MARKET CONDUCT REPORT ON EXAMINATION

OF THE

ATHENE LIFE INSURANCE COMPANY OF NEW YORK

AS OF DECEMBER 31, 2024

EXAMINER: **TARN KHERA**

DATE OF REPORT: **OCTOBER 31, 2025**

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March 6, 2026

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

Dear Kaitlin Asrow:

In accordance with instructions contained in Appointment No. 32757, dated February 26, 2025, and annexed hereto, an examination has been made into the condition and affairs of Athene Life Insurance Company of New York, hereinafter referred to as "the Company." The Company's home office is located at One Blue Hill Plaza, Suite 1672, Pearl River, NY 10965.

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 3211(b)(2) of the New York Insurance Law by failing to state on its premium notices and lapse notices sent to policyholders that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit. (See item 4A-1 of this report.)
- The Company violated Section 216.4(e) of Insurance Regulation 64 by failing to register and monitor all complaint activity in its complaint log. This is a repeat violation. (See item 4A-2 of this report.)
- The Company violated Section 3244(b)(7) of the New York Insurance Law by failing to include in its EOB a description of the time limit, place and manner in which an appeal of a denial of benefits must be brought under the policy and a notification that failure to comply with the requirements for appealing denied benefits may lead to forfeiture of a consumer's right to challenge a denial or rejection even when a request for clarification has been made. A similar violation is contained in the prior market conduct report on examination. (See item 4A-3 of this report.)

2. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2020, to December 31, 2024. As necessary, the examiner reviewed matters occurring subsequent to December 31, 2024, but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a review of market conduct activities and utilized the National Association of Insurance Commissioners' *Market Regulations Handbook* or such other examination procedures, as deemed appropriate, in such review.

The examiner reviewed the corrective actions taken by the Company with respect to the violations and recommendation contained in the prior market conduct 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 comments on 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 April 17, 1958, and was licensed and commenced business on November 25, 1958, under the name Gotham Life Insurance Company of New York.

In 1979, the Company changed its name to Bankers Life and Casualty Company of New York. In March 1994, the Company changed its name to Bankers Life Insurance Company of New York. In July 1995, Indianapolis Life Insurance Company ("ILICO") purchased the Company from Southwestern Life Insurance Company. In 1998, the Company became a subsidiary of the Indianapolis Life Group of Companies ("IL Group"), which was the downstream holding company of ILICO. On May 18, 2001, ILICO became a wholly owned subsidiary of AmerUs Group Co. ("AGC"). On March 5, 2002, the IL Group was dissolved and all the Company's shares reverted to ILICO, which became the Company's immediate parent and AGC became the Company's ultimate parent. On November 15, 2006, AGC merged with Libra Acquisition Corporation, an Iowa corporation and an indirect wholly owned subsidiary of Aviva plc, a public limited company incorporated under the laws of England and Wales. AGC continued after the merger as the surviving corporation and an indirect wholly owned subsidiary of Aviva plc.

On December 31, 2007, ILICO acquired Aviva Life Insurance Company of New York ("ALICNY"), a New York domestic life insurance company. Immediately following the acquisition, ALICNY was merged with and into the Company, with Bankers Life Insurance Company of New York ("BLNY") being the surviving entity. Simultaneously with the merger, BLNY was renamed Aviva Life and Annuity Company of New York.

Effective January 1, 2008, AGC merged with Aviva USA Corporation, a non-life insurance company incorporated in the State of Delaware. AGC, incorporated in the State of Iowa, continued as the surviving company and simultaneously changed its name to Aviva USA. Effective September 30, 2008, Aviva Life Insurance Company, a Delaware domiciled insurance company in the Aviva holding company system, and ILICO, the Company's immediate parent, were merged with and into Aviva Life & Annuity Company ("ALAC"), an Iowa domiciled insurer. ALAC became the Company's immediate parent.

On October 2, 2013, the Company ceded through a series of reinsurance agreements all its life insurance business, excluding the block of business written by John Alden of New York, to First Allmerica Financial Life Insurance Company ("FAFLIC"). The Company also entered into transition services and administrative agreements with FAFLIC in connection with these reinsurance agreements.

On October 2, 2013, the Department approved the acquisition of the Company by Apollo Global Management, LLC ("AGM"). Simultaneous with the acquisition, ALAC, the Company's immediate parent, became the parent of Athene Life & Annuity Assurance Company of New York ("AANY"), an indirect subsidiary of AGM. ALAC then sold 100% of the Company's issued and outstanding capital stock to AANY in exchange for cash in the amount of $48.2 million. On March 3, 2014, the Company changed its name to Athene Life Insurance Company of New York ("ALICNY").

B. Territory and Plan of Operation

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 17 states. As of December 31, 2024, 76% of life premiums, 18% of annuity considerations and 99% of the accident & health premiums were received from New York. Policies are written on a non-participating basis.

On October 2, 2013, the Company ceased selling all products and has been in runoff since that date.

4. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

A. Treatment of Policyholders

The examiner reviewed a sample of various types of claims, surrenders, changes and lapses. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

1. Section 3211 of the New York Insurance Law states, in part:

   "(b) The notice required by paragraph one of subsection (a) hereof shall: . . .
   (2) . . . also state that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit."

The examiner reviewed a sample of 24 lapsed policies which consisted of 15 term life, one whole life, and eight universal life policies. The review revealed that in all premium notices sent to term and whole life policyholders and all lapse notices sent to universal life policyholders, the notices did not contain the language required by Section 3211(b)(2) of the New York Insurance Law which states, in part: " . . . that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit."

The Company violated Section 3211(b)(2) of the New York Insurance Law by failing to state on its premium notices and lapse notices sent to policyholders that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit.

2. Section 216.4(e) of 11 NYCRR 216 (Insurance Regulation 64) states:

   "As part of its complaint handling function, an insurer's consumer services department shall maintain an ongoing central log to register and monitor all complaint activity."

The examiner compared the complaint log provided by the Company to the complaint listing from the Department's Consumer Assistance Unit (the "CAU"). A review of the Company's response to examination correspondence indicates that eight of the CAU's 51 (15.7%) complaints were not registered and monitored in the Company's complaint log.

The Company violated Section 216.4(e) of Insurance Regulation 64 by failing to register and monitor all complaint activity in its complaint log. This is a repeat violation.

3. Section 3244[1] of the New York Insurance Law states, in part:

> "(a) Every insurer . . . is required to provide the insured or subscriber with an explanation of benefits form in response to the filing of any claim under a policy or certificate providing coverage for hospital, medical or pharmaceutical expenses, including policies and certificates providing nursing home expense or home care expense benefits.
> (b) The explanation of benefits form must include at least the following: . . .
> (7) a telephone number or address where an insured or subscriber may obtain clarification of the explanation of benefits, as well as a description of the time limit, place and manner in which an appeal of a denial of benefits must be brought under the policy or certificate and a notification that failure to comply with such requirements may lead to forfeiture of a consumer's right to challenge a denial or rejection, even when a request for clarification has been made. . . ."

The examiner reviewed a sample of 25 long term care claims. The examiner's review of the Explanation of Benefits ("EOB") forms for the 25 claims revealed that in three (12%) claims, the EOBs did not include a description of the time limit, place and manner in which an appeal of a denial of benefits must be brought under the policy, and a notification that failure to comply with the requirements for appealing denied benefits may lead to forfeiture of a consumer's right to challenge a denial or rejection even when a request for clarification has been made.

The Company violated Section 3244(b)(7) of the New York Insurance Law by failing to include in its EOB a description of the time limit, place and manner in which an appeal of a denial of benefits must be brought under the policy and a notification that failure to comply with the requirements for appealing denied benefits may lead to forfeiture of a consumer's right to challenge a denial or rejection even when a request for clarification has been made. A similar violation is contained in the prior market conduct report on examination.

[1] Effective February 19, 2022, Section 3234 of the New York Insurance Law is renumbered as Section 3244.

5. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violations and recommendation contained in the prior market conduct report on examination and the subsequent actions taken by the Company in response to each citation:

Item	Description
A	The Company violated Insurance Regulation No. 60, 11 NYCRR Section 51.6(c)(2) by failing to provide the replacing insurer with the existing policy or contract information necessary to complete the Regulation 60 "Disclosure Statement" within 20 days of receipt of the request. The examiner's review revealed that the Company provided the replacing insurer with the existing policy or contract information necessary to complete the Regulation 60 "Disclosure Statement" within 20 days of receipt of the request.
B	The Company violated Section 3209(d)(7) of the New York Insurance Law by failing to advise applicants in writing that, when the policy is issued, a complete policy summary, including cost data, based on the benefits, premiums and dividends of the policy as issued, will be furnished; and that, following the receipt of the policy and policy summary, there will be a period of not less than ten days within which the applicant may return the policy for an unconditional refund of the premiums paid. The examiner's review revealed that the Company ceased writing new business effective October 2, 2013.
C	The Company violated Insurance Regulation No. 152, 11 NYCRR Section 243.2(b)(1) by failing to maintain a copy of the preliminary information provided to prospective applicants on or before the date that the application was taken. The examiner's review revealed that the Company ceased writing new business effective October 2, 2013.
D	The Company violated Insurance Regulation No. 64, 11 NYCRR Section 216.4(b) by failing to make an appropriate reply within 15 business days of the receipt of all other pertinent communications. The examiner's review revealed that the Company replied within 15 business days of receipt of all other pertinent communications.
E	The Company violated Insurance Regulation No. 64, 11 NYCRR Section 216.4(e) by not maintaining a complaint log that registers and monitors all the Company's complaint activity.

Item	Description
	The examiner's review revealed that the Company failed to maintain a complete complaint log that registers and monitors all of the Company's complaint activity. This is a repeat violation. (See item 4A-2 of this report.)
F	The examiner recommends that the Company strengthens its complaint handling procedures to ensure all future complaints are recorded correctly on its complaint log. The examiner's review revealed that the Company failed to maintain a complete complaint log that registers and monitors all of the Company's complaint activity.
G	The Company violated Section 3211(b) of the New York Insurance Law by failing to mail premium due notices to policyholders at their last known address. The examiner's review indicated that the Company mailed premium due notices to policyholders at their last known address.
H	The Company violated Section 3211(g) of the New York Insurance Law by failing to provide annual reports or cash surrender value notices to policyholders. The examiner's review indicated that the Company provided annual reports or cash surrender value notices to policyholders.
I	The Company violated Section 4221(a)(7) of the New York Insurance Law and Insurance Regulation No. 74, 11 NYCRR Section 53-3.6(a) by failing to provide a statement at least annually to each holder of a policy marketed with an illustration under which additional amounts are credited. The examiner's review indicated that the Company provided a statement at least annually to each holder of a policy marketed with an illustration under which additional amounts are credited.
J	The Company violated Regulation No. 169, 11 NYCRR Section 420.5(a)(1) by failing to provide annual privacy notices to policyholders during the examination period. The examiner's review indicated that the Company provided annual privacy notices to policyholders during the examination period.

Item	Description
K	The Company violated Section 3234(b)(7) of the New York Insurance Law by failing to include in its EOB a description of the time limit, place and manner in which an appeal of a denial of benefits must be brought under the policy and a notification that failure to comply with the requirements for appealing denied benefits may lead to forfeiture of a consumer's right to challenge a denial or rejection even when a request for clarification has been made. The examiner's review revealed that the Company failed to include in its EOB a description of the time limit, place and manner in which an appeal of a denial of benefits must be brought under the policy and a notification that failure to comply with the requirements for appealing denied benefits may lead to forfeiture of a consumer's right to challenge a denial or rejection even when a request for clarification has been made. Thus, a similar violation is contained in this report. (See item 4A-3 of this report.)
L	The Company violated Insurance Regulation No. 95, 11 NYCRR Section 86.4(d) by failing to place the required fraud warning statement immediately above the space provided for the signature of the person executing the claim form. This violation appeared in the prior report on examination. The examiner's review revealed that the Company included on its claim forms the fraud warning statement required by Section 86.4(d) of 11 NYCRR 86 (Insurance Regulation 95).

6. SUMMARY AND CONCLUSIONS

Following are the violations contained in this report:

Item	Description	Page No(s).
A	The Company violated Section 3211(b)(2) of the New York Insurance Law by failing to state on its premium notices and lapse notices sent to policyholders that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit.	6
B	The Company violated Section 216.4(e) of Insurance Regulation 64 by failing to register and monitor all complaint activity in its complaint log. This is a repeat violation.	7
C	The Company violated Section 3244(b)(7) of the New York Insurance Law by failing to include in its EOB a description of the time limit, place and manner in which an appeal of a denial of benefits must be brought under the policy and a notification that failure to comply with the requirements for appealing denied benefits may lead to forfeiture of a consumer's right to challenge a denial or rejection even when a request for clarification has been made. A similar violation is contained in the prior market conduct report on examination.	7

Respectfully submitted,

/s/
Tarn Khera
Associate Insurance Examiner

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

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

/s/
Tarn Khera

Subscribed and sworn to before me

this_____ day of _____

APPOINTMENT NO. 32757

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:*

TARN KHERA

as a proper person to examine the affairs of the

ATHENE 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 26th day of February, 2025
ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU