
Common capital stock	$ 2,538,162	$ 2,538,162	$ 0
Gross paid in and contributed surplus	6,496,180	6,496,180	0
Unassigned funds (surplus)	110,992,899	37,491,054	(73,501,845)
Total capital and surplus	$ 120,027,241	$ 46,525,396	$ (73,501,845)
Total liabilities, capital and surplus	$1,139,211,520	$1,341,125,230	$201,913,710

The majority (70.67%) of the Company's admitted assets, as of December 31, 2012, was derived from Separate Accounts.

The Company's invested assets as of December 31, 2012, exclusive of separate accounts, were comprised of bonds (77.2%), policy loans (20.2%), and cash and short-term investments (2.6%).

The majority (98%) of the Company's bond portfolio, as of December 31, 2012, was comprised of investment grade obligations.

The following is the net gain (loss) from operations by lines 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:

	2010	2011	2012
Ordinary:			
Life insurance	$ 7,136,763	$ 5,789,742	$ 7,015,981
Individual annuities	3,335,343	4,529,884	3,007,205
Total ordinary	$10,472,106	$10,319,626	$10,023,186
Group:			
Life	$ 2,079	$ 0	$ 0
Annuities	(37,685)	(26,913)	275,331
Total group	$ (35,606)	$ (26,913)	$ 275,331
Accident and health:			
Other	(1,325)	(7,373)	(3,766)
Total	$10,435,175	$10,285,340	$10,294,751

The lack of group life insurance business in 2011 and 2012 was the result of the Company's withdrawal from participation in the Service Members Group Life Insurance program in 2011.

The fluctuation in group annuities between 2011 and 2012 was caused by the death in 2012 of an annuitant with a significant account balance. This resulted in a reduction in reserves and a spike in net income.

6. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2012, as contained in the Company's 2012 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, 2012 filed annual statement.

A. Independent Accountants

The firms of KPMG, LLP (2012 and 2011) and Tait, Weller and Baker (2010) were retained by the Company during the examination period to audit the Company's combined statutory basis statements of financial position of the Company as of December 31st of each year and the related statutory-basis statements of operations, capital and surplus, and cash flows for the year then ended.

The CPA firms of KPMG and Tait, Weller and Baker 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	$ 290,825,789
Cash, cash equivalents and short term investments	9,884,804
Contract loans	76,125,458
Investment income due and accrued	6,477,851
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	130,982
Deferred premiums, agents' balances and installments booked but deferred and not yet due	3,270,337
Reinsurance:	
Amounts recoverable from reinsurers	184,950
Other amounts receivable under reinsurance contracts	1,776
Current federal and foreign income tax recoverable and interest thereon	1,826,014
Net deferred tax asset	4,605,000
From separate accounts, segregated accounts and protected cell accounts	947,792,269
Total admitted assets	$1,341,125,230

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$ 335,093,841
Aggregate reserve for accident and health contracts	67,952
Liability for deposit-type contracts	8,688,759
Contract claims:	
Life	778,913
Accident and health	4,290
Policyholders' dividends and coupons due and unpaid	5,205
Provision for policyholders' dividends and coupons payable in	
Dividends apportioned for payment	705,376
Premiums and annuity considerations for life and accident and health contracts received in advance	111,860
Contract liabilities not included elsewhere:	
Surrender values on cancelled contracts	418,364
Interest maintenance reserve	1,893,594
Commissions to agents due or accrued	86,646
General expenses due or accrued	1,798,869
Transfers to separate accounts due or accrued	(8,701,513)
Taxes, licenses and fees due or accrued, excluding federal income taxes	766,499
Amounts withheld or retained by company as agent or trustee	15,865
Amounts held for agents' account	34,324
Remittances and items not allocated	216,619
Liability for benefits for employees and agents if not included above	1,019,378
Miscellaneous liabilities:	
Asset valuation reserve	1,639,367
Payable to parent, subsidiaries and affiliates	277,740
Payable for securities	1,785,296
Liability for unclaimed funds	20,011
Accrued interest on unpaid claims	72,530
Capital stock purchase liability	7,780
From Separate Accounts statement	947,792,269
Total liabilities	$1,294,599,834
Common capital stock	$ 2,538,162
Gross paid in and contributed surplus	$ 6,496,180
Unassigned funds (surplus)	37,491,054
Surplus	$ 43,987,234
Total capital and surplus	$ 46,525,396
Total liabilities, capital and surplus	$1,341,125,230

D. Condensed Summary of Operations

	2010	2011	2012
Premiums and considerations	$101,563,898	$111,614,429	$126,596,628
Investment income	16,194,361	15,758,275	17,569,593
Commissions and reserve adjustments on reinsurance ceded	205,911	193,107	182,001
Miscellaneous income	6,878,038	7,251,043	7,665,954
Total income	$124,842,208	$134,816,854	$152,014,176
Benefit payments	$ 90,340,228	$ 83,598,087	$ 86,192,112
Increase in reserves	38,090,900	35,814,274	44,952,396
Commissions	6,907,271	7,021,454	6,977,939
General expenses and taxes	15,954,583	15,882,985	16,441,418
Increase in loading on deferred and uncollected premium	877,347	(328,591)	(289,369)
Net transfers to (from) Separate Accounts	(40,931,118)	(21,538,235)	(16,675,633)
Total deductions	$111,239,211	$120,449,974	$137,598,863
Net gain (loss)	$ 13,602,997	$ 14,366,880	$ 14,415,313
Dividends	762,433	783,911	809,050
Federal and foreign income taxes incurred	2,405,389	3,297,629	3,311,512
Net gain (loss) from operations before net realized capital gains	$ 10,435,175	$ 10,285,340	$ 10,294,751
Net realized capital gains (losses)	(370,549)	(113,631)	0
Net income	$ 10,064,626	$ 10,171,709	$ 10,294,751

E. Capital and Surplus Account

	2010	2011	2012
Capital and surplus, December 31, prior year	$ 120,027,241	$28,474,789	$36,537,134
Net income	$ 10,064,626	$10,171,709	$10,294,751
Change in net unrealized capital gains (losses)	161,535	650	(4,873)
Change in net deferred income tax	(365,393)	(25,404)	(7,581)
Change in non-admitted assets and related items	1,674,003	32,288	315,606
Change in asset valuation reserve	(87,223)	(172,898)	(320,348)
Cumulative effect of changes in accounting principles	0	0	2,460,707
Dividends to stockholders	(103,000,000)	(1,944,000)	(2,750,000)
Net change in capital and surplus for the year	$(91,552,452)	$ 8,062,345	$ 9,988,262
Capital and surplus, December 31, current year	$ 28,474,789	$36,537,134	$46,525,396

The Company had a decrease of $91.6 million in capital and surplus during 2010 mainly due to dividends totaling $103.0 million being paid to FICC. The dividend consisted of an ordinary dividend of $10.7 million and an extraordinary dividend of $92.3 million which were paid pursuant to Sections 4207(a)(1) and 4207(a)(2), respectively, of the New York Insurance Law.

7. 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 Company’s advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

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

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.

1. Section 216.4(b) of Department Regulation No. 64 states, in part:

> “An appropriate reply shall be made within fifteen (15) business days on all other pertinent communications.”

The examiner’s review of the Company's complaint log revealed that there were 24 complaints during the examination period. A review of the complaint log indicated that the Company did not reply to the complainants within fifteen business days in 13 out of the 24 (52%) cases. The average response time in the 13 complaints was 39.5 days.

The Company violated Section 216.4(b) of Department Regulation No. 64 when it did not reply to communications from complainants within the required 15 day period.

2. Section 86.4 of Department Regulation No. 95 states, in part:

> “(a) … all claim forms for insurance, … provided to any person residing or located in this State in connection with insurance policies for issuance or issuance for delivery in this State, shall contain the following statement:
>
> "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.". . .
>
> (d) Location of warning statements and type size. The warning statements required by subdivisions (a), (b) and (e) of this section shall be placed immediately above the space provided for the signature of the person executing the application or claim form and shall be printed in type which will produce a warning statement of conspicuous size. On claim forms which require execution by a person other than the claimant, or in addition to the claimant, the warning statements required by subdivisions (a), (b) and (e) of this section shall be placed at the top of the first page of the claim form or in the page containing instructions, either in print, by stamp or by attachment and shall be in type size which will produce a warning statement of conspicuous size.”

The Company provided the examiner with a sample claim form that is in use by the Company.

During the review of claims, the examiner noted that the claim forms are made up of three pages. Pages 1 and 2 are the actual claim form with space for a signature and acknowledgement that the claimant has read the fraud warning on page 3. Page 3 consists of fraud warnings for all the states in which the Company is licensed.

The Company violated Section 86.4 of Department Regulation No. 95 when it did not provide claim forms to claimants with the fraud warning immediately above the space provided for signature.

8. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violations 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 51.6(b)(2) of Department Regulation No. 60 when it failed to present, the “IMPORTANT Notice Regarding Replacement or Change of Life Insurance Policies or Annuity Contracts” and/or a completed “Disclosure Statement” to applicants not later than at the time the applicant signs the application. The review of the Company’s underwriting and replacements did not reveal any violation of Section 51.6(b)(2) of Department Regulation No, 60.
B	The Company violated Section 51.6(b)(9) of Department Regulation 60 by failing to provide a revised “Disclosure Statement” when the life insurance policy issued differed from the life insurance policy applied for. The review of underwriting and replacements did not reveal any instances where a revised “Disclosure Statement” was necessary.
C	The Company violated Section 3201(b)(1) of New York Insurance Law by issuing policies in which the policy language was not consistent with the language in its filed and approved forms. The review of underwriting did not reveal any instance where the Company utilized the policy form language that was not consistent with the approved language.
D	The Company violated Section 4224(a)(2) of the New York Insurance Law by failing to notify the applicant of the right to receive the specific reasons for an adverse underwriting decision. The review of underwriting did not reveal any instance where the Company did not properly notify the applicant of the right to receive specific reasons for an adverse underwriting decision.

9. 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) of the New York Insurance Law when it entered into two agreements, with the intent to share corporate services and employee expenses, with IOF prior to notifying the Superintendent in writing of its intention to do so.	8
B	The Company violated Section 216.4(b) of Department Regulation No. 64 when it did not reply to communications from complainants within the required 15 day period.	19
C	The Company violated Section 86.4 of Department Regulation No. 95 when it did not provide claim forms to claimants with the fraud warning immediately above the space provided for signature.	20

Respectfully submitted,

_____________/s/____________
Phares Caton
Associate Insurance Examiner

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

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

_____________/s/____________
Phares Caton

Subscribed and sworn to before me

this__________ day of ___________________

APPOINTMENT NO. 30955

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, BENJAMIN M. LAWSKY, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:

PHARES CATON

as a proper person to examine the affairs of the

FIRST INVESTORS LIFE INSURANCE COMPANY

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

COMPANY

with such other information as he shall deem requisite.

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

this 7th day of February, 2013

BENJAMIN M. LAWSKY
Superintendent of Financial Services

By:

MICHAEL MAFFEI
ASSISTANT DEPUTY SUPERINTENDENT
AND CHIEF OF THE LIFE BUREAU

NEW YORK STATE ★ DEPARTMENT OF FINANCIAL SERVICES ★ EXCELSIOR