

BEST'S RATING REPORT

New York Life Insurance Company

51 Madison Avenue, Room 353, New York, New York, United States 10010

AMB #: 006820

NAIC #: 66915

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New York Life Insurance Company

Disclosure Information: View A.M. Best's [Rating Disclosure Form](#)

Ultimate Parent: [006820 - New York Life Insurance Company](#)

A.M. Best Rating Unit: [069714 - New York Life Group](#)

Best's Credit Ratings:

Rating Effective Date: July 25, 2018

Best's Financial Strength Rating:	A++	Outlook:	Stable	Action:	Affirmed
Best's Issuer Credit Rating:	aaa	Outlook:	Stable	Action:	Affirmed

Five Year Credit Rating History:

Date	Best's Financial Strength Ratings			Best's Issuer Credit Ratings		
	Rating	Outlook	Action	Rating	Outlook	Action
07/25/2018	A++	Stable	Affirmed	aaa	Stable	Affirmed
07/20/2017	A++	Stable	Affirmed	aaa	Stable	Affirmed
07/15/2016	A++	Stable	Affirmed	aaa	Stable	Affirmed
07/01/2015	A++	Stable	Affirmed	aaa	Stable	Affirmed
06/04/2014	A++	Stable	Affirmed	aaa	Stable	Affirmed

Corporate Overview:

New York Life Insurance Company (NYLIC), a mutual life insurer, and its subsidiaries (collectively referred to as NYL), offers a wide range of insurance and investment products and services including life, long term care (LTC) insurance, annuities, pension products, mutual funds and other investments and investment advisory services. NYL maintains strong market positions in the life insurance, annuities and executive benefits markets for middle and upper income individuals, as well as institutions of all sizes throughout the United States and abroad. NYL is one of the largest ordinary life writers in the country. The company's vast career agency distribution network, with a wide geographic reach, helped establish this strong competitive position, which has been enhanced in recent years by new distribution sources. NYL includes New York Life Insurance and Annuity Corporation (NYLIAC), a wholly owned subsidiary through which NYL offers variable and interest-sensitive products, and NYLIFE Insurance Company of Arizona (NYLAZ). The company intends to maintain its status as a mutual company in order to remain uniquely aligned with its customers, with sufficient capital available to support its growth strategies. NYL's businesses are managed under two primary segments: Insurance & Agency Group and Investments Group.

Corporate Structure

AMB#	Company Name	Domicile	Percentage Own (%)
006820	New York Life Ins Co	NY	
059229	New York Life Capital Corp		
055369	New York Life Enterprises LLC	DE	100
085870	Seg Monterrey NY Life SA de CV	Mexico	99.99
059220	New York Life Funding	Cayman Islands	
059221	New York Life Global Funding	DE	
009054	New York Life Ins & Annuity	DE	100
068015	NYLIFE Ins Co of Arizona	AZ	100

Rating Rationale:

The following text is derived from Best's Credit Report on New York Life Group (AMB# 0069714):

Balance Sheet Strength: Strongest

- Very strong risk-adjusted capital with ample financial flexibility along with adequate liquidity to meet any demand for obligations even under extreme stress scenarios drives balance sheet strength.
- Rigorous annual liquidity stress testing performed and designed to capture tail-risk events, with modest operating leverage.
- Reserve profile is weighted towards annuity products which are exposed to the continued low interest rate environment. However, this reserve profile is partially driven by the reserving dynamics between life insurance and annuity products which generates higher reserves for annuity products in the earlier years.

Operating Performance: Very Strong

- Consistent very strong operating performance driven by solid premium growth with financial performance that has been more stable than peers.
- Sales growth attributed to the ordinary life business is above the industry average, and overall GAAP earnings are derived from diverse sources, including individual insurance, annuities, and third-party investment management.
- Majority of annuity sales have market value adjustment (MVA) features that reduce interest rate risk, offset with vulnerability to spread compression if the low interest rate environment persists longer.

Business Profile: Very Favorable

- Very strong and established industry-leading career agency distribution channel, and one of the most productive of its type in the industry, although the agency network has higher fixed costs compared to other distribution channels.
- Continues to maintain favorable spread margins in a difficult interest rate environment, while balancing annuity risk with market value adjustment features.
- Strong brand recognition and leading market position in retail life and guaranteed income annuities, with a top three ranked position in overall U.S. individual annuity sales.

Enterprise Risk Management: Very Strong

- Company maintains a very disciplined enterprise-wide approach to risk management that ensures risks are properly identified, evaluated, and controlled in line with the company's risk strategy and capacity.
- Overall, very conservative investment policies and guidelines that have been established by management, with risk appetite constraints in place incorporating capital, earnings, liquidity, and franchise value.
- Company-wide stress testing designed to capture significant tail-risk events and emerging risks that are constantly monitored with high potential severity.

Outlook

The stable outlooks reflect the group's strongest balance sheet strength assessment, very strong operating performance and very favorable business profile.

Rating Drivers

Negative rating action may occur if New York Life Group were to alter its business profile away from its core profitable ordinary life insurance niche and add measurable balance sheet risk.

Negative rating action could result if the New York Life Group exhibits a significant and sustained decline in its risk-adjusted capital position.

Negative rating action could also occur from a significant and sustained drop in operating performance.

Financial Statements:

Balance Sheet:

Balance Sheet:

Admitted Assets	Year End - December 31	
	2017 (\$000)	2016 (\$000)
Bonds	98,176,055	93,048,141
Preferred Stocks	70,678	56,185
Common Stocks	10,736,656	9,843,533
Mortgage Loans	15,675,729	14,852,756
Real Estate	1,524,369	1,586,478
Contract Loans	10,876,789	10,596,347
Cash & short-term Investments	2,420,436	2,988,954
Other Invested Assets	9,456,949	8,809,650
Funds held by reinsurance companies	4,014,885	4,153,901
Premiums & Consideration Due	1,950,227	1,842,818
Investment income due & accrued	1,285,130	1,375,160
Other Assets	7,223,862	7,811,218
Total assets excluding separate accounts	163,411,766	156,965,141
Separate account assets	13,353,781	13,796,694
Total Assets	176,765,548	170,761,835

Liabilities & Surplus	Year End - December 31	
	2017 (\$000)	2016 (\$000)
+ Net Policy Reserves	107,201,325	102,287,139
Liabilities for deposit type contracts	17,922,307	16,434,973
Policy Claims	785,847	855,319
Interest maintenance reserve	657,539	723,641
Commissions, taxes and expenses	2,083,949	2,046,499
Borrowed Money
Asset Valuation Reserve	2,651,610	2,175,467
Funds held under coinsurance	4,227,539	4,406,847
Contingency Reserve	365,984	331,416
Other Funds
Other Liabilities	7,158,715	7,602,152
Total liabilities excluding separate accounts	143,054,816	136,863,455
Separate account liabilities	13,353,781	13,790,819
Total Liabilities	156,408,597	150,654,274

YE 2017: + Analysis of reserves; Life \$77,393,479; annuities \$24,466,178; supplementary contracts with life contingencies \$10,582; accidental death benefits \$50,401; disability active lives \$370,411; disability disabled lives \$537,280; miscellaneous reserves \$480,749; accident & health \$3,892,245.

YE 2016: + Analysis of reserves; Life \$74,266,019; annuities \$22,876,782; supplementary contracts with life contingencies \$9,957; accidental death benefits \$48,891; disability active lives \$352,712; disability disabled lives \$542,130; miscellaneous reserves \$540,849; accident & health \$3,649,799.

Balance Sheet: (Continued...)**Balance Sheet: (Continued...)**

Capital & Surplus	Year End - December 31	
	2017 (\$000)	2016 (\$000)
Surplus Notes	1,993,231	1,992,828
Unassigned Surplus	18,363,720	18,114,733
Other Surplus
Total Policyholders' Surplus	20,356,950	20,107,561
Total Liabilities & Surplus	176,765,548	170,761,835

Source: Bestlink - Best's Statement File - L/H, US

Company History:**Date Incorporated:** 05/21/1841**Date Commenced:** 04/12/1845**Domicile:** United States: New York

Originally incorporated as Nautilus Insurance Company, the company adopted its current title in 1849.

Company Management:

Last significant update on 12/21/2017

Officers**Chairman of the Board and CEO:** Theodore A. Mathas**President:** John Y. Kim**EVP and CFO:** John T. Fleurant**EVP, General Counsel and Chief Legal Officer:** Sheila Kearney Davidson**SVP and Chief Investment Officer:** Anthony Malloy**SVP, Secretary and General Counsel:** Amy Miller (Deputy)**SVP and Treasurer:** Thomas A. Hendry**SVP, Chief Actuary and Chief Risk Officer:** Joel M. Steinberg**SVP and General Auditor:** Patricia Barbari**SVP and Controller:** Robert M. Gardner**SVP and Chief Human Resource Officer:** Katherine Roche O'Brien**SVP:** Mark J. Madgett (Insurance & Agency Group)**SVP:** George Nichols, III (Office of Governmental Affairs)**Directors**

Betty C. Alewine

Michele G. Buck

Robert B. Carter

Ralph de la Vega

Mark L. Feidler

Christina A. Gold

Theodore A. Mathas (Chairman)

Company Management: (Continued...)

Directors (Continued...)

Sidney Thomas Moser
Thomas C. Schievelbein
Edward D. Shirley
Gerald B. Smith
William G. Walter

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