NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

AMERITAS LIFE INSURANCE CORP. OF NEW YORK

CONDITION: DECEMBER 31, 2017

DATE OF REPORT: MAY 8, 2019

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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EXAMINER: JAMES R. BURCH, JR., CFE

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May 6, 2020

Honorable Linda A. Lacewell
Superintendent of Financial Services
New York, New York 10004

Madam:

In accordance with instructions contained in Appointment No. 31766, dated March 29, 2018 and annexed hereto, an examination has been made into the condition and affairs of Ameritas Life Insurance Corp. of New York, hereinafter referred to as “the Company or ALICNY,” at its administrative office located at 5900 O Street, Lincoln, Nebraska 68510. The Company’s home office is located at 1350 Broadway, New York, NY 10018.

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 comment and recommendation contained in this report is summarized below.

The Department conducted a review of the reserves as of December 31, 2017. During the review, concerns were raised regarding the lack of conservatism in certain assumptions with respect to the Company's asset adequacy testing pursuant to Insurance Regulation 126 and the robustness of the Company's mortality study. In response, the Company incorporated various refinements within the testing in a manner acceptable to the Department and established additional reserves of $12.5 million as a result of such refinements. The Company also agreed to perform more robust mortality studies in the future.

The examiner recommends that the Company continues to incorporate such refinements within the asset adequacy testing and future mortality studies as agreed upon with the Department. (See item 4F 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, 2018 Edition* (the "Handbook"). The examination covers the 5-year period from January 1, 2013 through December 31, 2017. 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, 2017 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.

The examination was coordinated and conducted in conjunction with the examination of Ameritas Life Insurance Corp. ("ALIC"), a Nebraska domiciled life insurer and the Company's parent. The coordinated examination was led by the Nebraska Department of Insurance ("NEDOI"). Since the lead and participating state are accredited by the NAIC, both states deemed it appropriate to rely on each other's work.

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 2017, by the accounting firm of Deloitte & Touche, LLP. 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. ALIC has an internal audit department and a separate internal control department which was given the task of assessing the internal control structure and compliance with the NAIC Model Audit Rule ("MAR") for the affiliated companies being examined. Where applicable, MAR work papers and reports were reviewed and portions were relied upon for this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the violations contained in the prior report on examination. The results of the examiner's review are contained in item 8 of this report. This report on examination is confined to financial statements and comments on those matters which involve departure from laws, regulations or rules, or which require explanation or description.

3. DESCRIPTION OF COMPANY

A. History

The Company was incorporated as a stock life insurance company under the laws of New York on April 1, 1993, under the name Great Ameritas Life Insurance Corp. The Company filed an amended and restatement of its charter on November 9, 1993, to change its name to First Ameritas Life Insurance Corp. of New York ("FALICNY"). The Company was licensed and commenced business on May 17, 1994. Initial resources of $6,300,000, consisting of common capital stock of $2,000,000 and paid in and contributed surplus of $4,300,000, were provided through the sale of 2,000 shares of common stock (with a par value of $1,000 each) for $3,150 per share.

On January 7, 1997, Ameritas Bankers Assurance Company, a domestic accident and health insurer, merged into the Company, with the Company being the survivor. As a result of the merger, the Company's gross paid in and contributed surplus increased to $6,800,000.

On January 1, 2006, Ameritas Acacia Mutual Insurance Holding Company, the ultimate parent of the Company, merged with Union Central Mutual Holding Company, at the holding company level, to form the UNIFI Mutual Holding Company ("UNIFI"). As a result of this merger, The Union Central Life Insurance Company ("Union Central"), an Ohio stock life insurance company, became an affiliate of the Company. Union Central was licensed to do business in the State of New York.

In March 2010, FALICNY submitted an Amended and Restated Plan of Operations ("ARPO"). Pursuant to the ARPO, Union Central would no longer write direct business in New York within two years after the approval. All new business written in New York would be issued through FALICNY, but Union Central would maintain its current block of business. The ARPO was approved by the Department on June 18, 2010. In connection with the ARPO, ALIC, the immediate parent and sole shareholder of the Company contributed $30 Million to the Company on July 19, 2010.

Effective February 1, 2012, FALICNY's name was changed to Ameritas Life Insurance Corp. of New York ("ALICNY"). Effective May 3, 2012, UNIFI's name was changed to Ameritas Mutual Holding Company ("AMHC").

On February 28, 2013, the Company's board of directors approved another Amended Plan of Operation, which was filed with the Department. This new Plan of Operation outlines an enterprise strategy, and the impact of such strategy on the Company as the sole insurer operating in New York within the AMHC group. This new Plan of Operation also outlines a plan to enter into a series of reinsurance transactions with its affiliate, Union Central, as part of that company's strategy to voluntarily surrender its New York license. These actions have resulted in increased expenses and new business strain on new product sales. Union Central was merged into ALIC in July of 2014.

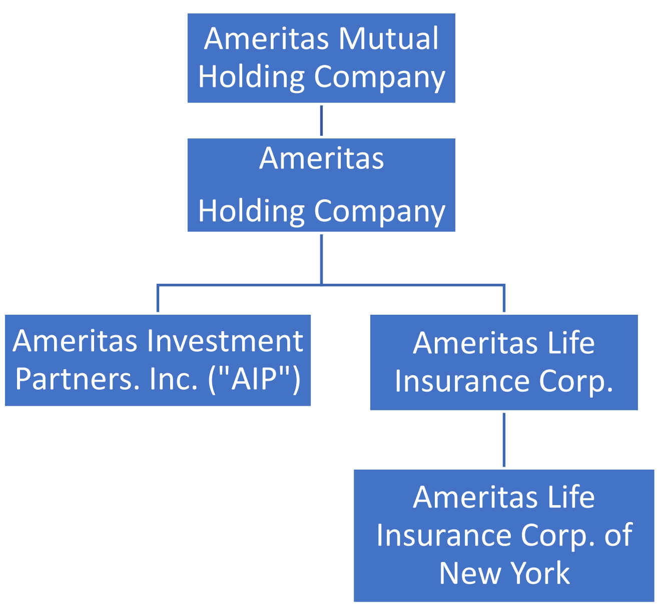
As of December 31, 2017, ALICNY had total capital and surplus of $101,846,239.

B. Holding Company

The Company is a wholly owned subsidiary of ALIC, a Nebraska domiciled life insurer. ALIC in turn is a wholly owned subsidiary of Ameritas Holding Company ("AHC"), a Nebraska mutual holding company. The ultimate parent of the Company is AMHC, a Nebraska Holding Company.

C. Organizational Chart

An organization chart reflecting the relationship between ALICNY and significant entities in its holding company system as of December 31, 2017 follows:



D. Service Agreements

The Company had 4 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 of Service	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Administrative Services Agreement File No. 42817	01/01/2011	ALIC/AHC	The Company	AHC: Services and expenses performed for and incurred on behalf of UNIFI and Board of Directors, annual independent audits, and annual proxy mailings to UNIFI members. ALIC: Policy Administration, Accounting and Actuarial Services, Information Technology Services, Legal, Human Resources, Marketing and Distribution, Risk Management	2013 $(13,822,898) 2014 $(17,238,170) 2015 $(16,553,913) 2016 $(16,949,331) 2017 $(17,720,290) Included in expenses listed above
Investment Advisory Agreement File No. 43137	07/01/2010	Summit Investment Partners, Inc. ("SIP")	The Company	Investment of Assets	2013 $(456,557) 2014 $(942,153)
Investment Advisory Agreement File No. 50625	07/21/2015	AIP ("formerly known as SIP")	The Company	Investment of Assets	2015 $(997,104) 2016 $(1,032,664) 2017 $(1,098,132)
Revolving Line of Credit File No. 44790	10/03/2011	AHC	The Company	Revolving Line of Credit	$0 for all examination years. ALICNY has never drawn against this.

Type of Agreement and Department File Number	Effective Date	Provider (s) of Service(s)	Recipient of Service	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Amendment #1 File No.44790A	09/17/2014			Extended the line of credit timeline to 8/31/2019.	
Amendment #2 File No.44790B	03/30/2016			Reduced the interest rate to be charged.	

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

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

E. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than 7 and not more than 11 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in March of each year. As of December 31, 2017, the board of directors consisted of seven members. Meetings of the board are held immediately following the annual meeting of shareholders and as frequently as the dispatch of business requires, but at least four times in each calendar year.

The 7 board members and their principal business affiliation, as of December 31, 2017, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Robert K. Crandall* Albany, NY	Vice President, Operations Capital Bauer Insurance Agency, Inc.	2008
Karen M. Gustin Lincoln, NE	EVP, Group Division Ameritas Life Insurance Corp.	2009
Brian W. Kaiser* New York, NY	Chief Technology Officer Agile Sports Technologies, Inc.	2016
Robert J. Lanik* Lincoln, NE	Chief Executive Officer CHI, Nebraska	1993

Name and Residence	Principal Business Affiliation	Year First Elected
William W. Lester Lincoln, NE	President and CEO Ameritas Life Insurance Corp. of NY	2009
JoAnn M. Martin Lincoln, NE	Chairwoman of the Board Ameritas Life Insurance Corp. of NY	1999
Susan K. Wilkinson Lincoln, NE	SVP, CFO & Treasurer Ameritas Mutual Holding Company	2017

*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, 2017:

Name	Title
William W. Lester	President, Chief Executive Officer
Susan K. Wilkinson	Senior Vice President, Chief Financial Officer & Treasurer
Robert-John Hamilton Sands	Senior Vice President, General Counsel & Corporate Secretary
Linda A. Whitmire	Senior Vice President, Chief Actuary, Corporate
Karen M. Gustin	Executive Vice President, Group Division
Christine M. Neighbors	Senior Vice President, General Counsel
Scott R. Farmen*	Chief Compliance Officer

*Designated consumer services officer per Section 216.4(c) of 11 NYCRR 216 (Insurance Regulation 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 New York only. In 2017, all of the life premiums, annuity considerations and accident and health premiums 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 2017:

Life Insurance Premiums	
New York	86.1%
Connecticut	3.7
New Jersey	2.1
Florida	2.0
Minnesota	0.9
Subtotal	94.8%
All others	5.2
Total	100.0%

Annuity Considerations	
New York	97.0%
Ohio	1.0
New Jersey	0.5
Pennsylvania	0.4
Virginia	0.4
Subtotal	99.3%
All others	0.7
Total	100.0%

Accident and Health Insurance Premiums	
New York	89.8%
New Jersey	1.9
Connecticut	1.1
Florida	1.0
South Carolina	0.5
Subtotal	94.3%
All others	5.7
Total	100.0%

Deposit Type Funds	
New York	95.4%
New Jersey	3.4
Maryland	1.0
Ohio	0.2
Subtotal	100.0%
All others	0.0
Total	100.0%

A. Statutory and Special Deposits

As of December 31, 2017, the Company had $500,000 (par value) of United States Treasury Notes 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 offers a broad array of insurance and financial products and services to individuals, families and businesses. The Company has four main business segments: Individual, Group, Financial and Retirement Plans.

The Company's individual division includes the individual life, annuity, and disability income product lines. Individual products are marketed in the State of New York using a multi-channel platform which includes core general agencies, disability income centers, fee-based advisors and independent distributors.

The Company's group division consists of approximately 92 sales associates operating within 30 regional sales offices in the State of New York and a number of strategic partnership alliances, third party administrators and brokerage general agency channels. In addition to dental and vision, the Company offers a hearing product to complement its current group product portfolio.

The retirement plans division markets group annuities to the small and mid-sized 401(k) employers (under 250 employees) and offers products on both a bundled and unbundled basis.

C. Reinsurance

As of December 31, 2017, the Company had reinsurance treaties in effect with 18 companies, of which 14 were authorized or accredited. The Company's life, annuities, deposit funds and other liabilities and accident and health business are reinsured on a coinsurance, yearly renewable term, disability benefits, and or other reinsurance basis. Reinsurance is provided on an automatic and or facultative basis.

The maximum retention limit for individual life contracts is $2,000,000. The total face amount of life insurance ceded as of December 31, 2017, was $6,300,000,000, which represents 56% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies totaling $1,300,000,000, was supported by letters of credit and funds withheld.

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, 2012	December 31, 2017	Increase (Decrease)
Admitted assets	$122,311,421	$1,275,682,588	$1,153,371,167
Liabilities	$ 88,796,454	$1,169,280,192	$1,080,483,738
Common capital stock	$ 2,000,000	$ 2,000,000	$ 0
Gross paid in and contributed surplus	38,285,149	156,202,109	117,916,960
Special surplus - ACA fee assessment	0	655,000	655,000
Unassigned funds (surplus)	(6,770,183)	(52,454,713)	(45,684,530)
Total capital and surplus	$ 33,514,966	$ 106,402,396	$ 72,887,430
Total liabilities, capital and surplus	$122,311,421	$1,275,682,588	$1,153,371,167

The Company's invested assets as of December 31, 2017, exclusive of separate accounts, were mainly comprised of bonds (79.9%) and mortgage loans (15.4%).

The majority (96.2%) of the Company's bond portfolio, as of December 31, 2017, was comprised of investment grade obligations.

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

	Individual Whole Life		Individual Term	
Year	Issued	In Force	Issued	In Force
2013	$355,965	$3,936,107	$ 676,362	$6,280,686
2014	$444,548	$4,185,885	$ 660,742	$6,313,187
2015	$402,769	$4,289,022	$1,073,747	$6,486,607
2016	$441,372	$4,475,615	$ 582,620	$6,552,457
2017	$321,683	$4,518,967	$ 705,327	$6,651,808

Individual term policy increased significantly during 2015 due to a disproportionate increase in new term policies over lapses. In addition to single individual term policies, the company has a 10 year-term product that is sold through employers with employers often paying the premiums. Policyholders have the option to continue paying premiums should the employer discontinue the benefit or they can allow the policy to lapse. In 2015, a few large employer-sponsored policies had reached the 10-year limit and were thus terminated and a new 10-year term policy was issued. The $1,073,747 amount issued in 2015 consisted of the new 10-year policies issued and the single individual term policies issued. The decrease of $900,000 in force during 2015 was attributable to the 10-year term product expiration.

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:

	2013	2014	2015	2016	2017
Ordinary:					
Life insurance	$(29,693,118)	$(7,935,483)	$ (9,081,870)	$ 3,758,486	$(4,090,684)
Individual annuities	(5,270,763)	2,258,769	(1,286,859)	2,547,028	1,679,636
Supplementary contracts	0	0	0	(106,345)	18,428
Total ordinary	$(34,963,881)	$(5,676,714)	$(10,368,729)	$ 6,199,169	$(2,392,620)
Group:					
Annuities	(10,835,563)	2,056,332	(5,850,508)	11,548,875	2,280,343
Total group	$(10,835,563)	$ 2,056,332	$ (5,850,508)	$11,548,875	$ 2,280,343
Accident and health:					
Group	$ 210,665	$ 686,454	$ 638,365	$ 1,304,405	$ 1,706,700
Other	(2,186,958)	(668,198)	(1,154,701)	1,710,221	(305,657)
Total accident and health	$ (1,976,293)	$ 18,256	$ (516,336)	$ 3,014,626	$ 1,401,043
All other lines	$ 2,062,534	$ 122,249	$ 142,603	$ (93,418)	$(1,048,236)
Total	$(45,713,203)	$(3,479,878)	$(16,592,970)	$20,669,252	$ 240,530

The ordinary life insurance net loss from operations during 2013 compared to the other years was due to the federal income tax impact of intercompany reinsurance transactions with the Union Central Life Insurance Company.

The Company issued supplementary contracts in 2016 from annuities that were part of the policies assumed by the Company from Union Central Life Insurance in 2013.

The decreased loss in other accident and health during 2014 when compared to the prior and subsequent years was a result of fewer terminations in 2014.

6. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2017, as contained in the Company's 2017 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, 2017 filed annual statement.

A. Independent Accountants

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

Deloitte & Touche LLP 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	$ 902,843,506
Stocks:	
Common stocks	828,914
Mortgage loans on real estate:	
First liens	173,524,874
Real estate:	
Properties held for sale	366,478
Cash, cash equivalents and short-term investments	11,104,171
Contract loans	27,111,020
Derivatives	3,206,702
Other invested assets	10,888,754
Investment income due and accrued	9,633,059
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	2,982,635
Deferred premiums, agents' balances and installments booked but deferred and not yet due	4,591,143
Reinsurance:	
Amounts recoverable from reinsurers	21,638,107
Other amounts receivable under reinsurance contracts	5,359,919
Amounts receivable relating to uninsured plans	1,091,682
Net deferred tax asset	5,931,738
Guaranty funds receivable or on deposit	69,673
Receivables from parent, subsidiaries and affiliates	2,931
Health care and other amounts receivable	428,092
NY Reg 172 reinsurance premium refund	3,681,136
Miscellaneous receivables	436,320
From separate accounts, segregated accounts and protected cell accounts	$ 89,961,734
Total admitted assets	$1,275,682,588

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$ 947,231,122
Aggregate reserve for accident and health contracts	25,867,741
Liability for deposit-type contracts	14,724,693
Contract claims:	
Life	3,067,146
Accident and health	2,123,294
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts	
Dividends apportioned for payment	793,000
Premiums and annuity considerations for life and accident and health contracts received in advance	381,583
Contract liabilities not included elsewhere:	
Provision for experience rating refunds	964,844
Other amounts payable on reinsurance	8,239,739
Interest maintenance reserve	14,569,879
Commissions to agents due or accrued	539,481
Commissions and expense allowances payable on reinsurance assumed	170,182
General expenses due or accrued	1,021,880
Transfers to separate accounts due or accrued	(142,043)
Taxes, licenses and fees due or accrued, excluding federal income taxes	596,221
Current federal and foreign income taxes	670,865
Unearned investment income	16,484
Amounts withheld or retained by company as agent or trustee	40,931
Amounts held for agents' account	125,285
Remittances and items not allocated	813,615
Liability for benefits for employees and agents if not included above	308,625
Miscellaneous liabilities:	
Asset valuation reserve	6,516,297
Reinsurance in unauthorized companies	1,151,838
Payable to parent, subsidiaries and affiliates	1,631,138
Liability for amounts held under uninsured accident and health plans	138,061
Funds held under coinsurance	43,700,368
Derivatives	1,270,833
Payable for Securities	2,330,026
Unclaimed checks	374,160
Accrued interest on contract claims	24,400
Deferred rent liability	56,770
From separate accounts statement	89,961,734
Total liabilities	$1,169,280,192
Common capital stock	2,000,000
Gross paid in and contributed surplus	156,202,109
Special surplus - ACA fee assessment	655,000
Unassigned funds (surplus)	(52,454,713)
Surplus	$ 104,402,396
Total capital and surplus	$ 106,402,396
Total liabilities, capital and surplus	$1,275,682,588

D. Condensed Summary of Operations

	2013	2014	2015	2016	2017
Premiums and considerations	$285,024,291	$ 95,311,338	$100,832,784	$132,272,867	$154,818,877
Investment income	22,635,268	40,911,675	42,641,390	44,015,796	47,522,459
Commissions and reserve adjustments on reinsurance ceded	2,347,660	3,047,981	3,490,911	3,300,087	3,699,797
Miscellaneous income	6,244,322	29,370,515	21,279,807	11,545,321	13,562,731
Total income	$316,251,541	$ 168,641,509	$168,244,892	$191,134,071	$219,603,864
Benefit payments	$ 69,917,294	$ 132,470,862	$126,114,270	$109,162,004	$125,006,216
Increase in reserves	74,310,511	22,564,739	38,033,311	15,485,047	15,411,392
Commissions	7,081,712	8,906,410	8,974,312	10,600,791	9,375,438
General expenses and taxes	23,433,572	26,819,076	26,516,813	27,213,521	26,109,600
Increase in loading on deferred and uncollected premiums	(130,300)	(56,684)	(19,199)	(552,035)	164,684
Net transfers to (from) Separate Accounts	1,668,471	6,114,720	8,622,766	8,495,588	32,560,322
Miscellaneous deductions	159,760,803	(17,250,060)	(18,411,467)	433,988	10,012,624
Total deductions	$336,042,063	$ 179,569,063	$189,830,806	$170,838,904	$218,640,276
Net gain (loss)	$ (19,790,522)	$ (10,927,554)	$(21,585,914)	$ 20,295,167	$ 963,588
Dividends	555,956	637,743	692,627	705,886	786,315
Federal and foreign income taxes incurred	25,366,726	(8,085,419)	(5,685,571)	(1,079,971)	(63,257)
Net gain (loss) from operations before net realized capital gains	$ (45,713,204)	$ (3,479,878)	$(16,592,970)	$ 20,669,252	$ 240,530
Net realized capital gains (losses)	(126,826)	(441,880)	(469,606)	(545,472)	(289,232)
Net income	$ (45,840,029)	$ (3,921,758)	$(17,062,576)	$ 20,123,780	$ (48,702)

E. Capital and Surplus Account

	2013	2014	2015	2016	2017
Capital and surplus, December 31, prior year	$ 33,514,966	$81,806,202	$ 86,923,460	$65,803,216	$ 97,199,479
Net income	$(45,840,029)	$(3,921,758)	$(17,062,576)	$20,123,780	$ (48,702)
Change in net unrealized capital gains (losses)	269,087	58,318	(475,683)	455,550	332,259
Change in net deferred income tax	6,665,399	(1,452,539)	(1,705,184)	(3,357,768)	12,937,203
Change in non-admitted assets and related items	76,927	(15,340)	(597,104)	(750,350)	(5,704,485)
Change in liability for reinsurance in unauthorized companies	(826,185)	(745,931)	966,754	(551,446)	52,504
Change in asset valuation reserve	(1,850,091)	(1,065,313)	(979,433)	(1,028,287)	(1,218,510)
Surplus adjustments:					
Paid in	90,007,825	10,000,000	0	15,000,000	1,634,135
Prior year correction of errors	(211,699)	2,259,822	(1,267,018)	0	1,218,513
Net change in capital and surplus for the year	$ 48,291,235	$ 5,117,259	$(21,120,244)	$29,891,479	$ 9,202,917
Capital and surplus, December 31, current year	$ 81,806,202	$86,923,460	$ 65,803,216	$97,199,479	$106,402,396

F. Reserves

The Department conducted a review of the reserves as of December 31, 2017. During the review, concerns were raised regarding the lack of conservatism in certain assumptions with respect to the Company's asset adequacy testing pursuant to Insurance Regulation 126 and the robustness of the Company's mortality study. In response, the Company incorporated various refinements within the testing in a manner acceptable to the Department and established additional reserves of $12.5 million as a result of such refinements. The Company also agreed to perform more robust mortality studies in the future.

The examiner recommends that the Company continues to incorporate such refinements within the asset adequacy testing and future mortality studies as agreed upon with the Department.

7. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

Item	Description
A	The Company violated Section 4211(a) of the New York Insurance Law by failing to file a copy of the notice of election with the Superintendent at least 10 days before the date of such election. The examiner noted during a review of corporate records, that the Company sent a notice of election to the Superintendent within the required time frame.
B	The Company violated Section 4211(b) of the New York Insurance Law by electing a successor to the board without filing a written notice of election with the Superintendent. The examiner noted during a review of corporate records, that the Company filed a written notice of election with the Superintendent for all successors elected during the period under examination.
C	The Company violated Section 325(a) of the New York Insurance Law by failing to maintain its books of account at its principal office in New York as a visit to the Company's principal office in New York City revealed that the Company did not maintain all financial accounting records or data that support the filed annual statements at the Company's principal location in New York. However, the records were maintained by the Company in a format that was not accessible to the examiner. The examiner noted that during the current examination, the Company maintained the financial records in its home office, however the records were maintained in comma-separated values ("CSV") format, which prevented the examiner from accessing the records as the files were too large.

8. SUMMARY AND CONCLUSIONS

Following is the comment and recommendation contained in this report:

Item	Description	Page No(s).
A	The Department conducted a review of the Company's reserves as of December 31, 2017. During the review, concerns were raised regarding the lack of conservatism in certain assumptions with respect to the company's asset adequacy testing pursuant to Insurance Regulation 126 and the robustness of the company's mortality study. In response, the Company incorporated various refinements within the testing in a manner acceptable to the Department and established additional reserves of $12.5 million as a result of such refinements. The Company also agreed to perform more robust mortality studies in the future.	21
B	The examiner recommends that the Company continues to incorporate such refinements within the asset adequacy testing and future mortality studies as agreed upon with the Department.	21

Respectfully submitted,

James R. Burch, Jr., CFE
Eide Bailly LLP

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

James R. Burch, Jr., being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

James R. Burch, Jr., CFE

Subscribed and sworn to before me

this 10th day of June, 2020

Audrey Hall

AUDREY HALL
Notary Public, State of New York
No. 01HA6274900
Qualified in Kings County
Commission Expires January 28, 20 21

Respectfully submitted,

/s/
Victor Agbu
Principal Insurance Examiner

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

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

/s/
Victor Agbu

Subscribed and sworn to before me

this__________ day of ____________________

APPOINTMENT NO. 31766

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, MARIA T. VULLO, 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:

JAMES R. BURCH, JR.
(EIDE BAILLY, LLP)

as a proper person to examine the affairs of the

AMERITAS LIFE INSURANCE CORP. OF NEW YORK

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 29th day of March, 2018

MARIA T. VULLO
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU

NEW YORK STATE · DEPARTMENT OF FINANCIAL SERVICES · EXCELSIOR