REPORT ON EXAMINATION
OF THE
SEGREGATED GIFT ANNUITY FUND
OF THE
CATHOLIC FOREIGN MISSION SOCIETY OF AMERICA, INC.

AS OF DECEMBER 31, 2024

EXAMINER: Adelia Gbadamosi

DATE OF REPORT: April 29, 2026

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June 10, 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. 32774, dated July 18, 2025 and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the Catholic Foreign Mission Society of America, Inc. The Fund's home office is located at 77 Ryder Road, Maryknoll, New York 10545.

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

1. EXECUTIVE SUMMARY

The Fund should use the name, as agreed upon by resolution of the board of directors, for its custodian account. (See item 3E of this report)

The examiner's review of a sample of transactions did not reveal any differences which materially affected the Fund's financial condition as presented in its financial statements contained in the December 31, 2019 filed annual statement. (See item 4 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 5 of this report)

2. SCOPE OF EXAMINATION

This Scope of Examination summarizes the nature of the Superintendent of the Department of Financial Services' ("Department" or "DFS") examination and assessment of the Segregated Gift Annuity Fund (the "Fund") of the Catholic Foreign Mission Society of America, Inc. through which the Catholic Foreign Mission Society of America, Inc. (the "Society") provides annuity benefits.

The prior examination was conducted as of December 31, 2019. This examination covers the period from January 1, 2020 through December 31, 2024. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2024 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 Society or Fund, in relation to their annuity activities, could have better adhered to statutory standards and guidance or 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, 2024 to determine whether the Fund's filed 2024 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 6 of this report.

3. DESCRIPTION OF FUND

A. History

The Catholic Foreign Mission Society of America, Inc. was chartered in 1912 and is organized for the purpose of enlisting the services of ecclesiastics and laymen of the Roman Catholic Church to teach and preach, as missionaries, their faith in the United States, and other countries; enlisting young men and to teaching and training them for the religious state to act as missionaries in the United States and other countries; receiving voluntary contributions and donations for the education, support and maintenance of such persons; and publishing and distributing, or assisting in the publication and distribution of books and reading matter in connection with such missionary work. The Society established the Fund to issue gift annuity agreements in return for gifts from donors in 1913. The Superintendent of Insurance granted to the Society a Charitable Annuity Society special permit on May 9, 1940.

B. Structure

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

C. Assets under the Board of Directors

As of the December 31, 2024 audited financial statement, the Society's Board of Directors oversaw an endowment comprising $310,629,912 in total assets. The Fund, as of December 31, 2024, held total admitted assets of $17,231,113.

D. Third-party Service Providers

Bank of New York Mellon ("BNY Mellon") is the Fund's custodian and investment manager. BNY Mellon invests the Fund's assets according to an agreed upon investment policy and prepares the Fund's annual reports for the Department and other states that require annual statement reporting. The Fund maintains a checking account with JP Morgan Chase for annuity payments. The Fund uses PG Calc and Berwyn Group software to assist with annuity payments.

E. Corporate Governance

The examiner's review of the Fund's JP Morgan Chase custodial account revealed that the account is in the name of the Society, not in the name of the Fund as agreed upon by resolution of the board of directors filed with the Department.

The Fund should use the name, as agreed upon by resolution of the board of directors, for its custodian account.

4. 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, 2019	December 31, 2024	Increase (Decrease)
Admitted assets	$15,867,592	$17,231,113	$ 1,363,521
Liabilities	$11,728,221	$ 9,423,121	$(2,305,100)
Minimum required fund balance	$ 1,146,507	$ 919,944	$ (226,563)
Excess fund balance (surplus)	2,992,864	6,888,049	3,895,185
Total annuity fund balance	$ 4,139,371	$ 7,807,993	$3,668,622
Total liabilities and annuity fund balance	$15,867,592	$17,231,113	$1,363,521

The decrease in liabilities and increase in annuity fund balance reflects a decrease in the total number of annuities in force as well as staff turnover. Conversely, invested assets increased during the period because of investment gains. Annuities decreased from 918 with annual payment amounts of $1,219,211 as of December 31, 2019 to a total of 722 with annual payment amounts of $1,035,466 as of December 31, 2024.

The Fund's admitted assets, as of December 31, 2024, were invested in equity securities (96.49%).

5. 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.

6. 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 Investment Strategy Statement be approved by the board. The Fund's Investment Strategy statement was approved by the Board during the examination period.
B	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 has adopted 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.

7. RECOMMENDATION

Following are the recommendations contained in this report:

Item	Description	Page No(s).
A	The Fund should use the name, as agreed upon by resolution of the board of directors, for its custodian account.	5

Respectfully submitted,

/s/
Adelia Gbadamosi
Senior Insurance Examiner

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

ADELIA GBADAMOSI, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

/s/
Adelia Gbadamosi

Subscribed and sworn to before me

this _____ day of _____

APPOINTMENT NO. 32774

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:*

ADELIA GBADAMOSI

as a proper person to examine the affairs of the

SEGREGATED GIFT ANNUITY FUND OF THE CATHOLIC FOREIGN MISSION SOCIETY OF AMERICA, INC.

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

FUND

with such other information as she 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 18th day of July, 2025

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
ASSISTANT DEPUTY SUPERINTENDENT - LIFE BUREAU