FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

MONITOR LIFE INSURANCE COMPANY OF NEW YORK

AS OF DECEMBER 31, 2023

EXAMINER: **DENNIS KLUK, CFE**

DATE OF REPORT: **JUNE 23, 2025**

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June 24, 2025

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. 32749, dated December 31, 2024, and annexed hereto, an examination has been made into the condition and affairs of Monitor Life Insurance Company of New York, hereinafter referred to as "the Company." The Company's home office is located at 199 Water Street, 29th Floor, New York, NY 10038. The Company's main administrative office is located at 305 Madison Avenue, Morristown, NJ 07960.

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 violations contained in this report are summarized below:

- The Company violated Section 91.4(a)(4) of Insurance Regulation 33 by failing to review periodically the bases of allocation to ascertain their suitability for continued use. (See item 3D of this report)
- The Company violated Section 91.5(b) of Insurance Regulation 33 by using an alternative method to allocate net investment income to lines of business and by failing to obtain the approval of the Superintendent before implementation of such alternative method. (See item 6 of this report).
- The Company violated Section 243.2(b)(1) of Insurance Regulation 152 by failing to maintain a policy record for each insurance contract or policy for six calendar years after the date the policy is no longer in force or until after the filing of the report on examination in which the record was subject to review, whichever is longer. (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's") *Financial Condition Examiners Handbook, 2024 Edition* (the "Handbook"). The examination covers a four-year period from January 1, 2020, to December 31, 2023. 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, 2023, 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 called by the State of Delaware in accordance with the NAIC Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The examination was conducted as part of the Fairfax Financial Group which includes, its United States insurance subsidiaries (United States Statutory Legal Entities). The examination was led by the State of Delaware, with participation from the states of Arkansas, California, Connecticut, New Hampshire, New Jersey and 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 where appropriate.

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 year 2020, by the accounting firm of Carr, Riggs & Ingram, LLC and for the years 2021 through 2023, by the accounting firm of EisnerAmper, LLP ("EA"). 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.

The Company uses the internal audit department of Crum & Forster Holdings Corp. ("C&F Holdings"), which was given the task of assessing the internal control structure and compliance with the Sarbanes-Oxley Act of 2002 ("SOX"). Since the Company follows the same control processes as its parent company, when applicable, shared internal audit and SOX 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 in the prior report on examination. The prior report contained one comment, which did not require any corrective action to be taken by the Company. The results of the examiner's review are contained in item 8 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 New York on October 15, 1971, under the name Monitor Insurance Company of New York. The Company was licensed to write accident and health business as specified by paragraph 3 of Section 1113(a) of the New York Insurance Law and commenced business on June 1, 1972. The Company's initial paid-in capital was $500,000, and contributed surplus was $600,000.

On August 15, 1978, the Company amended its charter to include the writing of life insurance and annuities as specified in paragraphs 1 and 2 of Section 1113(a) of the New York Insurance Law.

On April 25, 1979, the Company's name was changed to Monitor Life Insurance Company of New York.

On January 1, 2011, the Company was purchased by AmFirst Insurance Company ("AmFirst"), an Oklahoma domiciled insurance company.

Changes in the capital and surplus of the Company resulted in capital and paid in and contributed surplus of $1,000,000 and $2,560,000, respectively, as of December 31, 2011.

The Company's charter was amended effective June 15, 2012. The amendment increased the par value of each share of the Company's common stock from $100.00 per share to $110.00 per share, which resulted in an increase in the Company's authorized capital from $1,000,000 to $1,100,000. The increase in authorized capital was effected by a reclassification of $100,000 of paid in and contributed surplus to common capital stock.

The Company's charter was again amended effective February 19, 2014. The amendment increased the par value of each share of the Company's common stock from $110.00 per share to $250.00 per share, which resulted in an increase in the Company's authorized capital from $1,100,000 to $2,500,000. The increase in authorized capital was affected by a reclassification of $1,400,000 paid in and contributed surplus of $2,500,000 and $2,560,000, respectively, as of December 31, 2014.

Effective January 1, 2021, the Company was sold to United States Fire Insurance Company ("U.S. Fire"), a Delaware domiciled stock insurance company which is wholly owned by C&F

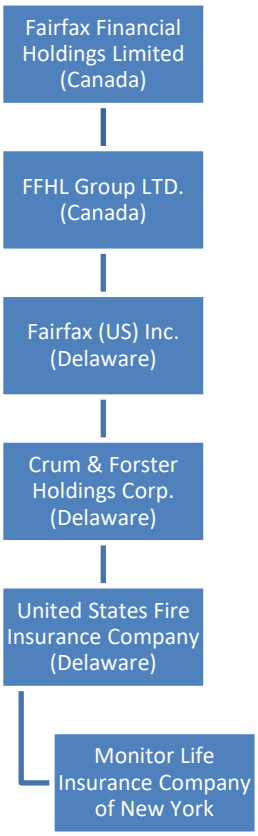
Holdings. U.S. Fire acquired the Company by purchasing all of the issued and outstanding capital stock of the Company.

B. Holding Company

The Company is a wholly owned subsidiary of U.S. Fire, a Delaware domiciled stock insurance company, which in turn is a wholly owned subsidiary of C&F Holdings, a Delaware domiciled holding company. The ultimate parent of the Company is Fairfax Financial Holdings Limited ("FFHL"), a Canadian financial holding company.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2023, follows:



D. Service Agreements

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

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient of Services	Specific Services Covered	Expense* For Each Year of the Examination
Administrative Services Agreement File No. 58791	01/01/2021	U.S. Fire	The Company	Provides for various management and operational services, as well as facilities.	2021 $0** 2022 $0** 2023 $0**
Investment Management Agreement File No. 58791	01/01/2021	FFHL	The Company	Provides for the management, on a continuous basis, of an investment account for the Company.	2021 $45,856 2022 $59,665 2023 $45,113

*Amount of Expense Incurred by the Company

**No expenses were charged to the Company by U.S. Fire during the years 2021, 2022, and 2023 as a result of U.S. Fire allocating administrative services expenses using two percent of net earned premiums as a basis of the allocation. Since the Company had no net earned premiums during these years, no expenses had been charged to the Company.

Section 91.4(a) of 11 NYCRR 91 (Insurance Regulation 33) states, in part:

" . . . (1) It is the responsibility of each life insurer to use only such methods of allocation as will produce a suitable and equitable distribution of income and expenses by lines of business. Unless impractical or unfeasible, an insurer may use only such methods of allocation in its distribution of income and expenses within annual statement lines of business as are compatible with the methods it uses for distribution between annual statement lines of business.
(2) Each life insurer shall maintain records with sufficient detail to show fully:
(i) the system actually used for allocation of income and expenses;
(ii) the actual bases of allocation; . . .
(3) Such records shall be classified and indexed in such form as to permit ready identification between the item allocated and the basis upon which it was allocated, and shall be maintained in such a manner as to be readily accessible for examination. These records shall bear a date and shall identify the person responsible for the preparation thereof.
(4) Bases of allocation shall be reviewed periodically to ascertain their suitability for continued use. . . . "

A review of the Administrative Services Agreement ("Agreement") between U.S. Fire and the Company called for U.S. Fire to provide various services to the Company. Item 3 of the Agreement outlines the charges for services and states, in part:

> "The Company agrees to reimburse Service Provider at cost for services and facilities provided by Service Provider pursuant to this Agreement. The charge to the Company for such services and facilities shall include all direct and indirectly allocable expenses. The methods for allocating expenses to the Company shall be determined in accordance with the requirements prescribed in New York Department of Financial Services 11 NYCRR 91 – (Insurance Regulation No. 33). Such methods shall be modified and adjusted by mutual agreement where necessary or appropriate to reflect fairly and equitably the actual incidence of expense incurred by the Service Provider on behalf of the Company. Subject to Insurance Regulation No. 33, the method of allocating costs hereunder and the payment thereof shall be determined in the following manner:
>
> a. The cost of services performed by the Service Provider that are identifiable as expenses incurred directly and exclusively for the benefit of the Company shall be charged to the Company. This shall include the cost of supplies, materials, and various other items of expense incurred by the Service Provider directly on behalf of the Company in rendering the services identified in Schedule A.
>
> b. The cost of services performed by the Service Provider that are not identifiable as expenses incurred directly and exclusively for the benefit of the Company shall be allocated and charged to the Company in accordance with the principles set forth in Insurance Regulation No. 33. . . . "

As part of the review, the examiner requested a breakdown of the monthly billings made by U.S. Fire to the Company that support the amounts charged under the Agreement. In response, the Company provided only the direct expenses that were received, reviewed and paid by U.S. Fire on behalf of the Company and then charged back to the Company and reimbursed.

When the examiner inquired as to indirect expenses as outlined in Schedule A of the Agreement, the Company acknowledged that an allocation for indirect expenses was not charged for services provided by U.S. Fire under its current methodology of allocating expenses based on two percent of net earned premiums as the Company was in "start-up" status and had no net earned premiums. The Company acknowledged that it should have been allocating incidental indirect expenses and that U.S. Fire will re-evaluate its current process to determine if there is a more equitable method to allocate expenses to the Company.

The Company used a "two percent of net earned premium" method to allocate administrative services expenses (indirect expenses) from U.S. Fire to the Company; this method resulted in "zero" expenses being allocated to the Company for any years under examination, even though such indirect expenses should have resulted in a charge to the Company.

The Company violated Section 91.4(a)(4) of Insurance Regulation 33 by failing to review periodically the bases of allocation to ascertain their suitability for continued use. The Company is directed to come into compliance with Section 91.4(a)(4) of Insurance Regulation 33.

E. Management

The Company's by-laws provide that the board of directors ("the board") shall be comprised of not less than seven and not more than 13 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in April of each year. As of December 31, 2023, the board consisted of seven members. Meetings of the board are held at least three times during the year.

The seven board members and their principal business affiliations as of December 31, 2023, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Marc J. Adee New Jersey	Chairman of the Board and Chief Executive Officer Monitor Life Insurance Company of New York	2021
Christopher J. Branch* Arizona	Director Avoca Risk Underwriting Solutions	2021
Maryellen C. Jankunis* New York	Retired, Former Senior Vice President Swiss Re Life & Health America Inc.	2021
Gary J. McGeddy Jr. New Jersey	President Monitor Life Insurance Company of New York	2021
Alejandro Morales New Jersey	Senior Vice President United States Fire Insurance Company	2021
Arleen A. Paladino New Jersey	Chief Financial Officer and Senior Vice President Monitor Life Insurance Company of New York	2021
Steven H. Schouweiler* Texas	Self-employed Reinsurance Consultant	2021

*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, 2023:

Name	Title
Marc J. Adee*	Chairman of the Board and Chief Executive Officer
Gary J. McGeddy Jr.	President
George R. French	Vice President and Treasurer
Michael P. McTigue	Senior Vice President, General Counsel and Secretary
Arleen A. Paladino	Chief Financial Officer and Senior Vice President
Carmine Scaglione	Controller and Senior Vice President

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

In March 2024, Christopher G. Irving replaced George R. French as Treasurer.

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 all states and the District of Columbia, with the exception of Minnesota. In 2023, 74.9% of life premiums were received from New York (64.0%) and New Jersey (10.9%), and 73.3% of accident and health premiums were received from Texas (39.7%), Ohio (21.6%) and Illinois (12.0%). Policies were written on a non-participating basis.

A. Statutory and Special Deposits

As of December 31, 2023, the Company had $2,170,000 (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. As per Schedule E of the filed 2023 annual statement, an additional $1,430,047 was held by the states of Arkansas, Florida, Massachusetts, New Mexico, North Carolina, South Carolina and Virginia.

B. Direct Operations

Prior to the Company's acquisition by U.S. Fire in January 2021, the Company had previously marketed a combination of life and supplemental medical products, that were left in run-off after the acquisition. After the change in ownership, the Company commenced marketing individual Medicare Supplement business in a limited number of states. This coverage is designed as a voluntary supplement for individuals enrolled in Medicare. In addition, the Company is licensed to write guaranteed acceptance term life, simplified issue term life and employer group term life.

The Company's agency operations are conducted on a general agency basis.

C. Reinsurance

As of December 31, 2023, the Company had reinsurance treaties in effect with seven companies, of which three were authorized. The Company's life, accident and health business is reinsured on a coinsurance, modified-coinsurance, loss portfolio transfer and quota share basis. Reinsurance is provided on an automatic and facultative basis.

The total face amount of life insurance ceded as of December 31, 2023, was $120,814,000, which represents 100% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies, totaling $8,138,892, was supported by letters of credit and trust agreements.

During 1996, the Company entered into a 49% Quota Share agreement with Jackson National Life Insurance Company (previously, Guarantee Reserve Life Insurance Company) to cede ordinary life and supplemental business for policies written prior to the acquisition, with the exception of modified coinsurance reserves. During 2003, the Company ceded the remaining 51% to National Guardian Life Insurance Company for policies written prior to the acquisition.

During 2018, the Company entered into an agreement with Lloyd's of London. Under the agreement, the Company will cede 100% of its contractual obligations and risks under a group term life insurance policy to be issued to the United Nations Federal Credit Union and the D.C. Credit Unions (together, "UNFCU") on a quota share basis up to a maximum of $1,000,000 on any one life. The Company will issue certificates to UNFCU members who are currently insured group members under a group term life policy issued by the reinsurers, which was canceled and replaced by the Company's policy.

Effective January 1, 2021, the Company entered into a 100% Loss Portfolio Transfer agreement with AmFirst to cede ordinary life, individual accident and health, individual annuity, premium saver plan and waiver of premium term life business for policies written prior to the acquisition.

Effective January 1, 2023, the Company entered into a 100% Quota Share agreement with U.S. Fire to cede accident and health insurance policies written with an effective date of January 1, 2023.

Effective July 1, 2023, the Company entered into 75% Quota Share agreement with Scor Global Life USA Reinsurance Company to cede guaranteed acceptance term life, simplified issue term life and employer group term life.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2023, as contained in the Company's 2023 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, 2023, filed annual statement.

A. Independent Accountants

The firm EisnerAmper, LLP was retained by the Company to audit the Company's combined statutory basis statements of financial position of the Company as of December 31 of each year in the examination period, with the exception of 2020. Carr, Riggs & Ingram, LLC was the Company's external auditor for 2020. The related statutory-basis statements of operations, capital and surplus, and cash flows for the year then ended.

EisnerAmper, LLP and Carr, Riggs & Ingram, LLC 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	$16,180,300
Stocks:	
Common stocks	8,400
Cash, cash equivalents and short-term investments	2,042,082
Receivables for securities	14,572
Investment income due and accrued	82,389
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	71,093
Reinsurance:	
Amounts recoverable from reinsurers	47,536
Total admitted assets	$18,446,372

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$ 866,367
Contract claims:	
Life	35,355
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance ceded	88,754
Interest maintenance reserve	(240,958)
General expenses due or accrued payable on reinsurance assumed	77,402
Current federal and foreign income taxes	9,757
Miscellaneous liabilities:	
Asset valuation reserve	7,551
Payable to parent, subsidiaries and affiliates	42,811
Total liabilities	$ 887,039
Common capital stock	$ 3,391,250
Gross paid in and contributed surplus	6,668,750
Unassigned funds (surplus)	7,499,333
Surplus	$14,168,083
Total capital and surplus	$17,559,333
Total liabilities, capital and surplus	$18,446,372

D. Condensed Summary of Operations

	2020	2021	2022	2023
Premiums and considerations	$3,500,130	$ 0	$ 0	$ 10
Investment income	136,237	29,634	287,792	607,056
Commissions and reserve adjustments on reinsurance ceded	22,178	55,955	(42,958)	12,929
Miscellaneous income	53,909	10,601	76,556	42,302
Total income	$3,712,454	$ 96,190	$ 321,390	$ 662,297
Benefit payments	$1,580,679	$ 0	$ 0	$ 35,355
Increase in reserves	(104,537)	0	(245,520)	(221,499)
Commissions	706,510	55,955	56,410	75,709
General expenses and taxes	1,419,767	331,429	302,350	547,239
Increase in loading on deferred and uncollected premiums	(4,305)	0	0	0
Miscellaneous deductions	0	87,380	470	717
Total deductions	$3,598,114	$ 474,764	$ 113,710	$ 437,521
Net gain (loss) from operations	$ 114,340	$(378,574)	$ 207,680	$ 224,776
Federal and foreign income taxes incurred	(14,197)	(2,050)	2,640	10,616
Net gain (loss) from operations before net realized capital gains	$ 128,537	$(376,524)	$ 205,040	$ 214,160
Net realized capital gains (losses)	(95,466)	(5)	(34,459)	130,797
Net income	$ 33,071	$(376,529)	$ 170,581	$ 344,957

E. Capital and Surplus Account

	2020	2021	2022	2023
Capital and surplus, December 31, prior year	$12,120,015	$12,515,228	$17,050,624	$17,221,277
Net income	$ 33,071	$ (376,529)	$ 170,581	$ 344,957
Change in net unrealized capital gains (losses)	70,280	0	0	0
Change in net deferred income tax	(63,666)	(154,646)	0	(146,066)
Change in non-admitted assets and related items	73,326	66,591	0	146,066
Change in asset valuation reserve	258,791	(20)	73	(6,901)
Capital changes: Paid in	0	998,750	0	0
Surplus adjustments: Paid in	0	4,001,250	0	0
Amortization on ceding commission on block sale	(49,164)		0	0
Prior year premium tax payable adjustment	72,576	0	0	0
Net change in capital and surplus for the year	$ 395,213	$ 4,535,396	$ 170,654	$ 338,056
Capital and surplus, December 31, current year	$12,515,228	$17,050,624	$17,221,277	$17,559,333

6. ALLOCATION OF NET INVESTMENT INCOME

Section 91.4(c) of Insurance Regulation 33 states, in part:

"*Net investment income (receipts).* (1) The cost of granting and servicing premium notes and policy loans and liens shall be allocated to investment expenses. The resulting net income on premium notes and policy loans and liens may be distributed to those lines of business which produced such income. In making such distribution, due consideration shall be given to the variation in the interest rate and incidence of expense on such notes, loans and liens. Any miscellaneous interest income arising from policy or annuity transactions may be allocated directly to the line of business producing such income.

(2) Net investment income, after adjustment, if any, as permitted by the preceding paragraph shall be distributed to major annual statement lines of business either:

(i) in proportion to the total mean policy reserves and liabilities of each of such major annual statement lines of business or

(ii) in proportion to the total mean funds of each of such major annual statement lines of business.

If the reserve method pursuant to subparagraph (i), above, is so used, it shall also be used in distributing net investment income to each secondary annual statement line of business. If the fund method pursuant to subparagraph (ii) above, is so used, either the reserve method or the fund method shall be used in distributing net investment income to each secondary annual statement line of business.

(3) In lieu of the methods specified in the preceding paragraph, a life insurer may distribute net investment income by an investment year method if its use of such method complies with the rules stated in section 91.5. . . . "

Section 91.5 of Insurance Regulation 33 states, in part:

"(a) Distribution of net investment income shall be made in accordance with paragraph (2) of subdivision (c) of section 91.4 or by use of an investment year method . . .

(b) A licensed life insurer proposing to adopt an investment year method in the distribution of net investment income, or to revise such a method already in effect, shall on or before November 1 of the first year for which such method or revision is to be used file with the superintendent a full description of its plan, together with its certification that the plan conforms to the foregoing rules. If the company's method includes deviations from the foregoing rules, or contemplates the use of a method other than the investment year method for assets not listed in paragraph (a)(1), such deviations or use require the approval of the superintendent as being equitable and as being necessary for reasons of feasibility before the method can be adopted. . . . "

During a review of the Company's method of allocating net investment income to lines of business, the examiner was advised by the Company that it allocates net investment income to

lines of business using policy counts. However, since the Company's method includes deviations from the foregoing rules or contemplates the use of a method other than the investment year method for assets, such deviations or use requires the approval of the Superintendent as being equitable and as being necessary for reasons of feasibility before the method can be adopted. The "foregoing rules" above consist of allocation on mean reserves or mean funds as described in Section 91.4(c)(2) of Insurance Regulation 33 or allocation using the investment year method as described in Section 91.5(b) of Insurance Regulation 33.

Since the Company is using an alternative method (policy count) to allocate net investment income to lines of business rather than using any of the three methods stated in Insurance Regulation 33, the Company is required to obtain the approval of the Superintendent prior to implementation of such alternative method.

The Company violated Section 91.5(b) of Insurance Regulation 33 by using an alternative method to allocate net investment income to lines of business and by failing to obtain the approval of the Superintendent before implementation of such alternative method. The Company is directed to come into compliance with Section 91.5(b) of Insurance Regulation 33.

7. RECORD RETENTION

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

"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:
(i) The policy term, basis for rating, and return premium amounts, if any;
(ii) The application, including any application form or enrollment form for coverage under any insurance contract or policy;
(iii) The contract or policy forms issued including the declaration pages, endorsements, riders, and termination notices of the contract or policy. . . . "

During the review of the Company's reserves by the Department actuaries, the Company was unable to provide the original policy form for a group life waiver of premium claim. As a result of a follow-up with the Company to determine the extent of the issue, the Company indicated that it was unable to provide original policy forms for any of the waiver of premium claims associated with a block of group life business that was sold to National Guardian Life Insurance Company in 2010. The waiver of premium claims which were active at the time of the transfer of the business were retained by the Company at the time of the sale. The Company advised that there are currently 14 claims left in the block.

Given that the Company was unable to produce the original policy form for the group life waiver of premium claim, the Department actuaries expanded the policy sample to include all the claims left in the block and requested documentation from the Company for the associated policies. The Company was unable to provide the original forms for all policies in the expanded sample.

As a result, the Company violated Section 243.2(b)(1) of Insurance Regulation 152 by failing to maintain 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. The Company is directed to come into compliance with Section 243.2(b)(1) of Insurance Regulation 152.

8. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violation and comment contained in the prior report on examination and the subsequent actions taken by the Company where applicable:

Item	Description
A	The Company violated Section 1505(d) of the New York Insurance Law by failing to notify the Department of its intent to enter into an agreement with TPM Life to terminate the reinsurance treaty effective January 1, 2019. The examination revealed that the current owner of the Company was not the owner at the time the alleged violation occurred, as it did not close on its acquisition of Company until January 1, 2021, which is within the most recent examination period. Since the acquisition, the Company has been part of a different holding group, and it is noted that TPM Life and the Company are no longer affiliated entities. As such, there was no feasible corrective action that could have been taken for a past, one time, violation by the prior owner.
B	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.

9. SUMMARY AND CONCLUSIONS

Following are the violations contained in this report:

Item	Description	Page No(s).
A	The Company violated Section 91.4(a)(4) of Insurance Regulation 33 by failing to review periodically the bases of allocation to ascertain their suitability for continued use.	9
B	The Company violated Section 91.5(b) of Insurance Regulation 33 by using an alternative method to allocate net investment income to lines of business and by failing to obtain the approval of the Superintendent before implementation of such alternative method.	18
C	The Company violated Section 243.2(b)(1) of Insurance Regulation 152 by failing to maintain 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.	19

Respectfully submitted,

Dennis Kluk

Dennis Kluk, CFE
Global Insurance Enterprises Inc.

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

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

Dennis Kluk

Dennis Kluk

Subscribed and sworn to before me

this 23 day of JUNE 2025

Jean Kluk

OFFICIAL SEAL
JEAN KLUK
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 06/14/2027

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 him, is true to the best of his knowledge and belief.

/s/
Vincent Targia

Subscribed and sworn to before me

this_____ day of _____

APPOINTMENT NO. 32749

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:*

DENNIS KLUK
(GLOBAL INSURANCE ENTERPRISES, INC.)

as a proper person to examine the affairs of the

MONITOR 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 31st day of December, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU