

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

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

**FINANCIAL STATEMENTS**

**(STATUTORY BASIS)**

**DECEMBER 31, 2023 and 2022**

## Table of Contents

	<u>Page Number</u>
Report of Independent Auditors	1
Statutory Statements of Financial Position	3
Statutory Statements of Operations	4
Statutory Statements of Changes in Capital and Surplus	5
Statutory Statements of Cash Flows	6
Notes to Statutory Financial Statements	
Note 1 - Nature of Operations	8
Note 2 - Basis of Presentation	8
Note 3 - Significant Accounting Policies	10
Note 4 - Business Risks and Uncertainties	14
Note 5 - Recent Accounting Pronouncements	15
Note 6 - Investments	15
Note 7 - Fair Value Measurements	19
Note 8 - Investment Income and Capital Gains and Losses	23
Note 9 - Related Party Transactions	25
Note 10 - Insurance Liabilities	26
Note 11 - Reinsurance	34
Note 12 - Benefit Plans	35
Note 13 - Commitments and Contingencies	35
Note 14 - Income Taxes	36
Note 15 - Capital and Surplus	40
Note 16 - Dividends to Stockholders	40
Note 17 - Written Premiums	41
Note 18 - Subsequent Events	41
Glossary of Terms	42



## 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 basis 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, 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:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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.
- 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.
- 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.
- 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.

*PricewaterhouseCoopers LLP*

New York, New York  
April 4, 2024

**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>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
<b>Assets</b>		
Bonds	\$ 501,563	\$ 490,984
Cash, cash equivalents and short-term investments	9,806	(3,161)
Mortgage loans	32,811	26,099
Other invested assets	241	122
Total cash and invested assets	544,421	514,044
Investment income due and accrued	4,445	4,151
Admitted disallowed interest maintenance reserve	57	—
Amounts due from reinsurers	2,210	2,616
Deferred tax assets	11,284	12,382
Deferred and uncollected premiums	22,778	24,803
Other assets	1,768	5,883
<b>Total assets</b>	<b>\$ 586,963</b>	<b>\$ 563,879</b>
<b>Liabilities, capital and surplus</b>		
Liabilities:		
Policy reserves	\$ 308,185	\$ 301,782
Deposit funds	14,377	20,815
Policy claims	38,614	47,964
Other policy and contract liabilities	5,984	5,877
Accrued commissions, expenses and taxes	4,249	2,190
Remittance and items not allocated	17,320	17,174
Other liabilities	2,583	2,975
Interest maintenance reserve	—	815
Asset valuation reserve	5,539	4,598
<b>Total liabilities</b>	<b>\$ 396,851</b>	<b>\$ 404,190</b>
Capital and Surplus:		
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	57	—
Unassigned surplus	183,705	153,339
<b>Total capital and surplus</b>	<b>190,112</b>	<b>159,689</b>
<b>Total liabilities, capital and surplus</b>	<b>\$ 586,963</b>	<b>\$ 563,879</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>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
<b>Income</b>		
Premiums and related expenses	\$ 285,849	\$ 317,177
Net investment income	20,578	17,036
Other income	562	374
<b>Total income</b>	<b>306,989</b>	<b>334,587</b>
<b>Benefits and expenses</b>		
Benefit payments:		
Disability benefits	161,410	165,271
Death benefits	55,343	60,127
Other benefits	82	(93)
Total benefit payments	216,835	225,305
Additions to policy reserves	7,783	14,767
Commissions	12,182	13,464
Operating expenses	34,929	24,384
<b>Total benefits and expenses</b>	<b>271,729</b>	<b>277,920</b>
Gain from operations before federal and foreign income taxes	35,260	56,667
Federal and foreign income taxes	6,363	9,638
Net gain from operations	28,897	47,029
Net realized capital losses, after taxes and transfers to interest maintenance reserve	(1)	(115)
<b>Net income</b>	<b>\$ 28,896</b>	<b>\$ 46,914</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>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
<b>Capital and surplus, beginning of year</b>	\$ 159,689	\$ 111,872
Net income	28,896	46,914
Change in net unrealized capital losses on investments	(5)	—
Change in nonadmitted assets	3,008	5,032
Change in asset valuation reserve	(941)	(518)
Change in net deferred income tax	(1,886)	(3,612)
Change in reserve valuation basis	1,380	—
Other adjustments, net	(29)	—
Net increase	\$ 30,423	\$ 47,817
<b>Capital and surplus, end of year</b>	<b>\$ 190,112</b>	<b>\$ 159,689</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 CASH FLOWS**

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
<b>Cash flows from operating activities:</b>		
Premiums received	\$ 290,345	\$ 313,700
Net investment income received	19,473	15,653
Other	563	250
Total received	<u>310,381</u>	<u>329,603</u>
Benefits and other payments	225,903	216,760
Operating expenses paid	45,076	38,439
Federal income taxes	4,989	7,065
Total paid	<u>275,968</u>	<u>262,264</u>
<b>Net cash from operating activities</b>	<u>34,413</u>	<u>67,339</u>
<b>Cash flows from investing activities:</b>		
Proceeds from investments sold	58,746	60,606
Cost of investments acquired	<u>(76,620)</u>	<u>(122,466)</u>
<b>Net cash used in investing activities</b>	<u>(17,874)</u>	<u>(61,860)</u>
<b>Cash flows from financing and miscellaneous activities:</b>		
Net deposits (withdrawals) on deposit-type contracts and other insurance liabilities	(6,438)	3,248
Other miscellaneous uses	<u>2,866</u>	<u>(13,301)</u>
<b>Net cash (used in)/from financing and miscellaneous activities</b>	<u>(3,572)</u>	<u>(10,053)</u>
Net decrease in cash, cash equivalents and short-term investments	12,967	(4,574)
Cash, cash equivalents and short-term investments, beginning of year	<u>(3,161)</u>	<u>1,413</u>
<b>Cash, cash equivalents and short-term investments, end of year</b>	<u>\$ 9,806</u>	<u>\$ (3,161)</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>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
Non-cash activities during the year not included in the Statutory Statements of Cash Flows:		
Transfer/exchange of bond investment to bond investment	\$ 5,730	\$ 3,034
Transfer from bonds to other invested assets	\$ —	\$ 73
Capitalized interest on mortgage loans	\$ 155	\$ —
Transfer/exchange of mortgage investment to mortgage investment	\$ 18	\$ —
Capitalized interest on bonds	\$ 6	\$ —

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**

- investments in bonds are generally carried at amortized cost or values as prescribed by the Department, whereas 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;
- 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;

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

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

- 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 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. Refer to Note 7 - Fair Value Measurements for discussion on the valuation approach and methods for bonds.

The interest method for loan-backed and structured 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 loan-backed and structured 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 loan-backed and structured 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 investments' 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.

For loan-backed and structured securities, the entire difference between the security's amortized cost and its fair value is recognized in net income only when the Company (1) has the intent to sell the security or (2) 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 loan-backed or structured security prior to impairment.

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

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

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. 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. 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.

**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.

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

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

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. Residual tranches of securitizations are reported at the lower of cost or market.

**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 loan-backed and structured 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 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.

**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.

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

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

**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. Deposit funds are liabilities for investment-related products and primarily consist of retained asset account deposits and accumulated net investment income on the fund balances less accumulated administrative charges according to contract terms and customers' experience.

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.

**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 SSAP No. 101, Income Taxes, a replacement of SSAP 10R and SSAP 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.

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

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

**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.

**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 relating to the COVID-19 pandemic. The Company has maintained effective operations and levels of policyholder service throughout the course of the pandemic.



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

**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.

The NAIC adopted INT 23-01, which is an interpretation that prescribes limited-time, optional, statutory accounting guidance as an exception to the existing guidance detailed in SSAP No. 7 “Asset Valuation Reserve and Interest Maintenance Reserve” and the annual statement instructions that requires non-admittance of a negative IMR. Under the INT, reporting entities are allowed to admit negative IMR if certain criteria are met. The adoption of this guidance allowed the Company to admit \$57 thousand of negative IMR at December 31, 2023, which increased the Company's total assets. There was no impact to net income from this change. New disclosures required under the INT have been included in Note 6 – Investments.

In 2020, the NAIC issued Interpretation 20-01 to provide statutory accounting and reporting guidance for the adoption of ASU 2020-04 *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* under U.S. GAAP. This Interpretation adopts, with minor modification, the U.S. GAAP adopted guidance, which provides optional expedients and exceptions for applying current accounting guidance to contracts affected by reference rate reform if certain criteria are met, through December 31, 2024. The Company is performing an ongoing evaluation of the impact of reference rate reform on its contracts. Since most of the Company's contracts are expected to meet the criteria for applying the accounting expedients listed in the Interpretation, reference rate reform has no material impact to the Company's surplus or net income at December 31, 2023.

**NOTE 6 - INVESTMENTS**

**Bonds**

The carrying value and estimated fair value of bonds by maturity at December 31, 2023 and 2022 were as follows (in thousands):

	<b>2023</b>		<b>2022</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	\$ 12,993	\$ 12,596	\$ 10,262	\$ 9,710
Due after one year through five years	212,175	204,564	197,572	187,979
Due after five years through ten years	247,856	223,170	260,809	223,950
Due after ten years	28,540	27,977	22,341	19,043
<b>Total</b>	<b>\$ 501,563</b>	<b>\$ 468,306</b>	<b>\$ 490,984</b>	<b>\$ 440,682</b>

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 \$20,677 thousand and \$2,852 thousand at December 31, 2023 and 2022, respectively. The Company did not have any short-term investments at December 31, 2023, and 2022 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)**

At December 31, 2023 and 2022, the distribution of gross unrealized gains and losses on bonds were as follows (in thousands):

	<b>2023</b>			
	<b>Carrying Value</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Estimated Fair Value</b>
U.S. governments	\$ 702	\$ —	\$ 117	\$ 585
All other governments	2,798	1	145	2,654
U.S. special revenue and special assessment	2,590	—	169	2,421
Industrial and miscellaneous unaffiliated	495,474	3,172	36,000	462,646
<b>Total</b>	<b>\$ 501,563</b>	<b>\$ 3,173</b>	<b>\$ 36,431</b>	<b>\$ 468,306</b>

	<b>2022</b>			
	<b>Carrying Value</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Estimated Fair Value</b>
U.S. governments	\$ 701	\$ —	\$ 129	\$ 572
All other governments	2,797	—	223	2,574
U.S. special revenue and special assessment	5,740	5	215	5,530
Industrial and miscellaneous unaffiliated	481,746	1,020	50,760	432,006
<b>Total</b>	<b>\$ 490,984</b>	<b>\$ 1,025</b>	<b>\$ 51,327</b>	<b>\$ 440,682</b>

**Mortgage Loans**

The Company's mortgage loans are diversified by property type, location and borrower, and are collateralized. The maximum and minimum lending rates for new commercial mortgage loans funded during 2023 were 9.6% and 5.6%, respectively and funded during 2022 were 5.3% and 4.5%, respectively. The maximum percentage of any one commercial loan to the value of the collateral at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages at December 31, 2023 and 2022 was 72.7% and 72.7%, respectively (average percentage was 59.1% and 59.9% at December 31, 2023 and 2022, respectively). The Company has no significant credit risk exposure to any one individual borrower.

The Company's commercial mortgage loans were held in a form of participations with the carrying value of \$32,811 thousand and \$26,099 thousand at December 31, 2023 and 2022, respectively. These loans were originated or acquired by New York Life. Refer to Note 9 - Related Party Transactions for more details.

At December 31, 2023 and 2022, the distribution of the mortgage loan portfolio by property type and geographic location were as follows (\$ in thousands):

	<b>2023</b>		<b>2022</b>	
	<b>Carrying Value</b>	<b>% of Total</b>	<b>Carrying Value</b>	<b>% of Total</b>
<b>Property Type:</b>				
Industrial	\$ 15,038	45.8 %	\$ 9,172	35.1 %
Apartment buildings	13,853	42.2	12,936	49.5
Office buildings	3,332	10.2	2,104	8.1
Retail facilities	588	1.8	1,240	4.8
Hotels	—	—	647	2.5
<b>Total</b>	<b>\$ 32,811</b>	<b>100.0 %</b>	<b>\$ 26,099</b>	<b>100.0 %</b>

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

**NOTE 6 - INVESTMENTS (continued)**

	2023		2022	
	Carrying Value	% of Total	Carrying Value	% of Total
<b>Geographic Location:</b>				
Central	\$ 12,181	37.1 %	\$ 10,578	40.5 %
South Atlantic	11,101	33.8	10,005	38.4
Middle Atlantic	5,072	15.5	3,424	13.1
Pacific	3,809	11.6	2,092	8.0
Other	648	2.0	—	—
<b>Total</b>	<b>\$ 32,811</b>	<b>100.0 %</b>	<b>\$ 26,099</b>	<b>100.0 %</b>

At December 31, 2023 and 2022, 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.

Fair value of the collateral for commercial mortgages (excluding credit loans) over \$10 thousand is updated every three years, unless a more current appraisal is warranted. For a commercial loan deemed a portfolio loan comprised of multiple properties, majority of the collateral value becomes inspected. Commercial mortgages less than \$10 thousand have an on-site inspection performed by an external inspection service every 3 years. If the loan is determined to be troubled, the loan is more frequently monitored as to its status. LTV, which is based on collateral values, is deemed as one of the key mortgage loan indicators to assess credit quality and to assist in identifying problem loans. At December 31, 2023, and 2022, LTVs on the Company’s mortgage loans were as follows (in thousands):

Loan to Value % (By Class)	2023						
	Apartment Buildings	Industrial	Office Buildings	Retail Facilities	Hotels	Other	Total
Above 95%	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
91% to 95%	—	—	—	—	—	—	—
81% to 90%	—	—	2,103	—	—	—	2,103
71% to 80%	—	696	167	—	—	—	863
Below 70%	13,853	14,342	1,062	588	—	—	29,845
<b>Total</b>	<b>\$ 13,853</b>	<b>\$ 15,038</b>	<b>\$ 3,332</b>	<b>\$ 588</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 32,811</b>

  

Loan to Value % (By Class)	2022						
	Apartment Buildings	Industrial	Office Buildings	Retail Facilities	Hotels	Other	Total
Above 95%	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
91% to 95%	—	—	—	—	—	—	—
81% to 90%	—	—	—	—	—	—	—
71% to 80%	595	—	—	697	647	—	1,939
Below 70%	12,341	9,172	2,104	543	—	—	24,160
<b>Total</b>	<b>\$ 12,936</b>	<b>\$ 9,172</b>	<b>\$ 2,104</b>	<b>\$ 1,240</b>	<b>\$ 647</b>	<b>\$ —</b>	<b>\$ 26,099</b>

At December 31, 2023 and 2022, the Company did not have any impaired mortgage loans.

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

**NOTE 6 - INVESTMENTS (continued)**

**Other Invested Assets**

The carrying value of other invested assets at December 31, 2023 and 2022 consisted of the following (in thousands):

	2023	2022
Limited partnerships and limited liability companies	\$ 67	\$ 73
Other invested assets	118	—
Other investments	55	49
Total other invested assets	<u>\$ 241</u>	<u>\$ 122</u>

**Assets on Deposit or Pledged as Collateral**

At December 31, 2023 and 2022, the Company's restricted assets (including pledged collateral) were as follows (\$ in thousands):

Restricted Asset Category	2023						Percentage	
	Gross (Admitted and Nonadmitted) Restricted					Gross (Admitted and Non-admitted) Restricted to Total Assets		
	Total General Account (G/A)	Total From Prior Year	Increase (Decrease)	Total Nonadmitted Restricted	Total Admitted Restricted	Admitted Restricted to Total Admitted Assets		
On deposit with states	\$ 702	\$ 701	\$ 1	\$ —	\$ 702	0.11 %	0.12 %	
Total restricted assets	<u>\$ 702</u>	<u>\$ 701</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 702</u>	<u>0.11 %</u>	<u>0.12 %</u>	

Restricted Asset Category	2022						Percentage	
	Gross (Admitted and Nonadmitted) Restricted					Gross (Admitted and Non-admitted) Restricted to Total Assets		
	Total General Account (G/A)	Total From Prior Year	Increase (Decrease)	Total Nonadmitted Restricted	Total Admitted Restricted	Admitted Restricted to Total Admitted Assets		
On deposit with states	\$ 701	\$ 701	\$ —	\$ —	\$ 701	0.12 %	0.12 %	
Total restricted assets	<u>\$ 701</u>	<u>\$ 701</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 701</u>	<u>0.12 %</u>	<u>0.12 %</u>	

**Insurer Self-Certified Securities**

The following represents securities for which the Company does not have all the information required for the NAIC to provide an NAIC designation, but for which the Company is receiving timely payments of principal and interest. These securities are referred to as "5GI Securities" (\$ in thousands):

Investments	Number of 5GI Securities		Carrying Value		Estimated Fair Value	
	2023	2022	2023	2022	2023	2022
General account:						
Loan-backed and structured securities - amortized cost	1	—	100	—	100	—
Total general account	<u>1</u>	<u>—</u>	<u>\$ 100</u>	<u>\$ —</u>	<u>\$ 100</u>	<u>\$ —</u>

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

**NOTE 6 - INVESTMENTS (continued)**

**Admitted Negative IMR**

The Company admitted negative IMR of \$57 thousand at December 31, 2023. The Company's IMR balance includes interest-related realized gains and losses arising from sales of its fixed income investments that are made in compliance with the Company's investment management policies. 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 excess withdrawal activity on the Company's insurance contracts, related realized gains and losses are not deferred into the IMR. The Company did not have any excess withdrawals as of December 31, 2023.

Negative IMR was admitted up to 10% of the Company's 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):

	<b>Calculation of Limitation as of</b>	
	<b>September 30, 2023</b>	<b>December 31, 2023</b>
Capital and surplus	\$ 179,300	
Less:		
Admitted positive goodwill		
Admitted EDP equipment and operating system software	\$ —	
Admitted net deferred taxes	\$ 11,385	
Exclude admitted disallowed IMR-GA		
Exclude admitted disallowed IMR-SA		
Total adjustments	11,385	
Adjusted capital and surplus	\$ 167,915	
Limitation on amount of negative IMR (adjusted capital and surplus times 10%)	\$ 16,791	
Current period reported admitted negative IMR		\$ 57
Current period admitted negative IMR as a % of prior period adjusted capital and surplus		— %

**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.

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.

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

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

**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.

The Company had no investments held at fair value at December 31, 2023 and 2022.

**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, 2023 and 2022, 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, 2023 and 2022 (in thousands):

<b>2023</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	\$ 468,306	\$ 501,563	\$ —	\$466,404	\$ 1,902	\$ —
Cash, cash equivalents and short-term investments	9,806	9,806	20,677	(10,870)	—	—
Other invested assets <sup>(1)</sup>	129	118	—	—	129	—
Investment income due and accrued	4,445	4,445	—	4,445	—	—
Commercial mortgage loans	30,764	32,811	—	—	30,764	—
<b>Total assets</b>	<b>\$ 513,450</b>	<b>\$ 548,744</b>	<b>\$ 20,677</b>	<b>\$459,979</b>	<b>\$ 32,796</b>	<b>\$ —</b>
<b>Liabilities:</b>						
Payable to parent and affiliates	\$ 1,055	\$ 1,055	\$ —	\$ 1,055	\$ —	\$ —
<b>Total liabilities</b>	<b>\$ 1,055</b>	<b>\$ 1,055</b>	<b>\$ —</b>	<b>\$ 1,055</b>	<b>\$ —</b>	<b>\$ —</b>

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

<b>2022</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	\$ 440,682	\$ 490,984	\$ —	\$438,918	\$ 1,764	\$ —
Cash, cash equivalents and short-term investments	(3,161)	(3,161)	7,262	(10,423)	—	—
Investment income due and accrued	4,151	4,151	—	4,151	—	—
Commercial mortgage loans	23,579	26,099	—	—	23,579	—
<b>Total assets</b>	<b>\$ 465,251</b>	<b>\$ 518,073</b>	<b>\$ 7,262</b>	<b>\$432,646</b>	<b>\$ 25,343</b>	<b>\$ —</b>
<b>Liabilities:</b>						
Payable to parent and affiliates	\$ 2,885	\$ 2,885	\$ —	\$ 2,885	\$ —	\$ —
<b>Total liabilities</b>	<b>\$ 2,885</b>	<b>\$ 2,885</b>	<b>\$ —</b>	<b>\$ 2,885</b>	<b>\$ —</b>	<b>\$ —</b>

**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.

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.

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

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

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. 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.

There were no financial instruments reported at fair value at December 31, 2023 and 2022.



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

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

The components of Net investment income for the years ended December 31, 2023 and 2022 were as follows (in thousands):

	<b>2023</b>	<b>2022</b>
Bonds	\$ 18,896	\$ 16,204
Mortgage loans	1,578	871
Other invested assets	24	—
Other investments	680	109
Gross investment income	21,178	17,184
Investment expenses	(724)	(646)
Net investment income	20,454	16,538
Amortization of IMR	124	498
Net investment income, including amortization of IMR	<u>\$ 20,578</u>	<u>\$ 17,036</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, 2023 and 2022, the Company reported admitted due and accrued investment income of \$4,445 thousand and \$4,151 thousand, respectively. At December 31, 2023 and 2022, 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, 2023, the Company had paid-in-kind interest of \$203 thousand, which has been included in the principal amount of the Company's mortgage loans of \$203 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>2023</b>	<b>2022</b>
	<b>General</b>	<b>Account</b>
Number of cusips	1	5
Investment income	\$ 1	\$ 215

For the years ended December 31, 2023 and 2022, net realized capital gains (losses) were as follows (in thousands):

	<b>2023</b>	<b>2022</b>
Bonds	\$ (1,144)	\$ (2,792)
Net realized capital (losses) gains before tax and transfers to the IMR	(1,144)	(2,792)
Less:		
Capital gains tax benefit	\$ (395)	\$ (1,137)
Net realized capital (losses) gains after tax transferred to IMR	(748)	(1,540)
Net realized capital (losses) gains after tax and transfers to the IMR	<u>\$ (1)</u>	<u>\$ (115)</u>

Proceeds from investments in bonds sold were \$48,359 thousand and \$42,469 thousand for the years ended December 31, 2023 and 2022, respectively. Gross gains of \$51 thousand and \$122 thousand in 2023 and 2022, respectively, and gross losses of \$962 thousand and \$2,788 thousand in 2023 and 2022, respectively, were realized on these sales. The Company computes gains and losses on sales under the specific identification method.

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

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

The following table provides a summary of OTTI losses included as realized capital losses for the years ended December 31, 2023 and 2022 (in thousands):

	2023	2022
Bonds	\$ 199	\$ 131
Total	\$ 199	\$ 131

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, 2023 and 2022 (in thousands):

	2023					
	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	\$ —	\$ —	\$ 584	\$ 117	\$ 584	\$ 117
All other governments	—	—	2,152	145	2,152	145
U.S. special revenue and special assessment	1,611	28	811	141	2,422	169
Industrial and miscellaneous unaffiliated	20,051	1,295	366,358	34,705	386,409	36,000
Total bonds	\$ 21,662	\$ 1,323	\$ 369,905	\$ 35,108	\$ 391,567	\$ 36,431

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

	2022					
	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	\$ —	\$ —	\$ 572	\$ 129	\$ 572	\$ 129
All other governments	2,492	205	83	18	2,575	223
U.S. special revenue and special assessment	3,318	165	203	50	3,521	215
Industrial and miscellaneous unaffiliated	363,893	42,927	43,494	7,833	407,387	\$ 50,760
Total bonds	\$ 369,703	\$ 43,297	\$ 44,352	\$ 8,030	\$ 414,055	\$ 51,327

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

At December 31, 2023, the gross unrealized loss on bonds was comprised of 839 securities, which are included in the table above. Of the total amount of bond unrealized losses, \$34,090 thousand or 94% is related to unrealized losses on investment grade securities and \$2,341 thousand or 6% is related to below investment grade securities. At December 31, 2022, 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, \$47,305 thousand, or 92%, is related to unrealized losses on investment grade securities and \$4,022 thousand, or 8%, 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.

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

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

The amount of gross unrealized losses for bonds where fair value had declined by 20% or more of the amortized cost, totaled \$3,337 thousand. The period of time that each of these securities has continuously been below amortized cost by 20% or more consists of \$137 thousand for six months or less, \$821 thousand for greater than six months through 12 months, and \$2,380 thousand for greater than 12 months. 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.

**NOTE 9 - RELATED PARTY TRANSACTIONS**

**Material Transactions**

The following table presents material related party transactions between the Company and its affiliates for the years ended December 31, 2023 and 2022:

Date of Transaction	Name of Related Party	Nature of Relationship	Type of Transaction	Description
<b>Active Agreements</b>				
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, 2023 and 2022, the fees incurred associated with these services and facilities, amounted to \$74 thousand and \$64 thousand, respectively. The terms of the agreements require that these amounts be settled in cash within 90 days.
12/31/2020	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 LINA.
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, 2023 and 2022, the credit facility was not used, no interest was paid, and there was no outstanding balance due.
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, 2023 and 2022, the total cost for these services amounted to \$640 thousand and \$571 thousand, respectively, which is included in the costs of services billed by New York Life to the Company.
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 \$32,811 thousand and \$26,099 thousand as of December 31, 2023 and 2022, respectively. There's no REO in the form of participations owned by the Company as of December 31, 2023 and 2022.

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

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

At December 31, 2023 and 2022, the Company reported a net amount of \$820 thousand and \$2,885 thousand, respectively, as amounts payable to parent and affiliates. The terms of the underlying agreements generally require that these amounts be settled in cash within 90 days.

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, 2023 and 2022 were as follows (in thousands):

	<b>2023</b>	<b>2022</b>
Disability insurance reserves	\$ 290,332	\$ 281,310
Life insurance reserves	17,506	19,934
Other reserves	347	538
Total policy reserves	308,185	301,782
Deposit funds	14,377	20,815
Policy claims	38,614	47,964
Other policy and contract liabilities	5,984	5,877
Total insurance liabilities	<u>\$ 367,160</u>	<u>\$ 376,438</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 10.3% in both 2023 and 2022. The Company also discounts liabilities for certain cancellable disability insurance business. The liabilities for discounted reserves were \$254,289 thousand at December 31, 2023 and \$249,019 thousand at December 31, 2022. The aggregate amount of discount was \$42,894 thousand at December 31, 2023 and \$41,994 thousand at December 31, 2022.

**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 a valuation interest rate of 3.0%. Reserves for disabled lives are maintained principally using the 2023 Group Term Life Waiver Mortality and Recovery Tables with valuation interest rates ranging from 2.8% 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 1.3% to 5%.

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 \$138 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.

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

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

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.

The tabular interest has been determined by formula as described in the NAIC instructions. The tabular less actual reserve released 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.

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

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

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

The following tables reflect the withdrawal characteristics at December 31, 2023 and 2022 (\$ in thousands):

*Individual Annuities*

	<b>2023</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	\$ —	\$ —	\$ —	\$ —	— %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	—	—	—	—	—
At book value without adjustment	—	—	—	—	—
Not subject to discretionary withdrawal	132,716	—	—	132,716	100
Total	132,716	—	—	132,716	100 %
Reinsurance ceded	132,716	—	—	132,716	
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	
	<b>2022</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	\$ —	\$ —	\$ —	\$ —	— %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	—	—	—	—	—
At book value without adjustment	—	—	—	—	—
Not subject to discretionary withdrawal	133,095	—	—	133,095	100
Total	133,095	—	—	133,095	100 %
Reinsurance ceded	133,095	—	—	133,095	
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</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)**

*Group Annuities*

	<b>2023</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	\$ —	\$ —	\$ —	\$ —	— %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	—	—	—	—	—
At book value without adjustment	—	—	—	—	—
Not subject to discretionary withdrawal	7,136	—	—	7,136	100
Total	7,136	—	—	7,136	100 %
Reinsurance ceded	6,884	—	—	6,884	
Total	<u>\$ 252</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 252</u>	
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	

	<b>2022</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	\$ —	\$ —	\$ —	\$ —	— %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	—	—	—	—	—
At book value without adjustment	—	—	—	—	—
Not subject to discretionary withdrawal	7,882	—	—	7,882	100
Total	7,882	—	—	7,882	100 %
Reinsurance ceded	7,501	—	—	7,501	
Total	<u>\$ 381</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 381</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)**

*Deposit-Type Contracts*

	<b>2023</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	\$ 287	\$ —	\$ —	\$ 287	2 %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	287	—	—	287	2
At book value without adjustment	14,443	—	—	14,443	98
Not subject to discretionary withdrawal	(66)	—	—	(66)	—
Total	14,664	—	—	14,664	100 %
Reinsurance ceded	287	—	—	287	
Total	<u>\$ 14,377</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 14,377</u>	
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	\$ —	\$ —	\$ —	\$ —	

	<b>2022</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	\$ 279	\$ —	\$ —	\$ 279	1 %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	279	—	—	279	1
At book value without adjustment	18,805	—	—	18,805	89
Not subject to discretionary withdrawal	2,010	—	—	2,010	10
Total	21,094	—	—	21,094	100 %
Reinsurance ceded	279	—	—	279	
Total	<u>\$ 20,815</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 20,815</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 tables reflect the withdrawal characteristics of life insurance reserves at December 31, 2023 and 2022 (\$ in thousands):

	<b>2023</b>		
	<b>General Account</b>		
	<b>Account Value</b>	<b>Cash Value</b>	<b>Reserve</b>
Subject to discretionary withdrawal, surrender, or policy loans:			
Term policies with cash value	\$ —	\$ —	\$ —
Universal life	—	—	—
Universal life with secondary guarantees	—	—	—
Indexed universal life	—	—	—
Indexed universal life with secondary guarantees	—	—	—
Indexed life	—	—	—
Other permanent cash value life insurance	—	164	336
Variable life	—	—	—
Variable universal life	—	—	—
Miscellaneous reserves	—	—	—
Not subject to discretionary withdrawal or no cash values:			
Term policies without cash value	—	—	2
Accidental death benefits	—	—	—
Disability - active lives	—	—	—
Disability - disabled lives	—	—	17,827
Miscellaneous reserves	—	—	5
Total life insurance (gross)	—	164	18,170
Reinsurance ceded	—	164	664
Total life insurance (net)	\$ —	\$ —	\$ 17,506

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

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

	<b>2022</b>		
	<b>General Account</b>		
	<b>Account Value</b>	<b>Cash Value</b>	<b>Reserve</b>
Subject to discretionary withdrawal, surrender, or policy loans:			
Term policies with cash value	\$ —	\$ —	\$ —
Universal life	—	—	—
Universal life with secondary guarantees	—	—	—
Indexed universal life	—	—	—
Indexed universal life with secondary guarantees	—	—	—
Indexed life	—	—	—
Other permanent cash value life insurance	—	172	206
Variable life	—	—	—
Variable universal life	—	—	—
Miscellaneous reserves	—	—	—
Not subject to discretionary withdrawal or no cash values:			
Term policies without cash value	—	—	2
Accidental death benefits	—	—	—
Disability - active lives	—	—	—
Disability - disabled lives	—	—	20,398
Miscellaneous reserves	—	—	5
Total life insurance (gross)	—	172	20,611
Reinsurance ceded	—	172	677
Total life insurance (net)	\$ —	\$ —	\$ 19,934

**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 2023 was 0.39%, ranging from 0.26% to 0.56%. 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.

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

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

The following table presents the number and balance of retained asset accounts in-force at December 31, 2023 and 2022, respectively (\$ in thousands):

	2023		2022	
	Number	Balance	Number	Balance
Up to and including 12 months	86	\$ 5,066	115	\$ 8,560
13 to 24 months	63	3,288	49	2,913
25 to 36 months	29	1,385	45	2,523
37 to 48 months	31	927	24	1,226
49 to 60 months	17	954	20	990
Over 60 months	99	2,817	102	2,589
<b>Total</b>	<b>325</b>	<b>\$ 14,437</b>	<b>355</b>	<b>\$ 18,801</b>

The following table presents the Company's retained asset accounts at December 31, 2023 (\$ in thousands):

	Individual Number	Individual Balance/ Amount	Group Number	Group Balance/ Amount
At the beginning of the year	—	\$ —	355	\$ 18,802
Issued/added during the year	—	—	216	16,663
Investment earnings credited during the year	N/A	—	N/A	58
Fees and other charges assessed during the year	N/A	—	N/A	—
Transferred to state unclaimed property funds during the year	—	—	(13)	(770)
Closed/withdrawn during the year	—	—	(233)	(20,316)
<b>At the end of the year</b>	<b>—</b>	<b>\$ —</b>	<b>325</b>	<b>\$ 14,437</b>

**Policy Claims and Claim Adjustment Expenses**

The following table presents a rollforward of the Company's accident and health liabilities for unpaid claims and claims adjustment expenses for the years ended December 31, 2023 and 2022 (in thousands):

	2023	2022
Liability at beginning of year	\$ 25,006	\$ 20,879
Incurred expenses for insured or covered events, current year	149,596	146,354
Incurred expenses for insured or covered events, prior years	11,814	18,919
Total provision	161,410	165,273
Payments for insured or covered events, current year	(89,411)	(85,702)
Payments for insured or covered events, prior years	(77,830)	(75,444)
Total payments	(167,241)	(161,146)
<b>Liability at end of year</b>	<b>\$ 19,175</b>	<b>\$ 25,006</b>

The incurred expense attributable to insured or covered events of prior years were unfavorable to reserve levels by \$11,814 thousand in 2023, and \$18,919 thousand in 2022. The incurred expense of \$11,814 thousand for prior year insured or covered events for 2023 is primarily related to the effect of interest discounting in the reserves. The incurred expense of \$18,919 thousand for prior year insured or covered events for 2022 was primarily attributable to reserve assumption updates made throughout the year and observed disability resolution rate experience. 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, 2023 and 2022 were as follows (in thousands):

	<u>2023</u>	<u>2022</u>
Policy reserves:		
Direct	\$ 455,603	\$ 451,898
Ceded	<u>(147,418)</u>	<u>(150,116)</u>
Policy reserves	<u>\$ 308,185</u>	<u>\$ 301,782</u>
Policy claims:		
Direct	\$ 39,203	\$ 48,416
Ceded	<u>(589)</u>	<u>(452)</u>
Policy claims	<u>\$ 38,614</u>	<u>\$ 47,964</u>
Reinsurance recoverable	\$ 2,086	\$ 2,492

The effects of reinsurance on the accompanying Statutory Statements of Operations for the years ended December 31, 2023 and 2022 were as follows (in thousands):

	<u>2023</u>	<u>2022</u>
Premiums:		
Direct	\$ 290,767	\$ 321,222
Ceded	<u>(4,918)</u>	<u>(4,045)</u>
Premiums	<u>\$ 285,849</u>	<u>\$ 317,177</u>
Benefit payments:		
Direct	\$ 230,231	\$ 240,096
Ceded	<u>(13,396)</u>	<u>(14,791)</u>
Benefit payments	<u>\$ 216,835</u>	<u>\$ 225,305</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 \$139,563 thousand and \$140,875 thousand at December 31, 2023 and 2022, 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 \$128,076 thousand and \$126,859 thousand at December 31, 2023 and 2022, respectively.

Effective December 31, 2020, the Company entered into a reinsurance agreement to cede all of the supplemental health benefit business directly written by the Company to Cigna Health & Life Insurance Company ("CHLIC").

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

**NOTE 11 - REINSURANCE (continued)**

Premiums ceded were \$3,992 thousand and \$3,149 thousand for the years ended December 31, 2023 and 2022, respectively.

**NOTE 12 - BENEFIT PLANS**

The Company participates in New York Life's various tax-qualified and non-qualified defined contribution plans covering eligible U.S. employees (401(k) plans). The plans provide 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). For the years ended December 31, 2023 and 2022, the Company's matching contributions to the employees' tax qualified and non-qualified plans totaled \$95 thousand and \$105 thousand, respectively.

**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, 2023 and 2022, 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.

**Assessments**

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**

Rental expenses for operating leases principally for office space amounted to \$176 thousand for the year ended December 31, 2023. There was no rental expense for the year ended December 31, 2022.

At December 31, 2023, the aggregate future minimum rental payments under leases having initial or remaining non-cancelable lease term in excess of one year are \$110 thousand in 2024 and none thereafter.

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

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

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (continued)**

**Other Commitments and Contingencies**

At December 31, 2023 and 2022, the Company had contractual commitments to extend credit for commercial mortgage loans at both fixed and variable rates of interest, which amounted to \$2,148 thousand and \$2,412 thousand, respectively. These commitments are diversified by property type and geographic location.

At December 31, 2023, the Company had no outstanding contractual obligations to acquire additional private placement securities. At December 31, 2022, the Company had outstanding contractual obligations to acquire additional private placement securities for \$300 thousand.

**NOTE 14 - INCOME TAXES**

The components of the net DTAs and DTLs were as follows at December 31, 2023 and 2022 (in thousands):

	2023			2022			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross DTAs	\$ 26,779	\$ 71	\$ 26,850	\$ 28,560	\$ 28	\$ 28,588	\$ (1,781)	\$ 43	\$ (1,738)
Statutory valuation allowance	—	—	—	—	—	—	—	—	—
Adjusted gross DTAs	26,779	71	26,850	28,560	28	28,588	(1,781)	43	(1,738)
Nonadmitted DTAs <sup>(1)</sup>	14,747	—	14,747	15,534	—	15,534	(787)	—	(787)
Subtotal net admitted DTAs	12,032	71	12,103	13,026	28	13,054	(994)	43	(951)
Gross DTLs	379	440	819	315	357	672	64	83	147
Net admitted DTAs	\$ 11,653	\$ (369)	\$ 11,284	\$ 12,711	\$ (329)	\$ 12,382	\$ (1,058)	\$ (40)	\$ (1,098)

<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, 2023 and 2022 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, 2023			December 31, 2022			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Federal income taxes paid in prior years recoverable through loss carrybacks (Paragraph 11.a)	\$ 6,126	\$ —	\$ 6,126	\$ 11,353	\$ —	\$ 11,353	\$ (5,227)	\$ —	\$ (5,227)
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):	5,153	5	5,158	1,026	3	1,029	4,127	2	4,129
Adjusted gross DTAs expected to be realized following the balance sheet date. (Paragraph 11.b.i)	5,153	5	5,158	1,026	3	1,029	4,127	2	4,129
Adjusted gross DTAs allowed per limitation threshold (Paragraph 11.b.ii)	XXX	XXX	26,824	XXX	XXX	22,096	XXX	XXX	4,728
Adjusted gross DTAs (excluding the amount of DTAs from paragraphs 11.a and 11.b above) offset by gross DTLs (Paragraph 11.c)	753	66	819	647	25	673	106	41	147
DTAs admitted as the result of application of SSAP 101 (Total of paragraphs 11.a, 11.b, 11.c).	\$ 12,032	\$ 71	\$ 12,103	\$ 13,026	\$ 28	\$ 13,054	\$ (994)	\$ 43	\$ (951)

**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>2023</b>	<b>2022</b>
Ratio percentage used to determine recovery period and threshold limitation amount.	840%	696%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in paragraph 11.b.ii above.	\$178,829	\$147,308

There was no impact on adjusted gross and net admitted DTAs due to tax planning strategies at December 31, 2023 and 2022. The Company did not use reinsurance in its tax planning strategies.

The Company had no unrecognized DTLs at December 31, 2023 and 2022. 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, 2023 and 2022 were as follows (in thousands):

	<b>2023</b>	<b>2022</b>	<b>Change</b>
Federal and foreign tax expense <sup>(1)</sup>	\$ 6,363	\$ 9,638	\$ (3,275)
Federal income tax on net capital losses	(395)	(1,137)	742
Total federal and foreign income taxes	\$ 5,968	\$ 8,501	\$ (2,533)

<sup>(1)</sup> The Company had no investment tax credits for the years ended December 31, 2023 and 2022, 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, 2023 and 2022 were as follows (in thousands):

	<u>2023</u>	<u>2022</u>	<u>Change</u>
<b>DTAs</b>			
Ordinary:			
Unearned premium reserve	\$ 10	\$ 16	\$ (6)
Other insurance and contract holder liabilities	7,186	6,927	259
Investments	3,926	4,923	(997)
Deferred acquisition costs	999	607	392
Receivables - nonadmitted	2,775	3,241	(466)
Other*	11,883	12,846	(963)
Subtotal	<u>26,779</u>	<u>28,560</u>	<u>(1,781)</u>
Non-admitted	14,747	15,534	(787)
Statutory valuation adjustment	—	—	—
Admitted ordinary DTAs	<u>12,032</u>	<u>13,026</u>	<u>(994)</u>
Capital:			
Investments	71	28	43
Net capital loss carry-forward	—	—	—
Subtotal	<u>71</u>	<u>28</u>	<u>43</u>
Nonadmitted	—	—	—
Admitted capital DTAs	<u>71</u>	<u>28</u>	<u>43</u>
Total admitted DTAs	<u>12,103</u>	<u>13,054</u>	<u>(951)</u>
<b>DTLs</b>			
Ordinary:			
Investments	379	204	175
Deferred & uncollected premium	—	111	(111)
Subtotal	<u>379</u>	<u>315</u>	<u>64</u>
Capital:			
Investments	440	357	83
Subtotal	<u>440</u>	<u>357</u>	<u>83</u>
Total DTLs	<u>819</u>	<u>672</u>	<u>147</u>
Net admitted DTAs	<u>\$ 11,284</u>	<u>\$ 12,382</u>	<u>\$ (1,098)</u>
Change in deferred income tax on change in net unrealized capital gains/ (losses)			
			\$ 1
Change in net deferred tax related to other items			
			\$ (1,886)
Change in deferred tax asset nonadmitted			
			787
Total change in net admitted DTAs			
			<u>\$ (1,098)</u>

\*Other DTA Includes goodwill and intangibles of \$11,381 thousand and \$12,818 thousand at December 31, 2023 and 2022 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, 2023 and 2022 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>2023</u>	<u>2022</u>	<u>Change</u>
Net gain from operations after dividends to policyholders and before federal and foreign income taxes at statutory rate	\$ 7,404	\$ 11,900	\$ (4,496)
Net realized capital (losses) gains at statutory rate	(240)	(586)	346
Investment items	(43)	(54)	11
Change in nonadmitted assets	466	493	(27)
IMR	(26)	(105)	79
Meals & Entertainment	7	2	5
§338(h)(10) tax basis step up	—	462	(462)
Other items impacting surplus	285	—	285
Other, net	1	1	—
Federal and foreign income taxes incurred and change in net deferred taxes during the year	<u>\$ 7,854</u>	<u>\$ 12,113</u>	<u>\$ (4,259)</u>
Federal and foreign income tax expense reported in the Company's Statutory Summary of Operations	\$ 6,363	\$ 9,638	\$ (3,275)
Capital losses tax incurred	(395)	(1,137)	742
Change in net deferred income taxes	<u>1,886</u>	<u>3,612</u>	<u>(1,726)</u>
Federal and foreign income taxes incurred and change in net deferred taxes during the year	<u>\$ 7,854</u>	<u>\$ 12,113</u>	<u>\$ (4,259)</u>

The Company's federal income tax return is consolidated with NYLIC, NYLIAC, NYLAZ, NYLIFE LLC, NYLE, NYL Investments, NYL Investors, 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 did not have any operating loss and tax credit carry forwards available for tax purpose.

For the years ended December 2023, 2022, and 2021, 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>Ordinary</u>
Year 2023	\$ 6,181
Year 2022	\$ 10,086
Year 2021	\$ —

At December 31, 2023 and 2022, the Company recorded a current income tax payable of \$1,087 thousand and \$110 thousand, respectively, which is included in Other liabilities in the accompanying Statutory Statements of Financial Position.

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

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

The Inflation Reduction Act ("IRA") of 2022 was enacted on August 16, 2022. The IRA includes a new Federal corporate alternative minimum tax ("CAMT"), effective in 2023, that is based on the adjusted financial statement income set forth on the applicable financial statement of an applicable corporation. The NAIC adopted Interpretation ("INT") 23-04 to apply to December 31, 2023. Following that guidance, the Company has determined as of the reporting date it will not be an applicable corporation and will not be liable for CAMT in 2023. The Company is also not a member of a controlled group of corporations that is an applicable corporation.

At December 31, 2023, 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.

**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). 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, 2023, the amount of earned surplus of the Company available for the payment of dividends was \$183,705 thousand. The maximum amount of dividends that may be paid in 2024 without prior notice to or approval of the Department is \$28,897 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. In 2023 and 2022, the Company did not pay a dividend to its sole stockholder, New York Life.

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

**NOTE 16 - DIVIDENDS TO STOCKHOLDER (continued)**

**Special Surplus Funds**

The Company's special surplus funds increased from December 31, 2022 to December 31, 2023 by \$57 thousand due to the admittance of negative IMR. Refer to Note 6 - Investments for a more detailed discussion on Admitted Negative IMR.

**NOTE 17 - WRITTEN PREMIUMS**

The amount of net premiums written by the Company for the years ended December 31, 2023 and 2022 that are subject to retrospective rating features were \$(25) thousand and \$1,136 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, 2023 and 2022 were as follows (in thousands):

	2023		2022	
	Gross	Net of Loading	Gross	Net of Loading
Group Life	\$ 6,597	\$ 6,597	\$ 8,510	\$ 8,510

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.

**NOTE 18 - SUBSEQUENT EVENTS**

At April 4, 2024, 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
CHC .....	Cigna Holding Company
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
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)
PBR .....	Principle-based reserving
SSAP .....	Statement of statutory accounting principle
The Act .....	The Inflation Reduction Act of 2022
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