NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

December 31, 2015

Management's Discussion and Analysis of Financial Condition and Results of Operations (**"MD&A"**) addresses the financial condition of New York Life Insurance and Annuity Corporation (**"the Company"**) at December 31, 2015, compared with December 31, 2014, and its results of operations for the years ended December 31, 2015 and 2014. This discussion should be read in conjunction with the Statutory Financial Statements.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are intended to enhance the reader's ability to assess the Company's future financial and business performance. Forward-looking statements include, but are not limited to, statements that represent the Company's beliefs concerning future operations, strategies, financial results or other developments, and contain words and phrases such as "may," "expects," "should" or similar expressions. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond the Company's control or are subject to change, actual results could be materially different and the value of the Company's investments, its financial condition and its liquidity could be adversely affected. The following uncertainties, among others, may have such an effect:

- Difficult conditions in the global capital markets and the economy.
- Significant financial and capital market risks affecting the Company's businesses, including interest rate risk, liquidity risk, credit risk, equity risk and risk of fluctuations in credit spreads.
- Declines in the equity markets may reduce sales of the Company's variable products and/or increase the cost of the Company's Guaranteed Minimum Accumulation Benefits (**"GMAB"**), Guaranteed Minimum Death Benefits (**"GMDB"**), Guaranteed Future Income Benefits (**"GFIB"**) and Enhanced Beneficiary Benefits (**"EBB"**) reserves.
- Adverse regulatory developments.
- Adverse capital and credit market conditions.
- Significant market valuation fluctuations of the Company's investments.
- Significant competition in the Company's business.
- Downgrades or potential downgrades in the Company's ratings.
- The sensitivity of the amount of statutory capital the Company must hold to factors outside of its control.
- Subjectivity in determining the amount of allowances and impairments taken on certain of the Company's investments.
- Deviations from assumptions regarding future mortality, morbidity and interest rates used in calculating reserve amounts and pricing the Company's products.
- The effectiveness of the Company's risk management policies and procedures.
- Losses due to defaults by, or deteriorating credit of third paries, including issuers of investment securities or reinsurance and derivative instrument counterparties.
- Requirements to post collateral or make payments related to declines in market value of specified assets.

- Liquidity and other risks in connection with the Company's securities lending program.
- The impact of natural or man-made disasters on the Company's operations, results of operations and financial condition.
- Changes in tax laws and the interpretation thereof.
- Litigation and regulatory investigations.
- A computer system failure or security breach.

Consequently, such forward-looking statements should be regarded solely as the Company's current plans, estimates and beliefs. The Company does not intend, and does not undertake, any obligation to update any forward-looking statements to reflect future events or circumstances after the date of such statements.

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OVERVIEW

The Company, a direct, wholly owned subsidiary of New York Life Insurance Company (**"New York Life"**), was incorporated in Delaware on November 3, 1980. The Company offers a wide variety of interest sensitive and variable life insurance and annuity products to a large cross section of the insurance market. The Company is comprised of two primary business segments, the Investments Group and the Insurance and Agency Group, and Corporate. The Company markets its products in all 50 states of the United States of America and the District of Columbia, primarily through New York Life's career agency force, with certain products also marketed through third-party distributors (such as independent brokers, brokerage general agents and banks). The Company also directly markets fixed immediate and deferred annuities to members of the American Association of Retired Persons (**"AARP"**).

Investments Group

The Investments Group manufactures and markets investment and income annuities. Investment annuities include fixed deferred and variable deferred annuities. Income annuities primarily include fixed income annuities intended to assist customers with guaranteed payments in their retirement years.

Insurance and Agency Group

The Insurance and Agency Group provides individual life insurance principally to middle and upper income individuals, small-to-medium-size businesses and their owners, and professionals. The Company offers variable and universal life insurance products and products specially designed for the bank-owned life insurance (**"BOLI"**) and corporate-owned life insurance (**"COLI"**) markets.

Income, Benefits and Expenses

The Company derives its income principally from premiums on life insurance policies and annuity contracts, fee income generated from separate accounts and net investment income from general account assets. The Company's benefits and expenses consist principally of insurance benefits paid to policyholders and beneficiaries, reserves for future policyholder benefits and operating expenses, including marketing, administrative and distribution costs.

The Company's profitability is primarily derived from the spread earned from insurance and investment risk and is dependent on the adequacy of its product pricing, which is a function of its ability to select underwriting risk, its mortality and persistency experience, its ability to generate investment returns and manage credit risk on the investments supporting its products, and its ability to control expenses in accordance with its pricing assumptions.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

The Company has identified the following estimates as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability: valuation of investments and reserves. In developing these estimates, management makes subjective and complex judgments that are inherently uncertain and subject to material change as facts and circumstances develop. Although variability is inherent in these estimates, management believes the amounts provided are appropriate based upon the facts available as of the date of the financial statements.

Investments

One significant estimate inherent in the valuation of investments is the evaluation of other-than-temporary impairments (**"OTTI"**). The evaluation of OTTI is a quantitative and qualitative process, which is subject to judgment in the determination of whether declines in the fair value of investments are other than temporary. The key judgment is the determination of when to recognize the impairment. The Company generally takes the view that equities are impaired if they have traded below cost for more than one year. Since equities are carried at fair value, an impairment of an equity security has no impact to surplus. For bonds, impairments require more judgment. A company must demonstrate the ability and intent to hold a security for a period of time sufficient to allow for an anticipated recovery in value and needs to have a comprehensive process to review its portfolio on a regular basis to assess its holdings. The Company, as part of its impairment policy, performs both quantitative and qualitative analysis to determine if a decline in value was temporary. Factors considered in evaluating whether a decline in value is other than temporary include: (1) whether the decline is substantial; (2) duration that the fair value has been less than cost; (3) the financial condition and near-term prospects of the issuer; and (4) the Company's ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value. For those securities where the decline is considered temporary, the Company does not recognize an impairment when it has the ability and intent to hold until recovery.

Policy Reserves

Reserves for life insurance policies and annuity contracts are generally based on mortality and morbidity tables and valuation interest rates, which are consistent with statutory requirements. These reserves are expected to be sufficient to meet the Company's various policy and contract obligations as they become due. Changes in or deviations from the assumptions used for mortality, morbidity, expected future premiums and interest can significantly affect the Company's reserve levels and related future operations.

In some situations, the Company may need to hold statutory reserves greater than those developed under the minimum statutory reserving rules. Annually, the Company's appointed actuary is required by the regulators to test the adequacy of the statutory reserves using asset adequacy analysis. The dominant asset adequacy analysis technique is cash flow testing, which utilizes prescribed interest rate scenarios using detailed actuarial models. If the appointed actuary determines that the statutory reserves being tested are inadequate, additional statutory reserves are established. At the end of the process, the appointed actuary must opine that the statutory reserves are adequate to support the anticipated liabilities when considered in light of the assets held by the Company.

Also, an estimate is used in the development of the liability for claims incurred but not reported (**"IBNR"**). IBNR refers to an estimate of losses that have occurred prior to the statement date, but have not yet been reported to the Company. The IBNR liability is developed based on historical experience.

RESULTS OF OPERATIONS

The following table illustrates the Company's results of operations for the years ended December 31, 2015 and 2014 ($ in millions):

			Change	
	2015	**2014**	**$**	**%**
Income:				
Premiums	$ 12,723	$ 12,061	$ 662	5.5 %
Net investment income	3,632	3,563	69	1.9
Other income	838	775	63	8.1
Total income	17,193	16,399	794	4.8
Benefits and expenses:				
Benefit payments	8,934	8,664	270	3.1
Additions to policy reserves	4,407	3,427	980	28.6
Net transfers to separate accounts	1,413	1,725	(312)	(18.1)
Adjustment in funds withheld	196	208	(12)	(5.8)
Operating expenses	1,501	1,457	44	3.0
Total benefits and expenses	16,451	15,481	970	6.3
Gain from operations before federal income taxes	742	918	(176)	(19.2)
Federal income taxes	266	190	76	40.0
Net gain from operations	476	728	(252)	(34.6)
Net realized capital (losses) gains, after taxes and transfers to the interest maintenance reserve ("IMR")	(79)	15	(94)	nm
Net income	$ 397	$ 743	$ (346)	(46.6)%

nm = not meaningful

Net Income

Net income decreased $346 million due to a decrease in net gain of $252 million and an increase in net realized losses of $94 million.

The following table summarizes pre-tax net gain by business segment for the years ended December 31, 2015 and 2014 ($ in millions):

			Change	
Business Segment	**2015**	**2014**	**$**	**%**
Investments Group	368	458	(90)	(19.7)%
Insurance and Agency Group	242	329	(87)	(26.4)
Corporate	132	131	1	0.8
Gain from operations before federal income taxes	742	918	(176)	(19.2)
Federal income taxes	266	190	76	40.0
Net gain from operations	$ 476	$ 728	$ (252)	(34.6)%

- The Investments Group (investment and income annuities) experienced a $90 million decrease in pre-tax net gain year-over-year. Despite an overall growing block of business, an increase in statutory reserves on variable annuities resulting from less favorable equity markets and higher first year reserves on income annuity business negatively impacted pre-tax net gain.

- The Insurance and Agency Group (universal life and AARP direct annuities) pre-tax net gain decreased $87 million from 2014 mainly as a result of $62 million of additional statutory deficiency reserves as a result of changes in mortality assumptions.

- Federal income taxes increased $76 million largely due to adjustments related to the Internal Revenue Service (**"IRS"**) audit of 2008-2010 tax years. For a further discussion on the year-over-year increase in federal income taxes, see "-Federal Income Taxes".

Premium Income

The following table presents premium income by business operation for the years ended December 31, 2015 and 2014 ($ in millions):

			Change	
	2015	**2014**	**$**	**%**
Fixed deferred annuity	$ 5,382	$ 3,867	$ 1,515	39.2%
Variable annuity	3,045	3,389	(344)	(10.2)
Income annuity	2,259	2,999	(740)	(24.7)
Other	49	33	16	48.5
Investments Group	10,735	10,288	447	4.3
Life	1,879	1,640	239	14.6
AARP direct annuities	109	133	(24)	(18.0)
Insurance and Agency Group	1,988	1,773	215	12.1
Total	$ 12,723	$ 12,061	$ 662	5.5%

The Investments Group premiums increased $447 million, primarily driven by higher fixed deferred annuity sales from third-party distribution, partially offset by lower guaranteed income annuities sales due to a low interest rate environment and lower variable annuities sales due to less favorable equity markets.

Premiums generated from the Company's Insurance and Agency Group primarily resulted from an increase in sales of BOLI products.

Net Investment Income

Net investment income increased by $69 million, reflecting the growth in the Company's invested assets, offset by declining portfolio yields resulting from reinvestment in a low interest rate environment.

Other Income

Other income increased by $63 million, which includes a $34 million increase in mortality and expense fee income from separate accounts primarily due to an increase in annuity sales.

Benefit Payments

The Company's benefit payments primarily include death benefits, annuity benefits, surrender benefits, payments on supplemental contracts with life contingencies and interest on policy claims. The following table shows benefit payments by line of business for the years ended December 31, 2015 and 2014 ($ in millions):

			Change	
	2015	2014	$	%
Fixed deferred annuity	$ 4,652	$ 4,576	$ 76	1.7%
Variable annuity	2,270	2,276	(6)	(0.3)
Income annuity	1,184	1,078	106	9.8
Other	38	38	—	—
Investments Group	8,144	7,968	176	2.2
Life	687	596	91	15.3
AARP direct annuities	103	100	3	3.0
Insurance and Agency Group	790	696	94	13.5
Total	$ 8,934	$ 8,664	$ 270	3.1%

The Investments Group benefit payments increased $176 million, primarily due to growth in the income annuities block of business and an increase in fixed deferred annuity surrender benefits, due to a higher lapse rate as more contracts came out of their surrender charge periods.

The Insurance and Agency Group benefit payments increased $94 million, mainly due to higher death benefits as a result of unfavorable mortality experience.

Additions to Policy Reserves

The following table shows additions to policy reserves by business operation for the years ended December 31, 2015 and 2014 ($ in millions):

	2015	2014	Change $	Change %
Income annuity	$ 1,550	$ 2,162	$ (612)	(28.3)%
Fixed deferred annuity	1,490	181	1,309	nm
Variable annuity	(51)	26	(77)	nm
Other	35	24	11	45.8
Investments Group	3,024	2,393	631	26.4
Life	1,353	984	369	37.5
AARP direct annuities	30	50	(20)	(40.0)
Insurance and Agency Group	1,383	1,034	349	33.8
Total	$ 4,407	$ 3,427	$ 980	28.6 %

nm = not meaningful

The Investments Group additions to policy reserves increased $631 million. This increase is mainly attributable to the growth in the fixed deferred annuity block of business, partially offset by lower income annuity sales as explained in Premiums section above (see “-Premiums”).

The Insurance and Agency Group additions to policy reserves increased $349 million, mainly due to the high volume of BOLI sales in 2015.

In connection with its variable annuity products, the Company offers contractual guarantees in the form of a GMDB, GMAB, GFIB, and EBB.

Upon death of the insured, contracts with a GMDB feature provide benefits which are (1) the greater of current account value or premiums paid (adjusted for withdrawals) or (2) the highest account value on any contractually specified anniversary up to contractually specified ages (adjusted for withdrawals). The net amount at risk is defined as the current GMDB in excess of the current account balance at the balance sheet date.

The GMAB feature allows a policyholder to receive the greater of the policy accumulation value or the accumulated net premiums (premiums less any withdrawals and loans) at the end of or after a waiting period. The net amount at risk is defined as the GMAB minus the current account balance at the balance sheet date.

At December 31, 2015 and 2014, the Company’s account value and net amount at risk for GMDB and GMAB guarantees were as follows (in millions):

	Account Value		Net Amount at Risk	
	2015	2014	2015	2014
GMDB	$ 26,286	$ 26,384	$ 657	$ 214
GMAB	$ 6,775	$ 6,619	$ 232	$ 50

The Company maintains reserves for these guarantees. Total general account reserves for the GMDB and GMAB features were $59 million and $29 million at December 31, 2015 and 2014, respectively.

For contracts with GFIB and EBB guarantees the account value, net amount at risk, and reserves are not material.

The Company also offers fixed annuity contracts with a Guaranteed Lifetime Withdrawal Benefit and certain life products with a no lapse guarantee and a GMDB. The exposure under these guarantees is not expected to be significant to the Company's overall obligations.

Net Transfers to Separate Accounts

For statutory reporting purposes, transaction premiums, surrender benefits and reserves related to the separate accounts products are recorded on the equivalent line of the general account with an offset to net transfers to/from separate accounts for the variable product portion of these transactions. Net transfers also include transfers between the fixed (general account) investment options and the variable (separate accounts) investment options. Fees paid to the general account, however, are included in other income. The year over year variance of $312 million was primarily driven by a decline in premiums and an increase in surrender benefit expense.

Operating Expenses

The Company's operating expenses include general insurance expenses, taxes (other than federal income taxes), licenses and fees and commissions. The majority of the general expenses are allocated from New York Life under a service agreement. Under the terms of the service agreement, the Company reimburses New York Life for certain services and facilities provided to the Company.

Federal Income Taxes

The following table reconciles the tax expense calculated at the statutory rate to the tax expense reflected in the Company's results of operations for the years ended December 31, 2015 and 2014 ($ in millions):

			Change	
	2015	**2014**	**$**	**%**
Pre-tax gain from operations at 35%	$ 259	$ 321	$ (62)	(19.3)%
Investment tax credits[1]	(54)	(59)	5	(8.5)
Tax exempt income	(44)	(44)	—	—
Amortization of IMR	(28)	(25)	(3)	12.0
Tax basis versus statuory basis reserve adjustment	23	(11)	34	nm
Deferred acquisition costs	5	(6)	11	nm
Other	105	14	91	nm
Federal income taxes	$ 266	$ 190	$ 76	40.0 %

nm = not meaningful

[1]Tax credits result primarily from investments in low income housing and alternative energy.

Federal income taxes increased $76 million. This increase was primarily due to $80 million higher current tax expense (included in Other in the table above) associated with a report from the IRS related to the audit of the 2008-2010 tax years. This adjustment relates to a book/tax timing difference, which will result in future tax benefits. Under statutory accounting, deferred taxes are not recognized in net income and are subject to certain admissibility rules.

Net Realized Capital Gains

The following table represents the net realized capital gains and losses for the years ended December 31, 2015 and 2014 (in millions):

	2015	2014	Change $	Change %
Bonds	$ 157	$ 169	$ (12)	(7.1)%
Common stocks	(8)	36	(44)	(122.2)
Other	2	(10)	12	(120.0)
Total before OTTI and capital gains tax	151	195	(44)	(22.6)
OTTI	(110)	(42)	(68)	161.9
Net capital gains before tax and transfers to the IMR	41	153	(112)	(73.2)
Capital gains tax	(33)	(48)	15	(31.3)
Capital gains transferred to the IMR[1]	(87)	(90)	3	(3.3)
Net capital (losses) gains after-tax	$ (79)	$ 15	$ (94)	nm

nm = not meaningful

[1]Capital gains tax expense transferred to the IMR was $33 million and $48 million at December 31, 2015 and 2014, respectively.

The following table shows the distribution of OTTI and the year-over-year change in OTTI by asset type for the years ended December 31, 2015 and 2014 ($ in millions):

	2015	2014	Change $	Change %
Bonds	$ 98	$ 28	$ 70	nm
Limited partnerships and other invested assets	12	14	(2)	(14.3)%
Total OTTI	$ 110	$ 42	$ 68	161.9 %

nm = not meaningful

The increase in OTTI on bonds is primarily attributable to impairments on corporate bonds in the energy sector, where declining oil prices have created liquidity issues that have significantly deteriorated their market value.

FINANCIAL POSITION

ASSETS

The following table illustrates the Company's statutory asset position at December 31, 2015 and 2014 ($ in millions):

	2015	2014	Change $	Change %
Invested assets:				
Bonds	$ 71,792	$ 68,111	$ 3,681	5.4%
Common and preferred stocks	541	688	(147)	(21.4)
Mortgage loans	12,097	10,377	1,720	16.6
Policy loans	877	875	2	0.2
Cash, cash equivalents, and short-term investments	2,291	644	1,647	nm
Limited partnerships and other invested assets	1,223	3,151	(1,928)	(61.2)
Other investments	380	272	108	39.7
Total invested assets	89,201	84,118	5,083	6.0
Other than invested assets:				
Investment income due and accrued	613	624	(11)	(1.8)
Interest in annuity contracts	7,108	6,883	225	3.3
Other assets	538	590	(52)	(8.8)
Total other than invested assets	8,259	8,097	162	2.0
General account assets	97,460	92,215	5,245	5.7
Separate accounts assets	34,779	34,622	157	0.5
Total assets	$ 132,239	$ 126,837	$ 5,402	4.3%

nm = not meaningful

Investment Portfolio

Invested assets are managed to support the liabilities of the Company's lines of business. The Company emphasizes asset/liability management and liquidity management across all product lines. Quality and diversification are essential building blocks in portfolio construction. The investment portfolios are specifically tailored to fit the unique interest rate sensitivities and cash flow characteristics associated with each of the product segments. In addition, the Company's parent takes a comprehensive enterprise view, taking measures to mitigate overall risk exposures at the corporate level.

Investment Risk Management

The Company is part of New York Life's enterprise wide investment risk management process.

New York Life follows a fundamental approach to credit analysis supporting bond purchase or sale decisions. Key factors include the stability and adequacy of cash flow in relation to debt service requirements and the outlook for growth in net income. Issuers of below investment grade bonds generally have relatively high levels of indebtedness and are thus more sensitive than issuers of investment grade bonds to adverse economic conditions or to increasing interest rates. Although private placements are relatively less liquid, they benefit from more comprehensive financial covenants and are more likely to be secured or senior in structure.

New York Life actively manages and monitors its credit risk exposure. Through its affiliate, NYL Investors LLC (**"NYL Investors"**), credit risk is managed on an individual issuer and sector basis as well as for the aggregate corporate portfolio in accordance with New York Life's investment policy guidelines. Individual issuer limits are set based on the issuer's credit rating and other factors. Credit ratings for issuers used to monitor credit risk are either from credit rating providers or internal ratings. A comparable internal rating is used if an externally provided rating is not available. The internal ratings are maintained and monitored by an experienced group of credit analysts specialized by industry and asset type. Factors involved in determining credit ratings include financial and operating ratios, industry outlook and priority of claim. Credit limits at a portfolio level, such as industry exposures, are also established and reviewed periodically. The bond portfolio is continuously examined to identify any potential problems or events that would result in the issuer not being able to comply with the contractual terms. These are included on a "watch list" that is routinely monitored.

The Company actively monitors and manages its mortgage loan portfolio; substantially, the entire mortgage loan portfolio is serviced directly by NYL Investors. All aspects of loan origination and loan management are performed and/or reviewed by NYL Investors personnel, including lease analysis, economic and financial reviews, tenant analysis, and oversight of delinquency and bankruptcy proceedings. Properties securing loans are generally reinspected and revalued on a regularly scheduled basis. Problem or potential problem loans are reinspected and revalued as often as required.

If any mortgage loan analysis or other information that is obtained indicates a potential problem (likelihood of the borrower not being able to comply with the present loan repayment terms), the loan will be placed on an internal watch list and routinely monitored. Among the criteria that would indicate a potential problem are: borrower bankruptcies; major tenant bankruptcies; loan relief/restructuring requests; delinquent tax payments; late payments; high loan to value ratios; low debt service coverage ratios and high vacancy levels. No single factor necessarily requires a loan to be included on the watch list; as such determination is subject to judgment as to whether circumstances call for inclusion.

Bonds

Bonds represented 80.5% and 81.0% of total cash and invested assets at December 31, 2015 and 2014, respectively and consist of publicly traded and private placement debt securities. At December 31, 2015 and 2014, publicly traded bonds comprised 59.0% and 63.7% of the total bond portfolio, respectively. It is the Company's objective to maintain a high quality, well-diversified bond portfolio. The bond portfolio consists primarily of investment-grade corporate bonds, asset-backed and mortgage-backed securities and agency obligations.

An analysis of the credit quality, as determined by National Association of Insurance Commissioners (**"NAIC"**) designation, of the total bond portfolio at December 31, 2015 and 2014, is set forth in the following table ($ in millions):

		2015		2014	
NAIC Designation	**Approximate Rating Agency Equivalent Designation**	**Carrying Value**	**% of Total Carrying Value**	**Carrying Value**	**% of Total Carrying Value**
1	AAA to A–	$ 44,587	62.2%	$ 44,403	65.2%
2	BBB+ to BBB–	22,195	30.9	19,314	28.4
	Investment grade	66,782	93.1	63,717	93.6
3	BB+ to BB–	3,035	4.2	2,563	3.8
4	B+ to B–	1,809	2.5	1,657	2.4
5	CCC+ to CCC–	150	0.2	157	0.2
6	CC to D	16	—	17	—
	Below investment grade	5,010	6.9	4,394	6.4
	Total	$ 71,792	100.0%	$ 68,111	100.0%

Below investment grade bonds are comprised of investments in medium and lower grade obligations that are part of the Company's high yield investment objective to enhance overall portfolio yield and income. Additionally, investments that have been downgraded (i.e., fallen angels) from investment grade are included in this category and totaled $1,073 million and $990 million in 2015 and 2014, respectively. The Company applies the same prudent principles in managing its high yield portfolio, emphasizing diversification standards (such as limits on issuer, industry and geographic locations to minimize concentration risks), credit quality and liquidity. New York Life manages its aggregate exposure to investment risks against an approved risk budget and other internal limits and guidelines.

The following table presents the estimated fair value of the Company's total bond portfolio classified as performing, OTTI and temporarily impaired greater than 20% at December 31, 2015 and 2014. OTTI bonds are defined as bonds for which OTTI write-downs have been taken. Temporarily impaired greater than 20% is defined as bonds for which estimated fair value is below carrying value by more than 20% at the balance sheet date, but which continue to meet all their contractual obligations ($ in millions):

	2015			2014		
	Carrying Value	**Estimated Fair Value**	**% of Total Carrying Value**	**Carrying Value**	**Estimated Fair Value**	**% of Total Carrying Value**
Performing	$ 70,417	$ 72,274	98.1%	$ 67,499	$ 71,152	99.1%
OTTI	473	498	0.7	507	546	0.7
Temporarily impaired greater than 20%	902	638	1.3	105	74	0.2
Total	$ 71,792	$ 73,410	100.1%	$ 68,111	$ 71,772	100.0%

The Company's net unrealized gains on bonds of $1,618 million and $3,661 million at December 31, 2015 and 2014, respectively, were not reflected in the Company's Statutory Financial Statements since these bonds are held at amortized cost or the lower of amortized cost or fair value if in default (as defined by an NAIC Designation of 6) as required by Statutory Accounting Principles (**"SAP"**). Net unrealized gains were comprised of gross unrealized gains of $2,725 million and $4,051 million at December 31, 2015 and 2014, respectively, which were partially offset by gross unrealized losses totaling $1,107 million and $390 million at December 31, 2015 and 2014, respectively.

The following table presents the Company's temporarily impaired greater than 20% bonds, stated in the previous table, by length of time the individual securities have been in a continuous unrealized loss position of 20% or more at December 31, 2015 and 2014 (in millions):

	2015			2014		
	Carrying Value	Estimated Fair Value	Unrealized Loss	Carrying Value	Estimated Fair Value	Unrealized Loss
Less than six months	$ 840	$ 604	$ 236	$ 84	$ 61	$ 23
Between six to nine months	32	19	13	—	—	—
Between nine to 12 months	1	1	—	3	3	—
Greater than 12 months	29	14	15	18	10	8
Total	$ 902	$ 638	$ 264	$ 105	$ 74	$ 31

Unrealized losses were $264 million and $31 million on temporarily impaired bonds with losses greater than 20% at December 31, 2015 and 2014, respectively, of which $3 million were reported as a reduction in statutory surplus as of December 31, 2015 and 2014. The increase in unrealized losses is primarily due to a decline in market prices on corporate bonds in the energy sector, resulting from declining oil prices, as well as an overall increase in interest rates.

Common and Preferred Stocks

At December 31, 2015, the total carrying value of the Company's equity portfolios was $541 million, of which $463 million were direct investments in unaffiliated common stocks, $73 million in affiliated common stocks and $5 million in preferred stocks.

Mortgage Loans

The Company invests in commercial mortgages on general purpose income producing properties including office buildings, retail facilities, apartments, industrial and hotel properties. Geographic and property type diversification is considered in analyzing investment opportunities, as well as property valuation and cash flow.

The mortgage loan portfolio, including both commercial and residential loans, was $12,097 million and $10,377 million at December 31, 2015 and 2014, respectively. The mortgage loan portfolio comprised 13.6% and 12.3% of the Company's total cash and invested assets at December 31, 2015 and 2014, respectively. Approximately 38.6% of the portfolio was secured by properties located in the states of California, New York and New Jersey. At December 31, 2015 and 2014, mortgages with principal balances of $100 million or greater accounted for 28.4% and 24.6%, respectively, of the aggregate principal balance of the commercial mortgage loan portfolio.

Mortgage loans on real estate are carried at unpaid principal balances, net of discounts/premiums and specific valuation allowances, and are secured. The Company evaluates its mortgage loan portfolio for impairments quarterly. Specific valuation allowances are established for the excess carrying value of the mortgage loan over its estimated fair value, when it is probable that based on current information and events, the Company will be unable to collect all amounts due under the contractual terms of the loan agreement. Specific valuation allowances on individual mortgage loans are based on the fair value of the collateral. If impairment is deemed to be other than temporary, a direct write-down is recognized as a realized loss reported in net income, and a new cost basis, which is equal to the fair value of the collateral for the individual mortgage loan, is established. The new cost basis will not be changed for subsequent recoveries in value. Mortgage loans for which foreclosure is probable are considered other-than-temporarily impaired.

The Company's interests in commercial mortgage loans are held in the form of participations in mortgages originated or acquired by New York Life. Under the participation agreement for each such mortgage, it is agreed between the Company and New York Life that the Company's proportionate interest (as evidenced by a participation certificate) in the underlying mortgage, including without limitation, the principal balance thereof, all interest which accrues thereon, and all proceeds generated there from, will be pari passu with New York Life's and pro rata based upon the respective amounts funded by New York Life and the Company in connection with the applicable mortgage origination or acquisition. Consistent with the participation arrangement, all mortgage documents name New York Life (and not both New York Life and the Company) as the lender but are held for the benefit of both the Company and New York Life pursuant to the applicable participation agreement. New York Life retains general decision making authority with respect to each mortgage loan, although certain decisions require the Company's approval.

Cash, Cash Equivalents and Short-Term Investments

Cash and cash equivalents include cash on hand, amounts due from banks and highly liquid debt instruments that have original maturities of three months or less at date of acquisition and are carried at amortized cost, which approximates fair value. Short-term investments consist of securities with remaining maturities of one year or less, but greater than three months, at the time of acquisition and are carried at amortized cost, which approximates fair value. At December 31, 2015, cash, cash equivalents and short-term investments increased primarily due to the unwinding of the NYL Short Term Fund (**"NYL STIF"**), the sale of equities, and the settlement of loans.

Limited Partnerships and Other Invested Assets

Limited partnerships and other invested assets at December 31, 2015 and 2014 were as follows (in millions):

			Change	
	2015	2014	$	%
Non insurance affiliates (MCF)	$ 540	$ —	$ 540	— %
Limited partnerships and limited liability companies	444	459	(15)	(3.3)
Low income housing tax credit investment (**"LIHTC"**)	130	173	(43)	(24.9)
Other invested assets	98	215	(117)	(54.4)
Collateralized third-party loans	11	17	(6)	(35.3)
Loans to Madison Capital Funding LLC (**"MCF"**)	—	2,041	(2,041)	(100.0)
NYL STIF	—	246	(246)	(100.0)
Total limited partnerships and other invested assets	$ 1,223	$ 3,151	$ (1,928)	(61.2)%

Prior to December 31, 2015, the Company had entered into a revolving loan agreement with MCF, which was a wholly-owned subsidiary of NYL Investments (as amended from time to time, the "MCF Loan Agreement"). Under this agreement, the Company provided funding to MCF for lending and equity investment commitments entered into by MCF on or after January 1, 2010. The aggregate amount advanced by the Company to MCF under the MCF Loan Agreement, when aggregated with all other funding provided to or on behalf of MCF by the Company, could not exceed 2.75% of the Company's statutory cash and invested assets as stated on the Company's most recent quarterly statements. All outstanding advances made to MCF under the MCF Loan Agreement, together with unpaid interest or accrued return thereon, were due in full on July 1, 2025. At December 31, 2015, all outstanding advances made to MCF under the MCF Loan Agreement, together with unpaid interest or accrued return thereon, were paid in full and the agreement was terminated.

On December 31, 2015, the Company entered into a note funding agreement with MCF and New York Life (the "MCF Note Agreement") and acquired a variable funding note issued by MCF thereunder (the "Note"). The Note, which is reported as a bond, had an outstanding balance for the Company of $1,707 million at December 31, 2015. At the same time the Company acquired a membership interest in, and made an equity capital contribution to, MCF. At December 31, 2015 the Company's equity investment in MCF was $540 million, which represents 45% of MCF's total outstanding equity at December 31, 2015; the remainder of MCF's equity is owned by New York Life. Pursuant to the MCF Note Agreement and variable funding note issued thereunder, the Company and New York Life may provide an aggregate of up to $4,700 million in funding to MCF for lending and equity investment commitments, as well as for business expenses. All outstanding advances made to MCF under the MCF Note Agreement, together with unpaid interest thereon, will be due in full on December 31, 2025.

Limited partnerships and limited liability companies primarily consist of partnership interests in mezzanine funds, wind energy investments and other equity investments. The limited partnership portfolio is well seasoned and diversified.

The NYL STIF was substantially liquidated in 2015. The NYL STIF primarily invested in short-term U.S. government and agency securities, certificates of deposit, floating rate notes, commercial paper, repurchase agreements and asset-backed securities. The Company now invests directly in short-term instruments.

The Company receives tax credits related to its investments in LIHTC partnerships. The Company’s unexpired tax credits on its investments in LIHTC expire within a range of less than one year to nine years. The Company's investment in LIHTC partnerships includes $14 million and $21 million of unfunded commitments at December 31, 2015 and 2014, respectively. During each of years ended December 31, 2015 and 2014, the Company recorded amortization on these investments under the proportional amortized cost method of $40 million. The Company recorded tax credits and other tax benefits on these investments of $49 million and $56 million for 2015 and 2014, respectively. The minimum holding period required for the Company’s LIHTC investments extends from four years to 13 years. The LIHTC investments are periodically subject to regulatory reviews by housing authorities where the properties are located. The Company is not aware of any adverse issues related to such regulatory reviews.

Collateralized third-party loans represent loans made to third parties underwritten by MCF in accordance with a participation agreement. Under the participation agreement, the Company assumes the performance risk on these loans, with no recourse against MCF.

Other Investments

Other investments at December 31, 2015 and 2014 were as follows ($ in millions):

			Change	
	2015	2014	$	%
Derivatives	$ 323	$ 183	$ 140	76.5%
Real estate	57	56	1	1.8
Receivable for securities sold	—	23	(23)	(100.0)
Collateral assets-derivatives	—	10	(10)	(100.0)
Total	$ 380	$ 272	$ 108	39.7%

The Company’s derivative asset carrying value at December 31, 2015 increased $140 million from 2014. While the Company reports derivatives on a gross basis, it is more meaningful to discuss the change in the net derivative position.

At December 31, 2015, the Company’s net derivative position was an asset of $295 million, a $194 million increase from the $101 million net asset position reported at December 31, 2014. The increase was mainly attributable to foreign currency derivatives hedging foreign denominated bonds as the U.S. dollar strengthened during 2015. These gains offset the losses the Company recorded on foreign denominated bonds at December 31, 2015 (see "Statutory Capital and Surplus -Change in Net Unrealized Gains on Investments").

NYL Investors manages the equity real estate investment portfolio. Each property in the portfolio is typically reappraised internally, annually, to determine fair value and assist in portfolio asset management. A surveillance system, based on a cash flow model, is employed to monitor the properties’ financial position in order to identify potential problems.

Interest in Annuity Contracts

The Company owns all rights, title and interest in and to certain structured settlement annuity contracts issued by New York Life. At December 31, 2015 and 2014, the carrying value of these annuity contracts totaled $7,108 million and $6,883 million, respectively (see "Financial Position -Liabilities, Obligations under Structured Settlement Agreements").

Separate Accounts Assets

The Company has established both guaranteed and non-guaranteed separate accounts with varying investment objectives that are segregated from the Company's general account and are maintained for the benefit of separate accounts policyholders. Separate accounts assets are primarily invested in common stocks.

The year-over-year change in separate accounts assets were driven by the following (in millions):

	2015
Balance, beginning of year	$ 34,622
Policyholder premiums	2,155
Transfer from fixed account	1,746
Policyholder benefits	(2,483)
Net contributions from insurance operations	1,418
Reinvestment of net investment income	2,408
Realized and unrealized capital losses	(2,958)
Contributions from investment operations	(550)
Other - including fees paid to the general account	(711)
Total change	157
Balance, end of year	$ 34,779

The investment results of separate accounts assets generally pass through directly to the separate accounts policyholders. The Company does not accept the risk on the investment results of certain separate accounts products' assets that may not meet the guarantees provided under these products.

LIABILITIES

The following table illustrates the Company's statutory liability position at December 31, 2015 and 2014 ($ in millions):

	2015	2014	Change $	Change %
Policy reserves	$ 74,781	$ 70,356	$ 4,425	6.3%
Deposit funds	981	877	104	11.9
Policy claims	188	179	9	5.0
Obligations under structured settlement agreements	7,108	6,883	225	3.3
Amounts payable under security lending agreements	600	550	50	9.1
Funds held under coinsurance - affiliated	4,255	4,366	(111)	(2.5)
Interest maintenance reserve	175	248	(73)	(29.4)
Asset valuation reserve ("AVR")	931	893	38	4.3
Other liabilities	1,184	1,041	143	13.7
Separate accounts transfers due and accrued	(887)	(846)	(41)	4.8
Separate accounts liabilities	34,777	34,621	156	0.5
Total liabilities	$ 124,093	$ 119,168	$ 4,925	4.1%

Policy Reserves

At December 31, 2015, policy reserves increased $4,425 million from 2014, mainly due to premiums on new sales and renewals, net of policy benefits which primarily consisted of surrenders and death claims.

Obligations Under Structured Settlement Agreements

The Company is the assumed obligor for certain structured settlement agreements with unaffiliated insurance companies, beneficiaries and other non-affiliated entities. To satisfy its obligations under these agreements, the Company owns all rights, title and interest in and to certain structured settlement annuity contracts issued by New York Life (see "-Assets, Interest in Annuity Contracts").

Funds Held Under Coinsurance - Affiliated

The decrease in funds held under coinsurance - affiliated was primarily related to decreases in ceded reserves and investment performance. In 2004, the Company ceded 90% of the retained portion of a block of in-force life insurance business through a reinsurance agreement with New York Life. Under this reinsurance agreement the Company retains the assets in the relation to the reserves ceded to New York Life.

Derivatives (included in Other Liabilities)

At December 31, 2015, derivative gross liabilities decreased $54 million from 2014. While derivatives are reported on a gross basis, it is more meaningful to discuss the change in the net derivative positions (see " -Assets, Other Investments").

Separate Accounts Transfers Due and Accrued

Separate accounts transfers primarily consist of net deposits, withdrawals and similar insurance activity transferred from or to the general account. These activities are netted and shown on the income statement of the general account.

Separate Accounts Liabilities

The separate accounts liabilities increase reflects the increase in separate accounts assets (see "-Assets, Separate Accounts Assets"). At December 31, 2015, the guaranteed separate accounts liability was $6,021 million and the non-guaranteed separate accounts liability was $28,756 million.

STATUTORY CAPITAL AND SURPLUS

Statutory capital and surplus was $8,146 million at December 31, 2015, an increase of $477 million, or 6.2% from the $7,669 million reported at December 31, 2014. The main drivers of the change in the Company's capital and surplus are presented in the following table (in millions):

	2015
Capital and surplus, beginning of year	$ 7,669
Net income	397
Change in net unrealized gains on investments[1]	28
Changes in accounting principles	79
Change in net deferred income tax[2]	21
Change in nonadmitted assets[3]	(5)
Change in asset valuation reserve	(39)
Other	(4)
Capital and surplus, end of year	$ 8,146

[1]Includes deferred taxes of $21 million.
[2]Includes the increase in nonadmitted deferred taxes of $146 million.
[3]Excludes the increase in nonadmitted deferred taxes of $146 million reclassified to "change in deferred income tax".

Net income of $397 million was the primary driver of the increase in surplus in 2015 (see "Results of Operations -Net Income"). Other items impacting the Company's 2015 surplus position, both positively and negatively, include the following:

Change in Net Unrealized Gains on Investments

Net unrealized gains on investments (gross of deferred taxes) resulted in an increase to surplus of $49 million ($28 million net of deferred taxes). The following chart shows unrealized gains (losses) by asset type for the year ended December 31, 2015 (in millions):

	2015
Derivative instruments[1]	$ 224
Equity securities	(32)
Foreign exchange losses[2]	(123)
Other	(20)
Total net unrealized gains	$ 49

[1]Primarily driven by net gains on foreign currency hedges.
[2]Includes $132 million in losses on foreign denominated bonds.

Change in AVR

AVR increased $39 million which mainly consisted of a $73 million contribution to the default component (primarily bonds and mortgage loans), and a $34 million reduction in the equity component (primarily other invested assets and common stocks) as required under the NAIC AVR formula. Contributions are driven by non-interest rate related capital gains and losses and required contributions based on the underlying credit risk associated with each invested asset.

LIQUIDITY SOURCES AND REQUIREMENTS

Liquidity Sources

The Company’s principal cash inflows from its insurance activities come from annuity considerations, life insurance premiums and deposit funds. The Company’s principal cash inflows from investment activities result from proceeds on sales, repayments of principal, maturities of invested assets, and investment income. The following table sets forth the total available liquidity at market value of the Company from liquid assets and other funding sources at December 31, 2015 and 2014 (in millions):

	2015	2014
Cash and short-term investments:		
Cash and cash equivalents	$ 2,121	$ 544
Short-term investments[1]	171	380
Less: security lending outstanding and other short-term liabilities	(697)	(540)
Net cash and short-term investments	1,595	384
Liquid bonds:		
U.S. government and agency bonds	1,785	1,962
Public corporate investment-grade bonds and collateralized mortgage obligations	36,168	37,182
Liquid bonds	37,953	39,144
Equities:		
Public equities portfolio	509	684
Total liquid assets	40,057	40,212
Other funding sources:		
Federal Home Loan Bank of Pittsburgh ("FHLB of Pittsburgh")	6,012	—
Commercial paper facility	490	490
Credit agreement with New York Life	490	490
Total other funding sources	6,992	980
Total available liquidity	$ 47,049	$ 41,192

[1]Includes investments in NYL STIF of $398 million at December 31, 2014, which is included in limited partnerships and other invested assets within Assets.

Liquidity Uses

The Company’s principal cash outflows primarily relate to payment of benefits, policy surrenders, withdrawals and loans associated with its various life insurance and annuity products, operating expenses, and income taxes.

A primary liquidity concern with respect to life insurance and annuity products is the risk of early policyholder and contract holder withdrawals. The Company includes provisions in certain of its contracts that are designed to discourage early withdrawal of policyholder funds. Such provisions include surrender charges, market value adjustments and prohibitions or restrictions on withdrawals. The Company closely monitors its liquidity requirements in order to match cash inflows with expected cash outflows, and employs an asset/liability management approach tailored to the specific requirements of each product line, based upon the return objectives, risk tolerance, liquidity, tax and regulatory requirements of the underlying products. The Company also regularly conducts liquidity stress tests and monitors early warning indicators of potential liquidity issues.

The following table summarizes the total direct life and annuity reserves and deposit funds and the total related amounts that have surrender privileges and are redeemable for cash by policyholders at December 31, 3015 and 2014 (in millions):

	2015			2014		
	Direct Reserves	Reserves That Can Be Surrendered	Cash Surrender Value	Direct Reserves	Reserves That Can Be Surrendered	Cash Surrender Value
Policy reserves	$ 78,945	$ 68,496	$ 66,057	$ 74,096	$ 64,463	$ 62,642
Deposit funds	981	241	241	877	276	276
Total	$ 79,926	$ 68,737	$ 66,298	$ 74,973	$ 64,739	$ 62,918

Cash Flows

Net cash provided from operating activities for the years ended December 31, 2015 and 2014 was $4,909 million and $3,944 million, respectively.

Net cash used in financing and miscellaneous sources was $158 million and $350 million for the years ended December 31, 2015 and 2014, respectively. The net cash applied in 2015 was primarily attributable to a $307 million decrease in other amounts payable on reinsurance. The net cash applied in 2014 was primarily attributable to a $371 million decrease in funds held on coinsurance and a $142 million decrease in remittances and items not allocated.

In both 2015 and 2014, the Company used the cash flow generated by its operations to invest primarily in fixed income securities. Net cash used by investing activities was $3,104 million and $3,360 million for the years ended December 31, 2015 and 2014, respectively.

FINANCING

Credit Agreements

New York Life Capital Corporation (**"NYLCC"**), a wholly-owned subsidiary of NYLIFE, LLC, has a credit agreement with the Company dated December 23, 2004, as amended, whereby NYLCC has agreed to make loans to the Company in an amount up to, but not exceeding, $490 million from the issuance of commercial paper. At December 31, 2015 the Company had no outstanding loan balance.

The Company has a Credit Agreement with New York Life, dated September 30, 1993, as amended, whereby the Company may borrow from New York Life up to $490 million. During 2015, the credit facility was not used, no interest was paid and there was no outstanding balance due.

FHLB of Pittsburgh

On February 18, 2015, the Company became a member of the FHLB of Pittsburgh by purchasing $24 million of capital stock. Membership in the FHLB of Pittsburgh provides the Company with a significant source of alternative liquidity. When borrowing from the FHLB of Pittsburgh, the Company is required to post collateral in the form of eligible securities, including mortgage-backed, government and agency debt instruments for each of the advances received. Upon any event of default by the Company, the FHLB of Pittsburgh's recovery from the collateral is limited to the amount of the Company's liability to the FHLB of Pittsburgh. During 2015, the Company borrowed $10 million. At December 31, 2015, the Company had no outstanding loan balance.

COMMITMENTS

At December 31, 2015, contractual commitments to extend credit under commercial mortgage loan agreements totaled $554 million, at both fixed and variable rates of interest. These commitments are diversified by property type and geographic location.

At December 31, 2015, the Company had outstanding contractual obligations to acquire additional private placement securities amounting to $275 million.

Unfunded commitments on limited partnerships, limited liability companies, and other invested assets amounted to $288 million at December 31, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

All liabilities that are required to be accrued under statutory accounting principles have been recognized on the balance sheet; however, the Company has entered into various arrangements not required to be reflected on its balance sheet and that are not expected to have a material current or future effect on the Company’s financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources. The Company’s off-balance sheet arrangements are limited to guarantees. The discussion below provides further background supporting the exclusion of these arrangements from the balance sheet.

Guarantees

In accordance with the revision to SSAP No. 5R “Liabilities, Contingencies and Impairments of Assets” (**“SSAP 5R”**) at the inception of a guarantee (except unlimited guarantees and guarantees made to or on behalf of wholly owned subsidiaries), the Company recognizes an initial liability at fair value for the obligations it has undertaken, regardless of the probability of performance under the guarantee. This includes guarantees made on behalf of affiliates other than wholly owned subsidiaries unless the guarantee is deemed unlimited. At December 31, 2015 and 2014 the Company had no such guarantees.

On July 1, 2002, the Company transferred all of the liabilities and assets of the Company’s Taiwan Branch to New York Life Insurance Taiwan Corporation (**“Taiwan Corporation”**), an indirect subsidiary of New York Life that was sold to Yuanta Financial Holding Co., Ltd. (**“Yuanta”**) on December 31, 2013. Taiwan Corporation is liable for all policyholder obligations on its balance sheet, including policies issued prior to July 2002, when Taiwan Corporation was a branch of the Company. As part of the sale agreement, Yuanta has guaranteed Taiwan Corporation’s obligation with respect to these policyholder obligations. However, the Company, under Taiwan law, also remains contingently liable for these policies in the remote event that neither Taiwan Corporation nor Yuanta meets its obligations. This contingent liability of the Company has not been recognized on the Statutory Statements of Financial Position because it does not meet the probable and estimable criteria of SSAP 5R.

Liens

Several commercial banks have customary security interests in certain assets of the Company to secure potential overdrafts and other liabilities of the Company that may arise under custody, securities lending and other banking agreements with such banks. There were no liens in force at December 31, 2015 and 2014.

OUTLOOK

The Company maintains various business strategies to meet the challenges of industry and regulatory environmental pressures. The Company’s strategies include product diversification, ongoing commitment to enhance customer services, and through New York Life, fully engaged management of its high quality career agency force, while selectively developing alternative distribution channels. In addition, through New York Life, the Company actively seeks to improve technology and capitalize on its brand name and customer recognition. The Company believes that this approach offers a strong value proposition to our customers and provides the Company with a basis for continued growth.

In addition to its portfolio of universal life insurance, variable universal life insurance and fixed and variable annuity products, the Company offers an array of income annuity products with features that are focused on helping to address America's retirement challenge. These offerings leverage the Company's financial strength and innovation and could not come at a more critical time. Millions of baby boomers are approaching retirement age; but while life expectancy is increasing, traditional sources of retirement income are less secure than they have been. Providing a safe, secure lifetime income represents an important business opportunity for our Company but, more than that, it offers practical, meaningful solutions to the uncertainties now faced by so many older Americans who are looking forward to longer and more active retirements than previous generations.

The Company is well positioned to meet its financial goals within changing economic climates and industry pressures as a result of New York Life management's strategic decisions. The Company continues to prioritize its first-rate career agency force that provides our customers with essential expertise regarding our broad, diversified array of life and annuity products. The Company and its agents remain focused on our longstanding tradition of policyholder service.

Furthermore, combined with its growth strategy, the Company has a commitment to strong capitalization and a high quality asset portfolio, which is designed to meet policyholder obligations while maintaining the highest ratings currently issued to life insurers from the various agencies.

The long-term promises the Company makes to policyholders are backed by sound asset/liability management. Since the Company’s liabilities are generally fixed income-like in nature, a well-diversified fixed income portfolio forms the foundation of the investment portfolio. Although the General Account assets collectively support all of our product lines, the Company’s approach to asset/liability management is founded on the segregation of assets in portfolios supporting various products offered to clients. These portfolios are specifically tailored to fit the unique interest rate sensitivities and cash flow characteristics associated with each of these product segments. In addition, the Company is part of New York Life’s comprehensive enterprise view, taking measures to mitigate overall risk exposures at the corporate level.