NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

MONY LIFE INSURANCE COMPANY

CONDITION:	DECEMBER 31, 2019
DATE OF REPORT:	JUNE 14, 2021

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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EXAMINER:	MARY B. PACKARD

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NEW YORK STATE OF OPPORTUNITY. | Department of Financial Services

ANDREW M. CUOMO
Governor

LINDA A. LACEWELL
Superintendent

June 14, 2021

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

Linda A. Lacewell:

In accordance with the instructions contained in Appointment No. 32115, dated June 30, 2020, and annexed hereto, an examination has been made into the condition and affairs of MONY Life Insurance Company, hereinafter referred to as "the Company." The Company's home office is located at 5788 Widewater Parkway, Syracuse, NY 13214. 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 contained in this report is summarized below.

- 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 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' *Financial Condition Examiners* "NAIC's" *Handbook, 2020 Edition* (the "Handbook"). The examination covers the five-year period from January 1, 2015 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.

In the course of the examination, a review was also made of the manner in which the Company conducts its business and fulfills its contractual obligations to policyholders and claimants. The results of this review are contained in item 7 of this report.

The examination was conducted on a risk focused basis in accordance with the provisions of the Handbook published by the National Association of Insurance Commissioners ("NAIC"). The Handbook guidance provides for the establishment of an examination plan based on the examiner's assessment of risk in the insurer's operations and utilizing that evaluation in formulating the nature and extent of the examination. The examiner planned and performed the examination to evaluate the current financial condition as well as identify prospective risks that may threaten the future solvency of the insurer. The examiner identified key processes, assessed the risks within those processes and evaluated the internal control systems and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, evaluating the overall financial statement presentation, and determining management's compliance with New York statutes and Department guidelines, Statutory Accounting Principles as adopted by the Department, and annual statement instructions.

The examination was conducted as a Group Examination in conjunction with the examinations of Protective Life Insurance Company ("PLIC"), a Tennessee domestic insurer, West Coast Life Insurance Company ("WCL"), a Nebraska domestic insurer and Protective Life and Annuity Insurance Company ("PLAIC"), an Alabama domestic insurer. The examination was called by the Tennessee Department of Commerce and Insurance ("TNDCI") in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System ("FEETS"). The TNDCI served as the lead with Alabama, Nebraska and New York participating. 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 2015 through 2018, by the accounting firm of PricewaterhouseCoopers, LLP and in 2019 by KPMG, LLP. The Company received an unqualified opinion in all years under examination. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. PLIC, the Company's immediate parent, has an internal audit department which was given the task of assessing the internal control structure and compliance with the Sarbanes-Oxley Act of 2002 ("SOX") and with the NAIC Model Audit Rule ("MAR"). Where applicable, SOX and MAR work papers and reports were reviewed and portions were relied upon for this examination.

The examiner reviewed the prior report on examination which did not contain any violations, recommendations or comments.

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 mutual insurance company under a special act of the New York State Legislature on April 12, 1842, and commenced business on February 1, 1843, under the name Mutual Life Insurance Company of New York ("MONY"). On April 1, 1952, the Company began to issue individual accident and health insurance. In 1953, the Company entered the group insurance business by offering a plan known as "module insurance," which provided for various combinations of life insurance, accident and health insurance and retirement income in a single package to small employer groups. In 1989, the Company exited the group employer life and accident and health insurance business. In 1990, the Company stopped writing group association life and accident and health insurance business. On December 31, 1993, the Company entered into an agreement with AEGON USA, Inc. under which the Company agreed to transfer substantially all of its group pension business and operations, including its full service group pension contracts, to AEGON USA, Inc.'s wholly owned subsidiary, AUSA Life Insurance Company, Inc.

On November 16, 1998, pursuant to an order issued by the New York Superintendent of Insurance approving a Plan of Reorganization ("The Plan") under Section 7312 of the New York Insurance Law, as amended, the Company converted from a mutual life insurance company to a domestic stock life insurance company and became a wholly owned subsidiary of The MONY Group Inc. ("The MONY Group"), a Delaware corporation organized for the purpose of becoming the parent holding company of MONY. Also, on November 16, 1998, The MONY Group consummated an initial public offering of approximately 12.9 million shares of its common stock at $23.50 per share. Under The Plan, The MONY Group, in exchange for its policyholder membership interests in MONY, issued approximately 34.4 million shares of common stock, accrued or paid $20.6 million in cash, and credited $13.3 million in policy credits to its policyholders. Unassigned surplus of $610.7 million was transferred to paid-in surplus in conjunction with the issuance of common stock to policyholders. Effective November 16, 1998, the Company changed its name to MONY Life Insurance Company.

The Company issued two surplus notes to The MONY Group on March 8, 2000, one for $115 million and another for $100 million, and received a capital contribution in the amount of $65 million from The MONY Group related to the repurchase of outstanding surplus notes. The notes were subsequently transferred to AXA Financial, Inc. (“AXA”). On June 16, 2006 and December 14, 2007, the Company repaid $115 million and $100 million of surplus notes respectively. The repayment of the notes reduced the Company’s surplus by a corresponding amount.

On February 27, 2002, pursuant to the Articles of Incorporation approved by the Delaware Secretary of State, MONY Holdings, LLC became a wholly owned subsidiary of The MONY Group. All issued and outstanding shares of the Company were transferred to MONY Holdings, LLC at that time.

On July 8, 2004, AXA completed its acquisition of The MONY Group. On November 30, 2007, MONY Holdings, LLC merged into AXA Equitable Financial Services, LLC (“AEFS”), a wholly owned subsidiary of AXA.

On October 1, 2013, Protective Life Insurance Company (“PLIC”) acquired the Company for $688.6 million. Prior to the PLIC transaction, the Company transferred, as dividends, its ownership interest in several wholly owned subsidiaries to AEFS with a total value of $611.2 million. At that time, the Company also transferred to AEFS as a dividend, its ownership interest in other investments at fair value totaling $189.6 million. Also, immediately prior to the PLIC transaction, the Company effectively received capital contributions totaling $238.1 million from AEFS that resulted from AEFS assuming certain liabilities of the Company.

On February 1, 2015, Protective Life Corporation, immediate parent of PLIC and ultimate parent of the Company, was acquired by Dai-ichi Life Insurance Company, Limited, a kabushiki kaisha (publicly traded company) organized under the laws of Japan.

As of December 31, 2019, the Company had capital and paid in and contributed surplus of $2,500,000 and $325,988,168, respectively.

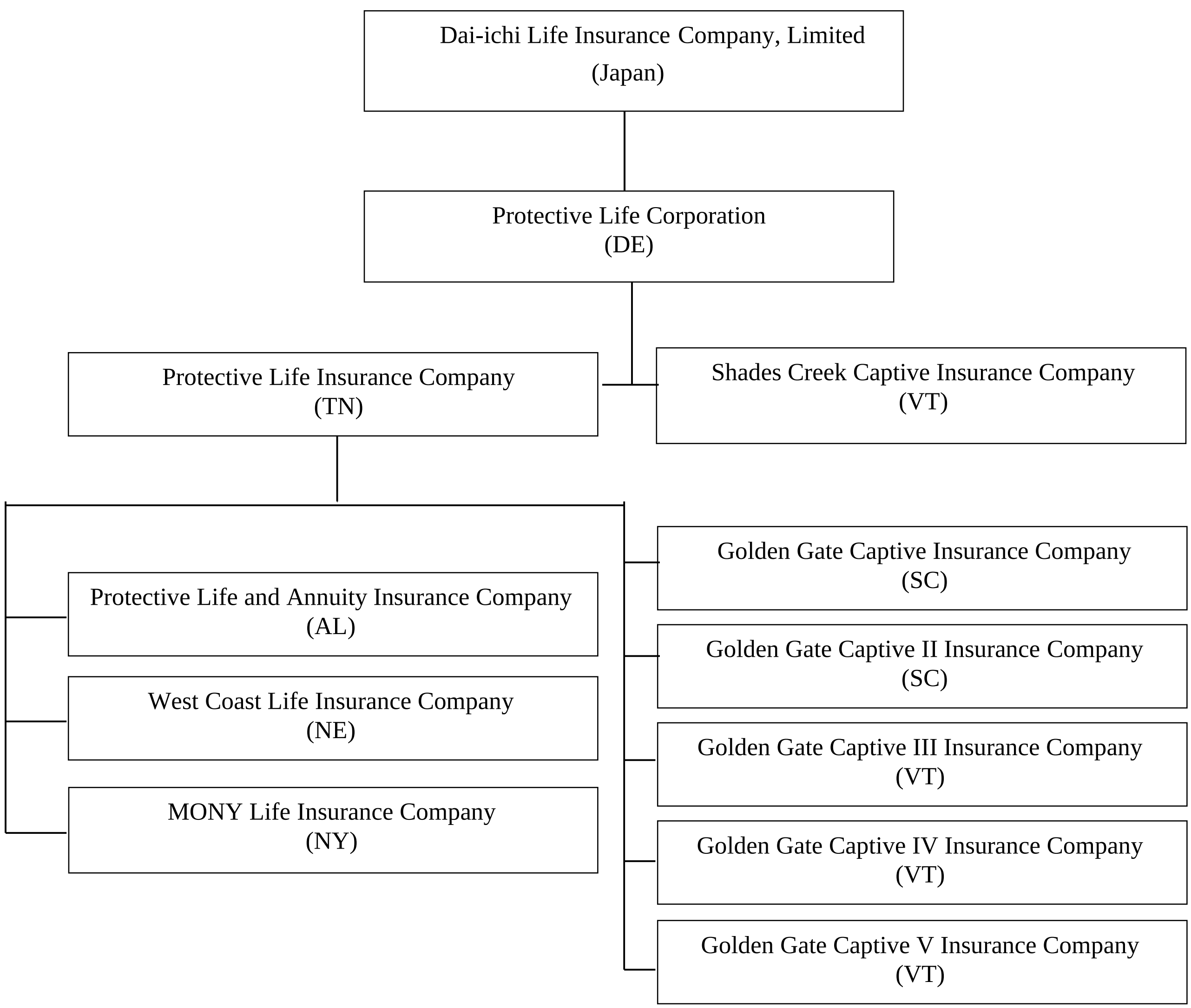
On October 8, 2020, the Department approved an application for approval of acquisition of control of the Company and PLAIC by Effissimo Capital Management Pte Ltd., Takashi Kousaka, Hisaaki Sato, and Yoichiro Imai.

B. Holding Company

The Company is a wholly owned subsidiary of PLIC, a Tennessee life insurance company. PLIC is in turn a wholly owned subsidiary of Protective Life Corporation ("PLC"), a Delaware insurance holding company, which is wholly owned by Dai-ichi Life Insurance Company, Limited (Dai-ichi), a publicly traded company in Japan. As of December 31, 2019, the ultimate parent of the Company was Dai-ichi.

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 four 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
Data Processing Programming Services Agreement File No. 47172	10/1/2013	PLC	The Company	Data processing services	2015 - $(310,122) 2016 - $(1,443,766) 2017 - $(2,909,912) 2018 - $(4,230,401) 2019 - $(1,934,317)
Legal Services Agreement File No. 47172	10/1/2013	PLC	The Company	Legal work in general corporate, insurance-related regulatory and contract areas and litigation supervision	2015 - $(328,999) 2016 - $(219,640) 2017 - $(142,329) 2018 - $(202,837) 2019 - $(209,644)
Investment Services Agreement File No. 47172	10/1/2013	PLC	The Company	Investment management and related services	2015 - $(20,192,415) 2016 - $(20,927,518) 2017 - $(21,769,684) 2018 - $(21,504,325) 2019 - $(20,889,147)
Administrative Services Agreement File No. 47172	10/1/2013	PLIC	The Company	Marketing, compliance, policy administration, accounting and financial reporting, licensing & commission payment and underwriting.	2015 - $(19,862,016) 2016 - $(19,841,304) 2017 - $(16,776,139) 2018 - $(12,635,164) 2019 - $(13,269,461)

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

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

E. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than seven and not more than 36 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in July of each year or at a date decided by the board of directors. As of December 31, 2019, the board of directors consisted of seven members. Meetings of the board are held at least annually. The board members and their principal business affiliation, as of December 31, 2019, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Marcia Drucker Alazraki* Albany, New York	Attorney Manatt, Phelps & Phillips, LLP	2013
Richard Joseph Bielen Birmingham, Alabama	Executive Vice President MONY Life Insurance Company	2013
Stephen Doak Foster* Little Rock, Arkansas	Attorney Mitchell, Williams, Selig, Gates, Woodyard, PLLC	2013
Nancy Kane Birmingham, Alabama	President MONY Life Insurance Company	2018
Carl Sitter Thigpen** Birmingham, Alabama	Executive Vice President and Chief Investment Officer MONY Life Insurance Company	2013
Steven Glen Walker Birmingham, Alabama	Executive Vice President and Chief Financial Officer MONY Life Insurance Company	2015
Cathy Suzanne Wright* Birmingham, Alabama	Management Consultant and Attorney Clarus Consulting Group	2013

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

**Carl Sitter Thigpen retired effective June 12, 2020, and Michael Gus Temple was elected to the Board in his place by the Shareholders on June 12, 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, 2019:

Name	Title
Nancy Kane	President
Michael Gus Temple	Vice Chairman and Chief Operating Officer
Richard Joseph Bielen	Executive Vice President
Mark Livingston Drew**	Executive Vice President and General Counsel
Carl Sitter Thigpen***	Executive Vice President and Chief Investment Officer
Steven Glen Walker	Executive Vice President and Chief Financial Officer
Lance Pierson Black	Senior Vice President and Treasurer
Kevin Bruce Borie	Senior Vice President, Chief Valuation Actuary and Appointed Actuary
Steven Manley Callaway	Senior Vice President, Secretary and Senior Counsel
Paul Richard Wells	Senior Vice President, Accounting Officer and Controller
George Cash*	Second Vice President, Compliance

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

**Mark Livingston Drew resigned as General Counsel and was elected Chief Legal Officer on March 1, 2020.

***Carl Sitter Thigpen retired on June 12, 2020, and Philip Edward Passafiume was promoted to the Chief Investment Officer position.

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. However, the business has been in run-off since 2008.

The Company is licensed to transact business in all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. The Company does not market new business but does continue to service existing policies.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2019:

Life Insurance Premiums	
New York	20.2%
Texas	6.7
California	6.0
Illinois	5.5
Pennsylvania	5.4
Subtotal	43.9%
All others	56.1
Total	100.0%

Annuity Considerations	
New York	66.0%
Alabama	13.9
Florida	12.0
Ohio	2.6
Mississippi	1.7
Subtotal	96.2%
All others	3.8
Total	100.0%

Accident and Health Insurance Premiums	
New York	9.6%
Illinois	8.4
California	8.1
Florida	6.9
Texas	6.8
Subtotal	39.8%
All others	60.2
Total	100.0%

A. Statutory and Special Deposits

As of December 31, 2019, the Company had $5,000,000 (par value) of United States Treasury Notes on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company. As per confirmations received from the following states, which were reported in Schedule E of the 2019 filed annual statement an additional, $3,240,000 was being held by the states of Arkansas, Georgia, Nevada, New Mexico, North Carolina, and Virginia, and in the territories of Guam, Puerto Rico and the U.S Virgin Islands.

B. Direct Operations

The Company previously offered a broad portfolio of life insurance products consisting of variable life and interest-sensitive life insurance products along with a whole life product and a variety of term life products. The Company discontinued marketing its products as of December 31, 2008, except for face amount increases on in-force policies. As per the terms of the acquisition agreement, the Company was not to write or market new business but only to service existing business that is in run-off.

C. Reinsurance

As of December 31, 2019, the Company had reinsurance treaties in effect with 14 companies, of which 9 were authorized or accredited. The Company's life, annuity, and accident and health business is reinsured on a coinsurance, modified-coinsurance, combination coinsurance/modified-coinsurance, annuity coinsurance, yearly renewable term basis or other reinsurance basis. Reinsurance is provided on an automatic and facultative basis.

The maximum retention limit for individual life contracts is $4 million on any one person and $6 million for the last survivor products. The total face amount of life insurance ceded as of December 31, 2019, was $1,938,805,637, which represents 11% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies totaling $201,193,684 was supported by trust agreements.

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, 2014	December 31, 2019	Increase (Decrease)
Admitted assets	$7,674,481,936	$6,887,226,906	$(787,255,030)
Liabilities	$7,183,834,445	$6,497,704,650	$(686,129,795)
Common capital stock	$ 2,500,000	$ 2,500,000	$ 0
Gross paid in and contributed surplus	320,497,752	325,988,168	5,490,416
Group contingency life reserve	425,000	275,000	(150,000)
Surplus Notes	1,090,548	1,090,548	0
Unassigned funds (surplus)	166,134,191	59,668,540	(106,465,651)
Total capital and surplus	$ 490,647,491	$ 389,522,256	$(101,125,235)
Total liabilities, capital and surplus	$7,674,481,936	$6,887,226,906	$(787,255,030)

The Company's invested assets as of December 31, 2019, exclusive of separate accounts, were mainly comprised of bonds (81.7%), policy loans (10.1%), mortgage loans (4.6%), other invested assets (1.8%), cash and short-term investments (0.9%) and stocks (0.8%).

The majority (97.8%) of the Company's bond portfolio, as of December 31, 2019, was comprised of investment grade obligations.

The decline in assets, from December 31, 2014, to December 31, 2019, is due to a $25.8 million decline in separate account assets, and a $761.4 million decline in general account assets. These declines are primarily due to the run-off of in-force policies.

The decline in liabilities are also due primarily to the run-off of in-force policies. The separate account liabilities declined $25.7 million and the general account liabilities declined $660.5 million from December 31, 2014 to December 31, 2019.

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
2015	$ 0	$13,154,089	$ 0	$8,888,496	$ 0	$ 84,596
2016	$ 0	$12,434,907	$ 0	$8,389,635	$ 0	$ 74,976
2017	$ 0	$11,612,273	$ 0	$7,974,375	$ 0	$ 65,603
2018	$ 0	$10,500,552	$ 0	$7,896,236	$ 0	$ 58,893
2019	$ 0	$12,384,575	$ 0	$4,852,740	$ 0	$ 50,966

The Company did not market its products during the years under examination, and the yearly decline in the insurance in-force is due to the business being in run-off.

The increase in Whole Life and the decrease in Term Life from 2018 to 2019 were due to the reclassifications of some coverages based on the NAIC product updates that were implemented in 2019.

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

	Ordinary Annuities				
	2015	2016	2017	2018	2019
Outstanding, end of previous year	6,015	5,503	4,969	4,533	4,136
Issued during the year	19	21	21	10	19
Other net changes during the year	(531)	(555)	(457)	(407)	(375)
Outstanding, end of current year	5,503	4,969	4,533	4,136	3,780

	Group Annuities				
	2015	2016	2017	2018	2019
Outstanding, end of previous year	6,518	6,094	5,672	5,336	4,948
Issued during the year	0	0	0	0	0
Other net changes during the year	(424)	(422)	(336)	(388)	(320)
Outstanding, end of current year	6,094	5,672	5,336	4,948	4,628

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

	2015	2016	2017	2018	2019
Outstanding, end of previous year	28,437	26,071	23,531	21,081	18,797
Issued during the year	0	0	0	0	0
Other net changes during the year	(2,366)	(2,540)	(2,450)	(2,284)	(2,380)
Outstanding, end of current year	26,071	23,531	21,081	18,797	16,417

The decrease in the number of A&H policies has been relatively steady for all five years. The trend of decrease is expected to continue as the block of business ages.

Group

	2015	2016	2017	2018	2019
Outstanding, end of previous year	12	12	11	11	11
Issued during the year	0	0	0	0	0
Other net changes during the year	0	(1)	0	0	1
Outstanding, end of current year	12	11	11	11	12

The following has been extracted from the Exhibits of Deposit Funds and Dividend Accumulations in the filed annual statements for each of the years under review:

Deposit Funds

	2015	2016	2017	2018	2019
Outstanding, end of previous year	1,799	1,806	1,719	1,685	1,599
Issued during the year	604	523	559	569	360
Other net changes during the year	(597)	(610)	(593)	(655)	(557)
Outstanding, end of current year	1,806	1,719	1,685	1,599	1,402

	Dividend Accumulations				
	2015	2016	2017	2018	2019
Outstanding, end of previous year	60,173	56,668	53,409	50,276	47,350
Issued during the year	0	0	0	0	0
Other net changes during the year	(3,505)	(3,259)	(3,133)	(2,926)	(2,755)
Outstanding, end of current year	56,668	53,409	50,276	47,350	44,595

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:

	2015	2016	2017	2018	2019
Ordinary:					
Life insurance	$63,184,861	$58,652,205	$41,460,714	$ 33,056,881	$31,748,777
Individual annuities	(11,982,477)	2,326,183	18,555,679	11,121,817	6,759,050
Supplementary contracts	(254,197)	182,002	750,069	540,317	0
Total ordinary	$ 50,948,187	$61,160,390	$60,766,462	$ 44,719,015	$38,507,827
Group:					
Life	$ 507,503	$ 424,328	$ 233,300	$ 266,635	$ (261,229)
Annuities	(695,823)	(384,449)	(168,868)	1,195,708	1,110,247
Total group	$ (188,320)	$ 39,879	$ 64,432	$ 1,462,343	$ 849,018
Accident and health:					
Group	$ (401,439)	$ (80,523)	$ (745,000)	$ 208,157	$ 0
Other	248,863	96,138	214,896	350,605	54,869
Total accident and health	$ (152,576)	$ 15,615	$ (530,104)	$ 558,762	$ 4,869
All other lines	$ 7,247,328	$(1,136,824)	$ 775,763	$ (1,010,263)	$ (958,405)
Total	$ 57,854,619	$60,079,060	$61,076,554	$45,729,856	$38,453,309

The increase in individual annuities from 2015 to 2016 was driven by decreases in reserves and surrender benefits.

The increase in individual annuities from 2016 to 2017 was driven by decreases in reserves and annuity benefits and by increases premiums.

The decrease in individual annuities from 2017 to 2018 was driven by an increase in reserves and by decreases in premiums, net investment income and surrenders.

Starting in 2019, the supplementary contracts were included on the individual annuity page on the Analysis of Operations by Lines of Business. For 2018 and prior, supplementary contracts had their own column and were not included in the individual annuity column. For this reason, the 2019 individual annuity results were not comparable to the 2018 results.

The increase in supplementary contracts from 2015 to 2016 was driven by decreases in supplementary contract considerations, payments on supplementary contracts, and interest and adjustments on deposit-type contracts. Those changes were partially offset by increase in reserves and federal income taxes, and by a decrease in net investment income.

The increase in supplementary contracts from 2016 to 2017 was driven by a decrease in supplementary contract considerations and by an increase in net investment income, which were partially offset by increases in reserves and federal income taxes.

The decrease in supplementary contracts from 2017 to 2018 was primarily due to the overall run-off of the block of business.

The decrease in supplementary contracts from 2018 to 2019 was due to the supplementary contracts being included in the Individual Annuities as discussed above.

The decrease in group life from 2018 to 2019 was driven by an increase in death benefits due to volatility in claims, and large reserve decrease due to the run-off of the block of business.

The increase in group annuities from 2015 to 2016 was primarily driven by decrease in annuity benefits, partially offset by an increase in federal income tax expense and separate account transfers.

The increase in group annuities from 2016 to 2017 was due to increase in net investment income and by decreases in annuity benefits and surrender benefits that were offset by decreases in premiums and separate account transfers.

The significant increase in group annuities from 2017 to 2018 was due to decreases in annuity benefits, reserves and surrender benefits, and by increases premiums, and separate account transfers.

The increase in group accident and health ("group A&H") from 2015 to 2016 was driven by a decrease in reserves which was offset by increase in federal income tax and decreases in premiums and in A&H benefits.

The decrease in group A&H from 2016 to 2017 was due to an increase in A&H benefits and reserves, and a decrease in premiums, which was partially offset by a decrease in federal income tax.

The significant increase in group A&H from 2017 to 2018 was due to decreases in A&H benefits and reserves which were partially offset by an increase in federal income tax.

In 2019, additional pages were added to the Analysis of Operations by Lines of Business. On the Accident and Health page for 2019, the only individual versus group splits were for Comprehensive Hospital and Medical. Since MONY's Accident and Health policies are classified as "Other Health" for 2019, that column included the Group business that was reported in 2018 and prior years, in the "Group Accident and Health" column.

The decrease for other Accident & Health ("other A&H") from 2015 to 2016 was due to a decrease in net investment income and increases in commissions and expense allowances on reinsurance ceded, and insurance taxes/licenses/fees, which were partially offset by decreases in disability benefits, reserves, commissions, and federal income taxes.

The increase in other A&H from 2016 to 2017 was driven by decreases in dividends to policyholders, commissions, benefits, and insurance taxes/licenses/fees which were partially offset by decreases in net investment income and premiums and increases in commissions and expense allowances on reinsurance ceded, reserves, and federal income taxes.

The increase in other A&H from 2017 to 2018 was driven by changes in insurance taxes/licenses/fees, net investment income, and commissions which were partially offset by decreases in dividends to policyholders and in commissions and expense allowances on reinsurance ceded.

The decrease in Other A&H from 2018 to 2019 was driven by increases in benefits, commissions and expense allowances on reinsurance ceded, and dividends to policyholders, which were partially offset by decreases in reserves and commissions and by increases in premiums and net investment income.

The decreased in all other lines ("other lines") from 2015 to 2016 was driven primarily by a decrease in net investment income that was partially offset increases in federal income and insurance taxes.

The increase in other lines from 2016 to 2017 was driven primarily by an increase in net investment income that was partially offset by an increase in interest and adjustments to deposit-type contracts.

The decreased in other lines from 2017 to 2018 was driven primarily by a decrease in net investment income and by increases in insurance taxes and miscellaneous expenses which were partially offset by decreases in general insurance expenses and federal income tax.

The increase in other lines from 2018 to 2019 was driven primarily by a decrease in insurance taxes that was offset by a decrease in net investment income and increases in general and miscellaneous expenses.

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:

	2015	2016	2017	2018	2019
Premiums earned	100.0%	100.0%	100.0%	100.0%	100.0%
Incurred losses	15.9%	107.8%	196.2%	71.9%	127.5%
Commissions	1.9%	15.9%	24.5%	24.6%	27.8%
Expenses	2.7%	64.1%	67.0%	31.6%	41.3%
Underwriting results	79.5%	(87.8)%	(187.8)%	(28.0)%	(96.6)%

The increase in commissions as a percentage of earned premiums ("commission percentages") from 2015 to 2016 was driven by a decrease in earned premiums.

The increase in commission percentages from 2016 to 2017 was due to an increase in commissions and a decrease in earned premiums.

The increase in commission percentages from 2017 to 2018 was due to decreases in earned premiums and commissions

The increase in commission percentages 2018 to 2019 was due to decreases in earned premiums and commissions.

The increase in expenses from 2015 to 2016 was due to a decrease in earned premiums and increases in taxes, licenses and fees, and general insurance expenses.

The decrease in expenses from 2017 to 2018 was driven by decreases in taxes, licenses and fees and general insurance expenses.

The increase in expenses from 2018 to 2019 was due to a decrease in earned premiums and increases in taxes, licenses and fees and general insurance expenses.

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 KPMG, LLP was retained by the Company to audit the Company's combined statutory basis statements of financial position of the Company as of December 31, 2019, and PwC, LLP was retained to audit the Company's combined statutory basis statements of financial position as of December 31st of the remaining years in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the year then ended.

KPMG, 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	$5,358,777,192
Stocks:	
Preferred stocks	50,736,943
Common stocks	967,700
Mortgage loans on real estate:	
First liens	303,515,949
Cash, cash equivalents and short-term investments	59,469,904
Contract loans	665,119,573
Other invested assets	116,414,825
Receivable for securities	423,133
Investment income due and accrued	78,097,178
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	975,999
Deferred premiums, agents' balances and installments booked but deferred and not yet due	31,249,229
Reinsurance:	
Amounts recoverable from reinsurers	1,825,869
Other amounts receivable under reinsurance contracts	46,613
Current federal and foreign income tax recoverable and interest thereon	1,954,534
Net deferred tax asset	44,898,322
Guaranty funds receivable or on deposit	452,550
Prepaid pension	5,174,840
Insolvency assessments	2,610,200
Summary of remaining write-ins for Line 25 from overflow page	1,833,750
From separate accounts, segregated accounts and protected cell accounts	$ 162,682,602
Total admitted assets	$6,887,226,906

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$5,835,759,719
Aggregate reserve for accident and health contracts	7,098,304
Liability for deposit-type contracts	251,138,836
Contract claims:	
Life	67,113,520
Accident and health	351,312
Policyholders' dividends and coupons due and unpaid	1,607,182
Dividends apportioned for payment	88,432,615
Premiums and annuity considerations for life and accident and health contracts received in advance	1,256,387
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	1,945,824
Interest maintenance reserve	18,707,227
Commissions to agents due or accrued	448,562
General expenses due or accrued	14,800
Transfers to separate accounts due or accrued	(296,280)
Taxes, licenses and fees due or accrued, excluding federal income taxes	3,308,003
Unearned investment income	240,560
Amounts withheld or retained by company as agent or trustee	4,364,641
Remittances and items not allocated	3,199,433
Liability for benefits for employees and agents if not included above	5,755,664
Miscellaneous liabilities:	
Asset valuation reserve	37,480,630
Payable to parent, subsidiaries and affiliates	4,229,027
Funds held under coinsurance	2,806,680
Miscellaneous payables	79,524
From Separate Accounts statement	$ 162,662,481
Total liabilities	$6,497,704,650
Common capital stock	2,500,000
Surplus notes	1,090,548
Gross paid in and contributed surplus	325,988,168
Group contingency life reserve	275,000
Unassigned funds (surplus)	59,668,540
Surplus	$ 387,022,256
Total capital and surplus	389,522,256
Total liabilities, capital and surplus	$6,887,226,906

D. Condensed Summary of Operations

	2015	2016	2017	2018	2019
Premiums and considerations	$271,697,962	$242,579,030	$235,055,848	$219,761,409	$211,424,445
Investment income	360,959,530	327,140,319	306,619,329	289,663,140	282,997,945
Net gain from operations from Separate Accounts	(51,392)	(48,020)	(28,763)	(15,909)	(10,641)
Commissions and reserve adjustments on reinsurance ceded	2,226,123	2,161,425	1,718,559	898,895	1,492,444
Miscellaneous income	6,188,921	5,599,818	5,432,310	5,442,803	5,094,783
Total income	$641,021,144	$577,432,572	$548,797,283	$515,750,339	$500,998,976
Benefit payments	$531,477,649	$504,284,065	$493,067,283	$500,984,908	$489,931,496
Increase in reserves	(94,172,599)	(105,305,538)	(125,199,876)	(137,075,493)	(132,670,603)
Commissions	5,635,166	5,250,235	4,979,371	4,596,477	4,293,015
General expenses and taxes	29,235,654	29,259,738	26,391,974	21,319,541	19,548,758
Increase in loading on deferred and uncollected premiums	(291,048)	(426,569)	(232,472)	37,681	509,876
Net transfers to (from) separate accounts	(17,717,866)	(15,272,356)	(9,539,695)	(13,444,835)	(9,104,614)
Miscellaneous deductions	816,436	800,225	930,949	718,077	1,043,146
Total deductions	$454,983,392	$418,589,800	$390,397,534	$377,136,356	$373,551,074
Net gain (loss) from operations	$186,037,752	$158,842,772	$158,399,750	$138,613,983	$127,447,901
Dividends	106,056,571	96,105,589	88,090,176	87,564,643	84,416,340
Federal and foreign income taxes incurred	22,126,562	2,658,125	9,233,020	5,319,484	4,578,252
Net gain (loss) from operations before net realized capital gains	$ 57,854,619	$ 60,079,060	$ 61,076,554	$ 45,729,856	$ 38,453,309
Net realized capital gains (losses)	1,268,890	(779,317)	(950,860)	(2,578,070)	(9,753,607)
Net income	$ 59,123,508	$ 59,299,742	$ 60,125,694	$ 43,151,787	$ 28,699,702

The decrease in premiums and annuity considerations from 2015 to 2016 was driven by the decline in force business.

The change in the increase in reserves from 2015 to 2016 was due to a $20,000,000 increase in additional actuarial reserve adjustments during 2015, but no additional adjustment was made during 2016.

The change in the increase in reserves from 2016 to 2017 was due to a $15,000,000 decrease in additional reserves adjustments during 2017 compared to no reserve adjustment in 2016.

The decrease in net gain from operations before dividends to policyholders and federal income taxes ("net gain") from 2015 to 2016 was primarily due to decreases in net investment income and premiums, which were offset by the decrease in additional reserve adjustments made in 2015 as discuss above.

The decrease in net gain from 2017 to 2018 was driven by decreases in net investment income and premiums, and an increase in surrender benefits and other fund withdrawals, which were offset in part by decreases in reserves and death and annuity benefits, and by an increase in transfers from Separate Accounts.

The decrease in federal and foreign income taxes ("FIT") from 2015 to 2016 was primarily due to a decrease in the reserve tax adjustments in 2016.

The increase in FIT from 2016 to 2017 was due to higher statutory income in 2017 as well as a decrease in additional reserves adjustments in 2017.

The decrease in net realized capital gains from 2015 to 2016 was due to a decrease in net bond and preferred stock realized gains incurred and an increase in federal income taxes on capital gains, which was partially offset by a decrease in transfers to IMR.

The increase in net realized capital losses from 2016 to 2017 was due to a decrease in net bond and preferred stock realized gains incurred and an increase in bond impairments, which was partially offset by a decrease in transfers to the IMR and a decrease in federal income taxes on capital gains.

The increase in net realized capital losses from 2017 to 2018 was due to an increase in bond impairments and a decrease in net bond and preferred stock realized gains incurred, which was partially offset by a decrease in federal income taxes on capital gains and a decrease in transfers to the IMR.

The increase in net realized capital losses from 2018 to 2019 was due to an increase in bond impairments and a decrease in net bond and preferred stock realized gains incurred, which was partially offset by a decrease in transfers to the IMR and a decrease in federal income taxes on capital gains.

E. Capital and Surplus Account

	2015	2016	2017	2018	2019
Capital and surplus, December 31, prior year	$ 490,647,491	$455,851,835	$464,988,278	$433,752,187	$421,795,998
Net income	$ 59,123,508	$ 59,299,742	$ 60,125,694	$ 43,151,787	$ 28,699,702
Change in net unrealized capital gains (losses)	0	(319,301)	104,473	(773,568)	988,394
Change in net deferred income tax	(820,807)	(19,653,102)	(83,907,912)	(6,909,663)	3,274,211
Change in non-admitted assets and related items	(2,963,972)	18,419,149	51,999,824	12,010,516	(25,145,263)
Change in liability for reinsurance in unauthorized companies	65,107	274,637	0	0	0
Change in reserve valuation basis	0	0	0	0	(497,409)
Change in asset valuation reserve	4,310,093	(3,584,682)	441,830	1,564,740	1,406,622
Surplus adjustments: Paid in	5,490,416	0	0	0	0
Dividends to stockholders	(100,000,000)	(45,300,000)	(60,000,000)	(61,000,000)	(41,000,000)
Net change in capital and surplus for the year	(34,795,656)	9,136,443	(31,236,091)	(11,956,189)	(32,273,743)
Capital and surplus, December 31, current year	$ 455,851,835	$464,988,278	$433,752,187	$421,795,998	$389,522,256

The change in unrealized capital gains (losses) from 2015 through 2019 were attributable to a single preferred stock holding, downgraded from the NAIC's Securities Valuations Office ("SVO") Class 3 security on December 31, 2015, to SVO Class 4 in 2016 and marked-to-market each year before being sold in 2019.

The decrease in net deferred income tax from 2015 to 2016 was driven primarily by decreased policyholder reserves and compensation and benefits accruals.

The decrease in net deferred income tax from 2016 to 2017 was driven by decreases in compensation and benefits accruals, policyholder reserves, deferred acquisition costs, and policyholder dividends which were partially offset by an increase in deferred and uncollected premium. In addition, on December 22, 2017, the U.S. government enacted the Tax Cuts and Jobs Act ("TCJA") which made broad and complex changes to the U.S. tax code, including a reduction of the U.S. federal corporate tax rate from 35% to 21% effective January 1, 2018. The enactment of the TCJA resulted in a reduction to the Company's net deferred tax assets in its year-end 2017 financial statement, and the primary reductions included decreases in compensation & benefit accruals, policyholder reserves, deferred acquisition costs, and policy holder dividends.

The increase in net deferred income tax from 2017 to 2018 was driven primarily by decreases in compensation and benefits accruals and net policyholder reserves which was offset by an increase in the deferred taxes on capital investments.

The increase in net deferred income tax from 2018 to 2019 was driven by increases in non-admitted receivables and capital investments which were partially offset by decreases in compensation and benefits accruals and policyholder dividend accruals.

The increase in non-admitted assets from 2015 to 2016 was driven by increases in non-admitted tax deferred assets, write-ins for other than invested assets, other reinsurance receivables and policy loans.

The increase in non-admitted assets from 2016 to 2017 was driven by increases in non-admitted tax deferred assets and policy loans which were offset by decreases in amounts recoverable from reinsurers and write-ins for other than invested assets. The TCJA, as discussed above, attributed to the increase.

The decrease in non-admitted assets from 2017 to 2018 was driven by increases in non-admitted tax deferred assets and amounts recoverable from reinsurers, which were offset by decreases in write-ins for other than invested assets, uncollected premiums and agents' balances.

The decrease in non-admitted assets from 2018 to 2019 was driven by decreases in a life insurance policy for officers and trustees, deferred tax assets, and amounts recoverable from reinsurers which were offset by increases in write-ins for miscellaneous assets, uncollected premiums and agents’ balances.

The liability for unauthorized reinsurers has been decreasing since year-end 2014 and has been zero since year-end 2016. The decreases in the liability for unauthorized reinsurers was driven by increases in trust agreements that reduced the unauthorized reinsurance liability, primarily related to a treaty with Foresters Life Insurance Company.

The decrease in reserve valuations basis from 2018 to 2019 was attributed to the Company beginning to use the 2012 Individual Annuity Reserving Report and Table for certain deferred annuity contracts issued in 2015 or later. Prior to that, the Company had used the Annuity 2000 Mortality Table for those contracts.

The decrease in the change in asset valuation reserves (“AVR”) from 2015 to 2016 was driven by a decrease in the bond portfolio, specifically due to the increase in holdings of the NAIC class 3, 4 and 5 rated securities in 2016.

The decrease in the change in AVR from 2016 to 2017 was driven primarily by a decrease in credit-related losses incurred in 2017, which were partially offset by increased charges due to larger SVO Class 4 holdings at 2017 year-end.

The decrease in the change in AVR from 2017 to 2018 was driven by a decrease in the maximum reserve due to lower charges from decreased bond and mortgage loan balances.

The decrease in the change in AVR from 2018 to 2019 was driven primarily by a decrease in credit-related losses which included bond impairments which was partially offset by increased charges due to larger SVO Class 5 and 6 holdings.

7. 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.

As previously mentioned, on October 8, 2020, the Department approved an application for approval of acquisition of control of the Company and PLAIC by Effissimo Capital Management Pte Ltd., Takashi Kousaka, Hisaaki Sato, and Yoichiro Imai.

8. SUMMARY AND CONCLUSIONS

Following is the comment contained in this report:

Item	Description	Page No(s).
A	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,

Mary B. Packard

Mary B. Packard, CFE
Noble Consulting Services, Inc.

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

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

Mary B. Packard

Mary B. Packard

Subscribed and sworn to before me

this 16th day of June, 2021

Audrey Hall

AUDREY HALL
Notary Public, State of New York
No. 01HA6274900
Qualified in Kings County
Commission Expires January 28, 2025

Respectfully submitted,

_____________/s/____________
Mostafa Mahmoud
Principal Insurance Examiner

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

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

_____________/s/____________
Mostafa Mahmoud

Subscribed and sworn to before me

this__________ day of ____________________

APPOINTMENT NO. <u>32115</u>

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **<u>LINDA A. LACEWELL</u>**, 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:*

MARY B. PACKARD
(NOBLE CONSULTING SERVICES, INC.)

as a proper person to examine the affairs of the

MONY LIFE INSURANCE COMPANY

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 <u>30th</u> day of <u>June</u>, 2020

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
EXCELSIOR

LINDA A. LACEWELL
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU