REPORT ON EXAMINATION
OF THE
SEGREGATED GIFT ANNUITY FUND
OF THE
EMMA WILLARD SCHOOL

AS OF DECEMBER 31, 2024

EXAMINER: Adelia Gbadamosi

DATE OF REPORT: May 4, 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. 32779, dated October 9, 2025 and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the Emma Willard School. The Fund's home office is located at 285 Pawling Avenue, Troy, New York 12180.

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

1. EXECUTIVE SUMMARY

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)

The Fund's board of trustees, or a committee thereof, should review the activities of the Fund at least annually and note the same in the minutes. (See item 4B of this report)

The Fund should use the appropriate gift annuity agreement forms when issuing its gift annuities. (See item 6 of this report)

The Fund should ensure that all gift annuity agreement forms have the appropriate form number as approved by the Superintendent printed on each form issued. (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 Emma Willard School through which the Emma Willard School (the "School") 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 School 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 7 of this report.

3. DESCRIPTION OF FUND

A. History

The Emma Willard School was chartered in 1819 and is organized for the purpose of benefiting young women from as rigorous an education as the best available to young men. The School established the Fund to issue gift annuity agreements in return for gifts from donors in 2010. The Superintendent of Insurance granted to the Foundation a Charitable Annuity Society special permit on April 8, 2010.

B. Structure

The Fund is overseen by the School'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 June 30, 2024 Internal Revenue Service ("IRS") Form 990, the School's Board of Trustees oversaw an endowment consisting of $197,184,484 in total assets. The Fund, as of December 31, 2024, held total admitted assets of $896,705.

D. Third-party Service Providers

KeyBank National Association ("KeyBank") is the Fund's custodian and investment manager. KeyBank also performs administrative functions on behalf of the Fund, including donor recordkeeping, tax reporting, production of all federal tax forms (IRS Form 1099), production of gift annuity reserve reports, Financial Accounting Standards Board ("FASB") reports, and performance measurement and reporting. K2N Advisors and CPAs prepares the Fund's annual statements.

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 requested the meeting minutes of the board of trustees and all committees thereof for the examination period. The Fund failed to provide copies of the meeting minutes of the board of trustees and all committees thereof pertaining to the Fund.

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.

B. Monitoring

New York Estate Powers and Trust Law § 11-2.3(c)(1) requires trustees to exercise care, skill and caution in periodically reviewing the delegee's exercise of the delegated function and compliance with the scope and terms of the delegation.

New York Not-for-Profit Corporation Law § 554(a)(3) provides that, when delegating investment functions, an institution must monitor its agents' performance and compliance with the scope and terms of each's respective delegation. In so doing, the institution must use the care that an ordinarily prudent person in a like position would exercise under similar circumstances.

The examiner requested the meeting minutes of the board of trustees and all committees thereof for the examination period. The Fund failed to provide copies of the meeting minutes of the board of trustees and all committees thereof pertaining to the Fund.

The Fund's board of trustees, or a committee thereof, should review the activities of the Fund at least annually and note the same in the minutes.

5. ASSETS AND LIABILITIES SUMMARY

The following summary table indicates the growth in various categories of the Fund's assets, liabilities, and fund balance during the period under review:

	December 31, 2019	December 31, 2024	Increase
Admitted assets	$774,307	$896,705	$122,398
Liabilities	$444,391	$518,732	$ 74,341
Minimum required fund balance	$ 44,439	$ 51,873	$ 7,434
Excess fund balance (surplus)	285,477	326,100	40,623
Total annuity fund balance	$329,916	$377,973	$ 48,057
Total liabilities and annuity fund balance	$774,307	$896,705	$122,398

The increase in assets, liabilities, and annuity fund balance reflects the activity within the annuity portfolio during the examination period. Although the total number of annuities in force remained unchanged at 35, there were both terminations and additions. The market value of new issues exceeded the market value of terminated annuities, as terminated annuities were valued at $118,686, and new issues totalled $230,821. Annuities totaled 35, with annual payment amounts of $51,944 as of December 31, 2019 and remained at 35, with annual payment amounts of $59,622 as of December 31, 2024.

The Fund's admitted assets, as of December 31, 2024, were invested in equity securities (86.0%) and money market mutual funds (14.0%).

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 the files of a sample of 8 gift annuities issued during the examination period revealed that 3 gift annuities were issued as Two Lives- Joint and Survivor, Funded with Separate Property, with the form number EWS 2J-I-NY. The 3 annuities should have been issued on form EWS 2J-I-NY, Two Lives- Joint and Survivor, Funded with Jointly-Owned Property, as they were funded with jointly-owned property.

The Fund should use the appropriate gift annuity agreement forms when issuing its gift annuities.

The examiner reviewed a sample of new gift annuities issued by the Fund during the examination period. In the sample selected, the examiner noted that 1 out of the 8 newly issued gift annuities reviewed had contracts which did not have the appropriate form number as approved by the Superintendent printed on the forms.

The Fund should ensure that all gift annuity agreement forms have the appropriate form number as approved by the Superintendent printed on each form issued.

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 each citation:

Item	Description
A	The examiner recommends that the Fund 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. The Fund failed to take corrective action regarding this prior report citation. A similar recommendation appears in this report.
B	The examiner recommends that the board of trustees, or a committee thereof, be provided, at least annually, with a report concerning the Fund's investment of required assets and note such in the minutes. The Fund failed to take corrective action regarding this prior report citation. A similar recommendation appears in this report.

8. RECOMMENDATIONS

Following are the recommendations contained in this report:

Item	Description	Page No(s).
A	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
B	The Fund's board of trustees, or a committee thereof should review the activities of the Fund at least annually and note the same in the board minutes.	6
C	The Fund should use the appropriate gift annuity agreement forms when issuing its gift annuities.	8
D	The Fund should ensure that all gift annuity agreement forms have the appropriate form number as approved by the Superintendent printed on each form issued.	8

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. 32779

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 EMMA WILLARD SCHOOL

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 9th day of October, 2025

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
ASSISTANT DEPUTY SUPERINTENDENT - LIFE BUREAU