NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

TEACHERS INSURANCE AND ANNUITYASSOCIATION OF AMERICA

CONDITION:	DECEMBER 31, 2018
DATE OF REPORT:	JUNE 25, 2020

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AS OF

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EXAMINER: JAMES B. MORRIS, CFE

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June 25, 2020

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

Madam:

In accordance with instructions contained in Appointment No. 31992, dated July 19, 2019, and annexed hereto, an examination has been made into the condition and affairs of Teachers Insurance and Annuity Association of America, hereinafter referred to as "the Association," at its home office located at 730 Third Avenue, New York, NY 10017.

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 comments contained in this report is summarized below.

- In December 2019, the Association contributed $220 million to TIAA-CREF Life. (See item 7 of this report.)
- The COVID-19 pandemic has disrupted the United States' economy and caused extreme volatility in the financial markets globally in an unprecedented manner**.** The extent to which COVID-19 may affect the Company's financial condition or results of operations will depend on future developments, including the duration, spread, and intensity of the pandemic. The extent of these future developments is uncertain and not readily determinable as of the date of this report, considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall effect of COVID-19 on the Company's business. (See item 7 of this report.)
- In May 2020, the Association offered a voluntary employment separation and termination compensation package to approximately 75% of its total workforce as a cost cutting initiative in response to the COVID-19 pandemic. Employee elections into the program are subject to management approval. Some elections may be denied to ensure the business can continue to operate effectively. At the time of this report, the effect of this initiative could not yet be assessed or measured. (See item 7 of this report.)
- In May 2020, the Association issued surplus notes in an aggregate principal amount of $1,250 million. The notes bear interest at an annual rate of 3.3% and have a maturity date of May 15, 2050. The issued notes were done in part to take advantage of the rate environment, and the net proceeds are intended to be used for general corporate purposes. (See item 7 of this report.)

2. SCOPE OF EXAMINATION

The examination of the Association was a full-scope examination as defined in the National Association of Insurance Commissioners ("NAIC's") *Financial Condition Examiners Handbook, 2019 Edition* (the "Handbook"). The examination covers the five-year period from January 1, 2014, to December 31, 2018. 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, 2018, 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 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 Association's organizational structure, business approach and control environment were utilized to develop the examination approach. The Association'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 Association was audited annually, for the years 2014 through 2018, by the accounting firm of PricewaterhouseCoopers, LLP. The Association 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 Association 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's Model Audit Rule ("MAR"). Where applicable, MAR workpapers and reports were reviewed, and portions were relied upon for this examination.

The examiner reviewed the corrective action taken by the Association with respect to the comment contained in the prior report on examination. The result of the examiner's review is 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 matters which require explanation or description.

3. DESCRIPTION OF ASSOCIATION

A. History

In 1917, the Carnegie Foundation for the Advancement of Teaching ("the Foundation") formed an organization to provide pensions and insurance products for teachers and employees of private educational institutions. The Foundation organized the Association as a legal reserve stock life insurance company under Section 70 of the New York Insurance Law (now Section 1113). The Association was incorporated on March 4, 1918 and commenced business on May 17, 1918. A plan was initiated in 1935 to make the Association independent of the Foundation with respect to its finances. An act of the New York State Legislature creating the Trustees of T.I.A.A Stock ("the Trustees") became law on June 3, 1937, and the Foundation transferred the Association stock to the Trustees in 1938. The plan also included a proposal by the Association that the Foundation make an endowment grant to it of $6,700,000, which would obviate any further support for its overhead expenses. The Foundation voted to accept the Association's proposal and transferred $2,700,000 to the Association by December 31, 1937. The balance of the endowment was transferred to the Association by the end of 1938. Effective November 17, 1989, the name of the Trustees was changed to TIAA Board of Overseers.

As a companion nonprofit organization to the Association, College Retirement Equities Fund ("CREF") was founded in 1952 to provide retirement annuities based on investments in common stock. It was created through an act of the New York State legislature, under which it was organized as a nonprofit company controlled by specified members with legal function similar to that of shareholders. In the 1980s, CREF registered with the Securities and Exchange Commission (SEC) as an investment company under the Investment Company Act of 1940.

On November 20, 1996, TIAA-CREF Life Insurance Company ("TIAA-CREF Life") was established for retaining the Association's taxable life insurance and other non-pension businesses.

Although the Association has been formed as a New York-domiciled stock life insurance company, the Association was exempt from federal taxation since its founding in 1918. However; effective January 1, 1998, the Association lost its exemption from federal income taxation pursuant to Section 1042 of the Taxpayers Relief Act of 1997.

B. Holding Company

All the outstanding stock of the Association is held by the TIAA Board of Overseers, a nonprofit corporation created solely for holding the stock of the Association. The Association directly owns numerous operating and investment subsidiaries, of which the most significant are described below.

TIAA-CREF Life Insurance Company ("TIAA-CREF Life")

TIAA-CREF Life, a wholly owned subsidiary of the Association, was incorporated as a stock life insurance company under the laws of the State of New York on November 20, 1996, and was licensed and commenced business on December 18, 1996, by assuming a small block of life insurance business from the Association. TIAA-CREF Life was originally established for retaining the Association's taxable life insurance and other non-pension businesses. Currently, TIAA-CREF Life markets life and annuity insurance products to the general public; it also maintains health products in force that are ceded to and/or administered by others. Under an at-cost service agreement, the Association performs most of the services for TIAA-CREF Life. TIAA-CREF Life is licensed in 50 states and the District of Columbia.

The Association has a financial support agreement with TIAA-CREF Life. Under this agreement, the Association is to provide support to ensure that TIAA-CREF Life has the greater of (a) capital and surplus of $250 million, (b) the amount of capital and surplus necessary to maintain TIAA-CREF Life's capital and surplus at a level not less than 150% of the NAIC Risk Based Capital Model ACT, or (c) any other amount necessary to maintain TIAA-CREF Life's financial strength rating at least the same as the Association's rating at all times.

During the examination period, the Association contributed $50 million in 2015, $50 million in 2016, and $100 million in 2018, to TIAA-CREF Life under the financial support agreement. Additionally, the Association provides a $100 million unsecured 364-day revolving line of credit to TIAA-CREF Life. As of December 31, 2018, there was no outstanding principal amount under this line of credit.

Nuveen, LLC ("Nuveen")

On October 1, 2014, the Association acquired Nuveen (formerly Nuveen Investments, Inc.), a diversified investment management company. The Association's management believes that the complementary offerings and strong distribution network that Nuveen brings to the Association allows it to offer its clients a broader range of expertise and investment options than ever before. Nuveen operates within a multi-boutique operating model, retaining its brand. Nuveen and the Association participate in intercompany arrangements, pursuant to which Nuveen relies upon the Association for certain centralized shared services, such as human resources and technology; and the Association relies upon Nuveen for various functions, including Nuveen's distribution channels. During the examination period, Nuveen has also aligned its investment specialists under asset class platforms, such as Nuveen Equities and Fixed Income and Nuveen Real Estate and Real Assets, which alignment is a part of the firm's evolution towards a one Nuveen global operating model.

<u>TIAA FSB Holdings, Inc and TIAA, FSB</u>

In July 1998, the Association began offering trust services to its participants through the formation of TIAA-CREF Trust Company, FSB (the "Trust Company"). The Trust Company then offered trust and management services to the TIAA-CREF Life's participants and their families, education and research institutions, and others.

On August 24, 2010, the Office of Thrift Supervision ("OTS"), a federal agency under the Department of the Treasury, approved the Trust Company's plans to further expand its banking services to include the acceptance of deposits in the form of high yield savings, interest checking, certificates of deposit, money market accounts, and the origination of mortgage loans. On July 21, 2011, The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 merged OTS with the Office of the Comptroller of the Currency (the "OCC") and designated the Federal Reserve as the supervisory and regulatory authority for all bank holding companies. The Federal Reserve Bank of Boston is the prudential banking regulator for TIAA FSB Holdings, Inc. and the OCC is the prudential banking regulator for TIAA, FSB.

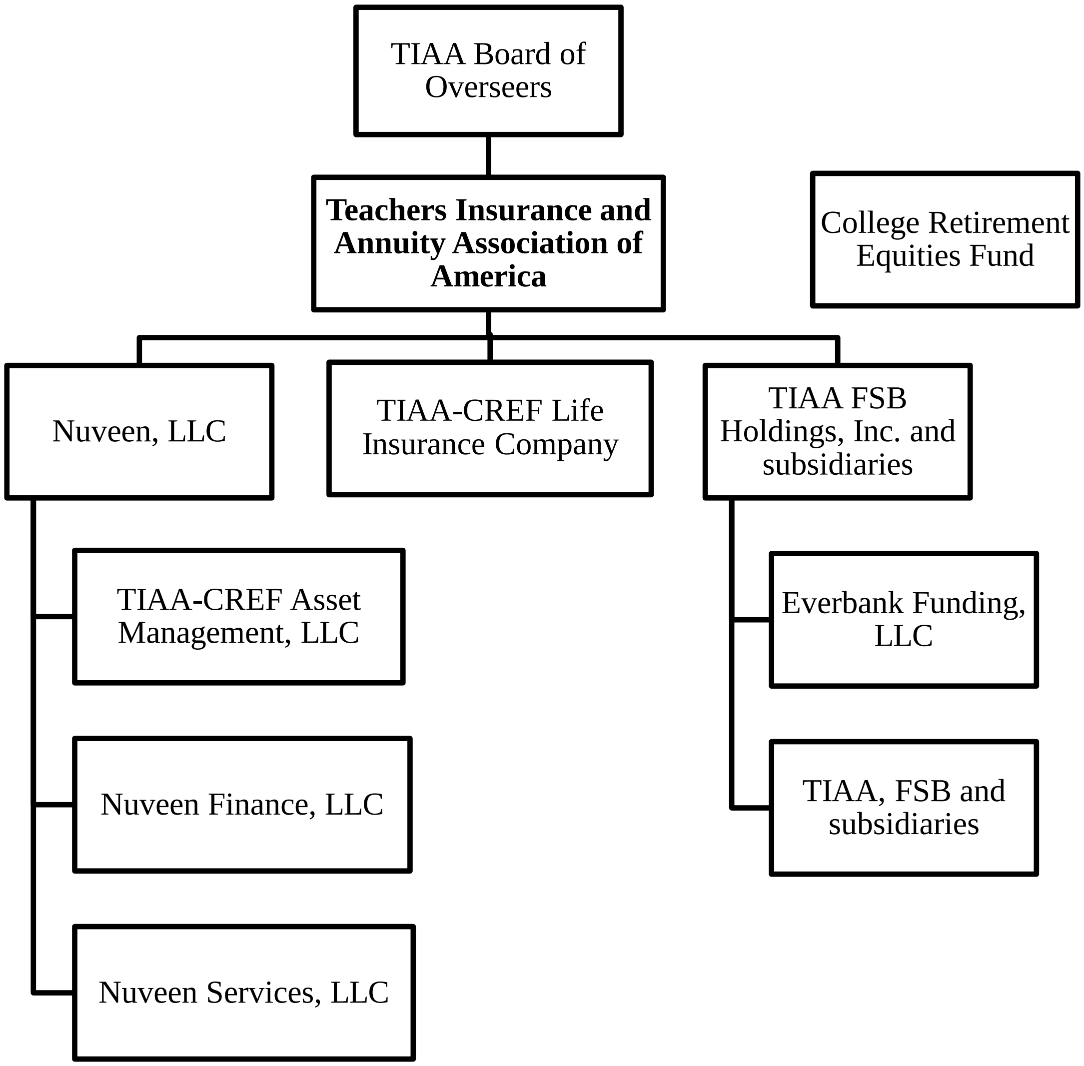
In early 2014, the Trust Company began offering lending and deposit products to the public. Lending products include fixed and adjustable rate products for both purchasing and refinancing a home, as well as home equity lines of credit. Deposit products include checking, savings, and money market accounts, as well as certificates of deposit.

On June 9, 2017, the Association acquired EverBank Financial Corp., a diversified financial services company based in Jacksonville, Florida that provided banking, mortgages, and investing services, and its wholly-owned subsidiary EverBank. The Trust Company and EverBank were subsequently combined under the legal name TIAA, FSB and is held by the Association's wholly-owned holding company TIAA FSB Holdings, Inc.

TIAA, FSB operates through three business lines: consumer banking, commercial banking, and trust services. The consumer banking business offers consumer products, including deposit services, consumer loans (including credit cards), residential lending, and loan servicing. The commercial banking business offers business clients deposit services, commercial real estate lending, lender finance, equipment finance and leasing, and mortgage warehouse financing. The trust services business offers investment management, fiduciary, and custody services to individual and institutional clients.

C. Organizational Chart

An organization chart reflecting the relationship between the Association and significant entities in its holding company system as of December 31, 2018, follows:


TIAA Board of Overseers
Teachers Insurance and Annuity Association of America
College Retirement Equities Fund
Nuveen, LLC
TIAA-CREF Life Insurance Company
TIAA FSB Holdings, Inc. and subsidiaries
TIAA-CREF Asset Management, LLC
Nuveen Finance, LLC
Nuveen Services, LLC
Everbank Funding, LLC
TIAA, FSB and subsidiaries

D. Service Agreements

The Association had 36 service agreements in effect with affiliates during the examination period.

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Cash Disbursement & Reimbursement	12/17/1991 Addenda/ Amendment 12/17/1991 Update 1992	The Association	TIAA-CREF Investment Management , LLC	Cash disbursement and reimbursement services and provision of personnel	2014 $228,424 2015 $240,434 2016 $215,295 2017 $180,659 2018 $171,614
Amended & Restated Cash Disbursement & Reimbursement	11/13/1996	The Association	TIAA-CREF Individual & Institutional Services, LLC ("TC Services")	Cash disbursement and reimbursement services and provision of personnel	2014 $217,237 2015 $203,762 2016 $169,906 2017 $178,686 2018 $171,293
CREF Administration Amended and Restated File No. 54688	01/01/2009 05/01/2016	The Association	CREF	Administrative services	2014 $534,984 2015 $527,547 2016 $ 0 2017 $ 0 2018 $ 0
Cash Disbursement & Reimbursement	07/01/1997	The Association	Teacher Advisors, Inc. ("TAI")	Cash disbursement and related services and provision of personnel related to TIAA-CREF Mutual (merged into TIAA-CREF Institutional Mutual Funds on April 20, 2007)	2014 $118,292 2015 $130,748 2016 $146,068 2017 $137,590 2018 $139,607

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Cash Disbursement & Reimbursement Replaced by Cash Disbursement and Cost Reimbursement File No. 53776	07/01/1997 12/30/2016	The Association	Teachers Personal Investors Services, Inc. ("TPIS")	Cash disbursement and related services and provision of personnel related to TIAA-CREF Mutual (merged into TIAA-CREF Institutional Mutual Funds on April 20, 2007)	2014 $ 93,057 2015 $102,746 2016 $ 97,198 2017 $ 0 2018 $ 0
Distribution Agreement	01/01/2008	TC Services	The Association and TIAA Real Estate Account	TC Services distributes the contracts under and during the term of the agreement; advises existing contract owners in connection with their accumulation; assists in designing and installing; and provides administrative services	2014 $(17,021) 2015 $(23,825) 2016 $(26,991) 2017 $(26,478) 2018 $(27,955)
Investment Management	12/10/1996	The Association	TIAA-CREF Life	Investment advisory services	2014 $8,234,307 2015 $8,586,629 2016 $8,513,420 2017 $7,441,569 2018 $8,437,518
Amended & Restated Service Agreement	01/01/1999	The Association	TIAA-CREF Life	Administrative and special services	2014 $109,884 2015 $127,880 2016 $176,554 2017 $188,358 2018 $209,679

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Cash Disbursement & Reimbursement Replaced by Cash Disbursement and Cost Reimbursement File No. 53721	11/30/1998 12/26/2016	The Association	TAI	Cash disbursement and related provision of personnel	2014 $ 9,475 2015 $11,495 2016 $12,014 2017 $ 0 2018 $ 0
Cash Disbursement & Reimbursement Replaced by Cash Disbursement and Cost Reimbursement File No. 53721	09/15/1994 12/26/2016	The Association	TAI	Cash disbursement and related services provision of personnel	2014 $1,358 2015 $1,312 2016 $1,029 2017 $ 0 2018 $ 0
Cash Disbursement & Reimbursement (TPIS assigned rights to the agreement to TC Services)	09/15/1994	The Association	TPIS	Cash disbursement and related services and provision of personnel	2014 $719 2015 $483 2016 $411 2017 $191 2018 $270

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Cash Disbursement and Reimbursement	12/15/2006	The Association	TC Services	The Association makes all cash disbursement, incur all expenses and provide personnel as may be necessary for TC Services to fulfill its obligations under the Distribution Agreement for VA-3 and TC Services reimburses TIAA for actual disbursement in providing such services	2014 $4,926 2015 $6,922 2016 $6,941 2017 $6,530 2018 $6,924
Service Agreement	07/07/1998	The Association	The Trust Company	Perform services and provide facilities and personnel	2014 $175,395 2015 $203,977 2016 $200,669 2017 $582,774 2018 $942,084
Service Agreement	11/02/2005	The Association	TC Services	Certain services including cash disbursement and non-broker dealer services in connection with IRA business	2014 $ 877 2015 $1,003 2016 $1,189 2017 $1,500 2018 $1,443

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Cash Disbursement & Reimbursement (relating to Services provided by TTFI, TPIS and Services to State Tuition Savings Programs) Replaced by Amended and Restated Cash Disbursement and Reimbursement File No. 50768	10/14/2004 07/15/2015	The Association	TIAA-CREF Tuition Financing Inc. (“TTFI”), TPIS, and TC Services	Cash disbursement and related services and provision of personnel	2014 $88,860 2015 $ 0 2016 $ 0 2017 $ 0 2018 $ 0
Cash disbursements and Reimbursement File No. 59372 Replaced Cash Disbursements and Reimbursement	12/14/2011 08/12/2008	The Association	TIAA CREF Life	The Association make all cash disbursements, incur all expenses, and provide personnel as may be necessary for TC Services to fulfill its obligations to distribute the Market Value Adjusted contracts under the Distribution Agreement (File No. 40560)	2014 $5,398,181.76 2015 $7,651,740.44 2016 $7,407,198.90 2017 $6,713,233.28 2018 $8,525,265.12

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Cash Disbursement & Reimbursement	06/30/2004	The Association	TAI	The Association provides cash disbursement and related services and provision of personnel related to TIAA CREF Asset Management, LLC	2014 $1,733 2015 $3,692 2016 $7,256 2017 $ 0 2018 $ 0 Collateralized Debt Obligation 2014 $534 2015 $413 2016 $291 2017 $ 0 2018 $ 0
Cash Disbursement & Expense Reimbursement	11/04/2008	The Association	TIAA Global Public Investments, LLC	The Association make all cash disbursements, incur all expenses, provide personnel as may be necessary	2014 $2,447 2015 $2,719 2016 $6,441 2017 $5,912 2018 $1,871
Cash Disbursement & Reimbursement	11/18/2008	The Association	Kaspick & Company, LLC	The Association makes all cash disbursements, incur certain expenses, and provide such personnel as may be necessary	2014 $39,007 2015 $41,950 2016 $41,170 2017 $43,184 2018 $68,176
Amended and Restated Administrative Services File No. 54688 Replaced CREF Administrative Services Agreement	05/01/2016 01/01/2009	The Association	CREF	The Association provides administrative services to CREF according to the terms and conditions of this agreement	2016 $475,601 2017 $448,313 2018 $388,058

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Amended and Restated Cash Disbursement and Reimbursement File No. 50768 Replaced Cash Disbursement & Reimbursement (relating to Services provided by TTFI, TPIS and Services to State Tuition Savings Programs)	07/15/2015 10/14/2004	The Association	TTFI	The Association performs cash disbursement and related services as needed by TTFI's in connection with TTFI's provision of services to the programs in consideration of reimbursing the Association for providing such services	2015 $86,689 2016 $93,778 2017 $84,711 2018 $89,779
Retirement Choice Plus Annuity Trust File No. 52764	05/12/2016	The Association	The Trust Company	To be the owner of and hold contracts issued to the Trust Company	2016 $2,062 2017 $2,227 2018 $1,748
Cash Disbursement and Cost Reimbursement File No. 53776 Replaced Cash Disbursement & Reimbursement	12/30/2016 07/01/1997	The Association	TC Services	The Association agrees to perform cash disbursement and related services to TC Service's funds at cost to TC Services for the Association's actual expenses for providing such services	2017 $109,297 2018 $130,416

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Cash Disbursement and Reimbursement File No. 49191 Replaced by Cash Disbursement and Cost Reimbursement File No. 53721	12/01/2014 12/26/2016	The Association	TIAA Asset Management Finance Company, LLC ("TAMF")	The Association performs cash disbursement and related services as needed by TAMF in consideration of paying TIAA's actual expenses for providing such services	2014 $4,369 2015 $ 0 2016 $ 0 2017 $ 0 2018 $ 0
Cash Disbursement and Reimbursement File No. 49375 Replaced by Cash Disbursement and Cost Reimbursement File No. 53721	01/01/2015 12/26/2016	The Association	Nuveen	The Association performs cash disbursement and related services for Nuveen in consideration of paying the Association's actual expenses for providing such services	2015 $841,740 2016 $942,812 2017 $ 0 2018 $ 0
Cash Disbursement and Reimbursement File No. 50610	06/15/2015	The Association	Consult EDU Alliance, LLC ("Consult EDU")	The Association performs cash disbursement and related services as needed by Consult EDU in consideration of paying the Association's actual expenses for providing such services	2015 $976 2016 $ 0 2017 $ 0 2018 $ 0

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Investment Management Agreement File No. 50656 Amended and Restated File No. 50656A	05/20/2015 03/15/2016	The Association	TIAA-CREF Alternative Advisors, LLC	Amends and restates original agreement to change the frequency of management fee payments from quarterly to monthly	2014 $51,116 2015 $42,675 2016 $70,708 2017 $131,600 2018 $185,272
Software Licensing and Services Agreement Amended File No. 53305	10/01/2009 08/15/2016	Envisage Information Systems, LLC (“Envisage’)	The Association	Envisage has licensed certain software, provided software support services and software development professional services for the Association	2014 $(31,983) 2015 $(30,831) 2016 $(25,816) 2017 $(16,185) 2018 $(11,812)
General Service and Facilities File No. 53704	12/26/2016	TIAA Global Asset Management LLC (“TGAM”)	The Association	TGAM provides the Association with certain services and facilities	2017 $(1,139,651)** 2018 $(1,039,727)**
Cash Disbursement and Cost Reimbursement File No. 53721	12/26/2016	TGAM	The Association	TGAM provides personnel as required by the Association for performing its investment management obligations with respect to the real estate account plan of operations for separate account business	2017 $(30,046) 2018 $(43,429)
Service Agreement File No. 53367	10/01/2016	TIAA Global Business Services India Pvt. Ltd. (“TGBS”)	The Association	The Association avails certain information technology services from TGBS at arm’s length.	2017 $(42,482) 2018 $(61,544)

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient(s) of Services	Specific Services Covered	Income/ (Expense)* For Each Year of the Examination
Omnibus Services File No. 54679	01/01/2018	Nuveen	The Association	Nuveen shall provide the Association with certain services the Association determines to be reasonably necessary in conducting its operations	2018 $(6,500)
Service Agreement File No. 54865	02/06/2018	TIAA CREF Trust Company, FSB ("TTC")	The Association	The Association desires to utilize certain employees of TTC by having them support corporate functions and initiative of the Association and its subsidiaries and affiliates as described in the agreement	2018 $(3,744)
Investment Management File No. 54678	01/01/2018	Nuveen Alternatives Advisors, LLC ("NAA")	The Association	The Association appoints NAA as an investment manager with discretionary investment authority over certain assets according to the agreement's terms and conditions	2018 $(198,253)
Investment Management File No. 54677	01/01/2018	Teachers Advisors, LLC	The Association	The Association appoints Teachers Advisors, LLC as an investment manager with discretionary investment authority over certain assets according to the agreement's terms and conditions	2018 $(207,231)

*Amount of Income or (Expense) Incurred by the Association
**TIAA-CREF Life Funds: 2017 $(11,015) and 2018 $(9,428); TIAA Separate Account VA-1: 2017 $(1,042) and 2018 $(1,170); Nuveen: 2017 $(964,563) and 2018 $(1,026,849); Teachers Advisors, LLC: 2017 $(39,416); TIAA-CREF Alternatives Advisors, LLC: 2017 $(71,280); TGAM Services LLC: 2017 $(48,727); TGAM: 2017 $(3,181) and 2018 $(2,074); and Collateralized Debt Obligation: 2017 $(427) and 2018 $(206)

The Association participates in a federal income tax allocation agreement with its subsidiaries and affiliates.

E. Management

The Association's by-laws state that the general management of the property, business, and affairs of the Association shall be vested in the board of trustees. The by-laws provide that the board of trustees shall comprise not less than 7 and not more than 24 trustees. All trustees are elected for a period of one year. The annual meeting of stockholders for the election of trustees shall be held on the second Tuesday of July of each year, if not a legal holiday, or, if a legal holiday, then on the next preceding business day. The annual meeting may be held on a different date if determined by the Chief Executive Officer or by the Nominating and Governance Committee. The board may hold other meetings as it may determine by standing resolution. As of December 31, 2018, the board of trustees consisted of 16 members. The board met regularly during the examination period.

The 16 board trustees and their principal business affiliation, as of December 31, 2018, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Jeffrey R. Brown* Champaign, Illinois	Dean and Professor University of Illinois at Urbana-Champaign	2009
Pricilla S. Brown* Philadelphia, Pennsylvania	Chief Executive Officer Emerge.me, LLC	2018
James R. Chambers* Mendham, New Jersey	Former Chief Executive Officer Weight Watchers International, Inc.	2015
Roger W. Ferguson, Jr. Washington, District of Columbia	President and Chief Executive Officer Teachers Insurance and Annuity Association of America	2008
Tamara S. Franklin* Princeton, New Jersey	Vice President, Media and Entertainment Industry Solutions IBM, North America	2018
Lisa W. Hess* New York, New York	President and Managing Partner SkyTop Capital Management, LLC	2009
Edward M. Hundert* Brookline, Massachusetts	Dean and Professor Harvard Medical School	2005

Name and Residence	Principal Business Affiliation	Year First Elected
Lawrence H. Linden* New York, New York	Founder and Trustee Linden Trust for Conservation	2010
Maureen P. O'Hara* Lansing, New York	Professor Cornell University	2009
Donald K. Peterson* Naples, Florida	Former Chairman and Chief Executive Officer Avaya, Inc.	2004
Sidney A. Ribeau* Bethesda, Maryland	Professor Howard University	2004
Dorothy K. Robinson* Branford, Connecticut	Senior of Counsel K&L Gates, LLP	2007
Kim M. Sharan* Bonita Springs, Florida	Founder and Chief Executive Officer Kim M. Sharan, LLC	2015
David L. Shedlarz* Bluffton, South Carolina	Former Vice Chairman Pfizer, Inc.	2007
Ronald L. Thompson* Bethesda, Maryland	Former Chairman and Chief Executive Officer Midwest Stamping and Manufacturing Company	1995
Marta Tienda* Princeton, New Jersey	Professor Princeton University	2005

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

Mr. Lawrence H. Linden ended his service as a trustee effective December 31, 2018.

The examiner's review of the minutes of the meetings of the board of trustees and its committees indicated that meetings were well attended and that each trustee attended most meetings.

The following is a listing of the principal officers of the Association as of December 31, 2018:

<u>Name</u>	<u>Title</u>
Roger W. Ferguson, Jr.	President and Chief Executive Officer
Vijay C. Advani	Senior Executive Vice President, Nuveen Chief Executive Officer
Lori D. Fouché	Senior Executive Vice President, Retail and Institutional Financial Services Chief Executive Officer
Glenn R. Richter	Senior Executive Vice President and Chief Administrative Officer
John L. Douglas	Senior Executive Vice President and Chief Oversight and Advocacy Officer
Sean N. Woodroffe	Senior Executive Vice President and Chief Human Resources Officer
Rahul N. Merchant	Senior Executive Vice President, Chief Technology and Operations Officer
Kathie J. Andrade	Senior Executive Vice President and Advisor
Ronald R. Pressman	Senior Executive Vice President and Advisor
Virginia M. Wilson	Senior Executive Vice President and Chief Financial Officer

Joann Ortega, Managing Director of Individual Client Solutions and Consumer Services Officer, is the designated consumer services officer per Section 216.4(c) of 11 NYCRR 216 (Insurance Regulation 64).

Effective January 1, 2019, Virginia M. Wilson resigned as Chief Financial Officer in anticipation of her retirement and was appointed as an Advisor to the Chief Executive Officer. Concurrently, Glenn R. Richter resigned as Chief Administrative Officer and was appointed as Chief Financial Officer, and the position of Chief Administrative Officer was then retired.

Virginia M. Wilson , Kathie J. Andrade, and Ronald R. Pressman ended their service respectively on January 1, January 4, and March 1, 2019.

4. TERRITORY AND PLAN OF OPERATIONS

The Association 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 Association is licensed to transact business in all 50 states, the District of Columbia, and the territories of Puerto Rico and the U.S. Virgin Islands. In 2018, 14.3% of life premiums, 20.6% of annuity considerations, and 12.5% of accident and health premiums were received from New York. Policies are written on a non-participating basis.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2018:

Life Insurance Premiums	
New York	14.3%
California	7.3
Pennsylvania	7.1
Massachusetts	6.0
New Jersey	5.9
Subtotal	40.6%
All others	59.4
Total	100.0%

Annuity Considerations	
New York	20.6%
Pennsylvania	6.4
New Jersey	6.2
Michigan	5.2
California	5.2
Subtotal	43.6%
All others	56.4
Total	100.0%

Accident and Health Insurance Premiums	
New York	12.5%
New Jersey	7.3
Pennsylvania	7.2
Florida	6.6
Massachusetts	6.0
Subtotal	39.6%
All others	60.4
Total	100.0%

Deposit Type Funds	
California	12.7%
New York	10.0
Pennsylvania	7.5
New Jersey	5.2
Massachusetts	5.0
Subtotal	40.4%
All others	59.6
Total	100.0%

A. Statutory and Special Deposits

As of December 31, 2018, the Association had $5,000,000 (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 Association. An additional $11,624,923, which was reported in Schedule E of the 2018 filed annual statement, was being held by the states of Arkansas, Georgia, Massachusetts, New Mexico, North Carolina, and Virginia, and the territory of Puerto Rico.

B. Direct Operations

The Association provides record-keeping services and funding vehicle annuities; fixed and variable deferred annuities for employer-sponsored retirement plans, of which the majority are 403(b) plans. The Association's retirement annuities may be issued on either a group or an individual basis as part of an employee retirement plan.

The Association's institutional products are usually offered in conjunction with its role as record-keeper for defined contribution plans. Some of these products enable participants to supplement their base retirement savings by voluntarily setting aside portions of their salaries to accumulate for retirement income on a pre-tax basis through tax-deferred annuities, while others provide for lump-sum cash withdrawals.

The Association stopped issuing new life insurance policies in November 2003. However, the Association continues to offer contractional conversions from its term life to its permanent life insurance policies.

The Association does not have a commissioned sales force; its products are sold through its career agents. The Association has also established relationships with approximately 15,000 non-profit institutions. These institutions offer the Association's retirement annuities and mutual funds to their employees as options within their defined contribution benefit plans. The Association also provides support and educational services to participating institutions through its approximately 160 local offices. The premiums for the pension annuity and mutual fund products are remitted directly by participating institutions.

C. Reinsurance

As of December 31, 2018, the Association had reinsurance treaties in effect with three companies, of which two were authorized or accredited. The Association's life and accident and health business is reinsured on a coinsurance, yearly renewable term, and other reinsurance bases. Reinsurance is provided on an automatic and facultative basis.

The maximum retention limit for an individual life contract is $1,500,000. The total face amount of life insurance ceded, as of December 31, 2018, was $62,177,488, which represents approximately 0.52% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies, totaling $108,962,593, was supported by trust agreements.

Reinsurance is not a significant part of the Association's operations as only $185,667 of life insurance premiums and $13,001,457 of accident and health insurance premiums were ceded as of December 31, 2018.

The Association did not have any assumed insurance business as of December 31, 2018.

5. SIGNIFICANT OPERATING RESULTS

Indicated below is significant information concerning the operations of the Association 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 Association's financial growth during the period under review:

	December 31, 2013	December 31, 2018	Increase
Admitted assets	$250,494,214,817	$303,286,268,584	$52,792,053,767
Liabilities	$219,715,089,398	$265,159,964,856	$45,444,875,458
Common capital stock	$ 2,500,000	$ 2,500,000	$ 0
Gross paid in and contributed surplus	550,000	550,000	0
Contingency reserve for investment losses, annuity and insurance mortality, and other risks	28,776,075,419	33,082,186,679	4,306,111,260
Surplus notes	2,000,000,000	5,041,067,049	3,041,067,049
Total capital and surplus	$ 30,779,125,419	$ 38,126,303,728	$ 7,347,178,309
Total liabilities, capital and surplus	$250,494,214,817	$303,286,268,584	$52,792,053,767

The Association's invested assets as of December 31, 2018, exclusive of separate accounts, mainly comprised bonds (72.0%), other invested assets (11.7%), and mortgage loans (11.5%).

The majority of the Association's bond portfolio (90.0%), as of December 31, 2018, comprised 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		Group Life	
Year	Issued	In Force	Issued	In Force	Issued & Increases	In Force
2014	$38,728	$939,398	$ 0	$17,425,540	$0	$51,528
2015	$46,388	$948,517	$ 0	$15,665,201	$0	$45,389
2016	$39,187	$963,336	$(8)	$14,049,478	$0	$41,650
2017	$60,575	$962,481	$ 0	$12,410,994	$0	$36,776
2018	$48,065	$958,236	$ 0	$10,840,096	$0	$31,244

The Association ceased issuing life policies in November 2003. The issued amounts reported under "individual whole life" represent conversions from term to whole life policies.

The following table presents 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 Association's filed annual statements:

	2014	2015	2016	2017	2018
Ordinary:					
Life insurance	$ 40,124,687	$ 36,329,978	$ 30,849,897	$ 50,562,712	$ 44,636,315
Individual annuities	994,937,153	1,356,033,195	1,253,715,510	1,405,572,665	2,101,054,154
Supplementary contracts	(144,221,740)	(140,688,492)	(150,105,331)	(136,537,061)	(129,021,618)
Total ordinary	$ 890,840,100	$1,251,674,681	$1,134,460,076	$1,319,598,316	$2,016,668,851
Total group annuities	$ 605,206,687	$ 504,695,739	$ 515,592,065	$ 262,230,525	$ 92,059,135
Total other accident and health	$ 16,732	$ 587,418	$ 555,920	$ 762,333	$ 930,885
All other lines	$ (135,239,849)	$ (16,125,465)	$ (143,122)	$ 35,378,898	$ 0
Total	$1,360,823,670	$1,740,832,373	$1,650,464,939	$1,617,970,072	$2,109,658,871

Net gain from operations for the ordinary line of business derived primarily from individual annuities because the Association stopped selling life insurance policies in November 2003. The fluctuations in net gain in the ordinary life insurance line of business were attributed primarily to differences in the amount of benefits paid, policy surrenders, and changes in the reserves balance required to be held. Net gain from operations for the ordinary individual annuities line of business predominately comprises the spread between investment income earned, dividends credited and paid, and expenses paid, the varied results of which effected the year-over-year fluctuations during the examination period.

The fluctuations in net gain from operations for the group annuities line of business were primarily attributed to net investment spreads.

The amounts reported for "all other lines" primarily comprise net investment income not otherwise allocated to a line of business.

6. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, and capital and surplus as of December 31, 2018, as contained in the Association's 2018 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 Association's financial condition as presented in its financial statements contained in the December 31, 2018 filed annual statement.

A. Independent Accountants

The firm of PricewaterhouseCoopers, LLP was retained by the Association to audit the Association's combined statutory-basis statements of financial position as of December 31 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.

PricewaterhouseCoopers, LLP concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Association 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	$187,325,118,786
Stocks:	
Preferred stocks	245,061,072
Common stocks	5,899,246,563
Mortgage loans on real estate:	
First liens	27,391,045,311
Other than first liens	2,567,530,391
Real estate:	
Properties occupied by the company	173,282,218
Properties held for the production of income	1,966,277,308
Properties held for sale	12,323,484
Cash, cash equivalents and short-term investments	597,573,069
Contract loans	1,889,982,863
Derivatives	967,845,751
Other invested assets	30,316,688,896
Receivable for securities	82,576,836
Securities lending reinvested collateral assets	561,635,041
Derivative collateral - receivable	10,830,279
Receivable for securities lending	418,358
Investment in process	2,026,825
Investment income due and accrued	1,802,318,739
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	2,677,933
Deferred premiums, agents' balances and installments booked but deferred and not yet due	48,025,594
Reinsurance:	
Other amounts receivable under reinsurance contracts	2,422,317
Net deferred tax asset	2,401,938,000
Guaranty funds receivable or on deposit	15,047,255
Electronic data processing equipment and software	27,136,653
Receivables from parent, subsidiaries and affiliates	192,312,333
Other assets nonadmitted	
Sundry receivables	496,315,664
From separate accounts, segregated accounts and protected cell accounts	$ 38,288,611,045
Total admitted assets	$303,286,268,584

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$211,345,444,121
Aggregate reserve for accident and health contracts	8,006
Liability for deposit-type contracts	1,105,189,756
Contract claims:	
Life	687,442,069
Policyholders' dividends and coupons due and unpaid	2,967,781
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts	
Dividends apportioned for payment	1,882,203,352
Premiums and annuity considerations for life and accident and health contracts received in advance	677,950
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	3,970,898
Interest maintenance reserve	2,148,531,201
General expenses due or accrued	1,027,621,007
Transfers to separate accounts due or accrued	8,377,740
Taxes, licenses and fees due or accrued, excluding federal income taxes	32,301,859
Current federal and foreign income taxes	45,373,848
Unearned investment income	1,373,608
Amounts withheld or retained by company as agent or trustee	228,101,036
Remittances and items not allocated	73,692,708
Liability for benefits for employees and agents if not included above	167,155,026
Miscellaneous liabilities:	
Asset valuation reserve	5,259,527,188
Payable to parent, subsidiaries and affiliates	649,195,987
Derivatives	164,437,692
Payable for Securities	116,386,766
Payable for Securities Lending	561,635,042
Derivative collateral - payable	760,848,028
Miscellaneous liabilities:	482,606,851
Deferred gain on asset transfer with affiliate	216,028,712
Summary of remaining write-ins for Line from overflow page	(55,730,419)
From Separate Accounts statement	38,244,597,043
Total liabilities	$265,159,964,856
Common capital stock	2,500,000
Surplus notes	5,041,067,049
Gross paid in and contributed surplus	550,000
Surplus	$ 38,123,803,728
Total capital and surplus	$ 38,126,303,728
Total liabilities, capital and surplus	$303,286,268,584

D. Condensed Summary of Operations

	2014	2015	2016	2017	2018
Premiums and considerations	$11,906,151,938	$12,642,895,177	$15,327,148,010	$15,455,330,934	$15,118,408,603
Investment income	11,252,612,728	11,335,207,700	11,907,430,879	11,875,184,527	12,550,375,692
Net gain from operations from Separate Accounts	3,369,842	4,808,930	6,535,314	10,073,850	13,694,296
Miscellaneous income	3,034,726,193	2,873,562,288	3,553,954,555	3,052,283,790	3,226,824,048
Total income	$26,196,860,701	$26,856,474,095	$30,795,068,758	$30,392,873,101	$30,909,302,639
Benefit payments	$13,754,422,611	$14,347,131,396	$14,182,406,156	$16,075,545,190	$17,536,446,032
Increase in reserves	3,927,286,874	3,922,362,408	7,461,213,660	6,114,530,850	5,279,306,079
General expenses and taxes	1,480,700,749	1,459,824,179	1,541,864,678	1,649,261,065	1,712,712,341
Increase in loading on deferred and uncollected premiums	(948,008)	(932,586)	(969,933)	(1,147,507)	(1,224,073)
Net transfers to (from) Separate Accounts	1,676,115,648	1,724,887,847	1,850,662,303	1,122,579,807	441,636,150
Miscellaneous deductions	446,066,197	410,571,938	281,102,851	605,956,987	327,496,760
Total deductions	$21,283,644,071	$21,863,845,182	$25,316,279,715	$25,566,726,392	$25,296,373,289
Net gain (loss)	$ 4,913,216,630	$ 4,992,628,913	$ 5,478,789,043	$ 4,826,146,709	$ 5,612,929,350
Dividends	3,589,386,297	3,334,301,927	3,812,780,849	3,211,866,846	3,526,325,026
Federal and foreign income taxes incurred	(36,993,337)	(82,505,387)	15,543,255	(3,690,209)	(23,054,547)
Net gain (loss) from operations before net realized capital gains	$ 1,360,823,670	$ 1,740,832,373	$ 1,650,464,939	$ 1,617,970,072	$ 2,109,658,871
Net realized capital gains (losses)	(376,569,316)	(486,815,665)	(160,734,453)	(597,528,147)	(656,605,332)
Net income	$ 984,254,354	$ 1,254,016,708	$ 1,489,730,486	$ 1,020,441,925	$ 1,453,053,539

The increases in premiums and considerations in 2015 and 2016, compared with 2014, were due primarily to increases in group and individual annuity products that resulted from the transfers of equity-based products offered from the Association's affiliates (CREF, TIAA-CREF Life's mutual funds, real estate account separate account) into the Association's general account guaranteed fixed income products in response to the less favorable equity market, due to its volatility during the years.

The gradual increase in net gain from operations from separate accounts during the examination period resulted from the appreciation in the value of the supporting investments, the variations in the level and volume of participant-directed transfer activity, and the fees derived from accountholders for the management of the underlying accounts.

The increase in benefit payments in 2017 was due primarily to an increase in surrenders driven by higher internal transfer activity (from the Association's fixed annuity products to TIAA-CREF Life's mutual funds, real estate, and other products) as well as higher external transfers to products offered by outside firms. The increase in 2018 was also driven by the same factors as in 2017 besides higher individual products' benefits due to an increase in payout annuities.

The significant increase in reserves in 2016 resulted from the growth of annuity premiums during the year and the corresponding growth in the level of general account actuarial reserves that were subject to discretionary withdrawal by policyholders at book value without adjustment. The decreases in 2017 and 2018 were driven by higher policy and contract benefits and lower dividends credited to policyholders, partially offset by lower transfers to separate accounts.

The significant decreases in net transfers to separate accounts in 2017 and 2018 were primarily due to decreasing policy deposits and increasing policy withdrawals.

The fluctuations in the federal and foreign income taxes incurred predominately mirror the variation in the Association's overall profitability. Additionally, the Association serves as the settlement entity for income taxes due from all entities participating in the federal income tax allocation agreement, makes payments for taxes or receives refunds due through the Association.

The Association manages its investment portfolio generally under a hold-to-maturity strategy; however, management periodically reviews the portfolio to identify investments which may have deteriorated in credit quality and to identify any candidates that should be classified as held-for-sale and thus be carried on its books at the lower of amortized cost or fair value. The Association then recognizes and records an other-than-temporary impairment charge on individual investments for which the Association does not expect to realize the carrying value of the investment upon its sale. The primary driver of capital losses—less realized capital gains on sales of securities and after transfer to interest maintenance reserves—is the other-than-temporary impairment charge recorded by the Association. This is reflected by the fluctuations in the net realized capital losses incurred during the examination period.

E. Capital and Surplus Account

	2014	2015	2016	2017	2018
Capital and surplus, December 31, prior year	$30,779,125,419	$33,919,943,977	$34,735,497,643	$35,583,089,407	$36,336,069,438
Net income	$984,254,354	$ 1,254,016,708	$ 1,489,730,486	$ 1,020,441,925	$ 1,453,053,539
Change in net unrealized capital gains (losses)	484,966,540	(1,160,980,973)	(607,768,901)	1,173,656,405	(356,897,387)
Change in net unrealized foreign exchange capital gain (loss)	(148,234,175)	(271,695,982)	126,705,756	(103,807,733)	(2,028,353)
Change in net deferred income tax	(446,897,000)	(159,909,000)	(271,163,000)	(4,554,225,000)	(147,263,000)
Change in non-admitted assets and related items	593,553,835	43,582,399	362,268,435	3,402,967,127	707,498,982
Change in asset valuation reserve	(386,765,279)	1,109,701,041	(256,356,056)	(1,221,520,675)	128,699,273
Change in surplus notes	2,000,000,000	0	0	1,040,741,540	325,509
Post retirement benefit obligation liability	59,940,283	839,473	4,175,044	(5,273,558)	6,845,727
Net change in capital and surplus for the year	3,140,818,558	815,553,666	847,591,764	752,980,031	1,790,234,290
Capital and surplus, December 31, current year	$33,919,943,977	$34,735,497,643	$35,583,089,407	$36,336,069,438	$38,126,303,728

The fluctuations in the changes in net unrealized capital gains (losses), including those related to foreign exchange, resulted from changes in market activities affecting assets valuations, offset by the effects of investment portfolio changes and trading activities. The losses in 2015 and 2016 were primarily due to changes in the values of investments in real estate and other invested assets, driven by valuation declines of investments in the energy and infrastructure sector.

The fluctuations in the change in net deferred income taxes is incurred predominately mirror the variation in the Association's overall profitability. The amounts shown for 2017 and 2018 reflect the benefits derived from the passage of the Tax Cut and Jobs Act of 2017 (the "Tax Act"), which was signed into law on December 22, 2017, reduced the corporate income tax rate from 35% to 21%, and disallowed the carryback of net operating losses generated after December 31, 2017, to offset and recover taxes paid in prior years to future net losses.

The significant change in non-admitted assets and related items in 2017 resulted from the recognition of the decreased value of the deferred tax asset necessitated by the passage of the Tax Act. Changes in the remaining years were generally due to changes associated with the values related to deferred premiums and agent balances receivable.

The asset valuation reserve is an investment reserve established to provide for default risk on fixed income assets and market value fluctuation on equity-type investments. Fluctuations of net capital gains unrealized capital gains within the Association's real estate and other invested assets (Schedule BA assets) were the primary driver of the fluctuations during the examination period.

The changes in surplus notes reflect the issuance of new notes to support the acquisitions of Nuveen in 2014 and EverBank Financial Corp. in 2017, and to refinance a portion of previously issued notes.

7. SUBSEQUENT EVENTS

In December 2019, the Association contributed $220 million to TIAA-CREF Life.

In December 2019, a novel strain of coronavirus—COVID-19—was reported in Wuhan, China. The virus has subsequently spread to other parts of the world, including the United States. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, and on March 13, 2020, President Donald J. Trump declared the pandemic a national emergency. The COVID-19 pandemic has disrupted the United States' economy and caused extreme volatility in the financial markets globally in an unprecedented manner.

The extent to which COVID-19 may affect the Company's financial condition or results of operations will depend on future developments, including the duration, spread, and intensity of the pandemic. The extent of these future developments is uncertain and not readily determinable as of the date of this report, considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall effect of COVID-19 on the Company's business.

The Department, along with all insurance regulators and the NAIC, is closely monitoring the evolving situation and the insurance industry through a coordinated effort to assess the effect of the pandemic on various types of insurance, individual insurers, and the insurance industry as a whole.

In May 2020, the Association offered a voluntary employment separation and termination compensation package to approximately 75% of its total workforce as a cost cutting initiative in response to the COVID-19 pandemic. Employee elections into the program are subject to management approval. Some elections may be denied to ensure the business can continue to operate effectively. At the time of this report, the effect of this initiative could not yet be assessed or measured.

In May 2020, the Association issued surplus notes in an aggregate principal amount of $1,250 million. The notes bear interest at an annual rate of 3.3% and have a maturity date of May 15, 2050. The issued notes were done in part to take advantage of the rate environment, and the net proceeds are intended to be used for general corporate purposes.

8. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following is the comment contained in the prior report on examination:

Item	Description
A	On October 1, 2014, The Association completed the acquisition of Nuveen Investments, Inc. (now Nuveen, LLC), a diversified investment management company. Prior to its acquisition, the Association issued $2 billion of surplus notes to fund a portion of the $6.25 billion purchase price.

9. SUMMARY AND CONCLUSIONS

Following are the comments contained in this report:

Item	Description	Page No(s).
A	In December 2019, the Association contributed $220 million to TIAA-CREF Life.	36
B	The COVID-19 pandemic has disrupted the United States' economy and caused extreme volatility in the financial markets globally in an unprecedented manner. The extent to which COVID-19 may affect the Company's financial condition or results of operations will depend on future developments, including the duration, spread, and intensity of the pandemic. The extent of these future developments is uncertain and not readily determinable as of the date of this report, considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall effect of COVID-19 on the Company's business.	36
C	In May 2020, the Association offered a voluntary employment separation and termination compensation package to approximately 75% of its total workforce as a cost cutting initiative in response to the COVID-19 pandemic. Employee elections into the program are subject to management approval. Some elections may be denied to ensure the business can continue to operate effectively. At the time of this report, the effect of this initiative could not yet be assessed or measured.	36
D	In May 2020, the Association issued surplus notes in an aggregate principal amount of $1,250 million. The notes bear interest at an annual rate of 3.3% and have a maturity date of May 15, 2050. The issued notes were done in part to take advantage of the rate environment, and the net proceeds are intended to be used for general corporate purposes.	36

Respectfully submitted,

James B. Morris, CFE, CPA
Baker Tilly Virchow Krause, LLP

STATE OF MARYLAND)
)SS:
COUNTY OF BALTIMORE)

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

James B. Morris

Subscribed and sworn to before me

this 25th day of June 2020

Baltimore City, Maryland
Notary Public
Victoria D Horne
My Commission Expires 3/29/2022

Respectfully submitted,

/s/
Courtney Williams
Principal Insurance Examiner

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

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

/s/
Courtney Williams

Subscribed and sworn to before me

this__________ day of ____________________

APPOINTMENT NO. 31992

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, LINDA A. LACEWELL, 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 B. MORRIS
(BAKER TILLY VIRCHOW KRAUSE, LLP)

as a proper person to examine the affairs of the

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

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 19th day of July, 2019

LINDA A. LACEWELL
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU