



Report to Policyholders 2006



BY ANY MEASURE,
THE COMPANY YOU KEEP

TO OUR POLICYHOLDERS



SY STERNBERG
Chairman of the Board and
Chief Executive Officer

At New York Life, 2006 was a year for the record books. Thanks to outstanding performance across virtually every principal line of business, your Company achieved:

- Record-setting total insurance sales.
- Record-setting Guaranteed Lifetime Income product sales.
- Record-setting international insurance sales.
- Record-setting New York Life Investment Management sales.

New York Life's total insurance sales topped \$2.85 billion in 2006, a nearly 28 percent increase over 2005. Unlike

companies that attempted to gain market share through mergers and acquisitions, New York Life's performance represents organic growth through product innovation and market diversification.

In that regard, three first-to-market life insurance products were introduced in the U.S. during 2006: **Custom Whole Life Insurance** is the only whole life insurance product that allows policyholders to determine the exact year they want their policy to be "paid up," regardless of interest rate fluctuations and market returns. **Family Protection Insurance** is a new way to cover all members of an immediate family with one affordable policy. And **NYLIAC Instant Legacy**^{*} offers a smart solution for consumers who wish to put aside money for their heirs, while keeping it always accessible.

New York Life's Guaranteed Lifetime Income products (income annuities designed to provide retirees with protection against the risk of outliving their savings) are one of the fastest-growing new offerings in Company history, posting 45 percent sales growth in 2006. We entered this market in 2003, occupying eighth place in industry sales. By the third quarter of 2006, New York Life was the number one market share leader in this category.

AARP, America's largest membership organization, has chosen New York Life as the exclusive endorsed provider of fixed annuities through the new "AARP Lifetime Income Program," designed to generate a secure stream of retirement income. Since 1994, New York Life has been the sole endorsed provider of life insurance for AARP members. Today, more than 1.3 million members are insured through the AARP Life Insurance Program from New York Life.

While we offer certain select products through AARP and other alternate distribution channels, the core of New York Life's marketing and sales efforts takes place via our professional agents, widely regarded as the industry's finest. For the 52nd consecutive year, New York Life led the industry with the largest number of U.S. agents achieving membership in the Million Dollar Round Table (MDRT), the premier organization for the world's most accomplished life insurance agents. In fact, nearly one out of every six MDRT agents in the United States is with New York Life! In 2006, our agents shattered all previous Company records for their sales of life insurance, investment products and Guaranteed Lifetime Income products.



FREDERICK SIEVERT
President

Our international business achieved a 26 percent increase in sales over 2005, with India and Mexico leading the way. In 2006, insurance sales in India virtually doubled over the prior year. Max New York Life (our joint venture with Max India, Ltd.) is now doing business in 90 offices located in 56 Indian cities, supported by a field force of nearly 18,000 agents. In Mexico, Seguros Monterrey New York Life's 2006 insurance sales topped \$180 million, in spite of a national mood of uncertainty precipitated by a difficult election year. Insurance sales in China grew 70 percent, as we entered four new cities, including the provincial capital of Nanjing.

New York Life Investment Management, LLC (NYLIM) also turned in record-beating results, with over \$28 billion in sales, an increase of more than 27 percent over 2005. Our investment business closed the year with more than \$235 billion in assets under management, including more than \$18 billion in assets managed by Institutional Capital Corporation (ICAP), a premier value equity institutional investment firm acquired in 2006. Led by management that includes the team named by Morningstar as the 2005 International-Stock Fund Manager of the Year, ICAP manages portfolios for some of the world's most prominent corporations and institutions.

With strong performance throughout New York Life, 2006 operating revenue climbed 11 percent to over \$12 billion, a new Company milestone. Operating earnings grew 17 percent to nearly \$1.1 billion, another all-time high. At the end of 2006, surplus and asset valuation reserves – the funds that support the Company’s long-term financial strength – totaled \$13.9 billion, an amount that has more than doubled in size over the past 10 years.

Ted Mathas, whose leadership has helped fuel the growth of New York Life’s life and annuity businesses, and who was instrumental in the formation and launch of our Guaranteed Lifetime Income business, has assumed the newly created position of Chief Operating Officer. The Board of Directors also elected Ted to the Board, where he now serves as Vice Chairman.

Even as your Company grows and expands its product offerings, our values remain consistent: **Financial Strength. Integrity. Humanity.** As you will see in the pages that follow, we believe it is important to regularly take the measure of not only the growth of sales and earnings, but also how well we are living up to the values we believe in and the promises we make.

This year’s *Report* shows why New York Life is, by any measure, “The Company You Keep.”



SY STERNBERG
*Chairman of the Board and
Chief Executive Officer*



FREDERICK SIEVERT
President

* NYLIAC Instant Legacy is issued by New York Life Insurance and Annuity Corporation, a wholly owned subsidiary of New York Life Insurance Company.

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

BY ANY MEASURE

What is a company's reputation built upon?

At New York Life, it starts with the values we believe in:

Financial Strength
Integrity
Humanity

However, while a reputation may be based
on values, it is earned with deeds.
And it is proven through consistent performance.

On the following pages, we invite you to
learn more about why New York Life is –

The Company You Keep.

MUTUAL

As a mutual life insurance company, New York Life Insurance Company is not publicly traded and has no shareholders. This means we serve just one constituency: our policyholders. Because we are a mutual company, customers who purchase certain participating products (such as whole life insurance) share in any annual dividends that are declared. In 2007, more than \$1.47 billion in dividends will be paid to New York Life policyholders.

Most importantly, as a mutual company, we manage our business to protect the long-term financial security of our policyholders, rather than the immediate returns prized by Wall Street. This is a prime consideration when buying life insurance, a product that relies upon an insurer's ability to keep its promises and pay claims 10, 20 or 30 or more years from now.

While publicly owned companies are under pressure to return profits to outside investors, we can choose to retain more of our earnings to create an added margin of safety for our policyholders. New York Life's surplus and asset valuation reserves* – the funds that ensure our long-term financial strength and security – total \$13.9 billion. This means we have ample assets to meet our future obligations to policyholders and invest in our future growth.

* Please refer to page 18 for more details on surplus and asset valuation reserves.



SURPLUS AND ASSET VALUATION RESERVES

TRUSTED

What is a life insurance policy? As the old saying goes, it's really nothing more complicated than "a drop of ink, a piece of paper and a promise to pay."

In other words, the real value of your policy rests entirely on how well – and for how long – an insurer can keep its promises.

For more than 160 years, through wars, epidemics and economic depressions, New York Life has maintained its superior financial strength. Our ability to pay claims quickly and compassionately has never once been compromised.

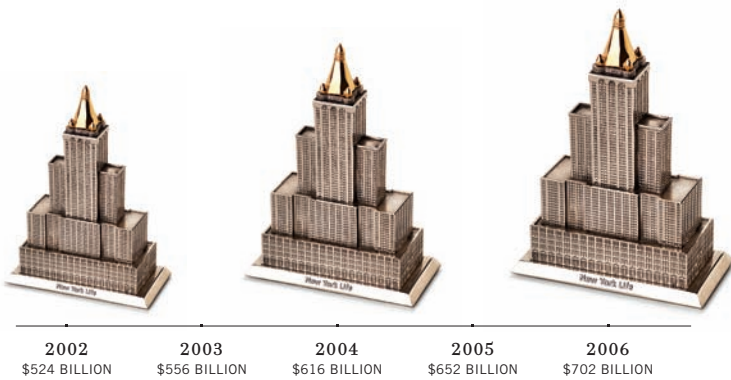
Today, New York Life Insurance Company* earns top marks for financial strength from all the major independent rating agencies – including the highest possible rating from Moody's Investors Service, Fitch Ratings and A.M. Best.

People trust New York Life. And that's the most important reason New York Life sells more life insurance than any other company in the United States.†

* And its wholly owned subsidiary, New York Life Insurance and Annuity Corporation.

† Source: LIMRA International, Individual Life Insurance sales survey, third quarter 2006 results. Sales based on all periodic premiums plus 100 percent of reported single premiums. The survey compiles data from among the 71 largest life insurers, representing over three-quarters of the industry.

Please refer to page 19 for more details on our individual life insurance in force.



INDIVIDUAL LIFE INSURANCE IN FORCE (FACE AMOUNTS)

INNOVATIVE

At New York Life, innovation is not about chasing financial fads. You won't find us trying to constantly dazzle you with flashy new products. When it comes to protecting your financial future, we believe "safety and security" always trumps "new and trendy."

For us, true innovation means understanding the changing needs of our customers and fulfilling those needs with sound products and best-in-class service. Throughout our 162-year history, we have established a reputation as a company of innovative "firsts":

- New York Life began paying cash dividends to policyholders in 1854, and has paid dividends every year since then.
- New York Life was the first to insure people with physical impairments or hazardous occupations.

In recent years, New York Life led the industry with the rollout of our **Guaranteed Lifetime Income** annuity products, which promise a safe and certain monthly retirement payment that lasts as long as you live. No matter what happens to the economy or the financial markets, you have the confidence of knowing your retirement income is locked in for life.

Still more innovations debuted in 2006: **Custom Whole Life** is the first life insurance product that allows you to select, at the time of purchase, the exact year in which you want your policy to be fully "paid-up." New York Life guarantees no further premiums will be required after that date, regardless of interest rate fluctuations and market returns. **Family Protection Insurance** is a comprehensive new term life insurance plan designed for young households who want the assurance of continuous, affordable coverage as their families expand and their insurance needs grow.



GUARANTEED LIFETIME INCOME PRODUCT SALES

PROFESSIONAL

At New York Life, we believe that when it's time to plan for your family's long-term financial security, there is no substitute for the advice of a qualified, trained professional advisor. With the growing complexity of insurance, retirement and other financial products, it is all the more important to work with someone who is knowledgeable and trustworthy: a New York Life agent.

All New York Life agents make a lifetime commitment to professional development through the continuing education programs of our own NYLIC University, ranked as one of the top 100 training organizations in the nation.*

The superior skills and service of New York Life's agency team have been uncontested for over half a century: Every year, for the past 52 years, New York Life has led the industry in the number of agents qualifying for membership in the Million Dollar Round Table, an independent, international organization that is open only to insurance professionals who have achieved top levels of performance and adhere to the highest ethical standards.

* As ranked by Training magazine, 2005 survey.



52-YEAR CHAMPION:
#1 IN MDRT-QUALIFYING AGENTS
1954-2006

GLOBAL

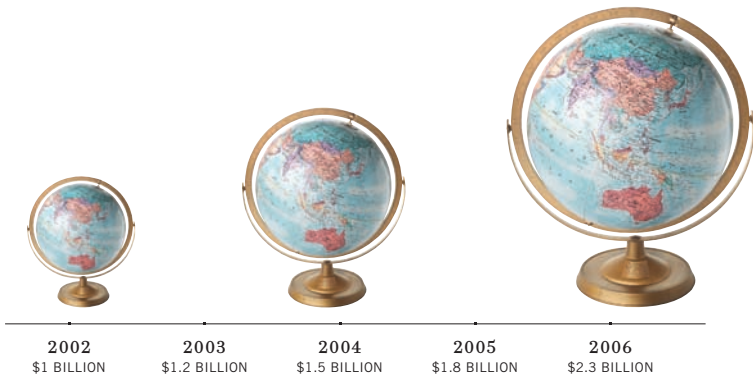
In 1998, New York Life outlined a plan for expanding into high-growth emerging markets around the world, where growing numbers of middle-class families are discovering how life insurance can help provide long-term financial security and peace of mind.

This business strategy has proven to be a sound one: In 2006, New York Life's insurance sales in our nine international markets accounted for more than 20 percent of the Company's new life insurance business.

Wherever we do business, from Seoul to Shanghai, from Mexico City to Mumbai, New York Life stands for the same values: Financial Strength, Integrity and Humanity. Just as in the U.S., our international reputation is built upon the highest levels of agent training, policyholder service and concern for customers.

Expanding our overseas customer base is another way for New York Life to diversify and strengthen our business – and this ultimately benefits all those who choose New York Life to help them secure their financial future.

Please refer to page 18 for more details on our operating revenue.



INTERNATIONAL OPERATING REVENUE

COMPASSIONATE

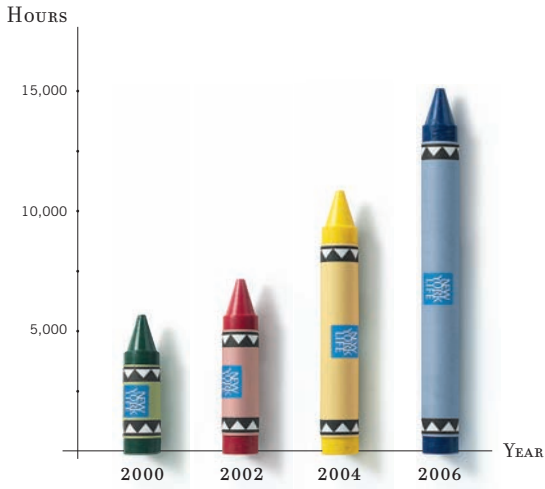
New York Life's fundamental mission – to be there for others when they need us most – is not limited to our business activities, but also inspires our efforts to enhance the quality of life in the communities we serve.

Through our charitable arm, the New York Life Foundation, we provide support to organizations that help nurture, educate and mentor young people. In 2006, we offered grants to a multitude of nonprofit organizations, such as Boys & Girls Clubs of America, Save the Children and National 4-H Council. The Foundation also made a grant last year to create The New York Life Endowment for Emerging African-American Issues at the Colin Powell Center at The City College of New York. This endowment will fund ongoing undergraduate and graduate scholarships and internships for students preparing for careers in public policy.

Our Volunteers for LIFE program draws upon the talents and generosity of New York Life employees, agents and retirees who give their time to projects ranging from reading programs for children to food collection for needy families. In 2006, members of the New York Life family in nine cities across America donated more than 15,000 hours to local service organizations.

We believe that good corporate citizenship begins at home – with an ongoing commitment to the communities where we work and live. This is especially critical in times of trouble, such as the aftermath of a natural disaster. In recent years, New York Life made donations totaling nearly \$2 million to relief groups that aided in recovery efforts following Hurricane Katrina in 2005 and the 2004 tsunami in Asia (which inflicted losses in Thailand and India, two nations where we conduct business). In addition, the New York Life Foundation matched the many generous personal donations contributed by the Company's agents, employees and retirees.

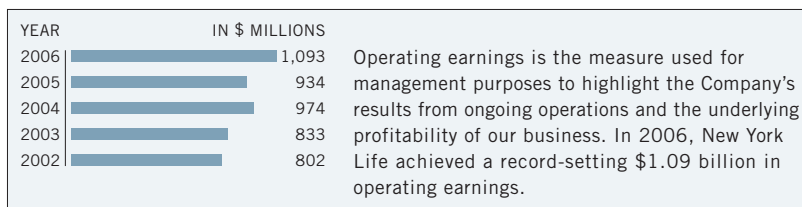
You can find more information on New York Life's community service activities by visiting www.newyorklifefoundation.org.



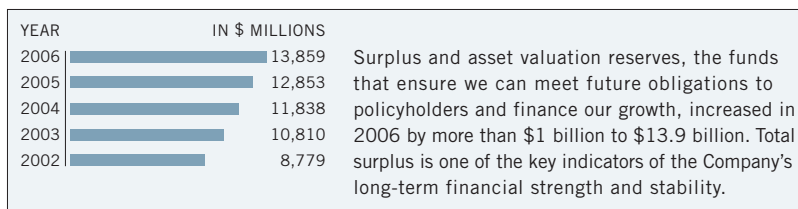
VOLUNTEER HOURS DONATED

OUR PERFORMANCE AT A GLANCE

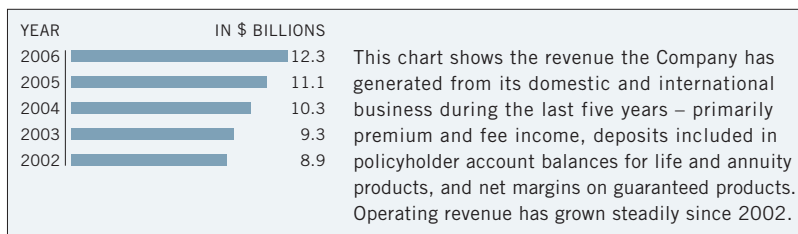
OPERATING EARNINGS¹



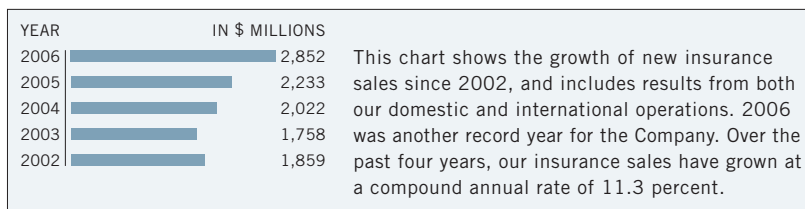
SURPLUS AND ASSET VALUATION RESERVES²



OPERATING REVENUE¹



INSURANCE SALES³



FOOTNOTES APPEAR ON PAGE 20.

INVESTMENT SALES⁴

YEAR	IN \$ MILLIONS
2006	34,897
2005	28,265
2004	24,230
2003	22,329
2002	21,699

Investment sales include new sales of investment annuities, mutual funds and other investment-related products by both our domestic and international operations. In 2006, investment sales increased over \$6.6 billion from 2005 due to growth of our third-party asset management business.

ASSETS UNDER MANAGEMENT

YEAR	IN \$ BILLIONS
2006	264.9
2005	225.2
2004	214.9
2003	202.1
2002	179.8

This chart shows the growth of assets under management since 2002. The Company's assets under management rose 17.6 percent over 2005, reflecting the strength of the Company's diversified products and distribution channels.

INDIVIDUAL LIFE INSURANCE IN FORCE⁵

YEAR	IN \$ BILLIONS
2006	702.3
2005	651.6
2004	616.1
2003	556.0
2002	523.8

This chart shows the growth of the Company's individual life insurance in force over the last four years. Our steady growth – \$178.5 billion since 2002 – is the sign of a growing, vibrant company.

POLICYHOLDER BENEFITS AND DIVIDENDS⁶

YEAR	IN \$ BILLIONS
2006	12.6
2005	10.7
2004	9.3
2003	8.4
2002	7.9

This chart illustrates policyholder benefits and dividends paid by the Company over the last five years. Benefits include death claims paid to beneficiaries and annuity payments. Dividends are payments made to policyholders eligible to participate in the Company's earnings.

FOOTNOTES APPEAR ON PAGE 20.

OUR PERFORMANCE AT A GLANCE (NOTES)

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

- ¹ 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 2006 Annual Report. Policyholders may request a copy of the GAAP-basis consolidated unabridged financial statements and the 2006 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 2007 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.

- ² Statutory capital includes statutory surplus and the asset valuation reserve ("AVR") on a consolidated basis of the Company. New York Life Insurance Company's (NYLIC) statutory surplus was \$10,549 million and \$11,300 million at December 31, 2005 and 2006, respectively. Included in NYLIC's statutory surplus is New York Life Insurance and Annuity Corporation's (NYLIAC) statutory surplus totaling \$2,157 million and \$2,324 million at December 31, 2005 and 2006, respectively. AVR for NYLIC was \$1,877 million and \$2,087 million at December 31, 2005 and 2006, respectively. AVR for NYLIAC was \$427 million and \$472 million at December 31, 2005 and 2006, respectively.
- ³ 2002–2005 insurance sales have been revised to conform to the Company's change in definition of insurance sales. A complete description of the revision made to this indicator to conform to the Company's change in definition effective 1/1/2006 can be found in the Company's 2006 Annual Report, which will be available beginning mid-April 2007 on our Web site (www.newyorklife.com).
- ⁴ 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.
- ⁵ Face amounts.
- ⁶ Statutory policyholder benefits and dividends are reflected on a consolidated basis of the Company. NYLIC's policyholder benefits and dividends were \$7.1 billion and \$7.8 billion at December 31, 2005 and 2006, respectively. NYLIAC's policyholder benefits and dividends were \$3.4 billion and \$4.3 billion at December 31, 2005 and 2006, respectively.

ANSWERS TO YOUR QUESTIONS

HOW DID NEW YORK LIFE PERFORM IN 2006?

New York Life generated record-setting results in all key measures of growth and profitability in 2006. Total worldwide insurance sales were over \$2.85 billion, a 28 percent increase over 2005, while total investment sales ended the year at \$34.9 billion, nearly a 24 percent increase. These strong sales, combined with the Company's large in-force block of business, drove operating revenue to a record \$12.3 billion.

In terms of profitability, New York Life's operating earnings topped the \$1 billion mark in 2006. And surplus and asset valuation reserves grew to an all-time high of \$13.9 billion.

Additional details on New York Life's performance can be found on pages 18 and 19.

WHAT ARE POLICYHOLDER DIVIDENDS?

Policyholder dividends are partial refunds of the premiums paid by the owners of participating products such as whole life insurance. New York Life will pay nearly \$1.5 billion in dividends in 2007.

To understand how dividends for whole life policies are calculated, it helps to know how these products are priced. Premiums (the amounts you pay for your policy) are guaranteed never to go up. We are able to guarantee premiums because they are based upon conservative assumptions about the future, such as the timing and number of claims we will pay, the expenses we will incur and how much money we will earn in long-term investments. At the end of every year, New York Life compares these assumptions to what actually took place, and determines how much of the difference should be retained for future needs and how much can be returned to participating policyholders as dividends.

While short-term interest rates have moved higher during the past year, interest rates on long-term bonds and other investments – where the Company places the majority of its capital to support its long-term strength and stability for policyholders – remain at historically low levels. In setting this year's dividend scale, we were able to offset the impact of low interest rates by a combination of positive factors, including relatively strong equity market returns, gains recognized from the sale of some real estate holdings, and strong 2006 operational performance. However, if low interest rates continue, it could require a future reduction of dividend scales.

It's important to remember that the dividend scale, which can vary from year to year, is largely a reflection of external economic conditions and is not an indicator of a company's financial strength. For a clear, unbiased picture of financial security and stability, compare the long-term financial strength ratings assigned to insurers by the major independent ratings agencies.

WHAT IS A GUARANTEED LIFETIME INCOME PRODUCT?

A Guaranteed Lifetime Income (GLI) product is an annuity policy that provides protection against the risk of outliving your savings. Regardless of how long you live, you'll continue to receive the income payments promised you.

Social Security is now covering just a fraction of the living expenses it once did, traditional pension plans have become less common, and people are simply living longer, healthier lives. The result is that one of the greatest threats to financial well-being in retirement is your own longevity.

New York Life's primary focus is on long-term financial strength to ensure that we meet our obligations to the policyholders who have placed their trust in us. By managing our business for strength and stability decades into the future, we believe we are uniquely positioned to help people keep their retirements secure.

In 2006, New York Life sold \$637 million of its Lifetime Income Annuity.* Our growth in this business line over the past four years has moved the Company from the eighth position in the industry to the number one provider of GLI products in the United States.

* Issued by New York Life Insurance Company or its wholly owned subsidiary, New York Life Insurance and Annuity Corporation.

HOW DOES WORKING WITH A NEW YORK LIFE AGENT BENEFIT ME?

When it comes to planning for the long term, we believe most people would benefit from the advice and support of a qualified insurance professional – and New York Life agents are among the most respected and skilled in the business.

Our rigorous, career-long training programs are unsurpassed in the life insurance industry. We are one of the only companies that invests in a full-time training staff in every office. And our agents are backed by the wealth of sophisticated support services of a company with more than 160 years of experience.

When you choose to 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 someone who is up to date on the latest products and services designed to meet your needs.

WHERE DOES NEW YORK LIFE DO BUSINESS?

Outside the United States, the Company is open for business in Argentina, China, Hong Kong S.A.R., India, Mexico, the Philippines, South Korea, Taiwan and Thailand.

Our growing operations in Asia and Latin America offer significant and profitable growth opportunities. In many of these markets, only a small percentage of the population has adequate life insurance protection. By leveraging our vast experience as a leader in the U.S. life insurance market, we believe we are well positioned to deliver the products, services and peace of mind people in these emerging markets are seeking – just as we’ve been doing here at home for more than 160 years.

In 2006, New York Life International generated more than 20 percent of New York Life’s total worldwide life insurance sales. Of particular note were Seguros Monterrey New York Life, our operation in Mexico, and Max New York Life, our operation in India. Each company delivered more than \$180 million in life insurance sales in 2006 – and both are ranked among the top private life insurers providing individual life insurance in their respective nations.*

* Based on new business premium.

WHAT WILL I FIND AT WWW.NEWYORKLIFE.COM?

Our award-winning Web site offers a comprehensive source of information about life insurance, Guaranteed Lifetime Income, investment annuities, and other products and services. Visitors can learn about the Company and its history, investigate potential career opportunities as agents or employees, and quickly and easily arrange to consult with a New York Life agent.

For policyholders, the site offers a vast array of information and self-service options: View, download and print policy statements originally received in the mail; check cash, dividend and loan values, account balances, and representatives' names and numbers; access online allocation changes and fund transfers, address and phone number changes, and loan requests.

Recognized as one of the best and most innovative sites in the industry, newyorklife.com consistently ranks number one in the DALBAR quarterly *WebMonitor* report on life insurance and annuity Web sites.

WHERE DO I TURN IF I HAVE A QUESTION ABOUT
A PRODUCT I OWN OR NEED SERVICE?

Your agent is the first person you should turn to. He or she is most familiar with your plans and objectives and is here to answer any questions and provide the service you need.

Our well-trained staff of customer service professionals is also just a phone call away. To contact the office that covers your area, simply dial (800) 692-3086, or refer to the phone number listed on your annual policy summary, quarterly statement or premium notice. The Virtual Service Center, which can be accessed via the "Customer Service" link at the top of the www.newyorklife.com Web site, is also a convenient source of information and self-service options.

Whether you call your agent or one of our service representatives, or log on to our Web site, you can be certain we'll provide the information you need and help you in any way possible.



The Company You Keep®

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newyorklife.com (800) 692-3086