



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL CONDITION REPORT ON EXAMINATION
OF THE
RIVERSOURCE LIFE INSURANCE CO. OF NEW YORK

CONDITION:

DECEMBER 31, 2015

DATE OF REPORT:

MARCH 8, 2018

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EXAMINER:

SUSAN CARROLL, CFE

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NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Maria T. Vullo
Superintendent

March 8, 2018

Honorable Maria T. Vullo
Superintendent of Financial Services
New York, New York 10004

Madam:

In accordance with instructions contained in Appointment No. 31492, dated June 8, 2016, and annexed hereto, an examination has been made into the condition and affairs of RiverSource Life Insurance Co. of New York, hereinafter referred to as “the Company,” at its main administrative office located at 227 Ameriprise Financial Center, Minneapolis, MN 55474.

Wherever “Department” appears in this report, it refers to the New York State Department of Financial Services.

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

1. SCOPE OF EXAMINATION

The examination of the Company was a full-scope examination as defined in the NAIC *Financial Condition Examiners Handbook, 2016 Edition* (the “Handbook”). The examination covers the three-year period from January 1, 2013, to December 31, 2015. 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, 2015, but prior to the date of this report (i.e., the completion date of the examination) were also reviewed.

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 2013 through 2015, by the accounting firm of PricewaterhouseCoopers LLP (“PwC”). The Company received an unqualified opinion in all years. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. The Company and RiverSource Life Insurance Company (“RSL”), the Company’s parent, share common controls and management. RSL has a risk and control services department which is given the task of assessing the Company’s internal control structure and compliance with the Sarbanes-Oxley Act of 2002 (“SOX”) and the Model Audit Rule (“MAR”). Where applicable, SOX/MAR workpapers and reports were reviewed and portions were relied upon for this examination.

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.

2. DESCRIPTION OF COMPANY

A. History

The Company was incorporated under the laws of New York on July 10, 1972 as IDS Life Insurance Company of New York (“IDSNY”), a stock life insurance company. The Company was licensed and commenced business on October 25, 1972. Initial resources of \$4,000,000, consisting of common capital stock of \$1,000,000 and paid in and contributed surplus of \$3,000,000, were provided through the sale of 200,000 shares of common stock (with a par value of \$5 each) for \$20 per share.

On March 17, 2006, IDSNY and American Centurion Life Assurance Company (“ACL”), both subsidiaries of IDS Life Insurance Company (“IDS”), a Minnesota life insurer, at the time, executed an agreement and plan of merger, under which ACL would be merged with and into IDSNY. IDSNY was the surviving company and continued to exist as a domestic stock life insurance company. Simultaneously with the merger, the Company changed its name to RiverSource Life Insurance Co. of New York and IDS changed its name to RSL. The Company remained domiciled in New York and continued to be a wholly owned subsidiary of RSL. The merger and name change were effective December 31, 2006.

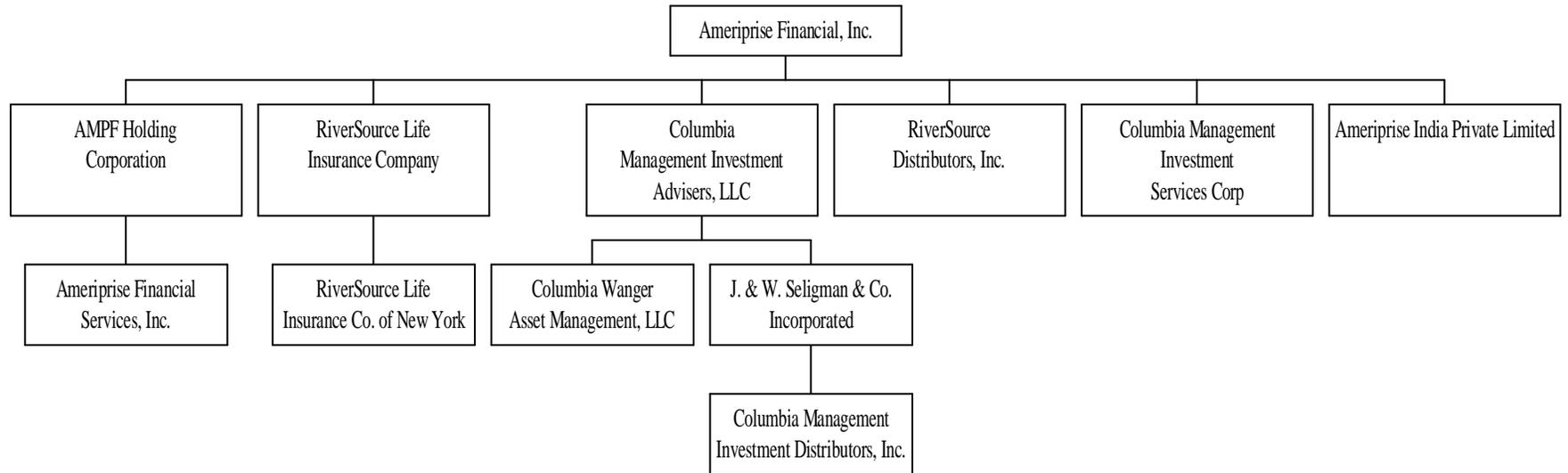
The Company’s ultimate parent, Ameriprise Financial, Inc. (“Ameriprise”) was formerly a wholly owned subsidiary of American Express Company (“American Express”). On February 1, 2005, Ameriprise entered into certain agreements with American Express to effect a separation from American Express which was completed in 2007.

B. Holding Company

The Company is a wholly owned subsidiary of RSL, a Minnesota insurance company. RSL is in turn a wholly owned subsidiary of Ameriprise, a holding company incorporated in Delaware with its headquarters located in Minneapolis, Minnesota. Ameriprise also maintains executive offices in New York City.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2015 follows:



D. Service Agreements

The Company had 12 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
Marketing Support Services File No. 36043	01/01/2007	Ameriprise Financial Services, Inc. ("AFSI")	The Company	Maintenance of a field organization includes establishing and maintaining a network of area sales offices, staffing of area offices, local marketing expenses, marketing and sales management and various marketing services.	2013 \$(9,834,815) 2014 \$(7,907,986) 2015 \$(8,006,152)
Wholesaling Service Agreement File No. 36041	01/01/2007	RiverSource Distributors, Inc. ("RDI")	The Company	Services in connection with the distribution of non-variable products including providing insurance distributors with product information, developing and dissemination approved sales materials and related services.	2013 \$(1,045,522) 2014 \$ (962,961) 2015 \$ (918,945)
Principal Underwriting Agreement File No. 36039	01/01/2007	RDI	The Company	Distribution and sale of variable annuities and variable life insurance products.	2013 \$(1,506,380) 2014 \$(1,379,626) 2015 \$(1,341,923)
Investment Management and Services File No. 35165G	07/01/2008	Columbia Management Investment Advisers, LLC ("CMIA")	The Company	Investment management and asset liability management services for assets held in the investment accounts of the Company.	2013 \$(1,461,388) 2014 \$(1,254,406) 2015 \$(1,317,987)
Loan Servicing Agreement File No. 36046	09/01/2008	Ameriprise	The Company	Mortgage loan services	2013 \$ (32,763) 2014 \$ (30,299) 2015 \$ (28,640)

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
Amended and Restated Management, Service & Marketing Support File No. 43564 Amendment #1 File No. 49450	09/01/2010 11/01/2014	The Company	Columbia Management Investment Services Corp and CMIA	Certain transfer agent, shareholder servicing and support for the offer, sale and servicing of shares of the separate account funds offered through variable products of the Company. The Agreement was amended to update the fee calculation, services covered, and underlying fund information.	2013 \$16,647,826 2014 \$18,717,305 2015 \$20,353,893
Marketing Support Agreement File No. 49807	01/01/2015	The Company	Columbia Wanger Asset Management, LLC	Support for the offer, sale and servicing of shares in connection with separate account funds offered through variable products offered by the Company.	2015 \$257,279
Fund Accounting Service Agreement File No. 44213	04/01/2011	CMIA	The Company	Fund Accounting Services such as processing contract holder activity on investment accounting systems, sending fund level trades to the transfer agents, etc.	2013 \$(1,078,485) 2014 \$(1,048,272) 2015 \$(1,143,466)
RiverSource Variable Portfolio Funds Service Agreement File No. 38514	10/01/2008 Terminated 5/1/2015	The Company	RiverSource Fund Distributors, Inc. now known as Columbia Management Investment Distributors, Inc.	Distribution and shareholder services to assist in the promotion, distribution, and account servicing of Variable Portfolio Funds shares.	2013 \$8,067,296 2014 \$8,962,287 2015 \$3,093,060
Service Agreement File No. 49874	05/01/2015	The Company	Columbia Management Investment Distributors, Inc.	Distribution and shareholder services to assist in the promotion, distribution, and account servicing of Variable Portfolio Funds shares. The agreement was replaced to update names of the parties and to add language to contemplate termination of the agreement.	2015 \$6,320,659

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
Intercompany Service Agreement File No. 36044 Amended and Restated Intercompany Service Agreement File No. 49800	09/01/2008 11/01/2015	Ameriprise	The Company	Accounting, finance, financial reporting, executive management and other support services. Additional services were added in the 2015 agreement, such as business analysis, business transformation and project management, policyholder servicing, premium processing, claims handling and other client services.	2013 \$(9,841,810) 2014 \$(9,559,998) 2015 \$(9,548,881)
Intercompany Service Agreement File No. 36045 Amended and Restated Intercompany Service Agreement File No. 49801	09/01/2008 11/01/2015	RSL	The Company	Business analysis, project management, accounting, compliance support, insurance and annuity executive management, insurance and annuity product marketing, development and management. Additional services were added in the 2015 agreement, such as premium processing, policyholder servicing, claims handling and other client services.	2013 \$(4,279,329) 2014 \$(6,014,410) 2015 \$(5,469,178)
Accounting Services and Supplementary Agreement No.2 File No. 35289G	07/01/2008	Ameriprise India Private Limited	The Company	Bank reconciliation, corporate purchasing card accounting, intercompany payables/receivables accounting, journal ledger data entry and balance sheet account reconciliation services.	2013 \$47,830** 2014 \$41,172 2015 \$38,764

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

** These charges are reflected and settled through the Ameriprise Intercompany Service Agreement

The Company participates in federal and state income tax allocation agreements with its parent and affiliates.

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 23 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in April of each year. As of December 31, 2015, the board of directors consisted of nine members. Meetings of the board are held periodically, as fixed by resolution of the board.

The nine board members and their principal business affiliation, as of December 31, 2015, were as follows:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>	<u>Year First Elected</u>
Gumer C. Alvero Edina, MN	Executive Vice President - Annuities RiverSource Life Insurance Co. of New York	2000
Mark Gorham Richfield, MN	Vice President, Insurance Product Development RiverSource Life Insurance Co. of New York	2010
Robert R. Grew* New York, NY	Attorney - Retired Carter, Ledyard & Milburn LLP	1997
Ronald L. Guzior* Selkirk, NY	Partner Bollam, Sheedy, Torani & Co LLP, CPAs	2004
Jean B. Keffeler* Livingston, MT	Consultant Little Mission Creek Ranch	1999
Jeryl A. Millner Minneapolis, MN	Vice President, LFO - Finance RiverSource Life Insurance Co. of New York	2006
Jason J. Poor Woodbury, MN	Vice President RiverSource Annuity Service and Contract Administration RiverSource Life Insurance Co. of New York	2015
Mark Scalercio Denver, CO	Vice President and National Sales Manager RiverSource Life Insurance Co. of New York	2015
Jon S. Stenberg Minneapolis, MN	Chairman, President & CEO RiverSource Life Insurance Co. of New York	2015

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

In April 2016, Robert R. Grew retired from the board and was replaced by Karen Bohn.

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, 2015:

<u>Name</u>	<u>Title</u>
Jon S. Stenberg	Chairman, President and Chief Executive Officer
Thomas R. Moore	Secretary
Stephen P. Blaske	Appointed Actuary
David K. Stewart	Senior Vice President and Controller
Lynn M. Abbott	Vice President, National Sales Manager and Fund Management
Gumer C. Alvero	Executive Vice President, Annuities
Richard N. Bush	Senior Vice President, Corporate Tax
Steve M. Gathje	Senior Vice President and Chief Actuary
Mark Gorham	Vice President, Insurance Product Development
James L. Hamalainen	Senior Vice President, Investments and Treasurer
Kirk M. Moore	Vice President, Investments
Thomas W. Murphy	Vice President, Investments
Scott Creutzmann*	Vice President and Chief Compliance Officer

* Designated consumer services officer per Insurance Regulation No. 64, 11 NYCRR Section 216.4(c)

In June 2016, Shweta Jhanji, Vice President and Treasurer, replaced James L. Hamalainen as Senior Vice President, Investments and Treasurer.

3. TERRITORY AND PLAN OF OPERATIONS

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

The Company is licensed to transact business only in New York. In 2015, 84.6% of life premiums, 80.9% of accident and health premiums, and 96.4% of annuity considerations were received from New York. Policies are written on a non-participating basis.

A. Statutory and Special Deposits

As of December 31, 2015, the Company had \$250,000 (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.

B. Direct Operations

The Company's principal products are variable and fixed annuities. The Company also issues both variable and fixed (including indexed) universal life insurance, term life insurance and disability income insurance. Policies are written on a non-participating basis.

The Company distributes products through the affiliated retail financial planning channel. The channel's financial advisors, some of whom are employees of AFSI and some of whom are franchisees of AFSI, work directly with clients in financial planning relationships.

A majority of the Company's business is sold through the retail distribution channel of AFSI, a subsidiary of Ameriprise. RDI, a subsidiary of Ameriprise, serves as the principal underwriter and distributor of variable annuity and life insurance products issued by the Company.

C. Reinsurance

As of December 31, 2015, the Company had reinsurance treaties in effect with 12 companies, of which 11 were authorized or accredited. The Company's life business is reinsured on a coinsurance or yearly renewable term basis. The Company's accident and health business is reinsured on a coinsurance basis. Reinsurance is provided on an automatic and facultative basis.

The maximum retention limit for individual life contracts is \$1,500,000. The total face amount of life insurance ceded as of December 31, 2015, was \$7,980,717,470, which represents

70% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies, totaling \$1,520,778, was supported by letters of credit.

The total face amount of life insurance assumed as of December 31, 2015, was \$28,797,681.

4. SIGNIFICANT OPERATING RESULTS

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

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

	December 31, <u>2012</u>	December 31, <u>2015</u>	<u>Increase</u>
Admitted assets	\$ <u>5,821,927,940</u>	\$ <u>6,497,203,616</u>	\$ <u>675,275,676</u>
Liabilities	\$ <u>5,569,150,313</u>	\$ <u>6,171,691,090</u>	\$ <u>602,540,777</u>
Common capital stock	\$ 2,000,000	\$ 2,000,000	\$ 0
Gross paid in and contributed surplus	106,750,836	106,915,477	164,641
Unassigned funds (surplus)	<u>144,026,791</u>	<u>216,597,049</u>	<u>72,570,258</u>
Total capital and surplus	\$ <u>252,777,627</u>	\$ <u>325,512,526</u>	\$ <u>72,734,899</u>
Total liabilities, capital and surplus	\$ <u>5,821,927,940</u>	\$ <u>6,497,203,616</u>	\$ <u>675,275,676</u>

The majority (67%) of the Company's admitted assets, as of December 31, 2015, was derived from separate accounts.

The increase in admitted assets during the examination period was primarily due to \$585 million increase in separate account assets driven by market increases during the examination period, partially offset by net client outflows during the same period.

The \$72.6 million increase in unassigned funds during the examination period was primarily due to cumulative net income of \$182 million, partially offset by cumulative dividends paid of \$74 million during the same period.

The Company's invested assets as of December 31, 2015, exclusive of separate accounts, were mainly comprised of bonds (83.7%), mortgage loans (6.7%) and derivatives (5.4%).

The majority (95.4%) of the Company's bond portfolio, as of December 31, 2015, 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:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Ordinary:			
Life insurance	\$ 15,072,120	\$16,200,458	\$14,643,504
Individual annuities	<u>92,235,462</u>	<u>41,136,393</u>	<u>47,064,637</u>
Total ordinary	<u>\$107,307,582</u>	<u>\$57,336,851</u>	<u>\$61,708,141</u>
Group:			
Life	\$ 80,421	\$ (259,614)	\$ 62,385
Annuities	<u>(242,983)</u>	<u>(1,446,923)</u>	<u>(1,234,064)</u>
Total group	<u>\$ (162,562)</u>	<u>\$(1,706,537)</u>	<u>\$ (1,171,679)</u>
Accident and health Other	<u>\$ 3,998,193</u>	<u>\$(3,087,236)</u>	<u>\$ 93,691</u>
All other lines	<u>\$ 223,754</u>	<u>\$ 244,087</u>	<u>\$(65,886)</u>
Total	<u>\$111,366,967</u>	<u>\$52,787,165</u>	<u>\$60,564,266</u>

The significant decrease in the ordinary individual annuities net gain from operations from 2013 to 2014 was driven by the following: lower decrease in variable annuity guarantee benefit reserve of \$50 million in 2014 due to market and standard scenario reserve floor (change of guarantee benefits reserves of \$1 million in 2014 compared with a change of \$49 million in 2013); establishment of a \$20 million asset adequacy reserve for annuity blocks in 2014 with no comparable amount in 2013; and a decrease in federal income taxes incurred of \$21 million in 2014 as compared to 2013.

The significant increase in the net loss for the group annuities line of business between 2013 and 2014 was driven by the more substantial interest rate guarantees, ranging from 3 to 5%, and the lower earned rates on investment assets during the period.

The significant fluctuation in the accident and health other line of business in 2014 was primarily due to establishing an additional asset adequacy reserve for long term care ("LTC") of

\$8 million with no comparable change in this reserve for 2013 or 2015. In 2015, there was a \$2 million increase in LTC claim reserves due to an update in claim assumptions.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2015, as contained in the Company's 2015 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, 2015, filed annual statement.

A. Independent Accountants

The firm of PwC was retained by the Company to audit the Company's consolidated balance sheets as of December 31 of each year in the examination period, and the related consolidated statements of income, comprehensive income, shareholder's equity, and cash flows the years then ended, as prepared in conformity with U.S. generally accepted accounting principles ("GAAP").

PwC concluded that the GAAP consolidated financial statements presented fairly, in all material respects, the financial position of the Company at the respective audit dates. The audited GAAP basis consolidated financial statements include disclosures which reconciled GAAP-basis net income and shareholder's equity to that determined using statutory accounting principles prescribed by the State of New York. Statutory amounts were reconciled to the corresponding years' annual statements with no discrepancies noted.

B. Net Admitted Assets

Bonds	\$1,720,134,127
Mortgage loans on real estate:	
First liens	137,489,763
Cash, cash equivalents and short-term investments	37,481,195
Contract loans	46,738,504
Derivatives	111,500,253
Other invested assets	118,070
Receivable for securities	2,518,871
Investment income due and accrued	18,687,093
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	384,064
Reinsurance:	
Amounts recoverable from reinsurers	529,899
Current federal and foreign income tax recoverable and interest thereon	16,664,961
Net deferred tax asset	16,549,448
Guaranty funds receivable or on deposit	3,310,390
Receivables from parent, subsidiaries and affiliates	3,409,476
Business owned life insurance	6,728,876
Miscellaneous assets	433,993
Reinsurance premium asset	2,327,966
From separate accounts, segregated accounts and protected cell accounts	<u>\$4,372,196,667</u>
Total admitted assets	<u>\$6,497,203,616</u>

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	\$1,592,907,606
Aggregate reserve for accident and health contracts	217,873,253
Liability for deposit-type contracts	3,657,185
Contract claims:	
Life	3,246,870
Accident and health	875,904
Premiums and annuity considerations for life and accident and health contracts received in advance	317,315
Contract liabilities not included elsewhere:	
Provision for experience rating refunds	61,937
Other amounts payable on reinsurance	1,247,075
Interest maintenance reserve	5,257,715
General expenses due or accrued	312,790
Transfers to separate accounts due or accrued	(153,062,280)
Taxes, licenses and fees due or accrued, excluding federal income taxes	808,760
Unearned investment income	409,825
Amounts withheld or retained by company as agent or trustee	58,551
Remittances and items not allocated	(66,051)
Miscellaneous liabilities:	
Asset valuation reserve	7,008,173
Payable to parent, subsidiaries and affiliates	4,246,651
Derivatives	84,147,615
Payable for Securities	3,504,450
Derivative collateral	27,040,245
From Separate Accounts statement	<u>4,371,837,502</u>
Total liabilities	<u>\$6,171,691,090</u>
Common capital stock	\$ 2,000,000
Gross paid in and contributed surplus	106,915,477
Unassigned funds (surplus)	<u>216,597,049</u>
Surplus	<u>\$ 323,512,526</u>
Total capital and surplus	<u>\$ 323,512,526</u>
Total liabilities, capital and surplus	<u>\$6,497,203,616</u>

D. Condensed Summary of Operations

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Premiums and considerations	\$428,119,138	\$414,572,351	\$412,438,544
Investment income	104,996,081	99,458,555	100,986,914
Net gain from operations from Separate Accounts	25,515	9,073	(9,479)
Commissions and reserve adjustments on reinsurance ceded	2,411,027	2,358,046	2,463,957
Miscellaneous income	<u>101,095,484</u>	<u>111,124,847</u>	<u>116,947,928</u>
 Total income	 <u>\$636,647,245</u>	 <u>\$627,522,872</u>	 <u>\$632,827,864</u>
 Benefit payments	 \$424,115,465	 \$419,819,408	 \$494,356,562
Increase in reserves	(36,366,653)	36,008,790	(43,276,249)
Commissions	31,547,091	31,892,848	32,962,511
General expenses and taxes	34,453,615	34,180,747	29,819,727
Increase in loading on deferred and uncollected premiums	(11,254)	60,785	(75,660)
Net transfers to (from) Separate Accounts	40,749,211	46,422,973	38,274,042
Miscellaneous deductions	<u>70,209</u>	<u>484,221</u>	<u>433,387</u>
 Total deductions	 <u>\$494,557,684</u>	 <u>\$568,869,772</u>	 <u>\$552,494,320</u>
 Net gain (loss)	 \$142,089,561	 \$ 58,653,100	 \$ 80,333,544
Federal and foreign income taxes incurred	<u>30,722,594</u>	<u>5,865,935</u>	<u>19,769,278</u>
 Net gain (loss) from operations before net realized capital gains	 \$111,366,967	 \$ 52,787,165	 \$ 60,564,266
Net realized capital gains (losses)	<u>(20,926,354)</u>	<u>(10,156,718)</u>	<u>(11,653,214)</u>
 Net income	 <u>\$ 90,440,613</u>	 <u>\$ 42,630,447</u>	 <u>\$ 48,911,052</u>

E. Capital and Surplus Account

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Capital and surplus, December 31, prior year	\$ <u>252,777,627</u>	\$ <u>250,318,439</u>	\$ <u>297,631,727</u>
Net income	\$ 90,440,613	\$ 42,630,447	\$ 48,911,052
Change in net unrealized capital gains (losses)	(43,878,553)	30,737,645	1,483,331
Change in net unrealized foreign exchange capital gain (loss)	(396,980)	(1,060,017)	(675,453)
Change in net deferred income tax	(12,702,537)	(5,932,401)	512,161
Change in non-admitted assets and related items	(15,737,167)	18,910,562	(4,048,147)
Change in reserve valuation basis	2,111,000	66,786	0
Change in asset valuation reserve	3,191,365	(14,081,337)	7,315,753
Surplus (contributed to), withdrawn from Separate Accounts during period	(96,468)	(19)	6,605
Other changes in surplus in Separate Accounts statement	96,468	19	(6,605)
Surplus adjustments:			
Paid in	99,852	54,793	9,995
Dividends to stockholders	(25,000,000)	(24,000,000)	(25,000,000)
Prior Period Adjustments	<u>(586,781)</u>	<u>(13,189)</u>	<u>(627,892)</u>
Net change in capital and surplus for the year	\$ <u>(2,459,188)</u>	\$ <u>47,313,289</u>	\$ <u>27,880,799</u>
Capital and surplus, December 31, current year	<u>\$250,318,439</u>	<u>\$297,631,727</u>	<u>\$325,512,526</u>

Respectfully submitted,

/s/

Susan Carroll, CFE
Examination Resources, LLC

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

Susan Carroll, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

/s/

Susan Carroll

Subscribed and sworn to before me

this _____ day of _____

Respectfully submitted,

_____/s/
Vincent Targia
Principal Insurance Examiner

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

Vincent Targia, being duly sworn, deposes and says that the foregoing report, subscribed by her,
is true to the best of her knowledge and belief.

_____/s/
Vincent Targia

Subscribed and sworn to before me
this _____ day of _____

APPOINTMENT NO. 31492

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, MARIA T. VULLO, Acting 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:

SUSAN CARROLL
(EXAMINATION RESOURCES, LLC)

as a proper person to examine the affairs of the

RIVERSOURCE LIFE INSURANCE COMPANY OF NEW YORK

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

COMPANY

with such other information as she 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 8th day of June, 2016

MARIA T. VULLO
Acting Superintendent of Financial Services

By:

Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU

