REPORT ON EXAMINATION
OF THE
SEGREGATED GIFT ANNUITY FUND
OF THE
GUIDING EYES FOR THE BLIND, INC.

AS OF December 31, 2023

EXAMINER: Manish Gera

DATE OF REPORT: September 05, 2025

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October 20, 2025

Honorable Kaitlin Asrow
Acting Superintendent of Financial Services
New York, New York 10004

Dear Kaitlin Asrow:

In accordance with instructions contained in Appointment No. 32629, dated September 13, 2024 and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the Guiding Eyes for the Blind, Inc. The Fund's home office is located at 611 Granite Springs Road, Yorktown Heights, New York 10598.

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

1. EXECUTIVE SUMMARY

The Fund should 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. (See item 4A of this report)

The examiner's review of the Fund's treatment of annuitants did not reveal significant instances which deviated from the New York Insurance Law, Department regulations and circular letters and the operating rules of the Fund. (See item 6 of this report)

2. SCOPE OF EXAMINATION

This Scope of Examination summarizes the nature of the Superintendent of the Department of Financial Services' examination and assessment of the Guiding Eyes for the Blind, Inc. Segregated Gift Annuity Fund (the "Fund") through which the Guiding Eyes for the Blind, Inc. (the "Corporation") 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 Corporation 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 recommendations contained in the prior report on examination. The results of such review are contained in item 7 of this report.

3. DESCRIPTION OF FUND

A. History

Guiding Eyes for the Blind, Inc. was chartered in 1954 and is organized for the purpose of providing guide dogs to people with vision loss. The Corporation is passionate about connecting exceptional dogs with individuals for greater independence. The Corporation established the Fund to issue gift annuity agreements in return for gifts from donors in 1992. The Superintendent of Insurance granted to the Corporation a Charitable Annuity Society special permit on January 5, 1999.

B. Structure

The management of the Corporation and the Fund and all of its affairs and property are entrusted to a 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 September 30, 2023 audited financial statement, the Corporation's Board of Directors oversaw an endowment fund comprising $6,459,799 in total assets. The Corporation held $60,829,527 in investments as of September 30, 2023 as well. The Fund, as of December 31, 2023, held total admitted assets of $1,866,295.

D. Third-party Service Providers

Bank of America Merrill Lynch is the custodian of the Fund's assets. Cornerstone Advisors Asset Management, LLC ("Cornerstone") is the Fund's investment manager. Cornerstone contracts with PG Calc to provide the database of annuitants and gift records. PG Calc also makes annuity payments and provides reserve reporting for the Fund and the annual statement. The Fund utilizes the services of OSGroup for the preparation of annual reports that are submitted to the New York State Department of Financial Services.

4. INVESTMENT REVIEW

A. Investment Policy Statement

New York Estate Powers and Trust Law § 11-2.3(b)(3)(A) requires trustees to "pursue an overall investment strategy to enable the trustee[s] to make appropriate present and future distributions to or for the benefit of the beneficiaries under the governing instrument, in accordance with risk and return objectives reasonably suited to the entire portfolio."

New York Not-for-Profit Corporation Law § 552(e)(2) requires institutions to adopt "an overall investment strategy having risk and return objectives reasonably suited to the fund and to the institution." New York Not-for-Profit Corporation Law § 552(f) provides that each "institution shall adopt a written investment policy setting forth guidelines on investments … and delegation of management and investment functions in accord with the standards of this article."

The Corporation prepared and provided an investment policy statement ("IPS") for the Fund. The Fund adopted it as its IPS.

The Fund should 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.

5. ASSETS & LIABILITIES SUMMARY

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

	December 31, 2018	December 31, 2023	(Decrease)
Admitted assets	$2,608,649	$1,866,295	$(742,354)
Liabilities	$1,202,121	$1,085,372	$(116,749)
Minimum required fund balance	$ 120,212	$ 108,537	$ (11,675)
Excess fund balance (surplus)	1,286,315	672,385	(613,930)
Total annuity fund balance	$1,406,528	$ 780,923	$(625,605)
Total liabilities and annuity fund balance	$2,608,649	$1,866,295	$(742,353)

The decrease in admitted assets, liabilities, and annuity fund balance reflects a decrease in the total number of annuities in force. Annuities decreased from 58 with annual payment amounts of $174,494 as of December 31, 2018, to a total of 49 with annual payment amounts of $158,318 as of December 31, 2023.

The Fund's admitted assets, as of December 31, 2023, were invested in equity securities (96.08%).

6. 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.

7. PRIOR REPORT RECOMMENDATIONS

Following are the recommendations 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 board of directors, or a committee thereof, approve the purchases and sales of all investments and note such approvals in the minutes. The Corporation's board of directors, or a committee thereof, reviewed the purchases and sales of the Fund's investments annually and noted the same in the minutes.
B	The examiner recommends that the Investment Strategy Statement be approved by the board of directors. The Fund has complied with the recommendation.
C	The examiner recommends that the Fund adopt an Investment Strategy Statement that refers to the prudent investor standard as defined in Section 11-2.3 of the Estates, Powers and Trusts Law, which standard, as specified in Section 1110(b) of the New York Insurance Law, governs the manner in which the required admitted assets of a segregated gift annuity fund shall be invested. The Fund should exercise reasonable care, skill and caution to make and implement investment and management decisions as a prudent investor would for the entire portfolio. In doing so, the Fund should take into account present and future distributions to or for the beneficiaries and create a plan to meet the needs of those distributions to establish the ISS's risk, return, and time horizon objectives. The Fund utilized an investment policy statement that included the prudent investor standard.
D	The examiner recommends that the Fund strengthen the diversification of its investment holdings. If the trustee has determined that it is in the interests of the beneficiaries not to diversify, then it should memorialize the reasons for that determination in terms of the Investment Strategy Statement's ("ISS") risk, return, and time horizon parameters. The Department no longer provides specific guidance for diversification.

Item	Description
E	The examiner recommends that the Fund use the name, as agreed upon by resolution of the board of directors, for its custodian account. The Fund has complied with the recommendation.

8. RECOMMENDATION

Following is the recommendation contained in this report:

Item	Description	Page No(s).
A	The Fund should 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.	5

Respectfully submitted,

/s/
Manish Gera
Senior Insurance Examiner

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

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

/s/
Manish Gera

Subscribed and sworn to before me

this _____ day of _____

APPOINTMENT NO. 32629

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:*

MANISH GERA

as a proper person to examine the affairs of the

SEGREGATED GIFT ANNUITY FUND OF THE GUIDING EYES FOR THE BLIND, INC.

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 13th day of September, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark M Leod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU