FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

AMERICAN EQUITY INVESTMENT LIFE INSURANCE

COMPANY OF NEW YORK

AS OF DECEMBER 31, 2023

EXAMINER: **MARC A. MOYER, CFE**

DATE OF REPORT: **JUNE 7, 2025**

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August 13, 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. 32679, dated July 11, 2024, and annexed hereto, an examination has been made into the condition and affairs of American Equity Investment Life Insurance Company of New York, hereinafter referred to as "the Company." The Company's home office is located at 1155 Avenue of the Americas, New York, NY 10036, and its administrative office is located at 6000 Westown Parkway, West Des Moines, IA 50266.

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

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 the five-year period from January 1, 2019, 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 Iowa in accordance with the NAIC Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The examination was conducted as part of the American Equity Group which includes, American Equity Investment Life Insurance Company ("AEILIC"), the Company's direct parent, and the following affiliates of the Company, Eagle Life Insurance Company ("Eagle"), AEL Re Vermont, Inc., AEL Vermont II, Inc., and Entrada Life Insurance Company ("Entrada"). Iowa served as the lead state with participation from the states of Arizona, New York and Vermont. Since the lead state 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 2019 and 2020, by the accounting firm of KPMG, LLP ("KPMG") and for the years 2021 through 2023, by Ernst & Young, LLP ("EY"). 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. AEILIC retains PricewaterhouseCoopers, LLP to assess the Company's internal control structure and compliance with the Sarbanes-Oxley Act of 2002 ("SOX") and the NAIC's 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 subsequent actions taken by the Company with respect to the comment contained in the prior report on examination. The results of the examiner's review are contained in item 5 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.

2. 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 March 1, 2001, was licensed on June 5, 2001, and commenced business on July 1, 2001. Initial resources of $10,000,000, consisting of common capital stock of $2,000,000 and paid in and contributed surplus of $8,000,000, were provided through the sale of 2,000,000 shares of common stock (with a par value of $1 each) for $5 per share.

B. Holding Company

The Company is a wholly owned subsidiary of AEILIC, an Iowa life insurance company. AEILIC, in turn, is a wholly owned subsidiary of American Equity Investment Life Holding Company ("AEL"), an Iowa life insurance holding company and ultimate parent of the Company.

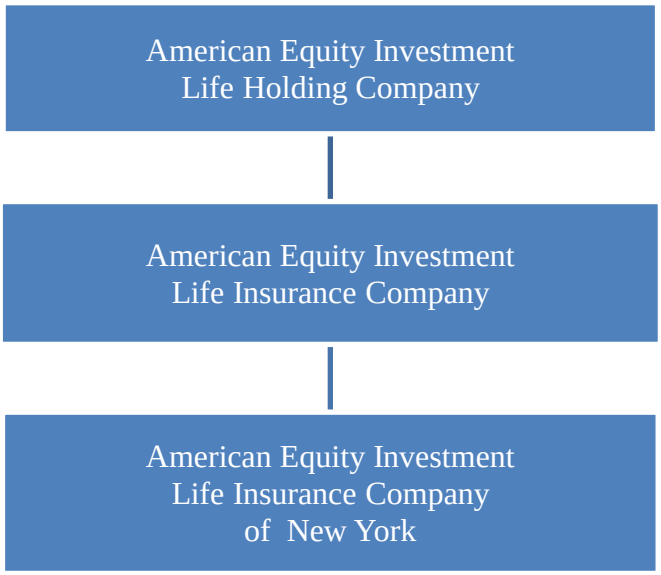
On November 30, 2020, Brookfield Reinsurance, Ltd. ("Brookfield Reinsurance") acquired approximately 9.2% of the issued and outstanding shares of common stock of AEL, a publicly held insurance holding company that acts as the ultimate controlling entity for the group, through its wholly owned subsidiaries. On December 3, 2021, Brookfield Reinsurance increased its ownership in the common stock of AEL to 16% and later increased the ownership to 20%.

AEL and Brookfield Reinsurance entered into an agreement on July 4, 2023, where Brookfield Reinsurance acquired all remaining outstanding shares of AEL for $55 per share, or approximately $4.3 billion. The transaction was approved by the Iowa Insurance Department in April 2024.

Effective May 2, 2024, Brookfield Reinsurance indirectly acquired 100% of the issued and outstanding shares of capital stock of AEL ("the Acquisition").

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 three 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
Management Services Agreement File No. 29073A	03/19/2001 Terminated 12/31/2021	AEILIC	The Company	Agent licensing, commission payment, annuity policy issuance and service, accounting and financial, compliance, market conduct, general and informational services, and marketing	2019 $(221,378) 2020 $(250,047) 2021 $(293,976)

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
Investment Advisory Agreement File No. 29073A Amendment	03/22/2001 11/15/2021	AEL	The Company	Investment advisory services	2019 $(421,588) 2020 $(418,715) 2021 $(409,991) 2022 $(361,070) 2023 $(298,128)
Master Affiliates Management Services Agreement File No. 61635	12/31/2021	AEILIC	The Company	Agent licensing, commission payment, annuity policy issuance and service, accounting and financial, compliance, market conduct, general and informational services, and marketing	2022 $(291,251) 2023 $(471,324)

*Amount of Expense Incurred by the Company

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

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 the maximum number prescribed in the Charter of the Corporation. Directors are elected for a period of one year at the annual meeting of the stockholders held in June of each year. As of December 31, 2023, the board of directors consisted of seven members. Meetings of the board are held quarterly.

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

Name and Residence	Principal Business Affiliation	Year First Elected
Anant Bhalla Iowa	President and Chief Executive Officer American Equity Investment Life Holding Company	2020
Brenda J. Cushing* Iowa	Retired President and Chief Financial Officer Athene Holding Co.	2018
James L. Hamalainen Iowa	Executive Vice President and Chief Investment Officer American Equity Investment Life Holding Company	2021
Douglas T. Healy* New York	Chartered Financial Analyst Various outside companies	2020
Robert L. Howe* Iowa	Retired Deputy Commissioner and Chief Examiner Iowa Insurance Division	2005
David S. Mulcahy* Iowa	CPA, Retired Partner Ernst & Young, LLP	2013
Mark S. Reilly North Carolina	Senior Vice President, Head of Client Solutions American Equity Investment Life Holding Company	2023

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

In May 2024, all of the above-named board members were removed due to the Acquisition and were replaced by Jeffrey D. Lorenzen, Aaron J. Boushek, Christopher Donahue, Bereket J. Feyissa, Gregory Morrison, Edward Muhl and Jere Pederson.

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
Anant Bhalla	President and Chief Executive Officer
Shari Wood	Senior Vice President, Chief of Staff and Secretary
Aaron Boushek	Vice President, Accounting and Controller
Angelika Feng	Senior Vice President and Chief Corporate Actuary
Tara Banks*	Vice President and Managing Counsel

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

In May 2024, all of the above-named officers with the exception of Tara Banks, were removed due to the Acquisition. The following were promoted or named as Officers on the 2024 Annual Statement: Jeffrey D. Lorenzen was named Chief Executive Officer and President; Bereket J. Feyissa was named Chief Operating Officer; Aaron J. Boushek was promoted and named Chief Financial Officer and Controller and Erik H. Askelsen was named Chief Legal Officer and Corporate Secretary.

Additionally, listed as "Other" on the 2024 Annual Statement were Angelika Feng, Senior Vice President and Chief Corporate Actuary, Shari Wood, Senior Vice President and Chief of Staff and Head of Administrative Services and Steven Schwartz, Treasurer.

3. TERRITORY AND PLAN OF OPERATIONS

The Company is authorized to write life insurance and annuities as defined in paragraphs 1 and 2 of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business only in the State of New York. In 2023, 100% of annuity considerations were received from New York. Policies are written on a non-participating basis.

A. Statutory and Special Deposits

As of December 31, 2023, 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 writes individual fixed annuities, specifically flexible premium deferred annuities and single premium immediate annuity products. The Company reported 1,144 fixed annuity contracts that were in force as of December 31, 2023, of which 98% were deferred annuities and 2% were immediate annuities. The Company issued 46 annuity contracts during the examination period. The Company is in run-off and did not write any new business in 2023.

C. Reinsurance

As of December 31, 2023, the Company had no reinsurance treaties in effect.

4. 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 December 31, 2023, filed annual statement.

A. Independent Accountants

The firm of EY 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 the years 2021, 2022 and 2023 and KPMG for the years 2019 and 2020, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the years then ended.

EY and KPMG 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	$100,400,870
Cash, cash equivalents and short-term investments	27,500,155
Other invested assets	2,113,009
Receivable for securities	2,828
Investment income due and accrued	1,049,574
Net deferred tax asset	102,258
Aggregate write-ins for other than invested assets	127,063
Total admitted assets	$131,295,757

C. Liabilities, Capital and Surplus

Aggregate reserve for life contracts	$ 93,550,346
Liability for deposit-type contracts	1,190,186
Contract claims:	
Life	164,001
General expenses due or accrued	9,500
Current federal and foreign income taxes	717,065
Amounts withheld or retained by company as agent or trustee	105,677
Remittances and items not allocated	(78,005)
Miscellaneous liabilities:	
Asset valuation reserve	747,316
Total liabilities	$ 96,406,086
Common capital stock	$ 2,000,000
Gross paid in and contributed surplus	28,000,000
Unassigned funds (surplus)	4,889,671
Surplus	$ 32,889,671
Total capital and surplus	$ 34,889,671
Total liabilities, capital and surplus	$131,295,757

D. Condensed Summary of Operations

	2019	2020	2021	2022	2023
Premiums and considerations	$ 1,614,459	$ 322,984	$ 654,613	$ 86,379	$ 77,479
Investment income	8,948,259	7,820,387	6,685,558	6,817,637	5,805,949
Miscellaneous income	37	0	0	0	0
Total income	$ 10,562,755	$ 8,143,371	$ 7,340,171	$ 6,904,016	$ 5,883,428
Benefit payments	$ 17,589,195	$ 16,104,201	$ 15,340,954	$ 19,149,303	$ 28,973,189
Increase in reserves	(11,334,527)	(11,308,553)	(10,413,946)	(2,513,471)	(26,500,126)
Commissions	50,722	2,800	0	0	0
General expenses and taxes	658,679	700,383	558,344	481,330	549,701
Total deductions	$ 6,964,069	$ 5,498,831	$ 5,485,352	$ 17,117,162	$ 3,022,764
Net gain (loss)	$ 3,598,686	$ 2,644,540	$ 1,854,819	$(10,213,146)	$ 2,860,664
Federal and foreign income taxes incurred	753,565	549,902	337,150	546,074	873,662
Net gain (loss) from operations before net realized capital gains	$ 2,845,121	$ 2,094,638	$ 1,517,669	$(10,759,220)	$ 1,987,002
Net realized capital gains (losses)	(56,499)	(217,528)	12,114	(331,277)	31,100
Net income	$ 2,788,624	$ 1,877,111	$ 1,529,783	$(11,090,497)	$ 2,018,102

E. Capital and Surplus Account

	2019	2020	2021	2022	2023
Capital and surplus, December 31, prior year	$37,437,813	$40,261,570	$42,207,440	$ 43,608,731	$32,595,124
Net income	$ 2,788,624	$ 1,877,111	$ 1,529,783	$(11,090,497)	$ 2,018,102
Change in unrealized capital gains (losses)	0	0	12,525	26,276	(38,801)
Change in net deferred income tax	(4,156)	(910)	(40,808)	2,698,151	262,545
Change in non-admitted assets and related items	3,590	(68,290)	(120,911)	(2,779,891)	(219,622)
Change in asset valuation reserve	35,699	86,713	20,701	132,354	272,323
Surplus (Paid in)	0	51,246	0	0	0
Net change in capital and surplus for the year	$ 2,823,757	$ 1,945,870	$ 1,401,291	$(11,013,607)	$ 2,294,547
Capital and surplus, December 31, current year	$40,261,570	$42,207,440	$43,608,731	$ 32,595,124	$34,889,671

5. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following is the financial condition examination comment contained in the prior report on examination and the subsequent actions taken by the Company:

Item	Description
A	The COVID-19 pandemic has disrupted the Unites States' economy and caused extreme volatility in the financial markets globally in an unprecedented manner. The extent to which COVID-19 may affect the Company's financial condition or results of operations will depend on future developments, including the duration, spread, and intensity of the pandemic. The extent of these future developments is uncertain and not readily determinable as of the date of this report, considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall effect of COVID-19 on the Company's business. The Company indicated that it was able to adjust to continue to administer the contracts with no disruption in the business. The Company developed several documents during this time: 1) Plan for Continuity of Operations arising from the Outbreak of COVID-19; and 2) COVID-19 Coronavirus Pandemic Planning Playbook. The Company also indicated that it continually monitors and updates its Disaster Recovery Plan, as necessary.

Respectfully submitted,

Marc A. Moyer, CFE
Examination Resources, LLC

STATE OF TEXAS)
) SS:
COUNTY OF COLLIN)

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

Marc A. Moyer

Subscribed and sworn to before me

this 6 day of August, 2025

ANDREW GENTILE
Notary Public, State of Texas
Comm. Expires 06-13-2027
Notary ID 134406356

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. 32679

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:*

MARC MOYER
(EXAMINATION RESOURCES, LLC.)

as a proper person to examine the affairs of the

AMERICAN EQUITY INVESTMENT 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 11th day of July, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU