NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

ALLSTATE LIFE INSURANCE COMPANY OF NEW YORK

CONDITION:	DECEMBER 31, 2018
DATE OF REPORT:	MAY 26, 2020

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EXAMINER:	HERBERT F. MALTBA, CFE

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Andrew M. Cuomo
Governor

Linda A. Lacewell
Superintendent

May 26, 2020

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

Madam:

In accordance with instructions contained in Appointment No. 31882, dated April 2, 2019, and annexed hereto, an examination has been made into the condition and affairs of Allstate Life Insurance Company of New York, hereinafter referred to as "the Company," at the administrative office of the Company's parent, Allstate Life Insurance Company ("ALIC"), located at 2775 Sanders Road, Northbrook, IL 60062. The Company's home office is located at 878 Veterans' Memorial Highway, Hauppauge, NY 11788.

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 are summarized below:

- The Department will be reviewing the supporting actuarial memorandum for the Company's reinsured variable annuity business upon receipt. At this juncture, the certificate of reserve valuation is being held and is not expected to be issued until such review is completed. (See item 6F 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.)

2. SCOPE OF EXAMINATION

The examination of the Company was a full-scope examination as defined in the National Association of Insurance Commissioners ("NAIC") *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.

The examination was coordinated and conducted with the examination of the Allstate Insurance Group that involved 35 insurance companies, of which 6 were life insurers. The examination was led by the State of Illinois, with participation from the states of Florida, Massachusetts, New Jersey, New York, South Carolina, Texas and Wisconsin. Since the lead and participating states are all accredited by the NAIC, all 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 2014 through 2018, by the accounting firm of Deloitte & Touché LLP. The Company received an unqualified opinion for all years. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. The Allstate Corporation ("Allcorp"), the Company's ultimate parent, 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 Sarbanes-Oxley Act of 2002 ("SOX") for the entire corporation. Where applicable, SOX workpapers 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 recommendation 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 COMPANY

A. History

The Company was incorporated as a stock life insurance company under the laws of the State of New York on January 25, 1967, under the name Financial Life Insurance Company, and was licensed on December 15, 1967. Initial resources of $3,000,000, consisting of $1,000,000 of paid in capital and $2,000,000 of paid in surplus, were provided through the sale of 40,000 shares of common stock (with a par value of $25 each) for $75 per share.

In March 1978, Pacific Mutual Life Insurance of Newport Beach, California purchased the Company from Minnesota Mutual Life Insurance Company and changed the Company's name to PM Life Insurance Company. On December 16, 1983, Allstate Insurance Company ("AIC") purchased the Company, and then adopted its present name. Effective January 1, 1984, the ownership of the Company was transferred from AIC to Allstate Life Insurance Company ("ALIC") through a transfer of all the Company's capital stock shares.

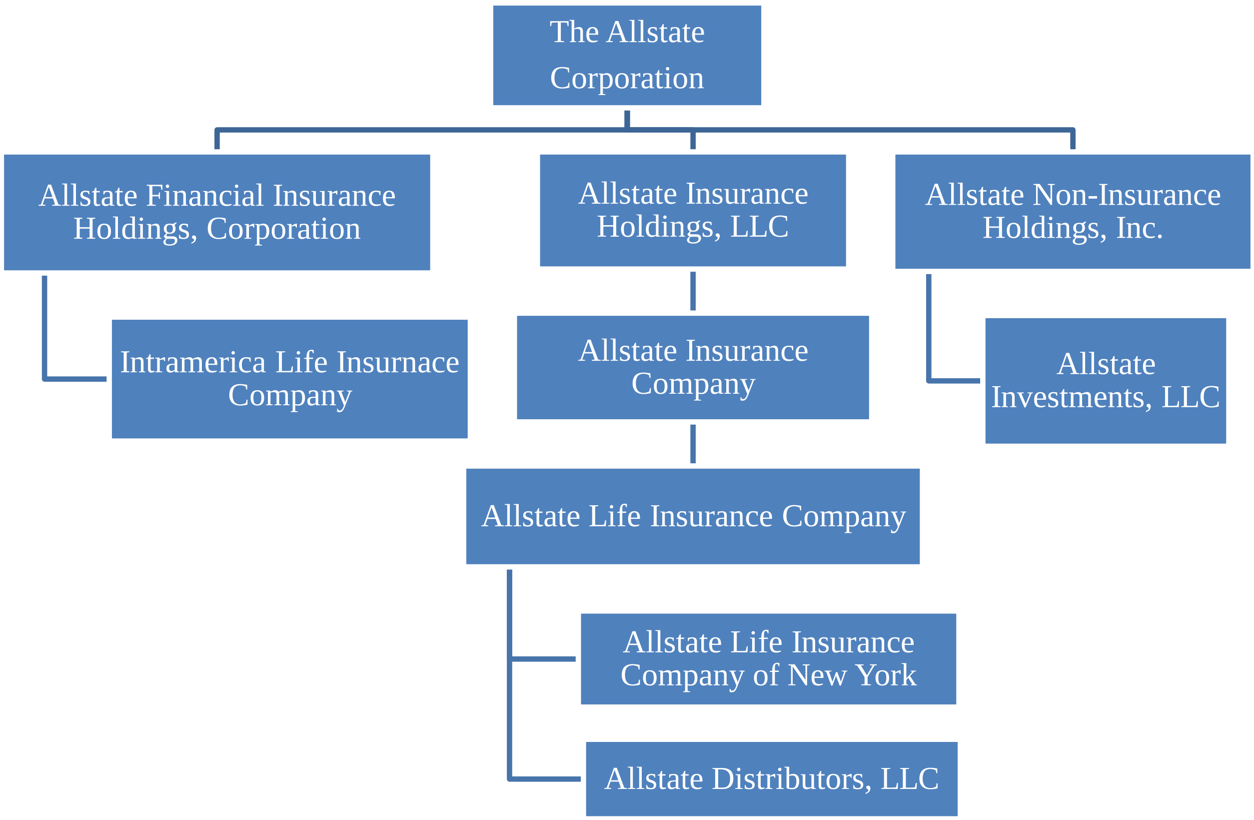
Changes in the capital and surplus of the Company since incorporation resulted in common capital stock and paid in contributed surplus of $2,500,000 and $131,253,445, respectively, as of December 31, 2018.

B. Holding Company

The Company is a wholly-owned subsidiary of ALIC, an Illinois domiciled life insurance company. ALIC is, in turn, a wholly-owned subsidiary of AIC, an Illinois domiciled property and casualty insurance company. The ultimate parent of the Company is Allcorp, a Delaware publicly traded corporation.

C. Organizational Chart

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



D. Service Agreements

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

Type of Agreement and Department File Number	Effective Date	Provider(s) of Services	Recipient(s) of Services	Specific Services Covered	Expense* For Each Year of the Examination
Amended and Restated Service and Expense Agreement File No. 32569	03/01/2005	AIC, Allcorp and certain affiliates	The Company and Intramerica Life Insurance Company	A number of services, including marketing, claims, underwriting, policyholder services, and cost sharing and allocation of operating expenses among the parties	2014 $(34,794,826) 2015 $(32,457,407) 2016 $(33,270,501) 2017 $(37,905,289) 2018 $(36,913,189)
Supplement to Amended and Restated Service and Expense Agreement	03/05/2005			Agreement is applicable to services and facilities provided to only the New York insurers hereunder, in order to conform to the applicable requirements and restrictions of the New York Insurance Law	
Amendment #1 to the Amended and Restated Service and Expense Agreement File No. 43412	01/01/2009			The amendment reflects certain operational changes and other matters.	
Investment Advisory Agreement & Amendment to Service Agreement	01/01/2002	Allstate Investments, LLC	The Company	Investment advisory and management services.	2014 $(9,345,419) 2015 $(6,590,943) 2016 $(6,752,195) 2017 $(8,345,907) 2018 $(9,313,546)
Principal Underwriting Agreement File No. 29141A	05/01/2000	Allstate Distributors, LLC (“ADLLC”)	The Company	ADLLC is to serve as the principal underwriter for the sale of the variable insurance products and other insurance and investment products outlined in the agreement	2014 $(40,096) 2015 $(40,494) 2016 $(47,054) 2017 $(33,878) 2018 $(26,079)
Amendment #1	10/01/2002			The amendment is to revise the commission payment structure for the sale of certain variable insurance contracts	

Type of Agreement and Department File Number	Effective Date	Provider(s) of Services	Recipient(s) of Services	Specific Services Covered	Expense* For Each Year of the Examination
Selling Agreement File No. 32960	05/01/2005	ALFS, Inc.** and Allstate Financial Services, LLC ("AFS")	The Company	ALFS, as appointed by the Company, underwrites certain insurance products and group and individual insurance contracts/policies and certificates participating therein (the contracts) and AFS will solicit sales of the contracts on behalf of ALFS	2014 $(165,717) 2015 $(232,580) 2016 $(450,101) 2017 $(259,184) 2018 $(215,466)

*Amount of Expense Incurred by the Company

**In 2002, ALFS, Inc. merged with ADLLC, with ADLLC being the surviving entity and assuming the rights and duties to various previously entered into agreements.

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 13 directors. Directors are elected each year at the annual meeting of the stockholders held in February of each year. As of December 31, 2018, the board consisted of ten members. Meetings of the board are held immediately after the annual meeting of the stockholders and at such times as the board may determine or when called by the Chairman of the Board.

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

Name and Residence	Principal Business Affiliation	Year First Elected
Maureen A. Buckley * Loudonville, New York	Consultant Mirkovic Teal Group	2016
Angela K. Fontana Lake Forest, Illinois	Vice President, General Counsel and Secretary Allstate Life Insurance Company of New York	2012
Mary J. Fortin Houston, Texas	Chairman of the Board, President and Chief Executive Officer Allstate Life Insurance Company of New York	2015

Name and Residence	Principal Business Affiliation	Year First Elected
John R. Hurley * Bay Shore, New York	Vice President Park Strategies, LLC	2016
Mario Imbarrato Willow Springs, Illinois	Chief Financial Officer Allstate Life Insurance Company of New York	2015
Gene L. Lunman * Waxhaw, North Carolina	Director Insurance Technologies and consultant Quaera Insights, LLC	2018
Samuel H. Pilch Long Grove, Illinois	Senior Group Vice President Allstate Life Insurance Company of New York	2015
John R. Raben, Jr. * Greenwich, Connecticut	Retired Managing Director JP Morgan Chase	1999
Peter J. Rugel Hawthorn Woods, Illinois	Senior Vice President and Chief Administrative Officer Allstate Life Insurance Company of New York	2016
Brian P. Stricker Northbrook, Illinois	Senior Vice President Allstate Insurance Company	2017

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

In September 2019, Peter J. Rugel resigned from the board and has not been replaced. On April 22, 2020, Ms. Mary J. Fortin resigned as the Chairman of the board of directors and has not been replaced. On December 31, 2019, Samuel H. Pilch retired and was replaced by Rebecca D. Kennedy effective January 1, 2020.

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, 2018:

Name	Title
Mary J. Fortin	Chairman of the Board, President and Chief Executive Officer
John E. Dugenske	Executive Vice President and Chief Investment Officer
Samuel H. Pilch	Senior Group Vice President
Mario Imbarrato	Chief Financial Officer
Eric K. Ferren	Senior Vice President and Controller
Angela K. Fontana	Vice President, General Counsel and Secretary
Jesse E. Merten	Treasurer
Theresa M. Resnick	Actuary
Peter J. Rugel *	Senior Vice President and Chief Administrative Officer

*Designated consumer services officer per Section 216.4(c) of 11 NYCRR 216 (Insurance Regulation 64)

In June 2019, Michael A. Pedraja replaced Jesse E. Merten as Treasurer, and in September 2019 John C. Pintozzi replaced Eric K. Ferren as Controller. On April 22, 2020, Ms. Mary J. Fortin resigned as the President and Chief Executive Officer of the Company and has not been replaced.

On December 11, 2019, Mario Rizzo was elected Chief Financial Officer replacing Mario Imbarrato; and On December 31, 2019, Samuel H. Pilch retired.

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 10 states, namely California, Delaware, Illinois, Missouri, Nebraska, New Jersey, New York, North Carolina, Pennsylvania, Texas, and the District of Columbia. In 2018, 94.6% of the Company's total premiums were received from New York (90.2%), New Jersey (2.7%), and Florida (1.7%); 89.6% of life insurance premiums, 91.3% of annuity considerations, and 91.9% of accident and health premiums were received from New York. Policies are written on a participating and non-participating basis.

A. Statutory and Special Deposits

As of December 31, 2018, the Company had $1,560,000 (par value) of United States Treasury Bonds on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company. Per confirmation received, which was reported in Schedule E of the 2018 filed annual statement, an additional $400,000 was being held by the State of North Carolina.

B. Direct Operations

The Company provides life insurance and retirement and investment products to individuals and institutional customers. The principal products sold during the examination period were interest-sensitive, traditional and variable life insurance and voluntary accident and health insurance products. Products offered by the Company include term life, whole life and traditional and indexed universal life insurance, focused on the middle market customers associated with the property and casualty business of the Company's affiliates; and short-term disability, accident and critical illness coverage. The Company's products are distributed across a wide range of issue ages and household incomes. The Company previously offered and continues to have in force deferred and immediate fixed annuities. The Company also previously offered variable annuities, of which all are reinsured. All annuity blocks of business are in run-off: variable annuities since 2006 and immediate and deferred fixed annuities since 2013.

The Company distributes its products to individuals through multiple distribution channels but focusing on two primary networks: Allstate Agent, which include exclusive agents, financial specialists, independent agents, and master brokerage agencies; and Allstate Benefits, which include workplace enrolling agents, exclusive agents, financial specialists, and independent agents. Allstate Agent markets the Company’s life insurance products, while Allstate Benefits mainly distributes the Company’s accident and health products through workplace enrollment.

C. Reinsurance

As of December 31, 2018, the Company had reinsurance treaties in effect with 12 companies, all of which were authorized or accredited. The Company’s life and accident and health business is reinsured on a coinsurance, modified coinsurance, and yearly renewable term bases. 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, 2018, was $8,914,558,483, which represents 20.8% of the total face amount of life insurance in force.

The total face amount of life insurance assumed, as of December 31, 2018, was $455,593,983.

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, 2013	December 31, 2018	Increase (Decrease)
Admitted assets	$6,741,929,418	$6,116,695,655	$(625,233,763)
Liabilities	$6,188,003,934	$5,472,221,554	$(715,782,380)
Common capital stock	$ 2,500,000	$ 2,500,000	$ 0
Gross paid in and contributed surplus	131,253,445	131,253,445	0
Unassigned funds (surplus)	420,172,040	510,720,656	90,548,616
Total capital and surplus	$ 553,925,484	$ 644,474,101	$ 90,548,616
Total liabilities, capital and surplus	$6,741,929,418	$6,116,695,655	$(625,233,763)

The Company's invested assets as of December 31, 2018, exclusive of separate accounts, mainly comprised bonds (75.7%), mortgage loans (12.1%), and other invested assets (6.9%).

The majority of the Company's bond portfolio (93.3%), as of December 31, 2018, comprised investment grade obligations.

The decrease in admitted assets was primarily due to decreases in separate accounts assets totaling $319 million and decreases in total cash and invested assets totaling $318 million. The decrease in separate accounts assets was primarily driven by an increase in surrenders because of the aging of the closed blocks contractholders. All annuity blocks of business are in run-off: variable annuities since 2006 and immediate and deferred fixed annuities since 2013.

The decrease in liabilities was primarily due to the decreases in separate accounts liabilities totaling $319 million, aggregate reserves for life contracts totaling $267 million, and liability for deposit-type contracts totaling $156 million. The decrease in separate accounts liabilities was primarily due to the aging of the separate accounts business. The decrease in aggregate reserves in life contracts was primarily driven by fixed annuities because of the aging of the closed blocks of business, partially offset by increases in reserves on interest-sensitive life and traditional life policies. The decrease in liability for deposit-type contracts was primarily driven by structured settlements due to the run-off of the structured settlement annuities.

The increase in unassigned funds was primarily due to the net income of $74 million, the increase in net unrealized capital gains of $49 million, and the $22 million surplus increase from the change in net deferred income tax, partially offset by the increase in asset valuation reserve of $55 million.

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	
Year	Issued	In Force
2014	$ 837,026	$ 9,117,200
2015	$1,223,986	$ 9,618,487
2016	$1,061,373	$ 9,835,037
2017	$ 777,292	$ 9,814,245
2018	$ 721,001	$10,068,083

The increases in individual whole life in 2015 and 2016 were largely driven by the Whole Life II product, which experienced a high sales volume before it was discontinued in early 2016.

The following has been extracted from the Exhibits of Annuities in the filed annual statements for each of the years under review:

	Ordinary Annuities				
	2014	2015	2016	2017	2018
Outstanding, end of previous year	46,903	42,393	38,792	35,788	33,154
Issued during the year	64	61	69	54	66
Other net changes during the year	(4,574)	(3,662)	(3,073)	(2,688)	(2,961)
Outstanding, end of current year	42,393	38,792	35,788	33,154	30,259

The steady decline in the number of ordinary annuities was because the deferred annuity closed block of business is in run-off. The Company expects the amounts to trend downward over time as the related annuity block continues to run-off. However, since contractholders have the option to annuitize at their discretion, the number of such annuitizations may be higher or lower in any given year, depending on contractholders' preferences.

The following has been extracted from the Exhibits of Accident and Health Insurance in the filed annual statements for each of the years under review:

	Ordinary				
	2014	2015	2016	2017	2018
Outstanding, end of previous year	41,939	42,297	41,154	41,341	58,093
Issued during the year	6,707	5,882	6,000	22,941	10,489
Other net changes during the year	(6,349)	(7,025)	(5,813)	(6,189)	(8,068)
Outstanding, end of current year	42,297	41,154	41,341	58,093	60,514

	Group				
	2014	2015	2016	2017	2018
Outstanding, end of previous year	824	1,427	2,315	4,233	4,896
Issued during the year	919	1,404	3,849	1,720	4,165
Other net changes during the year	(316)	(516)	(1,931)	(1,057)	(1,989)
Outstanding, end of current year	1,427	2,315	4,233	4,896	7,072

The significant increase in the number of ordinary accident and health insurance issued in 2017 resulted from a large case of disability income business sold.

The increase in the number of group accident and health insurance issued in 2016 and 2018 was due to a new group voluntary accident product that the Company began issuing in 2015, which had significant increases in cases sold during 2016 and 2018. Because this was a new block of business, lapses were also high in those years.

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:

	2014	2015	2016	2017	2018
Ordinary:					
Life insurance	$(53,745,127)	$ (38,456,478)	$ 16,584,165	$24,299,559	$24,019,228
Individual annuities	37,912,268	(18,727,624)	(17,084,145)	24,451,124	40,131,154
Supplementary contracts	265,172	293,851	301,096	314,085	740,965
Total ordinary	$(15,567,687)	$ (56,890,251)	$ (198,884)	$49,064,768	$64,891,347
Group:					
Life	$ 0	$ 0	$ 21,600	$ 0	$ 0
Annuities	5,784,026	4,851,008	3,188,167	2,431,538	2,433,874
Total group	$ 5,784,026	$ 4,851,008	$ 3,209,767	$ 2,431,538	$ 2,433,874
Accident and health:					
Group	$ 23,308	$ 161,468	$ 239,389	$ 569,143	$ 487,851
Other	468,936	234,322	(1,619,950)	(2,673,806)	(4,225,102)
Total accident and health	$ 492,244	$ 395,790	$ (1,380,561)	$ (2,104,663)	$ (3,737,251)
Total	$ (9,291,416)	$ (51,643,453)	$ 1,630,321	$49,391,642	$63,587,974

The significant net losses from ordinary life insurance in 2014 and 2015 were due to reserve increases of approximately $50 and $30 million, respectively, driven by Actuarial Guidance 38. The significant net gains in the remaining years were primarily driven by higher premiums and net investment income.

The significant net losses from individual annuities in 2015 and 2016 were primarily due to reserve strengthening respectively on structured settlement annuities of approximately $50 and $41 million, respectively. The reserve strengthening resulted from an ongoing immediate annuity mortality review that factored into the adjustment to substandard mortality in the statutory reserving calculations.

The net gain from group life insurance in 2016 was the result of the Company releasing the remaining reserve from its discontinued group life block of business.

The steady decline in net gains from group annuities in 2014 through 2017 was the result of Company's decision to cease issuing new group annuities in 2013 and are consistent with the closed block of in force business. The slight increase in 2018 was mainly due to the higher reserve released relative to benefits (mortality) during the year than the prior year.

The significant increases in net losses from other accident and health insurance in 2016 were due to the $2.5 million deficiency reserve established for medical treatment trends and increasing cost of medical benefits. The increase in net losses in 2017 and 2018 was primarily due to a strain from a large disability case underwritten in 2017.

The following ratios, applicable to the accident and health business of the Company, have been extracted from Schedule H for each of the indicated years:

	2014	2015	2016	2017	2018
Premiums earned	100.0%	100.0%	100.0%	100.0%	100.0%
Incurred losses	69.8%	70.5%	83.1%	53.7%	79.2%
Commissions	15.7	13.6	14.1	34.4	23.7
Expenses	14.2%	16.3%	15.1%	20.4%	12.8%
	99.7%	100.4%	112.3%	108.5%	115.7%
Underwriting results	0.3%	(0.4)%	(12.3)%	(8.5)%	(15.7)%

The significant decrease in incurred losses in 2017, compared with all other years under examination, was primarily the result of favorable claims experience.

The significant increase in commissions and expenses in 2017 was primarily the result of the acquisition of a large disability income case.

6. FINANCIAL STATEMENTS

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

A. Independent Accountants

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

Deloitte & Touché, 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	$4,242,822,921
Stocks:	
Preferred stocks	10,542,008
Common stocks	163,393,157
Mortgage loans on real estate:	
First liens	676,174,843
Cash, cash equivalents and short-term investments	80,702,213
Contract loans	39,292,731
Derivatives	1,628,436
Other invested assets	384,069,901
Receivable for securities	836,208
Securities lending reinvested collateral assets	1,721,250
Investment income due and accrued	49,100,354
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	893,435
Deferred premiums, agents' balances and installments booked but deferred and not yet due	29,133,945
Reinsurance:	
Amounts recoverable from reinsurers	1,016,869
Other amounts receivable under reinsurance contracts	271,797
Current federal and foreign income tax recoverable and interest thereon	4,402,646
Net deferred tax asset	21,539,856
Guaranty funds receivable or on deposit	1,136,369
Receivables from parent, subsidiaries and affiliates	258,498
Aggregate write-ins for other than invested assets	8,222,148
From separate accounts, segregated accounts and protected cell accounts	399,536,070
Total admitted assets	$6,116,695,655

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$4,435,544,844
Aggregate reserve for accident and health contracts	18,705,051
Liability for deposit-type contracts	370,769,568
Contract claims:	
Life	14,614,594
Accident and health	8,554,059
Policyholders' dividends and coupons due and unpaid	6
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts	
Dividends apportioned for payment	15,056
Coupons and similar benefits	49,004
Premiums and annuity considerations for life and accident and health contracts received in advance	2,756,854
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	599,583
Interest maintenance reserve	13,658,777
Commissions to agents due or accrued	2,134,845
Commissions and expense allowances payable on reinsurance assumed	26,885
General expenses due or accrued	887,385
Transfers to separate accounts due or accrued	(1,603,501)
Taxes, licenses and fees due or accrued, excluding federal income taxes	914,956
Amounts withheld or retained by company as agent or trustee	15,948
Remittances and items not allocated	1,554,001
Miscellaneous liabilities:	
Asset valuation reserve	122,319,113
Payable to parent, subsidiaries and affiliates	5,503,835
Derivatives	191,973
Payable for Securities Lending	68,817,079
Reserve for uncashed checks	4,903,000
Swap collateral	971,718
Deposit-type fund suspense	607,626
Accounts payable	173,225
From Separate Accounts statement	399,536,070
Total liabilities	$5,472,221,554
Common capital stock	2,500,000
Gross paid in and contributed surplus	131,253,445
Unassigned funds (surplus)	510,720,656
Total surplus	$ 641,974,101
Total capital and surplus	$ 644,474,101
Total liabilities, capital and surplus	$6,116,695,655

D. Condensed Summary of Operations

	2014	2015	2016	2017	2018
Premiums and considerations	$ 153,243,079	$157,252,415	$165,103,860	$186,307,278	$196,363,797
Investment income	311,975,646	298,006,197	285,265,724	294,443,439	289,881,779
Commissions and reserve adjustments on reinsurance ceded	(68,111,297)	(51,782,174)	(41,479,114)	(34,736,386)	(31,013,231)
Miscellaneous income	1,009,100	975,311	993,167	1,014,726	3,527,762
Total income	$ 398,116,528	$404,451,749	$409,883,637	$447,029,057	$458,760,107
Benefit payments	$ 551,101,555	$486,758,816	$426,840,028	$429,679,610	$474,138,237
Increase in reserves	(83,475,517)	(9,554,271)	(14,341,953)	(56,558,855)	(89,972,536)
Commissions	16,269,230	13,587,838	16,242,289	25,658,015	22,843,232
General expenses and taxes	40,841,760	41,167,023	40,559,144	45,839,925	48,767,061
Increase in loading on deferred and uncollected premiums	1,318,913	1,908,527	1,377,679	1,598,052	(75,652)
Net transfers to (from) Separate Accounts	(129,216,037)	(85,377,352)	(72,504,914)	(59,670,813)	(66,472,393)
Miscellaneous deductions	(2,232)	1,876	(64,289)	1,437	503,782
Total deductions	$ 396,837,672	$448,492,457	$398,107,984	$386,547,371	$389,731,731
Net gain (loss) from operations	$ 1,278,855	$ (44,040,707)	$ 11,775,652	$ 60,481,686	$ 69,028,376
Dividends	65,433	118,578	108,465	59,309	120,404
Federal and foreign income taxes incurred	10,504,838	7,484,168	10,036,866	11,030,735	5,319,998
Net gain (loss) from operations before net realized capital gains (losses)	$ (9,291,415)	$ (51,643,454)	$ 1,630,322	$ 49,391,642	$ 63,587,974
Net realized capital gains (losses)	40,586,235	(12,207,096)	(14,205,614)	1,454,919	4,380,452
Net income	$ 31,294,819	$ (63,850,548)	$ (12,575,293)	$ 50,846,561	$ 67,968,426

The increases in premiums and considerations in 2017 and 2018, compared with prior years, were due to the acquisition of a large disability income case.

The steady decrease in commissions and reserve adjustments on reinsurance ceded in 2014 through 2018 resulted primarily from the decrease in surrenders and the decrease in reserves adjustments on reinsurance ceded to Prudential Insurance Company of America ("Prudential") in connection with the ceded variable annuity closed block of business to Prudential in 2006 pursuant to a modified coinsurance agreement.

The decrease of $65 million in benefit payments in 2015, compared with 2014, was primarily due to the $61 million decrease in surrender benefits driven mainly by the $34 million decline in market-value adjusted annuities and the $26 million decline in fixed annuities. The decrease of $60 million in benefit payments in 2016 was driven by the $43 million decline in surrender benefits, the $10 million decrease in annuity benefits, and the $6 million decrease in death benefits. The decline resulted from the run-off of the annuity blocks of business.

The significant fluctuations in increase in reserves in 2015 and 2016, compared with other years, were primarily attributed to the strengthening of structured settlement reserves that resulted from an internal mortality study. The study began in 2015 and was completed in 2016. The study results indicated that annuitants may be living longer and, therefore, receiving more years of benefits than originally estimated. The new assumptions led to $50 million and $41 million increase in statutory reserves in 2015 and 2016 year-end, respectively. The decrease in 2018 by $33 million was primarily due to the structured settlements and fixed annuities closed block of business being in run-off.

The decrease of $44 million in net transfers from separate accounts in 2015, compared with 2014, was primarily due to the change in surrenders of $25 million and fund transfers of $17 million.

The decrease of $53 million in net realized capital gains in 2015, compared with 2014, was primarily due to the lower equity valuation that resulted from investment write-downs and impairment losses related to the energy sector investments. The increase of $16 million in 2017 was primarily due to the capital losses realized in 2016 from the sale of bonds in the energy, metal and mining sector; and the increase of $3 million in 2018 was primarily due to the capital gains from the sale of common stocks.

E. Capital and Surplus Account

	2014	2015	2016	2017	2018
Capital and surplus, December 31, prior year	$553,925,484	$562,113,996	$507,579,131	$520,141,282	$603,058,104
Net income	$ 31,294,819	$(63,850,548)	$ (12,575,293)	$ 50,846,561	$ 67,968,426
Change in net unrealized capital gains (losses)	(14,119,640)	12,495,054	18,488,601	54,457,889	(22,448,325)
Change in net unrealized foreign exchange capital gain (loss)	(2,035,338)	(6,849,838)	1,103,207	10,000,670	43,779
Change in net deferred income tax	15,936,013	36,439,761	15,826,928	(40,744,282)	(5,196,865)
Change in non-admitted assets	762,252	(29,012,764)	3,126,905	23,671,397	(85,213)
Change in asset valuation reserve	(23,649,595)	(3,756,530)	(13,408,197)	(15,315,413)	1,134,195
Net change in capital and surplus for the year	$ 8,188,511	$(54,534,865)	$ 12,562,152	$ 82,916,822	$ 41,415,997
Capital and surplus, December 31, current year	$562,113,996	$507,579,131	$520,141,282	$603,058,104	$644,474,101

F. Reserves

The Department reviewed the Company's reserves as of December 31, 2018. The review included an examination of the asset adequacy analysis according to 11 NYCRR 95 (Insurance Regulation 126). During the review, concerns were raised regarding the need for a stand-alone asset adequacy analysis for the Company's reinsured variable annuity business. In response to the Department's concerns, the Company agreed to perform the required stand-alone analysis and the supporting actuarial memorandum, prepared in a manner acceptable to the Department.

The Department will be reviewing the supporting actuarial memorandum for the Company's reinsured variable annuity business upon receipt. At this juncture, the certificate of reserve valuation is being held and is not expected to be issued until such review is completed.

7. SUBSEQUENT EVENTS

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.

8. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following is the recommendation contained in the prior report on examination and the subsequent action taken by the Company in response to the citation:

Item	Description
A	The examiner recommended that the Company automatically provide in its future submissions the needed stand-alone analysis and separate actuarial memorandum for certain universal life policies with secondary guarantees. The examiner's review indicated that the Company provided the Department with the needed stand-alone analysis and separate actuarial memorandum for its certain universal life policies with secondary guarantees for the period of 2015 to 2018, prepared in a manner acceptable to the Department.

9. SUMMARY AND CONCLUSIONS

Following are the comments contained in this report:

Item	Description	Page No(s).
A	The Department will be reviewing the supporting actuarial memorandum for the Company's reinsured variable annuity business upon receipt. At this juncture, the certificate of reserve valuation is being held and is not expected to be issued until such review is completed.	25
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.	26

Respectfully submitted,

Herbert F. Maltba, CFE
Global Insurance Enterprise, Inc.

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

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

Herbert F. Maltba

Amy S McSpadden
Notary
Public
Currituck County, NC

Subscribed and sworn to before me

this 6 day of June 2020

my commission expires
6/2/24
Amy McSpadden

Respectfully submitted,

/s/
Vincent Targia
Principal Insurance Examiner

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

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

/s/
Vincent Targia

Subscribed and sworn to before me

this__________ day of ___________________

APPOINTMENT NO. 31882

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, LINDA A. LACEWELL, Acting Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:

HERBERT F. MALTBA
(GLOBAL INSURANCE ENTERPRISES, INC.)

as a proper person to examine the affairs of the

ALLSTATE LIFE INSURANCE COMPANY OF NEW YORK

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

COMPANY

with such other information as she shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name
and affixed the official Seal of the Department
at the City of New York

this 2nd day of April, 2019

LINDA A. LACEWELL
Acting Superintendent of Financial Services

By:

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU