REPORT ON EXAMINATION
OF THE
SEGREGATED GIFT ANNUITY FUND
OF THE
NORTHWELL HEALTH FOUNDATION

AS OF DECEMBER 31, 2024

EXAMINER: Adelia Gbadamosi

DATE OF REPORT: April 9, 2026

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June 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. 32791, dated May 22, 2025 and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the Northwell Health Foundation. The Fund's home office is located at 2000 Marcus Avenue, New Hyde Park, New York 11042.

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 trustees. (See item 4A of this report)

The Fund violated Section 1110(a) of the New York Insurance Law by using gift annuity agreement forms that differed from the gift annuity agreement forms that were filed with the Superintendent. The examiner directs that the Fund use gift annuity agreement forms which contain the appropriate form number. (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' ("Department" or "DFS") examination and assessment of the Segregated Gift Annuity Fund (the "Fund") of the Northwell Health Foundation through which the Northwell Health Foundation (the "Foundation") 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 Foundation 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 violations and 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 Northwell Health Foundation was chartered in 1988 for the purpose of raising money, through philanthropy, to support the capital and programmatic needs of Northwell Health. The Foundation's mission is to inspire the most people in their communities to advance Northwell Health's mission by giving to the best of their ability. The Foundation changed its name in 2016. The Foundation established the Fund to issue gift annuity agreements in return for gifts from donors in 1999. The Superintendent of Insurance granted to the Foundation a Charitable Annuity Society special permit on April 2, 2010.

B. Structure

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

C. Assets under the Board of Trustees

As of the December 31, 2024 Internal Revenue Service ("IRS") Form 990, the Foundation's Board of Trustees oversaw an endowment comprising $261,504,064 in total assets. The Fund, as of December 31, 2024, held total admitted assets of $9,296,174.

D. Third-party Service Providers

PNC Institutional Management ("PNC") is the investment manager and custodian of the Fund's assets. PNC is also responsible for the issuance of annuity benefit payments, a compilation of annual annuitant reporting information, the preparation and mailing of annual IRS Form 1099R's to annuitants, and the calculation of reserves. Daniel O'Donnell, CPA prepared the annual statements from 2020 through 2023. Landon Olbricht prepared the 2024 annual statement.

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 trustees.

5. 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	$8,273,180	$9,296,174	$1,022,994
Liabilities	$3,659,190	$5,615,057	$1,955,867
Minimum required fund balance	$ 365,919	$ 561,506	$ 195,587
Excess fund balance (surplus)	4,248,071	3,119,612	(1,128,459)
Total annuity fund balance	$4,613,990	$3,681,117	$ (932,873)
Total liabilities and annuity fund balance	$8,273,180	$9,296,174	$1,022,994

The increase in assets, liabilities and annuity fund balance reflects an increase in the total number of annuities in force and investment gains. Annuities increased from 83 with annual payment amounts of $407,351 as of December 31, 2019 to a total of 110 with annual payment amounts of $730,704 as of December 31, 2024.

The Fund's admitted assets, as of December 31, 2024, were invested in equity securities (93.28%).

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.

Section 1110(a) of the New York Insurance Law states, in part:

> ". . . Every such corporation or association shall, before making such agreement, file with the superintendent copies of its forms of agreements with annuitants . . ."

The examiner's review of a sample of 14 newly issued gift annuities by the Fund during the examination period noted that in 9 newly issued annuities, the Fund used forms that differed from the gift annuity agreements forms filed with the Superintendent. In 1 case, the Fund used form 21-1da-D-NY; in 2 cases the Fund used form 21-2J-I-NY, and in 6 cases the Fund used form 21-1da-I-NY. The Fund indicated that the "21" was added in error.

The Fund violated Section 1110(a) of the New York Insurance Law by using gift annuity agreement forms that differed from the gift annuity agreement forms that were filed with the Superintendent.

The examiner directs that the Fund use gift agreement forms which contain the appropriate form number.

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 these citations:

Item	Description
A	The examiner recommends that the Fund exercise due care in the preparation of its filed annual statements. The examiner noted no new discrepancies in the Fund's filed annual statements.
B	The examiner recommends that the Fund prepare and maintain a general ledger, trial balance and transaction registers that reconcile to its annual statements. During the examination period, the Fund prepared and maintained a general ledger, trial balance and transaction registers that reconciled to its annual statements.

8. VIOLATION AND RECOMMENDATIONS

Following are the violation and recommendations contained in this report:

Item	Description	Page No(s).
A	The Investment Policy Statement should be approved by the board of trustees.	5
B	The Fund violated Section 1110(a) of the New York Insurance Law by using gift annuity agreement forms that differed from the gift annuity agreement forms that were filed with the Superintendent.	7
C	The examiner directs that the Fund use gift annuity agreement forms which contain the appropriate form number.	7

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. 32791

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 NORTHWELL HEALTH FOUNDATION

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 22nd day of May, 2025

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
ASSISTANT DEPUTY SUPERINTENDENT - LIFE BUREAU