



# Coming Together.

2017 Report to Policy Owners



Note: "New York Life" or "the company" as used throughout the *Report* can refer either separately to the parent company, New York Life Insurance Company (NYLIC), or one of its subsidiaries, or collectively to all New York Life companies, which include NYLIC and its subsidiaries and affiliates, including New York Life Insurance and Annuity Corporation (NYLIAC) and NYLIFE Insurance Company of Arizona (NYLAZ). NYLAZ is not authorized in New York or Maine, and does not conduct insurance business in New York or Maine. Any discussion of ratings and safety throughout the *Report* applies only to the financial strength of New York Life, and not to the performance of any investment products issued by the company. Such products' performances will fluctuate with market conditions.

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I'm pleased to report that your company had another year of healthy growth, adding to our long track record of strong financial performance protecting the ones you love and enabling your plans for the future.



**IN FACT, AS A RESULT OF OUR 2017 PERFORMANCE AND THE UNSURPASSED LEVEL OF OUR FINANCIAL STRENGTH TODAY, WE WILL BE PAYING THE LARGEST DIVIDEND IN OUR HISTORY TO ELIGIBLE POLICY OWNERS—OUR 164TH CONSECUTIVE YEAR OF PAYING A DIVIDEND.**

While we hope our performance during 2017 reinforces your decision to depend on us, we believe that your choice to do business with us and become part of the New York Life community is also a reflection of our shared values. As a mutual company, with no shareholders or

outside owners, our main objective is to serve your needs and the needs of all our current and future policy owners. We deeply appreciate the difference we can make in the lives of individuals and families. We act with integrity, we embrace our humanity, and we strive to be

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there whenever you need us. During the past year, this was particularly evident when our employees and agents answered the call for help in communities affected by hurricanes and wildfires.

As proud as I am of our response in times of crisis, I am equally proud of what I see in our offices every day. It is not just what we do for you and your family—it's why and how we do it that defines and differentiates us. Our people come together and work in a way that fosters respect, trust, and inclusiveness. We act with both confidence and humility. Confidence born from our track record of delivering on all our promises through the Civil War, two world wars, the Great Depression, the influenza pandemic of 1918, and numerous other natural and man-made catastrophes. Humility, because no one can predict the future; we can only do our best to prepare for whatever challenges or opportunities it may bring.

Our mission is to provide financial security and peace of mind. We do so through the expert guidance of your New York Life agent—

**"IT IS NOT JUST WHAT  
WE DO FOR YOU AND  
YOUR FAMILY—IT'S  
WHY AND HOW WE DO  
IT THAT DEFINES AND  
DIFFERENTIATES US."**

someone committed and trained to develop and tailor solutions to achieve your goals. As we continue to make investments in our digital capabilities to better meet your evolving expectations and needs, your long-term interests remain our number one priority.

Thank you for choosing New York Life.



**TED MATHAS**

Chairman of the Board  
and Chief Executive Officer

# Focusing on you pays dividends.

AND IN 2018, OUR ELIGIBLE  
POLICY OWNERS WILL  
RECEIVE THE LARGEST  
PAYOUT EVER OF \$1.78  
BILLION. THIS IS ALSO OUR  
164TH CONSECUTIVE YEAR  
OF PAYING A DIVIDEND.



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## POLICY OWNER BENEFITS & DIVIDENDS<sup>1</sup>

Year In \$ Billions




## NEW YORK LIFE PUTS ITS FINANCIAL STRENGTH TO WORK ON YOUR BEHALF.

Our priority is always aligned with yours: Backing the guarantees of our insurance and annuity products you and your family are counting on for a secure financial future. But as a company that does not have to answer to Wall Street or shareholders, we are also able to share our success with you today. For many of our clients, this shared success is received in an annual dividend—something we've been paying consistently since 1854.

Dividends can be used in a few different ways. Some simply take it as cash to spend on other current needs. Others apply the money towards their premium payment to reduce out-of-pocket expenses. Many, however, use their dividend to conveniently purchase more insurance.

Our long track record reflects our commitment to paying you the strongest dividend possible each year, while maintaining unquestioned financial strength. And that is something we are uniquely positioned to continue to do for you.




**AS A COMPANY THAT  
DOES NOT HAVE TO  
ANSWER TO WALL STREET  
OR SHAREHOLDERS, WE  
ARE ABLE TO SHARE OUR  
SUCCESS WITH YOU.**

### HOW ARE WE ABLE TO CONSISTENTLY DELIVER A STRONG DIVIDEND PAYOUT?

Despite low interest rates over the past several years, since 2012 we've increased our dividend payout by 36 percent. This sets us apart from many other life insurers. Why? There are only a few options for companies to offset the impact on policy owner dividends from the smaller investment returns in a low interest rate environment. They can tap into surplus, which is the capital above and beyond the funds already set aside to pay benefits. They can seek larger returns by taking on more investment risk. Or they can operate other businesses to generate additional earnings.

For publicly traded life insurers, exercising these options for the benefit of their policy owners is challenging because their priority is to share their success with shareholders, not you. But even for other life insurers that do not answer to shareholders, these options can be just as challenging if they do not have the cushion of robust surplus or other successful businesses.



**"WE HOLD THE  
HIGHEST RATINGS FOR  
FINANCIAL STRENGTH  
CURRENTLY AWARDED  
TO ANY LIFE INSURER  
BY THE FOUR MAJOR  
RATING AGENCIES."**

### OUR DIVERSE BUSINESS STRATEGY AND SUPERIOR FINANCIAL STRENGTH ARE PUT TO WORK FOR YOU.

All New York Life policy owners benefit from our diversified business portfolio. These businesses generate additional earnings that help keep your company growing. Our whole life policy owners also enjoy a distinct advantage from this business strategy: A portion of those earnings can contribute to the dividend payout without the company taking on additional investment risk. And we are able to do this while continuing to hold the highest ratings for financial strength currently awarded to any life insurer by the four major rating agencies.<sup>2</sup> Said another way, our focus on you pays dividends.





# You're part of New York Life's community of customers.

**INDIVIDUAL LIFE  
INSURANCE IN FORCE<sup>3</sup>**

Year	In \$ Billions
2017	993
2016	957
2015	923
2014	871
2013	841

Life insurance is a product that has withstood the test of time. Regardless of the economic cycle or whatever else may be going on in the world around us, it continues to have a place when planning for a secure financial future.

If you own one of our individual life insurance products, you are part of a community of millions who collectively own nearly \$1 trillion

**ASSETS UNDER  
MANAGEMENT<sup>4</sup>**

Year	In \$ Billions
2017	586
2016	538
2015	528
2014	541
2013	425

in protection for their families and businesses. That's money that can help pay for an education, secure a retirement, or protect the assets you've worked hard to accumulate.

The premiums and fees we collect on life insurance and annuity products are prudently invested and managed for the long term to ensure we fulfill the promises we make to you.

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# Financial strength that belongs to you.

## OPERATING EARNINGS<sup>5</sup>

Year	In \$ Millions
2017	2,058
2016	1,954
2015	1,875
2014	2,024
2013	1,764

## SURPLUS AND ASSET VALUATION RESERVE<sup>6</sup>

Year	In \$ Billions
2017	24.2
2016	23.3
2015	22.7
2014	21.9
2013	21.1

As a life insurer with no shareholders, our interests are aligned with yours.

New York Life does not need to meet the quarterly demands of Wall Street. That’s why every dollar of value we create is put to work with your long-term interests in mind, whether it is paying dividends or enhancing our financial strength by growing surplus.

Surplus is one of the most important measures of an insurer’s financial strength, since it shows the company’s ability to help secure your future. This is capital above and beyond the funds already set aside to pay the benefits we promise. Think of it as a cushion against potential future adverse economic events—money that further ensures we can continue to meet our obligations to you whenever you need us.



## A secure financial future you can feel confident about.

Protecting your family or business against the unexpected. Paying for college. Saving for retirement, and being able to enjoy it. Whatever your goals, we have the products that can help you achieve them. Our job

is to provide guidance and help you assemble the plan you need, and want. And as your goals evolve you can count on us to help you continue to be free from worrying about your financial future.

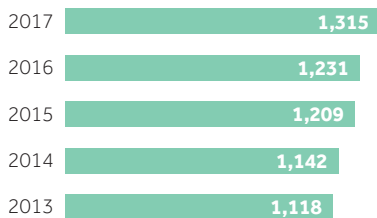




**"WHATEVER YOUR  
GOALS, WE HAVE  
THE PRODUCTS  
THAT CAN HELP YOU  
ACHIEVE THEM."**

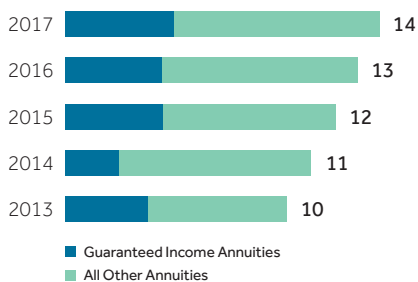
## INSURANCE SALES<sup>7</sup>

Year In \$ Millions



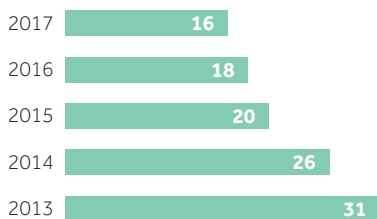
## ANNUITY SALES<sup>8</sup>

Year In \$ Billions



## MUTUAL FUND SALES<sup>9</sup>

Year In \$ Billions





# It's a matter of trust.

**WHEN IT COMES TO PLANNING YOUR FINANCIAL FUTURE, YOU WANT TO KNOW THAT THE PEOPLE YOU ARE WORKING WITH UNDERSTAND YOUR PRIORITIES AND GOALS AND HAVE A PROVEN TRACK RECORD OF FOLLOWING THROUGH ON WHAT THEY SAY THEY WILL DO. IT COMES DOWN TO ONE WORD: TRUST.**

**"YOUR NEW YORK  
LIFE AGENT IS A  
PARTNER WHO WILL  
CONTINUE TO BE  
THERE FOR YOU."**

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And for more than 170 years, millions of Americans have placed their financial security, peace of mind—and trust—with a New York Life agent.

Our agents do more than simply sell life insurance and annuity products—they offer you a service. They are professional problem solvers. They are there to listen to you; to learn about your concerns,

your dreams, and your goals; and to provide expert guidance to help you make the best financial decisions for you and your family.

Working with us is also not a one-shot deal. Your New York Life agent is a partner who will continue to be there for you. He or she will work with you in the years to come to help you keep on track with your evolving needs.

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**WHETHER YOU LIVE IN A BIG CITY OR A SMALL TOWN, YOUR NEW YORK LIFE AGENT IS MORE THAN JUST A HIGHLY TRAINED FINANCIAL PROFESSIONAL.**

He or she is likely a local business leader, PTA member, coach, volunteer—and most certainly, one of your neighbors. Along with bringing guidance and resources to you and others, they have a long track record of giving back to their communities.



**IN 2017 ALONE,  
NEW YORK LIFE AGENTS  
WERE RESPONSIBLE FOR:**

**\$1.9 MILLION** in donations—of which **\$1.2 MILLION** was matched by the New York Life Foundation—to schools, childhood bereavement organizations, other nonprofits focused on educational enhancement, and disaster relief efforts in response to hurricanes and wildfires.

The work of the Foundation is a natural extension of New York Life's enduring commitment to being there for people when we are needed.

**SINCE ITS FOUNDING IN 1979, IT HAS GROWN AS A  
PHILANTHROPIC LEADER, INVESTING MORE THAN \$258 MILLION  
IN NATIONAL AND LOCAL NONPROFIT ORGANIZATIONS.**

Today, the New York Life Foundation has two primary grantmaking focus areas: childhood bereavement and educational enhancement for middle schoolers.

**NEW YORK LIFE'S BUSINESS AND  
CHILDHOOD BEREAVEMENT**

In alignment with the financial support New York Life's products can provide children and their families following the death of a loved one, the Foundation strives

to help bring them a measure of emotional support through its work in the childhood bereavement field.

As we enter our 10th year of funding in 2018, to date we have invested more than \$36 million in this critical area. This money has been used to fund direct services to young people who need help, as well as staff training and other operational improvements for our nonprofit partners providing these services.





2017 BY THE NUMBERS

# \$24.7 Million

TOTAL PHILANTHROPIC GIVING. THIS INCLUDES:

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**\$15.1 MILLION**

GRANTS TO EDUCATION AND  
BEREAVEMENT PARTNERS

**\$2.7 MILLION**

MATCHING GIFTS TO SCHOOLS,  
CHILDHOOD BEREAVEMENT  
ORGANIZATIONS, AND OTHER  
FOUNDATION GRANTEES

**\$1.7 MILLION**

DISASTER RELIEF GRANTS

**\$1.5 MILLION**

VOLUNTEER GRANTS

**\$833,500**

COMMUNITY IMPACT GRANTS



To better understand and further illuminate the challenge of childhood grief in America, for the past two years we have also incorporated research and data collection into our investments. We also recently sponsored a survey to measure the effects of grief on children and gauge the public's understanding of this issue. Going forward, the insights we've obtained from the results will help us more effectively communicate and raise awareness about childhood bereavement, and guide our resources and support to where they can do the most good.

**A SOLID FOUNDATION LEADS  
TO POSITIVE TRANSITIONS—  
IN SCHOOL AND IN LIFE**

Being prepared, feeling confident, and having a network of support

is the recipe for a solid foundation that leads to positive transitions throughout life. This is particularly true for middle school students working their way into high school. Moreover, research has shown that, for disadvantaged students, more learning time—in the form of high-quality afterschool, expanded-day, and summer programs—leads to greater academic achievement, better school attendance, and more engaged students. Since 2013, the New York Life Foundation has invested more than \$32 million into organizations that provide nearly 500,000 middle school youth with afterschool and summer programming, with an emphasis on those programs supporting the critical transition between eighth and ninth grades.

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Our national partnerships provide large-scale attention to this important period in the development of young people. In 2017, we expanded our support to local afterschool, summer, and expanded learning programs in cities and towns across the country with the launch of a new grant program, Aim High.

### **RALLYING TOGETHER**

This year, our country faced an unprecedented number of natural disasters—from hurricanes to wildfires. We responded by providing immediate disaster funding for relief efforts, as well as matching donations from our employees and agents. To complement our financial support, our people took action by volunteering with Save the Children, the American Red Cross, Feeding Tampa Bay, the North Texas Food Bank, and the CARE animal rescue center in San Antonio, among others. Together with our employees and agents, we provided \$2.2 million toward disaster relief efforts.

Following the deadly violence in Las Vegas, our local New York Life office partnered with the Foundation and our grief partners, the Dougy Center and the Solace Tree, to host

community events to openly discuss ways to support children, colleagues, and oneself when confronted by stressful times.

The aftermath of these events is heartbreaking and ongoing. We continue to work with our partners in these communities to determine how we can continue to offer support in the future.



#### **ROOM AND BOARD**

At the time Hurricane Harvey was approaching the coast of Texas, New York Life was preparing to hold a conference in Austin. The company cancelled the meeting and donated the convention space it had rented, as well as hundreds of hotel rooms and thousands of pounds of food, to the volunteer relief workers arriving in the city.

## NOTES

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- 1) Policy owner benefits primarily include death claims paid to beneficiaries and annuity payments. Dividends are payments made to eligible policy owners from divisible surplus. Divisible surplus is the portion of the company's total surplus that is available, following each year's operations, for distribution in the form of dividends. Dividends are not guaranteed. Each year the board of directors votes on the amount and allocation of the divisible surplus. The 36% growth over 2012 is based on \$1.78 billion of dividends declared as payable in 2018 compared to \$1.31 billion of dividends paid in 2012. Policy owner benefits and dividends reflect the consolidated results of NYLIC and its domestic insurance subsidiaries. Intercompany transactions have been eliminated in consolidation. NYLIC's policy owner benefits and dividends were \$7.38 billion and \$7.23 billion for the 12 months ended December 31, 2017 and 2016, respectively. NYLIAC's policy owner benefits were \$3.26 billion and \$2.95 billion for the 12 months ended December 31, 2017 and 2016, respectively.

### PAGE 6

- 2) The "highest ratings currently awarded" refers to the highest ratings currently awarded to any life insurer, specifically: A.M. Best A++ (as of 7/20/17), Fitch Ratings AAA (as of 6/27/17), Moody's Aaa (as of 7/27/17), and Standard & Poor's AA+ (as of 7/14/17). Source: third-party reports.

### PAGE 8

- 3) Individual life insurance in force is the total face amount of individual life insurance contracts (term, whole life and universal life) outstanding for NYLIC and its domestic insurance subsidiaries at a given time. The company's individual life insurance in force totaled \$992.8 billion at December 31, 2017 (including \$175.7 billion for NYLIAC).

- 4) Assets under management consist of cash and invested assets and separate account assets of the company's domestic and international insurance operations, and assets the company manages for third-party investors, including mutual funds, separately managed accounts, retirement plans and assets under administration.

The company's General Account investment portfolio totaled \$242.53 billion as of December 31, 2017 (including \$102.04 billion invested assets of NYLIAC). As of December 31, 2017, total assets equaled \$303.18 billion (including \$152.85 billion total assets of NYLIAC). Total liabilities, excluding the Asset Valuation Reserve (AVR), equaled \$278.98 billion (including \$142.47 billion total liabilities of NYLIAC). See Note 6 for total surplus.

### PAGE 9

- 5) Operating earnings is the measure used for management purposes to track the company's results from ongoing operations and the profitability of the business. This chart is based on accounting principles generally accepted in the United States of America (GAAP) with certain adjustments we believe are more appropriate as a measurement approach (non-GAAP).

**Policy owners can view the GAAP-basis consolidated financial statements and a detailed reconciliation to our non-GAAP performance measures by visiting our website, [www.newyorklife.com](http://www.newyorklife.com), beginning in mid-March.**

The New York State Department of Financial Services (the Department) recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York Insurance Law, and for management determining whether its financial condition warrants the

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payment of a dividend to its policy owners. No consideration is given by the Department to financial statements prepared in accordance with GAAP in making such determinations.

- 6) Total surplus, which includes the Asset Valuation Reserve (AVR), is one of the key indicators of the company's long-term financial strength and stability and is presented on a consolidated basis of the company. NYLIC's statutory surplus was \$20.36 billion and \$20.11 billion at December 31, 2017 and 2016, respectively. Included in NYLIC's statutory surplus is NYLIAC's statutory surplus totaling \$9.19 billion and \$8.72 billion at December 31, 2017 and 2016, respectively. AVR for NYLIC was \$2.65 billion and \$2.18 billion at December 31, 2017 and 2016, respectively. AVR for NYLIAC was \$1.19 billion and \$1.05 billion at December 31, 2017 and 2016, respectively.

**Policy owners can view the statutory financial statements applicable to their respective companies by visiting our website, [www.newyorklife.com](http://www.newyorklife.com), beginning in mid-March.**

#### **PAGE 11**

- 7) Insurance sales represent annualized first-year premiums on participating issued whole life insurance, term life insurance, universal life insurance, long-term care insurance, and other health insurance products. A sale is generally counted when the initial premium is paid and the policy is issued. Adjustments are made to normalize non-recurring premiums to align with our annualized recurring premium methodology for insurance sales. Some examples are: single premium products sold through our agents and Advanced Markets Network (AMN) retail and COLI distribution channel, our network of independent agents and brokers, are counted at 10 percent. Sales are generated from both domestic and Mexican operations.

- 8) Total annuity sales represent premiums on our deferred annuities (both fixed and variable) and on our guaranteed income annuities. Sales are generally recognized when premiums are received. Annuities are primarily issued by NYLIAC.

- 9) Mutual fund sales represent total cash deposited to new and existing accounts of the MainStay Funds, New York Life's proprietary mutual funds. MainStay Funds are managed by New York Life Investment Management LLC and distributed through NYLIFE Distributors LLC, a wholly owned subsidiary of New York Life Insurance Company.

Where applicable, prior period numbers have been restated to conform to current year definition. In addition, non-U.S. denominated results are generally valued using applicable year end exchange rates.

*For further financial information, including detailed information on our investment strategy, visit our website ([www.newyorklife.com](http://www.newyorklife.com)), where the 2017 Annual Report will be available in mid-April 2018. A copy of the Report, our GAAP and statutory financial statements, and reconciliation to our non-GAAP operating performance measure are also available by writing to the Secretary of New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010.*





# Visit us at [www.newyorklife.com](http://www.newyorklife.com)

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