



**TARGETED MARKET CONDUCT REPORT ON EXAMINATION**

**OF THE**

**NEW YORK LIFE INSURANCE COMPANY**

**AS OF DECEMBER 31, 2020**

**EXAMINER:**

**ANN MARIE THOMPSON**

**DATE OF REPORT:**

**SEPTEMBER 30, 2021**

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KATHY HOCHUL  
Governor



ADRIENNE A. HARRIS  
Superintendent

August 19, 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. 32145, dated September 29, 2020, and annexed hereto, an examination has been made into the condition and affairs of New York Life Insurance Company, hereinafter referred to as “the Company”. The Company’s home office is located at 51 Madison Avenue, New York, NY 10010. 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

For the review of the market conduct activities, this examination covers the period from January 1, 2015, to December 31, 2019, for items A and B and covers the period from January 1, 2018, to December 31, 2020, for item C.

The examination comprised a review of targeted market conduct activities and utilized the National Association of Insurance Commissioners' *Market Regulations Handbook* or such other examination procedures, as deemed appropriate, in such review. The market conduct activities reviewed include the Company's practices and procedures regarding identification of unclaimed death benefits, locating beneficiaries, and making prompt payments, as well as the use of death information, including information available from the Social Security Administration Death Master File, in relation to the requirements set forth in 11 NYCRR 226 (Insurance Regulation 200); the Company's complaint handling practices and procedures; and 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 originally chartered in May 1841 as Nautilus Insurance Company and was authorized to write fire and marine insurance, inland navigation and transportation risks. The charter was amended in April 1843 to permit Nautilus Insurance Company to organize as a mutual company and write life insurance. The by-laws were amended in June 1845 to restrict the Company's business to "insurance on life and all and every insurance pertaining to life." The Company's name was officially changed to New York Life Insurance Company on April 5, 1849.

### 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 50 states, the District of Columbia, Canada and Puerto Rico. In 2020, 13.6% of life insurance premiums, 1.9% of annuity considerations, 14.7% of accident and health insurance premiums, and 29.8% of deposit-type funds were received from New York. Approximately 97% of the Company's policies are written on a 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>	
California	15.4%	Delaware	41.3%
New York	13.6	Michigan	6.5
Texas	7.9	California	4.7
Florida	4.9	Maryland	3.5
New Jersey	<u>4.5</u>	Minnesota	<u>3.2</u>
Subtotal	46.3%	Subtotal	59.2%
All others	<u>53.7</u>	All others	<u>40.8</u>
Total	<u>100.0%</u>	Total	<u>100.0%</u>

Accident and Health  
Insurance Premiums

New York	14.7%
California	13.3
Texas	7.1
Florida	5.2
Virginia	<u>3.6</u>
Subtotal	43.9%
All others	<u>56.1</u>
Total	<u>100.0%</u>

Deposit Type Funds

Delaware	67.8%
New York	29.8
Indiana	1.1
Iowa	0.5
Montana	<u>0.4</u>
Subtotal	99.7%
All others	<u>0.3</u>
Total	<u>100.0%</u>

### 3. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

#### A. Insurance Regulation 200

The examiner reviewed the Company's practices and procedures regarding identification of unclaimed death benefits, locating beneficiaries, and making prompt payments, as well as the use of death information, including information available from the Social Security Administration Death Master File.

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

#### B. Complaint Handling

The examiner reviewed the Company's complaint handling practices and procedures. Based upon the sample reviewed, no significant findings were noted.

#### C. Electronic Application Process

The examiner reviewed various elements of the Company's electronic application processes for life insurance policies and annuities issued to determine compliance with applicable statutes, regulations and the operating rules of the Company.

##### 1.) 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.

2.) 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.

3.) 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,



Ann Marie Thompson  
Senior Insurance Examiner

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

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



Ann Marie Thompson

Subscribed and sworn to before me

this 8<sup>th</sup> day of September, 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 \_\_\_\_\_

**APPOINTMENT NO. 32145**

**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:

**ANN MARIE THOMPSON**

*as a proper person to examine the affairs of the*

**NEW YORK LIFE INSURANCE COMPANY**

*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 29th day of September, 2020*

**LINDA A. LACEWELL**  
*Superintendent of Financial Services*

By:

*Mark McLeod*

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**MARK MCLEOD**  
**DEPUTY CHIEF - LIFE BUREAU**

