NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

FINANCIAL REPORT ON EXAMINATION

OF THE

RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK

CONDITION:	DECEMBER 31, 2019
DATE OF REPORT:	JUNE 15, 2021

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AS OF

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EXAMINER:	CHRISTOPHER RUSHFORD

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Andrew M. Cuomo
Governor

Linda A. Lacewell
Superintendent

June 15, 2021

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

Linda A. Lacewell:

In accordance with instructions contained in Appointment No. 32068, dated April 15, 2020 and annexed hereto, an examination has been made into the condition and affairs of ReliaStar Life Insurance Company of New York, hereinafter referred to as "the Company," its home office is located at 1000 Woodbury Road, Woodbury, New York, 11792. Due to the Covid-19 pandemic, the examination was conducted remotely.

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

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

1. EXECUTIVE SUMMARY

The material comment and recommendation contained in this report are summarized below.

- The examiner recommends that the Company continue to compute reserves using the assumptions and methodology as agreed upon with the Department. (See item 7 of this report)
- The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still unknown at the time of releasing this report. The Department is expecting the COVID-19 outbreak to impact a wide range of insurance products resulting in coverage disputes, reduced liquidity of insurers, and other areas of operations of insurers. The Department and all insurance regulators, with the assistance of the NAIC, are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S. insurers. (See item 8 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' *Financial Condition Examiners* (NAIC's) *Handbook, 2020 Edition* (the "Handbook"). The examination covers the 3-year period from January 1, 2017, to December 31, 2019. 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, 2019 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 holding company, Voya Financial Inc. The examination was led by the state of Connecticut with four participating states: Colorado, Indiana, Minnesota and New York. Since the lead and participating states are 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 2017 through 2019, by the accounting firm of Ernst & Young LLP. The Company received an unqualified opinion in all years. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. Voya Financial, Inc., the Company's indirect parent, has an internal audit department and a separate internal control department which were given the task of assessing the Company's internal control structure and compliance with the Sarbanes-Oxley Act of 2002 ("SOX"). Although the Company is not subject to SOX, certain business units that provide services to the Company are subject to SOX at the Voya Financial, Inc. level. Where applicable, SOX workpapers and reports were reviewed and portions were utilized for this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the recommendations contained in the prior report on examination. The results of the examiner's review are contained in item 9 of this report.

This report on examination is confined to financial statements and comments on those matters which involve departure from laws, regulations or rules, or which require explanation or description.

3. DESCRIPTION OF COMPANY

A. History

The Company was incorporated as a stock life insurance company under the laws of New York on June 11, 1917, under the name The Morris Plan Insurance Society, and commenced business on September 18, 1917. The name was changed to Bankers Security Life Insurance Society ("Bankers") in July 1946. In 1962, through an exchange of securities, Bankers merged with Postal Life Insurance Company of New York. In 1971, also by an exchange of securities, the Congressional Life Insurance Company merged into Bankers.

On January 17, 1995, ReliaStar Financial Corporation ("RFC"), the parent of ReliaStar Life Insurance Company ("RLIC"), acquired USLICO Corporation, the then ultimate parent of Bankers, through an exchange of stock. RFC became Bankers ultimate parent. As a condition to the approval of the acquisition by the Department, RLIC agreed to merge another one of its New York subsidiaries, North Atlantic Life Insurance Company of America, with and into Bankers. The merger became effective on December 28, 1995. On August 19, 1996, Bankers changed its name to ReliaStar Bankers Security Life Insurance Company.

On July 1, 1997, through an exchange of securities, Security-Connecticut Corporation ("SCC") merged into RFC. SCC owned Security-Connecticut Life Insurance Company which, in turn, owned Lincoln Security Life Insurance Company ("Lincoln Security"), a domestic stock life insurer. On January 1, 1998, the Company merged into Lincoln Security and changed its name to its present name.

On September 1, 2000, ING AIH acquired RFC. On April 1, 2002, First Golden America Life Insurance Company, a then affiliate of the Company, merged into the Company, and on December 31, 2002, RFC merged into Lion Connecticut Holdings, Inc., a Connecticut holding and management company which then became the parent of RLIC within ING AIH.

Following the global financial crisis in 2008, ING Groep N.V. ("ING"), the parent of ING AIH, requested state aid from the Dutch government in November 2008 and again in March 2009. On October 26, 2009, ING submitted a restructuring plan (the "2009 Restructuring Plan") to the European Commission (the "EC") to receive approval for the state aid granted to it by the Kingdom of the Netherlands (the "Netherlands").

