NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

FINANCIAL REPORT ON EXAMINATION

OF THE

GLOBE LIFE INSURANCE COMPANY OF NEW YORK

CONDITION:	DECEMBER 31, 2019
DATE OF REPORT:	APRIL 7, 2021

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EXAMINER:	RACHELLE GOWINS

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November 10, 2021

Honorable Adrienne A. Harris
Acting Superintendent of Financial Services
New York, New York 10004

Dear Adrienne Harris:

In accordance with instructions contained in Appointment No. 32083, dated May 5, 2020, and annexed hereto, an examination has been made into the condition and affairs of Globe Life Insurance Company of New York, hereinafter referred to as "the Company." The Company's home office is located at 301 Plainfield Road, Suite 150, Syracuse, NY 13212. 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 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 ("NAIC") *Financial Condition Examiners Handbook, 2020 Edition* (the "Handbook"). The examination covers the four-year period from January 2016 through December 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.

The examination was conducted on a risk-focused basis in accordance with the provisions of the Handbook published by the 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 coordinated in conjunction with the examination of the insurer's affiliates: Globe Life and Accident Insurance Company ("GLAIC"); Liberty National Life Insurance Company; United American Insurance Company ("UAIC"), all Nebraska domiciled life insurers; American Income Life Insurance Company, an Indiana domiciled life insurer, Family Heritage Life Insurance Company of America, an Ohio domiciled life insurer; and National Income Life Insurance Company ("NILIC"), a New York domiciled insurer. The coordinated examination was led by the State of Nebraska, with participation from the states of Indiana, New York and Ohio. Since the lead and participating states are 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 2016 through 2019, by the accounting firm of Deloitte & Touche LLP. The Company received an unqualified opinion in all years. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. Globe Life, Inc. ("Globe Life"), the Company's ultimate parent, has an internal audit department and a separate internal control department that are given the task of assessing the internal control structure and compliance with the Sarbanes-Oxley Act of 2002 ("SOX") and the Model Audit Rule ("MAR"). Where applicable, SOX and MAR workpapers 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 stock life insurance company under the laws of the State of New York on June 16, 1981, under the name of Globe International Life Insurance Company. The Company was licensed and commenced business on December 10, 1984. The name of the Company was changed to First United American Life Insurance Company effective October 1, 1985. The name of the Company was changed to Globe Life Insurance Company of New York effective January 1, 2017.

Initial resources of $6,428,480, consisting of common capital stock of $2,000,000 and paid in and contributed surplus of $4,428,480, were provided through the sale of 100 shares of common stock (with a par value of $20,000 each) for $64,284.80 per share.

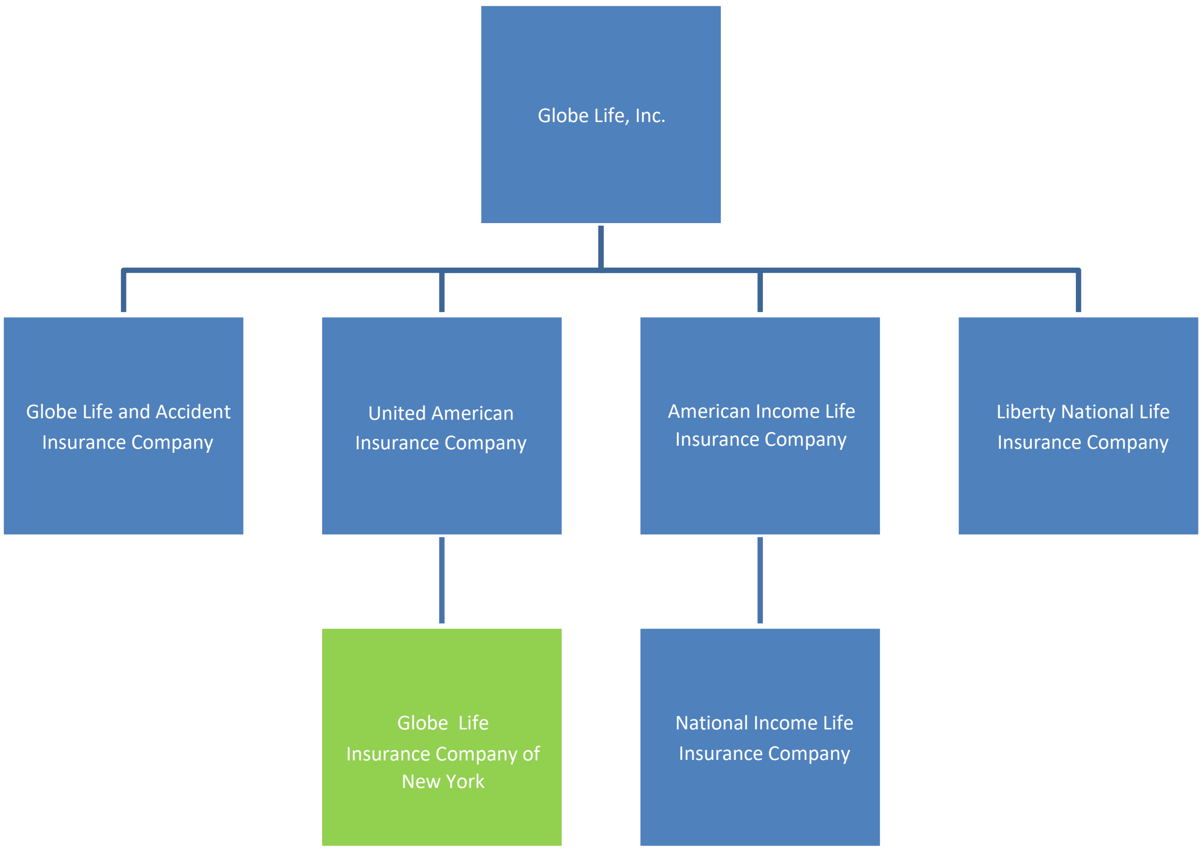
On July 1, 2016, the Company sold its Medicare Part D Prescription Drug Plan ("Medicare Part D") business to SilverScript Insurance Company ("SilverScript"). The purchase price was determined based on the number of enrollees in SilverScript plans in 2017. In conjunction with this sale, the Company entered into a reinsurance agreement and an administrative service agreement with SilverScript effective July 1, 2016, to December 31, 2016. According to the reinsurance agreement, the Company would assume 100% of the Medicare Part D and would receive as compensation all premiums, payments, and other recoveries related to the Medicare Part D. The Company also administered the Medicare Part D on behalf of SilverScript until the end of 2016.

B. Holding Company

The Company is a wholly owned subsidiary of UAIC, a Nebraska insurance company. UAIC is in turn a wholly owned subsidiary of Globe Life, Inc., the ultimate parent of the Company. Globe Life, Inc. is a publicly traded Delaware investment advisory company. NILIC is a New York domiciled affiliate insurer.

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 five 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
Service Agreement (Department File No. 28815) Addendum #1 (Department File No. 32816)	08/01/2000 07/01/2004	UAIC	The Company	Underwriting, claims and administrative support for certain health insurance and military business. Data processing, accounting, record retention, telephone, legal, and actuarial services. Amended provisions including maintenance of books and accounts and ownership and custody of records.	2016 $(1,242,455) 2017 $(992,612) 2018 $(319,813) 2019 $(322,843)
Service Agreement (Department File No. 27016) Amended (Department File No. 31378) Amended (Department File No. 32815) Amended (Department File No. 55423)	04/01/2001 06/01/2003 07/01/2004 01/01/2018	GLAIC	The Company	Billing, underwriting, claims, marketing and advertising for direct response business. Amended provisions regarding billing services, maintenance of books records and custody of records. Amended provisions regarding services above. Amended provisions regarding services above.	2016 $(4,252,707) 2017 $(3,581,368) 2018 $(4,249,750) 2019 $(3,974,215)
Service Agreement (Department File No. 31541)	11/01/2003	The Company	NILIC	Supervisory, oversight, support, and managerial services.	2016 $7,961 2017 $8,122 2018 $8,330 2019 $8,544

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
Sublease Agreement (Department File No. 31377)	03/05/2007 Terminated 04/30/2017	The Company	NILIC	Sublease of office space	2016 $2,050 2017 $ 912 2018 $0 2019 $0
Sublease Agreement (Department File No. 54752)	05/01/2017	The Company	NILIC	Sublease of office space	2017 $1,824 2018 $2,736 2019 $2,736
Investment Agreement (Department File No. 21949 A&B) Amended (Department File No. 49203)	01/01/1994 01/01/2015	Globe Life Inc.	The Company	Manage money, stocks, bonds, and securities. Amended calculations of fees (percentage of assets under management)	2016 $(451,327) 2017 $(489,642) 2018 $(511,769) 2019 $(535,470)

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

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

The decrease in allocated expenses charged to the Company by UAIC in 2017 as compared to 2016 was primarily a result of payroll expense associated with the Company’s employees that worked in the Company’s New York office. In 2016 and prior, the Company’s New York employees’ salaries were paid by UAIC under the agreement and reimbursed quarterly by the Company. Beginning in 2017, the Company’s New York employees were paid directly by the Company.

The decrease in allocated expenses charged to the Company by UAIC and the similar increase in allocated expenses charged to the Company by GLAIC in 2018 as compared to 2017 was primarily a result of GLAIC replacing UAIC as the provider of home office functional services, as all UAIC employees were converted to GLAIC employees. The service agreement between the Company and GLAIC was amended in 2018 to reflect this change.

The decrease in allocated expenses charged to the Company by GLAIC in 2017 as compared to 2016 was primarily a result of a decrease in allocated direct mail marketing expenses allocated to the Company, as the Company significantly reduced its direct mail marketing during that year.

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 fifteen directors. Directors are elected for a period of one year at the annual meeting of the stockholders held at the time and on a date determined by the board of directors. As of December 31, 2019, the board of directors consisted of eight members. Meetings of the board are held quarterly.

The eight board members and their principal business affiliation, as of December 31, 2019, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
John R. Camillo* Manhasset, New York	Attorney at Law Self-employed	2019
Michael S. Henrie Plano, Texas	Treasurer Globe Life Insurance Company of New York	2017
Denis M. Hughes* Staten Island, New York	Senior Operating Partner Stonepeak Infrastructure	2015
Thomas P. Kalmbach McKinney, Texas	Divisional Senior Vice President, Chief Actuary Globe Life Insurance Company of New York	2019
Dirk Marschhausen* Garden City, New York	Attorney at Law Marschhausen and Fitzpatrick PC	1997
James A. Savo Liverpool, New York	Divisional Vice President Globe Life Insurance Company of New York	2000
Stephen W. Still* Mountain Brook, Alabama	Attorney at Law Maynard, Cooper and Gale, PC	2003
Frank M. Svoboda Grapevine, Texas	President Globe Life Insurance Company of New York	2015

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

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
Frank M. Svoboda	President
Michael S. Henrie	Treasurer
Thomas P. Kalmbach	Divisional Senior Vice President and Chief Actuary
Joel P. Scarborough	Divisional Senior Vice President, General Counsel and Secretary
James A. Savo*	Divisional Vice President, Operations and General Manager

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

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 licensed to transact business only in New York. Policies are written on a non-participating basis.

A. Statutory and Special Deposits

As of December 31, 2019, the Company had $400,000 (par value) of United States Treasury 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's principal lines of business during the examination period were Medicare supplement (reported as accident and health business), individual life and individual annuities. Medicare supplement (59%), individual life (39%) and individual annuities (2%) represent 100% of the net premiums received in 2019.

The Company's individual Medicare supplement and individual annuities are solicited primarily through the Company's agency force, which operates on a general agency basis. The Company's individual life is sold primarily through direct response marketing. The Company's group Medicare supplement is generally sold to employers and union groups through licensed brokers or agents.

The Company sold its Medicare Part D business to SilverScript on July 1, 2016.

The Company stopped marketing individual annuities effective August 10, 2013.

C. Reinsurance

As of December 31, 2019, the Company had no reinsurance treaties in effect for new business. The Company reported total accident and health unearned premiums and reserve credit taken other than unearned premium of $285,036. The accident and health reserve credit are from a reinsurance treaty that was terminated on July 1, 1993, which covered the Company's long-term care business. The long-term care business is currently in run-off.

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, 2015	December 31, 2019	Increase (Decrease)
Admitted assets	$209,706,024	$250,153,582	$40,447,558
Liabilities	$174,096,005	$208,394,881	$34,298,876
Common capital stock	$ 2,000,000	$ 2,000,000	$ 0
Gross paid in and contributed surplus	4,428,480	4,428,480	0
Special Surplus 2016 HIP Fee	189,000	0	(189,000)
Unassigned funds (surplus)	28,992,539	35,330,221	6,337,682
Total capital and surplus	$ 35,610,019	$ 41,758,701	$ 6,148,682
Total liabilities, capital and surplus	$209,706,024	$250,153,582	$40,447,558

The Company's invested assets as of December 31, 2019, were mainly comprised of bonds (94%). The majority (96.8) of the Company's bond portfolio, as of December 31, 2019, was comprised of investment grade obligations.

The increase in admitted assets of $40.4 million during the examination period was primarily the result of a $53.3 million increase in invested assets and $12 million decrease in health care receivables from the Centers for Medicare and Medicaid Services ("CMS"). The invested assets increased because of positive cash flow during the examination period.

The increase in liabilities of $34.3 million during the examination period was primarily the result of a $26.3 million increase in life reserves, a $2.1 million increase in health reserves, a $2.5 million unclaimed property liability resulting from the Company's Section 308 examination settlements, $2.4 million increase in contract claims and $650,000 increase in premiums received in advance.

The increase in unassigned funds of $6.3 million during the examination period was primarily due to net income of $21.6 million and a change in non-admitted assets of $900,000, exceeding $13.9 of dividends paid, a $2 million change in deferred tax, and a $500,000 change in Asset Valuation Reserve.

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	
Year	Issued	In Force	Issued	In Force
2016	$292,310	$1,269,186	$494,690	$914,655
2017	$262,565	$1,269,990	$458,600	$942,845
2018	$189,100	$1,253,224	$344,980	$951,881
2019	$200,615	$1,258,828	$315,730	$966,252

The reason for the significant decrease in both individual whole life and individual term insurance issued in 2018 as compared to 2017 was due to a decrease in direct mail sales resulting from the Company’s strategic decision to reduce its direct mail costs and marketing for that particular period.

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

	Ordinary Annuities			
	2016	2017	2018	2019
Outstanding, end of previous year	1,615	1,582	1,525	1,364
Issued during the year	1	0	0	0
Other net changes during the year	(34)	(57)	(161)	(143)
Outstanding, end of current year	1,582	1,525	1,364	1,221

The significant decrease in other net changes during the year for ordinary annuities in both 2018 and 2019 was due to annuity policies falling out of their stipulated surrender charge periods. The decreases in policy count in 2018 and 2019 are due to increases in policy surrenders.

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			
	2016	2017	2018	2019
Outstanding, end of previous year	32,320	35,566	30,272	32,044
Issued during the year	6,503	5,207	4,960	4,154
Other net changes during the year	(3,257)	(10,501)	(3,188)	(3,078)
Outstanding, end of current year	35,566	30,272	32,044	33,120

The significant decreases in accident and health ordinary issued during the year and accident and health ordinary other net changes during 2017 was primarily a result of the Company selling its Medicare Part D business on July 1, 2016 to SilverScript.

The significant decrease in accident and health ordinary issued during the examination period was primarily due to a decrease in Accidental Death Benefit policies. These policies are sold through direct mail sales and the decrease was the result of a strategic decision by the Company to significantly reduce its direct mail marketing in 2017 due to high obligation rates incurred with this business.

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:

	2016	2017	2018	2019
Ordinary:				
Life insurance	$2,749,170	$(4,403,119)	$ 18,798	$ 7,830,371
Individual annuities	338,118	735,541	595,847	923,210
Total ordinary	$3,087,288	$(3,667,578)	$ 614,645	$ 8,753,581
Accident and health:				
Group	$ 41,339	$ 33,166	$ 101,499	$ 0
Other	3,072,764	3,891,495	1,162,843	4,540,642
Total accident and health	$3,114,103	$ 3,924,661	$1,264,342	$ 4,540,642
Total	$6,201,391	$ 257,083	$1,878,986	$13,294,221

The decrease in ordinary life insurance net gain from operations in 2017 as compared to 2016 was primarily a result of an increase in life claim reserves of approximately $8.4 million related to examination remediation items and circulator letter requirements totaling $1.8 million and $6.6 million, respectively.

The increase in ordinary life insurance net gain from operations in 2018 as compared to 2017 was a result of the one-time increase in life claim reserves of $8.4 million in 2017 as referenced in the preceding paragraph, and a $4.5 million reduction in incurred claim liability based on 2018 paid benefits.

The increase in ordinary life insurance net gain from operations in 2019 as compared to 2018 was primarily a result of the effect of net gain from lower incurred benefits and benefit reserve changes. In 2019, incurred life benefits were $5.6 million lower than in 2018, due to a reduction in claim liability of $3.7 million and reduced benefit payments of $1.8 million. Similarly, the decrease in life reserve was related to an additional reserve set up due to Cash Flow Testing (“CFT”). In 2018 the change in CFT reserve was $1.6 million, followed by ($680,000) in 2019. The net swing of CFT reserve change was $2.2 million.

The increase in ordinary individual annuities net gain from operations in 2017 as compared to 2016 is a result of a $1.2 million decrease in premiums and a $1.1 million increase in annuity benefits, offset by a $2.3 million decrease in reserves, a $300,000 reduction in commissions and expenses, and a $100,000 increase in investment income.

The decrease in ordinary individual annuities net gain from operations in 2018 as compared to 2017 was a result of a $1.3 million decrease in premiums, a $3.8 million increase in annuity benefits, and a $200,000 increase in commissions and expenses, offset by a $5 million decrease in reserves.

The increase in ordinary individual annuities net grain from operations in 2019 as compared to 2018 was a result of a $600,000 decrease in premiums and a $2.5 million increase in annuity benefits, offset by a $3.1 million decrease in reserves and a $300,000 decrease in commissions and expenses.

The zero-amount reported for accident and health group net gain from operations in 2019 was a result of changes made to the 2019 Annual Statement blank. In 2018, group health was reported on column 9 of page 6 (Accident and Health - Group). This column was removed by the

NAIC. For 2019 and going forward, all health business is combined and reported in column 6 of page 6 (Accident and Health).

The increase in accident and health other net gain from operations in 2017 as compared to 2016 was due to a decrease in health benefits due to the sale of the Medicare Part D block of business.

The decrease in accident and health other net gain from operations in 2018 as compared to 2017 was mainly a result of the Company establishing a $4.5 million "uncontested exhaustion and developing exhaustion claim liability" reserve at year-end 2018 related to an unsettled Medicare exhaustion claim that was outstanding at year-end, offset by a $2 million increase in premiums.

The increase in accident and health other net gain from operations in 2019 as compared to 2018 is mainly a result of a $1.5 million increase in premiums and a $2.7 million decrease in incurred benefits primarily attributed to the release of the previously mentioned "uncontested exhaustion and developing exhaustion claim liability" reserve. These increases are offset by increased commissions, general administration expenses, and taxes, licensing and fees totaling approximately $1.1 million.

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:

	2016	2017	2018	2019
Premiums earned	100.0%	100.0%	100.0%	100.0%
Incurred losses	77.0%	69.1%	73.9%	66.5%
Commissions	13.5	16.4	17.0	16.6
Expenses	2.7	5.8	5.2	5.6
	93.2%	91.3%	96.1%	88.7%
Underwriting results	6.8%	8.7%	3.9%	11.3%

The fluctuation in the ratios for incurred losses in 2016 and 2017 is directly related to high claims experience related to the Company's Medicare Part D business in 2016, followed by decreases in incurred losses ratio in 2017, primarily a result of decreased claims due to the Company selling its Medicare Part D – Prescription Drug Plan business in July 2016.

The fluctuation in the ratios for incurred losses in 2018 and 2019 is directly related to the Company’s establishment of an “uncontested exhaustion and developing exhaustion claim liability” reserve at year-end 2018 related to an unsettled Medicare exhaustion claim that was outstanding at year-end 2018 and ultimately released during 2019.

The decrease in the ratio for commissions in 2017 as compared to 2016 was primarily a result of the Company selling its Medicare Part D business.

The low expenses ratio in 2016 as compared to the other years under examination was a result of the Company unintentionally omitting approximately $1.16 million of general expenses in its 2016 calculation.

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 Deloitte & Touche LLP was retained by the Company to audit the Company's combined statutory basis statements of financial position of the Company as of December 31st 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.

Deloitte & Touche 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	$219,921,673
Cash, cash equivalents and short-term investments	639,535
Contract loans	9,131,751
Other invested assets	3,796,872
Investment income due and accrued	2,853,048
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	1,413,388
Deferred premiums, agents' balances and installments booked but deferred and not yet due	5,768,685
Current federal and foreign income tax recoverable and interest thereon	1,187,534
Net deferred tax asset	5,053,000
New York Department Adjustments	388,096
Total admitted assets	$250,153,582

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$174,813,505
Aggregate reserve for accident and health contracts	13,086,232
Contract claims:	
Life	5,269,000
Accident and health	6,418,000
Premiums and annuity considerations for life and accident and health contracts received in advance	1,825,870
Interest maintenance reserve	888,151
Taxes, licenses and fees due or accrued, excluding federal income taxes	194,471
Amounts withheld or retained by company as agent or trustee	2,877,602
Amounts held for agents' account	603,470
Remittances and items not allocated	112,288
Miscellaneous liabilities:	
Asset valuation reserve	1,963,581
Payable to parent, subsidiaries and affiliates	265,387
Payable for securities	74,650
Adjustment for nursing home business	2,674
Total liabilities	$208,394,881
Common capital stock	2,000,000
Gross paid in and contributed surplus	4,428,480
Unassigned funds (surplus)	35,330,221
Surplus	$ 39,758,701
Total capital and surplus	$ 41,758,701
Total liabilities, capital and surplus	$250,153,582

D. Condensed Summary of Operations

	2016	2017	2018	2019
Premiums and considerations	$76,676,555	$68,584,420	$70,234,481	$70,898,595
Investment income	9,420,017	9,994,752	10,688,131	11,236,119
Commissions and reserve adjustments on reinsurance ceded	3,091	2,820	2,160	1,693
Miscellaneous income	1,242,033	33,993	(66,472)	1,250
Total income	$87,341,696	$78,615,985	$80,858,300	$82,137,657
Benefit payments	$46,676,025	$50,760,985	$54,243,064	$48,484,141
Increase in reserves	12,687,112	10,276,293	5,982,455	(610,909)
Commissions	6,637,557	6,591,252	7,100,374	7,201,082
General expenses and taxes	10,971,055	9,602,872	8,744,127	9,453,560
Increase in loading on deferred and uncollected premiums	(250,970)	(50,289)	575,206	30,097
Miscellaneous deductions	0	0	998,368	171,770
Total deductions	$76,720,779	$77,181,113	$77,643,594	$64,729,741
Net gain (loss) from operations	$10,620,917	$ 1,434,872	$ 3,214,706	$17,407,916
Federal and foreign income taxes incurred	4,419,526	1,177,789	1,335,720	4,113,695
Net gain (loss) from operations before net realized capital gains	$ 6,201,391	$ 257,083	$ 1,878,986	$13,294,221
Net realized capital gains (losses)	1,591	(23,986)	10,552	21,631
Net income	$ 6,202,982	$ 233,097	$ 1,889,538	$13,315,852

The decrease in premiums in 2017 as compared to 2016 was primarily due to a $9.1 million decrease in Medicare Part D premiums as a result of the Company selling its Medicare Part D business in July 2016.

The significant miscellaneous income reported in 2016 was primarily a result of a $1.1 million gain on the sale of the Company's Medicare Part D business. The Company received approximately $1,241,000 on July 1, 2016 and established a liability of $141,000 for the purchase price adjustment to be determined in March 2017. The net of the adjustments is $1,100,000 which is included in other income.

The significant decrease reported for “Increase in reserves” in 2018 as compared to 2017 was due to the Company issuing 721,165 new policies in 2017 and only 534,080 new policies in 2018. In addition, since the Company no longer markets annuities its account balance decreased approximately $2.2 million in 2018 due to annuity surrenders.

The significant decrease reported for “Increase in reserves” in 2019 as compared to 2018 was primarily a result of the continuing decrease in annuity reserves, as the annuity account balance decreased by approximately $5.4 million in 2019 due to annuity surrenders.

The decrease in general expenses and taxes in 2017 as compared to 2016 was primarily due to a decrease in advertising expenses for direct mail solicitation. In addition, expenses related to Medicare Part D decreased as the Company stopped selling Medicare Part D in July 2016.

The decrease in general expenses and taxes in 2018 as compared to 2017 was primarily a result of a liability of $752,000 booked for anticipated expenses related to the Medicare Part D set up in 2017 and released in 2018 resulting in a credit to general expenses.

The increase in general expenses and taxes in 2019 as compared to 2018 was a result of the lower 2018 reported amount due to the credit to Medicare Part D expenses booked in 2018 that is discussed previously.

The significant miscellaneous deductions reported in 2018 was primarily a result of accrued examination assessments relating to the Department’s 2012 triennial examination, and the Department’s 2017-2018 investigation subsequent to an examination pursuant to Section 308 of the New York Insurance Law.

E. Capital and Surplus Account

	2016	2017	2018	2019
Capital and surplus, December 31, prior year	$35,610,019	$39,002,671	$30,292,262	$29,255,184
Net income	$ 6,202,982	$ 233,097	$ 1,889,538	$13,315,852
Change in net deferred income tax	447,000	(3,525,000)	503,000	550,000
Change in non-admitted assets and related items	2,764	719,679	(565,906)	750,046
Change in asset valuation reserve	(259,219)	63,206	(34,484)	(233,395)
Dividends to stockholders	(3,000,875)	(6,201,391)	(2,829,226)	(1,878,986)
Net change in capital and surplus for the year	$ 3,392,652	$ (8,710,409)	$ (1,037,078)	$12,503,517
Capital and surplus, December 31, current year	$39,002,671	$30,292,262	$29,255,184	$41,758,701

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.

8. SUMMARY AND CONCLUSIONS

Following is the comment included 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.	24

Respectfully submitted,

Rachelle Gowins

Rachelle Gowins
Examination Resources, LLC

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

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

Rachelle Gowins

Rachelle Gowins

Subscribed and sworn to before me

this 8th day of December 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/
Vincent Targia
Principal Insurance Examiner

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

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

/s/
Vincent Targia

Subscribed and sworn to before me

this__________ day of ___________________

APPOINTMENT NO. 32083

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **LINDA A. LACEWELL**, 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:*

RACHELLE GOWINS
(EXAMINATION RESOURCES, LLC)

as a proper person to examine the affairs of the

GLOBE 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 5th day of May, 2020

LINDA A. LACEWELL
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU