



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

CONDITION:

DECEMBER 31, 2012

DATE OF REPORT:

DECEMBER 13, 2013

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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OF THE

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EXAMINER:

DONNA TAYLOR

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NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Shirin Emami
Acting Superintendent

October 30, 2015

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

Madam:

In accordance with instructions contained in Appointment No. 30930, dated October 29, 2013 and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the Manhattan College, hereinafter referred to as “the Fund.” The Fund’s home office is located at 4513 Manhattan College Parkway, Riverdale, NY 10471.

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, 2012 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, 2007. This examination covers the period from January 1, 2008 through December 31, 2012. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2012 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, 2012 to determine whether the Fund's filed 2012 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

Manhattan College (the “College”) is organized for the purpose of providing a contemporary, person-centered educational experience characterized by high academic standards, reflection of faith, values and ethics, and life-long career preparation. 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 November 21, 2003, authorizing it to issue gift annuity agreements as specified in Section 1110 of the New York Insurance Law.

All operations related to the issuance, maintenance and settlement of annuity agreements are handled by the Fund. UBS is the Fund’s custodian and investment manager.

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 is limited to 37 regular voting trustees. As of December 31, 2012, the board consisted of 32 trustees. The trustees elect a chairman of the board, two vice chairs, president, treasurer, and a secretary. The nomination and election procedures of the trustees and their terms 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>2007</u>	December 31, <u>2012</u>	Increase (Decrease)
Admitted assets	\$ <u>1,596,013</u>	\$ <u>1,650,453</u>	\$ <u>54,440</u>
Liabilities	\$ <u>975,572</u>	\$ <u>1,394,041</u>	\$ <u>418,469</u>
Minimum required surplus	\$ 97,557	\$ 139,404	\$ 41,847
Unassigned funds (surplus)	<u>522,884</u>	<u>117,008</u>	<u>(405,876)</u>
Total surplus	\$ <u>620,441</u>	\$ <u>256,412</u>	\$ <u>(364,029)</u>
Total liabilities and surplus	\$ <u>1,596,013</u>	\$ <u>1,650,453</u>	\$ <u>54,440</u>

The increase in assets and liabilities reflects an increase in the total number of annuities in force. Annuities increased from 55 with annual payment amounts of \$128,970 as of December 31, 2007 to a total of 65 with annual payment amounts of \$163,031 as of December 31, 2012.

The decrease in the surplus reflects a decrease in the market value of investments in common stocks.

The Fund's admitted assets, as of December 31, 2012, were invested mainly in common stock (95.23%).

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 action taken by the Fund in response to the citation:

<u>Item</u>	<u>Description</u>
A	<p>The examiner recommended that the board of directors, or a committee thereof, approve the purchase and sale of all investments and that such approval be noted in the board minutes.</p> <p>The examiner reviewed the minutes of the board of trustees, or committee thereof, during the examination period and noted that the board of trustees approved all securities transactions.</p>

Respectfully submitted,

_____/s/
Donna Taylor
Insurance Examiner

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

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

_____/s/
Donna Taylor

Subscribed and sworn to before me
this _____ day of _____

APPOINTMENT NO. 30930

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:

DONNA TAYLOR

as a proper person to examine the affairs of the

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

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

FUND

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 29th day of October, 2013

BENJAMIN M. LAWSKY
Superintendent of Financial Services

By:


MICHAEL MAFFEI

ASSISTANT DEPUTY SUPERINTENDENT
AND CHIEF OF THE LIFE BUREAU

