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## FOR IMMEDIATE RELEASE

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### **A.M. Best Affirms Credit Ratings of New York Life Insurance Company and Its Subsidiaries**

**OLDWICK, N.J., July 20, 2017**—A.M. Best has affirmed the Financial Strength Rating of A++ (Superior) and the Long-Term Issuer Credit Ratings of “aaa” of **New York Life Insurance Company** and its wholly owned subsidiary, **New York Life Insurance and Annuity Corporation** (collectively referred to as New York Life). Additionally, A.M. Best has affirmed the Long-Term Issue Credit Ratings (Long-Term IRs) on the funding agreement-backed securities (FABS) programs, the outstanding notes issued thereunder and the Long-Term IRs on the existing surplus notes of New York Life Insurance Company. The outlook for each of these Credit Ratings (rating) is stable. All companies are headquartered in New York, NY. (See below for a detailed listing of the Long-Term IRs.)

New York Life’s ratings reflect the strength of its career agency distribution force, its market position among the leaders in the U.S. life insurance industry, its excellent risk-adjusted capitalization and the consistent operating earnings generated from its ordinary life insurance business. The ratings also consider the organization’s favorable liability profile and commitment to mutuality. New York Life enjoys the competitive advantage of its core career agency force, which has led the industry in Million Dollar Round Table membership for 62 consecutive years. The agency channel has contributed to the organization’s strong persistency and prominent market position within the individual life market.

New York Life’s sizeable in-force block of traditional life insurance and stable, long-term cash flows are

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the foundation of its operating performance. The conservative nature of the company's product portfolio, together with its large block of ordinary life business, translates into one of the more creditworthy liability profiles in the industry. Additionally, A.M. Best notes that New York Life has an added measure of financial flexibility in support of its strong risk-adjusted capital position through the management of its policyholder dividend scale. A.M. Best also notes the diversification provided by New York Life's Investments Group, reflective of its strong spread revenue and asset-based fees that are generated from the \$538 billion of assets under management as of year-end 2016.

While A.M. Best believes that New York Life's investment management capabilities remain strong, the potential exists for higher-than-normal, albeit manageable, credit losses within its general account investment portfolio. While the organization's portfolio has a material allocation to highly rated corporate fixed income securities, A.M. Best notes that New York Life has a sizable allocation to non-traditional assets, namely investments in private equity of 18.9% and hedge funds of 1.6% that together represent a total of approximately 20.5% of total capital.

With respect to New York Life's product portfolio, A.M. Best believes the allocation to interest-sensitive liabilities is high relative to peers, including its use of operating leverage; however, the company has historically demonstrated solid capabilities in managing this exposure. A.M. Best will monitor any additional growth in this exposure.

New York Life's current adjusted GAAP financial leverage, excluding accumulated other comprehensive income, together with secured and non-recourse debt, is well within A.M. Best's guidelines for the company's current rating level. Also, GAAP interest coverage is very strong. Additionally, A.M. Best views favorably New York Life's proactive management of interest rate risk through ongoing hedging, product design, dynamic asset rebalancing and its disciplined approach to sales.

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The following Long-Term IRs have been affirmed:

**New York Life Funding**—program rating of “aaa”

**New York Life Global Funding**—program rating of “aaa”  
-- “aaa” on all outstanding notes issued under the program

**New York Life Insurance Company**--  
-- “aa” on \$1 billion 5.875% surplus notes, due May 2033  
-- “aa” on \$1 billion 6.75% surplus notes, due November 2039

**New York Life Capital Corp**--  
-- AMB-1+ on the commercial paper program

**This press release relates to Credit Ratings that have been published on A.M. Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best’s Credit Ratings](#). For information on the proper media use of Best’s Credit Ratings and A.M. Best press releases, please view [Guide for Media - Proper Use of Best’s Credit Ratings and A.M. Best Rating Action Press Releases](#).**

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