

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REPORT ON EXAMINATION  
OF THE  
VANTIS LIFE INSURANCE COMPANY OF NEW YORK

CONDITION:

DECEMBER 31, 2014

DATE OF REPORT:

APRIL 4, 2016

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

REPORT ON EXAMINATION

OF THE

VANTIS LIFE INSURANCE COMPANY OF NEW YORK

AS OF

DECEMBER 31, 2014

DATE OF REPORT:

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EXAMINER:

JOCATENA HARGROVE

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NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

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Andrew M. Cuomo  
Governor

Maria T. Vullo  
Superintendent

April 10, 2017

Honorable Maria T. Vullo  
Superintendent of Financial Services  
New York, New York 10004

Madam:

In accordance with instructions contained in Appointment No. 31391, dated November 17, 2015 and annexed hereto, an examination has been made into the condition and affairs of Vantis Life Insurance Company of New York, hereinafter referred to as “the Company,” at its administrative office located at 200 Day Hill Road, Windsor, Connecticut 06095. The Company’s home office is located at 162 Prospect Hill Road, Brewster, New York 10509.

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 violations and recommendation contained in this report are summarized below:

- The company violated Section 3209(b)(1) of the New York Insurance Law by failing to provide the preliminary information statement to policyholders at or prior to the time an application was taken. This is a repeat violation. (See item 7B of this report)
- The company violated Sections 3209(e)(2) and (10) of the New York Insurance Law by failing to include the address of the agent or broker and failing to include a date on the policy summary. The failure to include a date on the policy summary is a repeat violation. (See item 7B of this report)
- The Company violated Section 3201(b)(1) of the New York Insurance Law by altering an approved policy form and failing to submit such policy form to the superintendent for approval. (See item 7B of this report)
- The examiner recommends that the Company establish and maintain an independent, adequately resourced, and competently staffed internal audit function to provide management with ongoing assessments of the Company's risk management processes and the accompanying system of internal controls. To the extent that audits performed by an affiliate on a functional basis are intended to encompass the activities of the Company, it should be clear from the audit workpapers that Company transactions or activities are specifically included in the samples reviewed by internal audit. (See item 8 of this report)

## 2. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 2011. This examination covers the period from January 1, 2012 through December 31, 2014. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2014, but prior to the date of this report (i.e., the completion date of the examination).

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 comprised a verification of assets and liabilities as of December 31, 2014 to determine whether the Company's 2014 filed annual statement fairly presents its financial condition. The examiner reviewed the Company's income and disbursements necessary to accomplish such verification and utilized the National Association of Insurance Commissioners' Examiners Handbook or such other examination procedures, as deemed appropriate, in such review and in the review or audit of the following matters:

- Company history
- Management and control
- Corporate records
- Fidelity bond and other insurance
- Officers' and employees' welfare and pension plans
- Territory and plan of operation
- Market conduct activities
- Growth of Company
- Business in force by states
- Mortality and loss experience
- Reinsurance
- Accounts and records
- Financial statements

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.

The Company was audited annually, for the years 2012 through 2014, by the accounting firm of PricewaterhouseCoopers LLC. The Company received an unqualified opinion in 2012, 2013 and 2014. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the violations and recommendation 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 March 1, 2007, was licensed and commenced business on January 23, 2009. Initial resources of \$6,400,000, consisting of common capital stock of \$2,000,000 and paid in and contributed surplus of \$4,400,000, were provided through the sale of 20,000 shares of common stock (with a par value of \$100 each) to its parent.

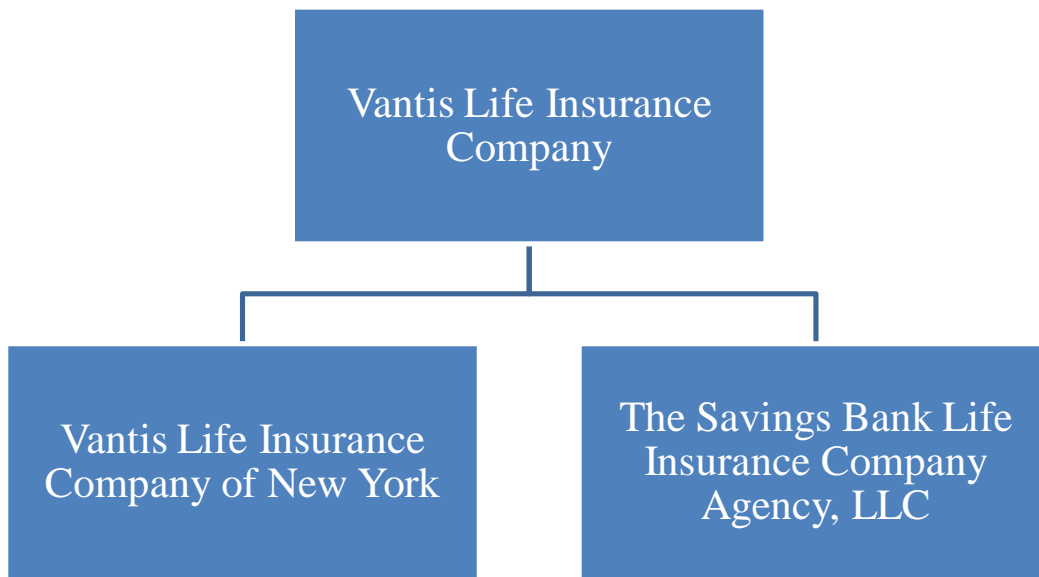
In December of 2012, 2013 and 2014, the parent, Vantis Life Insurance Company, made surplus contributions to the Company in the amounts of \$500,000, \$750,000 and \$804,516, respectively. (See item 3D of this report)

#### B. Holding Company

The Company is a wholly owned subsidiary of Vantis Life Insurance Company (“VLIC”), a Connecticut life insurance company.

#### C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2014 follows:





#### D. Service Agreements

The Company had one service agreement in effect with an affiliate 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
Underwriting Management and Administrative Services Agreement File No. 37858	1/23/09	Vantis Life Insurance Company	The Company	Underwriting duties, claims services, actuarial services, policyholder services, accounting and certain other administrative functions	2012 \$(236,371) 2013 \$(267,077) 2014 \$(533,219)

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

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

Section 1505(c) of the New York Insurance Law states:

"The superintendent's prior approval shall be required for the following transactions between a domestic controlled insurer and any person in its holding company system: . . . investments, involving five percent or more of the insurer's admitted assets at last year-end."

In December 2012, 2013 and 2014 the Company's parent, Vantis Life Insurance Company, made investments in the Company through cash contributions in the amounts of \$500,000, \$750,000 and \$804,516, respectively. The Company did not apply to the Superintendent for approval of these transactions which involved approximately 7.74%, 10.49% and 9.92%, respectively, of the Company's 2011, 2012, and 2013 admitted assets.

The examiner recommends that the Company obtain the superintendent's approval prior to accepting future surplus contributions from its parent involving five percent or more of its admitted assets at last year-end.

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 13 directors. The number of directors shall be increased to not less than thirteen within one year following the end of the calendar year in which the Company shall exceed one and one-half billion dollars in admitted assets. Directors are elected for a period of three years at the annual meeting of the stockholders held in June of each year. As of December 31, 2014, the board of directors consisted of nine members. Meetings of the board are held annually.

The nine board members and their principal business affiliation, as of December 31, 2014, were as follows:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>	<u>Year First Elected</u>
Richard P. Bellacero* Scarsdale, NY	National Sales Manager CFS Investment, Inc.	2008
Bruce A. Friedland Simsbury, CT	Senior VP and Chief Actuary Vantis Life Insurance Company	2013
Chandler J. Howard* Farmington, CT	President and CEO Liberty Bank	2013
Gail E. Lataille Glastonbury, CT	Senior VP and Treasurer Vantis Life Insurance Company	2013
David W. Libbey* Grafton, MA	Retired Vice President Manulife Financial	2008
Edmund V. Mahoney Simsbury, CT	Senior VP – Investments Vantis Life Insurance Company	2013
Craig D. Simms Southington, CT	Senior VP – Marketing Vantis Life Insurance Company	2013
Scott E. Smith South Windsor, CT	Executive VP and Chief Operating Officer Vantis Life Insurance Company	2013
Peter L. Tedone Weatogue, CT	President and Chief Executive Officer Vantis Life Insurance Company	2008

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

In June 2015, Michael E. Harkins was elected to the board to replace David W. Libbey. In September 2015, Edmund V. Mahoney retired.

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, 2014:

<u>Name</u>	<u>Title</u>
Peter L. Tedone	President and Chief Executive Officer
Scott E. Smith*	Executive Vice President and Chief Operating Officer
Gail E. Lataille	Senior Vice President and Treasurer
Craig D. Simms	Senior Vice President – Marketing
Bruce A. Friedland	Senior Vice President and Chief Actuary
Edmund V. Mahoney	Senior Vice President - Investments

\* Designated consumer services officer per Section 216.4(c) of Department Regulation No. 64

In September 2015, Edmund V. Mahoney retired.

#### 4. TERRITORY AND PLAN OF OPERATIONS

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

The Company is only licensed to transact business in New York. One hundred percent (100%) of life insurance premiums were received from New York. Policies are written on a non-participating basis.

##### A. Statutory and Special Deposits

As of December 31, 2014, the Company had \$ 450,000 (par value) of City of New York General Obligation Bonds on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company.

##### B. Direct Operations

The Company offers a full portfolio of individual term life and traditional permanent life products. All products are customized for bank distribution and are available for internet-based quotation and application.

The Company's "SuperEZ" simplified issue term life product portfolio provides 10, 15, and 20-year level premium options with no medical exam. The Company's fully underwritten "SuperTerm" level term life insurance product line provides 10, 15, 20, 25, and 30-year level premium options. The Company's level term products can be converted to permanent life insurance without evidence of insurability. The Company also offers a single premium children's term life product.

The Company's permanent life insurance portfolio consists of a straight whole life, a 20-payment whole life, and a whole life paid-up at age 65 product. The Company also offers "Guaranteed Golden" a guaranteed acceptance whole life product for consumers ages 50 to 80 that cannot be cancelled because of age, and "EstateWise", a single premium whole life ("SPWL") product.

The Company's agency operations are conducted on a general agency, branch office and a direct response basis. The Company primarily markets its products through community and regional banks and credit unions.

### C. Reinsurance

As of December 31, 2014, the Company had reinsurance treaties in effect with two companies, one of which was authorized and the other accredited. The Company's life business is reinsured on a coinsurance and a yearly renewable term basis. Reinsurance is provided on an automatic basis.

The maximum retention limit for individual life contracts is \$300,000. The total face amount of life insurance ceded as of December 31, 2014, was \$225,849,100, which represents 61% of the total face amount of life insurance in force.

## 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, <u>2011</u>	December 31, <u>2014</u>	Increase (Decrease)
Admitted assets	<u>\$6,460,371</u>	<u>\$ 9,794,657</u>	<u>\$ 3,334,286</u>
Liabilities	<u>\$ 472,201</u>	<u>\$ 3,749,202</u>	<u>\$ 3,277,001</u>
Common capital stock	\$2,000,000	\$ 2,000,000	\$ 0
Gross paid in and contributed surplus	4,400,000	6,454,516	2,054,516
Unassigned funds (surplus)	<u>(411,830)</u>	<u>(2,409,061)</u>	<u>(1,997,231)</u>
Total capital and surplus	<u>\$5,988,170</u>	<u>\$ 6,045,455</u>	<u>\$ 57,285</u>
Total liabilities, capital and surplus	<u>\$6,460,371</u>	<u>\$ 9,794,657</u>	<u>\$ 3,334,286</u>

The Company's invested assets as of December 31, 2014, were mainly comprised of bonds (91.1%) and cash and short-term investments (7.2%).

The Company's entire bond portfolio, as of December 31, 2014, was comprised of investment grade obligations.

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:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Ordinary Life insurance	\$( <u>383,594</u> )	\$( <u>842,259</u> )	\$( <u>644,249</u> )
Total	\$( <u>383,594</u> )	\$( <u>842,259</u> )	\$( <u>644,249</u> )

The Company is in start-up mode and experienced losses during 2012, 2013 and 2014 due to the new business strain. This trend is expected to continue over the short-term as the Company increases operations in the state.



## 6. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2014, as contained in the Company's 2014 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, 2014 filed annual statement.

### A. Independent Accountants

The firm of PricewaterhouseCoopers, 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<sup>st</sup> 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.

PricewaterhouseCoopers, 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	\$8,273,653
Stocks:	
Preferred stocks	122,240
Cash, cash equivalents and short term investments	656,436
Contract loans	30,017
Investment income due and accrued	74,903
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	60,301
Deferred premiums, agents' balances and installments booked but deferred and not yet due	519,440
Current federal and foreign income tax recoverable and interest thereon	<u>57,667</u>
 Total admitted assets	 <u>\$9,794,657</u>

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	\$ 3,321,150
Contract claims:	
Life	150,000
Premiums and annuity considerations for life and accident and health contracts received in advance	2,002
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	22,361
Interest maintenance reserve	20,995
General expenses due or accrued	26,101
Taxes, licenses and fees due or accrued, excluding federal income taxes	5,000
Amounts withheld or retained by company as agent or trustee	1,875
Remittances and items not allocated	14,031
Miscellaneous liabilities:	
Asset valuation reserve	36,284
Payable to parent, subsidiaries and affiliates	<u>149,403</u>
 Total liabilities	 <u>\$ 3,749,202</u>
 Common capital stock	 \$ 2,000,000
 Gross paid in and contributed surplus	 \$ 6,454,516
Unassigned funds (surplus)	<u>(2,409,061)</u>
 Surplus	 <u>\$ 4,045,455</u>
 Total capital and surplus	 <u>\$ 6,045,455</u>
 Total liabilities, capital and surplus	 <u>\$ 9,794,657</u>

D. Condensed Summary of Operations

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Premiums and considerations	\$1,372,597	\$1,972,973	\$2,721,124
Investment income	343,207	292,384	428,224
Miscellaneous income	<u>5,815</u>	<u>5,100</u>	<u>5,360</u>
Total income	<u>\$1,721,619</u>	<u>\$2,270,457</u>	<u>\$3,154,708</u>
Benefit payments	\$ 25,718	\$ 156,993	\$ 315,628
Increase in reserves	587,243	1,046,752	1,453,516
Commissions	506,908	713,366	834,053
General expenses and taxes	972,267	1,116,437	1,181,608
Increase in loading on deferred and uncollected premiums	59,333	176,089	77,837
Miscellaneous deductions	<u>75,926</u>	<u>0</u>	<u>0</u>
Total deductions	<u>\$2,227,395</u>	<u>\$3,209,637</u>	<u>\$3,862,642</u>
Net gain (loss)	\$ (505,776)	\$ (939,180)	\$ (707,934)
Federal and foreign income taxes incurred	<u>(122,182)</u>	<u>(96,921)</u>	<u>(63,685)</u>
Net gain (loss) from operations before net realized capital gains	<u>\$ (383,594)</u>	<u>\$ (842,259)</u>	<u>\$ (644,249)</u>
Net income	<u>\$ (383,594)</u>	<u>\$ (842,259)</u>	<u>\$ (644,249)</u>

E. Capital and Surplus Account

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Capital and surplus, December 31, prior year	\$ <u>5,988,170</u>	\$ <u>6,085,292</u>	\$ <u>5,884,420</u>
Net income	\$ (383,594)	\$ (842,259)	\$ (644,249)
Change in non-admitted assets and related items	(16,101)	(104,153)	7,425
Change in asset valuation reserve	(3,184)	(4,460)	(6,656)
Surplus adjustments:			
Paid in	<u>500,000</u>	<u>750,000</u>	<u>804,516</u>
Net change in capital and surplus for the year	<u>97,121</u>	<u>(200,872)</u>	<u>161,036</u>
Capital and surplus, December 31, current year	\$ <u>6,085,292</u>	\$ <u>5,884,420</u>	\$ <u>6,045,455</u>

## 7. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

### A. Advertising and Sales Activities

The examiner reviewed a sample of the Company's advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

Based upon the sample reviewed, no significant findings were noted.

### B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms.

1. Section 3209 of the New York Insurance Law states, in part:

“(b)(1) No policy of life insurance shall be delivered or issued for delivery in this state after the applicable effective date, as set forth in subsection (n) of this section, unless the prospective purchaser has been provided with the following:  
(A) a copy of the most recent buyer's guide and the preliminary information required by subsection (d) of this section, at or prior to the time an application is taken . . . and (B) a policy summary upon delivery of the policy.”

The review of a sample of 49 policy application files revealed that all 49 application files did not contain the preliminary information statement which is required to be provided to a policyholder at or prior to the time an application is taken.

The Company violated Section 3209(b)(1) of the New York Insurance Law by failing to provide the preliminary information statement to policyholders at or prior to the time an application was taken. This is a repeat violation.

2. Section 3209(e) of the New York Insurance Law states, in part:

“A policy summary shall include the following . . .  
(2) the name and address of the agent or broker . . .  
(10) the date on which the policy summary is prepared.”

The examiner reviewed the policy summary contained in a sample of 49 policy applications. In all 49 cases reviewed, the company failed to include the address of the agent or broker on the policy summary and failed to include the date on which the policy summary was prepared.

The company violated Sections 3209(e)(2) and (10) of the New York Insurance Law by failing to include the address of the agent or broker and failing to include a date on the policy summary. The failure to include a date on the policy summary is a repeat violation.

3. Section 3201(b)(1) of the New York Insurance Law states, in part:

“No policy form shall be delivered or issued for delivery in this state unless it has been filed with and approved by the superintendent as conforming to the requirements of this chapter and not inconsistent with law. . . .”

In 36 out of 49 (73.5%) new issued files reviewed, the examiner noted that the policy schedule did not disclose that there is a policy fee included in the premium charged to the insured. However, the policy form approved by the Department for use by the Company disclosed that there is a policy fee. The Company failed to file the altered policy form with the superintendent for approval.

The Company violated Section 3201(b)(1) of the New York Insurance Law by altering an approved policy form and failing to submit such policy form to the superintendent for approval.

### C. Treatment of Policyholders

The examiner reviewed a sample of various types of claims, surrenders, changes and lapses. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

Based upon the sample reviewed, no significant findings were noted.

## 8. INTERNAL AUDIT FUNCTION

The Company does not have an internal audit function. Internal audit is an integral part of corporate governance that includes the audit committee, the board of directors, senior management and the external auditors. In particular, internal auditors and audit committees are mutually supportive. Consideration of the work of internal auditors is essential for the audit committee to gain a complete understanding of the Company's operations. Internal audit identifies strategic, operational and financial risks facing the organization, and assesses controls put in place by management to mitigate those risks.

The examiner recommends that the Company establish and maintain an independent, adequately resourced, and competently staffed internal audit function to provide management with ongoing assessments of the Company's risk management processes and the accompanying system of internal controls. To the extent that audits performed by an affiliate on a functional basis are intended to encompass the activities of the Company, it should be clear from the audit workpapers that Company transactions or activities are specifically included in the samples reviewed by internal audit.

## 9. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

<u>Item</u>	<u>Description</u>
A	<p>The Company violated Section 4211(a) of the New York Insurance Law by failing to file its notices of election of directors for all three years under examination.</p> <p>The current examination revealed that all notices of election were filed with the Department at least ten days before the election.</p>
B	<p>The Company violated Section 4228(f)(1)(A) of the New York Insurance Law by paying agent compensation during the examination period according to schedules of agent compensation that were never filed with the Department.</p> <p>The Company subsequently filed and received approval for all agent compensation schedules.</p>
C	<p>The Company violated Section 51.6(b)(4) of Department Regulation No. 60 by failing to provide to the insurer whose coverage was being replaced a copy of the sales material, proposal and Disclosure Statement used in the sale of the proposed life insurance policy within 10 days of receipt of the application.</p> <p>The examination revealed that all required documents were sent within 10 days of receipt of the application after corrective action was taken by the Company.</p>
D	<p>The Company violated Section 51.6(e) of Department Regulation No. 60 by failing to file for approval the replacement procedures using direct mail solicitation.</p> <p>The Company filed a replacement procedure for direct mail solicitation that is currently used by the direct sales department.</p>
E	<p>The Company violated Section 3209(b)(1) of the New York Insurance Law by failing to provide the preliminary information to the policyholder at or prior to the time an application was taken.</p> <p>The Company failed to take corrective action with respect to this prior report violation. Therefore, this violation is repeated in this report on examination. (See item 7B of this report)</p>



<u>Item</u>	<u>Description</u>
F	<p>The Company violated Section 3209(e)(10) of the New York Insurance Law by failing to include the date the policy summary was prepared on policy summaries provided to applicants upon delivery of their policy.</p> <p>The Company failed to take corrective action with respect to this prior report violation. Therefore, a similar violation appears in this report on examination. (See item 7B of this report)</p>
G	<p>The examiner recommended that the Company establish and maintain an independent, adequately resourced, and competently staffed internal audit function to provide management with ongoing assessments of the Company's risk management processes and the accompanying system of internal controls. To the extent that audits performed by an affiliate on a functional basis are intended to encompass the activities of the Company, it should be clear from the audit workpapers that Company transactions or activities are specifically included in the samples reviewed by internal audit.</p> <p>The Company failed to take corrective action with respect to this prior report recommendation. Therefore, this recommendation is repeated in this report on examination. (See item 8 of this report)</p>

## 10. SUMMARY AND CONCLUSIONS

Following are the violations and recommendation contained in this report:

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
A	The examiner recommends that the Company obtain the superintendent's approval prior to accepting future surplus contributions from its parent involving five percent or more of its admitted assets at last year end.	6
B	The company violated Section 3209(b)(1) of the New York Insurance Law by failing to provide the preliminary information statement to policyholders at or prior to the time an application was taken. This is a repeat violation.	18
C	The company violated Sections 3209(e)(2) and (10) of the New York Insurance Law by failing to include the address of the agent or broker and failing to include a date on the policy summary. The failure to include a date on the policy summary is a repeat violation.	19
D	The Company violated Section 3201(b)(1) of the New York Insurance Law by altering an approved policy form and failing to submit such policy form to the superintendent for approval.	19
E	The examiner recommends that the Company establish and maintain an independent, adequately resourced, and competently staffed internal audit function to provide management with ongoing assessments of the Company's risk management processes and the accompanying system of internal controls. To the extent that audits performed by an affiliate on a functional basis are intended to encompass the activities of the Company, it should be clear from the audit workpapers that Company transactions or activities are specifically included in the samples reviewed by internal audit. This is a repeat recommendation.	20

Respectfully submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
JoCatena Hargrove  
Senior Insurance Examiner

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

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

\_\_\_\_\_/s/\_\_\_\_\_  
JoCatena Hargrove

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_

APPOINTMENT NO. 31391

**NEW YORK STATE**

**DEPARTMENT OF FINANCIAL SERVICES**

I, ANTHONY J. ALBANESE, Acting Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:

**JO CATENA HARGROVE**

as a proper person to examine the affairs of the

**VANTIS LIFE INSURANCE COMPANY OF NEW YORK**

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

**COMPANY**

with such other information as she shall deem requisite.

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

this 17th day of November, 2015

**ANTHONY J. ALBANESE**

Acting Superintendent of Financial Services

By:



**MARK MCLEOD**

**ASSISTANT CHIEF - LIFE BUREAU**

