



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REPORT ON EXAMINATION
OF THE
SEGREGATED GIFT ANNUITY FUND
OF THE
BARNARD COLLEGE

CONDITION:

DECEMBER 31, 2013

DATE OF REPORT:

OCTOBER 31, 2014

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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EXAMINER:

RAY MITCHELL

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NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Shirin Emami
Acting Superintendent

December 23, 2015

Honorable Shirin Emami
Acting Superintendent of Financial Services
New York, New York 10004

Madam:

In accordance with instructions contained in Appointment No. 31136, dated April 8, 2014 and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the Barnard College, hereinafter referred to as “the Fund,” at its home office located at 3009 Broadway, New York, New York 10027.

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 examiner's review of a sample of transactions did not reveal any differences which materially affected the Fund's financial condition as presented in its financial statements contained in the December 31, 2013 filed annual statement. (See item 4 of this report)

The examiner's review of the Fund's treatment of annuitants did not reveal significant instances which deviated from the New York Insurance Law, Department regulations and circular letters and the operating rules of the Fund. (See item 5 of this report)

2. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 2008. This examination covers the period from January 1, 2009 through December 31, 2013. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2013 but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a verification of assets and liabilities as of December 31, 2013 to determine whether the Fund's filed 2013 annual statement fairly presents its financial condition. The examiner reviewed the Fund's income and disbursements necessary to accomplish such verification. The examiner also reviewed the corrective actions taken by the Fund with respect to the recommendation contained in the prior report on examination. The results of such review are contained in item 6 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 FUND

Barnard College (the “College”) is organized for the purpose of conferring on such persons as shall complete to the satisfaction of the faculty of the institution a course of study approved by the Regents, the bachelor’s degree in arts, science and literature. Under the provisions of its by-laws, the College is permitted to issue gift annuity agreements and it has done so since 1994. A special permit was granted to the College by the Department on March 11, 1999, authorizing it to issue gift annuity agreements as specified in Section 1110 of the New York Insurance Law. All operations related to the issuance and maintenance of annuity agreements are handled by the Fund.

State Street Global Advisors (“State Street”) is the Fund’s custodian and investment manager. State Street also distributes benefit payments to annuitants.

The management of the College and the Fund and all of its affairs and property are entrusted to a board of trustees. The number of trustees shall not be less than 15 nor more than 40 regular voting trustees. The trustees elect a chairman, one or more vice chairmen, a president, a treasurer and a secretary. The nomination and election procedures of the trustees and their term of office are set by the by-laws.

4. SIGNIFICANT FINANCIAL INFORMATION

The following table indicates the Fund's financial growth (decline) during the period under review:

	December 31, <u>2008</u>	December 31, <u>2013</u>	Increase (Decrease)
Admitted assets	<u>\$3,521,110</u>	<u>\$3,961,583</u>	<u>\$440,473</u>
Liabilities	<u>\$2,956,737</u>	<u>\$2,727,355</u>	<u>\$(229,382)</u>
Minimum required surplus	\$ 295,674	\$ 272,735	\$(22,939)
Unassigned funds (surplus)	<u>268,699</u>	<u>961,493</u>	<u>692,794</u>
Total surplus	<u>\$ 564,373</u>	<u>\$1,234,228</u>	<u>\$669,855</u>
Total liabilities and surplus	<u>\$3,521,110</u>	<u>\$3,961,583</u>	<u>\$440,473</u>

The increase in admitted assets and surplus reflects an increase in the market value of investments in common stocks.

The decrease in liabilities reflects a decrease in annuity payments despite the increase in annuities in-force during the examination period. Annuity payments decreased from \$406,014 as of December 31, 2008 to \$359,882 as of December 31, 2013. Annuities in-force increased from 134 as of December 31, 2008 to a total of 145 as of December 31, 2013.

The Fund's admitted assets, as of December 31, 2013, were invested mainly in common stocks (98.07%).

5. TREATMENT OF ANNUITANTS

The examiner reviewed a sample of annuity files to determine whether the annuitants were treated fairly and in accordance with the provisions of the annuity agreements. The examination also consisted of a review of the various controls involved, a check of the accuracy of the computations and the tracing of accounting data to the books of account. Based upon the sample reviewed, no significant findings were noted.

6. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

<u>Item</u>	<u>Description</u>
A	<p>The examiner recommends that the board of trustees or a committee thereof, approve the purchases and sales of all investments and note such approvals in the minutes. This is a repeat recommendation from the prior report on examination.</p> <p>As of April 2009, the Fund established a planned giving committee that oversees its purchases and sales of investments.</p>

Respectfully submitted,

_____/s/
Ray Mitchell
Insurance Examiner

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

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

_____/s/
Ray Mitchell

Subscribed and sworn to before me
this _____ day of _____

APPOINTMENT NO. 31136

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, BENJAMIN M. LAWSKY, 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:

RAY MITCHELL

as a proper person to examine the affairs of the

**SEGREGATED GIFT ANNUITY FUND OF THE
BARNARD COLLEGE**

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

FUND

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 8th day of April, 2014

BENJAMIN M. LAWSKY
Superintendent of Financial Services

By:



MICHAEL MAFFEI
ASSISTANT DEPUTY SUPERINTENDENT
AND CHIEF OF THE LIFE BUREAU

