

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**

(A wholly-owned subsidiary of  
New York Life Insurance Company)

**STATUTORY FINANCIAL STATEMENTS**

**DECEMBER 31, 2025 and 2024**

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## Report of Independent Auditors

To the Board of Directors of New York Life Group Insurance Company of NY

### **Opinions**

We have audited the accompanying statutory financial statements of New York Life Group Insurance Company of NY (the "Company"), which comprise the statutory statements of financial position as of December 31, 2025 and 2024, and the related statutory statements of operations, of changes in capital and surplus, and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

#### *Unmodified Opinion on Statutory Basis of Accounting*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services described in Note 2.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2025 and 2024, or the results of its operations or its cash flows for the years then ended.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 2 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
3. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



New York, New York  
March 27, 2026

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
(A wholly-owned subsidiary of New York Life Insurance Company)

**STATUTORY STATEMENTS OF FINANCIAL POSITION**

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
<b>Assets</b>		
Bonds	\$ 471,945	\$ 481,134
Mortgage loans	70,956	54,582
Cash, cash equivalents and short-term investments	3,577	13,215
Common and preferred stocks	10	—
Other invested assets	990	277
Total cash and invested assets	547,478	549,208
Investment income due and accrued	4,379	4,525
Admitted disallowed interest maintenance reserve	462	587
Amounts due from reinsurers	161	338
Deferred tax assets	7,690	10,195
Deferred and uncollected premiums	19,721	27,175
Other assets	2,539	3,437
<b>Total assets</b>	<b>\$ 582,430</b>	<b>\$ 595,465</b>
<b>Liabilities, capital and surplus</b>		
Liabilities:		
Policy reserves	\$ 273,566	\$ 290,314
Deposit funds	12,200	12,020
Policy claims	35,466	33,706
Claim adjustment expense reserves	8,401	8,919
Other policy and contract liabilities	5,642	5,401
Accrued commissions, expenses and taxes	3,171	5,866
Remittance and items not allocated	17,890	23,439
Other liabilities	6,575	2,372
Asset valuation reserve	6,729	6,217
<b>Total liabilities</b>	<b>\$ 369,640</b>	<b>\$ 388,254</b>
<b>Capital and Surplus:</b>		
Capital stock (40,000 shares issued and outstanding)	1,100	1,100
Gross paid in and contributed surplus	5,250	5,250
Special surplus for admitted disallowed interest maintenance reserve	463	587
Unassigned surplus	205,977	200,274
<b>Total capital and surplus</b>	<b>212,790</b>	<b>207,211</b>
<b>Total liabilities, capital and surplus</b>	<b>\$ 582,430</b>	<b>\$ 595,465</b>

See accompanying notes to financial statements.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
(A wholly-owned subsidiary of New York Life Insurance Company)

**STATUTORY STATEMENTS OF OPERATIONS**

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
<b>Income</b>		
Premiums and related expenses	\$ 272,526	\$ 277,367
Net investment income	23,438	22,840
Other income	—	108
<b>Total income</b>	<b>295,964</b>	<b>300,315</b>
<b>Benefits and expenses</b>		
Benefit payments:		
Disability benefits	172,909	173,244
Death benefits	61,246	48,460
Other benefits	307	214
Total benefit payments	234,462	221,918
Additions to policy reserves	(16,749)	(9,984)
Commissions	10,435	11,739
Operating expenses	27,210	28,199
<b>Total benefits and expenses</b>	<b>255,358</b>	<b>251,872</b>
Gain from operations before federal and foreign income taxes	40,606	48,443
Federal and foreign income taxes	5,801	8,315
Net gain from operations	34,805	40,128
Net realized capital gains (losses), after taxes and transfers to interest maintenance reserve	591	(1,109)
<b>Net income</b>	<b>\$ 35,396</b>	<b>\$ 39,019</b>

See accompanying notes to financial statements.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
(A wholly-owned subsidiary of New York Life Insurance Company)

**STATUTORY STATEMENTS OF CHANGES IN CAPITAL AND SURPLUS**

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
<b>Capital and surplus, beginning of year</b>	\$ 207,211	\$ 190,112
Net income	35,396	39,019
Change in net unrealized capital losses on investments	(20)	(15)
Change in nonadmitted assets	2,744	9,586
Change in asset valuation reserve	(512)	(678)
Change in net deferred income tax	(4,029)	(2,842)
Dividend to stockholder	(28,000)	(28,000)
Other adjustments, net	—	29
Net increase	<u>\$ 5,579</u>	<u>\$ 17,099</u>
<b>Capital and surplus, end of year</b>	<u><u>\$ 212,790</u></u>	<u><u>\$ 207,211</u></u>

See accompanying notes to financial statements.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
(A wholly-owned subsidiary of New York Life Insurance Company)

**STATUTORY STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
<b>Cash flow from operating activities:</b>		
Premiums received	\$ 281,306	\$ 281,117
Net investment income received	23,286	22,207
Other	—	232
Total received	<u>304,592</u>	<u>303,556</u>
Benefits and other payments	232,525	224,838
Operating expenses paid	40,722	38,633
Federal income taxes paid	6,224	9,856
Total paid	<u>279,471</u>	<u>273,327</u>
<b>Net cash from operating activities</b>	<u>25,121</u>	<u>30,229</u>
<b>Cash flow from investing activities:</b>		
Proceeds from investments sold	63,477	78,407
Cost of investments acquired	(71,254)	(106,725)
<b>Net cash used in investing activities</b>	<u>(7,777)</u>	<u>(28,318)</u>
<b>Cash flow from financing and miscellaneous activities:</b>		
Net deposits (withdrawals) on deposit-type contracts and other insurance liabilities	180	(2,357)
Dividends to stockholder	(28,000)	(1,763)
Other miscellaneous uses	838	5,618
<b>Net cash from financing and miscellaneous activities:</b>	<u>(26,982)</u>	<u>1,498</u>
Net (decrease) increase in cash, cash equivalents and short-term investments	(9,638)	3,409
Cash, cash equivalents and short-term investments, beginning of year	13,215	9,806
<b>Cash, cash equivalents and short-term investments, end of year</b>	<u>\$ 3,577</u>	<u>\$ 13,215</u>

See accompanying notes to financial statements.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
(A wholly-owned subsidiary of New York Life Insurance Company)

**STATUTORY STATEMENTS OF CASH FLOWS (supplemental)**

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
<b>Non-cash activities during the year not included in the Statutory Statements of Cash Flows:</b>		
Dividend to New York Life paid in bonds, net of accrued interest	\$ —	\$ 26,237
Transfer/exchange of bond investment to bond investment	\$ 5,047	\$ 2,182
Depreciation on fixed assets	\$ 69	\$ 20
Transfer of bonds to other invested assets	\$ 1	\$ —
Capitalized interest on mortgage loans	\$ 631	\$ —
Capitalized interest on bonds	\$ 10	\$ —

See accompanying notes to financial statements.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
(A wholly-owned subsidiary of New York Life Insurance Company)  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF OPERATIONS**

New York Life Group Insurance Company of NY ("the Company") is a direct wholly-owned subsidiary of New York Life Insurance Company ("New York Life"). The Company's principal products and services include group disability, life and accident insurance primarily marketed in the state of New York. The Company is domiciled in the state of New York and licensed in Alabama, the District of Columbia, Missouri, New York, Pennsylvania and Tennessee.

**NOTE 2 - BASIS OF PRESENTATION**

The accompanying financial statements have been prepared using accounting practices prescribed by the New York State Department of Financial Services ("the Department"), which is a comprehensive basis of accounting other than accounting principles generally accepted in the U.S. ("U.S. GAAP").

The Department recognizes only statutory accounting practices prescribed or permitted by the State of New York for determining and reporting the financial position and results of operations of an insurance company and for determining its solvency under New York Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of prescribed practices by the State of New York. Prescribed statutory accounting practices include state laws and regulations. Permitted statutory accounting practices encompass accounting practices that are not prescribed; such practices differ from state to state, may differ from company to company within a state, and may change in the future. The Company has no permitted nor prescribed practices.

**Statutory vs. U.S. GAAP Basis of Accounting**

Financial statements prepared under NAIC SAP as determined under New York State Insurance Law vary from those prepared under U.S. GAAP. The effects of those differences are material to the Company's financial statements. The primary differences that would most likely be material are as follows:

**Investments**

- debt securities must meet a principles-based bond definition ("PBBB") in order to be reported as bonds under SAP, whereas a PBBB does not exist under GAAP;
- investments in bonds are generally carried at amortized cost or values as prescribed by the Department. Investments in debt securities that do not meet the PBBB are generally reported at the lower of cost or market. Under U.S. GAAP, investments in bonds that are classified as available for sale or trading are carried at fair value, with changes in fair value of bonds classified as available for sale reflected in equity, and changes in fair value of bonds classified as trading reflected in earnings;
- investments in noncontrolled partnerships and limited liability companies are accounted for under the equity method for both NAIC SAP and U.S. GAAP. Under the statutory equity method, undistributed income and capital gains and losses for these investments are reported in surplus as unrealized gains or losses, whereas under U.S. GAAP, in many cases, for investment companies, unrealized gains and losses are included in net investment income;
- credit loss-related bond impairments that are deemed to be other than temporary are recorded as a direct write-down to the security without the ability to reverse those losses in the future if expected cash flows increase. Under U.S. GAAP, estimated credit losses on bonds classified as available for sale are recorded through an allowance for credit losses subject to future reversals if expected cash flows increase;

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 2 - BASIS OF PRESENTATION (continued)**

- specific valuation allowances are established for the excess carrying value of a mortgage loan over the estimated fair value of the collateral as an unrealized loss in surplus when it is probable that based on current information and events, the Company will be unable to collect amounts due under the contractual terms of the loan agreement. Under U.S. GAAP, a valuation allowance is established for expected credit losses. The valuation allowance under U.S. GAAP is based on historical experience, current economic conditions and reasonable and supportable forecasts;
- realized gains and losses resulting from changes in interest rates are deferred in the interest maintenance reserve ("IMR") and amortized into investment income over the remaining life of the investment sold, whereas under U.S. GAAP, the gains and losses are recognized in income at the time of sale;

**Insurance Contracts**

- contracts that have any mortality or morbidity risk, regardless of significance, and contracts with life contingent annuity purchase rate guarantees are classified as insurance contracts, whereas under U.S. GAAP, only contracts that have significant mortality or morbidity risk are classified as insurance contracts otherwise they are accounted for in a manner consistent with the accounting for interest bearing or other financial instruments;
- the costs related to acquiring insurance contracts (principally commissions), policy issue expenses and sales inducements are charged to income in the period incurred, whereas under U.S. GAAP, these costs are deferred when related directly to successful sales and amortized over the periods benefited;
- life insurance reserves are based on different statutory methods and assumptions than they are under U.S. GAAP;
- reinsurance agreements are accounted for as reinsurance on an NAIC SAP and U.S. GAAP basis if certain risk transfer provisions have been met. NAIC SAP requires the reinsurer to assume insurance risk, regardless of the significance of the loss potential, whereas U.S. GAAP requires that there is a reasonable possibility that the reinsurer may realize significant loss from assuming insurance risk; assets and liabilities from reinsurance transactions are reported net of reinsurance, whereas under U.S. GAAP, assets and liabilities from reinsurance transactions are reported gross of reinsurance;

**Taxes**

- deferred income taxes exclude state income taxes and are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with changes in the net deferred tax reflected as a component of surplus, whereas under U.S. GAAP, deferred income taxes include federal and state income taxes and changes in deferred taxes are reflected in either earnings or other comprehensive income;
- a tax loss contingency is required to be established if it is more likely than not that a tax position will not be sustained upon examination by taxing authorities. If a loss contingency is greater than 50% of the tax benefit associated with a tax position, the loss contingency is increased to 100%, whereas under U.S. GAAP the amount of the benefit for any uncertain tax position is the largest amount that is greater than 50% likely of being realized upon settlement;

**Surplus**

- an asset valuation reserve ("AVR") based on a formula prescribed by the NAIC is established as a liability to offset potential non-interest related investment losses. Changes in the AVR are recorded directly to surplus, whereas under U.S. GAAP, no AVR is recognized;
- certain assets, such as deferred taxes as noted above and unsecured receivables are considered nonadmitted and excluded from assets, whereas they are included in assets under U.S. GAAP and subject to a valuation allowance, as appropriate.

**NYL GROUP INSURANCE COMPANY OF NEW YORK**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES**

**Use of 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. Management is also required to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

**Bonds**

Bonds that meet the PBBD are stated at amortized cost using the interest method. Bonds in or near default (rated NAIC 6) are stated at the lower of amortized cost or fair value. The Company reviews all debt securities to determine if they meet the PBBD criteria to be reported as Schedule D bonds. The review includes confirming that the debt instrument represents a creditor relationship with a fixed payment schedule for one or more future payments and where any non-debt variables are nominal. For all ABS, the Company confirms that credit enhancement to our tranches is substantive from either subordination or overcollateralization. For ABS backed by cash-generating non-financial assets, the Company also confirms that cash flows produced by the collateral are meaningful as defined in SSAP No. 26 "Bonds". Residual interests in securitizations are reported as other invested assets using the cost recovery method. Refer to Note 7 - Fair Value Measurements for discussion on the valuation approach and methods for bonds.

The interest method for asset-backed securities, which are included in bonds, uses current assumptions of projected cash flows. Amortization of premium or accretion of discount from the purchase of these securities considers the estimated timing and amount of cash flows of the underlying loans, including prepayment assumptions based on data obtained from external sources or internal estimates. Projected future cash flows are updated monthly, and the amortized cost and effective yield of the securities are adjusted as necessary to reflect historical prepayment experience and changes in estimated future prepayments. For high credit quality asset-backed securities backed by the U.S. government (those rated AA or above at the date of acquisition), the adjustments to amortized cost are recorded as a charge or credit to net investment income in accordance with the retrospective method. For all other securities, including all asset-backed securities that are not of high credit quality (those rated below AA at date of acquisition), floating rate securities and securities with the potential for a loss of a portion of the original investment due to contractual prepayments (e.g., interest only securities), the effective yield is adjusted prospectively for any changes in estimated cash flows.

All acquisitions of securities are recorded in the financial statements on a trade date basis except for the acquisitions of private placement bonds, which are recorded on the funding date.

**Other than Temporary Impairments**

The cost basis of bonds is adjusted for impairments in value that are deemed to be other than temporary. An other-than-temporary loss is recognized in net income when it is anticipated that the amortized cost will not be recovered. Factors considered in evaluating whether a decline in value is other than temporary include: (1) whether the decline is substantial; (2) the 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 a period of time sufficient to allow for an anticipated recovery in value.

When a bond (other than loan-backed and structured securities) is deemed other-than-temporarily impaired, the difference between the investment's amortized cost and its fair value is recognized as a realized loss and reported in net income if the loss is credit related, or deferred in the IMR if interest related for bonds.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

For asset-backed securities, the entire difference between the security's amortized cost and its fair value is recognized in net income only when the Company (a) has the intent to sell the security or (b) it does not have the intent and ability to hold the security to recovery. If neither of these two conditions exists, a realized loss is recognized in net income for the difference between the amortized cost basis of the security and the net present value of projected future cash flows expected to be collected. The net present value is calculated by discounting the Company's best estimate of projected future cash flows at the effective interest rate implicit in the asset-backed security prior to impairment.

The determination of cash flow estimates in the net present value calculation is subjective and methodologies will vary, depending on the type of security. The Company considers all information relevant to the collectability of the security, including past events, current conditions, and reasonably supportable assumptions and forecasts in developing the estimate of cash flows expected to be collected. This information generally includes, but may not be limited to, the remaining payment terms of the security, estimated prepayment speeds, defaults, recoveries upon liquidation of the underlying collateral securing the notes, the financial condition of the issuer(s), credit enhancements and other third-party guarantees. In addition, other information, such as industry analyst reports and forecasts, sector credit ratings, the financial condition of the bond insurer for insured fixed income securities and other market data relevant to the collectability may also be considered, as well as the expected timing of the receipt of insured payments, if any. The estimated fair value of the collateral may be used to estimate recovery value if the Company determines that the security is dependent on the liquidation of the collateral for recovery.

The new cost basis of an impaired security is not adjusted for subsequent increases in estimated fair value. In periods subsequent to the recognition of an other-than-temporary impairment ("OTTI"), the impaired bond security is accounted for as if it had been purchased on the measurement date of the impairment. Accordingly, the discount (or reduced premium) based on the new cost basis may be accreted (or amortized) into net investment income in future periods based on prospective changes in cash flow estimates, to reflect adjustments to the effective yield.

**Mortgage Loans**

Mortgage loans on real estate are carried at unpaid principal balances, net of discounts, premiums, deferred origination fees related to points, and specific valuation allowances, and are collateralized. Mortgage loans include residential mortgage loans held through a qualifying statutory trust as long as the trust meets the required criteria for look-through reporting stipulated in statutory accounting guidance. Specific valuation allowances are established for the excess carrying value of the mortgage loan over the estimated fair value of the collateral as an unrealized loss in surplus when it is probable that based on current information and events, the Company will be unable to collect amounts due under the contractual terms of the loan agreement. Fair value of the collateral is estimated by performing an internal or external current appraisal or by obtaining broker prices for residential mortgage loans. If impairment is deemed to be other-than-temporary, which can include a loan modification that qualifies as a troubled debt restructuring ("TDR"), a direct write-down is recognized as a realized loss reported in net income, and a new cost basis for the individual mortgage loan, which is equal to the fair value of the collateral, less costs to obtain and sell, is established. Refer to Note 7 - Fair Value Measurements for a discussion of the valuation approach and methods for mortgage loans.

The Company accrues interest income on mortgage loans to the extent it is deemed collectible. The Company places loans on non-accrual status and ceases to recognize interest income when management determines that the collection of interest and repayment of principal is not probable. Any accrued but uncollected interest is reversed out of interest income once a loan is put on non-accrual status. Interest payments received on mortgage loans where interest payments have been deemed uncollectible are recognized on a cash basis and recorded as interest income. If a determination is made that the principal will not be collected, the interest payment received is used to reduce the principal balance. If a mortgage loan has any investment income due and accrued that is 90 days past due and collectible, the investment income will continue to accrue but all accrued interest related to the mortgage loan is reported as a nonadmitted asset, until such time that it has been paid or is deemed uncollectible.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Other Invested Assets**

Limited partnerships, which have admissible audits, are carried at the underlying audited equity of the investee. The financial statements of equity method investees are usually not received in time for the Company to apply the equity method at each reporting period. Therefore, the equity pick-up on these investments has been recorded on a one to three-month lag.

The cost basis of limited partnerships and limited liability companies is adjusted for impairments in value deemed to be other-than-temporary, with the difference between cost and carrying value, which approximates fair value, recognized as a realized loss reported in net income. The new cost basis of an impaired limited partnership is not adjusted for subsequent increases in the underlying audited equity of the investee.

Dividends and distributions from limited partnerships other than those deemed a return of capital, are recorded in net investment income. Undistributed earnings are included in unrealized gains and losses and are reflected in surplus, net of deferred taxes.

Effective October 1, 2024, residual tranches of securitizations are reported using a cost recovery method, which is a practical expedient allowed under statutory accounting rules. Under the cost recovery method, distributions received are treated as a reduction of the residual's book value. Investment income is not recognized until the book value of the residual has been reduced to zero. An OTTI is recorded when fair value of the residual is below its book value. Prior to October 1, 2024, most residuals were reported at the lower of cost or market and income was accrued using an effective yield method.

The Company invests in capital notes, which are usually issued by banks for regulatory capital purposes. Capital notes that are reported as other invested assets allow for interest cancellation in the event of financial stress without triggering an event of default. Capital notes with an NAIC 1 or NAIC 2 designation are reported at amortized cost. All other capital notes are reported at the lower of cost or market with unrealized losses reported in surplus. Capital notes are non-admitted if the borrower's regulatory authority halts principal or interest payments. An OTTI is recorded for capital notes when it is probable that the Company will not be able to collect all contractual cash flows under the note

**Cash, Cash Equivalents and Short-term Investments**

Cash and cash equivalents includes cash on hand, amounts due from banks and highly liquid debt instruments that have original maturities of three months or less at date of purchase and are carried at amortized cost. Cash and cash equivalents also include money market mutual funds which are stated at fair value.

**AVR and IMR**

The AVR is used to stabilize surplus from fluctuations in the fair value of bonds, and mortgage loans. Changes in the AVR are accounted for as direct increases or decreases in surplus. The IMR captures interest related realized gains and losses on sales (net of taxes) of bonds, mortgage loans and interest related other-than-temporary impairments (net of taxes), which are amortized into net income over the expected years to maturity of the investments sold. An interest related other-than-temporary impairment occurs when the Company has the intent to sell an investment at the reporting date, before recovery of the cost of the investment. For asset backed securities, the non-interest related other-than-temporary impairment is booked to the AVR, and the interest related portion to the IMR. The Company admits negative IMR up to the lesser of 10% of the current period unadjusted capital and surplus and 10% of its capital and surplus as required to be shown on the balance sheet of the statutory financial statements most recently filed with its domiciliary state insurance regulator, adjusted to exclude any net positive goodwill, electronic database processing equipment and operating system software, net deferred tax assets and admitted net negative IMR.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Non-admitted Assets**

Under statutory accounting practices, certain assets are designated as nonadmitted assets and are not included in the accompanying Statutory Statements of Financial Position since these assets are not permitted by the Department to be taken into account in determining the Company's financial condition.

Nonadmitted assets typically include receivables over ninety days past due and DTAs not realizable within three years. Changes to nonadmitted assets are reported as a direct adjustment to surplus in the accompanying Statutory Statements of Changes in Surplus.

**Net Investment Income**

Income from investments, including amortization of premium, accrual of discount and similar items, as well as income from prepayment penalties, is recorded within net investment income, unless otherwise stated herein.

**Policy Reserves**

Policy reserves are based on mortality and morbidity tables and valuation interest rates, which are consistent with statutory requirements and are designed to be sufficient to provide for contractual benefits. The Company holds reserves greater than those developed under the minimum statutory reserving rules when the valuation actuary determines that the minimum statutory reserves are inadequate. Actual results could differ from these estimates and may result in the establishment of additional reserves. The valuation actuary monitors actual experience and, where circumstances warrant, revises assumptions and the related estimates for policy reserves. Refer to Note 10 - Insurance Liabilities for a discussion of reserves in excess of minimum NAIC requirements.

**Policy Claims**

Liabilities for policy claims are estimates of payments to be made on insurance claims for reported losses and estimates of incurred but not reported losses. Estimated amounts of reinsurance recoverable on unpaid losses are deducted from the liability for policy claims. Estimated liabilities are established for policies that contain experience-rating provisions. Refer to Note 10 - Insurance Liabilities for additional disclosures related to the policy reserves.

**Premium and Related Expenses**

Premiums for individual and group life, disability, and accident insurance are considered revenue when due. Commissions and other costs associated with acquiring new business are charged to operations as incurred. Amounts received or paid under deposit type contracts without mortality or morbidity risk are not reported as income or benefits but are recorded directly as an adjustment to the liability for deposit funds.

The Company issues certain group life, accident and health insurance policies for which the final premium is calculated based on the loss experience of the insured during the term of the policy. The periodic adjustments may involve either the payment of return premium to the insured or payment of an additional premium by the insured, or both, depending on experience. The Company estimates an accrual for retrospective premium adjustments using a mathematical approach that uses analytics based on the Company's underwriting rules and experience rating practice. The Company records accrued retrospective premium adjustments in Premiums in the accompanying Statements of Operations

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deposit Funds**

Deposit funds relate to contracts that do not subject the Company to mortality and/or morbidity risk. The Company's deposit funds liability primarily consists of retained asset account deposits, deposits received from customers and accumulated net investment income on their fund balances less accumulated administrative charges according to contract terms and customers' experience. Refer to Note 10- Insurance Liabilities for further details in this liability.

**Claim Adjustment Expense Reserve**

The claim adjustment expense liability is a liability for future expected costs to adjudicate and settle claims that have been incurred on or before the valuation date. The claim adjustment expense liability is calculated based on the Company's best estimate of the expected costs of settling claims using past experience and current expense projections.

**Reinsurance**

The Company enters into reinsurance agreements with affiliated and unaffiliated insurers in the normal course of business to limit its insurance risk. Premium income, policyholders' benefits and policyholders' reserves are reported net of reinsurance. Refer to Note 11 - Reinsurance for additional discussion on reinsurance.

**Federal Income Taxes**

The Company is a member of an affiliated group which files a consolidated federal income tax return with New York Life. The consolidated income tax provision or benefit is allocated among the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that the Company computes its share of consolidated tax provision or benefit, in general, on a separate company basis, and may, where applicable, include the tax benefits of operating or capital losses utilizable in New York Life's consolidated returns. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement occurring within 30 days of the filing of the consolidated tax return. Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years.

The Company generally recognizes deferred federal income tax assets ("DTAs") and deferred federal income tax liabilities ("DTLs") for expected future tax consequences of temporary differences between statutory and taxable income. Changes in DTAs and DTLs are recognized as a separate component of surplus (except for the net deferred taxes related to investments, which are included in unrealized gains and losses). Limitations on the admitted amount of DTA are calculated in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 101, "Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10". Gross DTAs are reduced by a statutory valuation allowance if it is more likely than not that some portion or all of the gross DTA will not be realized. The Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. The amount of the contingency reserve is management's best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve is equal to the entire tax benefit. Refer to Note 14 – Income Taxes for more detailed information about the Company's income taxes.

**Other Assets and Liabilities**

Other assets primarily consist of paid family leave receivable and other receivables.

Other liabilities primarily consist of amounts withheld by the Company, federal income taxes payable and other insurance related liabilities.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contingencies**

Amounts related to contingencies are accrued if it is probable that a liability has been incurred and an amount is reasonably estimable.

At the inception of a guarantee, the Company recognizes an initial liability at fair value for the obligations it has undertaken, regardless of the probability of performance under the guarantee.

**NOTE 4 - BUSINESS RISKS AND UNCERTAINTIES**

The Company is exposed to various risks, including, but not limited to, insurance, financial, operational, and regulatory risks.

The Company is regulated by the insurance departments of the states and territories where it is licensed to do business. Although the federal government does not directly regulate the business of insurance, federal legislation and administrative policies can significantly and adversely affect the insurance industry and the Company. The Company is unable to predict whether any administrative or legislative proposals, at either the federal or state level, will be adopted in the future, or the effect, if any, such proposals would have on the Company.

The Company's insurance liabilities are exposed to market risk, policyholder behavior risk and morbidity/mortality/longevity risk. Furthermore, the level of sales of the Company's insurance products is influenced by many factors, including terms and conditions of competing products.

The Company is exposed to the risks normally associated with an investment portfolio, which include general risk of loss of investment, market volatility, interest rate, liquidity, credit, valuation, regulatory change, currency, geographic and counterparty risks. In addition, the investment portfolio is exposed to climate risk, which may affect the value of the Company's investments.

The Company is subject to various operational risks that could adversely impact its profitability, notably technology risks, which include cybersecurity. Technology risks may involve failures or inadequacies in the Company's technology systems, including the risk of damage to or theft of Company information, whether in digital or physical formats, or breaches of the Company's technology platforms. Operational risks also include business disruption risks, which may involve disruptions to mission-critical business functions as a result of system or infrastructure failures, malicious activity, pandemics, and natural and man-made disasters. Climate change may increase the frequency and severity of certain natural disasters that can lead to operational risks.

The Company continues to monitor the economic environment and other potential impacts that could result from current or future outbreaks of infectious diseases, viruses (including COVID-19), epidemics or pandemics.

**NOTE 5 - RECENT ACCOUNTING PRONOUNCEMENTS**

Accounting changes adopted to conform to the provisions of NAIC SAP or other state prescribed accounting practices are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is generally reported as an adjustment to unassigned surplus in the period of the change in accounting principle. Generally, the cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 5 - RECENT ACCOUNTING PRONOUNCEMENTS (continued)**

During 2025, the NAIC adopted revisions to SSAP No. 26 “Bonds” to incorporate a principle-based bond definition. Revisions were also made to SSAP No. 43 “Asset Backed Securities” and SSAP No. 21 “Other Admitted Assets”. The revised definition includes criteria that must be met in order for a debt instrument to be reported as a bond, classified as either an issuer credit obligation or asset-backed security. The Company adopted the new guidance on January 1, 2025. Upon adoption, the Company identified debt securities with a book adjusted carrying value (“BACV”) of \$641 thousand that no longer met the definition of a bond. These bonds were reclassified to either preferred stock or other invested assets. The impact to surplus from the change in accounting measurement was insignificant.

During 2024, the NAIC adopted changes to SSAP No. 21 "Other Admitted Assets," which revise the accounting guidance for residual tranches of securitizations. The new guidance provides a practical expedient that allows for the use of a cost recovery method. Under the cost recovery method, distributions received from the investment are treated as a reduction of the residual's book value. Investment income is not recognized until the book value of the residual has been reduced to zero. The Company early adopted the new guidance on a prospective basis on October 1, 2024. There was no impact to surplus upon adoption. The Company reclassified \$23 thousand from unrealized losses to realized losses upon adoption.

**NOTE 6 - INVESTMENTS**

**Bonds**

The carrying value and estimated fair value of bonds by maturity at December 31, 2025 and 2024 were as follows (in thousands):

	<b>2025</b>		<b>2024</b>	
	<b>Carrying Value</b>	<b>Estimated Fair Value</b>	<b>Carrying Value</b>	<b>Estimated Fair Value</b>
Due in one year or less	\$ 32,837	\$ 32,621	\$ 9,256	\$ 9,025
Due after one year through five years	234,624	227,512	193,501	186,848
Due after five years through ten years	164,296	160,425	238,641	218,036
Due after ten years through twenty years	13,705	13,081	14,565	13,293
Over twenty years	26,484	25,863	25,171	24,024
Total	<u>\$ 471,945</u>	<u>\$ 459,502</u>	<u>\$ 481,134</u>	<u>\$ 451,226</u>

Corporate bonds are shown based on contractual maturity. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. Mortgage and asset-backed securities are not due at a single maturity date and therefore are shown based on the expected cash flows of the underlying loans, which includes estimates of anticipated future prepayments.

There were cash equivalents with a carrying value of \$18,377 thousand and \$18,163 thousand at December 31, 2025 and 2024, respectively. The Company did not have any short-term investments at December 31, 2025, and 2024 respectively. Carrying value approximates fair value for these investments.



**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 6 - INVESTMENTS (continued)**

The Company's commercial mortgage loans were held in a form of participations with the carrying value of \$70,056 thousand and \$54,582 thousand at December 31, 2025 and 2024, respectively. These loans were originated or acquired by New York Life. Refer to Note 9 - Related Party Transactions for more details.

At December 31, 2025 and 2024, the distribution of the mortgage loan portfolio by property type and geographic location were as follows (\$ in thousands):

	<b>2025</b>		<b>2024</b>	
	<b>Carrying Value</b>	<b>% of Total</b>	<b>Carrying Value</b>	<b>% of Total</b>
<b>Property Type:</b>				
Industrial	\$ 27,812	39.2 %	\$ 23,581	43.2 %
Apartment buildings	26,881	37.9 %	22,272	40.8
Office buildings	9,161	12.9 %	3,615	6.6
Retail facilities	4,530	6.4 %	3,207	5.9
Hotels	751	1.1 %	605	1.1
Other	1,821	2.6 %	1,302	2.4 %
<b>Total</b>	<b>\$ 70,956</b>	<b>100.0 %</b>	<b>\$ 54,582</b>	<b>100.0 %</b>
<b>Geographic Location:</b>				
Central	\$ 24,568	35.0 %	\$ 18,887	34.6 %
South Atlantic	19,321	27.5	18,372	33.7
Middle Atlantic	11,405	16.2	8,316	15.2
Pacific	11,582	16.5	8,076	14.8
New England	3,364	4.8	221	0.4
Other	7	—	—	—
<b>Total</b>	<b>\$ 70,246</b>	<b>99.0 %</b>	<b>\$ 53,872</b>	<b>98.7 %</b>
<b>International Region:</b>				
Mexico	\$ 709	1.0	\$ 709	1.3
<b>Total international region</b>	<b>709</b>	<b>1.0</b>	<b>709</b>	<b>1.3</b>
<b>Total mortgage loans</b>	<b>\$ 70,956</b>	<b>100.0 %</b>	<b>\$ 54,582</b>	<b>100.0 %</b>

At December 31, 2025 and 2024, there were no mortgage loans past due 90 days and over.

The Company maintains a watchlist of commercial loans that may potentially be impaired. Some of the general guidelines analyzed to include commercial loans within the watchlist are loan-to-value ratio (“LTV”), asset performance such as debt service coverage ratio, lease rollovers, income/expense hurdles, major tenant or borrower issues, the economic climate, and catastrophic events, among others. Collateral securing loans placed on the watchlist generally take priority in being revalued in the Company’s inspection/evaluation commercial loan program that revalues properties securing commercial mortgage loans.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 6 - INVESTMENTS (continued)**

The fair value of collateral for commercial mortgage loans (excluding credit loans) is periodically updated no less than every three years. If a loan is determined to be potentially troubled, the loan is monitored as to its status and may be revalued. Certain properties that serve as collateral for commercial mortgages have been placed on a different schedule to address additional risks that resulted from rising interest rates or distress in the market due to return to work issues. Collateral values and related loan-to-value (LTV) ratios are key indicators used to monitor credit quality and identify potential problem loans. At December 31, 2025, and 2024, LTVs on the Company's mortgage loans were as follows (in thousands):

<b>2025</b>							
<b>Loan to Value % (By Class)</b>	<b>Apartment Buildings</b>	<b>Industrial</b>	<b>Office Buildings</b>	<b>Retail Facilities</b>	<b>Hotels</b>	<b>Other</b>	<b>Total</b>
Above 95%	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
91% to 95%	—	—	—	—	—	—	—
81% to 90%	1,210	878	1,884	—	—	23	3,994
71% to 80%	7,506	722	462	—	—	—	8,690
Below 70%	18,165	26,212	6,814	4,530	752	1,799	58,272
Total	<u>\$ 26,881</u>	<u>\$ 27,812</u>	<u>\$ 9,161</u>	<u>\$ 4,530</u>	<u>\$ 752</u>	<u>\$ 1,821</u>	<u>\$ 70,957</u>
<b>2024</b>							
<b>Loan to Value % (By Class)</b>	<b>Apartment Buildings</b>	<b>Industrial</b>	<b>Office Buildings</b>	<b>Retail Facilities</b>	<b>Hotels</b>	<b>Other</b>	<b>Total</b>
Above 95%	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
91% to 95%	800	—	—	—	—	—	800
81% to 90%	419	—	1,884	—	—	—	2,303
71% to 80%	4,910	1,832	99	—	—	—	6,841
Below 70%	16,142	21,749	1,633	3,207	605	1,302	44,637
Total	<u>\$ 22,272</u>	<u>\$ 23,581</u>	<u>\$ 3,615</u>	<u>\$ 3,207</u>	<u>\$ 605</u>	<u>\$ 1,302</u>	<u>\$ 54,582</u>

At December 31, 2025 and 2024, the Company did not have any impaired mortgage loans.

**Other Invested Assets**

The carrying value of other invested assets at December 31, 2025 and 2024 consisted of the following (in thousands):

	<b>2025</b>	<b>2024</b>
Residuals	\$ 319	\$ 171
Capital notes and surplus notes	630	—
Limited partnerships and limited liability companies	23	48
Other investments	19	58
Total other invested assets	<u>\$ 990</u>	<u>\$ 277</u>

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 6 - INVESTMENTS (continued)**

Effective October 1, 2024, residual tranches of securitizations are reported using a cost recovery method where distributions received are treated as a reduction of the residual's book/adjusted carrying value. Investment income is not recognized until the book/adjusted carrying value of the residual has been reduced to zero. Prior to October 1, 2024, most residuals were reported at the lower of cost or market and income was accrued using an effective yield method. Interest earned on these investments is included in Net Investment Income in the accompanying Statutory Statement of Operations.

The Company's investments in capital notes represent the Company's' investments in debt predominantly issued by banks. The Company's capital notes that are reported in other invested assets were previously reported as bonds. As part of the implementation of the PBBD, these notes were reclassified as other invested assets since the issuers' primary regulatory authority can cancel interest in the event of financial stress in a non-resolution scenario without triggering an event of default. Refer to Note 2 - Significant Accounting Policies for the accounting treatment for these instruments

Limited partnerships and limited liability companies primarily consist of a limited partnership interests in a private equity investment. Distributions, other than those deemed a return of capital, are recorded as Net investment income in the accompanying Statutory Statements of Operations. Undistributed earnings are included in Change in net unrealized capital gains on investments in the accompanying Statutory Statements of Changes in Capital and Surplus.

**Assets on Deposit or Pledged as Collateral**

At December 31, 2025 and 2024, the Company's restricted assets (including pledged collateral) were as follows (\$ in thousands):

Restricted Asset Category	2025						Percentage	
	Gross (Admitted and Nonadmitted) Restricted					Gross (Admitted and Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
	Total General Account (G/A)	Total From Prior Year	Increase (Decrease)	Total Nonadmitted Restricted	Total Admitted Restricted			
On deposit with states	\$ 702	\$ 702	\$ —	\$ —	\$ 702	0.12 %	0.12 %	
Total restricted assets	\$ 702	\$ 702	\$ —	\$ —	\$ 702	0.12 %	0.12 %	

  

Restricted Asset Category	2024						Percentage	
	Gross (Admitted and Nonadmitted) Restricted					Gross (Admitted and Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
	Total General Account (G/A)	Total From Prior Year	Increase (Decrease)	Total Nonadmitted Restricted	Total Admitted Restricted			
On deposit with states	\$ 702	\$ 702	\$ —	\$ —	\$ 702	0.11 %	0.12 %	
Total restricted assets	\$ 702	\$ 702	\$ —	\$ —	\$ 702	0.11 %	0.12 %	

**Insurer Self-Certified Securities**

The Company does not have any securities for which it is receiving timely payments of principal and interest.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 6 - INVESTMENTS (continued)**

**Admitted Negative IMR**

IMR was admitted up to the lesser of 10% of the current period unadjusted capital and surplus and 10% of its prior period adjusted capital and surplus. Capital and Surplus was adjusted to exclude net positive admitted goodwill, electronic data processing equipment and operating system software, admitted negative IMR, and net deferred tax assets. The computation of adjusted Capital and Surplus for purposes of negative IMR admissibility is included below (\$ in thousands):

	2025			
	Total	General Account	Insulated Separate Account	Insulated Separate Account
(1) Net negative (disallowed) IMR	\$ 462	\$ 462	\$ —	\$ —
(2) Negative (disallowed) IMR admitted	462	462	—	—
(3) Calculated adjusted capital and surplus				
Prior Period General Account Capital & Surplus	\$ 238,579			
From Prior Period SAP Financials				
Net Positive Goodwill (admitted)	—			
EDP Equipment & Operating System Software (admitted)	—			
Net DTAs (admitted)	\$ 7,802			
Net Negative (disallowed) IMR (admitted)	\$ 498			
Adjusted Capital & Surplus	<u>\$ 230,279</u>			
(4) Percentage of adjusted capital and surplus				
Percentage of Total Net Negative (disallowed) IMR admitted in General Account or recognized in Separate Account to adjusted capital and surplus		0.2 %		
(5) Allocated gains/losses to IMR from derivatives				
		Gains	Losses	
Unamortized Fair Value Derivative Gains & Losses Realized to IMR - Prior Period	\$ —	\$ —		
Fair Value Derivative Gains & Losses Realized to IMR - Added in Current Period	—		—	
Fair Value Derivative Gains & Losses Amortized Over Current Period	—		—	
Unamortized Fair Value Derivative Gains & Losses Realized to IMR - Current Period Total	\$ —	\$ —		

The Company engages in prudent portfolio management that may require sales of its fixed income investments in order to rebalance the portfolio and match the duration of the Company's insurance liabilities. Proceeds from the sale of fixed income investments made for these purposes are reinvested in similar assets. If sales are executed due to liquidity pressures related to the Company's insurance contracts (i.e., excess withdrawal activity), any related realized gains and losses are not deferred into the IMR.

**NOTE 7 - FAIR VALUE MEASUREMENTS**

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP No. 100, "Fair Value Measurements". Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This guidance establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 7 - FAIR VALUE MEASUREMENTS (continued)**

The levels of the fair value hierarchy are based on the inputs to the valuation as follows:

- Level 1** Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. Active markets are defined as a market in which many transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2** Observable inputs other than level 1 prices, such as quoted prices in active markets for similar assets or liabilities; quoted prices in markets that are not active for identical or similar assets or liabilities, or other model driven inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Valuations are generally obtained from third-party pricing services for identical or comparable assets or liabilities or through the use of valuation methodologies using observable market inputs.
- Level 3** Instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions in pricing the asset or liability. Pricing may also be based upon broker quotes that do not represent an offer to transact. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models and other similar techniques. Non-binding broker quotes, which are utilized when pricing service information is not available, are reviewed for reasonableness based on the Company's understanding of the market, and are generally considered Level 3. To the extent the internally developed valuations use significant unobservable inputs, they are classified as Level 3.

**Determination of Fair Value**

The Company has an established and well-documented process for determining fair value. Security pricing is applied using a hierarchy approach whereby publicly available prices are first sought from nationally recognized third-party pricing services. For most private placement securities, the Company applies a matrix-based pricing methodology, which uses spreads derived from third-party benchmark bond indices. For private placement securities that cannot be priced through these processes, the Company uses internal models and calculations. All other securities are submitted to independent brokers for prices. The Company performs various analyses to ascertain that the prices represent fair value. Examples of procedures performed include, but are not limited to, back testing recent trades, monitoring trading volumes, and performing variance analysis of monthly price changes using different thresholds based on asset type. The Company also performs an annual review of all third-party pricing services. During this review, the Company obtains an understanding of the process and sources used by the pricing service to ensure that they maximize the use of observable inputs, the pricing service's frequency of updating prices, and the controls that the pricing service uses to ensure that their prices reflect market assumptions. The Company also selects a sample of securities and obtains a more detailed understanding from each pricing service regarding how they derived the price assigned to each security. Where inputs or prices do not reflect market participant assumptions, the Company will challenge these prices and apply different methodologies that will enhance the use of observable inputs and data. The Company may use non-binding broker quotes or internal valuations to support the fair value of securities that go through this formal price challenge process. At December 31, 2025 and 2024, the Company did not have any price challenges on what it received from third party pricing services.

In addition, the Company has a pricing committee that provides oversight over the Company's prices and fair value process for securities. The committee meets quarterly and is responsible for the review and approval of the Company's valuation procedures. The committee is also responsible for the review of pricing exception reports as well as the review of significant inputs used in the valuation of assets that are valued internally.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 7 - FAIR VALUE MEASUREMENTS (continued)**

The following tables present the carrying amounts and estimated fair value of the Company's financial instruments at December 31, 2025 and 2024 (in thousands):

<b>2025</b>						
	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV as a Practical Expedient</b>
<b>Assets:</b>						
Issuer Credit Obligations	\$ 382,360	\$ 391,987	\$ —	\$380,856	\$ 1,504	\$ —
Asset Backed Securities	77,142	79,958	—	71,500	5,642	—
Total Bonds	459,502	471,945		452,356	7,146	
Preferred Stock	10	10	—	10	—	—
Cash, cash equivalents and short-term investments	3,576	3,576	18,377	(14,801)	—	—
Other invested assets <sup>(1)</sup>	997	949	—	666	331	—
Investment income due and accrued	4,379	4,379	—	4,379	—	—
Commercial mortgage loans	70,274	70,957	—	—	70,274	—
Total assets	<u>\$ 538,738</u>	<u>\$ 551,816</u>	<u>\$ 18,377</u>	<u>\$442,610</u>	<u>\$ 77,751</u>	<u>\$ —</u>
<b>Liabilities:</b>						
Payable to parent and affiliates	\$ 6,274	\$ 6,274	\$ —	\$ 6,274	\$ —	\$ —
Total liabilities	<u>\$ 6,274</u>	<u>\$ 6,274</u>	<u>\$ —</u>	<u>\$ 6,274</u>	<u>\$ —</u>	<u>\$ —</u>

<sup>(1)</sup> Excludes investments accounted for under the equity method.

<b>2024</b>						
	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV as a Practical Expedient</b>
<b>Assets:</b>						
Bonds	\$ 451,226	\$ 481,134	\$ —	\$446,086	\$ 5,141	\$ —
Cash, cash equivalents and short-term investments	13,215	13,215	18,163	(4,948)	—	—
Other invested assets <sup>(1)</sup>	180	171	—	—	180	—
Investment income due and accrued	4,525	4,525	—	4,525	—	—
Commercial mortgage loans	52,048	54,582	—	—	52,048	—
Total assets	<u>\$ 521,194</u>	<u>\$ 553,626</u>	<u>\$ 18,163</u>	<u>\$445,662</u>	<u>\$ 57,369</u>	<u>\$ —</u>
<b>Liabilities:</b>						
Payable to parent and affiliates	\$ 2,366	\$ 2,366	\$ —	\$ 2,366	\$ —	\$ —
Total liabilities	<u>\$ 2,366</u>	<u>\$ 2,366</u>	<u>\$ —</u>	<u>\$ 2,366</u>	<u>\$ —</u>	<u>\$ —</u>

**Bonds**

Securities priced using a pricing service are generally classified as Level 2. Third-party pricing services generally use an income-based valuation approach by using a discounted cash-flow model or it may also use a market approach by looking at recent trades of a specific security to determine fair value on public securities or a combination of the two. Typical inputs used by these pricing services include, but are not limited to: benchmark yields, reported trades, issuer spreads, bids, offers, benchmark securities, estimated cash flows and prepayment speeds, which the Company has determined are observable inputs.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 7 - FAIR VALUE MEASUREMENTS (continued)**

Private placement securities are primarily priced using a market approach such as a matrix-based pricing methodology, which uses spreads derived from third-party benchmark bond indices. Specifically, the Barclays Investment Grade Corporate Index is used for investment-grade securities and the Citi High Yield Cash Index is used for below investment-grade securities. These indices are two widely recognized, reliable and well regarded benchmarks by participants in the financial services industry, which represent the broader U.S. public bond markets. The spreads derived from each matrix are adjusted for liquidity. The liquidity premium is standardized and based on market transactions. These securities are classified as Level 2.

Certain private placement securities that cannot be priced using the matrix pricing described above, are priced by an internally developed discounted cash flow model or are priced based on internal calculations. The model uses observable inputs with a discount rate based off spreads of comparable public bond issues, adjusted for liquidity, rating and maturity. The Company assigns a credit rating for private placement securities based upon internal analysis. The liquidity premium is usually based on market transactions. These securities are classified as Level 2.

For some of the private placement securities priced through the model, the liquidity adjustments may not be based on market data, but rather, calculated internally. If the impact of the liquidity adjustment, which usually requires the most judgment, is not significant to the overall value of the security, the security is still classified as Level 2. If it is deemed to be significant, the security is classified as Level 3.

The valuation techniques for most Level 3 bonds are generally the same as those described in Level 2. However, if the investments are less liquid or are lightly traded, there is generally less observable market data, and therefore these investments will be classified as Level 3. Circumstances where observable market data are not available may include events such as market illiquidity and credit events related to the security. In addition, certain securities are priced based upon internal valuations using significant unobservable inputs. If a security could not be priced by a third-party vendor or through internal pricing models, broker quotes are received and reviewed by each investment analyst. These inputs may not be observable. Therefore, Level 3 classification is determined to be appropriate.

**Mortgage Loans**

The estimated fair value of mortgage loans is determined using an income approach, based upon the present value of the expected cash flows discounted at an interpolated treasury yield plus a spread. The spread is based on management's judgment and assumptions and it takes into account matters such as property type, LTV and remaining term of each loan. The spread is a significant component of the pricing inputs, and therefore, these investments are classified as Level 3.

**Cash, Cash Equivalents and Short-term Investments**

Cash on hand and money market mutual funds are classified as Level 1. Cash overdrafts (i.e. outstanding checks) are classified as Level 2. Due to the short-term maturities of cash equivalents, short term investments, and investment income due and accrued, carrying value approximates fair value and is classified as Level 2.

**Other Invested Assets**

Other invested assets are comprised of residual tranches and capital notes. The fair value of residual tranches of securitizations is derived using an income valuation approach, which is based on a discounted cash flow calculation that may or may not use observable inputs and therefore is classified as Level 3. Capital notes are valued using prices from third-party pricing services that generally use a discounted cash-flow model or a market approach to arrive at the security's fair value and are classified as Level 2.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 7 - FAIR VALUE MEASUREMENTS (continued)**

The following table represents the balances of assets and liabilities measured at fair value or net asset value ("NAV") as of December 31, 2025 (in thousands):

	2025				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as a Practical Expedient	Total
<b>Assets at fair value</b>					
Preferred stocks	\$ —	\$ 10	\$ —	\$ —	\$ 10
Total assets at fair value	\$ —	\$ 10	\$ —	\$ —	\$ 10

  

	2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as a Practical Expedient	Total
<b>Assets at fair value</b>					
Other invested assets	\$ —	\$ —	\$ 91	\$ —	\$ 91
Total assets at fair value	\$ —	\$ —	\$ 91	\$ —	\$ 91

The table below presents a rollforward of Level 3 assets and liabilities for the year ended December 31, 2025 (in thousands):

	2025									
	Balance at 1/1	Transfers into Level 3	Transfers out of Level 3	Total gains (losses) included in Net Income	Total gains (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31
Other invested assets	\$ 91	\$ —	\$ (91)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total	\$ 91	\$ —	\$ (91)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

  

	2024									
	Balance at 1/1	Transfers into Level 3	Transfers out of Level 3	Total gains (losses) included in Net Income	Total gains (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31
Other invested assets	\$ —	\$ —	\$ —	\$ (1)	\$ —	\$ 92	\$ —	\$ —	\$ —	\$ 91
Total	\$ —	\$ —	\$ —	\$ (1)	\$ —	\$ 92	\$ —	\$ —	\$ —	\$ 91

**Transfers between levels**

Transfers between levels may occur due to changes in valuation sources, changes in the availability of market observable inputs, which generally are caused by changes in market conditions such as liquidity, trading volume or bid-ask spreads, or as a result of a security measured at amortized cost at the beginning of the period, but measured at estimated fair value at the end of the period, or vice versa, due to a ratings downgrade or upgrade.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 7 - FAIR VALUE MEASUREMENTS (continued)**

*Transfers into and out of Level 3*

The Company's basis for transferring assets and liabilities into and out of Level 3 is based on changes in the observability of data, a change in the security's measurement or changes in redemption restrictions of certain separate accounts investments.

Transfers out of Level 3 totaled \$91 thousand for the year ended December 31, 2025 which primarily relates to other invested assets residual tranches of securitizations measured at fair value at the beginning of the period and measured at amortized cost at the end of the period.

**NOTE 8 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES**

The components of net investment income for the years ended December 31, 2025 and 2024 were as follows (in thousands):

	<b>2025</b>	<b>2024</b>
Bonds	\$ 19,765	\$ 20,755
Short-term investments	188	—
Mortgage loans	3,532	2,232
Other invested assets	50	—
Other investments	912	817
Gross investment income	24,448	23,804
Investment expenses	(811)	(767)
Net investment income	23,637	23,037
Amortization of IMR	(199)	(196)
Net investment income, including amortization of IMR	<u>\$ 23,438</u>	<u>\$ 22,840</u>

Due and accrued investment income is excluded from surplus when amounts are over 90 days past due or collection is uncertain. At December 31, 2025 and 2024, the Company reported admitted due and accrued investment income of \$4,379 thousand and \$4,525 thousand, respectively. At December 31, 2025 and 2024, the Company reported no nonadmitted due and accrued investment income for both periods. For certain fixed income instruments, the contractual agreement allows the issuer/borrower to defer interest (Paid-in-Kind interest). When interest is deferred, it is capitalized into principal. At December 31, 2025, the Company had paid-in-kind interest of \$82 thousand, which has been included in the principal amount of the Company's mortgage loans of \$82 thousand, and \$1 thousand in bonds. At December 31, 2024, the Company had paid-in-kind interest of \$159 thousand, which has been included in the principal amount of the Company's mortgage loans of \$159 thousand, and none in bonds.

The following table shows the Company's securities redeemed or otherwise disposed of as a result of a callable feature (including make whole call provisions) and the amount of investment income generated as a result of a prepayment and/or acceleration fee, which is included in Bonds in the table above (\$ in thousands):

	<b>2025</b>	<b>2024</b>
	<b>General Account</b>	
Number of cusips	9	5
Investment income	\$ 19	\$ 9

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 8 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)**

For the years ended December 31, 2025 and 2024, net realized capital gains (losses) were as follows (in thousands):

	<b>2025</b>	<b>2024</b>
Bonds	\$ (644)	\$ (1,330)
Other Invested Assets	9	(39)
Mortgage Loans	—	(71)
Net realized capital losses before tax and transfers to the IMR	(635)	(1,440)
Less:		
Capital gains tax (benefit) expense	\$ (1,152)	\$ 395
Net realized capital (losses) gains after tax transferred to IMR	(75)	(727)
Net realized capital gains (losses) after tax and transfers to the IMR	<u>\$ 591</u>	<u>\$ (1,109)</u>

Proceeds from investments in bonds sold were \$27,798 thousand and \$60,046 thousand for the years ended December 31, 2025 and 2024, respectively. Gross gains of \$149 thousand and \$89 thousand in 2025 and 2024, respectively, and gross losses of \$405 thousand and \$1,131 thousand in 2025 and 2024, respectively, were realized on these sales. The Company computes gains and losses on sales under the specific identification method.

The following table provides a summary of OTTI losses included as realized capital losses for the years ended December 31, 2025 and 2024 (in thousands):

	<b>2025</b>	<b>2024</b>
Bonds	\$ 486	\$ 28
Other Invested Assets	15	39
Mortgage Loans	—	71
Total	<u>\$ 501</u>	<u>\$ 137</u>

The following tables present the Company's gross unrealized losses and fair values for bonds and equity securities aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2025 and 2024 (in thousands):

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 8 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)**

	2025					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses <sup>(1)</sup>
<b>Bonds</b>						
Bonds Issued by Funds Representing Operating Entities (Unaffiliated)	\$ 99	\$ 1	\$ 20,907	\$ 1,166	\$ 21,006	\$ 1,166
Corporate Bonds (Unaffiliated)	5,200	230	215,013	12,904	220,213	13,134
Lease-Backed Securities – Full Analysis (Unaffiliated)	3,322	41	5,940	241	9,262	281
Lease-Backed Securities – Practical Expedient (Unaffiliated)	555	1	730	79	1,285	81
Municipal Bonds – Special Revenues	—	—	2,415	138	2,415	138
Non-Agency – CLOs/CBOs/CDOs (Unaffiliated)	126	1	770	12	896	13
Non-Agency Commercial Mortgage-Backed Securities (Unaffiliated)	900	1	12,466	1,379	13,366	1,381
Non-Agency Residential Mortgage-Backed Securities (Unaffiliated)	65	—	4,288	909	4,353	909
Non-U.S. Sovereign Jurisdiction Securities	—	—	2,176	23	2,176	23
Other Financial Asset-Backed Securities – Self-Liquidating (Unaffiliated)	1,704	89	4,383	314	6,087	403
Other Non-Financial Asset-Backed Securities – Practical Expedient (Unaffiliated)	1,355	28	3,823	272	5,178	299
Project Finance Bonds Issued by Operating Entities (Unaffiliated)	847	28	1,615	81	2,462	109
Single Entity Backed Obligations (Unaffiliated)	1,236	10	263	37	1,499	46
U.S. government obligations ( Exempt)	—	—	615	87	615	87
<b>Total bonds</b>	<b>\$ 15,411</b>	<b>\$ 430</b>	<b>\$ 275,403</b>	<b>\$ 17,641</b>	<b>\$ 290,813</b>	<b>\$ 18,071</b>

<sup>(1)</sup> There are no unrealized losses related to NAIC 6 bonds included in the statutory carrying amount.

	2024					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses <sup>(1)</sup>
<b>Bonds</b>						
U.S. governments	\$ —	\$ —	\$ 575	\$ 127	\$ 575	\$ 127
All other governments	—	—	2,200	99	2,200	99
U.S. special revenue and special assessment	—	—	2,379	194	2,379	194
Industrial and miscellaneous unaffiliated	76,951	4,306	279,629	27,704	356,580	32,010
<b>Total bonds</b>	<b>\$ 76,951</b>	<b>\$ 4,306</b>	<b>\$ 284,783</b>	<b>\$ 28,124</b>	<b>\$ 361,734</b>	<b>\$ 32,430</b>

<sup>(1)</sup> There are no unrealized losses related to NAIC 6 bonds included in the statutory carrying amount.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 8 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)**

At December 31, 2025, the gross unrealized loss on bonds was comprised of 636 securities, which are included in the table above. Of the total amount of bond unrealized losses there were \$17,251 thousand, or 95% is related to unrealized losses on investment grade securities and \$820 thousand, or 5% is related to below investment grade securities. At December 31, 2024, the gross unrealized loss on bonds was comprised of 864 securities, which are included in the table above. Of the total amount of bond unrealized losses, \$30,634 thousand, or 95%, is related to unrealized losses on investment grade securities and \$1,795 thousand, or 6%, is related to below investment grade securities. Investment grade is defined as a security having a credit rating from the NAIC of 1 or 2; a rating of Aaa, Aa, A or Baa from Moody's or a rating of AAA, AA, A or BBB from Standard & Poor's ("S&P"); or a comparable internal rating if an externally provided rating is not available.

The amount of gross unrealized losses for bonds where fair value had declined by 20% or more of the amortized cost, totaled \$144 thousand. The period of time that each of these securities has continuously been below amortized cost by 20% or more consists of \$59 thousand for less than 12 months and \$86 thousand for 12 months or greater. In accordance with the Company's impairment policy, the Company performed quantitative and qualitative analysis to determine if the decline was temporary. For those securities where the decline was considered temporary, the Company did not recognize an impairment when it had the ability and intent to hold until recovery.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 9 - RELATED PARTY TRANSACTIONS**

**Dividend Distributions**

For information on dividend payments made to New York Life, refer to note 16 - Dividends to Stockholder.

**Material Transactions**

The following table presents material related party transactions between the Company and its affiliates for the years ended December 31, 2025 and 2024:

Date of Transaction	Name of Related Party	Nature of Relationship	Type of Transaction	Description
<b>Active Agreements</b>				
Various	New York Life	Parent	Participation in mortgage loans, REO and real estate	The Company's interests in commercial mortgage loans are primarily held in the form of participations in mortgages originated or acquired by New York Life. A real estate property acquired through foreclosure is called REO Portfolio. The Company's interests in the ownership of REO Portfolio is called REO Ownership Interest. Certain real estate investments acquired may have similar ownership interests through a participation. Under the participation agreement for the mortgage loans, 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 loan, including without limitation, the principal balance thereof, all interest which accrues thereon, and all proceeds generated therefrom, 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 loan origination or acquisition. Consistent with the participation arrangement, all mortgage loan 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. The Company's mortgage loans, REOs and certain real estate investments acquired through a participation from New York Life had a carrying value of \$70,056 thousand and \$54,161 thousand as of December 31, 2025 and 2024, respectively. There's no REO in the form of participations owned by the Company as of December 31, 2025 and 2024.
1/1/2024	New York Life/ LINA	Parent / Insurance affiliate	Claims administration service agreement	The Company has entered into a claims administration services agreement with both New York Life and Life Insurance Company of North America ('LINA'). For the year ended December 31, 2025, there was no fee incurred associated with these services.
12/31/2020 (amended as of 10/26/2022)	New York Life	Parent	Revolving credit agreement	The Company, as borrower, has a revolving credit agreement with New York Life, as lender, for a maximum aggregate amount of \$10,000 thousand. At December 31, 2025 and 2024, the credit facility was not used, no interest was paid, and there was no outstanding balance due.
12/31/2020	New York Life	Parent	Service and facility agreement	New York Life provides the Company with certain services and facilities including, but not limited to accounting, tax and auditing services, legal services, actuarial services, electronic data processing operations and communications operations. New York Life charges the Company for the identified costs associated with these services and facilities under the terms of a service agreement between New York Life and the Company. For the years ended December 31, 2025 and 2024, the fees incurred associated with these services and facilities, amounted to \$71 thousand and \$67 thousand, respectively. The terms of the agreements require that these amounts be settled in cash within 90 days.
12/31/2020	NYL Investors	Non insurance affiliate	Investment management agreement	The Company is a party to an investment management agreement with NYL Investors (a wholly-owned subsidiary of New York Life), as amended from time to time, whereby NYL Investors provides investment advisory and administrative services to the Company. For the years ended December 31, 2025 and 2024, the total cost for these services amounted to \$721 thousand and \$689 thousand, respectively, which is included in the costs of services billed by New York Life to the Company.

At December 31, 2025 and 2024, the Company reported a net amount of \$5,671 thousand in payables and \$717 thousand in receivables to its parent and affiliates, respectively. The terms of the underlying agreements generally require that these amounts be settled in cash within 90 days.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 9 - RELATED PARTY TRANSACTIONS (continued)**

In the ordinary course of business, the Company enters into reinsurance agreements with its subsidiaries and affiliates. Material reinsurance agreements have been disclosed in Note 11 – Reinsurance. In addition, in the ordinary course of business, the Company may enter into guarantees and/or keep wells with its parent and affiliates. Material guarantee agreements and/or keep wells have been disclosed in Note 13 - Commitments and Contingencies.

**NOTE 10 - INSURANCE LIABILITIES**

Insurance liabilities at December 31, 2025 and 2024 were as follows (in thousands):

	<b>2025</b>	<b>2024</b>
Disability insurance reserves	\$ 255,183	\$ 272,096
Life insurance reserves	17,948	17,997
Other reserves	434	221
Total policy reserves	273,566	290,314
Deposit funds	12,200	12,020
Policy claims	35,466	33,706
Claim adjustment expense reserves	8,401	8,919
Other policy and contract liabilities	5,642	5,401
Total insurance liabilities	<u>\$ 335,275</u>	<u>\$ 350,360</u>

**Disability Insurance Reserves**

Mortality and morbidity assumptions are predominantly based on industry tables and are at least as conservative as the statutory minimums. Discount rates ranged from 2.0% to 10.0% in both 2025 and 2024. The Company also discounts liabilities for certain cancellable disability insurance business. The liabilities for discounted reserves were \$225,784 thousand at December 31, 2025 and \$241,301 thousand at December 31, 2024. The aggregate amount of discount was \$41,550 thousand at December 31, 2025 and \$41,834 thousand at December 31, 2024.

**Life Insurance Reserves**

Reserves for life insurance policies are maintained principally using the 2017 Commissioners’ Standard Ordinary Mortality Tables under the Net Level Premium Reserve Method with valuation interest rates ranging from 3.0% to 3.5%. Reserves for disabled lives are maintained principally using the 2023 Group Term Life Waiver Mortality and Recovery Tables with valuation interest rates ranging from 3.0% to 5.5%. Reserves for supplementary contracts with life contingencies are maintained principally using the 1994 Group Annuity Mortality Table with valuation interest rates ranging from 2.3% to 5.3%.

The Company has established policy reserves on contracts issued January 1, 2001 and later that exceed the minimum amounts determined under Appendix A-820, “Minimum Life and Annuity Reserve Standards” of NAIC SAP by approximately \$574 thousand.

The Company generally waives deduction of deferred fractional premiums upon death of insured and returns any portion of the premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

The Company has issued or assumed substandard policies either rated-up age, or with extra premium, temporary or otherwise, or at a special scale of premiums. In the case of those with rated-up age, the valuation is done at such rated-up age or an equivalent percentage rating.

Ordinary policies issued substandard are valued using a multiple of the standard mortality rates.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 10 - INSURANCE LIABILITIES (continued)**

The tabular interest has been determined by formula as described in the NAIC instructions. The tabular interest and tabular cost less actual reserve released for life insurance has been determined by a formula as described in the NAIC instructions. The tabular cost has been determined by formula as described in the NAIC instructions. Tabular interest on funds not involving life contingencies was determined from the basic data for the calculation of deposit fund liabilities.

**Withdrawal Characteristics of Annuity Reserves and Deposit Funds**

The following tables reflect the withdrawal characteristics at December 31, 2025 and 2024 (\$ in thousands):

*Individual Annuities*

	<b>2025</b>				
	<b>General Account</b>	<b>Separate Accounts with Guarantees</b>	<b>Separate Accounts Non-guaranteed</b>	<b>Total</b>	<b>% of Total</b>
Subject to discretionary withdrawal:					
With fair value adjustment	\$ —	\$ —	\$ —	\$ —	— %
Total with adjustment or at fair value	—	—	—	—	—
At book value without adjustment	—	—	—	—	—
Not subject to discretionary withdrawal	134,708	—	—	134,708	100
Total	134,708	—	—	134,708	100 %
Reinsurance ceded	134,708	—	—	134,708	
Total	\$ —	\$ —	\$ —	\$ —	\$ —
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	
	<b>2024</b>				
	<b>General Account</b>	<b>Separate Accounts with Guarantees</b>	<b>Separate Accounts Non-guaranteed</b>	<b>Total</b>	<b>% of Total</b>
Subject to discretionary withdrawal:					
With fair value adjustment	\$ —	\$ —	\$ —	\$ —	— %
Total with adjustment or at fair value	—	—	—	—	—
At book value without adjustment	—	—	—	—	—
Not subject to discretionary withdrawal	134,278	—	—	134,278	100
Total	134,278	—	—	134,278	100 %
Reinsurance ceded	134,278	—	—	134,278	
Total	\$ —	\$ —	\$ —	\$ —	
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 10 - INSURANCE LIABILITIES (continued)**

*Group Annuities*

	<b>2025</b>				
	<b>General Account</b>	<b>Separate Accounts with Guarantees</b>	<b>Separate Accounts Non- guaranteed</b>	<b>Total</b>	<b>% of Total</b>
Subject to discretionary withdrawal:					
With fair value adjustment	\$ —	\$ —	\$ —	\$ —	— %
Total with adjustment or at fair value	—	—	—	—	—
At book value without adjustment	—	—	—	—	—
Not subject to discretionary withdrawal	7,324	—	—	7,324	100
Total	7,324	—	—	7,324	100 %
Reinsurance ceded	7,027	—	—	7,027	
Total	\$ 297	\$ —	\$ —	\$ 297	
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	

	<b>2024</b>				
	<b>General Account</b>	<b>Separate Accounts with Guarantees</b>	<b>Separate Accounts Non- guaranteed</b>	<b>Total</b>	<b>% of Total</b>
Subject to discretionary withdrawal:					
With fair value adjustment	\$ —	\$ —	\$ —	\$ —	— %
Total with adjustment or at fair value	—	—	—	—	—
At book value without adjustment	—	—	—	—	—
Not subject to discretionary withdrawal	6,626	—	—	6,626	100
Total	6,626	—	—	6,626	100 %
Reinsurance ceded	6,525	—	—	6,525	
Total	\$ 101	\$ —	\$ —	\$ 101	
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 10 - INSURANCE LIABILITIES (continued)**

*Deposit-Type Contracts*

	<b>2025</b>				
	<b>General Account</b>	<b>Separate Accounts with Guarantees</b>	<b>Separate Accounts Non- guaranteed</b>	<b>Total</b>	<b>% of Total</b>
Subject to discretionary withdrawal:					
With fair value adjustment	\$ 303	\$ —	\$ —	\$ 303	2 %
Total with adjustment or at fair value	303	—	—	303	2
At book value without adjustment	12,185	—	—	12,185	97
Not subject to discretionary withdrawal	15	—	—	15	1
Total	12,503	—	—	12,503	100 %
Reinsurance ceded	303	—	—	303	
Total	<u>\$ 12,200</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,200</u>	
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	

	<b>2024</b>				
	<b>General Account</b>	<b>Separate Accounts with Guarantees</b>	<b>Separate Accounts Non- guaranteed</b>	<b>Total</b>	<b>% of Total</b>
Subject to discretionary withdrawal:					
With fair value adjustment	\$ 294	\$ —	\$ —	\$ 294	2 %
Total with adjustment or at fair value	294	—	—	294	2
At book value without adjustment	12,122	—	—	12,122	98
Not subject to discretionary withdrawal	(102)	—	—	(102)	—
Total	12,314	—	—	12,314	100 %
Reinsurance ceded	294	—	—	294	
Total	<u>\$ 12,020</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,020</u>	
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 10 - INSURANCE LIABILITIES (continued)**

**Withdrawal Characteristics of Life Insurance Reserves**

The following table reflects the withdrawal characteristics of life insurance reserves at December 31, 2025 and 2024 (\$ in thousands):

	2025			2024		
	General Account			General Account		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
Other permanent cash value life insurance	\$ —	\$ 173	\$ 818	\$ —	\$ 169	\$ 473
Not subject to discretionary withdrawal or no cash values:						
Term policies without cash value	—	—	3	—	—	3
Disability - disabled lives	—	—	17,744	—	—	18,406
Miscellaneous reserves	—	—	4	—	—	5
Total life insurance (gross)	—	173	18,569	—	169	18,887
Reinsurance ceded	—	144	621	—	165	690
Total life insurance (net)	\$ —	\$ 29	\$ 17,948	\$ —	\$ 4	\$ 18,197

**Retained Asset Accounts**

Retained asset accounts are classified as liabilities for deposit funds. These accounts represent the Company's method for settling certain life, disability and accidental death and dismemberment claims where the claimant does not specify or request payment in an alternate form, or where another form of payment is directed by applicable law. The insurance proceeds are retained in the Company's general account and credited to a beneficiary's free interest-bearing account with draft privileges that can be liquidated at any time. The account balance and earned interest are fully guaranteed by the Company. The interest crediting rate is updated weekly and pegged to the Bank Rate Monitor Index, which reflects the average annual effective yield on money markets offered by one hundred large banks and thrifts in the United States. Interest is compounded daily and is credited to account holders on a monthly basis. The weighted average effective interest rate credited to account holders in 2025 was 0.45%, ranging from 0.40% to 0.48%. Account holders are charged fees only for special services (stop payment requests, checks denied due to insufficient funds, copies of drafts or statements) and are not charged per-draft fees, maintenance charges or withdrawal penalties.

The following table presents the number and balance of retained asset accounts in-force at December 31, 2025 and 2024, respectively (\$ in thousands):

	2025		2024	
	Number	Balance	Number	Balance
Up to and including 12 months	84	\$ 4,911	83	\$ 3,954
13 to 24 months	41	1,264	46	1,965
25 to 36 months	29	1,445	41	1,339
37 to 48 months	29	694	22	1,032
49 to 60 months	17	842	23	553
Over 60 months	87	3,024	89	3,275
Total	287	\$ 12,180	304	\$ 12,118

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 10 - INSURANCE LIABILITIES (continued)**

The following table presents the Company's roll forward of retained asset accounts at December 31, 2025 (\$ in thousands):

	<b>Group Number</b>	<b>Group Balance/ Amount</b>
At the beginning of the year	304	\$ 12,118
Issued/added during the year	182	14,210
Investment earnings credited during the year	N/A	52
Transferred to state unclaimed property funds during the year	(2)	(8)
Closed/withdrawn during the year	(197)	(14,192)
At the end of the year	<u>287</u>	<u>\$ 12,180</u>

**Claim Adjustment Expenses**

For the years ended December 31, 2025 and 2024, the Company's claim adjustment expense reserves were \$8,401 thousand and \$8,919 thousand, respectively. The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2025 and 2024 was \$8,103 thousand and \$8,632 thousand, respectively. The Company incurred \$10,297 thousand and paid \$10,826 thousand of claim adjustment expenses in the current year, of which \$5,183 thousand of the paid amount was attributable to insured or covered events of prior years. There was no change to the liability associated with estimated anticipated salvage and subrogation.

**Policy Claims**

The following table presents a rollforward of the Company's accident and health liabilities for unpaid claims for the years ended December 31, 2025 and 2024 (in thousands):

	<b>2025</b>	<b>2024</b>
Liability at beginning of year	\$ 16,221	\$ 19,175
Incurred expenses for insured or covered events, current year	181,171	172,542
Incurred expenses for insured or covered events, prior years	(9,256)	702
Total provision	171,915	173,244
Payments for insured or covered events, current year	(101,440)	(96,862)
Payments for insured or covered events, prior years	(69,767)	(79,336)
Total payments	(171,207)	(176,198)
Liability at end of year	<u>\$ 16,929</u>	<u>\$ 16,221</u>

The incurred policy claims attributable to insured or covered events of prior years were favorable to reserve levels by \$9,256 thousand in 2025, primarily attributable to observed disability resolution rate experience. The incurred policy claims attributable to insured or covered events of prior years were unfavorable to reserve levels by \$702 thousand in 2024, primarily attributable to the effect of interest discounting in the reserves. There was no change to the liability associated with estimated anticipated salvage and subrogation.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 11 - REINSURANCE**

The effects of reinsurance on the accompanying Statutory Statements of Financial Position at December 31, 2025 and 2024 were as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Policy reserves:		
Direct	\$ 420,884	\$ 437,255
Ceded	<u>(147,318)</u>	<u>(146,941)</u>
Policy reserves	<u>\$ 273,566</u>	<u>\$ 290,314</u>
Policy claims:		
Direct	\$ 35,606	\$ 33,838
Ceded	<u>(140)</u>	<u>(132)</u>
Policy claims	<u>\$ 35,466</u>	<u>\$ 33,706</u>
Reinsurance recoverable	\$ 162	\$ 338

The effects of reinsurance on the accompanying Statutory Statements of Operations for the years ended December 31, 2025 and 2024 were as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Premiums:		
Direct	\$ 273,173	\$ 278,019
Ceded	<u>(647)</u>	<u>(652)</u>
Premiums	<u>\$ 272,526</u>	<u>\$ 277,367</u>
Benefit payments:		
Direct	\$ 248,310	\$ 231,625
Ceded	<u>(13,848)</u>	<u>(9,707)</u>
Benefit payments	<u>\$ 234,462</u>	<u>\$ 221,918</u>

**Reinsurance Ceded**

The Company enters into ceded reinsurance agreements in the normal course of its insurance business to reduce overall risk and to be able to issue group long term disability, group term life and group personal accident insurance policies in excess of its retention limits.

The ceding of risk does not discharge the Company from its primary obligations to policyholders. To the extent that the assuming reinsurers become unable to meet their obligations under reinsurance contracts, the Company remains contingently liable. Each reinsurer is reviewed to evaluate its financial stability before entering into each reinsurance contract and periodically thereafter.

The Company cedes the risks associated with all structured settlement contracts to Connecticut General Life Insurance Company ("CGLIC"). Policy reserves ceded were \$141,761 thousand and \$140,812 thousand at December 31, 2025 and 2024, respectively. In connection with this agreement, CGLIC maintains a trust with the Company as the beneficiary. The book value of the assets in the trust was \$130,643 thousand and \$129,081 thousand at December 31, 2025 and 2024, respectively.

**LIFE INSURANCE COMPANY OF NORTH AMERICA**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 12 - BENEFIT PLANS**

The Company participates in New York Life's tax-qualified and non-qualified defined contribution plans covering eligible U.S. employees (401(k) plans). The tax-qualified plan provides for pre-tax, after-tax and/or after-tax Roth salary reduction contributions (subject to maximums) and Company matching contributions of up to 5% of annual salary (base plus eligible incentive pay are considered). A non-qualified plan credits participant and Company matching contributions with respect to compensation in excess of the amount that may be taken into account under the tax-qualified plan, and a separate non-qualified plan provides for Company matching contributions with respect to deferred compensation. For the years ended December 31, 2025 and 2024, there were no Company matching contributions to the employees' tax qualified and non-qualified plans.

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

**Guarantees**

As stated in Note 3 - Significant Accounting Policies, at the inception of a guarantee (except unlimited guarantees), 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 unless the guarantee is deemed unlimited. At December 31, 2025 and 2024, the Company had no such guarantees.

**Litigation**

The Company is a defendant in individual and/or alleged class action suits related to its group life and disability business. Some of these actions seek substantial or unspecified compensatory and punitive damages. The Company is also from time to time involved in various governmental, administrative, and investigative proceedings and inquiries.

Notwithstanding the uncertain nature of litigation and regulatory inquiries, the outcome of which cannot be predicted, the Company believes that, after provisions made in the financial statements, the ultimate liability that could result from litigation and proceedings would not have a material adverse effect on the Company's financial position; however, it is possible that settlements or adverse determinations in one or more actions or other proceedings in the future could have a material adverse effect on the Company's operating results for a given year.

**Assessment**

Most of the jurisdictions in which the Company is licensed to transact business require life insurers to participate in guaranty associations which are organized to pay contractual benefits pursuant to insurance policies issued by impaired, insolvent or failed life insurers. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed life insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

**Lease Commitments**

The Company is not involved in any operating leases or material sale-leaseback transactions.

**Other Commitments and Contingencies**

At December 31, 2025 and 2024, the Company had contractual commitments to extend credit for commercial mortgage loans at both fixed and variable rates of interest, which amounted to \$2,992 thousand and \$3,453 thousand, respectively. These commitments are diversified by property type and geographic location.

At December 31, 2025, the Company had no outstanding contractual obligations to acquire additional private placement securities. At December 31, 2024, the Company had \$1,377 thousand outstanding contractual obligations to acquire additional private placement securities.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 14 - INCOME TAXES**

The components of the net DTAs and DTLs were as follows at December 31, 2025 and 2024 (in thousands):

	2025			2024			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross DTAs	\$ 20,126	\$ 526	\$ 20,652	\$ 23,348	\$ 1,033	\$ 24,381	\$ (3,222)	\$ (507)	\$ (3,729)
Statutory valuation allowance	—	—	—	—	—	—	—	—	—
Adjusted gross DTAs	20,126	526	20,652	23,348	1,033	24,381	(3,222)	(507)	(3,729)
Nonadmitted DTAs <sup>(1)</sup>	11,480	—	11,480	12,998	—	12,998	(1,518)	—	(1,518)
Subtotal net admitted DTAs	8,646	526	9,172	10,350	1,033	11,383	(1,704)	(507)	(2,211)
Gross DTLs	702	780	1,482	578	610	1,188	124	170	294
Net admitted DTAs	<u>\$ 7,944</u>	<u>\$ (254)</u>	<u>\$ 7,690</u>	<u>\$ 9,772</u>	<u>\$ 423</u>	<u>\$ 10,195</u>	<u>\$ (1,828)</u>	<u>\$ (677)</u>	<u>\$ (2,505)</u>

<sup>(1)</sup> DTAs are nonadmitted primarily because they are not expected to be realized within three years of the Statutory Statements of Financial Position date.

The admission calculation components for the years ended December 31, 2025 and 2024 are as follows (paragraph references throughout Note 14 are to paragraphs of SSAP No. 101 “Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10”) (in thousands):

	December 31, 2025			December 31, 2024			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Federal income taxes paid in prior years recoverable through loss carrybacks (Paragraph 11.a)	\$ 5,128	\$ —	\$ 5,128	\$ 6,646	\$ —	\$ 6,646	\$ (1,518)	\$ —	\$ (1,518)
Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from paragraph 11.a above) after application of the threshold limitation (the lesser of paragraph 11.b.i and 11.b.ii below):	2,177	384	2,561	2,568	980	3,548	(391)	(596)	(987)
Adjusted gross DTAs expected to be realized following the balance sheet date. (Paragraph 11.b.i)	2,177	384	2,561	2,568	980	3,548	(391)	(596)	(987)
Adjusted gross DTAs allowed per limitation threshold (Paragraph 11.b.ii)	XXX	XXX	30,765	XXX	XXX	29,552	XXX	XXX	1,213
Adjusted gross DTAs (excluding the amount of DTAs from paragraphs 11.a and 11.b above) offset by gross DTLs (Paragraph 11.c)	1,341	142	1,483	1,136	53	1,189	205	89	294
DTAs admitted as the result of application of SSAP 101 (Total of paragraphs 11.a, 11.b, 11.c).	<u>\$ 8,646</u>	<u>\$ 526</u>	<u>\$ 9,172</u>	<u>\$ 10,350</u>	<u>\$ 1,033</u>	<u>\$ 11,383</u>	<u>\$ (1,704)</u>	<u>\$ (507)</u>	<u>\$ (2,211)</u>

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 14 - INCOME TAXES (continued)**

The ratio used to determine the applicable period used in paragraph 11.b.i above and the amount of adjusted capital and surplus used to determine the percentage threshold limitation in paragraph 11.b.ii above are as follows (\$ in thousands):

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Ratio percentage used to determine recovery period and threshold limitation amount.	1,048%	868%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in paragraph 11.b.ii above.	\$205,100	\$197,016

There was no impact on the Company's adjusted gross and net admitted DTAs or corporate alternative minimum tax ("CAMT") DTAs, if any, due to tax planning strategies at December 31, 2025 and 2024. The Company did not use reinsurance in its tax planning strategies.

The Company had no unrecognized DTLs at December 31, 2025 and 2024. Additionally, the Company had no adjustments to gross DTAs because of a change in circumstances that causes a change in judgment about the realizability of the related DTAs.

Significant components of the current federal and foreign income taxes for the years ended December 31, 2025 and 2024 were as follows (in thousands):

	<b>2025</b>	<b>2024</b>	<b>Change</b>
Federal and foreign tax expense <sup>(1)</sup>	\$ 5,801	\$ 8,315	\$ (2,514)
Federal income tax on net capital (losses) gains	(1,152)	395	(1,547)
Total federal and foreign income taxes	<u>\$ 4,649</u>	<u>\$ 8,710</u>	<u>\$ (4,061)</u>

<sup>(1)</sup> The Company had no investment tax credits for the years ended December 31, 2025 and 2024, respectively.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 14 - INCOME TAXES (continued)**

The tax effects of temporary differences that give rise to DTAs and DTLs at December 31, 2025 and 2024 were as follows (in thousands):

	<u>2025</u>	<u>2024</u>	<u>Change</u>
<b>DTAs</b>			
Ordinary:			
Unearned premium reserve	\$ 7	\$ 13	\$ (6)
Other insurance and contract holder liabilities	5,566	7,050	(1,484)
Investments	2,044	3,010	(966)
Deferred acquisition costs	1,768	1,289	479
Receivables - nonadmitted	872	1,129	(257)
Other <sup>(1)</sup>	9,869	10,857	(988)
Subtotal	<u>20,126</u>	<u>23,348</u>	<u>(3,222)</u>
Non-admitted	11,480	12,998	(1,518)
Statutory valuation adjustment	—	—	—
Admitted ordinary DTAs	<u>8,646</u>	<u>10,350</u>	<u>(1,704)</u>
Capital:			
Investments	153	53	100
Net capital loss carry-forward	373	980	(607)
Subtotal	<u>526</u>	<u>1,033</u>	<u>(507)</u>
Nonadmitted	—	—	—
Admitted capital DTAs	<u>526</u>	<u>1,033</u>	<u>(507)</u>
Total admitted DTAs	<u>9,172</u>	<u>11,383</u>	<u>(2,211)</u>
<b>DTLs</b>			
Ordinary:			
Investments	656	532	124
Deferred & uncollected premium	46	46	—
Subtotal	<u>702</u>	<u>578</u>	<u>124</u>
Capital:			
Investments	780	610	170
Subtotal	<u>780</u>	<u>610</u>	<u>170</u>
Total DTLs	<u>1,482</u>	<u>1,188</u>	<u>294</u>
Net admitted DTAs	<u>\$ 7,690</u>	<u>\$ 10,195</u>	<u>\$ (2,505)</u>
Change in deferred income tax on change in net unrealized capital gains/(losses)			\$ 6
Change in net deferred tax related to other items			\$ (4,029)
Change in deferred tax asset nonadmitted			\$ 1,518
Total change in net admitted DTAs			<u>\$ (2,505)</u>

<sup>(1)</sup>Other DTA includes goodwill and intangibles of \$9,860 thousand and \$10,845 thousand at December 31, 2025 and 2024 respectively.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 14 - INCOME TAXES (continued)**

The Company's income tax expense and change in deferred tax assets/deferred tax liabilities at December 31, 2025 and 2024 differs from the amount obtained by applying the statutory rate of 21% to net gain from operations after dividends to policyholders and before federal income taxes for the following reasons (in thousands):

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Net gain from operations after dividends to policyholders and before federal and foreign income taxes at statutory rate	\$ 8,527	\$ 10,173	\$ (1,646)
Net realized capital (losses) gains at statutory rate	(133)	(302)	169
Investment items	(14)	(14)	—
Change in nonadmitted assets	257	1,646	(1,389)
IMR	42	41	1
Other items impacting surplus	—	6	(6)
Other, net	<u>(1)</u>	<u>2</u>	<u>(3)</u>
Federal and foreign income taxes incurred and change in net deferred taxes during the year	<u>\$ 8,678</u>	<u>\$ 11,552</u>	<u>\$ (2,874)</u>
Federal and foreign income tax expense reported in the Company's Statutory Summary of Operations	\$ 5,801	\$ 8,315	\$ (2,514)
Capital gains tax (benefit) expense incurred	(1,152)	395	(1,547)
Change in net deferred income taxes	<u>4,029</u>	<u>2,842</u>	<u>1,187</u>
Federal and foreign income taxes incurred and change in net deferred taxes during the year	<u>\$ 8,678</u>	<u>\$ 11,552</u>	<u>\$ (2,874)</u>

The Company's federal income tax return is consolidated with NYLIC, NYLIAC, NYLAZ, NYLIFE LLC, NYLE, NYL Investments, NYL Investors LLC, LINA, and LINA Benefit Payments, Inc. Refer to Note 3 – Significant Accounting Policies - Federal Income Taxes.

The New York Life consolidated federal income tax returns are routinely audited by the Internal Revenue Service ("IRS") and provisions are made in the financial statements in anticipation of the results of these audits. The IRS has completed audits through 2013, and tax years 2014 through 2018 are currently under examination. There were no material effects in the Company's Statement of Operations as a result of these audits.

The Company does not anticipate any significant changes to its total unrecognized tax benefits within the next 12 months.

The Company does not have repatriation transition tax owed under the Tax Cuts and Jobs Act.

The Company has the following carry forwards available and no tax credit or CAMT credit carryforwards available for tax purposes.

	<u>Amount</u>	<u>Origination Date</u>	<u>Expiration Date</u>
Capital Loss	\$ 1,774	12/31/2023	12/31/2028

For the years ended December 2025, 2024, and 2023, the Company's income taxes incurred in current and prior years that will be available for recoupment in the event of future net losses were as follows (in thousands):

<u>Year</u>	<u>Ordinary</u>
2025	\$ 5,637
2024	\$ 8,477
2023	\$ —

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 14 - INCOME TAXES (continued)**

At December 31, 2025 and 2024, the Company recorded a current income tax receivable of \$1,634 thousand and \$59 thousand, respectively, which is included in Other assets in the accompanying Statutory Statements of Financial Position.

The Company has determined as of the reporting date that it will be an applicable corporation but will not be liable for corporate alternative minimum tax ("CAMT"), that is based on the adjusted financial statement income set forth on the applicable financial statement on the applicable corporation, for the reporting year. The reporting entity has made an accounting policy election to disregard CAMT when evaluating the need for valuation allowance for its non-CAMT DTA's. As the subsidiary that is a member of a controlled group of corporations that file a consolidated return, any CAMT liability will be borne by the parent.

The One Big Beautiful Bill Act ("OBBBA") was enacted on July 4, 2025. The legislation permanently extends certain provisions of the 2017 Tax Cuts and Jobs Act and introduces additional tax measures. The Company evaluated that there was no material impact on the Company's surplus position as a result of OBBBA.

At December 31, 2025, the Company had no protective tax deposits on deposit with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.

**NOTE 15 - CAPITAL AND SURPLUS**

**Capitalization**

The Company has 40,000 shares authorized, issued and outstanding, with a par value of \$27.50 per share. All shares are common stock and are owned by New York Life. The Company has no preferred stock.

**Nonadmitted Assets**

Under statutory accounting rules, a nonadmitted asset is defined as an asset having economic value other than that which can be used to fulfill policyholder obligations, or those assets that are unavailable due to encumbrances or other third-party interests. These assets are not recognized in the accompanying Statutory Statements of Financial Position, and are, therefore, considered nonadmitted. The changes between years in nonadmitted assets are charged or credited directly to surplus.

**Special Surplus Funds**

At December 31, 2025, the Company had special surplus funds of \$462 thousand due to the admittance of negative IMR. Refer to Note 6 - Investments for a more detailed discussion on Admitted Negative IMR.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 16 - DIVIDENDS TO STOCKHOLDER**

The Company is subject to restrictions on the payment of dividends to New York Life. Under the state of New York insurance laws, cash dividends can be paid only out of that part of the Company's available and accumulated surplus funds which are derived from realized net operating profits on its business and realized capital gains, and dividends (or other distributions) on capital stock can be declared and paid only out of earned surplus (being an amount equal to the unassigned funds of the Company as set forth in its most recent annual statement submitted to the New York State Insurance Superintendent ("the Superintendent"), including all or part of the surplus arising from unrealized capital gains or revaluation of assets excluding 85% of the change in unrealized capital gains for the immediately preceding calendar year), and, except as otherwise approved by the Superintendent (provided that stock dividends may be paid out of any available surplus funds). Furthermore, no extraordinary dividend may be paid until 30 days after the Superintendent has received notice of such declaration and has not disapproved such payment within such 30 day period, or the Superintendent has approved such payment within that 30 day period. Extraordinary dividends are defined as any dividend or distribution or cash or other property, whose fair market value, together with that of other dividends or distributions made within the preceding 12 months, exceeds the greater of (1) 10 percent of the Company's surplus as regards policyholders as of the preceding December 31 or (2) the net gain from operations of the Company for the 12 month period ending on the preceding December 31, not including realized capital gains, not to exceed thirty percent of its surplus to policyholders as of the immediately preceding calendar year. Extraordinary dividends are also defined as any dividends in the calendar year immediately following a calendar year for which the Company's net gain from operations, not including realized capital gains, was negative.

At December 31, 2025, the amount of earned surplus of the Company available for the payment of dividends was \$205,977 thousand. The maximum amount of dividends that may be paid in 2026 without prior notice to or approval of the Department is \$34,805 thousand.

Dividends may be declared by the Board of Directors of the Company from available surplus, as it deems appropriate, on a non-cumulative basis. For the years ended December 31, 2025, and 2024 the Company paid dividends to its sole stockholder, New York Life, of \$28,000 thousand, and \$28,000 thousand, respectively.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY**  
**NOTES TO STATUTORY FINANCIAL STATEMENTS**

**NOTE 17 - WRITTEN PREMIUMS**

The amount of net premiums written by the Company for the years ended December 31, 2025 and 2024 that are subject to retrospective rating features were \$77 thousand and \$86 thousand, respectively, which represented less than 1% of the total net premiums written for both periods. No other net premiums written by the Company are subject to retrospective rating features.

Deferred and uncollected life insurance premiums and annuity considerations at December 31, 2025 and 2024 were as follows (in thousands):

	2025		2024	
	Gross	Net of Loading	Gross	Net of Loading
Ordinary renewal	\$ 11	\$ 11	\$ 74	\$ 74
Group Life	5,572	5,572	7,464	7,464
<b>Total</b>	<b>\$ 5,583</b>	<b>\$ 5,583</b>	<b>\$ 7,538</b>	<b>\$ 7,538</b>

Deferred premium is the portion of the annual premium not earned at the reporting date. Loading of deferred premium is an amount obtained by subtracting the valuation net deferred premium from the gross deferred premium and generally includes allowances for acquisition costs and other expenses.

Uncollected premium is gross premium, net of reinsurance that is due and unpaid at the reporting date. Net premium is the amount used in the calculation of reserves. The change in loading is included as an expense and is not shown as a reduction to premium income.

Based upon the Company experience, the amount of premiums that may become uncollectible and result in a potential loss is not material to the Company's financial position. At December 31, 2025 and 2024, the Company had \$4,108 thousand and \$5,193 thousand of uncollected premiums, respectively, that were nonadmitted as they were over 90 days past due.

The Company did not have any direct premium written/produced by a single managing general agent/third-party administrator that was equal to or greater than 5% of surplus for the years ended December 31, 2025 and 2024, respectively.

**NOTE 18 - SUBSEQUENT EVENTS**

At March 27, 2026, the date the financial statements were available to be issued, there have been no events occurring subsequent to the close of the Company's books or accounts for the accompanying statutory financial statements that would have a material effect on the financial condition of the Company.

**NEW YORK LIFE GROUP INSURANCE COMPANY OF NY  
NOTES TO STATUTORY FINANCIAL STATEMENTS**

**GLOSSARY OF TERMS**

<b>Term</b>	<b>Description</b>
AVR .....	Asset valuation reserve
CAMT .....	Corporate Alternative Minimum Tax
CGLIC .....	Connecticut General Life Insurance Company
CHLIC .....	Cigna Health & Life Insurance Company
DTA(s) .....	Deferred tax asset(s)
DTL(s) .....	Deferred tax liability(ies)
IMR .....	Interest maintenance reserve
INT .....	Interpretation adopted by the NAIC
IRA .....	The Inflation Reduction Act of 2022
IRS .....	Internal Revenue Service
LINA .....	Life Insurance Company of North America
LTV .....	Loan to value ratio
NAIC .....	National Association of Insurance Commissioners
NAIC SAP .....	National Association of Insurance Commissioners' Accounting Practices and Procedures
NAV .....	Net asset value
New York Life .....	New York Life Insurance Company
OTTI .....	Other-than-temporary impairment(s)
OBBBA .....	One Big Beautiful Bill Act
PBBD .....	Principles-based bond definition
SSAP .....	Statement of Statutory Accounting Principles
The Company .....	New York Life Group Insurance Company of NY
The Department .....	New York State Department of Financial Services
U.S. GAAP .....	Accounting principles generally accepted in the United States of America