NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

REPORT ON EXAMINATION

OF THE

MUTUAL OF AMERICA LIFE INSURANCE COMPANY

CONDITION: DECEMBER 31, 2011

DATE OF REPORT: APRIL 15, 2013

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EXAMINER: JOSHUA WEISS

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Andrew M. Cuomo
Governor

Benjamin M. Lawsky
Superintendent

May 15, 2013

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

Sir:

In accordance with instructions contained in Appointment No. 30816, dated February 1, 2012 and annexed hereto, an examination has been made into the condition and affairs of the Mutual of America Life Insurance Company hereinafter referred to as "the Company," at its home office located at 320 Park Avenue, New York, NY 10022

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, recommendation and comment contained in this report are summarized below.

- The Company violated Section 51.6 (b)(4) of Department Regulation No. 60 by failing to furnish the sales material used in the sale of the proposed annuity contract and the completed Disclosure Statement to the insurer whose coverage was being replaced, within 10 days of receipt of the applications. This violation appeared in the prior report on examination. (See item 7A of this report)
- The Company violated Section 51.6(e) of Department Regulation No. 60 by not ensuring compliance with Section 51.5(c)(3) of Department Regulation No. 60 when the applicant was presented with the Important Notice and/or Disclosure Statement after the applicant signed the application. (See item 7A of this report)
- The Company violated Section 51.6(e) of Department Regulation No. 60 by failing to date the Important Notice, Disclosure Statement and/or the application upon receipt. (See item 7A of this report)
- The Company did not comply with the instructions for completing Appendix 10B of Department Regulation No. 60 by failing to provide the required individual contract comparisons when multiple contracts were being replaced. (See item 7A of this report)
- It is recommended the Company enhance its ERM program by augmenting its documentation of its ERM activities, by establishing a procedure for formal periodic meetings between the SVP, ERM and the Chairman, President and CEO regarding the ERM program and formalizing the Company's existing ERM reporting to the Board of Directors. (See item 8 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, 2011 Edition (the "Handbook"). The examination covers the five year period from January 1, 2007 to December 31, 2011. 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, 2011, 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 annually, for the years 2007 through 2011, by the accounting firm of KPMG, LLP. The Company received an unqualified opinion in all years. Certain audit work papers of the accounting firm were reviewed and relied upon in conjunction with this examination. The Company has an internal audit department and a separate internal control function that is managed by various Company departments which were given the task of assessing the internal control structure. The Company is subject to the NAIC Model Audit Rule ("MAR") and the examiners reviewed and relied on the Company's MAR workpapers in order to identify and obtain an understanding of the financial reporting risks, processes and related internal controls.

The examiner reviewed the corrective actions taken by the Company with respect to the violations, recommendations and comment contained in the prior reports on examination. The results of the examiner's review are contained in item 9 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 and licensed as a retirement association under the laws of New York on January 3, 1945, and commenced business on October 1, 1945 as National Health and Welfare Retirement Association, Incorporated, a not for profit organization, with the authority to transact business in accordance with what is currently codified as Article 46 of the New York Insurance Law.

On December 31, 1978, the Company converted to a mutual life insurance company pursuant to Section 7303 of the New York Insurance Law under the name National Health and Welfare Mutual Life Insurance Association, Incorporated, and eventually assumed all of the business of National Health and Welfare Retirement Association, Incorporated. Effective January 1, 1984, the Company's name was changed to Mutual of America Life Insurance Company.

The Company is a mutual life insurer that specializes in providing employee benefits, including pensions and life and disability insurance, to employees of employers in the not for profit field. Its clientele includes providers of health care, educational institutions, unions, religious and charitable organizations and governmental agencies and their employees. As a provider of benefits to the not for profit sector, the Company had been exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Tax Reform Act of 1986 limited the Company's federal tax exemption to the Company's pension business only. The Tax Payer Relief Act of 1997 made the Company's entire operations subject to federal income tax, effective January 1, 1998. This change was subject to certain "fresh start" transition rules, which moderated the impact of federal income taxes on the Company.

As a result of the Tax Relief Act of 1997, the Company was also able to broaden its policyholder base. The Company's original charter limited its policyholders to solely tax-exempt organizations, governmental entities and their directors, employees and families (to comply with its original restricted tax-exempt purpose). In December, 1998, the Company's board of directors amended the charter so that the Company could serve the insurance and financial needs of the general public, including for profit companies, while continuing to serve nonprofit organizations.

B. Subsidiaries

The following is a brief description of the Company's subsidiaries as of December 31, 2011.

Mutual of America Investment Corporation ("Investment Corp.") is a registered, open-end investment management company, incorporated in Maryland in 1986, commonly known as a mutual fund. Unlike most public mutual funds, Investment Corp. restricts the sale of shares to the separate accounts of the Company and the separate accounts of Wilton Reinsurance Life Company of New York, a former affiliate of the Company. The shares of the respective funds of Investment Corp. are owned by the companies through its various separate accounts.

Mutual of America Institutional Funds, Inc. ("Institutional Funds") is also a registered, opened investment management company. Institutional Funds was incorporated in Maryland in 1994, began its operations in 1996, and is owned by the organizations that purchase its shares (i.e., the institutional investors including the Company). Institutional Funds shares are made available only to endowments, foundations, corporations, municipalities or other public entities and other institutions with a requirement of $25,000 as a minimum initial investment.

Institutional Funds are not made available to individuals, nor are they made available to separate accounts of annuity or insurance contracts. Institutional Funds currently offers six funds, with a selection of equity and fixed income alternatives. Institutional Funds was formed to offer the Company's nonprofit clientele investment alternatives for their non-pension assets.

Mutual of America Holding Company, Inc. ("MOA Holding Company") is a holding company organized under the laws of the State of Delaware in 1998. MOA Holding Company holds all of the shares of the Company's operating subsidiaries. MOA Holding Company has no employees and its officers are also officers of the Company.

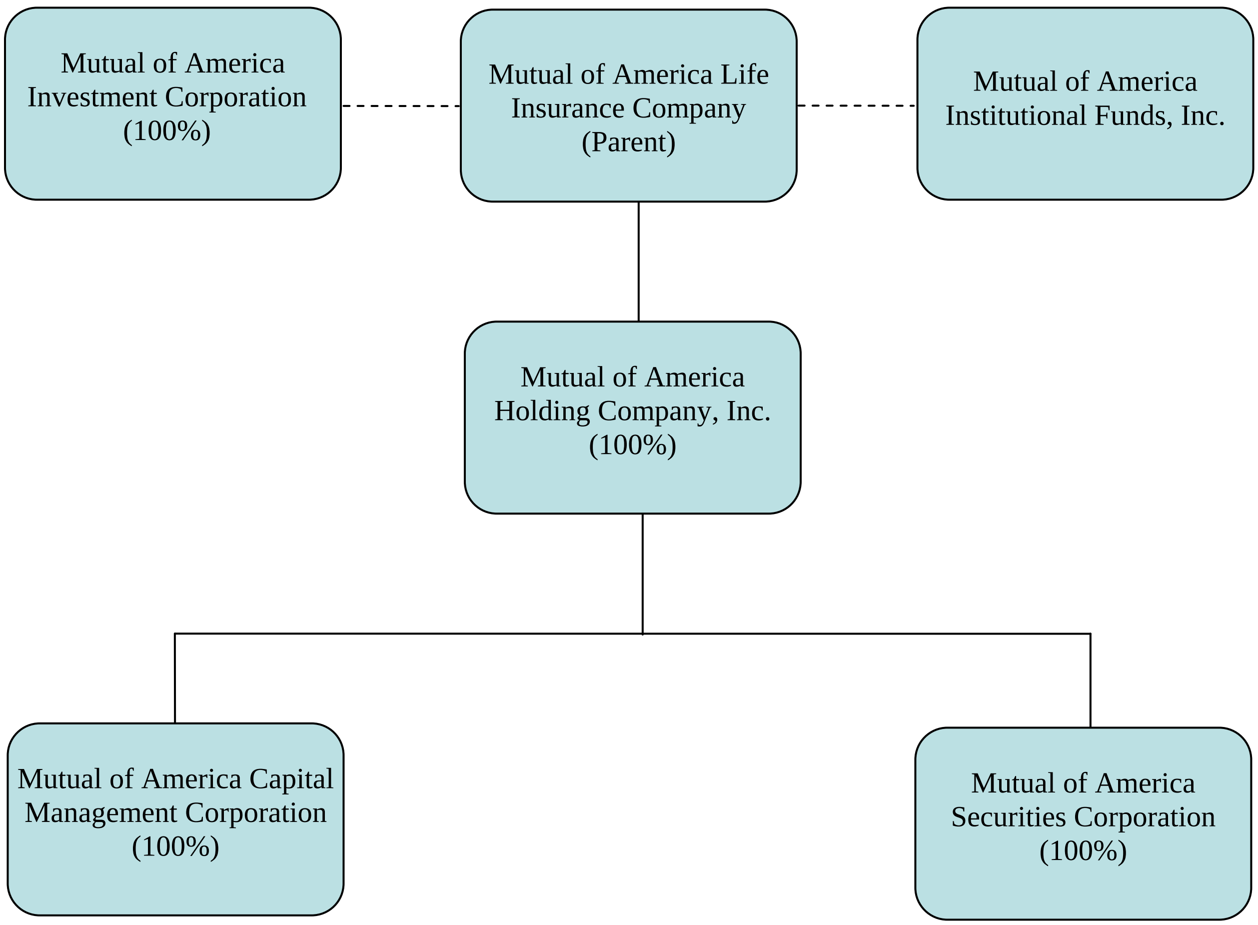
Mutual of America Capital Management Corporation ("Capital Management") is a registered investment adviser, incorporated in Delaware in 1993. Capital Management manages the assets of the Company, its family of companies, and also seeks other opportunities to manage assets for unaffiliated third parties.

Capital Management serves as the investment adviser/manager for the Company's general account. Capital Management also manages twenty four funds for Investment Corp., and all six funds for Institutional Funds. Capital Management also manages the individual separate accounts established at the Company specifically for the pension plans of several of its clients and the funds of each of the Company’s subsidiaries in order to carry out their respective investment objectives.

Mutual of America Securities Corporation (“Securities Corporation”) is a registered broker/dealer organized under the laws of the State of Delaware in 1990. It distributes the shares of the Institutional Funds. It is also authorized to operate as an introducing broker in executing certain equity trades on behalf of the Company’s general account.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2011 follows:



The Company had 11 service agreements in effect with affiliates during the examination period.

Index #	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
1	Service Agreement Amendment A	01/03/1994 05/01/1996	The Company	Capital Management	The Company provides accounting, tax and auditing, legal and actuarial services to Capital Management. The Company will provide above services in connection with Capital Management's additional advisory activities if requested.	2007 - $ 571,970 2008 - $ 509,983 2009 - $ 577,437 2010 - $ 639,651 2011 - $ 641,941
2	Investment Advisory Agreement Amendment	01/03/1994 01/01/2010	Capital Management	The Company	Capital Management services performed for the Company's general account including: performing research; consulting and furnishing the board of directors of the Company recommendations with respect to the Company's investment policies; seeking out, presenting and recommending specific investment opportunities; making and carrying out decisions to acquire or dispose of permissible investments and selecting brokers or dealers that will execute the purchases and sales of the portfolio securities. Revises the compensation paid by the Company to Capital Management for the provision of investment management services with respect to the Company's general account. Specifically, the Company pays to Capital Management a fee equal to 0.23% of the average book value of the assets in the Company's general account managed by Capital Management, each Month, commencing January 1, 2010.	2007 – $(8,560,795) 2008 – $(12,265,730) 2009 – $(12,815,746) 2010 – $(14,920,842) 2011 – $(15,618,919)

Index #	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
3	Distribution Agreement	09/21/1994	The Company	Investment Corp.	Investment Corp. appoints the Company as the principal underwriter and distributor to sell its shares to the Company's separate accounts.	2007 - $ 0 2008 - $ 0 A 2009 - $ 0 2010 - $ 0 2011 - $ 0 A: The Company does not derive any distribution fees under this agreement.
4	Investment Accounting Services	01/01/1997	The Company	Capital Management	The Company provides Capital Management with employees and accounting services in connection with Capital Management's activities as the investment accounting and record keeping agent for the portfolios of Institutional Funds.	2007 - $ 571,970 2008 - $ 509,983 2009 - $ 577,437 2010 - $ 639,651 2011 - $ 641,941
5	Delegation of Implementation and Operation of Certain Anti-Money Laundering ("AML") Procedures	07/23/2002	The Company	Investment Corp.	The Company provides AML compliance procedures for Investment Corp.	The expenses incurred under this agreement are included under the allocation for the service agreement between the Company and Capital Management.
6	Delegation of Implementation and Operation of Certain AML Procedures	07/23/2002	The Company and Securities Corporation	Institutional Funds	The Company and Securities Corporation provide AML compliance procedures for Institutional Funds.	The expenses incurred under this agreement are included under the allocation for the service agreement between the Company and Capital Management. (Agreement #4)

Index #	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
7	Investment Advisory Agreement regarding the Diocese of Saint Augustine Priests Plan Balanced separate account - Addendum A - Addendum B - Addendum C	08/09/2002 11/17/2004 06/13/2006 09/01/2007	Capital Management	Mutual of America Life Insurance Company	Capital Management to provide services including: performing research; consulting and furnishing the trustees of the pension plan recommendations with respect to the pension plan's investment plan; seeking out, presenting and recommending specific investment opportunities; making and carrying out decisions to acquire or dispose of permissible investments and selecting brokers or dealers that will execute the purchases and sales of the portfolio securities. Above investment advisory agreement amended to modify investment objectives and policy. Above investment advisory agreement amended to modify investment objectives and policy. Above investment advisory agreement amended to modify compensation paid to Capital Management.	2007 – ($ 91,610) 2008 – ($ 53,219) 2009 – ($ 79,064) 2010 – ($ 81,356) 2011 – ($ 73,352)
8	Investment Advisory Agreement regarding the Girl Scouts of the U. S. A. Fixed Income separate account	01/10/2003	Capital Management	The Company	Capital Management to provide services including: performing research; consulting and furnishing the trustees of the pension plan recommendations with respect to the pension plan's investment plan; seeking out, presenting and recommending specific investment opportunities; making and carrying out decisions to acquire or dispose of permissible investments and selecting brokers or dealers that will execute the purchases and sales of the portfolio securities.	2007 - $ 87,052 2008 - $ 57,990 2009 - $ 45,648 2010 - $ 66,762 2011 - $ 0

Index #	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
9	Service Agreement	08/05/2003	The Company	MOA Holding Company	The Company provides services to MOA Holding Company, including but not limited to: accounting; tax and auditing; legal; actuarial; employee benefit plan and personnel administration; sales; compliance; software development; electronic data processing operations; administration; purchasing; communications operations; and investment services.	2007 - $ 200,076 2008 - $ 174,755 2009 - $ 206,424 2010 - $ 221,503 2011 - $ 221,686
10	Service Agreement	08/05/2003	The Company	Securities Corporation	The Company provides services to Securities Corporation, including but not limited to: accounting; tax and auditing; legal; actuarial; employee benefit plan and personnel administration; sales; compliance; software development; electronic data processing operations; administration; purchasing; communications operations; and investment services. At the direction of the Company, Securities Corporation may perform services for the Company as agreed upon.	2007 - $ 272,285 2008 - $ 260,436 2009 - $ 284,178 2010 - $ 146,232 2011 - $ 354,182
11	Expense Reimbursement Agreement	01/01/2008	Capital Management	The Company	Agreement to reimburse Capital Management for certain operating expenses incurred on behalf of Institutional Funds.	2007 - $0 2008 - $1,068,562 2009 - $ 970,774 2010 - $1,024,878 2011 - $980,247

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

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 24 directors. Directors are elected every year at the annual meeting of the stockholders held in April of each year. As of December 31, 2011, the board of directors consisted of 15 members. Meetings of the board are held five times a year.

The 15 board members and their principal business affiliation, as of December 31, 2011, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Clifford L. Alexander, Jr.* Washington, DC	President Alexander & Associates	1989
Kimberly Casiano* Guaynabo, PR	President Kimberly Casiano & Associates Inc.	2006
Roselyn Epps, M.D* Washington, DC	Medical and Public Health Consultant	1992
John R. Greed Yardley, PA	Senior Executive Vice President and Chief Financial Officer Mutual of America Life Insurance Company	2011
Earle H. Harbison, Jr.* St. Louis, MO	Chairman Harbison Corporation	1993
Maurine A. Haver* New York, NY	President Haver Alalytics, Inc.	2004
Frances Hesselbein* Easton, PA	President and Chief Executive Officer The Frances Hesselbein Leadership Institute	1981
Lasalle D. Leffall, Jr., M.D.* Washington, DC	Charles R. Drew Professor of Surgery Howard University College of Medicine	1985
Cornelius McGillicuddy, III* Placida, FL	Partner Liberty Partners Group	2001

Name and Residence	Principal Business Affiliation	Year First Elected
Robert J. McGuire, Esq.* New York, NY	Robert J. McGuire, Esq.	2008
Thomas J. Moran New York, NY	Chairman of the Board, President and Chief Executive Officer Mutual of America Life Insurance Company	1992
Roger B. Porter, Ph.D.* Belmont, MA	IBM Professor of Business and Government Harvard University	2004
Peter J. Powers* New York, NY	Chairman and Chief Executive Officer Powers Global Strategies, LLC	2006
Dennis J. Reimer* Arlington, VA	National Security Consultant	2000
Elie Wiesel* New York, NY	Professor in Humanities and Founder of The Elie Wiesel Foundation for Humanity Boston University	1989

* 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, 2011:

Name	Title
Thomas J. Moran	Chairman of the Board, President and Chief Executive Officer
William S. Conway	Chief Operating Officer
John R. Greed	Senior Executive Vice President and Chief Financial Officer
James J. Roth	Executive Vice President and General Counsel
William Rose	Executive Vice President and Chief Marketing Officer
Jared Gutman*	Executive Vice President

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

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 50 states and the District of Columbia. In 2011, 41.7% of life premiums, 33.7% of accident and health premiums, 66.3% of annuity considerations and 20.9% of other considerations were received from New York. 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 2011:

Life Insurance Premiums	
New York	41.7%
California	4.3%
Pennsylvania	4.0%
Virginia	3.7%
Ohio	3.4%
Subtotal	57.1%
All others	42.9 %
Total	100.0%

Annuity Considerations	
New York	66.3%
Pennsylvania	7.5%
Missouri	2.9%
Michigan	2.4%
New Jersey	2.2%
Subtotal	81.3%
All Others	18.7%
Total	100.0%

Accident and Health Insurance Premiums	
New York	33.7%
Pennsylvania	5.6%
Virginia	5.0%
Texas	4.0%
California	3.8%
Subtotal	52.1%
All Others	47.9%
Total	100.0%

Deposit Type Funds	
Massachusetts	33.0%
Connecticut	29.7%
New Hampshire	17.0%
Delaware	7.9%
North Dakota	7.9%
Subtotal	95.5%
All others	4.5%
Total	100.0%

A. Statutory and Special Deposits

As of December 31, 2011, the Company had $2,100,000 (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 2011 filed annual statement, an additional $1,140,000 was being held by the States of Arkansas ($150,000), Georgia ($40,000), Massachusetts ($100,000), New Mexico ($150,000), North Carolina ($400,000) and Oklahoma ($300,000).

B. Direct Operations

The Company focuses on the not for profit annuity and pension marketplace. The primary products marketed by the Company include defined benefit and defined contribution retirement plans, tax deferred annuities, individual retirement annuities and guaranteed interest contracts. Policies are written on a participating and non-participating basis.

The Company's agency operations are conducted on a regional sales office basis. All business is solicited either by direct mail or through salaried field consultants of the Company.

C. Reinsurance

As of December 31, 2011, the Company had reinsurance treaties in effect with seven companies, of which six were authorized or accredited. The Company's life and accident and health business is reinsured on a modified-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 $150,000. The total face amount of life insurance ceded as of December 31, 2011, was $152,089,382, which represents 13.4% of the total face amount of life insurance in force.

The total face amount of life insurance assumed as of December 31, 2011, was $5,959,791.

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, 2006	December 31, 2011	Increase (Decrease)
Admitted assets	$12,437,899,386	$13,502,329,412	$1,064,430,026
Liabilities	$11,625,961,132	$12,656,151,556	$1,030,190,424
Special contingency fund for separate account business	750,000	750,000	0
Guaranty fund-Colorado	400,000	400,000	0
Unassigned funds (surplus)	810,788,254	845,027,856	34,239,602
Total surplus	$ 811,938,254	$ 846,177,856	$ 34,239,602
Total liabilities and surplus	$12,437,899,386	$13,502,329,412	$1,064,430,026

The Company's invested assets as of December 31, 2011, exclusive of separate accounts, were mainly comprised of bonds (94.0%), real estate (3.4%) and contract loans (1.4%).

The majority (98.8%) of the Company's bond portfolio, as of December 31, 2011, was comprised of investment grade obligations.

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

	2007	2008	2009	2010	2011
Ordinary:					
Life insurance	$ (1,886,826)	$ 718,741	$ 846,690	$ (364,550)	$ 117,511
Individual annuities	(165,483)	(12,274,805)	(9,211,609)	(8,611,726)	(6,342,288)
Supplementary contracts	571,706	(251,122)	618,525	533,910	249,038
Total ordinary	$ (1,480,603)	$(11,807,186)	$(7,746,394)	$ (8,442,366)	$ (5,975,739)
Group:					
Life	$ 2,656,917	$ 5,441,801	$ 5,674,313	$ 4,668,889	$ 5,434,648
Annuities	(16,340,022)	6,368,390	1,650,553	19,094,504	34,671,424
Total group	$(13,683,105)	$ 11,810,191	$ 7,324,866	$23,763,393	$40,106,072
Group accident and health	$ 383,642	$ 1,240,983	$ 3,731,347	$ (9,075)	$ 2,418,234
All other lines	$ 0	$ 0	$ 0	$ 0	$ 173,095
Total	$(14,780,066)	$ 1,243,988	$ 3,309,819	$15,311,952	$36,721,664

The significant change in the individual annuity and group annuity lines of business in the years 2007-2008 is due to a change in the income allocation method used by the Company. The method was changed from allocations based on time studies to an allocation based solely on mean reserves for all net investment income except the investment income on guaranteed interest contracts. Since this change was made, operating results within these lines of business have remained relatively stable from year-to-year.

Section 91.4(c)(2) of Regulation 33 states, in part:

> "Net investment income, after adjustments, if any . . . shall be distributed to major annual statement lines of business either: in proportion to the total mean policy reserves and liabilities of each of the major annual statement lines of business or in proportion to the total mean funds of each of such major annual statement lines of business. If the reserve method . . . is so used, it shall also be used in distributing net investment income to each secondary annual statement line of business…"

During the examination period, the Company allocated the net investment income on guaranteed interest contracts to the group annuity line of business only instead of using an acceptable mean policy reserves and liabilities method of allocation which would require the net investment income on the guaranteed interest contracts to be allocated to the ordinary annuity and group life lines of business also.

The Company violated Section 91.4(c)(2) of Department Regulation No. 33 by deviating from an acceptable mean policy reserves and liabilities method of allocation regarding its net investment income on guaranteed income contracts. This violation appeared in the prior report on examination.

6. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2011, as contained in the Company's 2011 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, 2011 filed annual statement.

A. Independent Accountants

The firm of KPMG, LLP ("KPMG") was retained by the Company to audit the Company's combined statutory basis statements of financial position 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 the years then ended.

KPMG 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	$ 6,997,640,289
Stocks:	
Common stocks	54,930,645
Mortgage loans on real estate:	
First liens	1,262,625
Real estate:	
Properties occupied by the company	253,146,871
Cash, cash equivalents and short term investments	2,516,516
Contract loans	101,262,776
Other invested assets	30,338,989
Receivable for securities	2,203,240
Investment income due and accrued	86,554,296
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	326,129
Deferred premiums, agents' balances and installments booked but deferred and not yet due	186,542
Reinsurance:	
Amounts recoverable from reinsurers	924,858
Funds held by or deposited with reinsured companies	857
Net deferred tax asset	59,263,064
Electronic data processing equipment and software	517,423
Uncollected Group Annuity	1,996,765
Other Assets	9,410,655
From separate accounts, segregated accounts and protected cell accounts	$ 5,899,846,872
Total admitted assets	$13,502,329,412

C. Liabilities and Surplus

Aggregate reserve for life policies and contracts	$ 6,294,542,922
Aggregate reserve for accident and health contracts	34,863,791
Liability for deposit-type contracts	104,929,341
Contract claims:	
Life	8,537,640
Accident and health	307,823
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts	
Dividends apportioned for payment	65,999
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	2,642,265
Interest maintenance reserve	121,021,902
General expenses due or accrued	31,081,529
Transfers to separate accounts due or accrued	(1,278,260)
Taxes, licenses and fees due or accrued, excluding federal income taxes	5,353,546
Amounts withheld or retained by company as agent or trustee	2,426,478
Remittances and items not allocated	(1,518,408)
Liability for benefits for employees and agents if not included above	98,639,945
Asset valuation reserve	49,398,155
Payable to parent, subsidiaries and affiliates	2,927,030
Payable for Securities	2,033,693
Miscellaneous accounts payable	329,293
From separate accounts statement	$ 5,899,846,872
Total liabilities	$12,656,151,556
Special contingency fund for separate account business	750,000
Guaranty fund – Colorado	400,000
Unassigned funds (surplus)	845,027,856
Total capital and surplus	$ 846,177,856
Total liabilities, capital and surplus	$13,502,329,412

D. Condensed Summary of Operations

	2007	2008	2009	2010	2011
Premiums and considerations	$1,405,369,000	$1,371,317,793	$1,441,992,795	$1,674,894,469	$1,552,778,794
Investment income	351,974,729	353,899,030	374,632,463	376,499,901	371,691,414
Commissions and reserve adjustments on reinsurance ceded	(905,001)	(739,201)	(676,995)	(626,419)	(447,433)
Miscellaneous income	54,132,668	47,768,712	42,902,664	58,884,972	70,438,700
Total income	$1,810,571,396	$1,772,246,334	$1,858,850,927	$2,109,652,922	$1,994,461,476
Benefit payments	$1,475,677,856	$1,423,581,774	$1,099,797,809	$1,471,158,217	$1,815,582,754
Increase in reserves	90,132,695	387,756,662	361,523,231	306,639,411	376,602,556
General expenses and taxes	196,037,048	197,979,302	214,387,013	233,270,655	235,174,947
Increase in loading on deferred and uncollected premiums	3,860	143	(1,104)	(356)	21,406
Net transfers to (from) Separate Accounts	62,190,452	(239,426,768)	179,541,058	82,829,953	(470,428,356)
Miscellaneous deductions	(1,373)	0	0	0	0
Total deductions	$1,824,040,538	$1,769,891,113	$1,855,248,007	$2,093,897,880	$1,956,953,307
Net gain (loss)	$ (13,469,142)	$ 2,355,221	$ 3,602,920	$ 15,755,042	$ 37,508,169
Dividends	1,310,924	1,111,227	293,101	143,091	63,478
Federal and foreign income taxes incurred	0	0	0	300,000	723,027
Net gain (loss) from operations before net realized capital gains	$ (14,780,066)	$ 1,243,994	$ 3,309,819	$ 15,311,951	$ 36,721,664
Net realized capital gains (losses)	22,065,922	(55,289,021)	(6,039,712)	879,298	4,180,014
Net income	$ 7,285,856	$ (54,045,027)	$ (2,729,893)	$ 16,191,249	$ 40,901,678

The increase in reserves is due primarily to net transfer activity from the Separate Accounts into the General Account.

E. Surplus Account

	2007	2008	2009	2010	2011
Surplus, December 31, prior year	$811,938,254	$831,509,692	$783,831,698	$796,923,769	$834,647,727
Net income	$ 7,285,856	$ (54,045,027)	$ (2,729,894)	$ 16,191,249	$ 40,901,678
Change in net unrealized capital gains (losses)	(14,458,071)	(22,794,976)	14,558,518	(4,348,787)	(739,277)
Change in net deferred income tax	5,255,250	10,858,322	28,972,062	7,719,833	5,737,154
Change in non-admitted assets and related items	11,442,324	(17,280,365)	36,902,875	11,859,499	14,903,373
Change in reserve valuation basis	(15,900)	0	(27,573,034)	0	0
Change in asset valuation reserve	10,061,979	55,072,052	(10,549,856)	1,701,164	(11,103,799)
Cumulative effect of changes in accounting principles	0	0	(24,276,600)	0	0
SSAP 89 – Additional minimum pension liability	0	(19,488,000)	(2,212,000)	4,601,000	(38,169,000)
Net change in surplus for the year	$ 19,571,438	$ (47,677,994)	$ 13,092,071	$ 37,723,958	$ 11,530,129
Surplus, December 31, current year	$831,509,692	$783,831,698	$796,923,769	$834,647,727	$846,177,856

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

Section 51.5 of Department Regulation No. 60 states, in part:

"Each agent and broker shall . . .
(c) Where a replacement has occurred or is likely to occur . . .
(3) Present to the applicant, not later than at the time the applicant signs the application, the "IMPORTANT Notice Regarding Replacement or Change of Life Insurance Policies or Annuity Contracts" and a completed "Disclosure Statement" signed by the agent or broker in the form prescribed by the Superintendent of Insurance and leave copies of such forms with the applicant for his or her records . . ."

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

". . . (b) Where a replacement has occurred or is likely to occur, the insurer replacing the life insurance policy or annuity contract shall . . .
(4) Within ten days of receipt of the application furnish to the insurer whose coverage is being replaced a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract, and the completed 'Disclosure Statement' . . .
(c) Where a replacement has occurred or is likely to occur, the insurer whose life insurance policy or annuity contract is to be replaced shall . . .
(2) Within twenty days of receipt of a request from a licensee of the Department, for information necessary for completion of the "Disclosure Statement" with respect to the life insurance policy or annuity contract proposed to be replaced, together with proper authorization from the applicant, furnish the required information simultaneously to the agent of record of the existing life insurance policy or annuity contract being replaced and the agent and insurer replacing the life insurance policy or annuity. . . .
(e) Both the insurer whose life insurance policy or annuity contract is being replaced and the insurer replacing the life insurance policy or annuity contract shall establish and implement procedures to ensure compliance with the requirements of this Part. These procedures shall include a requirement that all material be dated upon receipt. . . ."

The instructions for completing Disclosure Statements which relate to replacement transactions involving multiple policies, located at the bottom of Appendix 10B of Department Regulation No. 60 states, in part:

> "If more than three existing annuity contracts are to be affected by this transaction or if more than one new annuity contract is proposed, the first page of this Disclosure Statement must be completed for such additional annuity contracts. In addition, a composite comparison shall be completed for all existing . . . annuity contracts to all proposed . . . annuity contracts."

The examiner reviewed a sample of 39 variable annuity replacement contracts. This sample included eight external annuity contract replacements and 31 internal annuity contract replacements. The replacements were reviewed for compliance with Department Regulation No. 60 as well as the Company's own written replacement procedures on file with the Department. The examiner noted inconsistencies in the Company's processing of the selected replacements as well as deviations from Department Regulation No. 60. These inconsistencies and deviations from Department Regulation No. 60 are noted below:

1) In all of the eight external annuity replacement contracts reviewed, the Company failed to furnish the sales material used in the sale of the proposed annuity contract to the insurer whose coverage is being replaced. In five of the eight (62.5%) external annuity replacement contracts reviewed, the file did not contain any evidence to indicate that the completed Disclosure Statement had been sent to the insurer whose coverage is being replaced.

The Company violated Section 51.6 (b)(4) of Department Regulation No. 60 by failing to furnish the sales material used in the sale of the proposed annuity contract and the completed Disclosure Statement to the insurer whose coverage is being replaced, within 10 days of receipt of the applications. This violation appeared in the prior report on examination.

2) In nine of the 39 (23.1%) annuity replacement contracts, the Important Notice and/or Disclosure Statements were signed after the application date.

The Company violated Section 51.6(e) of Department Regulation No. 60 by not ensuring compliance with Section 51.5(c)(3) of Department Regulation No. 60 when the applicant was presented with the Important Notice and/or Disclosure Statement after the applicant signed the application.

3) In 11 of the 39 (28.2%) annuity replacement contracts, the Company failed to date stamp the Important Notice, Disclosure Statements and/or the applications.

The Company violated Section 51.6(e) of Department Regulation No. 60 by failing to date the Important Notice, Disclosure Statement and/or the application upon receipt.

4) In all seven of the 39 (17.9%) annuity replacements reviewed that involved multiple contracts being replaced, the Company failed to uniformly provide the individual contract presentation on Appendix 10B of the Disclosure Statement. The Company only provided the composite values of multiple existing contracts compared to the new contract of the Company.

The Company did not comply with the instructions for completing Appendix 10B of Department Regulation No. 60 by failing to provide the required individual contract comparisons when multiple contracts were being replaced.

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.

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

8. ENTERPRISE RISK MANAGEMENT

Department Circular Letter no. 14 (2011) advises that:

> "Given the importance of risk management, the Department of Financial Services ("Department") expects every insurer to adopt a formal Enterprise Risk Management ("ERM") function. An effective ERM function should identify, measure, aggregate, and manage risk exposures within predetermined tolerance levels, across all activities of the enterprise of which the insurer is part, or at the company level when the insurer is a stand alone entity."

The Company manages its enterprise risks through its senior management internal committee structure. Each committee reports directly to the Company's Chairman, President and Chief Executive Officer and the internal Executive Committee, which is chaired by the Chairman, President and Chief Executive Officer and functions, in part, as a risk management committee. The Company has developed a document ("Enterprise Risk Management Program") which identifies and describes various risks faced by the Company. The Company has also created and filled the position of Senior Vice President ("SVP"), Enterprise Risk Management ("ERM") whose function is to provide oversight and to increase the level of formal documentation and periodic reporting of the Company's ongoing efforts to identify, measure, aggregate and manage the Company's risk exposures across the Company's various activities within the guidelines established by the Company. The SVP, ERM reports directly to the Senior Executive Vice President and General Counsel (the "General Counsel") who has no operational responsibilities and, in turn, reports to the Chairman, President and Chief Executive Officer and the Board of Director's Law and Corporate Governance Committee. The General Counsel also attends all meetings of the Board's Executive Committee and of the full Board. Executive management also reports on the management of specific risks at each meeting of the Board of Directors to the Board Committee(s) with direct responsibility for the particular risk area, e.g. the Investment Committee for asset liability matching and investment related risks.

The Company should enhance its ERM program by more formally documenting its ERM activities, including:

1. the linkages between the risk described, the position in the Company that is responsible for measuring and monitoring each risk, and the means by which various risks are tested, measured and monitored;

2. to the extent not already defined, more clearly defining the risk tolerance levels and limits for the Company's identified risks; its quantitative assessments of identified risks;

3. the judgments, assumptions and criteria used to assess its material and relevant risks; and

4. its evaluation of its capital adequacy relative to economic capital and regulatory capital requirements, including prospective solvency assessments based on relevant scenario and stress testing.

It is recommended the Company enhance its ERM program by augmenting its documentation of its ERM activities, specifically the items noted above, by establishing a procedure for formal periodic meetings between the SVP, ERM and the Chairman, President and CEO regarding the ERM program and formalizing the Company's existing ERM reporting to the Board of Directors.

9. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

Financial Report

Item	Description
A	The examiner recommends that the Company comply with Section 1712 of the New York Insurance Law and require its affiliates to reimburse it for AML services provided by the Company. The Company has updated its expense allocation models to include the cost center where AML expenses are captured. The Company allocates these expenses to all subsidiaries on a monthly basis
B	The examiner recommends that the Company file a Form CL-17 report with the Department for five service agreements in order to comply with Section 308 of the New York Insurance Law and Department Circular Letter No. 17 (2001). The Company filed the annual report required under Department Circular Letter No. 17 for each of the years in the examination period.
C	The examiner recommends that the Company comply with Section 91.4(c)(2) of Department Regulation No. 33 and use the same time period for each of the components of its allocation method. All formulas used to allocate investment income, operating expenses and investment expenses now use the same time period for each of the components of its allocation method.
D	The examiner recommends that the Company include all liabilities which can be attributed directly to the annual statement lines of business in its allocation method in order to comply with Department Regulation No. 33. The allocation formula now includes all policy related liabilities, including claim liabilities, when calculating mean reserves for the purposes of allocating investment income, operating expenses and investment expense.
E	The Company violated Section 91.4(c)(2) of Department Regulation No. 33 by deviating from an acceptable mean policy reserves and liabilities method of allocation regarding its guaranteed income contracts.

Item	Description
	The Company continues to be in violation of Section 91.4(c)(2) of Department Regulation No. 33. (See Item 5 of this report)
F	The examiner recommends that the Company request approval from the Department to use a method of investment income allocation other than the acceptable mean policy reserves and liabilities method of allocation regarding its guaranteed income contracts.
	The Company did not seek approval from the Department to use a method of investment income allocation other than the acceptable mean policy reserves and liabilities method of allocation regarding its guaranteed income contracts.
G	The examiner recommends that the Company take greater care in reconciling the reserves used in its allocation method with annual statement reserves.
	The Company strengthened the procedures used to reconcile the reserves used in its allocation method with annual statement reserves.
H	The Company did not comply with Section 91.4(f)(1) of Department Regulation No. 33 by not allocating amounts to the general insurance expenses, and taxes, licenses and fees to the supplementary contracts line of business as required by said section of Department Regulation No. 33.
	All products now receive their appropriate allocation of expenses.
I	The examiner recommends that the Company allocate expenses to the Supplementary Contracts line of business and report the expenses in the Analysis of Operations by Lines of Business Exhibit.
	All products now receive their appropriate allocation of expenses.
J	The examiner recommends that the Company continue to use the reserving methodology as agreed upon with the Department.
	All of the items recommended by the Department as a result of the reserve review performed as a part of the prior examination were implemented as of December 31, 2008.

Market Conduct Report

Item	Description
A	The Company violated Section 51.6(b)(3) of Department Regulation No. 60 by failing to examine and ascertain that a composite Appendix 10B Disclosure Statement was required and to provide such in situations where more than one existing contract was being replaced. The Company modified its procedures to provide composite Disclosure Statements when more than one existing contract is being replaced. However, the Company did not provide required individual contract comparisons on Appendix 10B when multiple contracts were being replaced. (See item 7A of this report)
B	The Company violated Section 51.6(b)(3) of Department Regulation No. 60 in those cases where the agent failed to indicate whether or not sales materials were used. The Company noted on all forms whether or not sales materials were used in each sale during the current exam period.
C	The Company violated Section 51.6(b)(4) of Department Regulation No. 60 by failing to furnish the existing insurer a copy of the sales material used in the sale of the proposed annuity contract and the completed Disclosure Statement within ten days of the receipt of the application. The Company continues to be in violation of Section 51.6(b)(4) of Department Regulation No. 60. (See item 7A of this report)
D	The Company violated Section 4228(f)(1)(B) of the New York Insurance Law by making changes to its filed incentive compensation plan, and not filing those changes with the Department. The Company has submitted all filings required by Section 4228 regarding its incentive compensation plan to the Department.

10. SUMMARY AND CONCLUSIONS

Following are the violations, recommendation and comment contained in this report:

Item	Description	Page No(s).
A	The Company violated Section 91.4(c)(2) of Department Regulation No. 33 by deviating from an acceptable mean policy reserves and liabilities method of allocation regarding its net investment income on guaranteed income contracts. This violation appeared in the prior report on examination.	19
B	The Company violated Section 51.6(b)(4) of Department Regulation No. 60 by failing to furnish the sales material used in the sale of the proposed annuity contract and the completed Disclosure Statement to the insurer whose coverage is being replaced, within 10 days of receipt of the applications. This violation appeared in the prior report on examination.	25
C	The Company violated Section 51.6(e) of Department Regulation No. 60 by not ensuring compliance with Section 51.5(c)(3) of Department Regulation No. 60 when the applicant was presented with the Important Notice and/or Disclosure Statement after the applicant signed the application.	25
D	The Company violated Section 51.6(e) of Department Regulation No. 60 by failing to date the Important Notice, Disclosure Statement and/or the application upon receipt.	26
E	The Company did not comply with the instructions for completing Appendix 10B of Department Regulation No. 60 by failing to provide the required individual contract comparisons when multiple contracts were being replaced.	26
F	It is recommended the Company enhance its ERM program by augmenting its documentation of its ERM activities, by establishing a procedure for formal periodic meetings between the SVP, ERM and the Chairman, President and CEO regarding the ERM program and formalizing the Company's existing ERM reporting to the Board of Directors.	28

Respectfully submitted,

______________/s/____________
Joshua Weiss
Associate Insurance Examiner

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

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

______________/s/____________
Joshua Weiss

Subscribed and sworn to before me

this__________ day of ____________________

APPOINTMENT NO. 30816

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:

JOSHUA WEISS

as a proper person to examine the affairs of the

MUTUAL OF AMERICA 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 1st day of February, 2012

BENJAMIN M. LAWSKY
Superintendent of Financial Services

By:

MICHAEL MAFFEI
ASSISTANT DEPUTY SUPERINTENDENT
AND CHIEF OF THE LIFE BUREAU