



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REPORT ON MARKET CONDUCT EXAMINATION
OF
THE NEW YORK LIFE INSURANCE COMPANY

CONDITION:

DECEMBER 31, 2009

DATE OF REPORT:

FEBRUARY 28, 2011

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

REPORT ON MARKET CONDUCT EXAMINATION

OF

THE NEW YORK LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2009

DATE OF REPORT:

FEBRUARY 28, 2011

EXAMINER:

DENNIS G. BENSON, CLU, AIE

TABLE OF CONTENTS

| <u>ITEM</u> | | <u>PAGE NO.</u> |
|-------------|--------------------------------------|-----------------|
| 1. | Executive summary | 2 |
| 2. | Scope of examination | 3 |
| 3. | Description of Company | 4 |
| | A. History | 4 |
| | B. Territory and plan of operation | 4 |
| 4. | Market conduct activities | 6 |
| | A. Advertising and sales activities | 6 |
| | B. Underwriting and policy forms | 6 |
| | C. Treatment of policyholders | 10 |
| 5. | Prior report summary and conclusions | 14 |
| 6. | Summary and conclusions | 16 |



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Benjamin M. Lawsky
Superintendent

August 28, 2014

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

Sir:

In accordance with instructions contained in Appointment No. 30665, dated February 24, 2010, and annexed hereto, an examination has been made into the condition and affairs of The New York Life Insurance Company, hereinafter referred to as “the Company” at its home office located at 51 Madison Avenue, New York, New York 10010.

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. EXECUTIVE SUMMARY

The material violations contained in this report are summarized below.

- The Company violated Section 3201(b)(1) of the New York Insurance Law by using policy forms that were not approved by the superintendent for use in New York State.
- The Company violated Section 53.3-5(a) of Department Regulation No. 74 by failing to, where an illustration was used in the sale of the policy, provide an illustration to the applicant at the time of application or, when a policy was issued other than as applied for, provide a “Revised Illustration” conforming to the policy as issued at time of policy delivery or failing to label the revised illustration as a “Revised Illustration.”
- The Company violated Section 53.3-5(b) of Department Regulation No. 74 by failing to certify in writing on the illustration certification section of the application that no illustration was used in the sale of the life insurance policy or that the policy was applied for other than as illustrated.
- The Company violated Section 53-3.6(b) of Department Regulation No. 74 when it failed to include the required Important Policy Holder Notice language in the annual reports provided to policyholders and contract holders.
- The Company violated Section 41.4(e) of Department Regulation No. 143 by using an Application for Accelerated Benefits Form that did not contain any of the disclosures required by such section.
- The Company violated Section 41.4(g) of Department Regulation No. 143 when it failed to provide the information specified by such section to accelerated death benefit claimants.

2. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2005 through December 31, 2009. As necessary, the examiner reviewed matters occurring subsequent to December 31, 2009 but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a review of market conduct activities and utilized the National Association of Insurance Commissioners' Market Regulations Handbook or such other examination procedures, as deemed appropriate, in such review.

The examiner reviewed the corrective actions taken by the Company with respect to the market conduct violations contained in the prior market conduct report on examination. The results of the examiner's review are contained in item 5 of this report.

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

3. DESCRIPTION OF COMPANY

A. History

The Company was originally chartered in May, 1841 as Nautilus Insurance Company and was authorized to write fire and marine insurance, and inland navigation and transportation risks. The charter was amended in April, 1843 to permit Nautilus Insurance Company to organize as a mutual company and write life insurance. The by-laws were amended in June, 1845 to restrict the Company's business to "insurance on life and all and every insurance pertaining to life." The Company's name was officially changed to New York Life Insurance Company on April 5, 1849.

B. 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 all 50 states, the District of Columbia, Canada, and Puerto Rico.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2009:

| <u>Life Insurance Premiums</u> | | <u>Annuity Considerations</u> | |
|--------------------------------|---------------|-------------------------------|---------------|
| California | 10.4% | New York | 51.1% |
| New York | 9.0% | Delaware | 30.7% |
| Texas | 4.9% | California | 3.8% |
| Florida | 3.1% | Maryland | 2.6% |
| New Jersey | <u>2.9%</u> | Texas | <u>2.1%</u> |
| Subtotal | 30.3% | Subtotal | 90.3% |
| All others | <u>69.7%</u> | All others | <u>9.7%</u> |
| Total | <u>100.0%</u> | Total | <u>100.0%</u> |

Deposit Type Contracts

| | |
|---------------|---------------|
| New Hampshire | 44.0% |
| New York | 31.6% |
| Delaware | 21.3% |
| Subtotal | 96.9% |
| All others | <u>3.1%</u> |
| Total | <u>100.0%</u> |

The majority of policies are written on a participating basis. The Company writes whole life, term life, group life, group accident and health, membership association group life, long-term care, structured settlements and group annuity policies.

The Company's agency operations are conducted on a general agency, branch office and direct response basis.

4. 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.

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.

The examiner selected a sample of 150 individual life policies issued during the examination period.

Section 53-3.2 (a) of Department Regulation No. 74 states, in part:

“An Illustration used in the sale of a life insurance policy and subject to this Subpart shall satisfy the applicable requirements of this Subpart, be clearly labeled “life insurance illustration” and contain the following basic information . . .

(2) Name and business address of producer or insurer's authorized representative, if any . . .”

Section 53-3.5 of Department Regulation No. 74 states, in part:

“(a) If a basic illustration is used by an insurance producer or other authorized representative of the insurer in the sale of a life insurance policy and the policy is applied for as illustrated, a copy of that illustration, signed in accordance with this Subpart, shall be submitted to the insurer at the time of policy application. A copy also shall be provided to the applicant. If the policy is issued other than as applied for, a revised basic illustration conforming to the policy as issued shall be sent with the policy. The revised illustration shall conform to the requirements of this Subpart, shall be labeled "Revised Illustration" and shall be signed and dated by the applicant or policy owner and producer or other authorized representative of

the insurer no later than the time the policy is delivered. A copy shall be provided to the insurer and the policyowner.

b) If no illustration is used by an insurance producer or other authorized representative of the insurer in the sale of a life insurance policy or if the policy is applied for other than as illustrated, the producer or representative shall certify to that effect in writing on a form provided by the insurer. On the same form the applicant shall acknowledge that no illustration conforming to the policy applied for was provided and shall further acknowledge an understanding that an illustration conforming to the policy as issued will be provided no later than at the time of policy delivery. This form shall be submitted to the insurer at the time of policy application. If the policy is issued, a basic illustration conforming to the policy as issued shall be sent with the policy and signed no later than the time the policy is delivered. A copy shall be provided to the insurer and the policy owner. .

(e) A copy of the basic illustration and a revised basic illustration, if any, signed as applicable, along with any certification that either no illustration was used or that the policy was applied for other than as illustrated, shall be retained by the insurer until the later of six years after the policy is no longer in force or the next scheduled examination by the Department. A copy need not be retained if no policy is issued.”

In 12 of the 150 (8.0%) individual life new issues reviewed where the Company indicated that an illustration was supposed to have been used in the sale of the policy, the Company failed to provide a basic illustration to the applicant at the time of application.

In 16 of the 46 (34.8%) individual life new issues reviewed where an illustration was used in the sale of the policy and the policy was issued other than as applied for, the Company either failed to provide a “Revised Illustration” conforming to the policy as issued at time of policy delivery or failed to label the illustration “Revised Illustration.”.

The Company violated Section 53.3-5(a) of Department Regulation No. 74 by failing to, where an illustration was used in the sale of the policy, provide an illustration to the applicant at the time of application or, when a policy was issued other than as applied for, provide a “Revised Illustration” conforming to the policy as issued at time of policy delivery or failing to label the revised illustration as a “Revised Illustration.”

In 16 of the 150 (22.6%) individual life new issues reviewed where an illustration was provided at delivery instead of at the time of application or if the policy was applied for other than as illustrated, the Company failed to certify in writing on the illustration certification section

of the application, that no illustration was used in the sale of the life insurance policy or that the policy was applied for other than as illustrated.

The Company violated Section 53.3-5(b) of Department Regulation No. 74 by failing to certify in writing on the illustration certification section of the application that no illustration was used in the sale of the life insurance policy or that the policy was applied for other than as illustrated.

In 14 of the 138 (10.1%) individual life new issues reviewed where an illustration was provided, the Company failed to list the producing agent's name and/or business address on the illustration.

The Company violated Section 53-3.2 (a)(2) of Department Regulation No. 74 by failing to include the producing agent's name and/or business address on the illustration.

Section 53-3.6(b) of Department Regulation No. 74 states, in part:

“If the annual report does not include an in-force illustration, it shall contain the following notice displayed prominently: ‘IMPORTANT POLICY OWNER NOTICE: You should consider requesting more detailed information about your policy to understand how it may perform in the future. You should not consider replacement of your policy or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by calling [insurer's phone number], writing to [insurer's name] at [insurer's address] or contacting your agent or broker. If you do not receive a current illustration of your policy within 30 days from the date of your request, you should contact your state insurance department.’ . . .”

The examiner requested specimen copies of the annual reports which the Company provides to policyholders and contract holders. After reviewing each type of annual report, the examiner concluded that none of the specimen copies contained the Important Policy Holder Notice language required by Section 53-3.6(b) of Department Regulation No. 74. The Company confirmed that none of its policies or contracts issued since 2000 contained the required Important Policy Holder Notice language.

The Company violated Section 53-3.6(b) of Department Regulation No. 74 when it failed to include the required Important Policy Holder Notice language in the annual reports provided to policyholders and contract holders.

Section 3201 (b)(1) of New York Insurance Law states, in part:

“No policy form shall be delivered or issued for delivery in this state unless it has been filed with and approved by the superintendent as conforming to the requirements of this chapter and not inconsistent with law. A group life, group accident, group health, group accident and health or blanket accident and health insurance certificate evidencing insurance coverage on a resident of this state shall be deemed to have been delivered in this state, regardless of the place of actual delivery . . .”

The examiner selected a sample of seven association group life master contracts that were issued in New York State for policy form review. In three of the seven association group life master contracts reviewed, the Company used policy form GMRL/ADD.

Policy Form GMRL/ADD contained exclusions for crimes, illegal occupations, illegal activity, terrorism and military service which were added by the Company to the forms used to issue the contract. The exclusions which were added by the Company, altering the forms, should have been submitted to the Life Bureau for approval prior to their use. Statements of variability for this form was not approved by the Life Bureau but was merely placed on file for informational purposes for out of state use. An approval for the use of variability requires the nature and scope of the variations to be clearly indicated and include any alternative language, which the Company failed to do. Further, the terrorism is not an authorized exclusion and would not have been permitted if the form were filed for approval. The other exclusions are permissible, however, if the form had been submitted for approval, Life Bureau would have requested that it be revised to more closely comply with certain concepts set forth in Sections 3216(d)(2)(J) and (K) of the New York Insurance Law and Section 52.16(c) of Department Regulation No. 62 due to the fact that they are more detrimental to the insured as they restrict payment of the death benefit.

The Company violated Section 3201(b)(1) of the New York Insurance Law by using policy forms that were not approved by the superintendent for use in New York State.

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 3214(c) of the New York Insurance Law states, in part:

“If no action has been commenced, interest upon the principal sum paid to the beneficiary or policyholder shall be computed daily at the rate of interest currently paid by the insurer on proceeds left under the interest settlement option . . . from the date of maturity of an endowment contract to the date of payment and shall be added to and be a part of the total sum paid.”

The examiner reviewed a sample of 34 matured endowments that were processed during the examination period. In 22 of the 34 cases reviewed, a lump sum was paid. In 11 of the 22 (50.0%) cases where a lump sum was paid, the Company either did not pay any interest due or did not pay the total interest due from the date of maturity of the endowment contract to the date of payment to the beneficiary.

The Company violated Section 3214(c) of the New York Insurance Law when it failed to pay interest on matured endowment claims from the date of maturity of the endowment contract to the date of payment.

Section 41.4(e) of Department Regulation No. 143 states, in part:

“In the case of accelerated payment of death benefits . . . the application or claim form to accelerate the payment of the death benefit of a life insurance policy shall provide for the following:

(1) a notice prominently displayed to read "Receipt of accelerated death benefits may affect eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children and Supplemental Security Income. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum. Prior to applying for accelerated death benefits, (policy owners) (certificate holders) should consult with the appropriate social services agency concerning how receipt will affect the eligibility of the recipient and/or the recipient's spouse or dependents";

(2) a notice prominently displayed to read "Receipt of accelerated death benefits may be taxable. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum. Prior to applying for such

benefits, (policy owners) (certificate holders) should seek assistance from a qualified tax advisor";

(3) a statement by the policy owner or certificate holder that such application is voluntary and without coercion on the part of any third party;

(4) a statement that no health care facility as defined in Section 20 of the Public Health Law can require any person to accelerate payment of a death benefit as a condition of admission to such health care facility or for providing any care in such facility;

(5) a statement setting forth the remaining death benefits, if any, available to the beneficiary;

(6) a notice that the insurer is prohibited from paying accelerated death benefits to the policy owner or certificate holder for a period of 14 days from the date on which the information specified in subdivision (g) of this section is transmitted in writing to the policy owner or certificate holder;

(7) the application must be dated by the insurer upon transmittal and be completed and signed by the policy owner or certificate holder not more than 30 days thereafter;

(8) the application or claim form must set forth the statements required by this subsection directly above the policy owner's or certificate holder's signature. The notices required by this subsection must be set forth in the application or claim form used to apply for the acceleration of death benefits."

Section 41.4(g) of Department Regulation No. 143 states, in part:

"In the case of accelerated payment of death benefits pursuant to section 1113(a)(1)(A), (B) or (C) of the Insurance Law not later than five days after receipt of an application or claim form to accelerate the payment of the death benefit of a life insurance policy, the insurer shall provide the policyowner or certificateholder with the following:

(1) a numerical computation of the amount of the death benefit that has been requested to be accelerated and the amount to be paid in cash to the policyowner or the certificateholder;

(2) a numerical computation of the amount of the death benefit which would be payable upon death, if no part of the death benefit were accelerated;

(3) an illustration demonstrating the effect of the accelerated death benefit requested on the policy's face amount, specified amount, death benefit, premium payments, accumulation account, cash value, loan balance, and partial withdrawals as provided under the terms of the policy; and

(4) a notice that other means may be available to achieve the intended goal, including a policy loan.”

The examiner reviewed all nine of the applications to accelerate the payment of death benefits of individual life insurance policies that occurred during the examination period. The Company paid the accelerated death benefits in eight of the nine cases. The remaining application to accelerate the payment of death benefits was denied.

In six of the eight (75%) paid accelerated death benefit claim files reviewed, the Application for Accelerated Benefits Form utilized by the Company did not contain any of the disclosures required by Section 41.4(e) of Department Regulation No. 143.

The Company violated Section 41.4(e) of Department Regulation No. 143 by using an Application for Accelerated Benefits Form that did not contain any of the disclosures required by such section.

The Company failed to communicate any of the information required by Section 41.4(g) of Department Regulation No. 143 to accelerated death benefit claimants.

The Company violated Section 41.4(g) of Department Regulation No. 143 when it failed to provide the information specified by such section to accelerated death benefit claimants.

Section 403(d) of the New York Insurance Law states:

“All applications for commercial insurance, individual, group or blanket accident and health insurance and all claim forms, except as provided for in subsection (e) of this section, shall contain a notice in a form approved by the superintendent that clearly states in substance the following:

‘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.’”

Sections 86.4 of the Department Regulation No. 95 states, in part:

“(a) Except with respect to automobile insurance, all claim forms for insurance, and all applications for commercial insurance and accident and health 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 . . . 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 . . . 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 examiner reviewed the Company’s AARP living benefits rider claim form, the AARP waiver of premium claim form, the Company’s Membership Association (“MA”) group accelerated death benefit claim form, MA waiver of premium claim form, and MA dismemberment claim form. These forms did not contain the fraud warning statements required by Section 403(d) of the New York Insurance Law and Department Regulation No. 95. The language used by the Company did not indicate that the civil penalty would not exceed five thousand dollars and the stated value of the claim for each such violation.

The Company violated Section 403(d) of the New York Insurance Law and Section 86.4(a) of Department Regulation No. 95 in those cases where it did not include the proper fraud warning on certain claim forms.

In addition, for the claim forms mentioned above and the Company’s individual disability and income protection benefit claim forms, the examiner noted that the fraud warning statement was not placed directly above the signature of the person who was required to sign the form, but instead, on a separate page containing the attending physician’s statement.

The Company violated Section 86.4(d) of the Department of Regulation No. 95 by failing to position the fraud warning statement directly above the space where the signature of the person executing the form was placed.

In June of 2010, while the examination team was still on site, the Company corrected this issue by placing into use new claim forms that have the required fraud warning language and a space for the signature of the person executing the claim directly below the required fraud warning language.

5. 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:

| <u>Item</u> | <u>Description</u> |
|-------------|---|
| A | <p>The Company violated Section 51.6(b)(2) of Department Regulation No. 60 by failing to require with or as part of each application proof of receipt by the applicant of the Important Notice and the completed Disclosure Statement.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |
| B | <p>The Company violated Section 51.6(b)(3) of Department Regulation No. 60 by failing to examine the Disclosure Statement and ascertain that it was accurate and met the requirements of this Part.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |
| C | <p>The Company violated Section 51.6(b)(7) of Department Regulation No. 60 by failing to reject the application in situations where the forms do not meet the requirements of this Part or are not accurate.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |
| D | <p>The Company violated Section 51.6(b)(9) by failing to provide the applicant with a revised Disclosure Statement when the life insurance policy differed from the policy applied for.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |
| E | <p>The Company violated Section 51.6(b)(3) of Department Regulation No. 60 by failing to present to the applicant, not later than at the time the applicant signs the application, the Important Notice and a completed Disclosure Statement where a replacement has occurred or is likely to occur.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |

| <u>Item</u> | <u>Description</u> |
|-------------|--|
| F | <p>The Company violated Section 51.6(b)(4) of Department Regulation No. 60 by failing to furnish to the insurer whose coverage is being replaced a copy of any proposal used and the completed Disclosure Statement.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |
| G | <p>The Company violated Section 51.6(b)(6) of Department Regulation No. 60 by failing to maintain in its files a copy of any proposal used in the sale of a proposed policy, proof of receipt of the Important Notice, the Disclosure Statement, and proof of notification to the insurer being replaced, for six calendar years or until after the filing of the report on examination in which the replacement transaction was subject to review, whichever is later.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |
| H | <p>The Company violated Section 51.6(e) of Department Regulation No. 60 by failing to date stamp all replacement documentation required by this Part upon receipt.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |
| I | <p>The Company violated Section 51.4 of Department Regulation No. 60 by failing to follow the agreed upon alternate procedures with respect to AARP life policies, by its failure to obtain an answer to the replacement question.</p> <p>A review of a sample of Department Regulation No. 60 replacements revealed no recurrence of this violation.</p> |
| J | <p>The Company violated Section 216.11 of Department Regulation No. 64 by failing to maintain in its death claim files a copy of the Settlement Alternatives sheet.</p> <p>A review of death claim files indicated that the files contained copies of the Settlement Alternatives sheet.</p> |

6. SUMMARY AND CONCLUSIONS

Following are the violations contained in this report:

| <u>Item</u> | <u>Description</u> | <u>Page No(s).</u> |
|-------------|--|--------------------|
| A | The Company violated Section 53.3-5(a) of Department Regulation No. 74 by failing to, where an illustration was used in the sale of the policy, provide an illustration to the applicant at the time of application or, when a policy was issued other than as applied for, provide a “Revised Illustration” conforming to the policy as issued at time of policy delivery or failing to label the revised illustration as a “Revised Illustration.” | 7 |
| B | The Company violated Section 53.3-5(b) of Department Regulation No. 74 by failing to certify in writing on the illustration certification section of the application that no illustration was used in the sale of the life insurance policy or that the policy was applied for other than as illustrated. | 8 |
| C | The Company violated Section 53-3.2 (a)(2) of Department Regulation No. 74 by failing to include the producing agent’s name and/or business address on the illustration. | 8 |
| D | The Company violated Section 53-3.6(b) of Department Regulation No. 74 when it failed to include the required Important Policy Holder Notice language in the annual reports provided to policyholders and contract holders. | 8 |
| E | The Company violated Section 3201(b)(1) of the New York Insurance Law by using policy forms that were not approved by the superintendent for use in New York State. | 9 |

| <u>Item</u> | <u>Description</u> | <u>Page No(s).</u> |
|-------------|--|--------------------|
| F | The Company violated Section 3214(c) of the New York Insurance Law when it failed to pay interest on matured endowment claims from the date of maturity of the endowment contract to the date of payment. | 10 |
| G | The Company violated Section 41.4(e) of Department Regulation No. 143 by using an Application for Accelerated Benefits Form that did not contain any of the disclosures required by such section. | 12 |
| H | The Company violated Section 41.4(g) of Department Regulation No. 143 when it failed to provide the information specified by such section to accelerated death benefit claimants. | 12 |
| I | The Company violated Section 403(d) of the New York Insurance Law and Section 86.4(a) of Department Regulation No. 95 in those cases where it did not include the proper fraud warning on certain claim forms. | 13 |
| J | The Company violated Section 86.4(d) of the Department of Regulation No. 95 by failing to position the fraud warning statement directly above the space where the signature of the person executing the form was placed. | 13 |

APPOINTMENT NO. 30665

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:

DENNIS BENSEN

as a proper person to examine into the affairs of the

NEW YORK LIFE INSURANCE COMPANY

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

James J. Wrynn
Superintendent