In November 2009, the 2009 Restructuring Plan received formal approval from the EC and the separation of insurance and banking operations and other components of the 2009 Restructuring Plan were approved by ING's shareholders. As a condition to receiving approval for this state aid, ING was required to divest its global insurance and investment management businesses, including the Company. Subsequent challenges to ING by the EC resulted in an amended restructuring plan (the "2012 Amended Restructuring Plan") that was agreed to on November 19, 2012. Pursuant to the 2012 Amended Restructuring Plan, ING was required to divest at least 25% of its U.S. insurance and investment businesses, including the Company, by December 31, 2013; more than 50% of its U.S. insurance and investment businesses, including the Company, by December 31, 2014; and 100% of its U.S. insurance and investment businesses, including the Company, by December 31, 2016.

On June 14, 2012, ING AIH was renamed ING U.S., Inc. and was still 100% owned by ING, a global financial services company based in the Netherlands. On May 7, 2013, and May 31, 2013, ING U.S., Inc. completed its initial public offering and the sale of its common stock to ING Insurance International B.V. ("ING International"), an indirect wholly-owned subsidiary of ING, and the parent of ING U.S., Inc. On September 30, 2013, ING International transferred all its shares of ING U.S., Inc. common stock to ING. On October 29, 2013, ING completed the sale of common stock of ING U.S., Inc. in a registered public offering, reducing ING's ownership of ING U.S., Inc. to 57%.

On November 6, 2013, ING announced that the EC approved amendments to the 2012 amended restructuring plan (the "2013 Amended Restructuring Plan"). The 2013 Amended Restructuring Plan did not amend any commitment applicable or relevant to ING U.S., Inc. If ING does not divest the U.S. insurance and investment management businesses timely, or if ING failed to substantially comply with the 2012 Restructuring Plan, the Netherlands will re-notify the recapitalization measures to the EC. In such a case, the EC may require additional restructuring measures or take enforcement actions against ING, or at the request of ING and the Netherlands, allow ING more time to complete the divestment.

On March 25, 2014, ING completed another sale of common stock of ING U.S., Inc. in a registered public offering. Simultaneously, and pursuant to the terms of a share repurchase agreement between ING and ING U.S., Inc., ING U.S., Inc. repurchased 7,255,853 shares of ING U.S., Inc.'s common stock from ING (the "Direct Share Buyback"). Upon completion of these transactions—the stock offering and the Direct Share Buyback—ING's ownership of ING U.S., Inc. was reduced to 43%. The divestment of more than 50% of the U.S. insurance and investment management businesses, including the Company, is measured in terms of the divestment of over 50% of the shares of common stock of ING U.S., Inc.; the loss of the majority of ING's members on ING U.S., Inc.'s board of directors; and the accounting deconsolidation of ING U.S., Inc., in line with the International Financial Reporting Standards.

Effective April 7, 2014, ING U.S., Inc. changed its name to Voya Financial, Inc. ("Voya"), and on September 1, 2014, Lion changed its name to Voya Holdings Inc. ("Voya Holdings").

On September 8, 2014, November 18, 2014, and March 9, 2015, ING completed the sale of 22,277,993; 30,030,013, and 32,018,100 shares of Voya's common stock, respectively, in registered public offerings. Upon completion of the March 9, 2015, transaction: (i) ING no longer owned shares of Voya's common stock and was no longer an affiliate of, or the ultimate controlling entity of the Company; and (ii) Voya became the ultimate controlling entity of the Company.

On December 20, 2017, Voya entered into a master transaction agreement (the "MTA") with VA Capital Company LLC ("VA Capital"), a newly formed Delaware limited liability company, and Athene Holding Ltd. ("Athene"), a Bermuda limited company, pursuant to which Venerable Holdings, Inc., a wholly owned subsidiary of VA Capital, acquired all shares of capital stock of Voya Insurance and Annuity Company ("VIAC"), an Iowa domiciled life insurer and an affiliate of the Company; and Directed Services LLC, a broker-dealer affiliate of the Company.

On June 1, 2018, the Company's ultimate parent, Voya, consummated a series of transactions (collectively, the "Transaction") pursuant to the MTA with VA Capital and Athene. As part of the Transaction, VA Capital's wholly-owned subsidiary, Venerable Holdings, Inc. ("Venerable"), acquired certain assets of Voya, including all of the shares of the capital stock of VIAC, an affiliate of the Company, and all of the membership interests of Directed Services LLC ("DSL"), another affiliate of the Company. As of June 1, 2018, VIAC and DSL are no longer affiliates of the Company.

On October 30, 2018, Voya announced that it ceased the sale of new individual life insurance policies as of December 31, 2018, but retained the in-force block. This announcement affected the Company which is part of the Voya holding company system. The business plan within the holding company system strategically pivoted and now only offers workplace/worksite product offerings focused on retirement, investment management, and employee benefits.

On October 18, 2019, Voya announced the divestiture of its individual life and other legacy non-retirement annuities businesses to Resolution Life Group Holdings Ltd. The blocks of business divested included those that Voya had previously closed to new sales and included substantially all of the Voya's individual life insurance business; fixed and variable annuities not included in Voya's 2018 sale of its annuities business; pension risk transfer liabilities; and other similar blocks. A new holding company, Resolution Life US, acquired Voya subsidiaries Security Life of Denver Insurance Company ("SLDIC") and Security Life of Denver International Ltd. ("SLDIL"). Voya retained ownership of the companies, reinsured the life insurance, pension risk transfer and non-retirement annuities business issued by the Company, RLIC and Voya Retirement Insurance and Annuity Company ("VRIAC") to SLDIC.

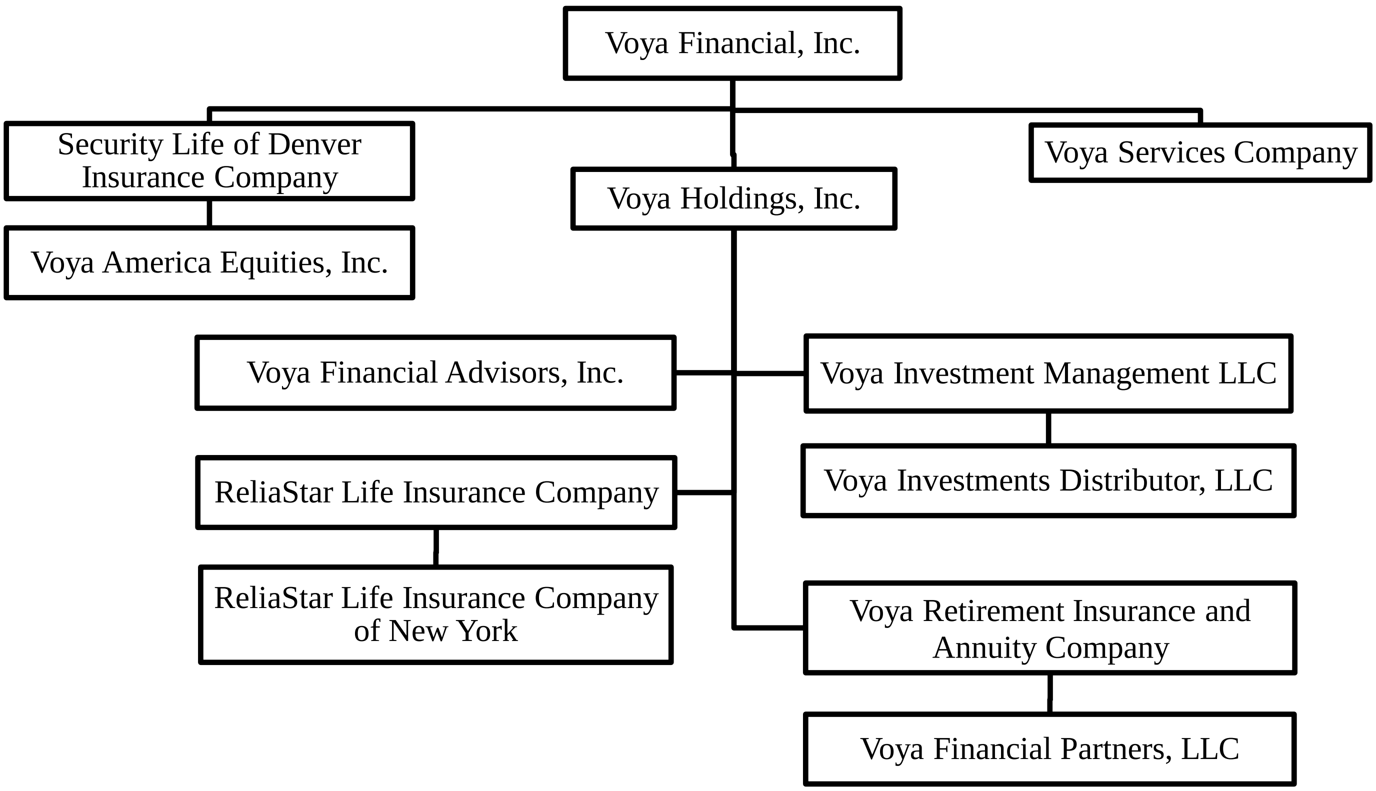
On January 4, 2021, Resolution Life US completed the acquisition of SLDIC and SLDIL from Voya. The Company reinsured on a 75% quota share all annuity business to SLDIC as of January 4, 2021 as part of the sale of all life business to Resolution Life U.S Holdings Inc.

B. Holding Company

The Company is a wholly owned subsidiary of RLIC, a Minnesota domiciled insurance Company. RLIC is a wholly owned subsidiary of Voya Holdings, a Connecticut holding and management company. Voya Holdings is a wholly owned subsidiary of Voya, a publicly traded corporation.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2019 follows:



D. Service Agreements

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

Type of Agreement and Department File Number	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Master Participation and Mortgage Loan Servicing Agreement	07/27/1993 Amended 02/08/1994 Amended 10/01/2001	Voya Investment Management, LLC	The Company, and other participants named therein	Mortgage loan servicing	Fees paid through the investment advisory agreement
Services Agreement	11/08/1996	The Company	Directed Services LLC	Recordkeeping; disaster recovery program, use of facilities reasonably necessary to conduct insurance operations, including data processing equipment, business property (whether owned or leased), and communications equipment	2017 – $1,957,756 2018 – $ 635,644**
Investment Advisory Agreement Amendment	01/01/2001 Amended 09/01/2003	Voya Investment Management, LLC	The Company	Investment advisory services, reinvestment management and servicing of assets, including asset liability management, administrative consulting, accounting & other services.	2017 – $(2,412,464) 2018 – $(2,311,022) 2019 – $(2,253,562)

Type of Agreement and Department File Number	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Administrative Services Agreement Amendment	03/01/2003 Amended 08/01/2004	RLIC, Voya Insurance and Annuity Company, Voya Retirement Insurance and Annuity Company, Security Life of Denver Insurance Company, Voya Financial Partners, LLC, and Voya Services Company	The Company	Underwriting and new business processing; producer licensing, contracting and compensation; policyowner & claims processing; business unit actuarial and financial management; information technology services; legal, risk management and compliance; human resource; marketing and sales promotion; tax; reinsurance management and administration; management; procurement, supply, printing, recordkeeping, filing and mailing, real estate management; corporate accounting, finance and treasury; pricing, trading, performance reporting and accounting services for variable products.	2017 – $(32,688,348) 2018 – $(31,594,373) 2019 – $(35,672,076)

Type of Agreement and Department File Number	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Paymaster Agreement	01/01/2004	The Company	Voya Financial Advisors, Inc.	The Company acts as a paymaster for the payment of compensation payable for sales of variable products	2017 = $5,192 2018 = $3,383 2019 = $2,717
Paymaster Agreement	07/01/2004	The Company	Voya Financial Partners, LLC	The Company acts as a paymaster for the payment of compensation payable for sales of variable products and maintains the related books and records	2017 = $0*** 2018 = $0*** 2019 = $0***
Paymaster Agreement Amendment	01/01/2006 Amended 12/31/2007	RLIC, Voya America Equities, Inc.	The Company	The Company acts as a paymaster for the payment of compensation payable for sales of variable products and maintains the related books and records	2017 = $(684) 2018 = $(583) 2019 = $(4,257)

Type of Agreement and Department File Number	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Fund Distribution, Administrative and Shareholder Service Agreement	12/31/2015	The Company, Voya Financial Partners, LLC, and Voya Investments Distributor, LLC and each retail, registered investment company named therein	Plan participants named therein	Administrative, recordkeeping and shareholder services	2017 = $590,561 2018 = $556,152 2019 = $488,670
Fund Participation, Administrative and Shareholder Service Agreement	12/31/2015	The Company, Voya Financial Partners, LLC, and Voya Investments Distributor, LLC and each non-retail, insurance dedicated, registered investment company named therein	Plan participants named therein	Administrative, recordkeeping, shareholder services and sale support services	2017 = $212,399 2018 = $190,536 2019 = $541,740

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

**Effective June 1, 2018, this agreement is no longer in effect because Directed Services LLC ceased to be an affiliate upon its divestment.

*** There are no payments on the agreement because Voya Financial Partners, LLC does not currently have retail registered representatives that sell/service RLNY’s products.

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 15 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in April of each year. As of December 31, 2019, the board of directors consisted of 13 members. Meetings of the board are held quarterly.

The 13 board members and their principal business affiliation, as of December 31, 2019, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Michael S. Smith New York, New York	Chairman, President, Executive Vice President, Chief Executive Officer and Chief Risk Officer ReliaStar Life Insurance Company of New York	2012
William T. Bainbridge Exton, Pennsylvania	President, Legacy Annuity and Life ReliaStar Life Insurance Company of New York	2018
Anthony J. Brantzeg Dowington, Pennsylvania	Senior Vice President and Appointed Actuary ReliaStar Life Insurance Company of New York	2019
C. Landon Cobb, Jr. Greensboro, North Carolina	Senior Vice President and Chief Accounting Officer ReliaStar Life Insurance Company of New York	2015
Carol V. Coleman* New York, New York	Partner Coleman & Coleman, LLC	2005
Richard M. Conley * Plymouth, Minnesota	Retired Senior Vice President ReliaStar Life Insurance Company of New York	1998
James R. Gelder* Austin, Texas	Retired Executive Vice President ING U.S. Financial Services, Inc.	1999
Robert L. Grubka Glastonbury, Connecticut	President, Employee Benefits ReliaStar Life Insurance Company of New York	2016
James F. Lille* Gansevoort, New York	Retired Managing Director Aetna Financial Services, Inc.	2003
Michael J. Pagano Glen Ridge, New Jersey	Managing Director, Head of Insurance Portfolio Management ReliaStar Life Insurance Company of New York	2017

Name and Residence	Principal Business Affiliation	Year First Elected
Kevin R. Socha Glenmoore, Pennsylvania	Senior Vice President and Chief Financial Officer ReliaStar Life Insurance Company of New York	2019
Charles B. Updike* Westport, New York	Partner Schoeman, Updike & Kaufman LLP	1990
Ross M. Weale* South Salem, New York	President Waccabuc Enterprises, Inc.	1984

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

The examiner's review of the minutes of the meetings of the board of directors and its committees indicated that meetings were well attended and that each director attended a majority of meetings.

The following is a listing of the principal officers of the Company as of December 31, 2019:

Name	Title
Michael S. Smith	Chairman, President, Executive Vice President, Chief Executive Officer and Chief Risk Officer
David S. Pendergrass	Senior Vice President and Treasurer
Kevin R. Socha	Senior Vice President and Chief Financial Officer
Anthony J. Brantzeg	Senior Vice President and Appointed Actuary
Chad Eslinger *	Vice President and Chief Compliance Officer
Melissa A. O'Donnell	Secretary

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

4. TERRITORY AND PLAN OF OPERATIONS

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

The Company is licensed to transact business in all states and the District of Columbia. In 2019, 71.9% of life premiums, 91.2% of annuity considerations, and 63.8% of accident and health premiums were received from New York.

A. Statutory and Special Deposits

As of December 31, 2019, the Company had $1,542,313 (par value) of United States Treasury Separate Trading of Registered Interest and Principal of Securities on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company. Schedule E of the 2019 filed annual statement reported $1,854,813 as being held by the states of Arkansas, Georgia, Massachusetts, New Mexico, North Carolina. An additional special deposit of $2,113,437 was also being held by the Cayman Islands.

B. Direct Operations

The Company offers its principal products and services through the following core business segments: Employee benefits, Retirement, Individual Life, Annuities and Closed Block Variable Annuity (CBVA).

The employee benefit segment provides group life insurance, stop-loss, disability income, and voluntary employee paid products. The group life products include basic and supplemental term life insurance as well as accidental death and dismemberment. The voluntary employee benefit products include universal life insurance, whole life insurance, accident insurance and short-term disability income. The Company's medical stop loss coverage is marketed to employer sponsors of self-funded employee health benefit plans and provides insurance coverage to employers for large medical claims above a deductible amount.

The retirement segment offers supplementary contracts comprised of life insurance death benefit proceeds deposited into an account for the beneficiaries.

The individual life insurance segment is a closed in-force block of individual life insurance products including, universal life and variable universal life. In October 2018, the Company suspended the sale of all individual and group life insurance products.

The annuities and CBVA segment is comprised of fixed and indexed annuities and payout annuities for wealth accumulation before retirement and income management after retirement. The Company ceased selling individual annuities after June 1, 2018.

The Company no longer markets individual life insurance and new individual variable annuity products with substantial guarantee features and fixed and indexed annuities. The current business plan is to market on worksite life and annuity products which include universal life insurance, whole life insurance, accident insurance and disability income.

In May 2020, the Company submitted a filing with the Department for the approval to issue coverage of hospital indemnity insurance.

C. Reinsurance

As of December 31, 2019, the Company had reinsurance treaties in effect with 34 companies, of which 25 were authorized or accredited. The Company's life and accident and health business is reinsured on a coinsurance, modified-coinsurance, and yearly renewable term basis. Reinsurance is provided on an automatic and facultative basis. The Company reinsured on a 75% quota share all annuity business to SLDIC as of January 4, 2021 as part of the sale of all life business to Resolution Life U.S Holdings Inc.

The maximum retention limit for individual life contracts is $300,000. The total face amount of life insurance ceded as of December 31, 2019, was $44,713,012,295, which represents 77.2% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies and reinsurance recoverables from unauthorized companies, totaling $5,216,010, was supported by letters of credit and miscellaneous credit balances.

The Company did not assume any life insurance as of December 31, 2019.

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, 2016	December 31, 2019	(Decrease)
Admitted assets	$2,978,004,215	$2,848,634,263	$(129,369,952)
Liabilities	$2,664,750,892	$2,545,272,473	$(119,478,419)
Common capital stock	$ 2,755,726	$ 2,755,726	$ 0
Gross paid in and contributed surplus	228,881,164	228,881,164	0
Deferred gain on reinsurance	61,801,836	53,146,817	(8,655,019)
Unassigned funds (surplus)	19,814,597	18,578,083	(1,236,514)
Total capital and surplus	$ 313,253,323	$ 303,361,790	$ (9,891,533)
Total liabilities, capital and surplus	$2,978,004,215	$2,848,634,263	$(129,369,952)

The Company's invested assets as of December 31, 2019, exclusive of separate accounts, were mainly comprised of bonds (79.7%), mortgage loans (9.0%), and policy loans (4.6%).

The majority (96.6%) of the Company's bond portfolio, as of December 31, 2019, was comprised of investment grade obligations.

The decrease in assets, liabilities, and capital and surplus during the examination period is primarily due to the Company suspending the sale of all individual and group life insurance products in the fourth quarter of 2018.

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
2017	$121,364	$10,295,763	$95,815	$50,364,548	$ 13,396	$6,164,993
2018	$147,367	$ 9,915,931	$ 0	$47,987,635	$223,502	$4,052,078
2019	$ 69,666	$ 9,467,502	$ 0	$45,496,563	$ 15,481	$3,084,787

In the fourth quarter of 2018, the Company suspended the sale of all individual and group life insurance products with some residual sales continuing into early 2019. As a result, individual whole life, individual term, and group life business issued in 2019 was significantly lower than in 2017 and 2018.

The decrease in individual term life insurance issued in 2018 as compared to 2017, is primarily a result of the Company suspending sales of individual term life insurance products effective December 31, 2016 with some residual sales continuing into early 2017.

The significant increase in group life insurance issued in 2018 as compared to 2017, is primarily a result of new group contracts being issued in 2018, whereas in 2017 only renewal business was written.

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		
	2017	2018	2019
Outstanding, end of previous year	6,239	5,569	4,892
Issued during the year	558	55	40
Other net changes during the year	(1,228)	(732)	(439)
Outstanding, end of current year	5,569	4,892	4,493

The steady decrease in ordinary accident and health insurance outstanding during the period under examination is a result of declining issues and the steady negative changes as the Company does not have the accident and health sales to offset the contract cancellations.

	Group		
	2017	2018	2019
Outstanding, end of previous year	127,363	95,635	89,351
Issued during the year	12,909	9,868	15,051
Other net changes during the year	(44,637)	(16,152)	(32,256)
Outstanding, end of current year	95,635	89,351	72,146

The decrease outstanding group accident and health for the exam period is a product of declining issues and steady negative changes as the Company does not have the accident and health sales to offset the group contract cancellations.

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:

	2017	2018	2019
Ordinary:			
Life insurance	$(81,505,978)	$ 162,869	$ 6,155,489
Individual annuities	84,795,317	4,675,016	17,364,790
Supplementary contracts	(11,016,088)	(743,841)	0
Total ordinary	$ (7,726,749)	$ 4,094,044	$23,520,279
Group:			
Life	$ 1,777,784	$ 1,807,913	$ 1,420,959
Annuities	(533,838)	(254,842)	(174,287)
Total group	$ 1,243,946	$ 1,553,071	$ 1,246,672
Accident and health:			
Group	$(17,474,348)	$ 11,228	$ 0
Other	(2,366,740)	473,500	1,958,974
Total accident and health	$(19,841,088)	$ 484,728	$ 1,958,974
All other lines	$ 10,301,135	$ 5,824,593	$ 4,870,252
Total	$(16,022,756)	$11,956,436	$31,596,177

The net loss in ordinary life insurance from operations in 2017 is primarily due an increase in cash flow testing reserves for the Employee Benefits segment and individual whole life, and universal life products.

The significant increase in ordinary life insurance net gain from operations in 2018 as compared to 2017 was primarily due to a decrease in reserves of $65 million based on the results of cash flow testing.

The increase in ordinary life insurance net gain from operations in 2019 as compared to 2018 was due to a decrease of $5.9 million in death benefits attributed to an increase in ceded claims during the year and a reduction in expenses related to the ceasing of new business.

The significant decrease of $80 million in ordinary individual annuities net gain from operations in 2018 as compared to 2017 was primarily due to an increase of $36 million in annuity benefits payments and $97 million in withdrawals offset by a reserve decrease of $58.

The increase in ordinary individual annuities net gain from operations in 2019 as compared to 2018 was primarily due to an increase of $13 million in premiums.

The loss in supplementary contracts from operations in 2017 is primarily the result of increases in reserves and additional payments to policyholders, partially offset by premiums collected and investment income.

The increase in supplementary contracts net gain from operations in 2018 as compared to 2017 was primarily due to a decrease of $15 million in reserves and payments to policyholders which was partially offset by a decrease of $5 million in premiums.

The increase in group annuities net gain from operations in 2018 as compared to 2017 was primarily due to a decrease in group annuity benefit payments of $92 thousand and $231 thousand in federal income taxes.

The significant loss in group accident and health net gain from operations 2017 is related to poor performance in the medical stop loss product, and the profits in the subsequent years is a result of pricing action taken to correct the poorly performing block.

The significant increase in group accident and health net gain from operations in 2018 as compared with 2017 was primarily due to an increase in premiums of $2.7 million and decreases in benefit payments of $9.6 million and Federal income taxes incurred of $5 million.

The zero-amount reported for accident and health group net gain from operations in 2019 was a result of changes made to the 2019 Annual Statement blank. In 2018, group health was reported on column 9 of page 6 (Accident and Health - Group). This column was removed by the NAIC. For 2019 and going forward, all health business is combined and reported in column 6 of page 6 (Accident and Health).

The decrease in all other lines net gain from operations in 2018 as compared to 2017 was primarily due to an increase in federal income taxes incurred of $4.7 million.

The decrease in all other lines net gain from operation in 2019 as compared to 2018 was primarily due a decrease in net investment income of $1.2 million offset by a decrease in federal income taxes incurred of $270 thousand.

6. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2019, as contained in the Company's 2019 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, 2019 filed annual statement.

A. Independent Accountants

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

Ernst & Young 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	$1,692,185,155
Stocks:	
Preferred stocks	4,000,000
Common stocks	1,397,491
Mortgage loans on real estate:	
First liens	191,790,501
Cash, cash equivalents and short-term investments	38,942,365
Contract loans	98,448,650
Derivatives	25,137,729
Other invested assets	3,174,370
Receivable for securities	208
Securities lending reinvested collateral assets	68,561,730
Derivative receivables	686,680
Investment income due and accrued	17,888,527
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	(5,486,560)
Deferred premiums, agents' balances and installments booked but deferred and not yet due	7,606,570
Reinsurance:	
Amounts recoverable from reinsurers	10,803,498
Other amounts receivable under reinsurance contracts	2,273,465
Net deferred tax asset	39,568,924
Guaranty funds receivable or on deposit	238,090
Receivables from parent, subsidiaries and affiliates	227,882
Margin call collateral	6,801,001
Miscellaneous Assets	1,582,470
From separate accounts, segregated accounts and protected cell accounts	$ 642,805,517
Total admitted assets	$2,848,634,263

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$1,645,573,346
Aggregate reserve for accident and health contracts	15,294,131
Liability for deposit-type contracts	71,547,975
Contract claims:	
Life	8,150,831
Accident and health	16,481,140
Policyholders' dividends and coupons due and unpaid	20,090
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts	
Dividends apportioned for payment	1,258,994
Premiums and annuity considerations for life and accident and health contracts received in advance	344,237
Contract liabilities not included elsewhere:	
Provision for experience rating refunds	58,195
Commissions to agents due or accrued	495,918
General expenses due or accrued	142,557
Transfers to separate accounts due or accrued	2,233,998
Taxes, licenses and fees due or accrued, excluding federal income taxes	2,255,563
Current federal and foreign income taxes	579,511
Unearned investment income	3,567,056
Amounts withheld or retained by company as agent or trustee	108,323
Amounts held for agents' account	66,851
Remittances and items not allocated	14,195,840
Miscellaneous liabilities:	
Asset valuation reserve	1,261,529
Reinsurance in unauthorized companies	356,593
Payable to parent, subsidiaries and affiliates	12,858,439
Derivatives	9,124,491
Payable for securities lending	68,561,730
Margin call collateral	23,604,431
Unclaimed property	2,851,775
Derivative payable	1,117,337
Summary of remaining write-ins for Line 25	356,074
From Separate Accounts statement	642,805,517
Total liabilities	$2,545,272,473
Common capital stock	$ 2,755,726
Deferred gain on reinsurance	53,146,817
Gross paid in and contributed surplus	228,881,164
Unassigned funds (surplus)	18,578,083
Surplus	$ 300,606,064
Total capital and surplus	$ 303,361,790
Total liabilities, capital and surplus	$2,848,634,263

D. Condensed Summary of Operations

	2017	2018	2019
Premiums and considerations	$ 172,748,564	$154,831,984	$144,143,973
Investment income	90,688,438	93,652,557	92,837,411
Commissions and reserve adjustments on reinsurance ceded	14,083,419	12,574,927	11,916,008
Miscellaneous income	20,316,237	18,267,674	16,140,997
Total income	$ 297,836,658	$279,327,143	$265,038,390
Benefit payments	$ 337,811,172	$309,896,638	$286,157,412
Increase in reserves	21,375,196	(11,436,466)	(32,779,455)
Commissions	13,114,668	11,656,060	9,727,876
General expenses and taxes	44,565,541	46,216,663	47,919,274
Increase in loading on deferred and uncollected premium	870,157	410,048	264,086
Net transfers to (from) Separate Accounts	(110,002,940)	(94,922,211)	(89,240,413)
Miscellaneous deductions	394,799	649,993	259,204
Total deductions	$ 308,128,593	$262,470,725	$222,307,985
Net gain (loss) from operations	$ (10,291,934)	$ 16,856,418	$ 42,730,405
Dividends	1,152,143	1,208,902	1,219,553
Federal and foreign income taxes incurred	4,578,681	3,691,080	9,914,673
Net gain (loss) from operations before net realized capital gains	$ (16,022,757)	$ 11,956,437	$ 31,596,179
Net realized capital gains (losses)	(16,050,296)	5,527,722	(18,020,861)
Net income	$ (32,073,053)	$ 17,484,159	$ 13,575,317

The 2017 net loss of $32 million from operations was primarily driven by employee benefits prior year New York Regulation 147 reserve release (favorable in 2016 not favorable in 2017) and unfavorable in asset adequacy reserves and unfavorable stop loss experience. Partially offsetting this decrease was favorable changes in asset adequacy reserves for individual life and closed block variable annuity.

E. Capital and Surplus Account

	2017	2018	2019
Capital and surplus, December 31, prior year	$313,253,323	$272,686,329	$278,748,733
Net income	$ (32,073,053)	$ 17,484,159	$ 13,575,317
Change in net unrealized capital gains (losses)	(2,120,528)	(741,767)	3,180,360
Change in net unrealized foreign exchange capital gain (loss)	2,959	60,807	39,536
Change in net deferred income tax	(50,942,756)	(2,787,314)	2,896,288
Change in non-admitted assets and related items	42,945,722	765,319	3,962,375
Change in liability for reinsurance in unauthorized companies	4,172,451	(7,555)	(195,446)
Change in asset valuation reserve	333,218	(5,826,239)	4,986,843
Surplus adjustments:			
Change in surplus as a result of reinsurance	(2,885,006)	(2,885,006)	(2,885,006)
Prior period adjustments	0	0	(947,210)
Net change in capital and surplus for the year	(40,566,994)	6,062,403	24,613,057
Capital and surplus, December 31, current year	$272,686,329	$278,748,733	$303,361,790

7. RESERVES

The Department conducted a review of reserves as of December 31, 2019. During the review, the Department recommended more conservatism in the assumptions and methodology used for asset adequacy analysis pursuant to Department Regulation No. 126. In response, the Company incorporated various refinements in a manner acceptable to the Department. The changes were implemented for December 31, 2020 reserves which produced additional reserves in the amount of $35 million.

The examiner recommends that the Company continue to compute reserves using the assumptions and methodology as agreed upon with the Department.

8. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the spreading coronavirus (COVID-19) outbreak a pandemic. On March 13, 2020, U.S. President, Donald J. Trump declared the coronavirus pandemic a national emergency in the United States. The epidemiological threat posed by COVID-19 is having disruptive effects on the economy, including disruption of the global supply of goods, reduction in the demand for labor, and reduction in the demand for U.S. products and services, resulting in a sharp increase in unemployment. The economic disruptions caused by COVID-19 and the increased uncertainty about the magnitude of the economic slowdown has also caused extreme volatility in the financial markets.

The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still unknown at the time of releasing this report. The Department is expecting the COVID-19 outbreak to impact a wide range of insurance products resulting in coverage disputes, reduced liquidity of insurers, and other areas of operations of insurers. The Department and all insurance regulators, with the assistance of the NAIC, are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S. insurers.

9. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following recommendation was contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

Item	Description
A	The examiner recommended that the Company continue to compute reserves using the assumptions and methodology as agreed upon with the Department. During the review, the Department recommended more conservatism in the assumptions and methodology used for asset adequacy analysis pursuant to Department Regulation No. 126. In response, the Company incorporated various refinements in a manner acceptable to the Department. The changes were implemented for December 31, 2020 reserves which produced additional reserves in the amount of $35 million.

10. SUMMARY AND CONCLUSIONS

Following are the violations, recommendations and contained in this report:

Item	Description	Page No(s).
A	The examiner recommends that the Company continue to compute reserves using the assumptions and methodology as agreed upon with the Department.	29
B	The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still unknown at the time of releasing this report. The Department is expecting the COVID-19 outbreak to impact a wide range of insurance products resulting in coverage disputes, reduced liquidity of insurers, and other areas of operations of insurers. The Department and all insurance regulators, with the assistance of the NAIC, are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S. insurers.	30

Respectfully submitted,

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Christopher T. Rushford, CFE
Risk & Regulatory Consulting, LLC

COMMONWEALTH OF MASSACHUSETTS)
)SS:
COUNTY OF HAMPDEN)

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

____

Christopher T. Rushford

GEORGE MICHELAKIS
MY COMMISSION EXPIRES APRIL 21, 2028
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS

Jurat:
Commonwealth of Massachusetts
County of Hampden
On this 15th day of June, 2021, before me, the undersigned notary public, personally appeared Christopher Rushford (name of document signer), proved to me through satisfactory evidence of identification, which were MA DL, to be the person who signed the preceding or attached document in my presence, and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of (his) (her) knowledge and belief.

____

(seal) Notary Public Signature

Respectfully submitted,

/s/
Anthony Mauro
Principal Insurance Examiner

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

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

/s/
Anthony Mauro

Subscribed and sworn to before me

this__________ day of ____________________

APPOINTMENT NO. 32068

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:*

CHRISTOPHER T. RUSHFORD
(RISK & REGULATORY CONSULTING, LLC)

as a proper person to examine the affairs of the

RELIASTAR 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 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 15th day of April 2020

LINDA A. LACEWELL
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU