REPORT ON EXAMINATION
OF THE
SEGREGATED GIFT ANNUITY FUND
OF THE
UNIVERSITY AT ALBANY FOUNDATION

AS OF December 31, 2023

EXAMINER: Hasan Ahmed

DATE OF REPORT: May 19, 2025

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June 23, 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. 32647, dated April 10th, 2024, and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the University at Albany Foundation. The Fund's home office is located at 1400 Washington Avenue, Albany, NY 12222.

The report indicating the results of this examination is respectfully submitted.

1. SCOPE OF EXAMINATION

This Scope of Examination summarizes the nature of the Superintendent of the Department of Financial Services' (the "Department") examination and assessment of the University at Albany Foundation (the "Fund") through which University at Albany Foundation (the "Organization") provides annuity benefits.

The prior examination was conducted as of December 31, 2018. This examination covers the period from January 1, 2019 through December 31, 2023. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2023 but prior to the date of this report (i.e., the completion date of the examination).

This report outlines DFS's supervisory expectations or priorities and articulates DFS's general views regarding the exceptional circumstances where the College or Fund, in relation to their annuity activities, could have better satisfied statutory standards or to adhered to practices or methods of dealing that are regularly observed among similar circumstances.

The Fund is subject to the solvency and examination requirements of New York Insurance Law § 1110 and of New York Insurance Law articles 1, 2, 3, 25, and 74.

The investment of the Fund's required admitted assets is subject to N.Y. Estates, Powers and Trust Law § 11-2.3. The investment of the remainder of the Fund's admitted assets is subject to N.Y. Not-for-Profit Corporation Law Article 5-a. Both establish that the trustees are to invest the assets consistent with prudent person standards.

The examination comprised a verification of assets and liabilities as of December 31, 2023 to determine whether the Fund's filed 2023 annual statement fairly presents its financial condition. The examiner reviewed the Fund's income and disbursements necessary to accomplish such verification. The examiner also reviewed the corrective actions taken by the Fund with respect to the violation and recommendations contained in the prior report on examination. The results of such review are contained in item 5 of this report.

2. DESCRIPTION OF FUND

A. History

The University at Albany Foundation was chartered in 1967 and is organized to promote, develop and advance the welfare of the State University of New York at Albany, its students, faculty, staff and alumni. The Organization established the Fund to issue gift annuity agreements in return for gifts from donors in 1993. The Superintendent of Insurance granted to the Organization a Charitable Annuity Society special permit on January 24, 1994.

B. Structure

The Fund is overseen by the Organization's board of directors. All operations related to the issuance, maintenance and settlement of annuity agreements are handled by the Fund.

C. Assets under the Board of Directors

As of the June 30, 2023 audited financial statement, the Organization's Board of Directors oversaw an endowment consisting of approximately 700 individual funds comprising $115,680,399 in total assets. The Fund, as of December 31, 2023, held total admitted assets of $1,775,757.

D. Third Party Service Providers

The Fund's custodian is Key Bank. Key Bank provides custodial and administrative services, calculation of reserve liabilities, the preparation of tax notices, and issues annuity payments on behalf of the Fund.

3. ASSETS AND LIABILITIES SUMMARY

The following summary table indicates the growth (decline) in various categories of the Fund's assets, liabilities, and fund balance during the period under review:

	December 31, 2018	December 31, 2023	Increase (Decrease)
Admitted assets	$2,003,579	$1,775,757	$(227,822)
Liabilities	$1,303,626	$1,071,369	$(232,257)
Minimum required fund balance	$ 129,939	$ 106,292	$ (23,647)
Excess fund balance (surplus)	570,014	598,096	28,082
Total annuity fund balance	$ 699,953	$ 704,388	$ 4,435
Total liabilities and annuity fund balance	$2,003,579	$1,775,757	$(227,822)

The decrease in assets and liabilities reflects a decrease in the total number of annuities in force. Annuities decreased from 93 with annual payment amounts of $174,913 as of December 31, 2018 to a total of 55 with annual payment amounts of $108,929 as of December 31, 2023. The increase in surplus is attributable to realized capital gains in the amount of $354,416 during the examination period.

The Fund's admitted assets, as of December 31, 2023, were invested in equity securities (99.99%).

4. TREATMENT OF ANNUITANTS

The examiner reviewed a sample of annuity files to determine whether the annuitants were treated fairly and in accordance with the provisions of the annuity agreements. The examination also consisted of a review of the various controls involved, a check of the accuracy of the computations and the tracing of accounting data to the books of account. Based upon the sample reviewed, no significant findings were noted.

5. PRIOR REPORT VIOLATION, RECOMMENDATIONS, & COMMENT

Following are the violation, recommendations, and comment contained in the prior report on examination and the subsequent actions taken by the Fund in response to each citation:

Item	Description
A	The examiner recommends that the Fund review at least annually its written investment policy setting forth guidelines on investments and delegation of management and the conformance of its delegees to that investment policy and statutory guidance and that it memorialize those reviews in either board minutes or materials. The Fund reviewed at least annually its written investment policy setting forth guidelines on investments and delegation of management and the conformance of its delegees to that investment policy and statutory guidance and that it memorializes those reviews in either board minutes or materials.
B	The Fund violated Section 1110(a) of the New York Insurance Law by using annuity agreement forms that were not filed with the Superintendent. The Fund used annuity agreement forms that were filed with the Superintendent.
C	The examiner recommends that the Fund submit to the Superintendent any gift annuity agreement forms used during the examination period that have not been previously filed with the Superintendent. The Fund submitted to the Superintendent gift annuity agreement forms used during the examination period that were not previously filed with the Superintendent.
D	The examiner recommends that the Fund prepare its filed annual statements in accordance with the instructions for completing the New York State Segregated Gift Annuity Fund Annual Statement. The examiner found no new discrepancies during the exam period.

Item	Description
E	During the course of the examination, the examiner became aware of a program under which University at Albany Foundation operated a charitable gift annuity assistance program for the benefit of other State University of New York campuses. This program was implemented without first obtaining full approval of all details of the program. By letter dated October 8, 2021, the Department approved the Program based upon the stipulated conditions noted in its approval and the Foundation affirming its intent to abide by the conditions. The Foundation has implemented the stipulated conditions consistent with the October 8, 2021 letter of approval.

Respectfully submitted,

/s/
Hasan Ahmed
Senior Insurance Examiner

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

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

/s/
Hasan Ahmed

Subscribed and sworn to before me

this _____ day of _____

APPOINTMENT NO. 32647

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:*

HASAN AHMED

as a proper person to examine the affairs of the

SEGREGATED GIFT ANNUITY FUND OF THE UNIVERSITY AT ALBANY FOUNDATION

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

FUND

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 10th day of April, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU