



FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

ATHENE LIFE INSURANCE COMPANY OF NEW YORK

AS OF DECEMBER 31, 2021

EXAMINER:

KINGS ANKRAH

DATE OF REPORT:

JUNE 16, 2023

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KATHY HOCHUL
Governor



ADRIENNE A. HARRIS
Superintendent

June 16, 2023

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. 32403, dated April 8, 2022, and annexed hereto, an examination has been made into the condition and affairs of Athene Life Insurance Company of New York, hereinafter referred to as “the Company”. The Company’s home and administrative office is located at One Blue Hill Plaza, Suite 1672, Pearl River, NY 10965. The Company’s mailing address is 7700 Mills Civic Parkway, West Des Moines, IA 50266. 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 material findings and violations contained in this report are summarized below.

The Company violated Section 1505(d)(3) of the New York Insurance Law by changing the billing terms of its SSA without notifying the superintendent in writing of its intention at least thirty days prior thereto. (See item 3D of this report.)

The Company violated Section 243.2(b)(1)(iii) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain copies of life insurance policy forms, including the policy specifications page, in its policy files. (See item 6 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's") *Financial Condition Examiner's Handbook, 2022 Edition* (the "Handbook"). The examination covers the four-year period from January 1, 2018, to December 31, 2021. 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, 2021, 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 conducted in conjunction with the coordinated examination of the Company's indirect parent, Athene Annuity and Life Company ("AAIA"). The examination was led by the State of Iowa, with participation from the State of New York. Since the lead and participating states are all 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 2018 through 2021, by the accounting firm of PricewaterhouseCoopers, LLP (“PwC”). The Company received an unqualified opinion in all years under examination. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. The Company’s ultimate parent, Athene Holding Ltd. (“AHL”), has an internal audit department and a separate internal control department which was given the task of assessing the internal control structure and compliance with the Sarbanes-Oxley Act of 2002 (“SOX”) and Model Audit Rule (“MAR”) for its subsidiaries. Where applicable, SOX and MAR workpapers and reports were reviewed, and portions were relied upon for this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the violation and recommendation contained in the prior report on examination. The results of the examiner’s review are contained in item 7 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 COMPANY

A. History

The Company was incorporated as a stock life insurance company under the laws of the State of New York on April 17, 1958, and was licensed and commenced business on November 25, 1958, under the name Gotham Life Insurance Company of New York. Initial resources of \$650,000, consisting of common capital stock of \$300,000 and paid in and contributed surplus of \$350,000, were provided through the sale of 3,000 shares of common stock (with a par value of \$100 each) for \$216.67 per share.

In 1979, the Company changed its name to Bankers Life and Casualty Company of New York. In March 1994, the Company changed its name to Bankers Life Insurance Company of New York. In July 1995, Indianapolis Life Insurance Company (“ILICO”) purchased the Company from Southwestern Life Insurance Company. In 1998, the Company became a subsidiary of the Indianapolis Life Group of Companies (“IL Group”), which was the downstream holding company of ILICO. On May 18, 2001, ILICO became a wholly owned subsidiary of AmerUs Group Co. (“AGC”).

On March 5, 2002, the IL Group was dissolved and all the Company’s shares reverted to ILICO, which became the Company’s immediate parent and AGC became the Company’s ultimate parent. On November 15, 2006, AGC merged with Libra Acquisition Corporation, an Iowa corporation and an indirect wholly owned subsidiary of Aviva plc, a public limited company incorporated under the laws of England and Wales. AGC continued after the merger as the surviving corporation and an indirect wholly owned subsidiary of Aviva plc.

On December 31, 2007, ILICO acquired Aviva Life Insurance Company of New York (“ALICNY”), a New York domestic life insurance company. Immediately following the acquisition, ALICNY was merged with and into the Company, with Bankers Life Insurance Company of New York (“BLNY”) being the surviving entity. Simultaneously with the merger, BLNY was renamed Aviva Life and Annuity Company of New York.

Effective January 1, 2008, AGC merged with Aviva USA Corporation, a non-life insurance company incorporated in the State of Delaware. AGC, incorporated in the State of Iowa, continued as the surviving company and simultaneously changed its name to Aviva USA. Effective September 30, 2008, Aviva Life Insurance Company (“ALIC”), a Delaware domiciled insurance company in the Aviva holding company system, and ILICO, the Company’s immediate parent,

were merged with and into Aviva Life & Annuity Company (“ALAC”), an Iowa domiciled insurer. ALAC became the Company’s immediate parent.

On October 2, 2013, the Company ceded through a series of reinsurance agreements all its life insurance business, excluding the block of business written by John Alden of New York, to First Allmerica Financial Life Insurance Company (“FAFLIC”). The Company also entered into transition services and administrative agreements with FAFLIC in connection with these reinsurance agreements.

On October 2, 2013, the Department approved the acquisition of the Company by Apollo Global Management, LLC (“AGM LLC”). Simultaneous with the acquisition, ALAC, the Company’s immediate parent, became the parent of Athene Life & Annuity Assurance Company of New York (“AANY”), an indirect subsidiary of AGM LLC. ALAC then sold 100% of the Company’s issued and outstanding capital stock to AANY in exchange for cash in the amount of \$48.2 million.

On March 3, 2014, the Company changed its name to Athene Life Insurance Company of New York.

All outstanding shares of the Company are owned by AANY, a stock life insurance company domiciled in the State of New York.

As of December 31, 2021, the Company had common capital stock of \$2,002,306, gross paid in and contributed surplus of \$105,280,965 and unassigned funds (surplus) of (\$21,563,961).

B. Holding Company

The Company is a wholly owned subsidiary of AANY, and is a New York stock life insurance company. AANY is in turn a wholly owned subsidiary of AAIA, an Iowa stock life insurance company. The ultimate parent of the Company is AHL, a Bermuda exempted company.

On January 24, 2018, ALRe created AARE as a Bermuda reinsurer to serve as a reinsurance counterparty for most internal affiliated reinsurance transactions.

Effective March 15, 2018, pursuant to a contribution agreement, AHL contributed all outstanding shares of AUSA and its subsidiaries to ALRe.

Effective December 14 and 31, 2018, pursuant to two separate contribution agreements, ALRe contributed the outstanding shares of AARE, 75% and 25% respectively, down to AUSA.

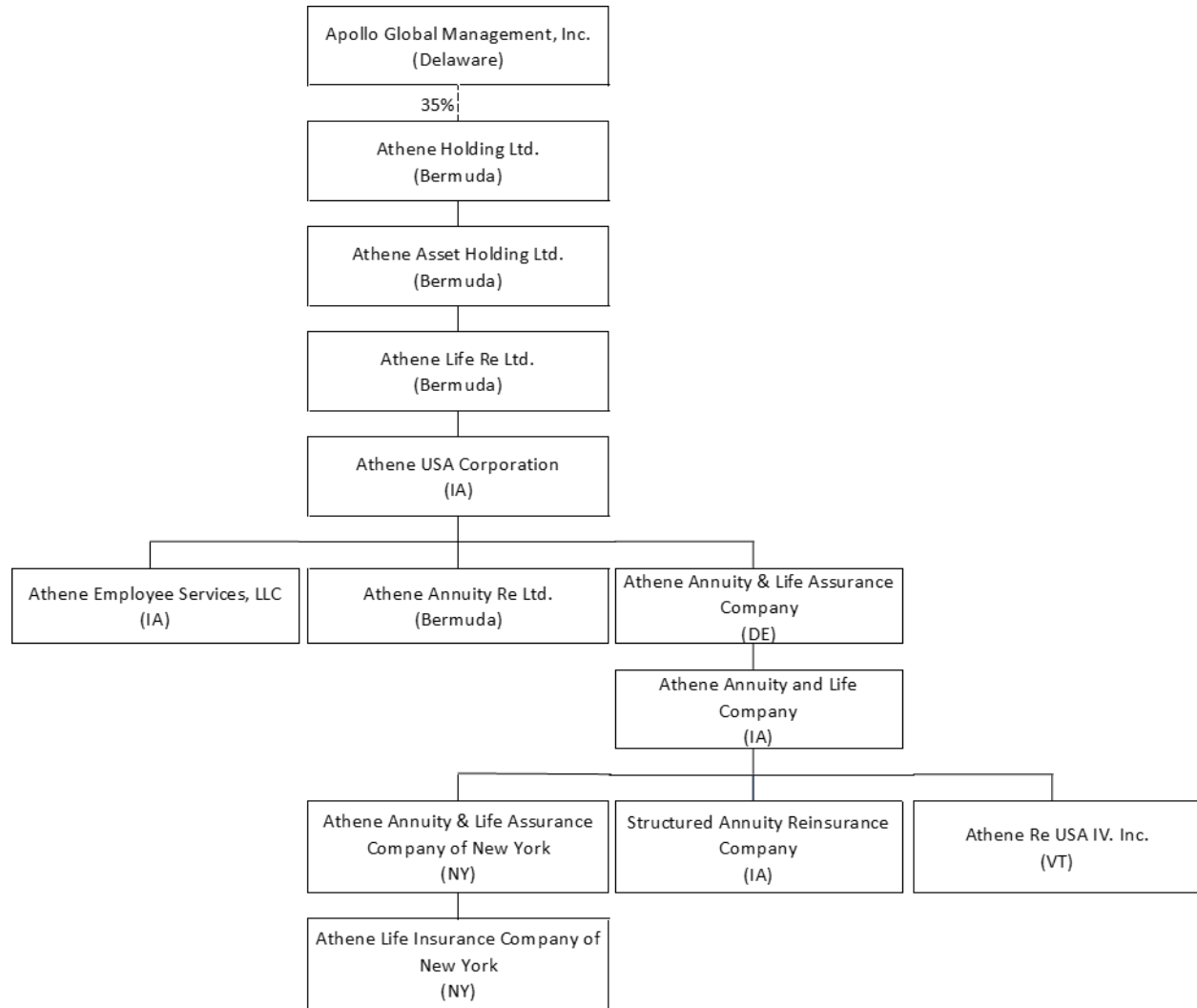
On February 4, 2019, AARE, a wholly owned subsidiary of AUSA, made a tax election in accordance with Section 953(d) of the Internal Revenue Code, to be taxed as a US taxpayer effective as of January 24, 2018.

Effective December 31, 2018, Athene Life Insurance Company (Delaware) was merged into AADE and dissolved.

On March 8, 2021, AGM LLC, AHL and other primary owners entered into a definitive agreement to merge in an all-stock transaction. As a result of these mergers the new AGM LLC changed its name to Apollo Global Management, Inc. (“AGM”) and new AGM shareholders will own approximately 76% of the combined company on a fully diluted basis, and Athene shareholders will own approximately 24% of the combined company. The Merger Transaction resulted in a simpler corporate structure, with a single class of common stock, and one share, one vote. The Merger Transaction closed in January 2022 with AHL becoming a direct wholly owned subsidiary of AGM.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2021, follows:



An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2022, follows:



D. Service Agreements

The Company had three significant service agreements in effect with affiliates during the examination period.

Type of Agreement and Department File Number	Effective Date	Provider(s) of Services	Recipient(s) of Services	Specific Service(s) Covered	Expense* For Each Year of the Examination
Shared Services and Cost Sharing Arrangement File No. 58224	01/01/2020	AES, AAIA	AANY, ALICNY, PLAS	Reinsurance, Underwriting, Human Resources, Legal, Audit, Information Technology, Accounting, Actuarial and personnel for range of other Services	2020 \$(331,339) 2021 \$(436,452)
Shared Services and Cost Sharing Arrangement (replaced by above agreement) File No. 56750	10/01/2018	AES, AAM, Rackspace Global Services (Information Technology)	AANY, ALICNY, ALAC, PLAS	Reinsurance, Underwriting, Human Resources, Legal, Audit, Information Technology, Accounting, Actuarial and personnel for range of other Services.	2018 \$(1,524,019) 2019 \$ (464,531)
Investment Management Agreement File No. 51379	Amended & Restated 01/01/2015 Amendment 11/01/2015	Athene Asset Management, L.P. (now known as Apollo Insurance Solution Group)	ALICNY	Investment Management	2018 \$(2,040,019) 2019 \$(2,095,955) 2020 \$(2,202,554) 2021 \$(2,197,985)

* Amount of Expense Incurred by the Company

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

Section 1505(d)(3) of the New York Insurance Law states, in part:

“The following transactions between a domestic controlled insurer and any person in its holding Company system may not be entered into unless the insurer notified the superintendent in writing of its intention to enter into any such transaction at least thirty days prior thereto, . . .

(3) rendering of services on a regular or systemic basis . . . ”

The Shared Services and Cost Sharing Agreement (Effective January 1, 2020) states, in part:

“Accounting and Payments. Each Service Provider shall submit to each Service Recipient, within thirty (30) days following the end of each month (or such shorter period as the Parties may agree), a written statement, general ledger records, or such other documentation as agreed upon between the Parties evidencing the amount estimated to be owed by such Service Recipient for services and the use of facilities pursuant to this Agreement in that month (or such other period as the Parties may agree), and each Service Recipient shall pay to any Service Provider within fifteen (15) days following receipt of such written statement the amount set forth in the statement.”

A review of the settlement activity documents related to the Shared Services and Cost Sharing Agreement (“SSA”) between the Company and Service Provider indicated that settlements occur on a quarterly basis, rather than monthly as required by the filed and approved SSA.

The Company violated Section 1505(d)(3) of the New York Insurance Law by changing the billing terms of its SSA without notifying the superintendent in writing of its intention at least thirty days prior thereto.

The examiner recommends that the Company comply with its filed and approved SSA or amend the agreement to conform with its current billing practice.

On June 1, 2023, the Company filed with the Department for approval its application of Amendment No. 1 to its SSA revising the agreement’s settlement provision to more clearly reflect its actual settlement process.

E. Management

The Company’s by-laws provide that the board of directors shall be comprised of not less than 7 and not more than 13 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in May of each year. As of December 31, 2021, the board of directors consisted of seven members. Meetings of the board are held as determined by the board, but not less than quarterly.

The seven board members and their principal business affiliation, as of December 31, 2021, were as follows:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>	<u>Year First Elected</u>
Mitra Hormozi* New York, NY	Partner Walden, Macht, & Haran LLP	2018
Martin P. Klein Richmond, VA	Chief Financial Officer Athene Holding Ltd.	2015
Grant Kvalheim Princeton, NJ	President and Chief Executive Officer Athene Annuity & Life Assurance Company of New York	2012
Lawrence J. Ruisi* Armonk, NY	Adjunct Professor of Accounting St. John's University	2017
Francis P. Sabatini* Killingworth, CT	President Sabatini Advisory Services, LLC	2013
Hope S. Taitz* Armonk, NY	Self-employed Consultant ELY Capital Advisors, LLC	2012
Christopher R. Welp Clive, IA	Executive Vice President, Insurance Operations Athene Annuity & Life Assurance Company of New York	2016

* 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, 2021:

<u>Name</u>	<u>Title</u>
Grant Kvalheim	President and Chief Executive Officer
Blaine T. Doerrfeld	Senior Vice President, Senior Counsel and Secretary
Christopher R. Welp	Executive Vice President, Insurance Operations
Michael S. Downing	Executive Vice President, Chief Operating Officer
Christopher J. Grady	Executive Vice President, Retail Sales
Randall W. Epright	Executive Vice President, Chief Information Officer

<u>Name</u>	<u>Title</u>
Kristi K. Burma	Executive Vice President, Human Resources
Megan Claypool*	Senior Vice President, Chief Compliance Officer
Travis M. Tweed	Vice President, Treasurer

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

On March 31, 2022, Tyler Goode replaced Travis M. Tweed as Treasurer. On November 29, 2022, the roles of President and Chief Executive Officer were segregated with Michael Downing replacing Grant Kvalheim as President.

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 in 17 states. As of December 31, 2021, 77.6% of life premiums, 97.1 % of annuity considerations and 97.9% accident and health premiums 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 2021:

<u>Life Insurance Premiums</u>		<u>Annuity Considerations</u>	
New York	77.6%	New York	97.1%
Florida	5.9	North Carolina	1.5
New Jersey	3.6	New Jersey	0.8
Texas	1.7	Maryland	<u>0.5</u>
North Carolina	<u>1.2</u>		
		Subtotal	99.9%
Subtotal	90.0%	All others	<u>0.1</u>
All others	<u>10.0</u>		
		Total	<u>100.0%</u>
Total	<u>100.0%</u>		

<u>Accident and Health Insurance Premiums</u>	
New York	97.9%
North Carolina	0.8
Florida	0.5
Connecticut	0.5
New Jersey	<u>0.2</u>
Subtotal	99.9%
All others	<u>0.1%</u>
Total	<u>100.0%</u>

A. Statutory and Special Deposits

As of December 31, 2021, the Company had \$5,100,000 (par value) of United States Treasury Notes on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company. As reported in Schedule E of the 2021

filed annual statement, an additional \$821,901 was being held by the commonwealth of Massachusetts and the states of Nevada and North Carolina.

B. Direct Operations

The Company is no longer selling life and annuity business. Prior to 2014, the Company sold life insurance and annuities primarily in New York State. The product portfolio included universal life, interest sensitive whole life, survivor universal life, term life, fixed indexed universal life and both single premium and flexible premium fixed interest annuities.

C. Reinsurance

As of December 31, 2021, the Company had reinsurance treaties in effect with four companies, all of which were authorized. The Company's life, accident and health business is reinsured on a coinsurance, and yearly renewable term basis. Reinsurance is provided on an automatic basis. The maximum retention limit for individual life contracts is \$100,000. The total face amount of life insurance ceded as of December 31, 2021, was \$5,323,489,975 which represents 100% of the total face amount of life insurance in force.

The total face amount of life insurance assumed as of December 31, 2021, was \$52,110,458.

Effective September 1, 2020, the Company amended the coinsurance and assumption agreement with FAFLIC to remove the quarterly portfolio yield payment made by FAFLIC to the Company. As a result of the amendment, the Company received a \$28 million experience refund which was recorded within the financial statements as a reduction of ceded premiums.

Effective October 1, 2020, AAIA recaptured a coinsurance agreement with the Company originally entered into on January 1, 1983. The agreement ceded a block of certain single premium annuities. Assumed reserves recaptured by AAIA were \$10.5 million.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2021, as contained in the Company's 2021 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, 2021 filed annual statement.

A. Independent Accountants

The firm of PricewaterhouseCoopers, LLP ("PwC") 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.

PwC 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	\$828,771,436
Stocks:	
Preferred stocks	4,362,400
Mortgage loans on real estate:	
First liens	20,291,107
Cash, cash equivalents and short-term investments	91,214,919
Contract loans	6,765
Other invested assets	5,965,020
Receivables for securities	174,039
Investment income due and accrued	8,974,964
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	11,793
Deferred premiums, agents' balances and installments booked but deferred and not yet due	466,989
Reinsurance:	
Other amounts receivable under reinsurance contracts	3,139,803
Net deferred tax asset	6,542,510
Guaranty funds receivable or on deposit	296
Receivables from parent, subsidiaries and affiliates	115
Health care and other amounts receivable	224
Miscellaneous assets	<u>1,058,882</u>
Total admitted assets	<u>\$970,981,262</u>

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	\$464,326,723
Aggregate reserve for accident and health contracts	11,775,120
Liability for deposit-type contracts	79,868,655
Contract claims:	
Life	812,402
Accident and health	135,671
Premiums and annuity considerations for life and accident and health contracts received in advance	145
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	8,206
Interest maintenance reserve	9,165,019
General expenses due or accrued	306,737
Taxes, licenses and fees due or accrued, excluding federal income taxes	623,460
Current federal and foreign income taxes	348,414
Amounts withheld or retained by company as agent or trustee	175,578
Amounts held for agents' account	39
Remittances and items not allocated	670,997
Miscellaneous liabilities:	
Asset valuation reserve	6,405,692
Payable to parent, subsidiaries and affiliates	812,797
Funds held under coinsurance	309,016,698
Payable for Securities	27,500
Unclaimed funds	<u>752,100</u>
 Total liabilities	 <u>\$885,231,952</u>
 Common capital stock	 \$ 2,002,306
Gross paid in and contributed surplus	105,280,965
Unassigned funds (surplus)	<u>(21,533,961)</u>
Surplus	\$ <u>83,747,004</u>
Total capital and surplus	\$ <u>85,749,310</u>
 Total liabilities, capital and surplus	 <u>\$970,981,262</u>

D. Condensed Summary of Operations

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Premiums and considerations	\$ 2,266,983	\$(23,710,195)	\$18,716,720	\$ 732,446
Investment income	43,898,109	44,036,546	39,516,731	39,816,827
Commissions and reserve adjustments on reinsurance ceded	1,196,809	1,128,604	1,030,481	721,285
Miscellaneous income	<u>1,666,564</u>	<u>1,707,440</u>	<u>1,748,264</u>	<u>1,765,126</u>
Total income	<u>\$ 49,028,466</u>	<u>\$ 23,162,395</u>	<u>\$61,012,196</u>	<u>\$ 43,035,685</u>
Benefit payments	\$ 37,878,230	\$ 32,615,031	\$31,206,696	\$ 30,579,472
Increase in reserves	1,810,436	(24,310,779)	(8,006,748)	13,901,815
Commissions	1,153,666	1,136,017	1,013,548	671,236
General expenses and taxes	2,743,920	1,531,921	2,012,949	1,977,502
Increase in loading on deferred and uncollected premiums	115,053	216,696	(189,787)	5,962
Miscellaneous deductions	<u>25,178,070</u>	<u>11,123,928</u>	<u>10,350,021</u>	<u>11,099,878</u>
Total deductions	<u>\$ 68,879,375</u>	<u>\$ 22,312,813</u>	<u>\$36,386,680</u>	<u>\$ 58,235,864</u>
Net gain (loss)	\$(19,850,909)	\$ 849,582	\$24,625,516	\$(15,200,179)
Dividends	173,009	(152,268)	0	0
Federal and foreign income taxes incurred	<u>1,363,565</u>	<u>1,140,017</u>	<u>6,212,259</u>	<u>(13,658,514)</u>
Net gain (loss) from operations before net realized capital gains	\$(21,387,484)	\$ (138,168)	\$18,413,257	\$ (1,541,667)
Net realized capital gains (losses)	<u>(134,789)</u>	<u>(1,061,533)</u>	<u>(3,159,318)</u>	<u>53,109</u>
Net income	<u>\$ (21,522,273)</u>	<u>\$ (1,199,700)</u>	<u>\$15,253,939</u>	<u>\$ (1,488,556)</u>

E. Capital and Surplus Account

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Capital and surplus, December 31, prior year	\$ <u>75,536,803</u>	\$ <u>69,825,518</u>	\$ <u>68,920,989</u>	\$ <u>87,621,177</u>
Net income	\$(21,522,273)	\$ (1,199,700)	\$15,253,939	\$ (1,488,556)
Change in net unrealized capital gains (losses)	0	0	0	286,296
Change in net deferred income tax	2,935,334	2,385,283	664,087	6,291,302
Change in non-admitted assets and related items	(3,186,486)	(2,891,807)	(350,601)	(5,988,249)
Change in asset valuation reserve	128,793	(800,508)	2,324,045	(1,100,193)
Surplus adjustments:				
Paid in	15,124,815	118,936	102,031	127,533
Correction of prior period error	<u>808,532</u>	<u>1,483,266</u>	<u>706,686</u>	<u>0</u>
Net change in capital and surplus for the year	\$ <u>(5,711,285)</u>	\$ <u>(904,530)</u>	\$ <u>18,700,188</u>	\$ <u>(1,871,867)</u>
Capital and surplus, December 31, current year	\$ <u>69,825,518</u>	\$ <u>68,920,989</u>	\$ <u>87,621,177</u>	\$ <u>85,749,310</u>

6. RECORD RETENTION

Section 243.2(b)(1) of 11 NYCRR 243 (Insurance Regulation 152) states, in part:

“(b) Except as otherwise required by law or regulation, an insurer shall maintain:
(1) A policy record for each insurance contract or policy for six calendar years after the date the policy is no longer in force or until after the filing of the report on examination in which the record was subject to review, whichever is longer. Policy records need not be segregated from the policy records of other states as long as they are maintained in accordance with the provisions of this Part A separate copy need not be maintained in an individual policy record, provided that any data relating to a specific contract or policy can be retrieved pursuant to Section 243.3(a) of this Part. A policy record shall include: . . .
(iii) The contract or policy forms issued including the declaration pages, endorsements, riders, and termination notices of the contract or policy. Binders shall be retained if a contract or policy was not issued; . . .”

A review of a sample of 342 policies revealed that for 24 policies (19 traditional life insurance policies and five universal life insurance policies), the files did not contain the original policy form. Based on the information provided by the Company, it is estimated that as of December 31, 2021, 684 (14%) traditional life insurance policies and 223 (2%) universal life insurance policies do not contain the original policy forms.

The Company violated Section 243.2(b)(1)(iii) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain copies of life insurance policy forms, including the policy specifications page, in its policy files.

7. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violation and recommendation contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

<u>Item</u>	<u>Description</u>
A	<p>The Company violated Section 325(a) of the New York Insurance Law by failing to maintain several statutorily required records at its home office.</p> <p>The examination revealed that the Company maintained several statutorily required records at its home office.</p>
B	<p>The examiner recommends that the Company continue to compute reserves using the assumptions and methodology as agreed upon with the Department.</p> <p>As noted in the prior exam report, concerns were raised regarding the potential lack of conservatism in the assumptions and methodology used for the Company's asset adequacy testing. At that time, the Company committed to refine its analysis to address these concerns. During the review of analysis as of December 31, 2021, it was noted that these refinements were generally incorporated within the testing as agreed to with the Department. There were some additional revisions that were needed as a result of the review as of December 31, 2021, which the Company revised with the testing as of December 31, 2022 (or agreed to revise for year-end 2023) but these were not material.</p>

8. SUMMARY AND CONCLUSIONS

Following are the violations and recommendation contained in this report:

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
A	The Company violated Section 1505(d)(3) of the New York Insurance Law by changing the billing terms of its SSA without notifying the superintendent in writing of its intention at least thirty days prior thereto.	11
B	The examiner recommends that the Company comply with its filed and approved SSA or amend the agreement to conform with its current billing practice.	11
C	The Company violated Section 243.2(b)(1)(iii) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain copies of life insurance policy forms, including the policy specifications page, in its policy files.	21

Respectfully submitted,



Kings Ankrah
Senior Insurance Examiner

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

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



Kings Ankrah

Subscribed and sworn to before me

this 15th day of June, 2023

Audrey Hall

AUDREY HALL
Notary Public, State of New York
No. 01HA6274900
Qualified in Kings County
Commission Expires January 28, 2025

Respectfully submitted,

/s/

Rory Cummings
Associate Insurance Examiner

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

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

/s/

Rory Cummings

Subscribed and sworn to before me

this _____ day of _____

APPOINTMENT NO. 32403

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, **ADRIENNE A. HARRIS**, 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:

KINGS ANKRAH

as a proper person to examine the affairs of the
ATHENE 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 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 8th day of April, 2022

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: *Mark McLeod*

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU

