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FOR IMMEDIATE RELEASE

CONTACTS: Thomas Rosendale
Assistant Vice President
(908) 439-2200, ext. 5201
thomas.rosendale@ambest.com

Andrew Edelsberg
Vice President
(908) 439-2200, ext. 5182
andrew.edelsberg@ambest.com

Rachelle Morrow
Senior Manager, Public Relations
(908) 439-2200, ext. 5378
rachelle.morrow@ambest.com

Jim Peavy
Assistant Vice President, Public Relations
(908) 439-2200, ext. 5644
james.peavy@ambest.com

A.M. Best Affirms Ratings of New York Life Insurance Company and Its Subsidiaries

OLDWICK, N.J., June 16, 2011—A.M. Best Co. has affirmed the financial strength rating (FSR) of A++ (Superior) and issuer credit ratings (ICR) of “aaa” of **New York Life Insurance Company** and its wholly owned subsidiaries, **New York Life Insurance and Annuity Corporation** and **NYLIFE Insurance Company of Arizona** (collectively referred to as New York Life). Additionally, A.M. Best has affirmed the debt ratings of “aaa” on the funding agreement-backed securities (FABS) programs, the outstanding notes issued thereunder and the debt ratings of “aa” on the existing surplus notes of New York Life. A.M. Best also has affirmed the rating of AMB-1+ on the commercial paper program of New York Life. The outlook for all ratings is stable. All companies are headquartered in New York, NY. (See below for a detailed listing of the debt ratings.)

New York Life’s ratings continue to reflect its leading market position in the U.S. life insurance industry, its highly productive career agency force and superior risk-adjusted capitalization. The ratings also consider the company’s favorable liability profile, stable operating earnings and commitment to mutuality. New York Life enjoys the competitive advantage of its core career agency force and has led the industry in Million Dollar Round Table membership for 56 consecutive years. The agency channel has contributed to the company’s strong persistency and prominent market presence within the individual life market while delivering sales growth that has exceeded industry averages in recent years, resulting in an increasing market share of annualized new business life premiums.

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New York Life's sizeable inforce block of traditional life insurance and stable, long-term cash flows are the foundation of the company's operating performance. The conservative nature of its product portfolio, together with its large block of ordinary life business, translates into one of the most creditworthy liability profiles in the industry. Additionally, A.M. Best notes that New York Life has some financial flexibility to maintain its strong risk-based capital position through the management of its policyholder dividend scale.

While A.M. Best believes New York Life's investment management capabilities remain strong, the potential continues to exist for meaningful credit losses within the group's general account investment portfolio as New York Life maintains significant holdings in public/private corporate bonds and structured securities. In addition, New York Life has approximately \$14.6 billion (representing roughly one times capital and surplus) of direct exposure to whole commercial mortgage loans, and the ongoing negative outlook for commercial real estate suggests the potential for impairments. However, A.M. Best notes that the commercial mortgage portfolio maintains below average exposure to properties in the higher loan-to-value ratio and lower debt service coverage ratio bands. Overall, A.M. Best anticipates that New York Life's future investment losses will be below the industry average (as a percentage of capital and surplus) and that statutory earnings will likely exceed expected losses.

While financial leverage increased somewhat with its 2009 \$1 billion surplus note issuance, New York Life's current adjusted GAAP financial leverage of 10% (excluding accumulated other comprehensive income along with secured and non-recourse debt) is within A.M. Best's guidelines for the company's current ratings. Also, GAAP interest coverage is very strong at more than 19 times. A.M. Best views favorably New York Life's proactive management of interest rate risk through ongoing hedging, product design, dynamic asset rebalancing and its disciplined approach to sales.

The following debt ratings have been affirmed:

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New York Life Funding—program rating of “aaa”
-- “aaa” on all outstanding notes issued under the program

New York Life Global Funding—program rating of “aaa”
-- “aaa” on all outstanding notes issued under the program

New York Life Insurance Company—
-- “aa” on \$1 billion 5.875% surplus notes, due May 2033
-- “aa” on \$1 billion 6.75% surplus notes, due November 2039

New York Life Capital Corporation__
-- AMB-1+ commercial paper rating

The principal methodology used in determining these ratings is [Best’s Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best’s rating process and highlights the different rating criteria employed. Additional key criteria utilized include: “Risk Management and the Rating Process for Insurance Companies”; “Understanding BCAR for Life and Health Insurers”; “Rating Members of Insurance Groups”; “A.M. Best’s Perspective on Operating Leverage”; and “A.M. Best’s Ratings & the Treatment of Debt.” Methodologies can be found at www.ambest.com/ratings/methodology.

Founded in 1899, A.M. Best Company is the world's oldest and most authoritative insurance rating and information source. For more information, visit www.ambest.com.

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