Built For Times Like These

New York Life

Report to Policyholders 2008

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Note: "New York Life" or "the Company," as used throughout this Report, *can refer either separately to the parent company or one of its subsidiaries, or collectively to all New York Life companies, which include New York Life Insurance Company and its subsidiaries and affiliates.*

Any discussion of ratings and safety throughout this Report *applies only to the financial strength of New York Life, and not to the performance of any investment products issued by the Company. Such products' performance will fluctuate with market conditions.*

To Our Policyholders

Shortly after the dramatic series of events that shook the nation's economy in September 2008, I began hearing from New York Life policyholders. The letters and e-mails expressed a common sentiment: "I am so glad my money is with New York Life." "I'm thankful for New York Life's prudence and stability." "Because of your company, I can sleep at night."

However, one note from a policyholder of many years remained in my thoughts for a long time after I read it. She wrote, "Thanks, New York Life. My family and I depend on you."

I don't think it can be said more plainly than that.

Times like these are a constant reminder of our Company's absolutely vital responsibility – and proven capability – to help provide financial security for your family. This is a guarantee that few can offer these days, but then, few other institutions are still rated as highly as New York Life for long-term financial strength.

In 2008, operating revenues increased $1 billion over 2007, to $14 billion. Operating earnings totaled nearly $1.3 billion, surpassing 2007's record-setting results. Given the state of the markets in 2008, this represents a very impressive follow-up to two prior years of strong double-digit earnings growth.

How New York Life protects you in times of economic crisis

2008 was a disastrous year for much of the financial services industry. Life insurers were protected, to a degree, by the regulations

New York Life has always been known for its financial strength, which backs the long-term promises we make to our policyholders. On the pages that follow, you can read about how we have offered Americans peace of mind throughout the past 164 years.

A History of Financial Strength

that govern their business. These regulations spell out, for example, the amount of financial reserves insurers must hold and the types of investment risks that insurers can take.

Even so, many life insurance companies faced enormous challenges. Some had large amounts of money in complex investment instruments that were built upon shaky subprime real estate loans. Other companies were overly optimistic in pricing guaranteed variable annuities, only to find that the stock market collapse has made these guarantees considerably more costly to honor – contributing to the capital shortfalls reported by some insurers. As *Forbes* reported, publicly owned life insurance companies, "with their need to satisfy Wall Street and its lust for quarterly profit gains," placed bets that had "a little too much pizzazz" – and far too much risk.

> *"As a mutual company – owned by our policyholders – New York Life answers only to the families we serve."*

Among all life insurers, mutually owned companies are weathering the storm best. As a mutual company – owned by our policyholders – New York Life answers only to the families we serve. We are not subject to the pressures of shareholders and do not have to take aggressive risks to meet Wall Street's expectations.

1845

New York Life became one of the first life insurance companies in the United States to pay dividends to policyholders.

Today, New York Life is the largest mutual life insurance company in America.* Let me point out just a few of the more striking contrasts between your Company and other major life insurers:

Financial strength ratings:
Following September's market turmoil, several of the nation's major life insurers received ratings downgrades or were assigned negative outlooks by the rating agencies.
New York Life maintained the highest ratings for financial strength from the major rating agencies.

Federal relief funds:
Several of the nation's largest insurers have applied for or received federal bailout funds.
New York Life said, "No" to federal funds. We have more than sufficient financial strength to protect our policyholders.

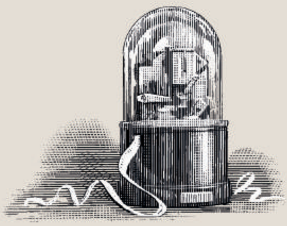
Capital reserves:
Wall Street expects publicly owned insurers to remit "excess" capital to shareholders.
New York Life believes retaining generous capital reserves is essential for policyholder protection.

In the 1990s, when other mutual life insurance companies were eager to obtain Wall Street money by going public, New York Life kept its commitment to mutuality. That farsighted decision was made by our board of directors, led by my predecessor, Sy Sternberg, who retired as CEO of New York Life in July 2008. Sy strongly believed that the first duty of a life insurance company is to build long-term security for policyholders. Thanks to Sy – and generations of visionary leaders before him – New York Life has maintained its independence and its single-minded focus on your protection.

* "Fortune *500, ranked within industries, Insurance: Life, Health (Mutual),"* Fortune *magazine, May 5, 2008.*

1873

The crash of 1873 led to the demise of 50 national banks, 173 railroads and 81 life insurance companies. New York Life set new records that decade for financial strength and policies in force.



In his Chairman's Message, beginning on page 9, Sy reflects on the compelling reasons why mutuality is, today more than ever, the right choice for our Company and for you, our policyholders.

Two pillars of financial security: life insurance and guaranteed lifetime income

New York Life's combined domestic and international insurance sales grew to a record-setting $2.4 billion in 2008, the second year that sales topped $2 billion and an increase of 13 percent over 2007.

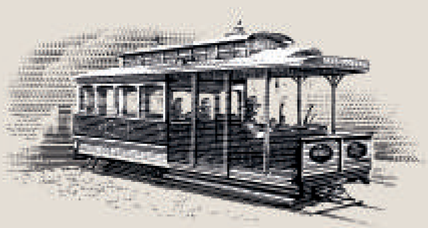
The value of life insurance from New York Life as an essential element of your financial portfolio has never been clearer. As one policyholder told his New York Life agent, "The cash value of my whole life policy went up this year – and I really can't say the same for anything else I own." While life insurance is always critical for guarding your family against the unexpected, people are now recognizing that whole life insurance can also be a reliable store of value in even the worst economy.

The stock market's deep decline in 2008 has taken a considerable toll on retirement savings, especially for those nearing or entering retirement now. According to a recent report in *The Wall Street Journal,** more than $2 trillion worth of stock value has been lost in 401(k) and IRA plans since the stock market's peak in October 2007. Today, a growing number of people are finding it wise to safeguard their retirements with New York Life's Guaranteed Lifetime Income products, annuities that enable you to convert a portion of your savings into an income stream that never fluctuates or runs out. New York Life is an undisputed leader in this arena, with annual sales of our Guaranteed Lifetime

Laise, Eleanor. "Big Slide in 401(k)s Spurs Calls for Change." The Wall Street Journal, *January 8, 2009.*

1906

As an earthquake and fires destroyed the city, New York Life's San Francisco employees buried policies in Golden Gate Park for safekeeping. After the quake, New York Life offered emergency loans, in gold coin, to policyholders.



Income products surpassing $1 billion, a new record. In 2008, sales totaled $1.2 billion, a 55 percent increase over 2007.† In retirement savings, as in life insurance, consumers are turning to New York Life for the assurance of long-term safety and security they cannot find elsewhere.

A cushion of safety for our policyholders

New York Life has carefully managed its investment portfolio with an eye toward protecting policyholders against even the most prolonged economic downturn. Although we are not immune to what is taking place in the financial markets, our prudent and disciplined investment approach has helped us avoid the risky bets and considerable losses that have plagued other insurers. I have asked Gary Wendlandt, Vice Chairman of the Board and Chief Investment Officer, to report to you on the performance of New York Life's portfolio and on our strategies for maintaining superior financial strength in the years ahead. His discussion begins on page 12.

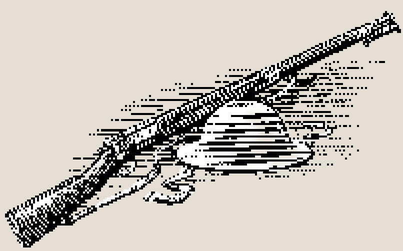
Well before the current problems in the economy became apparent, we had already modeled a number of possible worst-case developments, such as an avian flu pandemic and various adverse economic scenarios. We believe it is our responsibility to be prepared to provide security in even the most extreme conditions. Our aim is to maintain a cushion that would allow us to honor all of our commitments to policyholders during a crisis, without compromising our financial strength.

With this in mind, New York Life increased its surplus and

†Guaranteed Lifetime Income sales reported at 100 percent. Guaranteed Lifetime Income products are issued by New York Life Insurance and Annuity Corporation, a wholly-owned subsidiary of New York Life Insurance Company.

1914–1918

New York Life paid claims of $6.7 million to families of those who died in combat during World War I. Through two world wars and civil war, New York Life has provided our nation's families with financial protection when it was needed most.



asset valuation reserves by almost $6 billion between 2002 and 2007, to nearly $14. 7 billion.

At the end of 2008, market declines reduced the value of our surplus to approximately $12.8 billion. While no one likes to see reductions, it is reassuring to know that our enhanced surplus has served the very purpose our plans anticipated: Because New York Life had the foresight to build a substantial cushion, we continue to have more than adequate capital to meet rating agency capital requirements for triple-A financial strength ratings.

Looking ahead

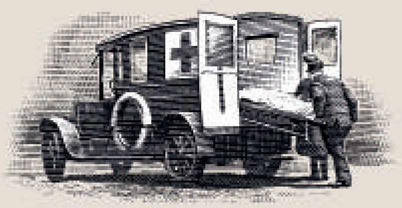
Even a company as strong as New York Life can expect to feel the effects of a downturn of extended duration. There is currently ample reason to believe 2009 will be another difficult year for the economy. The length, depth and breadth of the credit crisis has taken a toll on U.S. business; the housing market may not have yet hit bottom and rising unemployment levels continue to be a serious concern.

Our business may feel the impact of tightened consumer spending in the year ahead, as families defer the purchase of even the most critical items. As global economies continue to suffer, our operations in international markets can also anticipate challenges. Finally, weakened equity markets and credit losses may continue to dampen the growth of earnings and surplus.

Fortunately, New York Life is confronting these challenges from a position of greater financial strength and stability than many other financial services companies. With a strong capital position, ample surplus and one of the industry's most diversified investment portfolios, we are well prepared to weather even a prolonged period of economic turmoil.

1918

A global flu epidemic took the lives of more than a half million people in the United States and 20 million worldwide. New York Life paid epidemic-related claims of $10 million.



What's more, our commitment to the long-term vitality of your Company is as firm as ever. New York Life's leadership team has adopted four forward-looking aspirations that will guide our growth in the years ahead. We aspire to be:

- *the preeminent provider of life insurance in the United States*
- *a leader in providing retirement income security*
- *the most trusted investment manager, delivering investment excellence to our Company and our clients*
- *a growing provider of life insurance in international markets*

New York Life has a long history of staying strong and resilient in both good times and bad. As you can see in the timeline on these pages, we have safeguarded families through the most difficult episodes in our nation's past, honoring every promise and fulfilling every obligation for 164 years.

We know that the months ahead may be difficult ones for you and those you love. As uncertain as things might seem, please be assured of this: You can depend on New York Life.

For some companies, an economic crisis is a signal to retreat. For us, it is a call to duty – to keep you safe and secure throughout the storm. It's why we are here. It's who we are. At New York Life, we were built for times like these.

Ted Mathas
President and Chief Executive Officer
February 12, 2009

1933

During the Great Depression's worst years, record numbers of policyholders took loans against their policies. In 1933, the Company disbursed more than $360 million in insurance benefits, dividends and loans. New York Life increased its assets that year to $2 billion.

Chairman's Message

As you may know, I will be retiring as New York Life's chairman of the board on May 31, 2009, when Ted Mathas, New York Life's president and CEO, will assume the additional title of chairman of the board. And so, this will be my final letter to you – our policyholders.

It has truly been a privilege to serve as the Company's 17th CEO for 11 years, continuing the legacy of my predecessors as stewards of this great 164-year-old institution. When I look back at our accomplishments, I am most proud of two – the decision in 1998 to retain the Company's mutual structure and, toward the end of my career, the work I did in partnership with the board to identify my successor.

Back in 1997, most mutual life insurance companies decided to demutualize and become public companies, so that they might have access to public capital. We decided against that move for two reasons. First, insurance is a long-term business requiring long-term perspective in decision-making, a discipline best not compromised by the short-term outlook of Wall Street. Second, we saw an inherent conflict between policyholder priorities, which demand we maximize the amount of capital we hold to protect the promises we make, and the public company priority of minimizing capital in order to increase return on equity and improve performance for shareholders.

"We knew that staying mutual was the right decision for the New York Life Insurance Company."

1946–1950

New York Life's investments financed housing for 300,000 returning veterans and their families. The Company also invested over $1 billion in government bonds for new highway, telecommunications and energy infrastructure.

We knew that staying mutual was the right decision for the New York Life Insurance Company. However, ten years ago, we could not have predicted how critically important it would prove to be today. Indeed, it was our mutuality – with its singular focus on policyholder protection – that enabled us to be adequately prepared for a severe economic downturn. Consider these key strategic decisions, all based upon the principles of mutuality:

Because New York Life is a mutual, we were able to husband our capital. Between 2002 and 2007, we added nearly $6 billion to the Company's surplus and asset valuation reserves – an action not impeded by an obligation to maximize return on equity for shareholders.

Because New York Life is a mutual, we did not put our reserves at risk by offering products whose profitability rested upon loosened underwriting standards or untested hedging strategies.

Because New York Life is a mutual, we could – and did – begin to divert a portion of our cash flow into lower yielding but safe U.S. Treasurys early in 2007, when we anticipated sizable risks in the U.S. credit markets.

In short, because of our mutuality, our judgment was not clouded by a need to provide investors with immediate returns. We anticipated the problems that might lie ahead . . . we adopted the appropriate strategies . . . and we built a financial safe harbor that is now protecting our policyholders from the storm.

However, financial strength means little if an organization's management is not equal to the task of sustaining it. For that reason, over five years ago, I began working with the board to find my successor and build our management team for the future.

1987–1989

More than 100 life and health insurance companies became financially impaired or insolvent following crashes in stock, junk bond and real estate markets. New York Life stood strong, realizing 11 percent growth in surplus for this period.

We found the right individual in Ted Mathas.

Ted Mathas, who succeeded me in 2008 as the Company's 18th CEO, brings immense talent and leadership to the job. Just as important, there is no one more committed to the continuity of New York Life's core values – or more qualified to uphold them.

I first observed Ted's management skills nine years ago, when he managed NYLIFE Securities, our broker-dealer subsidiary. Since then, he has established a remarkable track record for success in a series of increasingly responsible positions. When the board of directors convened early in 2008 to consider CEO succession, their choice was unanimous.

Ted Mathas is an excellent president and CEO. The time is now right for Ted to assume the additional role of chairman of the board. We are fortunate to have a leader of Ted's judgment, energy, intellect and vision to serve in these capacities.

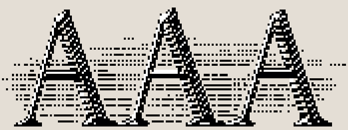
In conclusion, I am pleased to report that, in spite of the uncertainty of the financial markets and the state of the economy during the latter part of 2008, the situation at New York Life is very much business as usual: Our financial strength is solid. Our values are sound. Our devotion to doing what's right for our policyholders is uncompromised. This is how it always has been and always will be at New York Life.

On behalf of the board of directors, I thank you for continuing to let us be "The Company You Keep."

Sy Sternberg
Chairman of the Board
February 12, 2009

2007–2008

New York Life is awarded the highest ratings for financial strength from all four of the major rating agencies, a testament to its solid financial stewardship, even in troubled times.



Putting Your Safety First: An update on New York Life's financial strength

By Gary Wendlandt
Vice Chairman of the Board
and Chief Investment Officer

The latter part of 2008 was characterized by commentators as a "financial tsunami" – an apt description.

As I write this report in February of 2009, there are indications that, with the unprecedented level of government intervention, some level of stability may be returning to the financial markets, but there is no evidence to suggest a rapid economic recovery.

Although subprime mortgage lending was the trigger for the crisis, it was only one aspect of a much larger credit boom and bust that has had far-reaching effects on the global economy. At the height of this boom, we saw widespread declines in lending standards and, at the same time, a growing number of firms willing to invest in increasingly risky and complex credit instruments, with expectations of oversized returns.

An environment of easy credit also encouraged financial institutions to borrow heavily in order to participate in all manners of investments. This aggressive leveraging strategy created outsized immediate returns for these firms but also created staggering losses when the housing bubble burst.

New York Life has remained strong throughout the crisis, ending 2008 with over $12.8 billion in statutory capital and retaining the highest ratings for long-term financial strength from all four of the major rating agencies.

Last year, I reported to you about our initial response to the overheated credit market. We believed the risks inherent in popular investment vehicles far outstripped the rewards. Rather than get caught in the prevailing climate of over-optimism, we invested cautiously. As an added precaution, we also temporarily allocated a larger portion of the Company's investments into safe U.S. Treasury bonds.

In our 2007 *Report*, I also detailed a number of the most important principles that guide investment decisions at New York Life. These guidelines are worth revisiting here, as they will help you better understand how we have been able to protect the interests of our policyholders amid the events of 2008.

We maintain diversification.

We do not take outsized stakes in any single investment opportunity, no matter how attractive it may appear. Because of this, we had a very low level of exposure to individual firms, particularly in the troubled financial sector. New York Life typically maintains one of the most diversified investment portfolios among all of the major life insurers. As of year-end 2008, our ten largest credit exposures amounted to less than two percent of our total portfolio.

We conduct our own research.

We do our own fundamental, bottom-up research, rather than rely on the analysis of others. Based on our research, we independently concluded that many debt securities – including the complex repackaging of subprime mortgages – held far more risk than their ratings suggested.

We insist on getting paid for taking risk.

Our research showed that the real estate loans underlying collateralized debt obligations (CDOs) were subject to weak lending standards and questionable underwriting practices. These investments were inherently risky because they were originated with the intent to immediately repackage and sell them. We thought it foolish to take on someone else's risk if they demonstrated an unwillingness to hold it themselves.

Similar reasoning stood behind our decision to avoid credit default swaps – the financial instruments that insure creditors against the risk of default. The inherent risks were mispriced because investors believed that historical low levels of default rates would continue – a misjudgment that proved extremely costly for many firms.

We take a long-term view.

We invest for the long term because we make long-term commitments to our policyholders. As a mutual company, New York Life Insurance Company's investment decisions are not subject to shareholder pressures for quarterly profit gains. We will – and do – forsake the potential of short-term gains in order to preserve long-term safety. This is exactly what took place two years ago, when we reallocated some of our investable cash flow from credit market investments to the security and liquidity of U.S. government bonds.

We maintain ample liquidity.

For New York Life, liquidity is "king," as we must always be prepared to meet our obligations to policyholders. Our strong balance sheet is your assurance of protection in this environment. Unlike other financial firms, we have not been forced to sell assets in order to raise cash in a down market and do not require infusions of government capital. Indeed, the strength and liquidity of our portfolio will enable us to take advantage of the attractive investment opportunities that will arise in the years ahead.

We don't blindly follow the crowd.

New York Life has been through numerous economic cycles in its 164-year history, and we have learned to avoid both the frenzy of overheated markets and the panic that occurs when markets tumble. For example, we did not join the rush to invest in hedge funds, as we are not comfortable with their lack of transparency. We simply will not participate in investments we cannot thoroughly analyze.

Sadly, the most damaging losses suffered by financial companies and individual investors could have been avoided through the application of these, and other, common-sense investment principles. On pages 18 and 19, we discuss a few of the ways New York Life's investment philosophy can apply to your own family's financial planning.

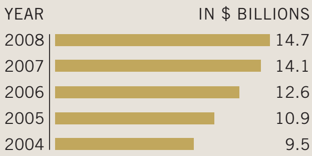
As we look ahead, it is still not possible to forecast the duration or depth of the current economic cycle. It appears that the recession will continue well into 2009 and it is reasonable to expect that corporate bankruptcies and defaults will continue to rise.

New York Life is certainly not immune to what occurs in the financial markets, but historically, our portfolio has experienced lower defaults – and better recoveries in cases of defaults – than market averages. With our strong balance sheet, disciplined investment approach and rigorous risk controls, we are well positioned to continue to deliver superior investment results.

Our primary goal is ensuring we can meet all of our obligations to policyholders, now and decades from now. No matter how the markets perform in 2009 – and in the years beyond – New York Life will be here, secure as always, standing behind every promise we make.

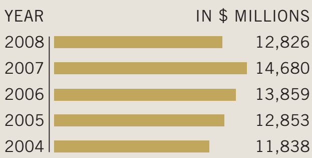
Our Performance at a Glance

POLICYHOLDER BENEFITS AND DIVIDENDS[1]



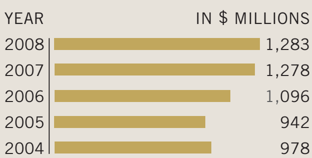
With $14.7 billion in payments made to beneficiaries and policyholders in 2008, we again exceeded previous totals, a reflection of the growing number of people who today count on New York Life for financial security. Benefits include death claims paid to beneficiaries and annuity payments. Dividends are payments made to eligible policyholders from divisible surplus.

SURPLUS AND ASSET VALUATION RESERVES[2]



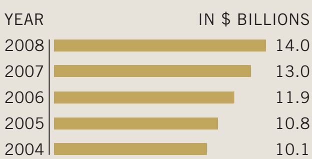
Surplus and asset valuation reserves, the funds that ensure we can meet future obligations to policyholders and finance our growth, declined in 2008 as a result of the weak equity and credit markets, yet remain well above historical levels. The Company has more than enough capital to meet rating agency capital requirements for their highest possible financial strength ratings.

OPERATING EARNINGS[3, 4]



Operating earnings is the measure used for management purposes to highlight the Company's results from ongoing operations and the underlying profitability of our business. In 2008, New York Life achieved record-setting operating earnings of $1.283 billion.

OPERATING REVENUE[3]



This chart shows the revenue the Company has generated from its domestic and international business during the last five years – primarily premium and fee income, deposits included in policyholder account balances for life and annuity products, and net margins on guaranteed products. Operating revenue has grown steadily since 2004.

NOTES APPEAR ON PAGE 20.

INSURANCE SALES[5]

YEAR	IN $ MILLIONS
2008	2,427
2007	2,149
2006	1,891
2005	1,583
2004	1,488

This chart shows the growth of new insurance sales since 2004 and includes results from both our domestic and international operations. 2008 was another record year for the Company, exceeding $2 billion in sales for the second consecutive year. Over the past four years, our insurance sales have grown at a compound annual rate of 13 percent.

INVESTMENT SALES[6]

YEAR	IN $ MILLIONS
2008	26,632
2007	24,789
2006	23,815
2005	18,776
2004	15,406

Investment sales include new sales of investment annuities, mutual funds and other investment-related products by both our domestic and international operations. In 2008, investment sales increased over $1.8 billion from 2007, due to growth of our fixed annuity business.

INDIVIDUAL LIFE INSURANCE IN FORCE[7]

YEAR	IN $ BILLIONS
2008	781.2
2007	750.9
2006	694.8
2005	647.7
2004	611.2

This chart shows the growth of the Company's individual life insurance in force over the last four years. Our steady growth – $170 billion since 2004 – is the sign of a strong and vibrant company.

ASSETS UNDER MANAGEMENT

YEAR	IN $ BILLIONS
2008	249.1
2007	280.0
2006	261.5
2005	222.8
2004	213.0

Assets under management declined in 2008, a result of the weakening of equity markets. However, over the past four years, the Company's assets under management have grown by over $36 billion, reflecting the strength of the Company's diversified products and distribution channels.

NOTES APPEAR ON PAGE 20.

Protecting Your Family's Financial Future

Adhering to Sound Planning Principles Is the Best Course of Action – in Good Times and Bad

The current state of the economy is understandably a cause for concern. While everyone's situation is unique, we offer the following suggestions for you to keep in mind as you review your family's financial plans.

Preserve Your Future Assets

Unless absolutely necessary, you should not tap into assets and resources set aside for future use in an effort to address current challenges and expenses. Early withdrawals from IRAs and other qualified plans often bring costly taxes and penalties. Moreover, you can never recoup the time you've spent saving for retirement. If you start using the dollars that you've been accumulating for years, you may find it difficult to replenish those savings and you will have fewer assets working for you when the markets rebound.

Maintain a Diversified Portfolio

All types of financial assets – life insurance, savings accounts, CDs, annuities, bonds and stocks – perform differently in different economic climates. Maintaining a broad portfolio mix (that is, "not putting all your eggs in one basket") can help dampen the effects of market fluctuations or problems in any single area.

Don't Chase the Latest Financial or Investment Fads

History has proven that acting on the latest "hot" financial tip usually produces dismal results in the end. Take the time to regularly review your financial plans with your agent or advisor to ensure they continue to meet your needs and objectives – but don't hastily abandon what you have to blindly follow the crowd in another direction. And don't listen to people who try to forecast market movements. They don't know!

Manage Your Risk Carefully

If you take on too much risk when the markets are soaring (when everything looks safe), you are exposing yourself to sizable losses when the markets decline, making it very difficult to stay the course and ultimately achieve your long-term investment goals. When planning for retirement, many people choose to balance the inherent risks of investment products with other financial products that offer guaranteed income upon retirement (such as Guaranteed Lifetime Income annuities). Regardless of what products you ultimately purchase, be sure to check the financial strength rating of the company you are buying from.

Keep a Long-Term Perspective on Your Financial Future

It is important to remember that markets are cyclical: They go up…they go down…and they go up again, bringing feelings of both optimism and pessimism for investors. Rather than react to each swing of the market, it is usually appropriate to stick with a carefully considered long-term strategy, especially when it comes to your retirement and other long-range needs. Your New York Life agent can help you select from a number of products that have withstood the test of time and bring a measure of safety, so you know your money will be there when you need it – even if that is decades from today.

Call upon the Knowledge of Your New York Life Agent

As a New York Life customer, you are not alone when it comes to planning for, and protecting, your family's financial future. We stand ready to assist you in any way we can – and your New York Life agent is just a phone call away. He or she is most familiar with your particular situation, plans and objectives. And when you do business with one of our representatives, you can be confident that you are working with someone who is held to the highest standards of professionalism and integrity, and backed by one of the strongest and most respected companies – a company that will be there for you in good times and bad.

Notes

1 *Policyholder benefits and dividends include New York Life Insurance Company (NYLIC), New York Life Insurance and Annuity Corporation (NYLIAC), NYLIFE Insurance Company of Arizona (NYLAZ) and the Company's international operations at percent ownership. NYLIC's policyholder benefits and dividends were $8.1 billion for each of the 12 months ended December 31, 2007 and 2008. NYLIAC's policyholder benefits and dividends were $5.4 billion and $5.2 billion for the 12 months ended December 31, 2007 and 2008, respectively. NYLAZ is not authorized in New York and does not conduct insurance business in New York.*

2 *Statutory capital includes statutory surplus and the asset valuation reserve (AVR) on a consolidated basis of the Company. NYLIC's statutory surplus was $11,959 million and $11,793 million at December 31, 2007 and 2008, respectively. Included in NYLIC's statutory surplus is NYLIAC's statutory surplus totaling $2,650 million and $3,596 million at December 31, 2007 and 2008, respectively. AVR for NYLIC was $2,257 million and $649 million at December 31, 2007 and 2008, respectively. AVR for NYLIAC was $464 million and $384 million at December 31, 2007 and 2008, respectively.*

3 *This chart has been prepared in accordance with our primary management reporting system, which is based on accounting principles generally accepted in the United States of America (GAAP) with certain adjustments we believe are more appropriate as a measurement approach. A reconciliation is contained in the Company's* 2008 Annual Report. *Policyholders may request a copy of the GAAP-basis consolidated unabridged financial statements and the* 2008 Annual Report *by writing to New York Life Insurance Company, 51 Madison Avenue, New York, New York 10010.*

Policyholders may obtain a copy of the statutory financial statements applicable to their respective companies by contacting the Secretary of the parent company, New York Life Insurance Company, 51 Madison Avenue, New York, New York 10010.

The GAAP and statutory financial statements mentioned above will be available beginning mid-April 2009 on our Web site (www.newyorklife.com).

Although the GAAP-basis consolidated unabridged financial statements are prepared in accordance with GAAP, the New York State Insurance Department (the Department) recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York Insurance Law, and for determining whether its financial condition warrants the payment of a dividend to its policyholders. No consideration is given by the Department to financial statements prepared in accordance with GAAP in making such determinations. The notes to the GAAP-basis consolidated unabridged financial statements contain a reconciliation of GAAP net income to statutory net income as well as a reconciliation of GAAP policyholders' equity to statutory surplus and asset valuation reserves.

4 *This indicator has been revised for years 2004–2007 to conform to the Company's change in definition of operating earnings, effective 1/1/2008. A complete description of this revision can be found in the Company's* 2008 Annual Report, *which will be available beginning mid-April 2009 on our Web site (www.newyorklife.com).*

5 *This indicator has been revised for years 2004–2007 to conform to the Company's change in definition of insurance sales, which adjusted single premium sales including immediate annuities to 50 percent, effective 1/1/2008. A complete description of this revision can be found in the Company's* 2008 Annual Report, *which will be available beginning mid-April 2009 on our Web site (www.newyorklife.com).*

6 *2006 investment sales include $1.1 billion of sales related to an acquisition of an investment subsidiary in 2006. 2004 investment sales include $1.25 billion of sales related to an acquisition of an investment subsidiary in 2004. This indicator has been revised for years 2004–2007 to conform to the Company's change in definition of investment sales, effective 1/1/2008. A complete description of this revision can be found in the Company's* 2008 Annual Report, *which will be available beginning mid-April 2009 on our Web site (www.newyorklife.com).*

7 *Face amounts.*

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