REPORT ON EXAMINATION
OF THE
SEGREGATED GIFT ANNUITY FUND
OF THE
CENTER FOR INQUIRY, INC.

AS OF DECEMBER 31, 2023

EXAMINER: Manish Gera

DATE OF REPORT: August 27, 2025

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October 21, 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. 32618, 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 Center for Inquiry, Inc. The Fund's home office is located at 3965 Rensch Road, Amherst, NY 14228.

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

1. EXECUTIVE SUMMARY

The Investment Policy Statement should be approved by the Board of Directors. (See item 4A of this report)

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)

Upon the death of an annuitant, the Fund should obtain and maintain a death certificate or other reliable documentary evidence that supports such information terminating an annuity contract. (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 Center for Inquiry, Inc. Segregated Gift Annuity Fund (the "Fund") through which the Center for Inquiry, Inc. (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 Organization 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

The Center for Inquiry, Inc. was chartered in 1980 and is organized to critically examine the claims of religion and pseudoscience, advocate for the separation of church and state, work to eliminate the influence of religion and pseudoscience on public policy, and educate the public regarding the benefits of evidence-based reasoning and critical thinking. The Organization is a supporting organization within the meaning of Section 509(a)(3) of the United States tax code, and previously carried out its charitable purposes in substantial part through the work of its two supported affiliates, the Committee for Skeptical Inquiry, Inc. and the Council for Secular Humanism, Inc. All three corporations had the same directors and officers. In 2015, the three corporations, the Center for Inquiry, the Committee for Skeptical Inquiry, Inc., and the Council for Secular Humanism, Inc, merged into one entity known as The Center for Inquiry. The Richard Dawkins Foundation for Reason and Science merged into the Organization on December 31, 2016. The Organization established the Fund to issue gift annuity agreements in return for gifts from donors in 2000. The Superintendent of Insurance granted to the Organization a Charitable Annuity Society special permit on October 27, 2009.

B. Structure

The management of the Organization 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 December 31, 2023 audited financial statement, the Organization's Board of Directors oversaw an endowment fund comprising $31,282,592 in total assets. The Fund, as of December 31, 2023, held total admitted assets of $645,166.

D. Third-party Service Providers

Bank of America Corporation is the custodian of the Fund's assets. U.S. Trust provides management of the investment funds and makes all benefit payments due to the annuitants. U.S. Trust provides the Organization with quarterly investment statements, payment summaries, and reserve statements and tax filings, along with other requested reports. PG Calc handles and makes all benefit payments due to the annuitants, provides the payment summaries, reserve statements, and tax filings along with other requested reports. The financial statements and entries made for the Fund are prepared by Fund’s audit firm, Dopkins and Company.

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 examiner's review of the Fund's Investment Policy Statement ("IPS") revealed that the board failed to approve the IPS.

The Investment Policy Statement should be approved by the Board of Directors.

The Organization prepared and provided a custom-tailored investment policy statement for the Fund. The Fund adopted it as its Investment Policy Statement.

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 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	$655,932	$645,166	$(10,766)
Liabilities	$582,286	$510,643	$(71,643)
Minimum required fund balance	$ 58,229	$ 51,064	$ (7,165)
Excess fund balance (surplus)	15,417	83,459	68,042
Total annuity fund balance	$ 73,646	$134,523	$ 60,877
Total liabilities and annuity fund balance	$655,932	$645,166	$(10,766)

The decrease in assets and liabilities reflects a decrease in the total number of annuities in force. Annuities decreased from 15 with annual payment amounts of $51,092 as of December 31, 2018, to a total of 9 with annual payment amounts of $47,776 as of December 31, 2023. The increase in annuity fund balance was a result of investment gains.

The Fund's admitted assets, as of December 31, 2023, were invested in equity securities (96.35%) and money market mutual funds (3.58%).

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.

The examiner's review of the one annuity contract terminated revealed that the Fund failed to obtain a copy of the death certificate to confirm termination of the annuity contract.

Upon the death of an annuitant, the Fund should obtain and maintain a death certificate or other reliable documentary evidence that supports such information terminating an annuity contract.

7. PRIOR REPORT RECOMMENDATION

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 upon the death of an annuitant, the Fund obtain and maintain a death certificate or other reliable documentary evidence that supports such information terminating an annuity contract. The Fund has failed to comply with the recommendation. A similar recommendation appears in this report on examination.

8. RECOMMENDATIONS

Following are the recommendations contained in this report:

Item	Description	Page No(s).
A	The Investment Policy Statement should be approved by the Board of Directors.	6
B	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.	6
C	Upon the death of an annuitant, the Fund should obtain and maintain a death certificate or other reliable documentary evidence that supports such information terminating an annuity contract.	8

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. 32618

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 CENTER FOR INQUIRY, 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 McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU