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**TARGETED MARKET CONDUCT REPORT ON EXAMINATION**

**OF**

**THE UNITED STATES LIFE INSURANCE COMPANY**

**IN THE CITY OF NEW YORK**

**AS OF DECEMBER 31, 2020**

**EXAMINER:**

**CHONG KIM**

**DATE OF REPORT:**

**MARCH 24, 2022**

## TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE NO.</u>
1. Scope of examination	2
2. Description of Company	2
A. History	2
B. Territory and plan of operation	2
3. Market conduct activities	5
A. Advertising and sales activities	5
B. Underwriting and policy forms	5
C. Option to Opt-Out	5

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KATHY HOCHUL  
Governor



ADRIENNE A. HARRIS  
Superintendent

August 12, 2022

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

Dear Adrienne A. Harris:

In accordance with instructions contained in Appointment No. 32328, dated December 7, 2021, and annexed hereto, an examination has been made into the condition and affairs of The United States Life Insurance Company in the City of New York, hereinafter referred to as "the Company". The Company's home office is located at 175 Water Street, New York, NY 10038. 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. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2019, to December 31, 2020.

The examination comprised a review of the Company's electronic application process and related market conduct activities.

This report on examination is confined to comments on matters which involve departure from laws, regulations or rules, or which require explanation or description.

## 2. DESCRIPTION OF COMPANY

### A. History

The Company was incorporated as a stock life insurance company under the laws of New York on February 25, 1850 and commenced business on March 4, 1850.

Under a special permit issued pursuant to Section 4231 of the New York Insurance Law, the Company writes both participating and non-participating business in all jurisdictions in which it is authorized to do business. The Company is licensed to transact business in all 50 states, the District of Columbia, and the territory of the U.S. Virgin Islands.

On June 17, 1997, American General Corporation ("AGC") acquired control of the Company and its immediate parent, USLIFE Corporation, through the merger of USLIFE Corporation with Texas Stars Corporation, a wholly owned subsidiary of AGC. On August 29, 2001, AGC was acquired by American International Group, Inc. ("AIG"), a Delaware holding corporation, resulting in AIG becoming the Company's ultimate parent.

### B. Territory and Plan of Operation

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 in all 50 states, the District of Columbia, Guam and The U.S. Virgin Islands. In 2020, 68.5% of life premiums, 98% of annuity considerations, and 37% of accident and health premiums (long-term care insurance) were received from New York. Policies are written on a non-participating basis.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2020:

<u>Life Insurance Premiums</u>		<u>Annuity Considerations</u>	
New York	68.5%	New York	98.0%
Minnesota	9.8	Florida	0.5
New Jersey	3.7	New Jersey	0.5
Florida	3.1	Missouri	0.2
Michigan	<u>1.7</u>	Arizona	<u>0.2</u>
Subtotal	86.8%	Subtotal	99.4%
All others	<u>13.2</u>	All others	<u>0.6</u>
Total	<u>100.0%</u>	Total	<u>100.0%</u>

Accident and Health  
Insurance Premiums

New York	37.0%
Florida	13.3
California	6.9
New Jersey	4.7
Texas	<u>3.6</u>
Subtotal	65.5%
All others	<u>34.5</u>
Total	<u>100.0%</u>

The Company markets individual life insurance, individual annuities, group insurance, and certain credit life insurance. Individual life insurance products include term life, whole life, universal life, index universal life, and variable universal life insurance. Individual annuities include fixed flexible premium deferred annuities, single premium immediate annuities, and structured settlement contracts. Group insurance products include group life, immediate fixed annuities, fixed terminal funding annuities, accidental death and dismemberment, dental, vision, excess major medical, and disability insurance.

The Company's primary distribution channels include banks, wirehouses, broker-dealers, independent marketing organizations and independent insurance agents.

#### 4. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's electronic application processes for life insurance and annuities 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 sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies as part of the Company's electronic application process review.

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

##### B. Underwriting and Policy Forms

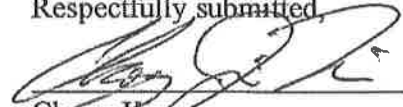
The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms as part of the Company's electronic application process review.

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

##### C. Option to Opt-Out

The examiner verified that the applicants had an opportunity to opt out of the electronic process as required by Section 309 of the New York State Technology Law.

Respectfully submitted,

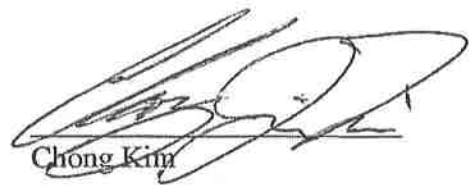


Chong Kim

Associate Insurance Examiner

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

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



Chong Kim

Subscribed and sworn to before me

this 23rd day of August, 2022

Audrey Hall

AUDREY HALL  
Notary Public, State of New York  
No. 01HA8274900  
Qualified in Kings County  
Commission Expires January 28, 2025



Respectfully submitted,

\_\_\_\_\_/s/  
Courtney Williams  
Principal Insurance Examiner

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

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

\_\_\_\_\_/s/  
Courtney Williams

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

NEW YORK STATE

**DEPARTMENT OF FINANCIAL SERVICES**

I, ADRIENNE A. HARRIS, 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:

**CHONG KIM**

as a proper person to examine the affairs of the

**UNITED STATES LIFE INSURANCE COMPANY IN THE CITY OF NEW YORK**

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

**COMPANY**

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 7th day of December, 2021

ADRIENNE A. HARRIS  
Acting Superintendent of Financial Services

By:

*Mark McLeod*

MARK MCLEOD  
DEPUTY CHIEF - LIFE BUREAU

