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Press Release - JULY 15, 2016

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

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Related Companies

For information about each company, including the AMB Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
059220	New York Life Funding
059221	New York Life Global Funding
069714	New York Life Group
006820	New York Life Insurance Company
069340	New York Life Insurance Company CAB

FOR IMMEDIATE RELEASE

OLDWICK - JULY 15, 2016

A.M. Best has affirmed the financial strength rating of A++ (Superior) and the 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 issue ratings on the funding agreement-backed securities (FABS) programs, the outstanding notes issued thereunder and the issue ratings on the existing surplus notes of New York Life Insurance Company. The outlook for each rating is stable. All companies are headquartered in New York, NY. (See below for a detailed listing of the issue ratings.)

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 61 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 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 \$528 billion of assets under management as of year-end 2015.

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. The organization maintains significant holdings in public-private corporate bonds and structured securities. In addition, A.M. Best notes that New York Life has a sizable allocation to non-traditional assets, namely investments in private equity of 18.6% and hedge funds of 1.5%, representing a total of approximately 20% of total capital.

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 its 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.

The following issue ratings 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 rating(s) 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.

A.M. Best is the world's oldest and most authoritative insurance rating and information source.

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