MARKET CONDUCT REPORT ON EXAMINATION

OF THE

AMALGAMATED LIFE INSURANCE COMPANY

AS OF DECEMBER 31, 2023

EXAMINER: **MESKEREM BELAY**

DATE OF REPORT: **NOVEMBER 25, 2025**

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September 25, 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. 32704, dated October 8, 2024, and annexed hereto, an examination has been made into the condition and affairs of Amalgamated Life Insurance Company, hereinafter referred to as "the Company." The Company's home office is located at 333 Westchester Avenue, White Plains, NY 10604.

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 and recommendation contained in this report are summarized below.

- The Company violated Section 3211(a)(1) of the New York Insurance Law by failing to send the premium due notice to the insured or policyowner at least 15 and not more than 45 days prior to the premium due date. (See item 4C-1 of this report.)
- The Company violated Section 216.6(c) of Insurance Regulation 64 by failing to pay claims within 15 business days after receipt of all requested documentation. (See item 4C-2 of this report.)
- The Company violated Sections 226.3(a) and (b) of Insurance Regulation 200 by failing to provide evidence that it performed multiple policy searches to determine whether it has any other policies for the insured or account holder and failing to notify each United States affiliate, parent, or subsidiary, and any entity with which it contracts that may maintain or control records relating to policies covered by this Part. (See item 4E-1 of this report.)
- The Company violated Section 226.4(b)(1) of Insurance Regulation 200 and Section 3240(d)(1) of the New York Insurance Law by failing to perform the required quarterly cross-checks on all Patron group life lapsed policies and accounts using the latest available updated version of the death index cross-check to timely capture the death of the policyholders. (See item 4E-3 of this report.)
- The Company violated Section 226.4(b)(2) of Insurance Regulation 200 by failing to utilize or capture, the date of birth, first name, middle initial, last name or the social security number of the insured in its death match search platform during the cross-check process. (See item 4E-4 of this report.)
- The examiner recommends that the Company reperform the death index cross-checks using the required fields and provide the Department with the results of all potential matches from the death index cross-check. In addition, the Company is required to locate the beneficiary and pay the death claims for any confirmed deaths. (See item 4E-4 of this report.)

2. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2019, to December 31, 2023. As necessary, the examiner reviewed matters occurring subsequent to December 31, 2023, 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 market conduct violations contained in the prior 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 the State of New York on September 29, 1943, was licensed on January 10, 1944, and commenced business on February 1, 1944. Initial resources of $450,000, consisting of common stock of $300,000 and paid in and contributed surplus of $150,000, were provided through the sale of 3,000 shares of common stock (with a par value of $100) for $150 per share.

The Company was organized by the Amalgamated Insurance Fund ("the Fund"), a welfare fund established by the Union of Needletrades, Industrial and Textile Employees ("UNITE") (formerly known as Amalgamated Clothing Workers of America) and employers in the clothing industry. The Company was formed as a non-profit insurer to provide life and accident and health insurance for participants in the Fund and six other related funds ("the Patron Funds") on a non-profit basis. Prior to 1992, operations were restricted to selling insurance products to the seven Patron Funds, which are all multiple-employer Taft-Hartley plans sponsored by UNITE. Taft-Hartley plans afford a vehicle by which private sector unionized employees can get health, retirement, and other benefits. In January 1992, the Department approved the Company's amended charter authorizing it to sell life, health, and disability insurance outside of its traditional non-profit market.

On March 26, 2001, the Department granted approval to transfer ownership of the Company's parent, ALICO Services Corporation ("ASC"), from the Fund to the Amalgamated Cotton Garment & Allied Industries Pension Fund ("the Cotton Fund"). This reorganization did not change the direct ownership of the Company, which remained a wholly owned subsidiary of ASC.

In November 2003, the Cotton Fund merged with the International Ladies Garment Workers Union National Retirement Fund, both of which were multiple-employer Taft-Hartley retirement plans, to form UNITE National Retirement Fund ("UNITE Retirement").

On September 24, 2010, the name UNITE Retirement was changed to the National Retirement Fund.

As a result of the aforementioned mergers of the various funds, changes in the capital and surplus of the Company since its incorporation resulted in capital and paid in and contributed

surplus of $2,500,000 and $3,650,000, respectively, as of December 31, 2008. In December 2009, a capital contribution in the amount of $3,900,000 was made to the Company by ASC. This contribution resulted in the Company having $2,500,000 of common capital stock and $7,550,000 of gross paid in and contributed surplus as of December 31, 2009. No additional changes in common stock or gross paid in and contributed surplus have occurred.

B. Territory and Plan of Operation

The Company is authorized to write life insurance and accident and health insurance as defined in paragraphs 1 and 3(i) of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business in all 50 states and the District of Columbia. In 2023, 55.2% of life premiums and 29.7% of accident and health premiums were received from New York. Policies are written on a participating and non-participating basis.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2023:

Life Insurance Premiums		Accident and Health Insurance Premiums	
New York	55.2%	New York	29.7%
Pennsylvania	15.5	California	19.2
Missouri	10.4	New Jersey	9.6
New Jersey	6.6	Illinois	6.8
Texas	5.6	Indiana	4.6
Subtotal	93.3%	Subtotal	69.9%
All others	6.7	All others	30.1
Total	100.0%	Total	100.0%

The primary products sold by the Company are group term life insurance, medical stop loss insurance, group short-term disability, and a suite of voluntary/worksite benefit products.

Most sales in the Company's target labor market are accomplished through direct contact with trade union groups, brokers, and consultants. The Company maintains a salaried sales force of experienced insurance professionals and consultants who were former trade union officials who created these contracts.

The sales force also benefits from referrals from a network of benefit consultants; law, actuarial, and accounting firms; Blue Cross plans and health maintenance organizations which also serve the Taft-Hartley market.

The Company intends to develop new markets within labor and outside of labor to further diversify revenue streams. The Company's customers are primarily trade union members covered under Taft-Hartley health and welfare plans and pension plans, or under endorsed voluntary arrangements through their unions. In addition to clothing and textile workers, clients include bricklayers, carpenters, firefighters, hospital workers, hotel workers, janitors, police officers, social service employees, steelworkers, theatrical stagehands, and delivery drivers.

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. Advertising and Sales Activities

The examiner reviewed a sample of the Company's advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

Based upon the sample reviewed, no significant findings were noted.

B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms.

Based upon the sample reviewed, no significant findings were noted.

C. 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(a)(1) of the New York Insurance Law states, in part:

   "No policy of life insurance . . . delivered or issued for delivery in this state . . . shall terminate or lapse by reason of default in payment of any premium . . . in less than one year after such default, unless, for scheduled premium policies, a notice shall have been duly mailed at least fifteen and not more than forty-five days prior to the day when such payment becomes due . . ."

The examiner reviewed a sample of nine individual life policies that lapsed during the examination period. The review revealed that in 4 out of 9 (44%) life policies, the premium due notices were not sent at least 15 and not more than 45 days prior to the day when such payment became due.

The Company violated Section 3211(a)(1) of the New York Insurance Law by failing to send the premium due notice to the insured or policyowner at least 15 and not more than 45 days prior to the premium due date.

The examiner recommends that the Company investigate any New York policyholders listed in its lapse data file for the examination period provided in response to the Pre-Examination Letter ("PEL"). The Company should use the Social Security Death Master Index ("SSDI") to identify any policyholders who died within one year of the lapse of their policy. For all insureds who are identified as deceased, the Company should make prompt restitution to the beneficiary for benefits afforded by the policy, including interest from the date of death to the date of payment or escheat the proceeds.

2. Section 216.6(c) of 11 NYCRR 216 (Insurance Regulation 64) states, in part:

> "(1) Within 15 business days after receipt by the insurer of a properly executed proof of loss and receipt of all items, statements and forms that the insurer requested from the claimant, the claimant, or the claimant's authorized representative, shall be advised in writing of the acceptance or rejection of the claim by the insurer. . . . (2) If the insurer needs more time to determine whether the claim should be accepted or rejected, it shall so notify the claimant, or the claimant's authorized representative, within 15 business days after receipt of such proof of loss, or requested information. . . ."

The examiner reviewed samples of group life paid claim files during the examination period and noted that in 17 out of 67 (25%) group term life claims, seven out of eight (88%) group workers life claims, and 6 out of 14 (43%) Patron group life claims, the Company failed to pay the claims within 15 business days after receipt of all requested documentation.

The Company violated Section 216.6(c) of Insurance Regulation 64 by failing to pay claims within 15 business days after receipt of all requested documentation.

D. Data File Issues

The Company did not provide complete data files for some of its products in the format requested in the Department's PEL that was sent to the Company. In addition, it did not provide the data file reconciliations that tie to the policy counts and the amounts reported in its filed annual statement exhibits for the examination period. Furthermore, there were instances where the Company did not provide the requested data file or provided an incorrect data file. The examiner

also noted instances where the Company reported incorrect amounts in its annual statement exhibits. Moreover, the examiners experienced significant delays in receiving responses to the examination requests from the Company which impeded the progress of the examination and resulted in the Department extending the completion date of the examination.

The examiner recommends that the Company implement procedures to provide data files that contain all fields requested in the Department's PEL for future examinations.

The examiner recommends that the Company implement procedures to ensure that the data files provided agree to its filed annual statement exhibits and schedules. Such data should be readily available upon request for future examinations.

The examiner recommends that the Company implement enhanced controls in the compilation of data files, and the preparation of its filed annual statement exhibits to ensure the accuracy of the data reported.

The examiner recommends that the Company implement procedures to provide timely responses to future examination requests.

E. Regulation 200

1. Section 226.3 of 11 NYCRR 226 (Insurance Regulation 200) states, in part:

> "(a) Upon receiving notification of the death of an insured or account holder or in the event of a match made by a death index cross-check pursuant to section 226.4 of this Part, an insurer shall search every policy or account subject to this Part to determine whether the insurer has any other policies or accounts for the insured or account holder.
> (b) An insurer that receives a notification of death of an insured or account holder, or identifies a death index match, shall notify each United States affiliate, parent, or subsidiary, and any entity with which the insurer contracts that may maintain or control records relating to policies or accounts covered by this Part of the notification or verified death index match. . . ."

The examiner reviewed a sample of 81 claim files to determine whether the Company performed verification of multiple policy search upon notification of the death of an insured. The review revealed that the Company did not maintain any evidence that it performed the required searches to determine whether it has any other policies for the insured. In addition, the Company responded to the examiner's request for its procedures for multiple policy searches by indicating that its Death Index Cross-Matching Procedures do not specifically address multiple policy

searches upon notification of the death of an insured. The Company added that it will be revising its Social Security Death Index Cross-Matching Policies and Procedures to incorporate this requirement.

The Company violated Sections 226.3(a) and (b) of Insurance Regulation 200 by failing to provide evidence that it performed multiple policy searches to determine whether it has any other policies for the insured or account holder and failing to notify each United States affiliate, parent, or subsidiary, and any entity with which it contracts that may maintain or control records relating to policies covered by this Part.

The examiner recommends that the Company update its Social Security Death Index Cross-Matching Policies and Procedures to include multiple policy searches upon notification of the death of an insured or contract holder.

2. Section 226.4(b)(1) of 11 NYCRR 226 (Insurance Regulation 200) states, in part:

   "An insurer shall use the latest available updated version of the death index to cross-check every policy and account subject to this Part, except as specified in subdivision (h) of this section. The cross-checks shall be performed no less frequently than quarterly . . ."

The examiner selected a sample of 105 life policies from the 2023 in-force data file where the insured's attained age was 70 years and over. The sample included 20 individual life in force policies and 85 workers life group policy. The examiner used the insured's name and date of birth to perform searches in LexisNexis. The examiner performed the searches on the 20 individual life in force policies and identified five (25%) insureds who were deceased. The examiner requested and reviewed the death claim files for the five deceased insureds. The review revealed that the Company was unaware of the death of the insureds until years later. The Company took an average of 982 days after the death of the insureds before sending out the notifications to the beneficiaries.

In addition, the examiner performed searches in LexisNexis on the sample of 85 policyholders from the workers life group policy. The examiner identified one out of 85 (1%) insured who died on November 16, 2018. The Company stated that the insured was disenrolled on October 31, 2020, and was unaware of whether the insured had a benefit as it did not receive a notification of death.

In summary, the review revealed that the Company failed to identify the death of six (6%) insureds during its quarterly death index cross-checks and was unaware of the death of the insureds' deaths until years later.

The Company violated Section 226.4(b)(1) of Insurance Regulation 200 by failing to cross-check all policies through its quarterly process using the latest available updated version of the death index.

The examiner recommends that the Company reperform cross-checks on all 520, 720, and 920 individual life plans, and workers life group policies, that were in force as of December 31, 2023, respectively, using the latest available updated version of the death index and update the examiner as to how many individual life insureds were deceased and were not identified during its Death Master File ("DMF") index quarterly cross-checks. For any additional insureds that it identifies, the Company should initiate a claim and search for the beneficiary and pay the death benefit in accordance with the New York Insurance Law.

3. Section 226.4(b)(1) of 11 NYCRR 226 (Insurance Regulation 200) states, in part:

   "An insurer shall use the latest available updated version of the death index to cross-check every policy and account subject to this Part, except as specified in subdivision (h) of this section. The cross-checks shall be performed no less frequently than quarterly. . . ."

   Section 3240 of the New York Insurance Law states, in part:

   "(d)(1) An insurer shall use the death index to cross-check every policy and account subject to this section no less frequently than quarterly, except as specified in subsection (g) of this section. An insurer may perform the cross-check using the updates made to the death index since the date of the last cross-check performed by the insurer, provided that the insurer performs the cross-check using the entire death index at least once a year . . .
   (f)(1) An insurer shall establish procedures to reasonably confirm the death of an insured or account holder and begin to locate beneficiaries within ninety days after the identification of a potential match made by a death index cross-check or by a search conducted by the insurer pursuant to subsection (e) of this section. If the insurer cannot locate beneficiaries within ninety days after the identification of a potential match, then the insurer shall continue to search for beneficiaries until the benefits escheat in accordance with applicable state law.
   (2) Once the beneficiary or beneficiaries under the policy or account have been located, the insurer shall provide to the beneficiary or beneficiaries the information necessary to make a claim pursuant to the terms of the policy or account. The insurer shall process all claims and make prompt payments and distributions in accordance with all applicable laws, rules, and regulations. . . ."

The Company's Unclaimed Property Policies and Procedures stated, in part:

> "B. Due Diligence:
> 1. Due Diligence is the process of taking reasonable steps to locate a property owner/ beneficiary to advise them of a due and unpaid obligation, and to ensure that obligations are paid before they become dormant, statutorily deemed abandoned and escheated to a state. Due diligence requires first locating a property owner(s) and then ensuring that all amounts due are fully paid, including any accrued interest. Business owners should conduct due diligence from the time that a claim or other obligation becomes due and owing (DOD for life policy or death benefit) until it has aged two years and is submitted to Compliance for tracking as Unclaimed Property."

The examiner selected a sample of 302 policies from the 2021 Patron group life policies lapsed data files where the insured's attained age was 70 and over. The examiner performed searches in LexisNexis using the insured's name and date of birth and identified 130 policyholders who passed away from 1991 to 2023 with a policy status as either paid, escheated, or no coverage. The Company provided copies of the correspondence letters or Due Diligence letters that it sent out to locate the beneficiaries.

The review of the due diligence letters revealed that in 62 out of 130 (48%) instances, the policyholders passed away from 1991 to 2020.

A. In 55 out of 62 (89%) deceased policyholders reviewed, the deaths occurred from the year 1991 to 2020. However, the Company mailed the initial due diligence letters to the beneficiaries in year 2022.

B. In 7 out of 62 (11%) instances, the death occurred from 1999 to 2013, but the due diligence letters were mailed from two days to 10 years from the date of death. The initial and subsequent letters were mailed from 1999 to 2014. However, the examiner's review of the files showed that no communication was received from the beneficiaries, and the Company did not continue to search for the beneficiaries or perform additional due diligence until 2022.

Based on the examiner's review, the Company failed in its obligation to perform a comprehensive DMF cross-check of all New York policies irrespective of whether the policies were listed as active to look for a potential death. As a result, it failed to timely capture the deaths of the 55 policyholders during its quarterly death index cross-checks. In addition, the Company did not continue to search for the beneficiaries of the seven policyholders as required. The failure

to timely capture the death of the deceased policyholders and its failure to continue to search for the beneficiaries led to 28 escheatment and three abandonments of the life insurance benefits.

The Company violated Section 226.4(b)(1) of Insurance Regulation 200 and Section 3240(d)(1) of the New York Insurance Law by failing to perform the required quarterly cross-checks on all Patron group life lapsed policies and accounts using the latest available updated version of the death index cross-check to timely capture the death of the policyholders.

The examiner recommends that the Company perform a new comprehensive DMF cross-check of all New York 520-Patron and Patron group life plans in force from the time the Company started administering the plans irrespective of whether the policies are listed as active, including but not limited to, policies identified as terminated or lapsed. The new DMF cross-check should incorporate all policies regardless of face amount or issue date. The Company should perform the new cross-check using the latest available updated version of the DMF index.

In addition, the review of the due diligence letters provided to the 55 deceased policyholders revealed that the Company made only one attempt in 2022 to locate the beneficiaries. Based on the due diligence letters, the beneficiaries were given less than two months from the date of the due diligence letter to file a claim before the benefits were deemed abandoned or escheated to the state. The Company did not comply with its own Unclaimed Property Policies and Procedures for locating beneficiaries when it initiated only one outreach attempt to locate the beneficiaries and when it did not continue to search for beneficiaries until the benefits were escheated.

The Company violated Section 3240(f)(1) of the New York Insurance Law by failing to continue to search for beneficiaries from the time that the claims became due and owing until the benefits were paid to the beneficiaries or escheated.

The examiner recommends that the Company implement controls to ensure compliance with its due diligence procedures for performing beneficiary outreach.

The Company indicated that in September 2022, it conducted an actuarial review of the group life block that identified 169 properties as unpaid. As a result, it undertook a remediation project to improve the workflow and accuracy of its Unclaimed/Abandoned Property Program ("UAPP"). The Company added that claim forms were mailed to the potential beneficiaries and claims were paid when possible or escheated to the appropriate jurisdiction when appropriate with interest. The Company provided the examiner with documents to demonstrate the corrective

action being taken which included the mailing of due diligent letters to potential beneficiaries associated with the 169 properties, payment for 94 of the properties, which included six New York policy holders, and the escheatment of 59 properties, of which nine pertained to New York policyholders. The remaining 16 policies are listed as active and will be processed with their applicable escheatment cycle and filing season.

The Company also indicated that in 2023, the current General Counsel was appointed and, after an experienced Compliance Analyst responsible for the UAPP left the Company, the General Counsel directed the Compliance Counsel to review the UAPP to improve the workflow and accuracy. This review resulted in the hiring of Ryan, LLC ("Ryan"), one of North America's largest corporate Abandoned and Unclaimed Property and escheatment practices, to assist the Company in improving its UAPP.

The Company further indicated that in November 2025, the Compliance Team worked closely with Ryan and was able to identify, report and escheat a substantial number of late New York properties. This, according to the Company, was a substantial undertaking which cleared most of the properties which were ripe or past due for escheatment and in 2026, to further improve this process, the General Counsel hired a Compliance Analyst who, under the supervision of the Compliance Counsel, took over the day-to-day UAPP duties and further strengthened the relationship with Ryan and improved the internal workflow.

The Company added that the recently hired Compliance Analyst has made substantial progress improving the Company's internal workflow. Notably, the Compliance Analyst has worked closely with the Compliance Counsel to update the interest rate tracking/calculation for properties prior to escheatment, has improved the formatting of information forms to ensure that properties are tracked accurately prior to being provided to Ryan for escheatment, and has identified any ripe properties so that they can be escheated during an upcoming seasonal state filing.

Additionally, the Company indicated that it has reestablished its Abandoned Property Committee ("APC"), under the direction of the Compliance Counsel, after the APC was temporarily pause, to ensure that it meets quarterly filing deadlines, to address issues, and monitor progress during the year. Based on the agenda and minutes provided by the Company, the most recent meeting was held on June 23, 2026. The Company advised that regular meetings would continue.

4. Section 226.4(b) of 11 NYCRR 226 (Insurance Regulation 200) states, in part:

   "(1) An insurer shall use the latest available updated version of the death index to cross-check every policy and account subject to this Part . . .
   (2) The cross-checks shall be performed using:
   (i) the insured or account holder's social security number; or
   (ii) where the insurer does not know the insured or account holder's social security number, the name and date of birth of the insured or account holder. . . ."

The examiner reviewed the inventory of the death index cross-check files that the Company provided for its individual whole life policies and workers life group policies. The review revealed that the data fields did not contain DMF date of birth, DMF name (first name, any middle initials and last name), DMF social security number, DMF date of death, policy status at time of DMF match (lapse, expiry, etc.), current policy status, and disposition status on DMF match (paid, no match, etc.). The Company explained that the fields are not readily captured by its search platform Life360, and that it cannot efficiently recreate the report to include the requested fields.

Since the Company's death match search platform Life360 did not generate the required fields, specifically date of birth, first name, middle initial, last name or the social security number of the insured, the examiner was unable to confirm whether the Company utilized those fields while performing the death index cross-checks on the individual whole life policies and workers life group employer policies.

The Company violated Section 226.4(b)(2) of Insurance Regulation 200 by failing to utilize or capture, the date of birth, first name, middle initial, last name or the social security number of the insured in its death match search platform during the cross-check process.

The examiner recommends that the Company reperform the death index cross-checks using the required fields and provide the Department with the results of all potential matches from the death index cross-check. In addition, the Company is required to locate the beneficiary and pay the death claims for any confirmed deaths.

The Company stated that as of June 2025, the Company's death search platform is using Lexis-Nexis. The examiner reviewed the subsequent documentation provided and noted that the Nexis-Lexis platform captures date of birth, first name, last name and social security number of the insured in its death match search platform during the cross-check process.

5. Section 243.1 of 11 NYCRR 243 (Insurance Regulation 152) states, in part:

   "For the purposes of this part, the following terms shall apply:
   . . .(b) 'Records' means books, records, files, securities, data compilations, and other documents. . . ."

   Section 243.2(b) of 11 NYCRR 243 (Insurance Regulation 152) states, in part:

   "Except as otherwise required by law or regulation, an insurer shall maintain:
   (1) A policy record for each insurance contract or policy for six calendar years after the date the policy is no longer in force or until after the filing of the report on examination in which the record was subject to review, whichever is longer . . .
   (4) A claim file for six calendar years after all elements of the claim are resolved and the file is closed or until after the filing of the report on examination in which the claim file was subject to review, whichever is longer. A claim file shall show clearly the inception, handling and disposition of the claim, including the dates that forms and other documents were received. . . .
   (8) Any other record for six calendar years from its creation or until after the filing of a report on examination or the conclusion of an investigation in which the record was subject to review. . . ."

The examiner selected a sample of 115 deceased policyholders from the Company's 2021 Patron group life policies lapsed transactions. The policies contain 35 escheated policies, 38 paid claims, and 42 no coverage policies. In 4 of out 35 (11%) escheated policies, the Company was unable to locate the escheatment information. In 1 of out 38 (3%) paid policies, the Company was unable to recover the file. In 3 out 42 (7%) no coverage policies, the Company indicated that no data was found in its system.

In summary, in 8 out of 115 (7%) deceased policyholders selected for review, the Company was unable to provide the policy files necessary for reconstructing all events related to the policy transactions.

The Company violated Section 243.2(b) of Insurance Regulation 152 by failing to maintain the complete policy records, including claims and escheatment files, to enable the examiner to reconstruct all events related to the policy transactions.

6. Section 3214(c) of the New York Insurance Law states:

   "If no action has been commenced, interest upon the principal sum paid to the beneficiary or policyholder shall be computed daily at the rate of interest currently paid by the insurer on proceeds left under the interest settlement option, from the date of the death of an insured or annuitant in connection with a death claim on such a policy of life insurance or contract of annuity and from the date of maturity

of an endowment contract to the date of payment and shall be added to and be a part of the total sum paid."

The examiner reviewed a sample of 34 escheated policies from the Patron group life lapsed policies data files. In 1 out of 34 (3%) policies reviewed, the Company failed to pay the accrued interest on the benefit amount from the date of the death of the insured to the escheatment date.

The Company violated Section 3214(c) of the New York Insurance Law by failing to pay the required accrued interest on the escheated death benefit.

7. System migration - 520 Patron and Patron Group Life Lapse Data File - Policies with no coverage

The examiner performed searches in LexisNexis using the policies from the Patron group life lapsed policies data files and identified 130 deceased policyholders. The Company indicated in its response that 46 (35%) identified deceased policyholders have no policy coverage and were included in the lapse files because data from its previous systems was inadvertently transferred to its current platform. The examiner noted that the 46 policyholders died from 1991 to 2025, and the policies contained in the Patron lapsed policies data files were reported in its filed annual statements for the examination period as lapsed policies.

The Company also stated that it was unaware of the inadvertent data transfer issues prior to the examiner bringing it to its attention during the review and that the data migration issue has been mitigated by the fact that new retirees no longer have this benefit from the Amalgamated Insurance Fund. The Company added that it is no longer pulling data from multiple older systems, and this issue has been addressed. The Company's explanation indicates that it did not have controls in place during and after the data migration.

The examiner recommends that the Company take immediate action to resolve the system errors by purging the data that was inadvertently transferred from its previous systems to its current platform and ensure that the proper policy status is reflected in the Company's policy administration system.

The examiner recommends that the Company revise the total number of lapsed policies for the 520 Patron and Patron group life plans included in the annual statements for the examination period by removing any non-lapsed policies to ensure that the annual statements reflect the

accurate number of policies that lapsed. The correction should also be made to any other plans affected by this migration.

The examiner recommends that the Company implement controls to ensure proper execution of data migration and testing across all phases, including post-migration, to ensure that any identified issues are corrected in the future and to ensure that the data that feeds into its annual statements are accurate and complete.

5. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

Item	Description
E	The Company violated Section 3211(g) of the New York Insurance Law by failing to provide an annual notification to policyholders whose policies contained a cash surrender value. A review revealed that during the examination period, the Company provided the notices required under 3211(g) as part of the premium notice.
F	The Company violated Section 3230(c) of the New York Insurance Law by failing to wait the required 14 days, from the date on which required information was transmitted in writing to policy owners or certificate holders, before paying accelerated death benefits to policy owners or certificate holders. A review indicated that there were no accelerated death benefit payments during the examination period.
G	The Company violated Section 3230(d) of the New York Insurance Law when it failed to provide policy owners with the required disclosure information within 5 days of receipt of an application to accelerate benefits. A review indicated that there were no accelerated death benefit payments during the examination period.
H	The Company violated Section 243.3(c) of Department Regulation No. 152 by failing to establish and maintain a records retention plan that includes a description of the method of retention and the safeguards established to prevent alteration of such records related to claims, rating, underwriting, marketing, complaint and producer licensing. A review indicated that the Company adopted a new Record Retention Plan that incorporates the requirements of Section 243.3(c) of Insurance Regulation 152.

6. SUMMARY AND CONCLUSIONS

Following are the violations and recommendations contained in this report:

Item	Description	Page No(s).
A	The Company violated Section 3211(a)(1) of the New York Insurance Law by failing to send the premium due notice to the insured or policyowner at least 15 and not more than 45 days prior to the premium due date.	8
B	The examiner recommends that the Company investigate any New York policyholders listed in its lapse data file for the examination period provided in response to the PEL. The Company should use the SSDI to identify any policyholders who died within one year of the lapse of their policy. For all insureds who are identified as deceased, the Company should make prompt restitution to the beneficiary for benefits afforded by the policy, including interest from the date of death to the date of payment or escheat the proceeds.	8
C	The Company violated Section 216.6(c) of Insurance Regulation 64 by failing to pay claims within 15 business days after receipt of all requested documentation.	8
D	The examiner recommends that the Company implement procedures to provide data files that contain all fields requested in the Department's PEL for future examinations.	9
E	The examiner recommends that the Company implement procedures to ensure that the data files provided agree to its filed annual statement exhibits and schedules. Such data should be readily available upon request for future examinations.	9
F	The examiner recommends that the Company implement enhanced controls in the compilation of data files, and the preparation of its filed annual statement exhibits to ensure the accuracy of the data reported.	9
G	The examiner recommends that the Company implement procedures to provide timely responses to future examination requests.	9

Item	Description	Page No(s).
H	The Company violated Sections 226.3(a) and (b) of Insurance Regulation 200 by failing to provide evidence that it performed multiple policy searches to determine whether it has any other policies for the insured or account holder and failing to notify each United States affiliate, parent, or subsidiary, and any entity with which it contracts that may maintain or control records relating to policies covered by this Part.	10
I	The examiner recommends that the Company update its Social Security Death Index Cross-Matching Policies and Procedures to include multiple policy searches upon notification of the death of an insured or contract holder.	10
J	The Company violated Section 226.4(b)(1) of Insurance Regulation 200 by failing to cross-check all policies through its quarterly process using the latest available updated version of the death index.	11
K	The examiner recommends that the Company reperform cross-checks on all 520, 720, and 920 individual life plans, and workers life group policies, that were in force as of December 31, 2023, respectively, using the latest available updated version of the death index and update the examiner as to how many individual life insureds were deceased and were not identified during its DMF index quarterly cross-checks. For any additional insureds that it identifies, the Company should initiate a claim and search for the beneficiary and pay the death benefit in accordance with the New York Insurance Law.	11
L	The Company violated Section 226.4(b)(1) of Insurance Regulation 200 and Section 3240(d)(1) of the New York Insurance Law by failing to perform the required quarterly cross-checks on all Patron group life lapsed policies and accounts using the latest available updated version of the death index cross-check to timely capture the death of the policyholders.	13
M	The examiner recommends that the Company perform a new comprehensive DMF cross-check of all New York 520-Patron and Patron group life plans in force from the time the Company started administering the plans irrespective of whether the policies are listed as active, including but not limited to, policies identified as terminated or lapsed. The new DMF cross-check should incorporate all policies regardless of face amount or issue date. The Company should perform the new cross-check using the latest available updated version of the DMF index.	13

Item	Description	Page No(s).
N	The Company violated Section 3240(f)(1) of the New York Insurance Law by failing to continue to search for beneficiaries from the time that the claims became due and owing until the benefits were paid to the beneficiaries or escheated.	13
O	The examiner recommends that the Company implement controls to ensure compliance with its due diligence procedures for performing beneficiary outreach.	13
P	The Company violated Section 226.4(b)(2) of Insurance Regulation 200 by failing to utilize or capture, the date of birth, first name, middle initial, last name or the social security number of the insured in its death match search platform during the cross-check process.	15
Q	The examiner recommends that the Company reperform the death index cross-checks using the required fields and provide the Department with the results of all potential matches from the death index cross-check. In addition, the Company is required to locate the beneficiary and pay the death claims for any confirmed deaths.	15
R	The Company violated Section 243.2(b) of Insurance Regulation 152 by failing to maintain the complete policy records, including claims and escheatment files, to enable the examiner to reconstruct all events related to the policy transactions.	16
S	The Company violated Section 3214(c) of the New York Insurance Law by failing to pay the required accrued interest on the escheated death benefit.	17
T	The examiner recommends that the Company take immediate action to resolve the system errors by purging the data that was inadvertently transferred from its previous systems to its current platform and ensure that the proper policy status is reflected in the Company's policy administration system.	17
U	The examiner recommends that the Company revise the total number of lapsed policies for the 520 Patron and Patron group life plans included in the annual statements for the examination period by removing any non-lapsed policies to ensure that the annual statements reflect the accurate number of policies that lapsed. The correction should also be made to any other plans affected by this migration.	17-18

Item	Description	Page No(s).
V	The examiner recommends that the Company implement controls to ensure proper execution of data migration and testing across all phases, including post-migration, to ensure that any identified issues are corrected in the future and to ensure that the data that feeds into its annual statements are accurate and complete.	18

Respectfully submitted,

/s/
Meskerem Belay
Associate Insurance Examiner

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

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

/s/
Meskerem Belay

Subscribed and sworn to before me

this_____ day of _____

APPOINTMENT NO. 32704

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:*

MESKEREM BELAY

as a proper person to examine the affairs of the

AMALGAMATED LIFE INSURANCE COMPANY

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

COMPANY

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 8th day of October, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU