

Credit Analysis

Moody's Global Insurance

September 2009

New York Life Insurance Company

New York, New York, United States

Summary Rating Rationale

Moody's rates New York Life Insurance Company (NYLIC; and collectively with its subsidiaries, New York Life), and its wholly owned subsidiary, New York Life Insurance and Annuity Corporation (NYLIAC), Aaa for insurance financial strength (IFS). The rating is based upon New York Life's leading position in the U.S. life insurance market, and significant financial flexibility and operational scale. The company also has in force a large block of life insurance business with risk-sharing liabilities that contains a significant amount of embedded profitability that will likely benefit the company for many years. In addition, the rating also reflects the group's earnings diversity, very strong liquidity, and outstanding capitalization.

As has been the case with virtually every company in the US life insurance industry, the recent economic environment has challenged New York Life in a variety of ways, most notably by causing elevated levels of investment losses in the general account investment portfolio. Moody's expects that additional investment losses are likely during the remainder of 2009 and well into 2010. Despite this challenging environment, Moody's believes that New York Life's investment portfolio has been well managed in a conservative manner and investment losses should be manageable given the company's excellent capitalization.

New York Life also faces a long run challenge and opportunity with its fast growing New York Life International (NYL International) operation. While the developing markets that NYL International targets engender greater risk than New York Life's domestic market, they also offer significant upside potential.

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This Credit Analysis provides an in-depth discussion of credit rating(s) for New York Life Insurance Company and should be read in conjunction with Moody's most recent Credit Opinion and rating information available on Moody's website. [Click here to link.](#)



Moody's Investors Service

New York Life Insurance Company

Group Overview

Founded in 1845, New York Life is one of the oldest life insurance companies operating in the U. S. and is the largest mutual. New York Life operates in four divisions, which are summarized below:

U.S. Life & Agency: This is New York Life's largest division in terms of operating earnings. This division markets its life insurance product line — which includes whole life, universal life, variable universal life, term life, and COLI and BOLI products — to the middle and advanced markets, and corporations through career agents and brokers.

Career agency remains New York Life's core distribution channel. The group also utilizes supplemental channels, such as brokers in its Advanced Markets Network (AMN), to capitalize on opportunities in the COLI, BOLI, and advanced market retail marketplaces. AMN sales accounted for 13% of New York Life's individual life sales in 2008. In addition, this line includes NYL's affinity markets, which represents New York Life's niche markets. Through an exclusive endorsement from AARP, the New York Life Tampa Operation directly markets life insurance and fixed annuities (Guaranteed Lifetime Income) to AARP's 41million members. Finally, Group Membership Association markets through brokers mostly life insurance with ancillary products of disability and a runoff block of major medical coverage to professional associations.

Retirement Income Security: This division markets the annuity, long term care and mutual funds product lines. The annuity line consists of variable and fixed deferred annuities and immediate annuities (fixed period and Guaranteed Lifetime Income) — to middle and advanced markets through career agents, banks and external broker/dealers. This segment markets long-term care insurance products which are sold predominantly on an individual basis to the middle market through career agents and retail mutual funds to individuals through financial advisors.

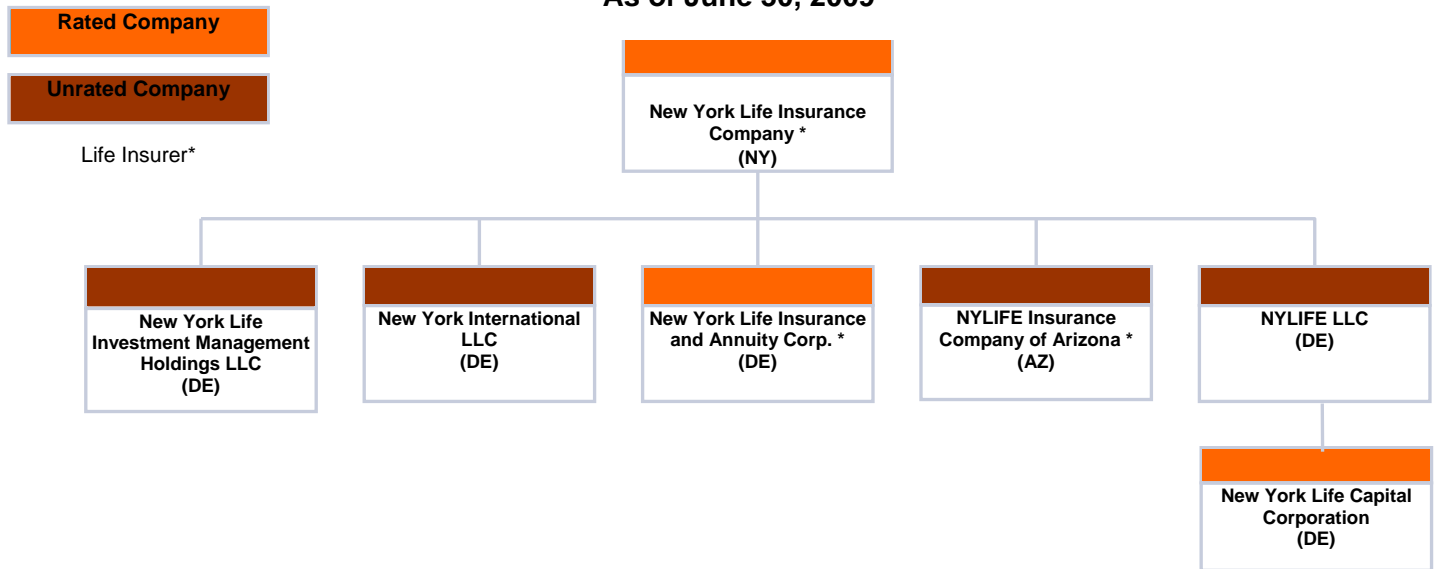
Investment Management: This division focuses on selling GICs, funding agreements, the manufacturing of mutual funds, and retirement accounts. In addition, it offers defined benefit and defined contribution plans, and separately managed accounts to individuals, corporations, retirement plan sponsors and other institutions through the New York Life Investment Management LLC sales force, New York Life career agents, specialty brokers, and financial advisors.

International: NYL International sells life insurance and annuities through career agents, bancassurance, and supplemental distribution channels in Asia, India and Latin America.

As of December 31, 2008, New York Life reported consolidated GAAP assets of approximately \$189 billion and total equity (excluding minority interest) of about \$13.7 billion. For 2008, GAAP revenue was approximately \$17 billion, net income was about \$(1.0) billion and operating earnings were approximately \$1.3 billion.

New York Life Insurance Company

As of June 30, 2009



Analysis of Rating Considerations

Discussion of Business Profile Drivers

Market Position and Brand

Top Tier Position in the Domestic Individual Life Insurance Business is Key Strength

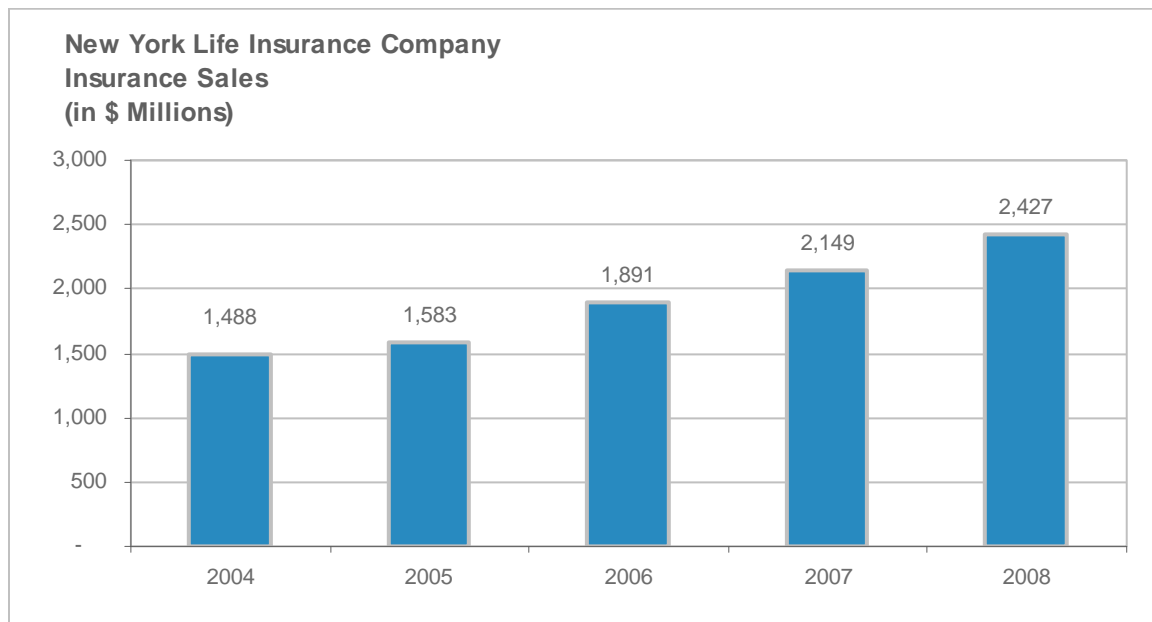
In Moody's view, New York Life has one of the most well-recognized and respected brands in the U.S. Moreover, the company has an excellent market position in a number of important segments. According to LIMRA¹, as of year-end 2008, the company ranked #4 in U.S. life insurance sales, #3 in fixed annuities sales through banks, and #1 in fixed immediate annuities sales. A slight decline in New York Life's competitive rankings during 2008 was primarily related to the company's unwillingness to market aggressively priced universal life insurance with a no-lapse guarantee. Also, New York Life is the leading direct marketer of life insurance, #6 provider of long-term care insurance, and the largest underwriter of professional association insurance programs in the U.S. For these reasons, we see the company's market position and brand to be in line with expectations for Aaa insurers.

Life Insurance: Moody's believes that New York Life's leading position in the individual life insurance business is the key strength underlying New York Life's high credit ratings. For many years, the group has consistently ranked in the top tier for U.S. life insurance sales. Moody's believes that New York Life's well-recognized brand name, productive career agency distribution force, focus on the middle market, and broad product offering are important factors that have enabled it to maintain its leading market position.

¹ LIMRA International. US life insurance sales survey based on new periodic premium, plus 100% of single premium. The life insurance survey compiles data from among 74 of the largest life insurers, representing over 75% of the industry. The U.S. Individual Annuity Sales survey compiles data from among 59 major companies, representing over 90% of the industry.

New York Life Insurance Company

Chart 1



Distribution

Productive and Well-Established Career Agency Distribution Force Supplemented by Affinity Programs, AMN Distribution and Banks

The company's significant distribution channels include career agents, independent agents, banks, external broker/dealers, direct/sponsored distribution (e.g. AARP), and an institutional sales force. Notably, one of the company's key strengths is its large and productive career agency force, which remains its primary channel for distributing life insurance products. The company's proprietary career agency channel contributes to New York Life's strong business retention rates.

Career Agency: New York Life's well-established career agency force has long been a competitive strength of the company and remains the cornerstone of the company's distribution capabilities and Moody's expects that it will remain a bedrock of its continued credit strength. Moody's believes that career agency distribution can lead to better policy persistency, as compared to other forms of distribution, and we expect that this will continue in the future.

In the mid- to late-1990s, New York Life's career agency distribution system underwent a major rebuilding effort that emphasized increased training and productivity. We feel that this effort has borne fruit in recent years with improvements in agent productivity and retention. Notably, in 2009 for the 55th consecutive year, New York Life had the largest number of agents qualifying for Million Dollar Round Table (MDRT) membership, a statistic that underscores the depth and quality of its field force.

Advanced Markets Network: AMN is New York Life's term for its life insurance brokerage business where the company accepts life insurance business from independent producers serving very affluent individuals and corporate and bank customers. In many cases, these products are sold to companies to fund employee benefit plans or for other similar corporate purposes and in other cases it is a retail product sold to a sophisticated individual purchaser. In either case producers in this market require both the capacity to accept very large amounts of business and unquestioned credit quality, two attributes that New York Life has in abundance. Moody's views AMN sales as less predictable than those from the career agency, as sales from this channel are subject to substantial year to year volatility since these producers typically shop the market for the most financially attractive product to the consumer and producer at any point in time.

New York Life Insurance Company

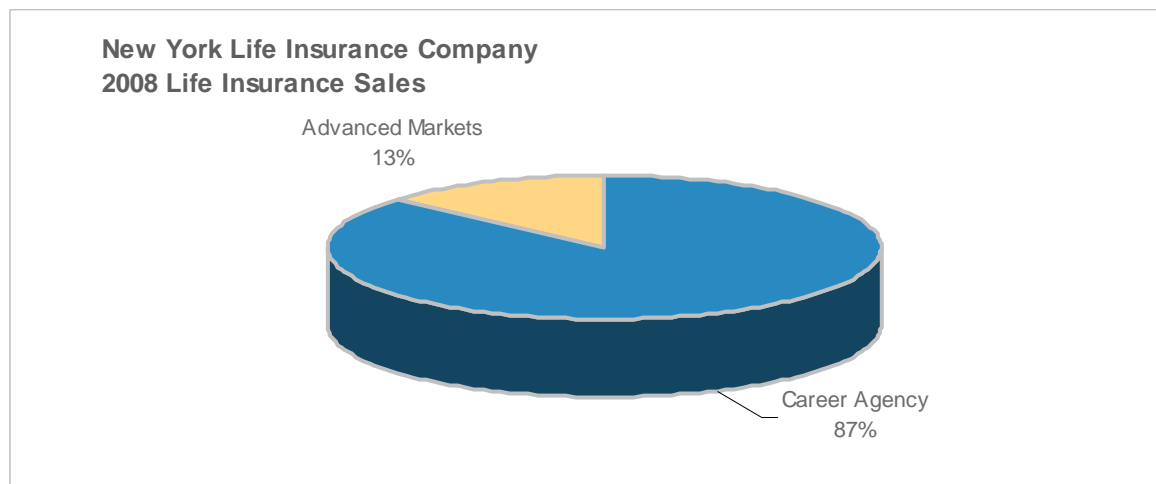
Investment Annuities: Annuities are marketed both through the career system and through non-affiliated producers. Supplemental annuity distribution is primarily fixed annuities and primarily through financial institutions such as banks. In 2008, New York Life's total individual annuity sales were \$9.4 billion, up substantially from \$6.2 billion in 2007. Agency annuity sales were up during the year 12%, while bank sales increased over 100% aided by a steeper yield curve and a flight to quality from lesser rated insurers. This is an example of the more consistent year-to-year level of production that one can often expect from a distribution system that is more tightly tied to the product manufacturer.

New York Life markets its variable annuities primarily through its career agency system rather than get involved in a feature and compensation battle with the leading variable annuity companies for the independent producer market. NYL has consequently offered variable annuities with conservative pricing of its guarantee riders compared to its peers, and has refrained from offering guaranteed minimum withdrawal benefits. As was true for most of the industry, variable annuities in 2008 lost much of their attractiveness with the dramatic decline in equity markets and fixed annuities became much more popular. Agency variable annuity sales at New York Life decreased by 30% while agency fixed deferred sales increased by 84% during 2008 due to a policyholder demand shift from variable products into fixed products as a result of the decline in equity markets.

Career agency annuity sales account for slightly less than half of New York Life's total annuity sales, which is an unusual occurrence in an industry where annuity sales are usually dominated by independent distribution, thereby underscoring the strength of New York Life's career agency distribution system. Nevertheless, Moody's believes that it is prudent for New York Life to continue to cautiously expand its supplemental channel capabilities, with this diversity providing additional organizational stability.

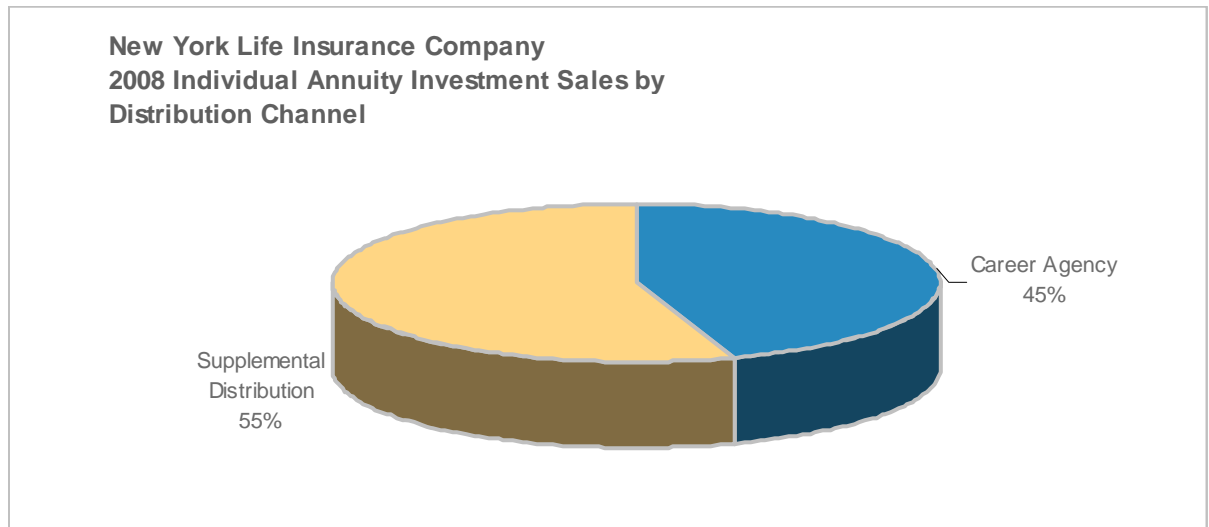
Affinity Programs: New York Life has a powerful alternative distribution channel through direct response marketing and long-standing relationships with a wide variety of sponsoring organizations. The core of Affinity Programs is an exclusive endorsement from the AARP, a voluntary organization of 41 million members of adults age 50 years and older. Affinity Programs has life insurance in force with 1.7 million AARP members and this arrangement has been expanded to also include fixed immediate annuities. Group Membership Association also markets primarily life insurance (and ancillary products of disability income and major medical coverage) to professional associations' members through brokers, with over 1.3 million insured.

Chart 2: Life Insurance Sales by Channel



New York Life Insurance Company

Chart 3: Annuity Sales by Channel



Product Focus and Diversification

Large Block of Individual Life Insurance Contains Significant Embedded Profits and is a Stabilizing Force for the Group

The overall risk profile of the company's product portfolio, led by its large block of participating and other forms of life insurance, has a low risk profile, even for the U.S. life insurance business. There is also considerable stability and predictability in New York Life's other domestic businesses, although they clearly have a higher risk profile than life insurance. Moody's views New York Life's fast growing international business as having a higher risk profile than its domestic business, although we believe that the downside risk is limited given its modest carry value on the company's balance sheet. New York Life's overall investment management franchise is more modest than the leading position it enjoys in the individual life insurance market but it seems to be making substantial progress.

U.S. Life & Agency: This segment generates approximately two-thirds of the company's earnings, with life insurance more heavily weighted although it is slower growing. Moody's believes that most forms of life insurance are stable businesses offering long run earnings potential at low levels of risk and New York Life had \$738 billion in-force on December 31, 2008, one of the largest such blocks in the industry. Moody's also believes that the participating form of life insurance that New York Life specializes in is particularly creditworthy. Participating whole life affords considerable financial flexibility to New York Life while also offering significant future embedded profits. While New York Life passes on much of the positive experience variances to its policyholders, financial flexibility comes from the insurer's ability to reflect adverse experience through the policyholder dividend mechanism. Moody's believes that the company's block of individual life insurance will continue to generate significant cash flows for the group for many years based on its conservative reserving and favorable ordinary life persistency experience. Also included in this segment is Affinity Programs which generates a substantial amount of revenue, but its operating profitability is less significant.

Retirement Income Security: This segment is a growing part of New York Life's strategy as the baby boomers begin to enter into retirement age. Revenue within this segment has grown in large part to the company's promoting its small, but rapidly growing Guaranteed Life Income (GLI) annuity business as well as strong sales in fixed deferred annuities.

New York Life Insurance Company

International: In 1997, New York Life began to put more emphasis on its international business, and NYL International has grown steadily ever since. NYL International was again profitable in 2008 with core earnings up 32% on a constant dollar basis versus 2007 driven by strong results in Mexico and flat Home Office expenses. Moody's believes that NYL International's profitability should continue to increase over time as their various markets gain economies of scale.

Moody's believes that NYL International's growth strategy is sound and has thus far been adeptly executed. We feel that NYL International is well managed, and that its pursuit of growth in developing markets, such as those in Latin America, India and Asia, offers substantial growth potential given the underlying demographics and lack of life insurance penetration in these markets. Over the next ten-to-twenty years, Moody's expects NYL International's international business to further add to the diversity of the group's earnings and grow rapidly.

However, with this significant growth and earnings potential comes added risk given the volatile nature of many of these markets. Some of these risks include currency fluctuations, political and regulatory risk, and potential civil strife, instability, and insurgency. One example was the devaluation of the Argentine Peso in Argentina in 2002-03, resulting in NYL International taking a small write-off related to its Argentine business in 2003. NYL International is carried on NYLIC's books on a statutory basis at about \$233 million as of year-end 2008 with a GAAP carrying value of approximately \$1.8 billion. Moody's believes the risk to New York Life embedded in this business is quite manageable and there is substantial hidden value in this business.

Investment Management: Moody's believes that New York Life has a strong and expanding presence in the asset accumulation business, and a top tier position in some sub-sectors of this business, such as stable value and retirement services for small- and mid-size company employee plans. Nevertheless, its overall investment management franchise is considerably more modest than the leading position it enjoys in the individual life insurance market. We believe that the asset accumulation business favors competitors that have greater economies of scale and brand recognition than does New York Life. Notably, New York Life investment management businesses have performed well during an exceptionally difficult investment and business environment. Unlike the parents of some other investment operations, New York Life has not been called upon to rescue these operations from various problems that arose during the market correction.

Chart 4: Operating Revenue by Segment

New York Life Insurance Company			
Operating Revenues* by Segment (\$ in Millions)			
	2008	2007	2006
Life & Agency	8,549	8,350	7,820
Retirement Income Security	2,323	1,554	1,395
NYL Investments	1,119	1,170	1,048
International	2,250	2,102	1,798
Total **	14,009	12,992	11,895

* Operating Revenue is a management measure that includes statutory premiums for life and annuity products, net margins on guaranteed products and fee income associated with asset management business. Premiums on most life insurance products and considerations on immediate annuity products (defined as "Guaranteed Lifetime Income Insurance") are weighted at 100 percent. Annuity considerations on investment income products, all BOLI policies, and certain PPVUL policies where the premium is not expected to recur annually, are weighted at 10 percent. The premiums and fees associated with all of the company's international subsidiaries are included at their ownership percentage

** Total does not add due to foreign exchange adjustment and inter-company revenue elimination.

New York Life Insurance Company

Discussion of Financial Profile Drivers

Asset Quality

Good Investment Quality With Higher Than Average Exposure to Equities Due to Participating Nature of Many Liabilities

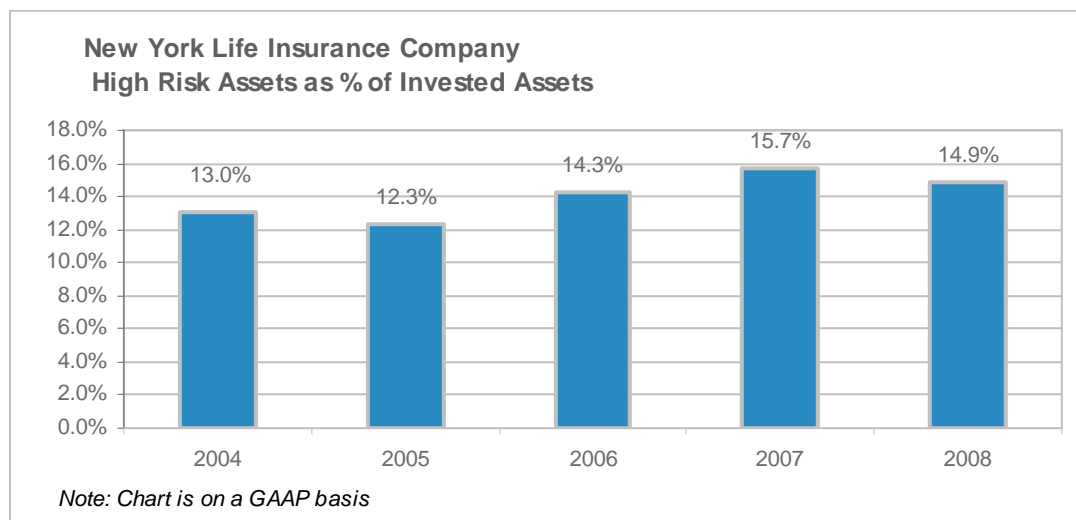
The overall quality of New York Life's investment portfolio is excellent. At December 31, 2008, the company's exposure to high risk assets (particularly common stock and non-investment grade bonds) was 14.9% of total invested assets (7% in non-investment grade bonds with the remainder primarily in equities). The company's exposure to non-investment grade bonds was slightly above the industry average. However, the company has generally had good long-term experience with these investments even during challenging economic times. As a mutual company, the majority of its equity investments support its large block of participating policies and the results from these investments are passed on to policyholders. The remaining equities represent investment of excess capital of the company. Moody's believes that this exposure is well within the company's tolerance level given the company's investment track record, capital position and the participating nature of most of the company's liabilities. In addition, the quality of the company's investment portfolio is enhanced by a minimal amount of goodwill on its GAAP balance sheet.

The company's bond portfolio is highly diversified with its 10 largest investments representing only 1.5% of its total cash and invested assets. The company also has a below average exposure to the financial sector. The largest holdings of structured securities are commercial mortgage-backed securities (7.3% of fixed-income assets), non-agency residential mortgage-backed securities (5%), agency residential mortgage-backed securities (3%) and other forms of asset-backed securities (4%).

New York Life's other-than-temporary impairments (OTTI) and AVR losses were \$738 million in 2008, up from \$137 million reported in 2007, a modest amount for a \$150 billion portfolio. Portfolio results in 2009 have held up relatively well with only \$449 million of OTTI and AVR losses reported through 6 months in a very difficult market. Moody's expects New York Life's investment portfolio will continue to perform well and compare favorably to the industry as a whole even in a difficult environment.

As of December 31, 2008, fixed maturities with gross unrealized losses had a fair value of \$57.6 billion, with the total unrealized loss amounting to \$12.8 billion or 12.8% of the portfolio. Consolidated New York Life's statutory net realized capital gains/(losses) were \$(465) million in the first six months of 2009, compared with \$(300) million in the same period in 2008. The change between periods primarily resulted from additional strain from write-downs on investments.

Chart 5: High Risk Assets as a % Invested Assets



New York Life Insurance Company

Capital Adequacy

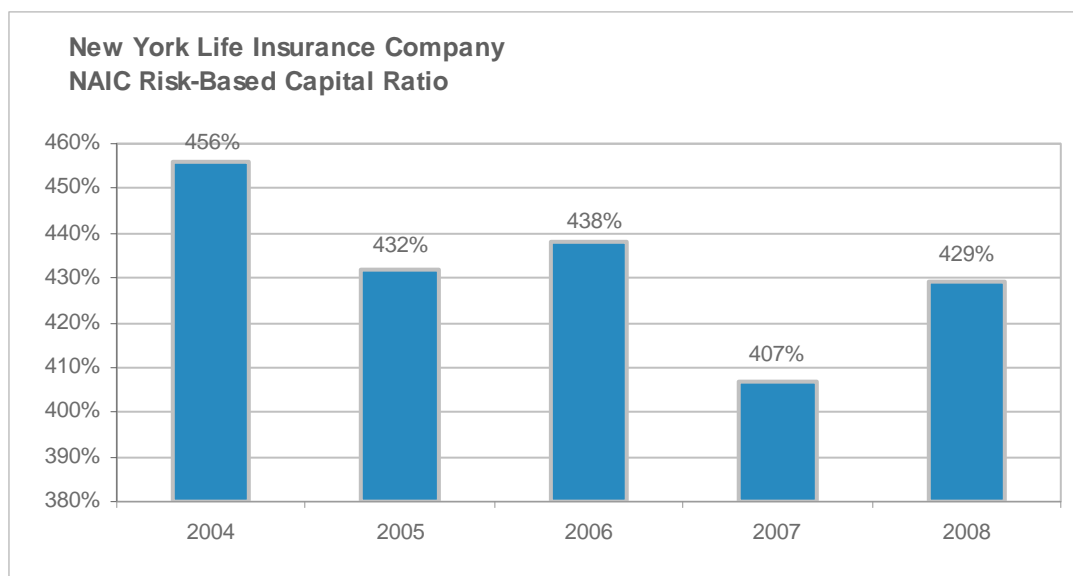
Capital Position is Excellent, Supported by Retained Earnings

While New York Life's equity-to-total asset ratio suggests levels equal to Moody's "Aa" expectations, we believe that the NAIC risk-based capital (RBC) ratio is a better indicator of the company's capital adequacy. NYLIC's year-end 2008 NAIC RBC was 429%, a level consistent with Aaa-rated companies. Notably, even if surplus notes are excluded from NYLIC's capital base, the company's NAIC RBC ratio still remains high and consistent with a high Aa rating. Except for potential acquisitions, which Moody's would not expect to be significant in size, it is difficult to imagine NYLIC's RBC ratio declining a substantial amount in a short period given the stability of both sides of the company's balance sheet.

New York Life's statutory capital did decline over \$1.8 billion in 2008 to \$12.8 billion in response to the challenging economic environment due to a combination of factors such as investment losses and decreases in carrying values of market sensitive investments. Despite this decline, Moody's believes New York Life remained well capitalized even during this exceptionally difficult period, in large part due to the fact that the company increased its surplus position by \$6 billion from 2002 through 2007.

Moody's believes that New York Life's capital adequacy is enhanced by its good quality investment portfolio, very strong liquidity, and significant block of par whole life business.

Chart 6: NAIC Risk-Based Capital Ratio



Profitability

Solid Profitability for a Mutual Insurance Company

New York Life's historical profitability performance as measured by its five year average return on equity (ROE) of about 6% is in line with A-rated companies. This is in large part due to New York Life's outstanding capital position (which depresses reported return on equity measures) and also due to an emphasis on superior policyholder value, which reduces profitability through policyholder dividends that are treated as operating expenses. Since these policyholder dividends are considered expenses, they serve to depress the company's reported ROE, whereas shareholder dividends would not impact ROE.

New York Life Insurance Company

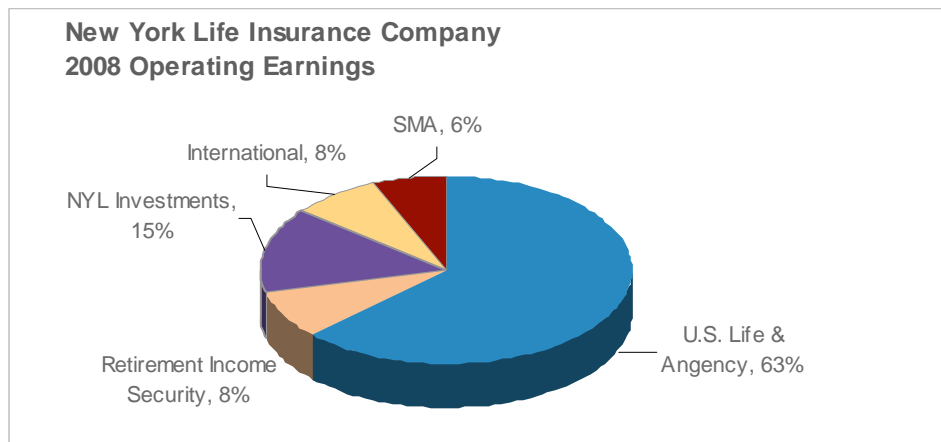
Consolidated statutory net income in 2008 was \$(950) million, down substantially from the \$1.1 billion net income gain reported for 2007. These losses included investment losses from the company's planned effort to recover previously paid capital gains taxes through a program to realize offsetting capital losses. The majority of the decrease was due to \$1.3 billion of net realized capital losses incurred during 2008 from various investment losses. Moody's expects that New York Life will continue to realize investment losses for the remainder of 2009 and into 2010, but that the rate of these losses should slow substantially from the 2008 pace, thereby helping improve 2009 income.

Moody's does expect to see New York Life operating earnings and return on capital relatively flat in the near term, both due to the overall general economic environment, as well as the company's expenditures related to its international and investment management businesses. Moody's expects that continued growth in these expanding businesses, coupled with statutory strain related to growth in the company's core life insurance business, could serve to moderate statutory operating profitability in the near term.

The U.S. Life & Agency business continues to be the cornerstone of New York Life's profitability, with this business line accounting for 63% of the company's 2008 consolidated operating earnings, compared to 53% in 2007. The other top business lines were NYL Investments (15%) and Retirement Income Security (8%).

New York Life Insurance Company

Chart 7: 2008 Operating Earnings



Liquidity and Asset/Liability Management (ALM)

New York Life Maintains Ample Liquidity to Meet Its Current Obligations

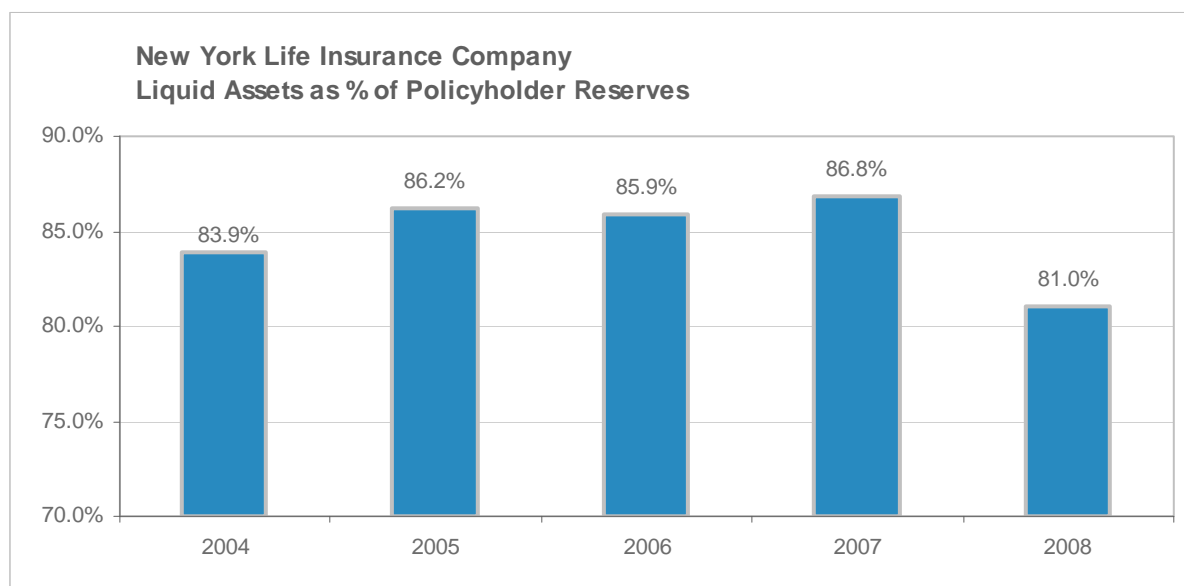
ALM at New York Life is greatly enhanced by the large amount of very stable and predictable participating business on the company's books, which effectively allows the company to share some of its inherent risks with its participating policyholders. This also serves to benefit the company's liquidity profile. Overall, liquidity is excellent at New York Life given the fact that, as a mutual insurer, the company's ultimate holding company is also its principal operating company. As such, the liquidity resident in NYLIC is available to service any non-policyholder obligations in the organization. The company's liquidity profile is further bolstered by a relatively liquid general account investment portfolio and large purchases of U.S. Treasury and agency securities prior to the recent market dislocations.

Both NYLIC and NYLIAC produce substantial positive operating cash flow, providing the foundation for the group's very strong liquidity. In addition, the investment portfolio has very strong liquidity. As of year-end 2008 on a consolidated basis, New York Life had approximately \$18 billion in cash and short-term investments (including long-term bonds maturing within 12 months), \$77 billion of publicly traded investment grade bonds, including approximately \$2 billion of securities with market values at or above book value - highly liquid government bonds, agency bonds, mortgage-backed securities, and public investment grade bonds - and other sources such as the company's commercial paper program and its equity portfolio totaling \$41 billion. These sources of liquidity should substantially exceed any reasonably foreseeable cash demands. This compares quite favorably to the company's \$2 billion of annuity and deposit liabilities that were subject to discretionary withdrawal at book value with minimal or no surrender charge as of December 31, 2008.

New York Life has been impacted, as have other life insurers, by the significant disruptions that have occurred in the fixed income markets including the associated declines in the market values of these holdings. However, Moody's believes that the nature of the company's liability structure is such that it is highly unlikely that the company could be forced to sell assets at an inopportune time to satisfy liability demands and thereby lead to recognition of these unrealized losses.

New York Life Insurance Company

Chart 8: Liquid Assets as a % of Policyholder Reserves

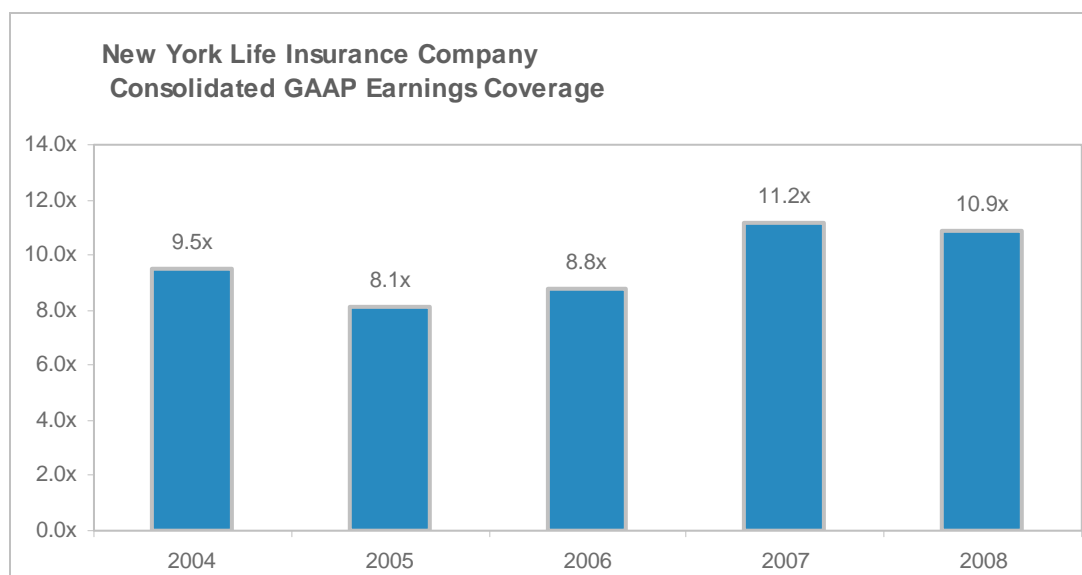


Financial Flexibility

New York Life Has Consistently Low Financial Leverage and Strong Earnings Coverage

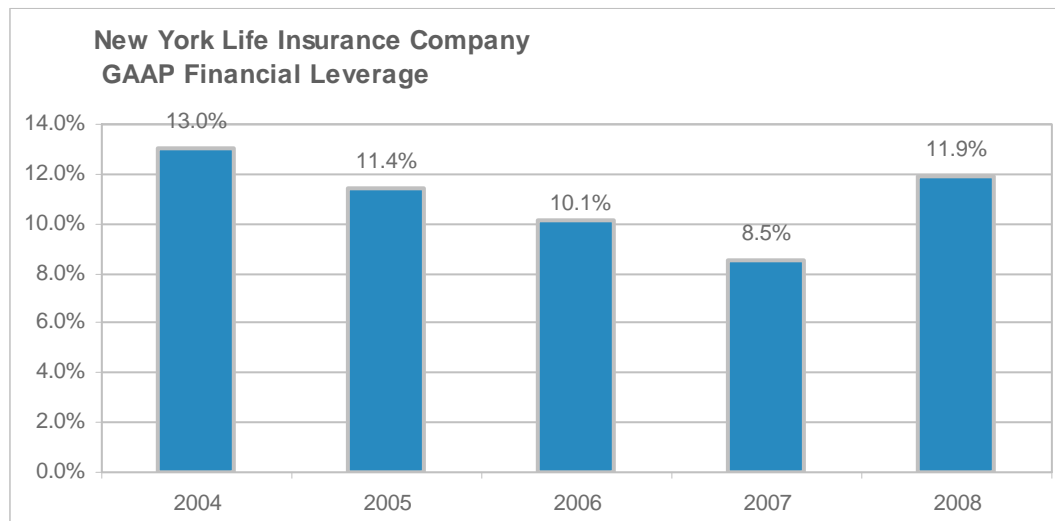
The company's adjusted financial leverage was 11.9% as of year-end 2008, in line with Aaa-rated companies. Its average earnings coverage of 9.7 times over the past 5 years is consistent with Aa-rated companies. We expect New York Life's adjusted financial leverage to remain below 20% and its interest coverage ratio to remain above 8 times in the near term. However, as a mutual company, New York Life's lack of ready access to the public equity markets and limited access to the debt capital markets given its mutual status somewhat limits its financial flexibility when compared to its public counterparts. However, we note that New York Life has not found it necessary to access the capital markets during this crisis period, either on a government supported or private sector basis, unlike many other financial institutions that did find it desirable/necessary to raise capital during this period.

Chart 9: GAAP Earnings Coverage



New York Life Insurance Company

Chart 10: GAAP Financial Leverage



Other Considerations

Moody's believes that the mutual form of organization for an insurance company, in and of itself, has a net neutral impact on a company's credit profile relative to a publicly-traded stock ownership form. This is the case because many of Moody's eight rating factors are already directly or indirectly influenced by a company's implementation of its chosen form of ownership structure. For example, mutual companies often have higher capital adequacy metrics than public companies, and these insurers receive direct recognition for their strong capital positions in the capital adequacy rating factor.

Transparency and governance are two areas in which mutual companies tend to under-perform their public company counterparts. However, New York Life exhibits outstanding external transparency compared to many of its peers. New York Life voluntarily publishes an annual GAAP financial statement and makes it readily available to the public via the company's web site. In addition, New York Life makes readily available to the public its quarterly statutory financial statements. Also, New York Life has voluntarily developed an extensive due diligence process to support a CEO/CFO type certification of section 302 of the Sarbanes-Oxley Act of 2002 while very few companies that are not required to do so have chosen to do so.

New York Life's company culture and business strategy focus on the policyholders, and it effectively uses it as a marketing differentiator in assisting the sale of value added products. New York Life's branding and consumer marketing is tightly linked with its mutual ownership and commitment to policyholder value and financial strength. New York Life continues to emphasize and actively write participating whole life insurance (which constitutes a significant portion of the company's liabilities), which we view as the most creditworthy product in the industry today, and permits New York Life to take longer-term views towards markets and investments than many other companies can.

In summary, although some aspects of the company's credit profile are directly captured by the key rating factors, the company's deeply engrained focus on financial strength, policyholder value, and conservative management philosophy results in the company's IFS rating of Aaa.

New York Life Insurance Company

Company Annual Statistics

The following is parent only data excluding subsidiaries:

New York Life Insurance Company					
	2008	2007	2006	2005	2004
Company Fundamentals (\$mil):					
General account assets	111,431	116,142	107,588	101,961	95,549
Total assets	117,306	122,753	113,704	107,882	101,304
Surplus	11,793	11,959	11,300	10,549	9,708
Investment reserve (AVR & MRVR)	649	2,257	2,087	1,877	1,749
50% of dividend reserve liab.	670	790	738	706	674
Total capital	13,112	15,006	14,126	13,133	12,130
Insurance revenues	11,286	9,752	9,301	9,273	8,633
Net investment income	5,149	5,595	5,282	4,751	4,466
Total revenues	16,841	15,802	15,194	14,647	17,847
Gain fr ops pre - tax & div.	1,909	2,338	2,281	2,095	2,269
Gain before real. capital gains	433	577	494	719	785
Real. cap gain bef. IMR transfer	(1,223)	299	326	586	453
Real. cap gain after IMR transfer	(998)	279	301	479	199
Net Income	(564)	856	794	1,198	984
Segment analysis (as % of policy res. & liabs):					
Individual life	56.0%	54.2%	54.7%	55.3%	56.3%
Individual health	1.7%	1.6%	1.7%	1.6%	1.6%
Individual annuities	7.9%	7.7%	7.9%	8.0%	7.7%
Group life	1.6%	1.4%	1.3%	1.2%	1.1%
Group health	0.5%	0.5%	0.5%	0.5%	0.5%
Group pension	10.4%	9.9%	11.9%	13.0%	14.5%
Deposit-type contracts	21.9%	24.6%	22.1%	20.3%	18.2%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Segment analysis (as % of premiums & deposits):					
Individual life	28.5%	30.8%	30.4%	29.5%	27.9%
Individual health	0.8%	0.8%	0.7%	0.7%	0.6%
Individual annuities	1.7%	2.1%	2.3%	3.7%	4.5%
Group life	6.9%	7.3%	6.7%	5.9%	5.5%
Group health	1.7%	1.9%	2.0%	2.3%	2.3%
Group pension	17.2%	12.3%	11.6%	12.1%	13.3%
Deposit-type contracts	43.2%	44.9%	46.2%	46.0%	45.7%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Investment Profile (as % cash & inv. assets):					
Public bonds (Qtr is Total Bonds)	49.2%	47.5%	48.9%	49.6%	49.7%
Private bonds	16.7%	16.1%	17.6%	17.0%	15.7%
Affiliated common stock (Qtr is all comm stk)	5.3%	5.5%	4.6%	5.0%	4.4%
Unaffiliated common stock	1.1%	2.8%	3.7%	3.4%	3.6%
Preferred stock	0.2%	0.2%	0.3%	0.4%	0.2%
Commercial mortgage loans (Qtr is all mtg Ins)	9.5%	8.3%	7.9%	8.0%	8.6%

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	2008	2007	2006	2005	2004
Other mortgage loans	0.4%	0.3%	0.4%	0.5%	0.4%
Real estate	0.4%	0.4%	0.6%	0.5%	0.5%
Policy loans	7.1%	6.3%	6.5%	6.5%	6.8%
Cash & short term investment	2.3%	4.4%	3.0%	3.4%	3.0%
Other invested assets	7.8%	8.1%	6.5%	5.8%	7.0%
Asset Quality:					
Below inv grade bonds/Inv. assets	5.0%	4.5%	4.9%	5.0%	5.6%
Risk Assets/Capital	171.5%	161.0%	156.0%	155.7%	171.7%
Underperf. Mtg + foreclosed RE/Inv. Assets	0.0%	0.0%	0.0%	0.1%	0.1%
Underperforming assets/Inv. assets	0.1%	0.1%	0.1%	0.1%	0.2%
Profitability:					
Net gain bef PH div & tax/avg assets	1.59%	1.98%	2.06%	2.00%	2.37%
Net gain bef PH div & tax/avg capital	13.58%	16.05%	16.74%	16.58%	19.48%
Operating return on avg assets	0.36%	0.49%	0.45%	0.69%	0.82%
Operating return on avg capital	3.08%	3.96%	3.62%	5.70%	6.74%
Ordinary life lapse ratio	586.5%	591.6%	575.9%	575.2%	592.7%
Renewal premium persistency	94.9%	96.1%	95.0%	94.6%	94.3%
Indiv. annuity persistency ratio	93.7%	93.0%	94.2%	97.1%	92.3%
Net investment yield	5.22%	5.78%	5.80%	5.55%	5.59%
Total investment return	1.58%	6.50%	6.65%	6.16%	6.20%
Commissions/Premiums & Deposit-type funds	2.09%	2.31%	2.34%	2.44%	1.91%
Tot general expenses/Prem & Deposit-type funds	8.10%	9.00%	9.17%	8.22%	7.70%
Total general expenses/Avg assets	1.34%	1.35%	1.43%	1.35%	1.28%
Gain (loss) from operations (\$mil):					
Individual life	233	426	215	471	510
Individual health	(2)	(95)	8	(4)	6
Individual annuities	38	67	82	94	97
Group life	52	49	50	40	46
Group health	17	13	11	0	0
Group pension	90	113	124	115	126
Other	6	5	4	4	1
Capitalization:					
Capital/Assets	11.8%	12.9%	13.1%	12.9%	12.7%
NAIC Risk based capital ratio	429.1%	406.7%	438.2%	432.4%	455.5%
Growth of statutory surplus	-1.4%	5.8%	7.1%	8.7%	6.2%
Below inv. grade bonds/Capital	37.5%	31.4%	33.6%	35.1%	39.1%
Residential MBS/Capital	98.9%	86.5%	92.1%	98.5%	93.0%
Commercial MBS & ABS/Capital	49.7%	41.0%	35.2%	31.3%	29.0%
Mortgages+Real Estate/Capital	77.8%	63.5%	61.2%	62.6%	67.4%
Total underperforming assets/Capital	0.7%	0.4%	0.6%	0.8%	1.2%
Investments in affiliates/Capital	39.9%	38.1%	31.2%	35.0%	31.0%

New York Life Insurance Company

Moody's Related Research

Credit Opinion:

- New York Life Insurance Company

Liquidity Risk Assessment:

- New York Life Capital Corporation

Industry Outlook:

- U.S. Life Insurance: Industry Pressures Prompt Negative Outlook, October 2008 (111649)

Special Comment:

- Variable Annuity Writers' Hedging Programs Tested by Market Turmoil, August 2008 (110355)
- Are Insurers and Investment Managers on the Road to Recovery?, August 2009 (119256)
- Moody's Approach to Stress Testing Life Insurers, May 2009 (117454)

Rating Methodology:

- Moody's Global Rating Methodology for Life Insurers, September 2006 (98207)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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