



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REPORT ON EXAMINATION  
OF THE  
SEGREGATED GIFT ANNUITY FUND  
OF THE  
FORDHAM UNIVERSITY

CONDITION:

DECEMBER 31, 2013

DATE OF REPORT:

MAY 23, 2014

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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OF THE

SEGREGATED GIFT ANNUITY FUND

OF THE

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EXAMINER:

JOCELYNE TURENE

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NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

Andrew M. Cuomo  
Governor

Maria T. Vullo  
Acting Superintendent

March 4, 2016

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

Madam:

In accordance with instructions contained in Appointment No. 31148, dated April 9, 2014 and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the Fordham University, hereinafter referred to as “the Fund,” at its home office located at 441 East Fordham Road, Bronx, New York 10458.

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 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 FUND

The Fordham University (the “University”) is organized for the purpose of promotion of education. Under the provisions of its by-laws, the University is permitted to issue gift annuity agreements and it has done so since 1982. A special permit was granted to the University by the Department on April, 26, 1944, authorizing it to issue gift annuity agreements as specified in Section 1110 of the New York Insurance Law. All operations related to the issuance of annuity agreements are handled by the Fund

State Street Bank and Trust Company is the custodian and investment manager of the Fund’s investments and issues annuity benefit checks to the annuitants.

The management of the University and the Fund and all of its affairs and property are entrusted to a board of trustees. The number of trustees is limited to not more than forty nor less than five regular voting trustees. As of December 31, 2013, the board consisted of 40 trustees. The trustees elect a chairman, vice chairman, secretary and president. 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:

	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2013</u>	<u>Increase</u> <u>(Decrease)</u>
Admitted assets	<u>\$4,301,322</u>	<u>\$5,285,471</u>	<u>\$984,149</u>
Liabilities	<u>\$2,880,863</u>	<u>\$3,878,788</u>	<u>\$997,925</u>
Minimum required surplus	\$ 288,086	\$ 387,879	\$ 99,793
Unassigned funds (surplus)	<u>1,132,373</u>	<u>1,018,804</u>	<u>(113,569)</u>
Total surplus	<u>\$1,420,459</u>	<u>\$1,406,683</u>	<u>\$(13,776)</u>
Total liabilities and surplus	<u>\$4,301,322</u>	<u>\$5,285,471</u>	<u>\$984,149</u>

The increase in assets and liabilities reflects an increase in annuities issued. Annuities increased from 86 with annual payment amounts of \$ 414,217 as of December 31, 2008 to a total of 105 with annual payment amounts of \$426,338 as of December 31, 2013.

The increase in assets is also attributable to positive market conditions reflected in the Fund's investments.

The decrease in surplus is due to the additional reserve required by Department Regulation No. 126.

The Fund's admitted assets, as of December 31, 2013, were invested mainly in common stocks (59.50%) and bonds (34.17%). All bonds held were investment grade.

## 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.

Respectfully submitted,

\_\_\_\_\_/s/  
Jocelyne Turene  
Insurance Examiner

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

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

\_\_\_\_\_/s/  
Jocelyne Turene

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_

APPOINTMENT NO. 31148

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:

**JOCELYNE TURENE**

as a proper person to examine the affairs of the

**SEGREGATED GIFT ANNUITY FUND OF THE  
FORDHAM UNIVERSITY**

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 9th day of April, 2014

BENJAMIN M. LAWSKY  
Superintendent of Financial Services

By:

  
MICHAEL MAFFEI

ASSISTANT DEPUTY SUPERINTENDENT  
AND CHIEF OF THE LIFE BUREAU

