NEW YORK LIFE INSURANCE COMPANY

FINANCIAL STATEMENTS
(STATUTORY BASIS)

DECEMBER 31, 2023 and 2022

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Report of Independent Auditors

To the Board of Directors of New York Life Insurance Company

Opinions

We have audited the accompanying statutory basis financial statements of New York Life Insurance Company (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 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
February 28, 2024

NEW YORK LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF FINANCIAL POSITION

	December 31, 2023	December 31, 2022
	(in millions)	
Assets		
Bonds	$ 136,688	$ 129,193
Common and preferred stocks	13,907	13,552
Mortgage loans	22,104	22,049
Policy loans	12,905	11,788
Other invested assets	14,431	14,695
Cash, cash equivalents and short-term investments	3,594	2,305
Derivatives	1,474	1,638
Real estate	2,524	2,301
Total cash and invested assets	207,627	197,521
Deferred and uncollected premiums	1,780	2,067
Investment income due and accrued	2,297	1,867
Admitted disallowed interest maintenance reserve	435	—
Other assets	7,261	7,087
Separate accounts assets	12,502	14,239
Total assets	$ 231,902	$ 222,781
Liabilities and surplus		
Liabilities:		
Policy reserves	$ 136,519	$ 132,898
Deposit funds	37,953	33,108
Dividends payable to policyholders	2,321	2,070
Policy claims	831	969
Borrowed money	419	498
Amounts payable under security lending agreements	1,097	513
Derivatives	602	895
Funds held under coinsurance	3,611	3,361
Other liabilities	6,240	5,854
Interest maintenance reserve	—	254
Asset valuation reserve	4,513	4,235
Separate accounts liabilities	12,502	14,239
Total liabilities	206,608	198,894
Surplus:		
Surplus notes	4,232	4,232
Special surplus for admitted disallowed interest maintenance reserve	435	—
Unassigned surplus	20,627	19,655
Total surplus	25,294	23,887
Total liabilities and surplus	$ 231,902	$ 222,781

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF OPERATIONS

	Years Ended December 31,	
	2023	2022
	(in millions)	
Income		
Premiums	$ 15,148	$ 18,149
Net investment income	8,186	7,769
Other income/(loss)	504	(38)
Total income	23,838	25,880
Benefits and expenses		
Benefit payments:		
Death benefits	4,424	4,758
Annuity benefits	1,579	1,480
Health and disability insurance benefits	315	309
Surrender benefits	2,315	2,027
Payments on matured contracts	5,514	3,902
Other benefit payments	1,101	755
Total benefit payments	15,248	13,231
Additions to reserves	3,843	6,531
Net transfers (from)/to separate accounts	(2,273)	331
Adjustment in funds withheld	535	123
Operating expenses	3,823	3,332
Total benefits and expenses	21,176	23,548
Gain from operations before dividends and income taxes	2,662	2,332
Dividends to policyholders	2,389	2,131
Gain from operations before income taxes	273	201
Federal and foreign income taxes	203	31
Net gain from operations	70	170
Net realized capital losses, after tax and transfers to interest maintenance reserve	(42)	(155)
Net income	$ 28	$ 15

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE COMPANY

STATUTORY STATEMENTS OF CHANGES IN SURPLUS

	Years Ended December 31,	
	2023	2022
	(in millions)	
Surplus, beginning of year	$ 23,887	$ 24,566
Net increase/(decrease) due to:		
Net income	28	15
Change in liability for pension and postretirement plans	7	491
Change in asset valuation reserve	(278)	(68)
Change in nonadmitted assets	297	518
Change in net deferred income tax	199	158
Change in reserve valuation basis	(58)	—
Change in surplus as a result of reinsurance	1,201	—
Change in net unrealized (losses)/gains on investments	421	(1,369)
Goodwill amortization	(418)	(418)
Other adjustments, net	8	(6)
Net increase/(decrease)	1,407	(679)
Surplus, end of year	$ 25,294	$ 23,887

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2023	2022
	(in millions)	
Cash flows from operating activities:		
Premiums received	$ 16,797	$ 18,019
Net investment income received	7,078	7,119
Other	350	32
Total received	24,225	25,170
Benefits and other payments	14,430	12,469
Net transfers (from)/to separate accounts	(2,322)	342
Operating expenses	3,091	2,986
Dividends to policyholders	2,137	2,019
Federal income taxes (received)/paid	(122)	128
Total paid	17,214	17,944
Net cash from operating activities	7,011	7,226
Cash flows from investing activities:		
Proceeds from investments sold	7,679	6,343
Proceeds from investments matured or repaid	10,825	10,151
Cost of investments acquired	(26,310)	(27,007)
Net change in policy loans and premium notes	(1,113)	(400)
Net cash used in investing activities	(8,919)	(10,913)
Cash flows from financing and miscellaneous activities:		
Other changes in borrowed money	(79)	24
Net inflows from deposit contracts	3,218	4,251
Other miscellaneous uses	59	(899)
Net cash from financing and miscellaneous activities	3,198	3,376
Net increase/(decrease) in cash, cash equivalents and short-term investments	1,290	(311)
Cash, cash equivalents and short-term investments, beginning of year	2,305	2,616
Cash, cash equivalents and short-term investments, end of year	$ 3,595	$ 2,305

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE COMPANY

STATUTORY STATEMENTS OF CASH FLOWS (supplemental)

	Years Ended December 31,			
	2023		2022	
	(in millions)			
Non-cash activities during the year not included in the Statutory Statements of Cash Flows:				
Initial premiums on coinsurance	$	1,677	$	—
Ceding commission on coinsurance	$	1,521	$	—
Transfer of assets between investment types	$	1,414	$	7,360
Liability for funds withheld on coinsurance	$	420	$	—
Depreciation/amortization on fixed assets	$	362	$	261
Capitalized interest on bonds and other invested assets	$	93	$	94
Low-income housing tax credit future commitments	$	19	$	76
Other invested assets stock distribution	$	4	$	14
Other	$	31	$	—

See accompanying notes to financial statements.

NOTE 1 – NATURE OF OPERATIONS

New York Life Insurance Company (the "Company"), a mutual life insurance company domiciled in New York State, and its subsidiaries offer a wide range of insurance and investment products and services including life insurance, annuities, long-term care insurance, pension products, disability insurance, mutual funds, securities brokerage, financial planning, trust services, capital financing, and investment advisory services. The Company and its subsidiaries offer its insurance and annuity products throughout the United States and its territories, Mexico and Canada, primarily through the Company's career agency force, but also through third party banks, brokers and independent financial advisors. The Company and its subsidiaries provide investment management and advisory services in the United States, Europe, Asia and Australia.

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 ("NYSDFS" or "the Department"), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("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 practices.

A reconciliation of the Company's net income (loss) at December 31, 2023 and 2022 between practices prescribed or permitted by the State of New York and NAIC SAP is shown below (in millions):

	SSAP #	F/S Page	2023	2022
Net income, State of New York basis	XXX	XXX	$ 28	$ 15
State prescribed practices:				
1. NYSDFS Regulation No. 213 principle-based reserving and No. 151 minimum life and annuity reserves[1]	51R	3	63	38
2. NYSDFS Circular Letter No. 11 (2010) impact on deferred premiums[2]	61	3,4,6[4]	(8)	(2)
3. NYSDFS Seventh Amendment to Regulation No. 172 admitted unearned reinsurance premium[3]	61	3,4,6[4]	(1)	5
Net income, NAIC SAP	XXX	XXX	$ 82	$ 56

NOTE 2 – BASIS OF PRESENTATION (continued)

A reconciliation of the Company's capital and surplus at December 31, 2023 and 2022 between practices prescribed by the State of New York and NAIC SAP is shown below (in millions):

	SSAP #	F/S Page	2023	2022
Capital and surplus, State of New York basis	XXX	XXX	$25,294	$23,887
State prescribed practices:				
1. NYSDFS Regulation No. 213 principle-based reserving and No. 151 minimum life and annuity reserves(1)	51R	3	156	93
2. NYSDFS Circular Letter No. 11 (2010) impact on deferred premiums(2)	61	3,4,6(4)	124	132
3. NYSDFS Seventh Amendment to Regulation No. 172 admitted unearned reinsurance premium(3)	61	3,4,6(4)	(61)	(60)
Capital and surplus, NAIC SAP	XXX	XXX	$25,513	$24,052

(1) NYSDFS Regulation 213 subjects principle-based valuations as prescribed by the valuation manual to minimum New York State requirements; NYSDFS Regulation 151 prescribes rules and guidelines for performing valuations of annuity, single premium life insurance, guaranteed interest contract and other deposit reserves.
(2) NYSDFS Circular Letter No. 11 (2010) clarified the accounting for deferred premium assets when reinsurance is involved.
(3) NYSDFS Regulation 172 was amended to allow for the admission of an unearned reinsurance premium asset.
(4) Financial statement line items include: Deferred and uncollected premiums (Assets), Premiums (Operations), and Premiums received (Cash Flows).

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 subsidiaries, controlled and other affiliated entities as defined in Statements of Statutory Accounting Principles ("SSAP") No. 97, "Investments in Subsidiary, Controlled and Affiliated Entities" ("SCAs"), including partnerships, limited liability companies and joint ventures, are accounted for under the equity method. Under the equity method, domestic insurance subsidiaries are recorded at their underlying audited statutory surplus. Nonpublic non-insurance subsidiaries and other controlled entities are recorded at their underlying audited GAAP equity. Changes in the value of such investments are recorded as unrealized gains or losses. The earnings of such investments are recorded in net investment income only when dividends are declared. Under U.S. GAAP, these investments are consolidated;

- 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;

NOTE 2 – BASIS OF PRESENTATION (continued)

- specific valuation allowances are established for the excess carrying value of a mortgage loan over the estimated fair value of the collateral as an unrealized loss in surplus when it is probable that based on current information and events, the Company will be unable to collect amounts due under the contractual terms of the loan agreement. Under U.S. GAAP, a valuation allowance is established for expected credit losses. The valuation allowance under U.S. GAAP is based on historical experience, current economic conditions and reasonable and supportable forecasts;

- realized gains and losses resulting from changes in interest rates are deferred in the interest maintenance reserve ("IMR") and amortized into investment income over the remaining life of the investment sold, whereas under U.S. GAAP, the gains and losses are recognized in income at the time of sale;

- certain derivative instruments are carried at amortized cost, whereas under U.S. GAAP, all derivative instruments are carried at fair value;

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;

- payments received for universal and variable life insurance products, certain variable and fixed deferred annuities and group annuity contracts are reported as premium income and corresponding change in reserves, whereas U.S. GAAP would treat these payments as deposits to policyholders' account balances;

- 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 and annuity 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;

NOTE 2 – BASIS OF PRESENTATION (continued)

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 investments in SCA entities without an admissible audit, deferred taxes as noted above, intangible assets, overfunded pension plan assets, furniture and equipment, and unsecured receivables are considered nonadmitted and excluded from assets, whereas they are included in assets under U.S. GAAP subject to a valuation allowance, as appropriate;

- surplus notes are included as a component of surplus, whereas under U.S. GAAP, they are presented as a liability;

Other

- goodwill held by an insurance company is admitted subject to a 10% limitation on surplus and amortized over the useful life of the goodwill, not to exceed 10 years, and goodwill held by non-insurance subsidiaries is assessed in accordance with U.S. GAAP, subject to certain limitations for holding companies and foreign insurance subsidiaries, whereas under the U.S. GAAP private company accounting alternative, goodwill is amortized over the useful life of the goodwill, not to exceed 10 years, and is tested for impairment, but it is not subject to the 10% limitation on equity.

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. Residual interests in securitizations are reported as other invested assets at the lower of cost or fair value. Refer to Note 9 - Fair Value Measurements for discussion on the valuation approach and methods for bonds.

Under NAIC SAP, Securities Valuation Office ("SVO")-identified investments, which include certain SVO approved exchange traded funds ("ETFs") and mutual funds, are eligible for classification as bonds as identified in the SVO's Purposes and Procedures Manual if they meet certain criteria stipulated by the Department. SVO-identified bond ETFs are stated at fair value.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Preferred Stocks

Redeemable preferred stocks in “good standing” (NAIC designation of 1 to 3) are valued at amortized cost. Redeemable preferred stocks “not in good standing” (NAIC designation of 4 to 6) are valued at the lower of amortized cost or fair value. Perpetual preferred stock and mandatory convertible preferred stock are valued at fair value, not to exceed any currently effective call price. Refer to Note 9 - Fair Value Measurements for discussion on the valuation approach and methods for preferred stocks.

Common Stocks

Common stocks include the Company's investments in unaffiliated stocks, which includes investments in shares of SEC registered investment funds as well as regulated foreign open-end investment funds, and four direct, wholly owned U.S. insurance subsidiaries: New York Life Insurance and Annuity Corporation ("NYLIAC"), NYLIFE Insurance Company of Arizona ("NYLAZ"), Life Insurance Company of North America (“LINA”), and New York Life Group Insurance Company of NY ("NYLGICNY").

Investments in common stocks of U.S. insurance subsidiaries are carried at the value of their audited underlying U.S. statutory surplus. Unaffiliated common stocks are carried at fair value. Unrealized gains and losses are reflected in surplus, net of deferred taxes. Refer to Note 9 - Fair Value Measurements for a discussion on the valuation approach and methods for common stocks.

Dividends and distributions from subsidiaries other than those deemed a return of capital are recorded as a component of net investment income when declared and changes in the equity of subsidiaries are recorded as unrealized gains or losses in surplus, net of deferred taxes.

Other than Temporary Impairments

The cost basis of bonds and equity securities 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), preferred stock or common stock is deemed other-than-temporarily impaired, the difference between the investment's amortized cost and its fair value is recognized as a realized loss and reported in net income if the loss is credit related, or deferred in the IMR if interest related for bonds.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Mortgage Loans

Mortgage loans on real estate are carried at unpaid principal balances, net of discounts, premiums, deferred origination fees related to points, and specific valuation allowances, and are collateralized. 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 9 - 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.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Real Estate

Real estate includes properties that are directly-owned and real estate property investments that are directly and wholly-owned through a limited liability company and meet certain criteria. Real estate held for the production of income and home office properties are stated at cost less accumulated depreciation and encumbrances. Real estate held for sale is stated at the lower of cost less accumulated depreciation or fair value, less encumbrances and estimated costs to sell. If there is an indication that the carrying amount of the real estate may not be recoverable, then it must be tested for impairment. If the carrying amount of a real estate investment exceeds its undiscounted cash flows, an OTTI is recorded as a realized loss in net income, calculated as the difference between the carrying amount of the real estate investment and the fair value of the real estate investment. Depreciation of real estate held for the production of income and home office properties is calculated using the straight-line method over the estimated lives of the assets, generally 40 years. Costs of permanent improvements are depreciated over the shorter of their estimated useful life, or the remaining estimated life of the real estate. Rental revenue from leased real estate is recognized on a straight-line basis over the lease term.

Policy Loans

Policy loans are stated at the aggregate balance due. The excess of the unpaid balance of a policy loan that exceeds the cash surrender value is nonadmitted.

Other Invested Assets

Other invested assets include investments in limited partnerships and limited liability companies, including investments in non-insurance subsidiaries, investments in low-income housing tax credits (“LIHTC”), residual tranches of securitizations and other invested assets.

Investments in non-insurance subsidiaries organized as limited liability companies are carried as an asset provided the entity’s U.S. GAAP equity is audited and are stated as follows: (1) foreign insurance subsidiaries that have U.S. GAAP audits, are stated at U.S. GAAP equity adjusted for certain assets that are disallowed under statutory accounting practices, otherwise the investment is nonadmitted; (2) non-insurance subsidiaries are carried at U.S. GAAP equity unless they are engaged in certain transactions that are for the benefit of the Company or its affiliates and receive 20% or more of their revenue from the Company or its affiliates. In this case, non-insurance subsidiaries are carried at U.S. GAAP equity adjusted for the same items as foreign insurance subsidiaries; (3) all other assets and liabilities in a downstream holding company are accounted for in accordance with the appropriate NAIC SAP guidance. In the absence of an admissible audit, the entire investment is nonadmitted.

Limited partnerships and limited liability companies which have admissible audits are carried at the underlying audited equity of the investee. The Company nonadmits the entire investment when an admissible audit is not performed. 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 or limited liability company is not adjusted for subsequent increases in the underlying audited equity of the investee.

Dividends and distributions from limited partnerships and limited liability companies, 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.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

LIHTC investments, which are included in other invested assets, are recorded at proportional amortized cost and include remaining unfunded commitments. The carrying value of the investment is amortized into income in proportion to the actual and projected future amounts of tax credits and deductible losses. The amortization is recorded through net investment income.

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

Goodwill

Goodwill is defined as the difference between the cost of acquiring an entity and the reporting entity's share of the book value of the acquired entity. Positive goodwill is limited in the aggregate to 10% of the acquiring entity's 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, and net deferred tax assets. Goodwill resulting from the purchase of an SCA, joint ventures, partnerships or limited liability companies is amortized to unrealized capital gains and losses on investments over the period in which the acquiring entity benefits economically, not to exceed 10 years. The Company reports goodwill in the carrying value of the investment acquired.

Derivative Instruments

Derivative instruments that qualify and are designated for hedge accounting are valued in a manner consistent with the items being hedged. Periodic payments and receipts on these derivatives are recorded on an accrual basis within net investment income for hedges of fixed income securities, other income for hedges of liabilities, and net realized capital gains and losses for hedges of net investments in foreign operations. Net realized gains and losses are recognized upon termination or maturity of these contracts in a manner consistent with the hedged item and when subject to the IMR, are transferred to the IMR, net of taxes.

To qualify for hedge accounting, the hedge relationship is designated and formally documented at inception, which means any time prior to the first quarterly hedge effectiveness assessment date, by detailing the particular risk, management objective and strategy for the hedge. This includes the item and risk that is being hedged, the derivative that is being used, as well as how effectiveness is being assessed. A derivative must be highly effective in accomplishing the objective of offsetting either changes in fair value or cash flows for the risk being hedged. The hedging relationship is considered highly effective if the changes in fair value or cash flows of the hedging instrument are within 80% to 125% of the inverse changes in the fair value or cash flows of the hedged item. For foreign currency swaps used under a fair value hedge designation, the Company excludes the cross-currency basis spread in its calculation of effectiveness as allowed under statutory accounting guidance. The Company formally assesses effectiveness of its hedging relationships both at the hedge inception and on a quarterly basis over the life of the hedge relationship in accordance with its risk management policy. The Company assesses hedge effectiveness qualitatively on a quarterly basis if (1) the initial quantitative prospective assessment demonstrates that the relationship is expected to be highly effective and (2) at inception, the Company is able to reasonably support an expectation of high effectiveness on a qualitative basis in subsequent periods. The Company continually assesses the credit standing of the derivative counterparty and, if the counterparty is deemed to be no longer creditworthy, the hedge relationship will no longer be considered effective.

The Company discontinues hedge accounting prospectively if: (1) it is determined that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; (2) the derivative expired or is sold, terminated, or exercised; (3) it is probable that the forecasted transaction will not occur, or (4) management determines that designation of the derivative as a hedge instrument is no longer appropriate.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative instruments that do not qualify or are not designated for hedge accounting are carried at fair value and changes in fair value are recorded in surplus as unrealized gains and losses, net of deferred taxes. Periodic payments and receipts on these derivatives are recorded on an accrual basis within net investment income for hedges of fixed income securities and within other income for hedges of liabilities and net realized capital gains and losses for hedges of foreign net investments, total return swaps, and credit default swaps. Upon termination or maturity, the gains or losses on these contracts are recognized in net realized capital gains and losses, net of taxes. Realized gains or losses on terminated or matured derivatives, which are subject to the IMR, are transferred to the IMR, net of taxes.

The Company also uses derivatives as part of replication transactions. Replication transactions refer to derivative transactions entered into in conjunction with other investments in order to reproduce the investment characteristics of otherwise permissible investments. The accounting for derivatives used in replication transactions depends upon how the underlying cash instrument is accounted for, as well as how the replicated asset would be accounted for if acquired directly; alternatively, the Company can elect to carry the derivative at fair value. The Company uses bonds as the referenced cash instrument in its current replication transactions, and therefore, the derivatives are carried at amortized cost. The Company accrues investment income for the replicated synthetic asset throughout the life of the replication transaction. Realized gains or losses at maturity of the replication transaction, which are subject to the IMR, are transferred to the IMR, net of tax.

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. Short-term investments consist of securities with remaining maturities of one year or less, but greater than three months at the time of acquisition and are carried at amortized cost, which approximates fair value.

AVR and IMR

The AVR is used to stabilize surplus from fluctuations in the fair value of bonds, stocks, mortgage loans, real estate and other invested assets. 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, preferred stocks, mortgage loans, interest related other-than-temporary impairments (net of taxes) and realized gains or losses (net of taxes) on terminated interest rate related derivatives which are amortized into net income over the expected years to maturity of the investments sold or the item being hedged using the grouped method. 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.

Loaned Securities and Repurchase Agreements

The Company enters into securities lending agreements whereby certain investment securities are loaned to third-parties. Securities loaned are treated as financing arrangements. With respect to securities loaned, in order to reduce the Company’s risk under these transactions, the Company requires initial cash collateral equal to 102% of the fair value of domestic securities loaned. The Company records an offsetting liability in amounts payable under security lending agreements. The Company monitors the fair value of securities loaned with additional collateral obtained as necessary. The borrower of the loaned securities is permitted to sell or repledge those securities.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company enters into dollar roll repurchase agreements to sell and repurchase securities. Assets to be repurchased are the same, or substantially the same, as the assets sold. The Company agrees to sell securities at a specified price and repurchase the securities at a lower price. The Company receives cash in the amount of the sales proceeds and establishes a liability equal to the repurchase amount. The difference between the sale and repurchase amounts represents deferred income which is earned over the life of the agreement. The liability for repurchasing the assets is included in borrowed money.

The Company enters into tri-party reverse repurchase agreements to purchase and resell short-term securities. The Company receives securities as collateral, having a fair value at least equal to 102% of the purchase price paid by the Company for the securities and the Company’s designated custodian takes possession of this collateral. The Company is not permitted to sell or repledge these securities. The collateral is not recorded on the Company’s financial statements. However, if the counterparty defaults, the Company would then exercise its rights with respect to the collateral, including a sale of the collateral. The fair value of the securities held as collateral is monitored daily and additional collateral is obtained, where appropriate, to protect against credit exposure. The Company records the amount paid for securities purchased under agreements to resell in cash, cash equivalents and short-term investments.

Premiums and Related Expenses

Life premiums are recognized as revenue when due. Annuity considerations are recognized as revenue when received. Commissions and other costs associated with acquiring new business are charged to operations as incurred. Premiums on guaranteed interest contracts (“GICs”) with purchase rate guarantees, which introduce an element of mortality risk, are recorded as income when received. 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.

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.

Dividends to Policyholders

The liability for dividends to policyholders consists principally of dividends expected to be paid during the subsequent year. The allocation of dividends is approved annually by the Board of Directors and is determined by means of formulas, which reflect the relative contribution of each group of policies to divisible surplus.

Policy Reserves

Policy reserves are based on mortality 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 12 - Insurance Liabilities for a discussion of reserves in excess of minimum NAIC requirements.

Federal Income Taxes

The Company files a consolidated federal income tax return with certain of its domestic insurance and non-insurance subsidiaries. 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.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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 16 - Income Taxes for more detailed information about the Company's income taxes.

Separate Accounts

The Company has established both non-guaranteed and guaranteed separate accounts with varying investment objectives which are segregated from the Company's general account and are maintained for the benefit of separate accounts policyholders. The Company has market value guaranteed separate accounts, for which supplemental separate account assets are used to fund the excess of the actuarial liability for future guaranteed payments over the market value of the assets. Assets held in non-guaranteed separate accounts and market value guaranteed separate accounts are stated at market value. Assets held in guaranteed book value separate accounts are carried at the same basis as the general account.

The liability for separate accounts represents policyholders' interests in the separate accounts assets, excluding liabilities representing due and accrued transfers to the general account. The liability for non-guaranteed and guaranteed market value separate accounts represents policyholders' interests in the separate accounts assets, including accumulated net investment income and realized and unrealized gains and losses on those assets. For the book value guaranteed separate accounts, the liability represents amounts due to policyholders pursuant to the terms of the contract.

Funds Held Under Coinsurance

Funds held under coinsurance primarily represent balances payable related to certain reinsurance assumed contracts that were partially retroceded. The balances are determined based on the percent of the liabilities retroceded, including certain insurance related payables and receivables as stipulated by the reinsurance agreements. Refer to Note 13 - Reinsurance for additional discussion on assumed reinsurance.

Other Assets and Liabilities

Other assets primarily consist of cash value on corporate owned life insurance, net DTA, receivables from subsidiaries and affiliates, interest in annuity contracts, and current tax receivable. Corporate owned life insurance is carried at cash surrender value with changes in cash surrender value reported in Other income in the accompanying Statutory Statements of Operations.

Other liabilities primarily consist of amounts withheld by the Company, employee benefit plan liabilities, accrued expenses, derivative liabilities, and remittances.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonadmitted 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 furniture and equipment, agents' debit balances, goodwill exceeding 10% of adjusted surplus, DTAs not realizable within three years, receivables over 90 days old and overfunded plan assets on qualified benefit plans, and the value of certain entities for which a permissible audit has not been performed. Changes to nonadmitted assets are reported as a direct adjustment to surplus in the accompanying Statutory Statements of Changes in Surplus.

Fair Value of Financial Instruments and Insurance Liabilities

Fair value of various assets and liabilities are included throughout the notes to the financial statements. Specifically, fair value disclosure of investments held is reported in Note 6 - Investments. Fair values for derivative instruments are included in Note 7 - Derivative Instruments and Risk Management. Fair values for insurance liabilities are reported in Note 12 - Insurance Liabilities. The aggregate fair value of all financial instruments summarized by type is included in Note 9 - Fair Value Measurements.

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 (except unlimited guarantees and guarantees made to or on behalf of wholly owned subsidiaries that have zero or positive equity), 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 other than wholly owned subsidiaries unless the guarantee is deemed unlimited.

Foreign Currency Translation and Transactions

The Company's Canadian insurance operations, except for activity related to the bond, short-term investment, and cash equivalent portfolio, are stated in Canadian dollars, with a single foreign currency adjustment of the net value reflected in unrealized gains and losses as a component of surplus. Bonds, short-term investments and cash equivalents are shown at their USD value with changes in foreign currency also reflected in unrealized gains and losses as a component of surplus. For all other foreign currency items, income and expenses are translated at the average exchange rate for the period while assets and liabilities are translated using the spot rate in effect at the date of the statements. Changes in the asset and liability values due to fluctuations in foreign currency exchange rates including translating foreign investments included in limited partnerships and other invested assets are recorded as unrealized capital gains and losses in surplus until the asset is sold or exchanged or the liability is settled. Upon settlement, previously recorded unrealized capital gains and losses are reversed, and the foreign exchange gain or loss for the entire holding period is recorded as a realized capital gain or loss in net income.

Benefit Plans

The Company maintains various tax-qualified and non-qualified plans that provide defined benefit pension and other postretirement benefits covering eligible U.S. employees and agents. A December 31st measurement date is used for all defined benefit pension and other postretirement benefit plans.

The Company recognizes the funded status of each of the pension and postretirement plans on the accompanying Statutory Statements of Financial Position. The funded status of a plan is measured as the difference between plan assets at fair value and the projected benefit obligation ("PBO") for pension plans or the accumulated postretirement benefit obligation ("APBO") for other postretirement plans.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

The PBO is defined as the actuarially calculated present value of vested and non-vested pension benefits accrued based on service accruals through the measurement date and anticipated future compensation levels. This is the basis upon which pension liabilities and net periodic benefit cost are determined. The PBO of the defined benefit pension plans is determined using a variety of actuarial assumptions, from which actual results may vary.
The APBO represents the actuarially calculated present value of other postretirement benefits attributed to employee services rendered through the measurement date. This is the valuation basis upon which postretirement benefit liabilities and net periodic postretirement benefit cost are determined. The APBO is determined using a variety of actuarial assumptions, from which actual results may vary.

For pension and postretirement benefits, the Company recognizes the net periodic benefit cost as an expense in the accompanying Statutory Statements of Operations.

Net periodic benefit cost is determined using management estimates and actuarial assumptions to derive service cost, interest cost, and expected return on plan assets for a particular year. Net periodic benefit cost also includes the applicable amortization of any prior service cost (credit) arising from the increase (decrease) in prior years' benefit costs due to plan amendments. These costs are amortized into net periodic benefit cost over the expected service years of employees whose benefits are affected by such plan amendments. Actual experience related to plan assets and/or the benefit obligations may differ from that originally assumed when determining net periodic benefit cost for a particular period and future assumptions may change, resulting in gains or losses. To the extent such aggregate gains or losses exceed 10 percent of the greater of the benefit obligations or the market value of assets of the plan; they are amortized into net periodic benefit cost over the expected service years of employees expected to receive benefits under the plans.

The obligations and expenses associated with these plans require an extensive use of assumptions such as the discount rate, expected rate of return on plan assets, rate of future compensation increases, healthcare cost trend rates, as well as assumptions regarding participant demographics such as age at retirement, withdrawal rates, and mortality. Management, in consultation with its external consulting actuarial firm, determines these assumptions based upon a variety of factors such as historical performance of the plan and its assets, currently available market and industry data, and expected benefit payout streams. The assumptions used may differ materially from actual results due to, among other factors, changing market and economic conditions and changes in participant demographics.

The Company also sponsors tax-qualified defined contribution plans for eligible U.S. employees and agents. The defined contribution plan for employees matches a portion of employees' contributions. Accordingly, the Company recognizes compensation cost for current matching contributions. The defined contribution plan for agents provides for discretionary Company contributions for eligible agents. Accordingly, the Company recognizes compensation cost for current discretionary contributions. As all contributions are transferred timely to the trust for these plans, no liability for matching or discretionary contributions is recognized in the accompanying Statutory Statements of Financial Position.

The Company also maintains for certain eligible participants a non-qualified unfunded arrangement that credits deferral amounts and matching contributions with respect to compensation in excess of the amount that may be taken into account under the tax-qualified defined contribution plan because of applicable Internal Revenue Service ("IRS") limits. Accordingly, the Company recognizes compensation cost for current matching contributions and holds a liability for these benefits, which is included in Other liabilities in the accompanying Statutory Statements of Financial Position.

The Company provides certain benefits to eligible employees during employment for paid absences and after employment but before retirement. A liability for these benefits is accrued when the benefit is incurred.

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 and assets under management are exposed to market risk, policyholder behavior risk, and mortality/longevity risk.

Market volatility and other equity market conditions may affect the Company’s exposure to risks related to guaranteed death benefits and guaranteed living benefits on variable annuity ("VA") and certain variable universal life ("VUL") products issued by NYLIAC. Furthermore, the level of sales of the Company’s insurance and investment products is influenced by many factors, including general market rates of interest, the strength, weakness and volatility of equity markets, and 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.

NOTE 5 – RECENT ACCOUNTING PRONOUNCEMENTS

Changes in Accounting Principles

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 revisions to SSAP No. 48 "Joint Ventures, Partnerships and Limited Liability Companies", SSAP No. 30 "Common Stock" and SSAP No. 32 "Preferred Stock" regarding residual investments. The amended guidance clarified that equity investments issued from entities that are in substance securitization vehicles are to be reported as residual investments. The adoption of this guidance had no impact to the Company's surplus, but required the reclassification of $102 million of investments in limited partnerships as residual investments.

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 $471 million 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.

The NAIC adopted revisions to SSAP No. 86 “Derivatives”, which adopt with modification U.S. GAAP guidance in determining hedge effectiveness. More specifically, SSAP No. 86 was modified to incorporate measurement guidance for excluded components when measuring hedge effectiveness of foreign currency swaps and foreign currency forwards. In addition, new guidance was added regarding the portfolio layer method and partial term hedges for fair value hedges. The Company adopted this guidance on January 1, 2023 with no impact to surplus at adoption. New disclosures related to this guidance were added to Note 7 - Derivative Instruments and Risk Management.

The NAIC adopted revisions to SSAP No. 43R “Loan-Backed and Structured Securities” to require residual tranches of securitizations to be reported as other invested assets at the lower of cost or market. Residual tranches have been defined under SSAP 43R as those investments in a securitization that have no contractual payments, whether principal or interest, or both and where payment to the holders of the instruments only occurs after contractual interest and principal payments have been made to the other tranches in the securitization based on any remaining funds. The Company adopted this guidance at December 31, 2022 and reclassified residual tranches with a book value of $73 million from Bonds to Other invested assets. The reclassification had no impact on income or surplus.

The NAIC adopted revisions to SSAP No. 25 “Affiliates and Other Related Parties” in 2022, with additional revisions issued in 2023, to clarify that for entities not controlled by voting interests, such as limited partnerships, trusts and other special purpose entities, control may be held by a general partner, servicer, or by other arrangements. The ability of the reporting entity or its affiliates to direct the management and policies of an entity through such arrangements shall constitute control as defined in SSAP 25. Updates were also adopted in SSAP 43R to clarify that investments from any arrangement that results in direct or indirect control of an investee, which include but are not limited to control through a servicer or other controlling arrangement, shall be reported as affiliated in accordance with SSAP 25. The Company invests in asset-backed securities issued by securitization vehicles that are managed by its asset management affiliates. These investments do not have any credit risk exposure to affiliates, but are now reported as affiliated investments in Note 6 - Investments based on the revisions adopted. Reporting these investments as affiliated only impacted disclosures and had no impact on the Company’s income or surplus.

NOTE 5 – RECENT ACCOUNTING PRONOUNCEMENTS (continued)

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, hedging relationships and other transactions 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 and hedging relationships. Since most of the Company's contracts and hedging relationships 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 millions):

	2023		2022	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Due in one year or less	$ 5,317	$ 5,173	$ 4,903	$ 4,786
Due after one year through five years[1]	39,342	38,070	33,758	32,000
Due after five years through ten years	38,051	35,910	39,421	35,647
Due after ten years	53,978	47,722	51,111	42,495
Total	$ 136,688	$ 126,875	$ 129,193	$ 114,928

[1] Includes an affiliated bond issued by Madison Capital Funding LLC ("MCF"). Refer to Note 11 - Related Party Transactions for a more detailed discussion of related party investments.

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 ("ABS") 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.

In addition to the information disclosed above, short-term investments with a carrying value of $46 million and $274 million at December 31, 2023 and 2022, respectively, and cash equivalents with a carrying value of $3,473 million and $2,148 million at December 31, 2023 and 2022, respectively, are due in one year or less. Carrying value approximates fair value for these investments.

NOTE 6 - INVESTMENTS (continued)

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

	2023			
	Carrying Value	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. governments	$ 8,596	$ 10	$ 2,416	$ 6,191
All other governments	890	45	39	897
U.S. special revenue and special assessment	20,387	442	1,389	19,440
Industrial and miscellaneous unaffiliated	101,663	1,454	7,902	95,216
Parent, subsidiaries, and affiliates(1)	3,684	—	20	3,665
Hybrid securities	1	—	—	1
SVO identified funds	1,466	—	—	1,466
Total	$ 136,688	$ 1,952	$ 11,765	$ 126,875

(1) The balance includes $262 million of ABS investments that are managed by affiliates of the Company but have no credit risk exposure to those affiliates.

	2022			
	Carrying Value	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. governments	$ 8,689	$ 11	$ 2,445	$ 6,255
All other governments	813	45	41	817
U.S. special revenue and special assessment	20,354	234	1,854	18,734
Industrial and miscellaneous unaffiliated	95,264	572	10,681	85,155
Parent, subsidiaries, and affiliates(1)	3,908	1	107	3,802
Hybrid securities	1	—	—	1
SVO identified funds	164	—	—	164
Total	$ 129,193	$ 863	$ 15,128	$ 114,928

(1) The balance includes $262 million of ABS investments that are managed by affiliates of the Company but have no credit risk exposure to those affiliates

Common and Preferred Stocks

The following table presents the carrying value and change in unrealized gains (losses) of common and preferred stocks at December 31, 2023 and 2022 (in millions):

	2023		2022	
	Carrying Value	Change in Unrealized Gains (Losses)	Carrying Value	Change in Unrealized Gains (Losses)
Common stock of insurance subsidiaries(1)	$ 13,191	$ 578	$ 12,421	$ (1,167)
Unaffiliated common stock	552	(188)	1,018	(171)
Preferred stock	164	(16)	113	(17)
Total	$ 13,907	$ 374	$ 13,552	$ (1,355)

(1) The balance includes $1,904 million and $1,963 million of goodwill related to the acquisition of New York Life Group Benefit Solutions ("GBS") for the years ended December 31, 2023 and 2022 respectively. For additional information on goodwill, refer to the Admitted Goodwill section below.

NOTE 6 - INVESTMENTS (continued)

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 12.7% and 5.5% and funded during 2022 were 7.8% and 2.3%, respectively. For 2023 and 2022, 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, was 92.4% (average percentage was 56.8% and 54.1% at December 31, 2023 and December 31, 2022, respectively). For 2023 and 2022, the maximum percentage of any residential loan to the value of the collateral at the time of the loan was 80.0% (average percentage was 23.1% and 25.2% at December 31, 2023 and December 31, 2022, respectively). The Company has no significant credit risk exposure to any one individual borrower.

Under certain mortgage loan agreements, the Company and other unrelated third party lenders hold interest in the mortgage loans. Under these agreements, the Company is not able to unilaterally foreclose on the mortgage loan in an event of default. At December 31, 2023 and 2022, the Company had mortgage loans outstanding under this type of agreement of $2,441 million and $2,789 million, respectively. In addition, NYLIAC, LINA and NYLGICNY participates in mortgage loans originated by the Company whereby NYLIAC's, LINA's and NYLGICNY's consent may be required in order to foreclose on a mortgage loan. Refer to Note 11 - Related Party Transactions for more detail on these transactions.

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

	2023		2022	
	Carrying Value	% of Total	Carrying Value	% of Total
Property type:				
Apartment buildings	$ 7,106	32.2 %	$ 7,611	34.5 %
Industrial	6,969	31.5	6,054	27.5
Office buildings	4,427	20.0	4,894	22.2
Retail facilities	2,756	12.5	3,053	13.8
Hotels	360	1.6	380	1.7
Other	485	2.2	56	0.3
Residential	1	—	1	—
Total	$ 22,104	100.0 %	$ 22,049	100.0 %

	2023		2022	
	Carrying Value	% of Total	Carrying Value	% of Total
Geographic location:				
Central	$ 6,375	28.8 %	$ 6,424	29.1 %
South Atlantic	5,167	23.4	5,235	23.8
Pacific	5,121	23.2	5,067	23.0
Middle Atlantic	4,423	20.0	4,345	19.7
New England	931	4.2	957	4.3
Other	87	0.4	21	0.1
Total	$ 22,104	100.0 %	$ 22,049	100.0 %

At December 31, 2023 and 2022, there were $177 million of mortgage loans past due 90 days and over for both periods.

NOTE 6 - INVESTMENTS (continued)

The Company maintains a watchlist of commercial mortgage 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 and 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 million is generally updated every three years, unless a more current appraisal is warranted. For portfolio loans, which are collateralized by multiple commercial properties, inspections are done every three years for approximately 50% of the properties in the portfolio. Commercial mortgages less than $10 million have an on-site inspection performed by an external inspection service generally every three years. If the loan is determined to be potentially troubled, the loan is more frequently monitored as to its status. Certain properties that serve as collateral for commercial mortgages have been placed on a different schedule to address additional risks that resulted from rising interest rates or distress in the market due to return to work issues. 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 millions):

	2023							
Loan to Value % (By Class)	**Apartment Bldgs**	**Office Bldgs**	**Industrial**	**Retail Facilities**	**Hotel**	**Residential**	**Other**	**Total**
Above 95%	$ —	$ 357	$ —	$ —	$ —	$ —	$ —	$ 357
91% to 95%	4	58	—	177	—	—	19	259
81% to 90%	45	635	—	163	28	—	—	871
71% to 80%	177	545	87	221	—	—	17	1,047
Below 70%	6,880	2,831	6,883	2,195	331	1	449	19,570
Total	$ 7,106	$ 4,427	$ 6,969	$ 2,756	$ 360	$ 1	$ 485	$ 22,104

	2022							
Loan to Value % (By Class)	**Apartment Bldgs**	**Office Bldgs**	**Industrial**	**Retail Facilities**	**Hotel**	**Residential**	**Other**	**Total**
Above 95%	$ 24	$ 188	$ —	$ —	$ —	$ —	$ —	$ 212
91% to 95%	—	—	—	177	—	—	—	177
81% to 90%	—	37	—	141	20	—	—	198
71% to 80%	431	396	48	152	27	—	2	1,056
Below 70%	7,156	4,273	6,006	2,583	333	1	54	20,406
Total	$ 7,611	$ 4,894	$ 6,054	$ 3,053	$ 380	$ 1	$ 56	$ 22,049

At December 31, 2023 and 2022, impaired mortgage loans were as follows (in millions):

Type	**Impaired Loans with Allowance for Credit Losses**		**Related Allowance**		**Impaired Loans Without Allowance for Credit Losses**		**Average Recorded Investment**		**Interest Income Recognized**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Commercial	$ 228	$ —	$ 71	$ —	$ 177	$ 177	$ 219	$ 86	$ 20	$ 12

NOTE 6 - INVESTMENTS (continued)

Real Estate

At December 31, 2023 and 2022, the carrying value of the Company's real estate portfolio consisted of the following (in millions):

	2023	2022
Investment property	$ 2,228	$ 2,018
Properties for Company use	296	283
Total	$ 2,524	$ 2,301

Accumulated depreciation on real estate at December 31, 2023 and 2022 was $1,073 million and $912 million, respectively. Depreciation expense for the years ended December 31, 2023 and 2022 was $107 million and $96 million, respectively, and was recorded as an investment expense, a component of Net investment income in the accompanying Statutory Statements of Operations. The Company had $66 million and $39 million of realized gains on the disposition of investment properties during 2023 and 2022, respectively.

In addition to the above, the Company owns real estate in certain proprietary LLC structures, which are included within Other invested assets in the accompanying Statutory Statements of Financial Position, of $773 million and $1,057 million at December 31, 2023 and 2022, respectively.

Other Invested Assets

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

	2023	2022
Limited partnerships and limited liability companies	$ 12,125	$ 12,150
Affiliated non-insurance subsidiaries	1,182	1,195
Other investments	537	437
Derivative collateral	245	656
LIHTC investments	274	237
Loans to affiliates	68	20
Total other invested assets[1]	$ 14,431	$ 14,695

[1] At December 31, 2023 and 2022, the Company had $184 million ($154 million related to affiliated non-insurance subsidiaries and $30 million related to limited partnerships and LIHTC) and $173 million ($148 million related to affiliated non-insurance subsidiaries and $25 million related to limited partnerships and LIHTC), respectively, of investments in other invested assets that were nonadmitted, and therefore, excluded from the amounts.

Net investment income (loss) and change in unrealized gains (losses) for other invested assets for the years ended December 31, 2023 and 2022 consisted of the following (in millions):

	2023		2022	
	Net Investment Income (Loss)	Change in Unrealized Gains (Losses) [1]	Net Investment Income (Loss)	Change in Unrealized Gains (Losses) [1]
Limited partnerships and limited liability companies	$ 579	$ (123)	$ 980	$ (60)
Affiliated non-insurance subsidiaries	478	269	214	(5)
LIHTC investments	(26)	—	(19)	—
Other investments	29	(7)	14	(8)
Loans to affiliates	3	—	1	—
Total other invested assets	$ 1,063	$ 139	$ 1,190	$ (73)

[1] Includes unrealized foreign exchange gains (losses) of $86 million and $(200) million in 2023 and 2022, respectively.

NOTE 6 - INVESTMENTS (continued)

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

Affiliated non-insurance subsidiaries consist of the Company's limited liability company investments in New York Life Investment Management Holdings LLC ("NYL Investments"), NYL Investors LLC ("NYL Investors"), New York Life Enterprises ("NYLE") , NYLIFE LLC and MCF. Refer to Note 11 - Related Party Transactions for a more detailed discussion of the Company's transactions with related parties. Dividends are recorded in net investment income when declared and changes in the equity of subsidiaries are recorded in Change in unrealized capital gains on investments in the accompanying Statutory Statements of changes in surplus.

Other investments consist primarily of investments in surplus notes, preferred units of limited partnerships, residual tranches of securitizations, and other investments with characteristics of debt. Interest earned on these investments is included in Net investment income in the accompanying Statutory Statements of Operations.

The Company receives tax credits related to its investments in LIHTC partnerships. The Company's unexpired tax credits on its investments in LIHTC expire within a range of 1 year to 13 years. During 2023 and 2022, the Company recorded amortization on these investments under the proportional amortized cost method which is included in net investment income of $26 million and $19 million, respectively. The Company recorded tax credits and other tax benefits on these investments of $29 million and $21 million for 2023 and 2022, respectively. The minimum holding period required for the Company's LIHTC investments extends from 1 years to 16 years. The LIHTC investments are periodically subject to regulatory reviews by housing authorities where the properties are located. The Company is not aware of any adverse issues related to such regulatory reviews.

For loans to affiliates, refer to Note 11 - Related Party Transactions, which includes a more detailed discussion of the Company's loans to affiliates.

Admitted Goodwill

The following table represents goodwill generated under the statutory purchase method of accounting ($ in millions):

Purchased Entity	Financial Statement Line	Acquisition Date	Cost of Acquisition	Original Amount of Goodwill	Original Amount of Goodwill Admitted	Admitted Goodwill at 12/31/23	Amortization for the Year Ended 12/31/23	Book Value	Admitted Goodwill as a % of Book Adjusted Carrying Value, Gross of Admitted Goodwill
LINA	Common and preferred stocks	December 31, 2020	$ 5,975	$ 4,101	$ 1,932	$ 1,820	$ 404	$ 1,860	98 %
NYLGICNY	Common and preferred stocks	December 31, 2020	$ 220	$ 126	$ 126	$ 84	$ 14	$ 190	44 %
Stone Ridge Holdings Group LLC	Other invested assets	January 3, 2017	$ 150	$ 132	$ 132	$ 40	$ 13	$ 100	40 %

NOTE 6 - INVESTMENTS (continued)

As required under NAIC SAP, goodwill is limited in the aggregate to 10% of the acquiring entity's capital and surplus, adjusted to exclude any net positive goodwill, electronic database processing equipment and operating system software, and net deferred tax assets. The table below shows the calculation of the Company's adjusted surplus for purposes of the goodwill admissibility calculation ($ in millions):

	Calculation of Limitation as of	
	September 30, 2023	December 31, 2023
Capital and surplus	$ 23,298	
Less:		
Admitted positive goodwill	1,934	
Admitted EDP equipment and operating system software	29	
Admitted net deferred taxes	1,902	
Total adjustments	3,865	
Adjusted capital and surplus	$ 19,433	
Limitation on amount of goodwill (adjusted capital and surplus times 10%)		$ 1,943
Current period reported admitted goodwill		$ 1,943
Current period admitted goodwill as a % of prior period adjusted capital and surplus		10 %

NOTE 6 - INVESTMENTS (continued)

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 millions):

	2023							
	Gross (Admitted and Nonadmitted) Restricted						Percentage	
Restricted Asset Category	Total General Account	Total Separate Account Restricted Assets	Total	Total From Prior Year	Increase (Decrease)	Total Admitted Restricted	Gross (Admitted and Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Collateral held under security lending agreements	$ 1,093	$ —	$ 1,093	$ 511	$ 582	$ 1,093	0.5 %	0.5 %
Subject to reverse repurchase agreements	769	—	769	162	607	769	0.3	0.3
Subject to dollar repurchase agreements	—	6	6	26	(20)	6	—	—
Letter stock or securities restricted as to sale - excluding Federal Home Loan Bank ("FHLB") capital stock	182	—	182	124	58	182	0.1	0.1
FHLB capital stock	186	—	186	212	(26)	186	0.1	0.1
On deposit with states	270	—	270	326	(56)	270	0.1	0.1
Pledged as collateral to FHLB (including assets backing funding agreements)	3,118	—	3,118	3,692	(574)	3,118	1.3	1.3
Pledged as collateral or other restricted assets not captured in other categories[1]	8,023	—	8,023	8,429	(406)	8,023	3.4	3.5
Total restricted assets	$ 13,640	$ 6	$ 13,647	$ 13,482	$ 165	$ 13,647	5.8 %	5.9 %

[1] Includes assets of $6,949 million which are permanently restricted and inure solely to the benefit of the reinsured policyholders.

NOTE 6 - INVESTMENTS (continued)

	2022							
	Gross (Admitted and Nonadmitted) Restricted						Percentage	
Restricted Asset Category	Total General Account	Total Separate Account Restricted Assets	Total	Total From Prior Year	Increase (Decrease)	Total Admitted Restricted	Gross (Admitted and Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Collateral held under security lending agreements	$ 511	$ —	$ 511	$ 604	$ (93)	$ 511	0.2 %	0.2 %
Subject to reverse repurchase agreements	162	—	162	124	38	162	0.1	0.1
Subject to dollar repurchase agreements	—	26	26	318	(292)	26	—	—
Letter stock or securities restricted as to sale - excluding FHLB capital stock	124	—	124	154	(30)	124	0.1	0.1
FHLB capital stock	212	—	212	159	53	212	0.1	0.1
On deposit with states	326	—	326	250	76	326	0.1	0.1
Pledged as collateral to FHLB (including assets backing funding agreements)	3,692	—	3,692	2,461	1,231	3,692	1.6	1.7
Reinsurance collateral assets(1)	8,429	—	8,429	8,868	(439)	8,429	3.7	3.8
Total restricted assets	$ 13,456	$ 26	$ 13,482	$ 12,938	$ 544	$ 13,482	5.9 %	6.1 %

(1) Includes assets of $7,277 million which are permanently restricted and inure solely to the benefit of the reinsured policyholders.

Loaned Securities and Repurchase Agreements

The Company participates in securities lending programs whereby securities, which are included in investments, are loaned to third-parties for the purpose of enhancing income on securities held through reinvestment of cash collateral received upon lending. For securities lending transactions, the Company requires initial collateral, usually in the form of cash, equal to 102% of the fair value of domestic securities loaned. The borrower of the loaned securities is permitted to sell or repledge those securities. At December 31, 2023 and 2022, the Company recorded cash collateral received under these agreements of $1,093 million and $511 million, respectively, and established a corresponding liability for the same amount, which is included in amounts payable under security lending agreements. For securities lending transactions, the carrying value of securities classified as bonds and on loan at December 31, 2023 was $1,086 million, with a fair value of $1,071 million. At December 31, 2022, the carrying value was $566 million, with a fair value of $500 million. The reinvested collateral is reported in bonds, and Cash, cash equivalent and short-term investments in the accompanying Statutory Statements of Financial Position. The total fair value of all reinvested collateral positions was $1,126 million and $534 million at December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022, there were no separate account securities lending agreements.

At December 31, 2023, the carrying value and fair value of securities held under agreements to purchase and resell was $769 million, which were classified as tri-party reverse repurchase agreements and included in Cash, cash equivalents, and short-term investments in the accompanying Statutory Statements of Financial Position. The securities had a weighted average maturity of two days and a weighted average yield of 1.2%. At December 31, 2022, the carrying value and fair value of securities held under agreements to purchase and resell was $162 million, which were classified as tri-party reverse repurchase agreements and included in Cash, cash equivalents, and short-term investments in the accompanying Statutory Statements of Financial Position. The securities had a weighted average maturity of three days and a weighted average yield of 0.1%.

NOTE 6 - INVESTMENTS (continued)

The Company participates in dollar repurchase agreements to sell and repurchase securities. The purchaser of the securities is permitted to sell or repledge those securities. The liability for repurchasing the assets is included in Borrowed money in the accompanying Statutory Statements of Financial Position. At December 31, 2023 and 2022, the Company was a party to dollar repurchase agreements in the separate accounts for $6 million and $27 million, respectively. At December 31, 2023 and 2022, the Company's general account did not enter into any dollar repurchase agreements.

Collateral Received

At December 31, 2023 and 2022, assets received as collateral reflected within the accompanying Statutory Statements of Financial Position, along with a liability to return such collateral, were as follows ($ in millions):

	2023			
Cash Collateral Assets	**Book/Adjusted Carrying Value**	**Fair Value**	**% of Total Assets (Admitted and Nonadmitted)**	**% of Total Admitted Assets**
Securities lending	$ 1,093	$ 1,093	0.5 %	0.5 %
Derivatives	679	679	0.3	0.3
Total (General Account)	$ 1,772	$ 1,772	0.8 %	0.8 %
Cash received on repurchase transactions (Separate Account)(1)	$ 6	$ 6	— %	— %

(1) % of total assets is calculated based on total separate account assets.

	2022			
Cash Collateral Assets	**Book/Adjusted Carrying Value**	**Fair Value**	**% of Total Assets (Admitted and Nonadmitted)**	**% of Total Admitted Assets**
Securities lending	$ 511	$ 511	0.2 %	0.2 %
Derivatives	570	570	0.3	0.3
Total (General Account)	$ 1,081	$ 1,081	0.5 %	0.5 %
Cash received on repurchase transactions (Separate Account)(1)	$ 27	$ 27	0.2 %	0.2 %

(1) % of total assets is calculated based on total separate account assets.

	2023		2022	
Recognized Obligation to Return Collateral Asset	**Amount**	**% of Total Liabilities**	**Amount**	**% of Total Liabilities**
Amounts payable under securities lending agreements	$ 1,093	0.6 %	$ 511	0.3 %
Other liabilities (derivatives)	679	0.3	570	0.3
Total (General Account)	$ 1,772	0.9 %	$ 1,081	0.6 %
Separate accounts liabilities (repurchase transactions)(1)	$ 6	— %	$ 27	0.2 %

(1) % of Total Liabilities is calculated based on Total Separate Account Liabilities.

Cash received on securities lending transactions and repurchase agreements is then reinvested in short-term investments and bonds with various maturities.

NOTE 6 - INVESTMENTS (continued)

Composition of Collateral Received

The following tables present the terms and amounts of cash collateral received under security lending transactions and dollar repurchase agreements for the following types of securities loaned at December 31, 2023 and 2022 (in millions):

	2023					
	Remaining Contractual Maturity of the Agreements					
	Open	30 days or less	31 to 60 days	61 to 90 days	Greater than 90 days	Total
U.S. Treasury	$ —	$ —	$ —	$ —	$ —	$ —
U.S. government corporation & agencies	—	—	6	—	—	6
Foreign governments	—	—	—	—	—	—
U.S. corporate	1,008	—	—	—	—	1,008
Foreign corporate	84	—	—	—	—	84
Total securities lending transactions	$ 1,093	$ —	$ 6	$ —	$ —	$ 1,099

	2022					
	Remaining Contractual Maturity of the Agreements					
	Open	30 days or less	31 to 60 days	61 to 90 days	Greater than 90 days	Total
U.S. Treasury	$ 9	$ —	$ —	$ —	$ —	$ 9
U.S. government corporation & agencies	—	26	1	—	—	27
Foreign governments	—	—	—	—	—	—
U.S. corporate	412	—	—	—	—	412
Foreign corporate	90	—	—	—	—	90
Total securities lending transactions	$ 511	$ 26	$ 1	$ —	$ —	$ 538

At December 31, 2023 and 2022, there were no separate account securities cash collateral received under securities lending agreements.

NOTE 6 - INVESTMENTS (continued)

Reinvestment of Collateral Received

The following tables present the term and aggregate fair value at December 31, 2023 and 2022 from the reinvestment of all collateral received in securities lending and dollar repurchase agreements (in millions):

	2023		2022	
Period to Maturity	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Open	$ —	$ —	$ —	$ —
30 days or less	861	861	371	371
31 to 60 days	34	34	2	2
61 to 90 days	39	39	—	—
91 to 120 days	—	—	—	—
121 to 180 days	6	6	—	—
181 to 365 days	36	36	18	17
1 to 2 years	86	86	104	104
2 to 3 years	70	70	68	68
Greater than 3 years	—	—	—	—
Total collateral reinvested	$ 1,132	$ 1,132	$ 563	$ 562

To help manage the mismatch of maturity dates between the security lending transactions and the related reinvestment of the collateral received, the Company invests in highly liquid assets.

Reverse Repurchase Agreement Transactions

The following table provides contractual maturity, maximum balance during the year, and ending balance for tri-party reverse repurchase agreements at December 31, 2023 and 2022 (in millions):

	2023		2022	
	Maximum Balance	**Ending Balance**	**Maximum Balance**	**Ending Balance**
Open - No Maturity	$ —	$ —	$ —	$ —
Overnight	$ —	$ —	$ —	$ —
2 Days to 1 Week	$ 769	$ 769	$ 314	$ 162
> 1 Week to 1 Month	$ —	$ —	$ —	$ —
> 1 Month to 3 Months	$ —	$ —	$ —	$ —
> 3 Months to 1 Year	$ —	$ —	$ —	$ —
> 1 Year	$ —	$ —	$ —	$ —

At December 31, 2023 and 2022, the Company did not have any defaulted reverse repurchase agreements.

NOTE 6 - INVESTMENTS (continued)

The following table presents the fair value of securities acquired under tri-party reverse repurchase agreement transactions, which were all NAIC rating of 1, for all four quarters of 2023 and 2022 (in millions):

	Maximum Balance	Ending Balance
Fourth Quarter 2023	$ 769	$ 769
Third Quarter 2023	$ 761	$ 761
Second Quarter 2023	$ 467	$ 446
First Quarter 2023	$ 481	$ 463
Fourth Quarter 2022	$ 314	$ 162
Third Quarter 2022	$ 184	$ 181
Second Quarter 2022	$ 166	$ 150
First Quarter 2022	$ 167	$ 153

The following table presents the securities at fair value pledged as collateral used in tri-party reverse repurchase agreement transactions by remaining contractual maturity for four quarters of 2023 and 2022 (in millions):

	Overnight and Continuous	30 Days or Less	31 to 90 Days	> 90 Days
Maximum Balance				
Fourth Quarter 2023	$ —	$ —	$ —	$ 784
Third Quarter 2023	$ —	$ —	$ —	$ 777
Second Quarter 2023	$ —	$ —	$ —	$ 476
First Quarter 2023	$ —	$ —	$ —	$ 491
Fourth Quarter 2022	$ —	$ —	$ —	$ 320
Third Quarter 2022	$ —	$ —	$ —	$ 188
Second Quarter 2022	$ —	$ —	$ —	$ 169
First Quarter 2022	$ —	$ —	$ —	$ 170
Ending Balance				
Fourth Quarter 2023	$ —	$ —	$ —	$ 784
Third Quarter 2023	$ —	$ —	$ —	$ 777
Second Quarter 2023	$ —	$ —	$ —	$ 455
First Quarter 2023	$ —	$ —	$ —	$ 472
Fourth Quarter 2022	$ —	$ —	$ —	$ 165
Third Quarter 2022	$ —	$ —	$ —	$ 185
Second Quarter 2022	$ —	$ —	$ —	$ 153
First Quarter 2022	$ —	$ —	$ —	$ 156

The Company had no recognized receivable for return of collateral or a recognized liability to return collateral at December 31, 2023, and 2022, respectively.

NOTE 6 - INVESTMENTS (continued)

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 millions):

Investments	Number of 5GI Securities		Carrying Value		Estimated Fair Value	
	2023	2022	2023	2022	2023	2022
General account:						
Bonds - amortized cost	21	13	$ 15	$ 1	$ 14	$ 1
Loan-backed and structured securities - amortized cost	10	7	7	3	8	4
Preferred stock - fair value	4	1	11	1	11	1
Total general account	35	21	$ 33	$ 5	$ 33	$ 6
Separate account:						
Bonds - amortized cost	—	—	$ —	$ —	$ —	$ —
Loan-backed and structured securities - amortized cost	2	2	—	—	—	—
Total separate account	2	2	$ —	$ —	$ —	$ —

Wash Sales

In the course of the Company's investment management activities, securities may be sold and repurchased within 30 days of the sale date to meet individual portfolio objectives and to achieve the ongoing rebalancing of exposure.

The Company did not have any wash sales where securities with an NAIC rating designation of 3 or below, or unrated, were sold during the years ended December 31, 2023 and 2022 and reacquired within 30 days of the sale date.

Admitted Negative IMR

The Company admitted all of its negative IMR in the general account and the insulated separate accounts at December 31, 2023, which was $435 million and $36 million, respectively. Of the $435 million in the general account, $309 million relates to cumulative realized gains on bonds and $744 million relates to cumulative realized losses on derivatives. Of the $36 million in the insulated separate accounts, $144 million relates to cumulative realized losses on bonds and $108 million relates to cumulative realized gains on derivatives. 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 liquidity pressures related to the Company's insurance contracts (i.e., excess withdrawal activity), any related realized gains and losses are not deferred into the IMR. The Company did not have any excess withdrawals as of December 31, 2023.

The Company's general account IMR balance includes interest-related losses on derivatives of $744 million. This amount includes gross gains of $85 million and gross losses of $953 million on derivatives that were reported at amortized cost; and gross gains of $404 million and gross losses of $280 million on derivatives that were reported at fair value. The separate accounts' IMR balance includes gross gains of $125 million and gross losses of $17 million on derivatives that were reported at fair value. The Company uses different derivative instruments to manage interest rate risk. Derivatives trading is made in accordance with the Company's investment management policies and is in accordance with the Company's derivatives use plan, which is filed with NYSDFS. The Company is allowed to include realized gains and losses arising from the sale of derivatives carried at fair value while held as the

NOTE 6 - INVESTMENTS (continued)

Company's policy has historically been to defer in the IMR realized gains and losses from all of its interest rate hedges where the underlying is subject to the IMR regardless of whether the derivative is reported at fair value or amortized cost.

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:

	Calculation of Limitation as of	
	September 30, 2023	**December 31, 2023**
Capital and surplus	$ 23,298	
Less:		
Admitted positive goodwill	1,934	
Admitted EDP equipment and operating system software	29	
Admitted net deferred taxes	1,903	
Exclude admitted disallowed IMR-GA	121	
Exclude admitted disallowed IMR-SA	35	
Total adjustments	4,022	
Adjusted capital and surplus	$ 19,276	
Limitation on amount of negative IMR (adjusted capital and surplus times 10%)	$ 1,928	
Current period reported admitted negative IMR in GA		435
Current period negative IMR, reported as an asset in the Separate Accounts		36
Total admitted negative IMR		$ 471
Current period admitted negative IMR as a % of prior period adjusted capital and surplus		2 %

NOTE 7 – DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT

The Company uses derivative instruments to manage interest rate, currency risk, and to replicate otherwise permissible investments. These derivative instruments include foreign currency and bond forwards, interest rate options, interest rate and equity futures, interest rate, total return, inflation, credit default and foreign currency swaps. The Company does not engage in derivative instrument transactions for speculative purposes.

The Company may enter into exchange traded futures and over-the-counter ("OTC") derivative instruments. Exchange traded derivatives are executed through regulated exchanges and require initial and daily variation margin collateral postings. The Company is exposed to credit risk resulting from default of the exchange.

OTC derivatives may either be cleared through a clearinghouse ("OTC-cleared") or transacted between the Company and a counterparty under bilateral agreements ("OTC-bilateral"). Similar to exchange traded futures, OTC-cleared derivatives require initial and daily variation margin collateral postings. When transacting OTC-cleared derivatives, the Company is exposed to credit risk resulting from default of the clearinghouse and/or default of the Futures Commission Merchant (e.g. clearinghouse agent).

When transacting OTC-bilateral derivatives, the Company is exposed to the potential default of its OTC-bilateral counterparty. The Company manages its credit risk by entering into transactions with creditworthy counterparties, using master netting arrangements, and obtaining collateral where appropriate. The Company also deals with a large number of counterparties, thus limiting its exposure to any single counterparty. The Company monitors credit exposures to its OTC-bilateral counterparties by limiting transactions within specified dollar limits and adjusting transaction levels where appropriate, to minimize risk. All of the net credit exposure for the Company from derivatives transactions is with investment-grade counterparties. In addition, certain of the Company's agreements require that if the Company's (or its counterparty's) credit rating were to fall below a specified rating assigned by a credit rating agency, the other party could request immediate payout on all transactions under the agreements or full collateralization of the positions thereunder. The Company's policy is to not offset amounts for derivatives executed with the same counterparty under the same master netting agreement with the associated collateral.

Collateralization plays a central role in the Company's mitigation of risk related to derivatives. For OTC-cleared and exchange traded derivatives, the Company obtains collateral through variation margin which is adjusted daily based on the parties' net derivative position.

For OTC-bilateral derivatives, the Company obtains collateral in accordance with the terms of credit support annexes ("CSAs") negotiated as part of the master agreements entered into with most OTC-bilateral counterparties. CSAs define the terms under which collateral is transferred between the parties in order to mitigate credit risk arising from "in the money" derivative positions. The Variation Margin CSA requires that an OTC-bilateral counterparty post collateral to secure its anticipated derivative obligation, taking into account netting arrangements. Cash collateral received by the Company under Variation Margin CSAs is invested in short-term investments. The Company also enters into Initial Margin CSAs with many of its OTC-bilateral counterparties. These documents require additional margin to be posted to and collected from counterparties to OTC-bilateral derivatives to cover market movements over a ten day close-out period. This "initial margin" must be maintained at a third-party custodian, without any right of rehypothecation. Securities posted by the Company as collateral under derivative contracts continue to be reported as assets in the Company's Statutory Statements of Financial Position. Securities received as collateral under derivative contracts are not reported in the Company's Statutory Statements of Financial Position.

NOTE 7 – DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company may be exposed to credit-related losses in the event that an OTC-bilateral counterparty fails to perform its obligations under its contractual terms. In contractual arrangements with OTC-bilateral counterparties that do not include netting provisions, in the event of default, credit exposure is limited to the positive fair value of derivatives at the reporting date. In contractual arrangements with OTC-bilateral counterparties that include netting provisions, in the event of default, credit exposure is limited to the net fair value, if positive, of all derivatives at the reporting date. At December 31, 2023, the Company held collateral for derivatives of $621 million including $126 million in securities held. At December 31, 2022, the Company held collateral for derivatives of $394 million including $6 million in securities held. Fair value of derivatives in a net asset position, net of collateral, was $5 million and $1 million at December 31, 2023 and 2022, respectively.

Interest Rate Risk Management

The Company enters into interest rate derivatives primarily to minimize exposure to fluctuations in interest rates on assets and liabilities held by the Company.

Interest rate swaps are used by the Company to hedge interest rate risk for individual and portfolios of assets. Interest rate swaps are agreements with other parties to exchange, at specified intervals, the difference between interest amounts calculated by reference to an agreed upon notional value. Generally, no cash is exchanged at the onset of the contract and no principal payments are made by either party. The Company does not act as an intermediary or broker in interest rate swaps.

Inflation swaps are used by the Company to hedge inflation risk of certain policyholder liabilities linked to the U.S. Consumer Price Index.

Interest rate (Treasury) futures are used by the Company to manage duration of the Company's fixed income portfolio. Interest rate futures are exchange traded contracts to buy or sell a bond at a specific price at a future date.

Interest rate options are used by the Company to hedge the risk of increasing interest rates on policyholder liabilities. Under these contracts, the Company will receive payments from counterparties should an agreed upon interest rate level be reached and payments will continue to increase under the option contract until an agreed upon interest rate ceiling, if applicable.

Currency Risk Management

The primary purpose of the Company’s foreign currency hedging activities is to protect the value of foreign currency denominated assets and liabilities, which the Company has acquired or incurred or anticipates acquiring or incurring, and net investments in foreign subsidiaries from the risk of changes in foreign exchange rates.

Foreign currency swaps are agreements with other parties to exchange, at specified intervals, principal and interest in one currency for the same in another, at a fixed exchange rate, which is generally set at inception and calculated by reference to an agreed upon notional value. Generally, only principal payments are exchanged at the onset and the end of the contract.

Foreign currency forwards involve the exchange of foreign currencies at a specified future date and at a specified price. No cash is exchanged at the time the agreement is entered into.

NOTE 7 – DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

Replication Transactions

Bond forwards are paired with other investment grade bonds in replication transactions to generate the return and price risk of long-dated fixed income securities.

Interest rate swaps are paired with bonds issued by Collateral Loan Obligation securitizations in replication transactions to generate the return and price risk of long-dated fixed income securities

Credit default swaps are paired with investment grade bonds in replication transactions to generate the return and price risk of long dated corporate bonds.

The following tables present the notional amount, gross fair value and carrying value of derivative instruments that are qualifying and designated for hedge accounting, by type of hedge designation, and those that are not designated for hedge accounting at December 31, 2023 and 2022 (in millions):

	2023					
			Fair Value(2)		Carrying Value(3)	
Derivative Type	Primary Risk Exposure	Notional Amount(1)	Asset	Liability	Asset	Liability
Derivatives qualifying and designated						
Cash flow hedges:						
Foreign currency swaps	Currency	$ 7,257	$ 371	$ 150	$ 317	$ 146
Interest rate swaps	Interest	39	3	—	—	—
Total cash flow hedges		7,296	374	150	317	146
Fair value hedges:						
Foreign currency swaps	Currency	5,644	140	200	124	102
Net investment hedges:						
Foreign currency forwards	Currency	73	—	3	—	2
Replications:						
Bond forwards	Interest	1,670	17	258	—	—
Interest rate swaps	Interest	300	—	34	—	—
Credit default swaps	Interest	475	8	—	4	—
Total replications		2,445	26	291	4	—
Total derivatives qualifying and designated		15,458	540	643	444	251
Derivatives not designated						
Foreign currency forwards	Currency	1,084	9	15	9	15
Foreign currency swaps	Currency	6,988	542	45	542	45
Futures	Interest	1,033	—	—	—	—
Equity options	Equity	—	—	—	—	—
Inflation swaps	Interest	418	5	26	5	26
Interest rate options	Interest	1,695	44	—	44	—
Interest rate swaps	Interest	9,205	431	264	431	264
Total derivatives not designated		20,422	1,031	350	1,031	350
Total derivatives		$ 35,880	$ 1,570	$ 994	$ 1,474	$ 602

(1) Notional amount of derivative instruments generally does not represent the amount exchanged between the parties engaged in the transaction.
(2) For a discussion of valuation methods for derivative instruments refer to Note 9 – Fair Value Measurements.
(3) The carrying value of all derivatives is reported within Derivatives in the accompanying Statutory Statements of Financial Position.

NOTE 7 – DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

			2022			
			Fair Value[(2)]		Carrying Value[(3)]	
Derivative Type	**Primary Risk Exposure**	**Notional Amount[(1)]**	**Asset**	**Liability**	**Asset**	**Liability**
Derivatives qualifying and designated						
Cash flow hedges:						
Foreign currency swaps	Currency	$ 6,862	$ 86	$ 393	$ 89	$ 333
Interest rate swaps	Interest	39	3	—	—	—
Total cash flow hedges		6,901	89	393	89	333
Net investment hedges:						
Foreign currency forwards	Currency	77	2	—	3	—
Replications:						
Bond forwards	Interest	2,385	—	668	—	—
Interest rate swaps	Interest	300	—	39	—	—
Credit default swaps	Interest	450	5	—	4	—
Total replications		3,135	5	707	4	—
Total derivatives qualifying and designated		10,113	96	1,100	96	333
Derivatives not designated						
Foreign currency forwards	Currency	1,025	24	5	24	5
Foreign currency swaps	Currency	8,840	944	259	944	259
Futures	Interest	2,448	1	1	1	1
Equity options	Equity	—	—	—	—	—
Inflation swaps	Interest	424	6	23	6	23
Interest rate options	Interest	8,117	79	4	79	4
Interest rate swaps	Interest	8,356	488	270	488	270
Total return swaps	Equity	—	—	—	—	—
Total derivatives not designated		29,210	1,542	562	1,542	562
Total derivatives		$ 39,323	$ 1,638	$ 1,662	$ 1,638	$ 895

(1) Notional amount of derivative instruments generally does not represent the amount exchanged between the parties engaged in the transaction.
(2) For a discussion of valuation methods for derivative instruments refer to Note 9 - Fair Value Measurements.
(3) The carrying value of all derivatives is reported within Derivatives in the accompanying Statutory Statements of Financial Position.

Derivatives Qualifying and Designated

Cash Flow Hedges

The Company's cash flow hedges primarily include hedges of floating rate securities and foreign currency denominated assets and liabilities. Derivative instruments used in cash flow hedges that meet criteria indicating that they are highly effective are valued and reported in a manner that is consistent with the hedged asset or liability.

The Company designates and accounts for the following qualified cash flow hedges*:* (1) interest rate swaps used to convert floating rate investments to fixed rate investments; (2) foreign currency swaps used to hedge the foreign currency cash flow exposure of foreign currency denominated investments and liabilities; and (3) interest rate swaps to hedge the interest rate risk associated with forecasted transactions.

NOTE 7 – DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

Net Investment Hedges

Foreign currency forwards, designated as net investment hedges, are used by the Company to hedge currency risk associated with its net investment in foreign operations. The changes in fair value of the derivative, to the extent it is highly effective as a hedge, are treated in a manner consistent with the hedged item.

The following table presents the effects of derivatives in cash flow and net investment hedging relationships for the years ended December 31, 2023 and 2022 (in millions):

	Surplus[(1)]		Net Realized Capital Gains (Losses)		Net Investment Income		Other Income	
Derivative Type	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Foreign currency swaps	$ 416	$ (394)	$ (29)	$ 14	$ 4	$ 4	$ (95)	$ (86)
Interest rate swaps	—	—	—	—	—	1	—	—
Foreign currency forwards	(3)	6	1	—	—	—	—	—
Total	$ 413	$ (388)	$ (28)	$ 14	$ 4	$ 5	$ (95)	$ (86)

(1) The amount of gain or (loss) recognized in surplus is reported within Change in net unrealized gains (losses) on investments in the accompanying Statutory Statements of Changes in Surplus.

Fair Value Hedges

The Company's fair value hedges primarily consist of hedges of foreign currency denominated assets and liabilities whereby the Company enters into foreign currency swaps to hedge its foreign currency exposure. Derivative instruments used in fair value hedges that meet criteria indicating that they are highly effective are valued and reported in a manner that is consistent with the hedged asset or liability.

The Company excludes the cross-currency basis spread in its foreign currency swaps from the assessment of effectiveness as allowed under SSAP No. 86. The fair value of the cross-currency basis spread on the Company's foreign currency swaps, which was excluded from the assessment of effectiveness at December 31, 2023 was $(81) million.

	Surplus[(1)]		Net Realized Capital Gains (Losses)		Net Investment Income		Other Income	
Derivative Type	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Foreign currency swaps	$ 160	$ —	$ 13	$ —	$ 7	$ —	$ (53)	$ —
Interest rate swaps	—	—	—	—	—	—	—	—
Foreign currency forwards	—	—	—	—	—	—	—	—
Total	$ 160	$ —	$ 13	$ —	$ 7	$ —	$ (53)	$ —

NOTE 7 – DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

Derivative Replications

The following table presents the effects of derivatives in replication relationships for the years ended December 31, 2023 and 2022 (in millions):

Derivative Type	Gain or (Loss) Recognized in Surplus[1]		Gain or (Loss) Recognized in Net Realized Capital Gains (Losses)		Gain or (Loss) Recognized in Net Investment Income	
	2023	2022	2023	2022	2023	2022
Bond forwards	$ —	$ —	$ (554)	$ (359)	$ 19	$ 39
Interest rate swaps	—	—	—	—	(10)	—
Credit default swaps	—	—	—	—	3	3
Total	$ —	$ —	$ (554)	$ (359)	$ 12	$ 42

(1) The amount of gain or (loss) recognized in surplus is reported within Change in net unrealized capital gains on investments in the accompanying Statutory Statements of Changes in Surplus.

Derivatives Not Designated

The following table summarizes the surplus and net income impact on derivative instruments not designated for the years ended December 31, 2023 and 2022 (in millions):

	Surplus[1]		Net Realized Capital Gains (Losses)		Net Investment Income		Other Income	
Derivative Type	2023	2022	2023	2022	2023	2022	2023	2022
Foreign currency forwards	$ (25)	$ 19	$ 4	$ 12	$ —	$ —	$ —	$ —
Foreign currency swaps	(327)	309	50	(76)	66	73	(13)	(17)
Futures	(16)	5	2	19	—	—	—	—
Equity options	—	—	—	—	—	—	—	—
Inflation swaps	(5)	1	—	—	—	—	3	22
Interest rate options	(34)	17	(18)	2	(3)	(11)	—	—
Interest rate swaps	(62)	8	(8)	2	12	16	(20)	3
Total return swaps	—	—	—	—	—	—	—	—
Total	$ (469)	$ 359	$ 30	$ (41)	$ 75	$ 78	$ (30)	$ 8

(1) The amount of gain or (loss) recognized in surplus is reported as a Change in net unrealized gains (losses) on investments in the accompanying Statutory Statements of Changes in Surplus.

NOTE 8 - SEPARATE ACCOUNTS

Separate Accounts Activity

The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. The Company reported separate accounts assets and liabilities from employee benefit plans (group annuity).

The Company has certain market value guaranteed separate accounts and other book value guaranteed separate accounts for which supplemental separate accounts assets are used to fund the excess of the actuarial liabilities for future guaranteed payments over the market value and the book value of the assets, respectively. The Company evaluates separate accounts surplus quarterly and transfers funds to or (from) the supplemental separate account as necessary, with cash settlement only for market value guaranteed separate account. These transfers are reported as Net transfers to separate accounts in the accompanying Statutory Statements of Operations.

NOTE 8 - SEPARATE ACCOUNTS (continued)

In accordance with the domiciliary state procedures for approving items within separate accounts, the classification of the separate accounts is subject to Section 4240 of the New York State Insurance Law. In addition, the separate accounts are supported through affirmative approval of the plans of operations by the NYSDFS.

The assets legally and not legally insulated from the general account at December 31, 2023 and 2022 are attributed to the following products or transactions (in millions):

	2023		2022	
Product or Transaction	**Legally Insulated Assets**	**Separate Accounts Assets (Not Legally Insulated)[1]**	**Legally Insulated Assets**	**Separate Accounts Assets (Not Legally Insulated)[2]**
Employee benefit plans (group annuity)	$ 12,485	$ (3)	$ 14,097	$ 82
Supplemental account	—	20	—	60
Total	$ 12,485	$ 17	$ 14,097	$ 142

[1] Separate accounts assets classified as not legally insulated assets support $44 million of payables for securities, $6 million of borrowed funds, $3 million of investment servicing fees payable, $2 million of remittances and items not allocated, less than $1 million of other liabilities, and $(38) million of other transfers from the general account due or accrued (net).

[2] Separate accounts assets classified as not legally insulated assets support $91 million of payables for securities, $27 million of borrowed funds, $11 million of other transfers to the general account due or accrued (net), $9 million of remittances and items not allocated, and $4 million of investment servicing fees payables.

Guaranteed Separate Accounts

The Company maintained assets in guaranteed separate accounts at December 31, 2023 and 2022 as follows (in millions):

	2023	2022
Market value separate accounts[1]	$ 2,994	$ 3,289
Book value separate accounts	7,161	8,051
Total guaranteed separate accounts assets	$ 10,155	$ 11,340

[1] Includes assets maintained in the supplemental account of $20 million and $60 million at December 31, 2023 and 2022, respectively.

Certain market value separate accounts provide a minimum guaranteed interest rate. For these separate accounts, at contract discontinuance, the contract holder is entitled to an immediate payout of market value, or an installment payout of the guaranteed amount, or for certain contracts, a lump sum payout of the guaranteed amount at the end of a specific number of years, as set forth in the contract.

The book value separate account guarantees principal and interest during active status and at the contract discontinuance, the contract holder is entitled to a book value payout, if 12 months advance notice is provided. Alternatively, the contract holder may elect discontinuance with at least 10 days notice and receive an immediate lump sum payment subject to a termination adjustment factor (tied to an external index). The factor will not be greater than 1.

To compensate the general account for the risk taken for minimum guarantees in certain contracts, the separate accounts have paid risk charges as follows for the past five years (in millions):

Year	Amount
2023	$ 14
2022	$ 14
2021	$ 14
2020	$ 12
2019	$ 11

NOTE 8 - SEPARATE ACCOUNTS (continued)

For the years ended December 31, 2023, 2022, 2021, 2020 and 2019, the general account of the Company did not make any payments toward separate accounts guarantees.

Non-Guaranteed Separate Accounts

The Company currently maintains non-guaranteed separate accounts with assets of $2,347 million and $2,899 million at December 31, 2023 and 2022, respectively. Separate accounts funding non-guaranteed benefits provide no guarantee of principal or interest, and payout is at fair value at contract discontinuance.

Information regarding the separate accounts of the Company at and for the years ended December 31, 2023 and 2022 is as follows (in millions):

	2023			
	Indexed	Non-Indexed Guarantee less than or equal to 4%	Non-Guaranteed Separate Accounts	Total
Premiums and considerations	$ —	$ 1,398	$ —	$ 1,398
Reserves at 12/31:				
For accounts with assets at:				
Fair value	$ —	$ 2,965	$ 2,347	$ 5,312
Amortized cost	—	7,173	—	7,173
Total reserves	$ —	$ 10,138	$ 2,347	$ 12,485
By withdrawal characteristics:				
With fair value adjustment	$ —	$ 7,173	$ —	$ 7,173
At fair value	—	2,965	2,347	5,312
Total reserves	$ —	$ 10,138	$ 2,347	$ 12,485

	2022			
	Indexed	Non-Indexed Guarantee less than or equal to 4%	Non-Guaranteed Separate Accounts	Total
Premiums and considerations	$ —	$ 2,629	$ —	$ 2,629
Reserves at 12/31:				
For accounts with assets at:				
Fair value	$ —	$ 3,162	$ 2,896	$ 6,058
Amortized cost	—	8,047	—	8,047
Total reserves	$ —	$ 11,209	$ 2,896	$ 14,105
By withdrawal characteristics:				
With fair value adjustment	$ —	$ 8,047	$ —	$ 8,047
At fair value	—	3,162	2,896	6,058
Total reserves	$ —	$ 11,209	$ 2,896	$ 14,105

NOTE 8 - SEPARATE ACCOUNTS (continued)

The following is a reconciliation of net transfers to (from) the general account to the separate accounts (in millions):

	2023	2022
Transfers to separate accounts	$ 1,398	$ 2,629
Transfers from separate accounts	(3,671)	(2,298)
Net transfers (from)/to separate accounts	$ (2,273)	$ 331

NOTE 9 – 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.

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.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

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 general account and separate account securities for 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.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

The following tables present the estimated fair value and carrying value of the Company's financial instruments at December 31, 2023 and 2022 (in millions):

	2023					
	Fair Value	Carrying Value	Level 1	Level 2	Level 3	NAV as a Practical Expedient
Assets:						
Bonds	$ 126,874	$ 136,688	$ 1,466	$ 120,176	$ 5,232	$ —
Preferred stocks	164	164	—	5	159	—
Common stocks	552	552	354	—	198	—
Mortgage loans	20,302	22,104	—	—	20,302	—
Cash, cash equivalents and short-term investments	3,594	3,594	672	2,922	—	—
Derivatives	1,570	1,474	—	1,570	—	—
Derivatives collateral	245	245	—	245	—	—
Other invested assets[(1)]	870	920	—	201	669	—
Investment income due and accrued	2,297	2,297	—	2,297	—	—
Separate accounts assets	12,124	12,466	720	9,987	26	1,391
Total assets	$ 168,592	$ 180,504	$ 3,212	$ 137,403	$26,586	$ 1,391
Liabilities:						
Deposit fund contracts:						
Funding agreements	$ 33,772	$ 35,108	$ —	$ —	$33,772	$ —
Annuities certain	12	12	—	—	12	—
Other deposit funds	952	952	—	—	952	—
Premiums paid in advance	119	119	—	119	—	—
Derivatives	994	602	1	993	—	—
Derivatives collateral	679	679	—	679	—	—
Borrowed money	419	419	—	419	—	—
Amounts payable under security lending agreements	1,097	1,097	—	1,097	—	—
Separate accounts liabilities	—	—	—	—	—	—
Total liabilities	$ 38,044	$ 38,987	$ 1	$ 3,307	$34,736	$ —

(1) Excludes investments accounted for under the equity method.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

	2022					
	Fair Value	Carrying Value	Level 1	Level 2	Level 3	NAV as a Practical Expedient
Assets:						
Bonds	$ 114,928	$ 129,193	$ 165	$ 109,514	$ 5,249	$ —
Preferred stocks	113	113	—	5	108	—
Common stocks	1,018	1,018	709	—	309	—
Mortgage loans	19,951	22,049	—	—	19,951	—
Cash, cash equivalents and short-term investments	2,305	2,305	573	1,732	—	—
Derivatives	1,638	1,638	1	1,634	3	—
Derivatives collateral	656	656	—	656	—	—
Other invested assets[1]	706	759	—	171	535	—
Investment income due and accrued	1,867	1,867	—	1,867	—	—
Separate accounts assets	13,671	14,239	936	11,091	14	1,630
Total assets	$ 156,853	$ 173,837	$ 2,384	$ 126,670	$26,169	$ 1,630
Liabilities:						
Deposit fund contracts:						
Funding agreements	$ 28,038	$ 30,181	$ —	$ —	$28,038	$ —
Annuities certain	14	14	—	—	14	—
Other deposit funds	937	937	—	—	937	—
Premiums paid in advance	106	106	—	106	—	—
Derivatives	1,661	895	1	1,656	4	—
Derivatives collateral	570	570	—	570	—	—
Borrowed money	498	498	—	498	—	—
Amounts payable under security lending agreements	513	513	—	513	—	—
Total liabilities	$ 32,337	$ 33,714	$ 1	$ 3,343	$28,993	$ —

[1] Excludes investments accounted for under the equity method.

Bonds

For U.S. SAP, bonds reported as Level 1 represent investments in certain SVO approved ETF and mutual funds. Valuation of these securities is based on unadjusted quoted prices in active markets that are readily and regularly available. All other ETFs and mutual funds are classified and accounted for as common stock.

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.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

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

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

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

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

Included in bonds are affiliated bonds from MCF which had a carrying value of $3,422 million and a fair value of $3,404 million at December 31, 2023 and a carrying value of $3,646 million and a fair value of $3,548 million at December 31, 2022. The fair value of this security is calculated internally and may include inputs that may not be observable. Therefore, this security is classified as Level 3.

Preferred Stocks

Preferred stocks valued using prices from third-party pricing services generally use a discounted cash flow model or a market approach to arrive at the security's fair value and are classified as Level 2. Preferred stocks classified as Level 3 are valued based on internal valuations where significant inputs are deemed to be unobservable.

Common Stocks

These securities are comprised of exchange traded U.S. and foreign common stock and mutual funds. The fair value of these securities is primarily based on unadjusted quoted prices in active markets that are readily and regularly available and are classified as Level 1. Common stocks that do not trade in an active market and are valued based on prices obtained from independent pricing vendors using unadjusted quoted prices in active markets for similar securities that are readily and regularly available are classified as level 2. Common stocks priced through an internal valuation where significant inputs are deemed to be unobservable, including securities issued by government organizations where fair value is fixed, are classified as Level 3.

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, which takes into account matters such as property type, LTV and remaining term of each loan, etc. The spread is a significant component of the pricing inputs, and therefore, these investments are classified as Level 3.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

Cash, Cash Equivalents, Short-term Investments and Investment Income Due and Accrued

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.

Derivatives

The fair value of derivative instruments is generally derived using valuation models that use an income approach, except for derivatives that are exchange-traded, which are valued using quoted prices in an active market. Where valuation models are used, the selection of a particular model depends upon the contractual terms of, and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation model inputs include contractual terms, yield curves, foreign exchange rates, equity prices, credit curves, measures of volatility and other factors. Exchange-traded derivatives are valued using a market approach as fair value is based on quoted prices in active market and are classified as Level 1. OTC derivatives that trade in liquid markets, where model inputs are observable for substantially the full term, are classified as Level 2. Derivatives that are valued based upon models with any significant unobservable market inputs or inputs from less actively traded markets, or where the fair value is solely derived using broker quotations, are classified as Level 3.

Derivatives Collateral

The carrying value of these instruments approximates fair value since these assets and liabilities are generally short-term in nature and are classified as Level 2.

Other Invested Assets

Other invested assets are principally comprised of LIHTC investments and surplus notes, affiliated loans, preferred units of a limited partnership, and certain other investments with characteristics of debt. Surplus Notes are valued using prices from third-party pricing services that generally use a discounted cash-flow model or a market approach to arrive at the security’s fair value and are classified as Level 2. The fair value of the affiliated loans and the LIHTC investments is derived using an income valuation approach, which is based on a discounted cash flow calculation using a discount rate that is determined internally. These investments are classified as Level 3 because the discount rate used is based on management’s judgment and assumptions. Refer to Note 11 - Related Party Transactions for details on intercompany investments and Note 6 - Investments for details on LIHTC investments. The fair value of investments with debt characteristics and the fair value of the majority 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. The fair value of the preferred units in a limited partnership is derived internally based on market comparable preferred units and recent transactions by the limited partnership. The valuation technique used required inputs that were both unobservable and significant and therefore classified as Level 3.

Separate Accounts Assets

Separate accounts assets reported as Level 1 in the fair value hierarchy are comprised of cash and common stocks. Common stocks are generally traded on an exchange. Separate accounts assets reported as Level 2 relate to investments in U.S. government and treasury securities, corporate bonds and mortgage-backed securities. These separate accounts assets are valued and assigned within the fair value hierarchy, consistent with the methodologies described herein for similar financial instruments held within the general account of the Company. This also relates to investments in limited partnerships and hedge funds that use net asset value ("NAV") where the investment can be redeemed at NAV at the measurement date or in the near-term (generally 90 days).

Separate accounts assets reported as Level 3 relate to investments in corporate bonds. These are 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.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

The following tables provide additional information for investments that are measured at fair value using NAV as a practical expedient, as allowed under authoritative guidance, for investments that meet specified criteria (in millions):

2023

Category of Investment	Investment Strategy	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund	Long/short equity, futures, options, foreign exchange arbitrage	$ 73	$ —	Annual, Semi-Annual, Quarterly, Monthly	30-90 days (Assets subject to lock-up periods)
Hedge fund	Distressed securities, multi-strategy	2	—	Semi-Annual, Quarterly	60-90 days (Assets subject to lock-up periods)
Private equity	Leverage buyout, mezzanine financing, distressed securities	1,315	197	N/A	N/A
		$ 1,390	$ 197		

2022

Category of Investment	Investment Strategy	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund	Long/short equity, futures, options, foreign exchange arbitrage	$ 343	$ —	N/A	N/A
Hedge fund	Distressed securities, multi-strategy	3	—	N/A	N/A
Private equity	Leverage buyout, mezzanine financing, distressed securities	1,284	284	N/A	N/A
		$ 1,630	$ 284		

Deposit Fund Contracts

For funding agreements backing medium term notes, fair values are based on available market prices for the notes. For other funding agreements and annuities certain liabilities, fair values are estimated using discounted cash flow calculations based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. For all other deposit funds, the fair value is estimated to be equal to the account value since they can be withdrawn at anytime and without prior notice.

Premiums Paid in Advance

For premiums paid in advance, the carrying value of the liability approximates fair value.

Borrowed Money

Borrowed money consists of intercompany borrowings and other financing arrangements. Due to the short-term nature of the transactions, the carrying value approximates fair value. At December 31, 2023 and 2022, the Company had repurchase agreements in the separate account for $6 million and $26 million, respectively. At December 31, 2023 and 2022, the Company had no repurchase agreements in the general account.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

Amounts Payable Under Securities Lending Agreements

Amounts due under securities lending consists of cash collateral received under securities lending agreements. Due to the short-term nature of the transactions, the carrying value approximates fair value.

The following tables present the balances of assets and liabilities measured and carried at fair value or NAV as a practical expedient at December 31, 2023 and 2022 (in millions):

	2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**NAV as a Practical Expedient**	**Total**
Assets at fair value					
Bonds					
SVO identified bond ETF	$ 1,466	$ —	$ —	$ —	$ 1,466
Non-agency ABS	—	—	—	—	—
Total bonds	1,466	3	—	—	1,469
Preferred stocks	—	5	90	—	95
Common stocks	353	—	198	—	551
Derivatives	—	1,031	—	—	1,031
Separate accounts assets	528	3,417	1	1,391	5,337
Other invested assets	—	2	252	—	254
Total assets at fair value	$ 2,347	$ 4,458	$ 541	$ 1,391	$ 8,737
Liabilities at fair value					
Derivatives	$ —	$ 350	$ —	$ —	$ 350
Separate accounts liabilities - derivatives(1)	—	—	—	—	—
Total liabilities at fair value	$ —	$ 350	$ —	$ —	$ 350

(1) Separate account contract holder liabilities are not included in the table as they are reported at contract value and not fair value in the accompanying Statutory Statements of Financial Position.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

	2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as a Practical Expedient	Total
Assets at fair value					
Bonds					
SVO identified bond ETF	$ 164	$ —	$ —	$ —	$ 164
Non-agency ABS	—	—	8	—	8
Total bonds	164	—	8	—	172
Preferred stocks	—	5	108	—	113
Common stocks	709	—	309	—	1,018
Derivatives	1	1,537	3	—	1,541
Separate accounts assets	937	3,617	1	1,630	6,185
Other invested assets	—	—	163	—	163
Total assets at fair value	$ 1,811	$ 5,159	$ 592	$ 1,630	$ 9,192
Liabilities at fair value					
Derivatives	$ 1	$ 556	$ 4	$ —	$ 561
Separate accounts liabilities - derivatives	—	—	—	—	—
Total liabilities at fair value	$ 1	$ 556	$ 4	$ —	$ 561

The tables below present a rollforward of Level 3 assets and liabilities for the years ended December 31, 2023 and 2022 (in millions):

	2023									
	Balance at 1/1	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) Included in Net Income	Total Gains (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31
Assets:										
Bonds:										
Non-agency ABS	$ 8	$ —	$ (8)	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total bonds	8	—	(8)	—	—	—	—	—	—	—
Common stocks	309	1	—	65	(80)	44	—	(141)	—	198
Preferred Stocks	108	—	—	(2)	(18)	3	—	(1)	—	90
Derivatives	3	—	(3)	—	—	—	—	—	—	—
Separate accounts assets	1	1	(1)	(1)	1	—	—	—	—	1
Other invested assets	163	33	—	(27)	(9)	99	—	(7)	—	252
Total	$ 592	$ 35	$ (12)	$ 35	$ (106)	$ 146	$ —	$ (149)	$ —	$ 541
Liabilities:										
Derivatives	$ 4	$ —	$ (4)	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total	$ 4	$ —	$ (4)	$ —	$ —	$ —	$ —	$ —	$ —	$ —

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

	2022									
	Balance at 1/1	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) Included in Net Income	Total Gains (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31
Assets:										
Bonds:										
U.S. Corporate	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Non-agency ABS	15	—	(2)	—	(2)	10	—	—	(13)	8
Total bonds	15	—	(2)	—	(2)	10	—	—	(13)	8
Common stocks	214	—	—	—	39	163	—	(107)	—	309
Preferred stocks	114	—	—	1	(15)	13	—	(5)	—	108
Derivatives	3	—	—	(12)	12	—	—	—	—	3
Separate accounts assets	21	—	(17)	—	(2)	—	—	—	(1)	1
Other invested assets	163	—	—	—	—	—	—	—	—	163
Total	$ 530	$ —	$ (19)	$ (11)	$ 32	$ 186	$ —	$ (112)	$ (14)	$ 592
Liabilities:										
Derivatives	$ 1	$ —	$ —	$ (1)	$ 4	$ —	$ —	$ —	$ —	$ 4
Total	$ 1	$ —	$ —	$ (1)	$ 4	$ —	$ —	$ —	$ —	$ 4

Transfers Between Levels

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

Transfers into and out of Level 3

The Company’s basis for transferring assets and liabilities into and out of Level 3 is based on changes in the observability of data, a change in the security’s measurement.

Transfers into Level 3 is $35 million for the year ended December 31, 2023, which primarily relates to residual tranches of securitizations that were measured at amortized cost at the beginning of the period and measured at fair value at the end of the period. Transfers out of Level 3 totaled $16 million for the year ended December 31, 2023, which primarily relates to $8 million of non-agency asset-backed securities measured at fair value at the beginning of the period and measured at amortized cost at the end of the period, and derivatives liabilities securities of $4 million and derivatives assets securities of $3 million that had price level changes from 3 to 2 due to increase in interest rates in 2023 which changed the market to active and observable.

Transfers into Level 3 is less than $1 million for the year ended December 31, 2022, which primarily relates to a non-agency asset backed security that was measured at amortized cost at the beginning of the period and measured at fair value at the end of the period. Transfers out of Level 3 totaled $19 million for the year ended December 31, 2022, which relates to $17 million of separate accounts assets that had a level change due to the use of a quoted price in an active market, and $2 million of non-agency asset-backed securities measured at fair value at the beginning of the period and measured at amortized cost at the end of the period.

NOTE 10 – 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 millions):

	2023	2022
Bonds	$ 5,598	$ 4,806
Common and preferred stocks[1]	42	422
Mortgage loans	966	879
Policy loans	665	604
Other invested assets[2]	1,063	1,190
Short-term investments	96	29
Derivatives	99	124
Real estate	415	379
Other investments	43	14
Gross investment income	8,987	8,447
Investment expenses	(854)	(777)
Net investment income	8,133	7,670
Amortization of IMR	53	99
Net investment income, including amortization of IMR	$ 8,186	$ 7,769

[1] There were no dividends from affiliated life insurance subsidiaries in 2023 and $400 million in affiliated life insurance subsidiaries in 2022.
[2]There were dividends received from non-insurance subsidiaries of $478 million and $614 million for the years ended December 31, 2023, and 2022, respectively. Refer to Note 11 – Related Party Transactions.

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 $2,297 million and $1,867 million, respectively. At December 31, 2023, the Company did not have any nonadmitted due and accrued investment income on bonds. At December 31, 2022, the Company had less than $1 million of nonadmitted due and accrued investment income on bonds. 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 $589 million, which has been included in the principal amount of the Company's bonds of $548 million and mortgage loans of $42 million.

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) or tender and the amount of investment income generated as a result of a prepayment penalty and/or acceleration fee, which is included in Bonds in the table above ($ in millions):

	2023		2022	
	General Account	Separate Account	General Account	Separate Account
Number of cusips	38	16	190	45
Investment income	$ 10	$ —	$ 52	$ 1

NOTE 10 – INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)

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

	2023	2022
Bonds	$ (305)	$ (210)
Common and preferred stocks	283	50
Other invested assets	(251)	(109)
Mortgage loans	(3)	(7)
Real estate	66	39
Derivatives	(541)	(385)
Other[1]	(1)	103
Net realized capital losses before tax and transfers to IMR	(752)	(519)
Less:		
Capital (losses)/gains tax expense (benefit)	(70)	(15)
Net realized capital (losses)/gains after-tax transferred to IMR	(640)	(349)
Net realized capital losses after-tax and transfers to IMR	$ (42)	$ (155)

[1] Primarily includes foreign exchange losses on foreign currency funding agreements.

Proceeds from investments in bonds sold were $5,932 million and $4,171 million for the years ended December 31, 2023 and 2022, respectively. Gross gains of $32 million and $74 million in 2023 and 2022, respectively, and gross losses of $266 million and $124 million in 2023 and 2022, respectively, were realized on these sales. The Company computes gains and losses on sales under the specific identification method.

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

	2023	2022
Other invested assets	$ 247	$ 105
Bonds	45	100
Common and preferred stocks	15	22
Mortgage loans	3	7
Total	$ 310	$ 234

Refer to Note 20 - Loan-Backed and Structured Security Impairments for a list with each loan-backed and structured security at a CUSIP level where the present value of cash flows expected to be collected is less than the amortized cost basis during the current year.

NOTE 10 – INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)

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 millions):

	2023					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses[1]
Bonds						
U.S. governments	$ 860	$ 105	$ 5,064	$ 2,311	$ 5,924	$ 2,416
All other governments	48	2	299	37	347	39
U.S. Special Revenue and Special Assessment	1,924	122	9,713	1,267	11,637	1,389
Industrial and miscellaneous unaffiliated	6,661	670	61,847	7,236	68,508	7,906
Parent, subsidiaries, and affiliates[2]	219	1	3,368	19	3,587	20
SVO Identified Funds	—	—	54	4	54	4
Total bonds	$ 9,712	$ 900	$ 80,345	$ 10,874	$ 90,057	$ 11,774
Equity securities (unaffiliated)						
Common stocks	$ 37	$ 5	$ —	$ —	$ 37	$ 5
Preferred stocks	6	3	—	—	6	3
Total equity securities	43	8	—	—	43	8
Total	$ 9,755	$ 908	$ 80,345	$ 10,874	$ 90,100	$ 11,782

[1] Includes unrealized losses of $4 million related to NAIC 6 bonds and $4 million of bond ETF MTM losses included in the statutory carrying amount.
[2] The unrealized losses include less than $1 million of ABS investments that are managed by affiliates of the Company but have no credit risk exposure to those affiliates.

	2022					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses[1]
Bonds						
U.S. governments	$ 5,569	$ 2,407	$ 291	$ 38	$ 5,860	$ 2,445
All other governments	277	30	59	11	336	41
U.S. Special Revenue and Special Assessment	13,481	1,837	113	17	13,594	1,854
Industrial and miscellaneous unaffiliated	67,182	9,648	7,626	1,035	74,808	10,683
Parent, subsidiaries, and affiliates[2]	3,636	102	107	5	3,743	107
Total bonds	$ 90,145	$ 14,024	$ 8,196	$ 1,106	$ 98,341	$ 15,130
Equity securities (unaffiliated)						
Common stocks	$ 104	$ 21	$ —	$ —	$ 104	$ 21
Preferred stocks	5	2	—	—	5	2
Total equity securities	109	23	—	—	109	23
Total	$ 90,254	$ 14,047	$ 8,196	$ 1,106	$ 98,450	$ 15,153

[1] Includes unrealized losses of $2 million related to NAIC 6 bonds included in the statutory carrying amount.
[2] The unrealized losses include $3 million of ABS investments that are managed by affiliates of the Company but have no credit risk exposure to those affiliates.

NOTE 10 – INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)

At December 31, 2023, the gross unrealized loss on bonds and equity securities was comprised of approximately 10,498 and 17 different securities, respectively, which are included in the table above. Of the total amount of bond unrealized losses, $11,289 million, or 96%, is related to investment grade securities and $485 million, or 4%, is related to below investment grade securities. At December 31, 2022, the gross unrealized loss on bonds and equity securities was comprised of approximately 11,799 and 15 different securities, respectively, which are included in the table above. Of the total amount of bond unrealized losses, $14,364 million, or 95%, is related to investment grade securities and $766 million, or 5%, is related to below investment grade securities. Investment grade is defined as a security having a credit rating from the NAIC of 1 or 2; a rating of Aaa, Aa, A or Baa from Moody's or a rating of AAA, AA, A or BBB from Standard & Poor's ("S&P"); or a comparable internal rating if an externally provided rating is not available.

The amount of gross unrealized losses for bonds where fair value had declined by 20% or more of the amortized cost, totaled $5,437 million. The period of time that each of these securities has continuously been below amortized cost by 20% or more consists of $158 million for six months or less, less than $450 million for greater than six months through 12 months, and $4,829 million 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.

The change in unrealized capital gains (losses) for the years ended December 31, 2023 and 2022 were as follows (in millions):

	Change in Unrealized Gains (Losses)		Change in Unrealized Foreign Exchange Gains (Losses)		Total Change in Unrealized Gains (Losses)	
	2023	2022	2023	2022	2023	2022
Bonds	$ 34	$ (7)	$ 289	$ (485)	$ 323	$ (492)
Preferred stocks	(16)	(17)	—	—	(16)	(17)
Common stocks (unaffiliated)	(190)	(165)	2	(6)	(188)	(171)
Common stocks (affiliated)	578	(1,167)	—	—	578	(1,167)
Mortgage Loans	(71)	2	—	—	(71)	2
Cash, cash equivalents and short-term investments	—	—	(3)	(4)	(3)	(4)
Derivatives	106	(35)	(2)	7	104	(28)
Other invested assets	53	127	86	(200)	139	(73)
Aggregate write-ins[(1)]	—	—	(558)	529	(558)	529
Total change in unrealized on investments	494	(1,262)	(186)	(159)	308	(1,421)
Capital gains tax expense (benefit)	(113)	(52)	—	—	(113)	(52)
Total change in unrealized capital gains (losses), net of tax	$ 607	$ (1,210)	$ (186)	$ (159)	$ 421	$ (1,369)

[(1)] Primarily includes FX on GMTN.

NOTE 11 – RELATED PARTY TRANSACTIONS

Capital Contributions

For the years ended December 31, 2023 and 2022, the Company had the following net capital contributions to/(return of capital) from its subsidiaries (in millions):

	2023	2022
NYLIFE LLC	$ (16)	$ —
NYLE	(260)	(47)
NYLAZ	250	—
Total	$ (26)	$ (47)

Dividends Received

For the years ended December 31, 2023 and 2022, the Company recorded the following dividend distributions from its subsidiaries (in millions):

	2023	2022
NYLIAC	$ —	$ 400
NYL Investors	165	155
MCF	115	49
NYLIFE LLC	—	10
NYLIM	198	—
Total	$ 478	$ 614

NOTE 11 – RELATED PARTY TRANSACTIONS (continued)

Material Transactions

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

Date of Transaction	Name of Related Party	Nature of Relationship	Type of Transaction	Description
Loans and Credit Agreements:				
12/31/2015 (last amended as of 12/31/2022)	MCF	Non-insurance subsidiary	Note funding agreement	The Company and NYLIAC entered into a note funding agreement with MCF and acquired a variable funding note issued by MCF thereunder. The note was most recently reissued on December 31, 2022 due to NYLIAC transferring a portion of its interest to LINA. The note is reported as a bond, with an outstanding balance, including accrued interest, for the Company of $3,495 million and $3,704 million at December 31, 2023 and 2022, respectively. The funding limit is determined using 2.25% multiplied by the cash and invested assets amount, as of such date of determination. Cash and invested assets amount means, as of any date of determination, the sum of (x) the net admitted cash and invested assets of NYLIAC and LINA (y) the net admitted cash and invested assets of NYLIC (excluding any portion thereof attributable to NYLIC's investment in NYLIAC and LINA), in each case, based on the most recently available quarterly or annual financial statements of NYLIC, NYLIAC or LINA, as applicable.
10/1/1997 (last amended as of 10/7/2022)	New York Life Capital Corporation ("NYLCC")	Non-insurance subsidiary	Revolving credit agreement	NYLCC, a wholly owned subsidiary of NYLIFE LLC (which is a wholly owned subsidiary of the Company), has a revolving credit agreement with the Company, whereby NYLCC has agreed to make loans to the Company in an amount up to, but not exceeding, $3,500 million. NYLCC's outstanding principal amount of commercial paper at December 31, 2023 was $419 million.
9/15/2022 (previous agreement terminated on 9/15/2022)	NYLCC	Non-insurance subsidiary	Revolving credit facility	The Company and NYLCC entered into a five-year $1,750 million revolving credit facility (the "2022 Credit Facility") with a syndicate of lenders. The 2022 Credit Facility replaced a $1,500 million credit facility that went into effect on 1/29/19. The Company and NYLCC are borrowers under the 2022 Credit Facility. At December 31, 2023 and 2022, the credit facility was not used and there was no outstanding balance.
12/5/2023 (previous agreement terminated on 12/5/2023)	MCF	Non-insurance subsidiary	Revolving credit facility	The Company and MCF entered into a 364-day $400 million revolving credit facility (the "2023 MCF Credit Facility") with a syndicate of lenders, with MCF and borrower and the Company as guarantor. The 2023 MCF Credit Facility had no outstanding borrowings as of December 31, 2023. The 2023 MCF Credit Facility replaced a 364-day $400 million credit facility dated December 6, 2022 (the "2022 MCF Credit Facility") with MCF as borrower and the Company as guarantor. The 2022 MCF Credit Facility had no outstanding borrowings as of December 31, 2022.
9/30/1993 (last amended as of 12/30/2022)	NYLIAC	Insurance subsidiary	Revolving credit agreement	The Company has a revolving credit agreement with NYLIAC whereby the Company may loan in the amount of up to $3,500 million. At December 31, 2023 and 2022, the credit facility was not used, no interest was paid and there was no outstanding balance due.
4/1/1999 (last amended as of 12/30/2022)	NYLIAC	Insurance subsidiary	Revolving credit agreement	The Company has a revolving credit agreement with NYLIAC, whereby the Company may borrow in the amount of up to $900 million. 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 (amended as of 10/26/2022)	LINA	Insurance subsidiary	Revolving credit agreement	The Company, as lender, has a revolving credit agreement with LINA, as borrower, for a maximum aggregate amount of $100 million. At December 31, 2023 and 2022, the credit facility was not used and there was no outstanding balance.
Service Agreements:				
6/1/2020 (last amended as of 11/1/2023)	NYL Investors LLC	Non-insurance subsidiary	Investment advisory agreement	The Company is party to an investment advisory agreement with NYL Investors, as amended from time to time, to receive investment advisory and administrative services from NYL Investors. For the years ended December 31, 2023 and 2022, the fees incurred associated with these services, amounted to $244 million and $236 million, respectively.
Various	Various Affiliates	Insurance and non-insurance subsidiaries	Services agreement	Under various written agreements, the Company has agreed to provide certain of its direct and indirect subsidiaries with certain services and facilities including but not limited to the following: accounting, tax and auditing services, legal services, actuarial services, electronic data processing operations, and communications operations. Such costs amounting to $1,464 million and $1,376 million for the years ended December 31, 2023 and 2022, respectively, were incurred by the Company and billed to its subsidiaries. The Company is reimbursed for the identified costs associated with these services and facilities. The terms of the agreements require that these amounts be settled in cash within 90 days.

NOTE 11 – RELATED PARTY TRANSACTIONS (continued)

Date of Transaction	Name of Related Party	Nature of Relationship	Type of Transaction	Description
Other Agreements:				
Various	NYLIAC	Insurance subsidiary	Acquisition of corporate owned life insurance ("'COLI")	The Company has purchased various COLI policies from NYLIAC for the purpose of informally funding certain benefits for the Company's employees and agents. These policies were issued to the Company on the same terms as policies sold to unrelated customers. Of the $4,308 million cash surrender value at December 31, 2023 and 2022, $3,285 million and $3,286 million, respectively, is invested in NYLIAC's general account, and $1,023 million and $894 million, respectively, is invested in NYLIAC's separate accounts products. The investments in NYLIAC's separate accounts are allocated to the following categories based on primary underlying investment characteristics: 4% bonds, 95% stocks, and 1% real estate.
Various	NYLIAC	Insurance subsidiary	Structured settlement agreements	The Company is the assumed obligor for certain structured settlement agreements with unaffiliated insurance companies, beneficiaries and other non-affiliated entities. To satisfy its obligations under these agreements, the Company owns single premium annuities issued by NYLIAC. The obligations are based upon the actuarially determined present value of expected future payments.
Various	NYLIAC	Insurance subsidiary	Structured settlement agreements	The Company has issued $10,774 million and $10,236 million at December 31, 2023 and 2022, respectively, of single premium annuities to NYLIAC in connection with NYLIAC's obligation under structured settlement agreements. NYLIAC has directed the Company to make the payments under the annuity contracts directly to beneficiaries under the structured settlement agreements.
Various	NYLIAC, LINA and NYLGICNY	Insurance subsidiary	Participation in mortgage loans, REO and Real Estate	A real estate property acquired through foreclosure is called a REO Portfolio. NYLIAC, LINA, and NYLGICNY's interests in commercial mortgage loans are primarily held in the form of participations in mortgage loans originated or acquired by the Company. The Participation Companies' interest in the ownership of REO Portfolio is called REO Ownership Interest. Under the participation agreement for the mortgage loans, it is agreed between the Company and the Participation Companies that the 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 there from, will be pari passu with the Company's and pro rata based upon the respective amounts funded by the Company and the Participation Companies in connection with the applicable mortgage loan origination or acquisition. Consistent with the participation arrangement, all mortgage loan documents name the Company (and not both the Participation Companies and the Company) as the lender but are held for the benefit of both the Company and the Participation Companies pursuant to the applicable participation agreement. The Company retains general decision making authority with respect to each mortgage loan, although certain decisions require the Participation Companies approval.
6/11/2012	NYLIAC	Insurance subsidiary	Tenancy in common agreement	In connection with a $150 million land acquisition of a fee simple estate in land underlying an office building and related improvements and encumbered by a ground lease by the Company (73.8% interest) and NYLIAC (26.2% interest), the Company and NYLIAC entered into a Tenancy In Common Agreement in which the agreement sets forth the terms that govern, in part, each entity's interest in the property.
10/5/2017	NYLIAC	Insurance subsidiary	Mortgage loan on real estate	In connection with the acquisition of an office building by REEP-OFC 2300 Empire LLC and a pledge of an unleveraged equity interest in the owner of Retreat at Seven Bridges, an existing multifamily property, NYLIAC provided a first mortgage loan to REEP-OFC 2300 Empire LLC and REEP-MF Woodridge IL LLC. The Company reports this investment as a limited partnership investment. The mortgage loan has been paid in full on July 27, 2023.
1/1/2017 (amended on 12/31/2022)	NYLIM	Non-insurance subsidiary	Note purchase agreement	The Company originally entered into a Note Purchase Agreement with NYLIM Holdings as of January 1, 2017, amended as of September 30, 2021. The Company purchased a $50 million floating rate senior note as of January 1, 2017, which was cancelled and reissued as a $150 million floating rate senior note as of September 30, 2021 (the "2021 Note"). As of December 31, 2022, the agreement was amended and restated and the 2021 Note was cancelled and reissued as a $150 million floating rate senior note (the "2022 Note"). At December 31, 2023 and 2022, the facility had no outstanding balance due.
Significant Transactions:				
11/29/2022	NYLIAC	Insurance subsidiary	Transfer of assets	Bond asset and cash transfers between the Company and NYLIAC were executed to strengthen duration alignment between asset and liability profiles amongst the insurance companies. The Company acquired bonds with a book value of $3,801 million from NYLIAC in exchange for bonds valued at $2,415 million, including realized losses and accrued interest, and cash of $1,419 million.

NOTE 11 – RELATED PARTY TRANSACTIONS (continued)

At December 31, 2023 and 2022, the Company reported a net amount of $152 million and $117 million respectively, due from subsidiaries. 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. Material reinsurance agreements have been disclosed in Note 13 – Reinsurance. In addition, the Company may enter into guarantees and/or keep wells with its subsidiaries. Material guarantee agreements and/ or keep wells have been disclosed in Note 15 – Commitments and Contingencies.

NOTE 12 - INSURANCE LIABILITIES

Insurance liabilities at December 31, 2023 and 2022 were as follows (in millions):

	2023	2022
Life insurance reserves	$ 97,576	$ 95,025
Annuity reserves and supplementary contracts with life contingencies	32,874	32,058
Accident and health insurance reserves (including long-term care)	5,389	5,166
Asset adequacy and special reserves	680	649
Total policy reserves	136,519	132,898
Deposit funds	37,953	33,108
Policy claims	831	969
Total insurance liabilities	$ 175,303	$ 166,975

Life Insurance Reserves

Reserves for life insurance policies are maintained principally using the 1941, 1958, 1980, 2001, and 2017 Commissioners' Standard Ordinary Mortality Tables and the 1958 and 1980 Commissioners' Extended Term Mortality Tables under the net level premium method, the Commissioners' Reserve Valuation Method, or Modified Preliminary Term with valuation interest rates ranging from 2.0% to 6.0%. Reserves for policies issued in 2020 and later are determined based on principle-based standards as set forth in the NAIC Valuation Manual.

The tabular interest for life insurance has been determined by a 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 for individual life insurance for seven year term, for certain survivorship whole life policies, and for ancillary coverage has been determined by a formula as described in the NAIC instructions. For all other coverages, including the bulk of individual life, the tabular cost has been determined from the basic data for the calculation of policy reserves.

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 $1,022 million and $945 million in 2023 and 2022, respectively.

The Company waives deductions of deferred fractional premiums upon death of the insured and returns a portion of the final premium beyond the date of death. No surrender values are promised in excess of the total reserves. Certain substandard policies are valued on tables that are multiples of the standard table. Other substandard policies were valued as equivalent to standard lives on the basis of insurance age. Additional reserves were held on account of anticipated extra mortality for policies subject to extra premiums.

At December 31, 2023 and 2022, the Company had $32,987 million and $37,858 million, respectively, of insurance in-force for which the gross premiums were less than the net premiums according to the standard of valuation set by

NOTE 12 – INSURANCE LIABILITIES (continued)

the state of New York. Reserves to cover the above insurance totaled the net amount of $208 million in 2023 and $241 million in 2022, respectively.

Annuity Reserves and Supplementary Contracts with Life Contingencies

Tabular interest for group annuity contracts has been determined from the basic data for the calculation of policy reserves as described in the NAIC instructions.

Reserves for supplementary contracts involving life contingencies and annuities involving current mortality risks are based principally on 1951 Group Annuity Mortality, 1983 Group Annuity Mortality, 1994 Group Annuity Reserving table, 1960 Mod. a-49, 1971 Individual Annuity Mortality, 1983 Table A, A2000, 2012 Individual Annuity Reserving table and the Commissioners' Annuity Reserve Valuation Method with assumed interest rates ranging from 1.0% to 11.3%.

At December 31, 2023, the Company held an additional actuarial reserve of $100 million based on asset adequacy analysis for structured settlement contracts and $100 million based on asset adequacy analysis for guaranteed products. At December 31, 2022, the Company held an additional actuarial reserve of $140 million based on asset adequacy analysis for structured settlement contracts and $60 million based on asset adequacy analysis for guaranteed products.

Generally, owners of annuities in payout status are not able to withdraw funds from their policies at their discretion.

Accident and Health Insurance Reserves (Including Long-term Care)

Reserves for accident and health insurance policies are valued consistent with the prescribed interest rate and morbidity tables, where applicable.

Claim reserves and unpaid claim liabilities were $1,533 million and $1,504 million at December 31, 2023 and 2022, respectively. During 2023 and 2022, $237 million and $228 million, respectively, was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Additionally, during 2023, there was $35 million of favorable prior-year loss development, the result of ongoing analysis of recent loss development trends. Reserves remaining for prior years at December 31, 2023 were $1,231 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on long-term care, group medical (discontinued in 2013), disability income and Medicare supplement insurance.

Original estimates were adjusted as additional information became known regarding individual claims. The Company had no unfavorable prior year loss development on retrospectively rated policies included in this decrease. However, the business to which it relates is subject to premium adjustments.

Participating Policies

Individual and group life participating policies represent 99.4% of total individual and group life insurance inforce. The Company paid dividends in the amount of $2,114 million and $1,996 million to individual and group life policyholders for the years ended December 31, 2023 and 2022, respectively, and did not allocate any additional income to such policyholders.

NOTE 12 – INSURANCE LIABILITIES (continued)

Deposit Funds

Deposit funds at December 31, 2023 and 2022 were as follows (in millions):

	2023	2022
GICs without life contingencies (including funding agreements)	$ 35,107	$ 30,181
Dividend accumulations or refunds and other deposit funds	2,444	2,460
Supplemental contracts without life contingencies	362	421
Continued interest accounts	28	32
Annuities certain	12	14
Total deposit funds	$ 37,953	$ 33,108

The weighted average interest rate on all GICs without life contingencies was 3.15% and 2.38% at December 31, 2023 and 2022, respectively. The weighted average remaining maturity was 3 years, 2 months and 3 years, 1 month at December 31, 2023 and 2022, respectively. Withdrawal prior to maturity is generally not permitted.

GICs without life contingencies issued by the Company include funding agreements issued to special purpose entities ("SPEs") and the FHLB of NY.

The SPEs purchase the funding agreements with the proceeds from medium term notes issued by the SPE, which have payment terms substantially identical to the funding agreements issued by the Company. At December 31, 2023 and 2022, the balance under funding agreements sold by the Company to the SPEs was $30,128 million and $25,119 million, respectively.

The Company is a member of the FHLB of NY and issues funding agreements to the FHLB of NY in exchange for cash. The proceeds from the sale of these funding agreements are invested to earn a spread on the business. The funding agreements are issued through the general account and are included in the liability for Deposit funds in the accompanying Statutory Statements of Financial Position. When a funding agreement is issued, the Company is required to post collateral in the form of eligible securities including mortgage-backed, government and agency debt instruments for each of the advances received. Upon any event of default by the Company, the FHLB of NY's recovery on the collateral is limited to the amount of the Company's liability to the FHLB of NY.

The amount of FHLB of NY common stock held, in aggregate, exclusively in the Company's general account at December 31, 2023 and 2022 was as follows (in millions):

	2023	2022
Membership stock - class B[1]	$ 48	$ 48
Activity stock	138	164
Aggregate total	$ 186	$ 212
Actual or estimated borrowing capacity as determined by the insurer	$ 11,595	$ 11,139

[1] Membership stock is not eligible for redemption.

The amount of collateral pledged to the FHLB of NY in the Company's general account at December 31, 2023 and 2022 was as follows (in millions):

	2023	2022
Fair Value	$ 8,028	$ 6,575
Carrying Value	$ 8,867	$ 7,599
Aggregate Total Borrowing	$ 3,118	$ 3,692

NOTE 12 – INSURANCE LIABILITIES (continued)

The maximum amount of collateral pledged and aggregate total borrowing to the FHLB of NY in the Company's general account during the years ended December 31, 2023 and 2022 was as follows (in millions):

	2023	2022
Fair Value	$ 7,852	$ 6,714
Carrying Value	$ 9,010	$ 7,919
Aggregate Total Borrowing	$ 2,971	$ 2,820

The following table reflects the amount borrowed from the FHLB of NY in the form of funding agreements at December 31, 2023 and 2022 (in millions):

	2023	2022
Funding agreements issued	$ 3,118	$ 3,692
Funding agreement reserves established	$ 3,118	$ 3,692
Maximum amount borrowed during the year	$ 3,193	$ 3,880

The Company does not have any prepayment obligations for these funding agreement arrangements.

Withdrawal Characteristics of Annuity Reserves and Deposit Funds

The following tables reflect the withdrawal characteristics of annuity reserves and deposit fund liabilities at December 31, 2023 and 2022 ($ in millions):

Individual Annuities

	2023				
	General Account	Separate Accounts with Guarantees	Separate Accounts Non-guaranteed	Total	% of Total
Subject to discretionary withdrawal:					
With fair value adjustment	$ 9	$ —	$ —	$ 9	— %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	9	—	—	9	—
At book value without adjustment	1	—	—	1	—
Not subject to discretionary withdrawal	9,968	—	—	9,968	100
Total	$ 9,978	$ —	$ —	$ 9,978	100 %
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	$ —	$ —	$ —	$ —	

NOTE 12 – INSURANCE LIABILITIES (continued)

	2022				
	General Account	Separate Accounts with Guarantees	Separate Accounts Non-guaranteed	Total	% of Total
Subject to discretionary withdrawal:					
With fair value adjustment	$ 11	$ —	$ —	$ 11	— %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	11	—	—	11	—
At book value without adjustment	1	—	—	1	—
Not subject to discretionary withdrawal	9,541	—	—	9,541	100
Total	$ 9,553	$ —	$ —	$ 9,553	100 %
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	$ —	$ —	$ —	$ —	

Group Annuities

	2023				
	General Account	Separate Accounts with Guarantees	Separate Accounts Non-guaranteed	Total	% of Total
Subject to discretionary withdrawal:					
With fair value adjustment	$ 7,332	$ 7,173	$ —	$ 14,505	41 %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	7	2,965	2,347	5,319	15
Total with adjustment or at fair value	7,339	10,138	2,347	19,824	56
At book value without adjustment	1,958	—	—	1,958	6
Not subject to discretionary withdrawal	13,599	—	—	13,599	38
Total	$ 22,896	$ 10,138	$ 2,347	$ 35,381	100 %
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	$ —	$ —	$ —	$ —	

NOTE 12 – INSURANCE LIABILITIES (continued)

	2022				
	General Account	Separate Accounts with Guarantees	Separate Accounts Non-guaranteed	Total	% of Total
Subject to discretionary withdrawal:					
With fair value adjustment	$ 7,997	$ 8,047	$ —	$ 16,044	44 %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	13	3,162	2,896	6,071	17
Total with adjustment or at fair value	8,010	11,209	2,896	22,115	60
At book value without adjustment	2,060	—	—	2,060	6
Not subject to discretionary withdrawal	12,436	—	—	12,436	34
Total	$ 22,506	$ 11,209	$ 2,896	$ 36,611	100 %
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	$ —	$ —	$ —	$ —	

Deposit-Type Contracts

	2023				
	General Account	Separate Accounts with Guarantees	Separate Accounts Non-guaranteed	Total	% of Total
Subject to discretionary withdrawal:					
With fair value adjustment	$ 1	$ —	$ —	$ 1	— %
At book value less current surrender charge of 5% or more	—	—	—	—	—
At fair value	—	—	—	—	—
Total with adjustment or at fair value	1	—	—	1	—
At book value without adjustment	4,150	—	—	4,150	11
Not subject to discretionary withdrawal	33,802	—	—	33,802	89
Total	$ 37,953	$ —	$ —	$ 37,953	100 %
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	$ —	$ —	$ —	$ —	

NOTE 12 – INSURANCE LIABILITIES (continued)

	2022				
	General Account	Separate Accounts with Guarantees	Separate Accounts Non-guaranteed	Total	% of Total
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	4,097	—	—	4,097	12
Not subject to discretionary withdrawal	29,011	—	—	29,011	88
Total	$ 33,108	$ —	$ —	$ 33,108	100 %
Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year	$ —	$ —	$ —	$ —	

NOTE 12 – 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 millions):

	2023					
	General Account			Separate Accounts Guaranteed and Non-guaranteed		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
Subject to discretionary withdrawal, surrender, or policy loans:						
Term policies with cash value	$ —	$ 469	$ 482	$ —	$ —	$ —
Universal life	11	11	11	—	—	—
Universal life with secondary guarantees	—	—	—	—	—	—
Indexed universal life	—	—	—	—	—	—
Indexed universal life with secondary guarantees	—	—	—	—	—	—
Indexed life	—	—	—	—	—	—
Other permanent cash value life insurance	—	91,377	96,269	—	—	—
Variable life	—	—	—	—	—	—
Variable universal life	—	—	—	—	—	—
Miscellaneous reserves	—	—	—	—	—	—
Not subject to discretionary withdrawal or no cash values:						
Term policies without cash value	—	—	3,855	—	—	—
Accidental death benefits	—	—	55	—	—	—
Disability - active lives	—	—	530	—	—	—
Disability - disabled lives	—	—	571	—	—	—
Miscellaneous reserves	—	—	1,077	—	—	—
Total life insurance (gross)	11	91,857	102,850	—	—	—
Reinsurance ceded	—	2,602	5,274	—	—	—
Total life insurance (net)	$ 11	$ 89,255	$ 97,576	$ —	$ —	$ —

NOTE 12 – INSURANCE LIABILITIES (continued)

	2022					
	General Account			Separate Accounts Guaranteed and Non-guaranteed		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
Subject to discretionary withdrawal, surrender, or policy loans:						
Term policies with cash value	$ —	$ 444	$ 455	$ —	$ —	$ —
Universal life	6	6	6	—	—	—
Universal life with secondary guarantees	—	—	—	—	—	—
Indexed universal life	—	—	—	—	—	—
Indexed universal life with secondary guarantees	—	—	—	—	—	—
Indexed life	—	—	—	—	—	—
Other permanent cash value life insurance	—	87,407	92,023	—	—	—
Variable life	—	—	—	—	—	—
Variable universal life	—	—	—	—	—	—
Miscellaneous reserves	—	—	—	—	—	—
Not subject to discretionary withdrawal or no cash values:						
Term policies without cash value	—	—	3,540	—	—	—
Accidental death benefits	—	—	55	—	—	—
Disability - active lives	—	—	522	—	—	—
Disability - disabled lives	—	—	578	—	—	—
Miscellaneous reserves	—	—	1,050	—	—	—
Total life insurance (gross)	6	87,857	98,229	—	—	—
Reinsurance ceded	—	2,731	3,204	—	—	—
Total life insurance (net)	$ 6	$ 85,126	$ 95,025	$ —	$ —	$ —

NOTE 13 – REINSURANCE

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 life insurance policies in excess of its retention limits. The Company also participates in assumed reinsurance with third parties in acquiring additional business. Both assumed and ceded reinsurance transactions are discussed in further details below.

The effects of reinsurance on the accompanying Statutory Statements of Financial Position at December 31, 2023 and 2022 were as follows (in millions):

	2023	2022
Policy reserves:		
Direct	$ 135,084	$ 129,071
Assumed	6,709	7,033
Ceded	(5,273)	(3,206)
Policy reserves	$ 136,519	$ 132,898
Policy claims:		
Direct	$ 746	$ 870
Assumed	239	254
Ceded[1]	(154)	(155)
Policy claims	$ 831	$ 969
Reinsurance recoverable[2]	$ (17)	$ 26
Funds held under coinsurance	$ 1,120	751

[1] Includes reinsurance recoverable related to unpaid losses of $117 million and $133 million at December 31, 2023 and 2022, respectively.
[2] Included in Other assets in the accompanying Statutory Statements of Financial Position.

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

	2023	2022
Premiums:		
Direct[1]	$ 16,614	$ 17,900
Assumed	682	737
Ceded	(2,148)	(488)
Premiums	$ 15,148	$ 18,149
Benefit payments:		
Direct	$ 14,762	$ 12,659
Assumed	1,160	1,280
Ceded	(675)	(708)
Benefit payments	$ 15,247	$ 13,231

[1] Includes considerations for supplementary contracts with life contingencies of less than $1 million and $48 million for the years ended December 31, 2023 and 2022, respectively.

NOTE 13 - REINSURANCE (continued)

Reinsurance Assumed

The Company assumes, on a coinsurance basis, 100% of the obligations and liabilities of John Hancock Life Insurance Company (U.S.A.) and one of its affiliates' ("John Hancock") closed block consisting primarily of participating whole life insurance policies ("Closed Block"). The Company retrocedes 40% of those obligations and liabilities to John Hancock through a coinsurance funds-withheld arrangement. The assets received from this transaction are pledged as collateral and are contractually restricted, the majority of which are held in a reinsurance trust for the Company's obligations to John Hancock.

The insurance related revenue from the reinsured policies, including net investment income from the contractually restricted assets, after satisfying certain related expenses and taxes, inure solely to the benefit of those reinsured policyholders and will not be available to the Company's policyholders.

At December 31, 2023 and 2022, policy reserves related to the Closed Block reinsurance transaction were as follows (in millions):

	2023	2022
Reserves assumed	$ 6,708	$ 7,033
Reserves ceded	(2,683)	(2,815)
Reserves net	$ 4,025	$ 4,218

Reinsurance Ceded

The Company enters into reinsurance agreements in the normal course of its insurance business to reduce overall risk and to be able to issue individual life insurance policies in excess of its retention limits.

The Company primarily cedes the mortality risk on new business for term and employees' whole life insurance policies on a quota-share yearly renewable term basis. Most of the reinsurance ceded on new and inforce business is established on an automatic basis. The quota share currently ceded on new business generally ranges from 20% to 76% with a minimum size policy ceded of either $1 million or $2 million for term and no minimum size for employees' whole life. Cases in excess of the Company's retention and certain substandard cases are ceded on a facultative reinsurance basis. The majority of the Company's facultative reinsurance is for substandard cases in which it typically cedes 90%.

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 throughout the period that the reinsurance contract is in place.

At December 31, 2023 and 2022, the Company did not have any insurance in-force that has been reinsured for which the gross premiums were less than the net premiums according to the standard of valuation set by the state of New York.

Life insurance ceded was 25% and 11% of total life insurance in-force at December 31, 2023 and 2022 respectively. The Company has reinsurance agreements with New York Life Agents Reinsurance Company ("NYLARC"). NYLARC is a life insurance company wholly owned by NYLARC Holding Company, Inc., whose shareholders consist of the Company's top agents who meet certain criteria and who may also be agents of NYLIAC or NYLAZ. NYLARC reinsures a portion of certain life insurance products sold by its shareholders. NYLARC's purpose is to retain high production agents, and increase the volume and quality of the business that they submit to the Company and NYLIAC.

NOTE 13 - REINSURANCE (continued)

Effective December 31, 2023, New York Life entered into a strategic indemnity reinsurance agreement on a coinsurance with funds withheld basis ("Term Reinsurance Agreement") with Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft ("Munich Re"). Under the agreement, New York Life ceded on a quota share basis 85% of all the risks under certain term life policies and respective riders issued by New York Life between January 1, 2000 and December 31, 2019. New York Life will pay Munich Re an annual risk and profit charge which will decrease over time. New York Life will receive from Munich Re a quarterly experience refund if the experience refund formula is positive.

NOTE 14 – BENEFIT PLANS

Defined Benefit Plans

The Company maintains various tax-qualified and non-qualified defined benefit pension plans covering eligible U.S. employees and agents. The tax-qualified plan for employees includes both a traditional formula and a cash balance formula. The applicability of these formulas to a particular plan participant is generally determined by age and date of hire. Under the traditional formula, benefits are based on final average earnings and length of service. The cash balance formula credits employees' accounts with a percentage of eligible pay each year based on years of service, along with annual interest credits at rates based on IRS guidelines. Benefits under the tax-qualified plan for agents are based on length of service and earnings during an agent's career. The non-qualified pension plans provide supplemental benefits in excess of the maximum benefits applicable to a tax-qualified plan.

The tax-qualified defined benefit pension plans of the Company are funded solely by Company contributions. The Company's funding policy is to make annual contributions that are no less than the minimum amount needed to comply with the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Internal Revenue Code ("IRC") of 1986, as amended, and no greater than the maximum amount deductible for federal income tax purposes. In 2023 and 2022, the Company did not make any voluntary contributions to the tax-qualified plans. No contributions were required to satisfy the minimum funding requirements under ERISA and the IRC.

The Company has established separate irrevocable grantor trusts covering certain of the non-qualified arrangements to help protect non-qualified payments thereunder in the event of a change in control of the Company. The grantor trusts are not subject to ERISA.

Other Postretirement Benefits

The Company provides certain health care and life benefits for eligible retired employees and agents (and their eligible dependents). Employees are eligible for retiree health and life benefits if, at their termination of service, they are at least age 55 with 10 or more years of service with the Company. Agents are generally eligible for retiree health and life benefits if they meet certain age and service criteria on the date they terminate service. In either case, an employee or agent must be enrolled in active health care coverage on the date they terminate service to be eligible for retiree coverage. A limited group of retired agents who met certain age and service criteria have retiree accidental death and dismemberment ("AD&D") coverage until age 70.

Employees and agents who retired prior to January 1, 1993 and agents who were active on December 31, 1992 and met certain age or service criteria on that date do not make contributions toward retiree health care coverage. All other eligible employees and agents may be required to contribute towards retiree health care coverage. The Company pays the entire life insurance costs for retired employees and agents including AD&D coverage for eligible retired agents.

NOTE 14 – BENEFIT PLANS (continued)

The Company has established two separate Voluntary Employees Beneficiary Association ("VEBA") Trusts, the Employees' Life and Health Benefit Trust ("Employee VEBA") and the Agents' Life and Health Benefit Trust ("Agent VEBA"). The Employee VEBA is currently exclusively used to fund a portion of the postretirement health and life benefits for retired employees, and the Agent VEBA is currently exclusively used to fund a portion of the postretirement health and life benefits for retired agents. In addition, the tax-qualified pension plan for agents includes a medical-benefit component to fund a portion of the postretirement obligations for retired agents and their dependents in accordance with IRC Section 401(h). The Company pays the remaining balance of these costs.

Postemployment Benefits and Compensated Absences

The Company provides compensated absences to eligible employees during employment, and certain benefits to eligible employees and agents after termination of service. These include, but are not limited to, salary continuation during medical and pregnancy leaves, short-term disability-related benefits, and continuation of health care benefits.

Plan Assets

Each tax-qualified pension plan currently invests in two group annuity contracts which are held in separate trusts: one contract is an immediate participation guarantee ("IPG") contract relating to the Company's general account ("GA Contract"), and the other contract relates to the Company's pooled separate accounts ("SA Contract"). The Company is the issuer of the GA and SA Contracts. In addition, certain assets are directly invested in third-party real estate investment funds and third-party collective investment trusts. Total tax-qualified plan assets at December 31, 2023 and 2022 were as follows (in millions):

	Tax-qualified Pension Plans	
	2023	2022
GA Contracts[1]	$ 3,820	$ 3,387
SA Contracts[2]	2,347	2,895
Third-party real estate investment funds	411	477
Third-party collective investment trusts	657	174
Cash	1	1
Total plan assets	$ 7,236	$ 6,934

(1) The GA Contracts are included in the Company's assets and policy reserves liabilities in the accompanying Statutory Statements of Financial Position.
(2) The SA Contracts are included in the Company's separate accounts assets and liabilities in the accompanying Statutory Statements of Financial Position.

NYL Investors manages the assets in the portion of the Company's general account in which the GA Contract participates. The GA Contract provides for the payment of an annual administrative charge based on a percentage of the assets maintained in the fixed account under the contract. Under the SA Contract, certain registered investment advisory subsidiaries of NYL Investments act as investment managers for the pooled separate accounts. The SA Contract provides for the payment of separate annual fees for the management and administration of each separate account.

NOTE 14 – BENEFIT PLANS (continued)

The assets of each of the VEBA Trusts are invested in trust owned life insurance ("TOLI"), third-party mutual funds, and cash and cash equivalents. In addition, certain assets were invested the Mainstay MacKay International Equity Fund at December 31, 2022. Total assets of the other postretirement plans (including VEBA Trusts and 401(h) component) at December 31, 2023 and 2022 were as follows (in millions):

	Other Postretirement Plans	
	2023	2022
TOLI policies	$ 581	$ 507
Third-party mutual funds	302	214
IPG Contract (401(h) component)[(1)]	37	36
MainStay MacKay International Equity Fund	—	65
Cash and cash equivalents	2	1
Total plan assets	$ 922	$ 823

[(1)] The GA Contracts are included in the Company's assets and policy reserves liabilities in the accompanying Statutory Statements of Financial Position.

New York Life Investment Management LLC ("NYLIM"), a wholly owned subsidiary of NYL Investments, serves as investment manager of their proprietary MainStay MacKay International Equity Fund. The TOLI policies are corporate sponsored universal life ("CSUL") and corporate sponsored VUL ("CSVUL") policies issued by NYLIAC. CSVUL policy premiums are invested in certain insurance dedicated funds offered in connection with variable products for which NYLIM serves as investment advisor and MacKay Shields LLC, a wholly owned subsidiary of NYL Investments, serves as the sub-advisor.

The investment objectives for the tax-qualified pension plans and VEBA Trusts are: (1) to maintain sufficient income and liquidity to fund benefit payments; (2) to preserve the capital value of the plans and trusts; (3) to increase the capital value of the plans and trusts; and (4) to earn a long-term rate of return, which meets or exceeds the plans' and trusts' assumed actuarial rates of return. Under the investment policies for the tax-qualified pension plans, the plans' assets are to be invested primarily in a balanced and diversified mix of high quality equities, fixed income securities, group annuity contracts, private equity investments, real estate investments, hedge fund investments, cash equivalents, and such other assets as may be appropriate. Under the investment policies for the VEBA Trusts, the assets of the trusts are to be invested primarily in insurance contracts (variable and/or fixed) and/or mutual funds, which in turn, invest in a balanced and diversified mix of high quality equities, fixed income securities, cash equivalents, and such other assets as may be appropriate. The Board of Trustees (the "Trustees") monitor and review investment performance to ensure assets are meeting investment objectives.

The Trustees have established a broad investment strategy targeting an asset allocation for both the tax-qualified pension plans, and for the VEBA Trusts. Diversifying each asset class by style and type further enhances this allocation. In developing this asset allocation strategy, the Trustees took into account, among other factors, the information provided to them by the plans' actuary, information relating to the historical investment returns of each asset class, the correlations of those returns, and input from the plans' investment consultant. The Trustees regularly review the plans' asset allocations versus the targets and make adjustments as appropriate.

NOTE 14 – BENEFIT PLANS (continued)

The percentage of target allocation and asset allocation, by asset category, for the tax-qualified pension plans and the VEBA Trusts at December 31, 2023 and 2022, were as follows:

	Tax-qualified Pension Plans				VEBA Trust			
	Target Allocation		Asset Allocation		Target Allocation		Asset Allocation	
Asset Category	2023	2022	2023	2022	2023	2022	2023	2022
Fixed income	60 %	60 %	60 %	56 %	30 %	30 %	28 %	30 %
Equity	40	40	40	44	70	70	72	70
Total	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

For the tax-qualified pension plans, the target allocation permits for ranges of 50% to 70% for fixed income and 30% to 50% for equity.

The pooled separate accounts under the SA Contracts and the third-party mutual funds and collective investment trusts invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The fair values (refer to Note 9 - Fair Value Measurements for description of levels) of the tax-qualified pension plans' assets at December 31, 2023 and 2022 were as follows (in millions):

	2023				
Asset Category	Level 1	Level 2	Level 3	NAV as a Practical Expedient	Total
Cash	$ 1	$ —	$ —	$ —	$ 1
Fixed income securities:					
IPG contract	—	—	3,820	—	3,820
High yield bond separate account	—	—	—	364	364
Municipal bond separate account	—	—	—	183	183
Absolute return hedge fund separate account	—	—	—	2	2
Equity securities:					
Private equity separate accounts	—	—	—	1,337	1,337
Indexed equity separate account	—	—	—	388	388
GQG Partners International Equity Collective Investment Trust	—	—	—	230	230
Capital Group EuroPacific Growth Trust	—	—	—	224	224
FIAM Small Capitalization Core Commingled Pool	—	—	—	203	203
Morgan Stanley Prime Property Fund	—	—	—	188	188
Invesco Core Real Estate - U.S.A. Fund	—	—	—	138	138
JPMorgan Strategic Property Fund	—	—	—	85	85
Long/short equity hedge fund separate account	—	—	—	73	73
Total assets accounted for at fair value	$ 1	$ —	$ 3,820	$ 3,415	$ 7,236

NOTE 14 – BENEFIT PLANS (continued)

	2022				
Asset Category	**Level 1**	**Level 2**	**Level 3**	**NAV as a Practical Expedient**	**Total**
Cash	$ 1	$ —	$ —	$ —	$ 1
Fixed income securities:					
IPG contract	—	—	3,387	—	3,387
High yield bond separate accounts	—	—	—	324	324
Municipal bond separate account	—	—	—	165	165
Absolute return hedge fund separate account	—	—	—	3	3
Equity securities:					
Private equity separate accounts	—	—	—	1,327	1,327
International equity separate account	—	—	—	426	426
Long/short equity hedge fund separate account	—	—	—	343	343
Indexed equity separate account	—	—	—	307	307
Morgan Stanley Prime Property Fund	—	—	—	208	208
FIAM Small Capitalization Core Commingled Pool	—	—	—	174	174
Invesco Core Real Estate - U.S.A. Fund	—	—	—	164	164
JPMorgan Strategic Property Fund	—	—	—	105	105
Total assets accounted for at fair value	$ 1	$ —	$ 3,387	$ 3,546	$ 6,934

The fair values of other postretirement benefit plan assets at December 31, 2023 and 2022 were as follows (in millions):

	2023				
Asset Category	**Level 1**	**Level 2**	**Level 3**	**NAV as a Practical Expedient**	**Total**
Cash, cash equivalents, and short-term investments	$ —	$ 2	$ —	$ —	$ 2
Fixed income securities:					
CSUL policies	—	—	163	—	163
Vanguard Bond Market Index Fund	81	—	—	—	81
IPG contract	—	—	37	—	37
Equity securities:					
CSVUL MainStay VP MacKay S&P 500 Indexed Equity Fund	—	—	418	—	418
Vanguard Institutional Index Fund	151	—	—		151
Capital Group EuroPacific Growth Fund	70	—	—	—	70
Total assets accounted for at fair value	$ 302	$ 2	$ 618	$ —	$ 922

NOTE 14 – BENEFIT PLANS (continued)

	2022				
Asset Category	**Level 1**	**Level 2**	**Level 3**	**NAV as a Practical Expedient**	**Total**
Cash, cash equivalents, and short-term investments	$ 1	$ —	$ —	$ —	$ 1
Fixed income securities:					
CSUL policies	—	—	161	—	161
Vanguard Bond Market Index Fund	76	—	—	—	76
IPG contract	—	—	36	—	36
Equity securities:					
CSVUL MainStay VP MacKay S&P 500 Indexed Equity Fund	—	—	304	—	304
Vanguard Institutional Index Fund	138	—	—	—	138
MainStay MacKay International Equity Fund	65	—	—	—	65
CSVUL MainStay VP MacKay International Equity Fund	—	—	42	—	42
Total assets accounted for at fair value	$ 280	$ —	$ 543	$ —	$ 823

Determination of Fair Values

The following is a description of the valuation methodologies used to determine fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

IPG Contract

The IPG contract is carried at fair value, which is comprised of contract value (represents contributions made, plus interest earned, less funds used to pay claims, premiums and fees) plus a fair value adjustment ("FVA"). The FVA is the difference between the estimated cost of purchasing annuities in the open market upon termination of the Contract, referred to as Market Annuity Cost ("MAC") and the cost of purchasing annuities using the discontinuance provisions of the contract, referred to as the Contract Annuity Cost ("CAC"). The carrying value of the IPG contract was $3,820 million and $3,387 million at December 31, 2023 and 2022, respectively. Mortality and interest rate assumptions are significant inputs in the calculation and are derived from market data, contractual provisions and management's judgement. Therefore, the fair value of the IPG contract is classified as Level 3. The discount rates used to derive the FVA ranged between 3% and 5% in 2023 and 5% and 6% in 2022, respectively. The mortality tables used to derive the MAC are consistent with the mortality tables used to determine the actuarial present value of accumulated benefits. The mortality table used to calculate the CAC is the 1983 group annuity table with static projection to the measurement date.

Pooled Separate Accounts, Real Estate Investment Funds, and Collective Investment Trusts

The pooled separate accounts, real estate investment funds, and collective investment trusts NAV represents the fair value of each unit held by the tax-qualified pension plans and is the level at which transactions occur. The investments are measured using NAV as a practical expedient, and are not required to be leveled.

NOTE 14 – BENEFIT PLANS (continued)

The following tables provide additional information for investments that are measured at fair value using NAV as a practical expedient, as allowed under authoritative guidance, for investments that meet specified criteria (in millions):

2023

Category of Investment	Investment Strategy	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity separate accounts	Leveraged buyout, mezzanine financing, distressed securities	$ 1,337	$ 197	N/A	N/A
Collective investment trusts	International and small-cap equity	$ 657	$ —	Daily	5-15 days
Real estate investment funds	Real estate and real estate related assets	$ 411	$ —	Quarterly	45-90 days (subject to availability of funds)
Equity separate accounts	Indexed	$ 388	$ —	Daily, Pending Market Conditions	N/A
High yield bond separate accounts	High yield bonds	$ 364	$ —	Daily, Pending Market Conditions	N/A
Municipal bond separate account	Municipal bonds	$ 183	$ —	Daily, Pending Market Conditions	N/A
Long/short equity hedge fund separate accounts	Long/short equity	$ 73	$ —	Annual, Semi-Annual, Quarterly, Monthly, Daily	30-90 days (Assets subject to lock-up periods)
Absolute return hedge fund separate accounts	Multi-strategy and distressed securities	$ 2	$ —	N/A	30-90 days (Assets subject to lock-up periods)

NOTE 14 – BENEFIT PLANS (continued)

2022					
Category of Investment	**Investment Strategy**	**Fair Value Determined Using NAV**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Private equity separate accounts	Leveraged buyout, mezzanine financing, distressed securities	$ 1,327	$ 284	N/A	N/A
Equity separate accounts	Indexed and international	$ 733	$ —	Daily, Pending Market Conditions	N/A
Real estate investment funds	Real estate and real estate related assets	$ 477	$ —	Quarterly	45-90 days (subject to availability of funds)
Long/short equity hedge fund separate accounts	Long/short equity	$ 343	$ —	Annual, Semi-Annual, Quarterly, Monthly, Daily	30-90 days (Assets subject to lock-up periods)
High yield bond separate accounts	High yield bonds	$ 324	$ —	Daily, Pending Market Conditions	N/A
Collective investment trust	Small-cap equity	$ 174	$ —	Daily	5 days
Municipal bond separate account	Municipal bonds	$ 165	$ —	Daily, Pending Market Conditions	N/A
Absolute return hedge fund separate accounts	Multi-strategy and distressed securities	$ 3	$ —	N/A	30-90 days (Assets subject to lock-up periods)

Mutual Funds

The MainStay MacKay International Equity Fund and the third-party mutual funds are priced using a daily NAV. These prices are publicly published, and there are no restrictions on contributions and withdrawals. As such, they are classified as Level 1.

CSUL and CSVUL Policies

The CSUL and the CSVUL policies are reported at cash surrender value. These policies have surpassed their surrender charge period; therefore, their cash value and their contract value are equal. These policies are classified as Level 3 since the valuation relies on unobservable inputs to these policies. There is also no secondary market for these assets.

Cash, Cash Equivalents and Short-Term Investments

The carrying value of cash is equivalent to its fair value and is classified as Level 1 in the fair value hierarchy as the amounts are available on demand. Due to the short-term maturities, the carrying value of short-term investments and cash equivalents is presumed to approximate fair value and is classified as Level 2.

NOTE 14 – BENEFIT PLANS (continued)

The following presents the change in plan assets of the defined benefit pension plans and postretirement benefit plans for December 31, 2023 and 2022 (in millions):

	Pension Plan Benefits		Postretirement Plan Benefits	
Change in Plan Assets	**2023**	**2022**	**2023**	**2022**
Fair value of plan assets at beginning of year	$ 6,934	$ 8,664	$ 823	$ 996
Actual return on plan assets	680	(1,363)	116	(156)
Contributions by employer	68	66	49	49
Contributions by plan participants	—	—	14	14
Benefits paid	(446)	(433)	(80)	(80)
Fair value of plan assets at end of year	$ 7,236	$ 6,934	$ 922	$ 823

Benefit Plan Obligations

The PBO for pension benefits represents the present value of estimated future benefit obligations and includes assumptions for future compensation increases. Accumulated benefit obligations ("ABO") differ from PBO in that it does not take into consideration future salary increases. Actuarial gains and losses primarily reflect the difference between expected and actual results from the impact of assumption changes related to discount rates, future compensation levels and mortality assumptions, as well as other items.

The following table details the change in benefit obligation for the years ended December 31, 2023 and 2022, respectively (in millions):

	Pension Plan Benefits				Postretirement Plan Benefits			
	Overfunded		Underfunded		Overfunded		Underfunded	
Change in Benefit Obligation	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Benefit obligation at beginning of year	$ 6,542	$ 8,392	$ 1,020	$ 1,298	$ 195	$ 280	$ 1,056	$ 1,415
Service cost	132	174	14	20	2	3	14	22
Interest cost	324	201	50	31	10	7	53	36
Contribution by plan participants	—	—	—	—	3	3	11	11
Actuarial losses/(gains)	221	(1,858)	40	(263)	6	(79)	(6)	(367)
Benefits paid	(378)	(367)	(68)	(66)	(21)	(19)	(59)	(61)
Benefit obligation at end of year	$ 6,841	$ 6,542	$ 1,056	$ 1,020	$ 195	$ 195	$ 1,069	$ 1,056

The aggregate amount of the accumulated benefit obligation for defined benefit pension plans was $7,532 million and $7,227 million for December 31, 2023 and 2022. At December 31, 2023 and 2022, the defined benefit pension plans were overfunded by $396 million and $392 million, respectively. At December 31, 2023 and 2022, the agents' health postretirement plan was overfunded by $79 million and $49 million, respectively.

The increase in the benefit obligation at December 31, 2023 was primarily attributable to actuarial losses of $261 million, which were largely the result of a decrease in the weighted-average discount rate used to measure liabilities. The decrease in the benefit obligation at December 31, 2022 was primarily attributable to actuarial gains of $2,567 million, which were largely the result of an increase in the weighted-average discount rate used to measure liabilities.

NOTE 14 – BENEFIT PLANS (continued)

Net Periodic Benefit Cost

The net periodic benefit cost represents the annual accounting expense recognized by the Company and is included in Operating expenses in the accompanying Statutory Statements of Operations. The components of net periodic benefit cost were as follows (in millions):

	Pension Plan Benefits		Postretirement Plan Benefits	
Components of Net Periodic Benefit Cost	**2023**	**2022**	**2023**	**2022**
Service cost	$ 146	$ 194	$ 16	$ 25
Interest cost	374	232	63	43
Expected return on plan assets	(438)	(488)	(48)	(58)
Amortization of losses/(gains)	148	167	(6)	5
Amortization of prior service credit	(4)	(4)	(17)	(17)
Amortization of nonvested prior service cost	—	—	18	19
Net periodic benefit cost	$ 226 [1]	$ 101 [1]	$ 26 [2]	$ 17 [2]

[1] Includes pension plan costs charged to subsidiaries of $46 million and $53 million for the years ended December 31, 2023 and 2022, respectively. The liabilities for these plans are included with the liabilities for the corresponding plan of the Company.

[2] Includes postretirement costs charged to subsidiaries of $7 million and $10 million for the years ended December 31, 2023 and 2022, respectively. The liabilities for these plans are included with the liabilities for the corresponding plan of the Company.

Benefit Plan Assumptions

Benefit obligations are reported based on certain actuarial assumptions, which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions could occur in the near term and would be material to the financial statements. Weighted-average assumptions used to determine benefit obligations at December 31, 2023 and 2022 were as follows:

	Pension Plan Benefits		Postretirement Plan Benefits	
	2023	**2022**	**2023**	**2022**
Discount rate for benefit obligations	5.04 %	5.22 %	5.07 %	5.25 %
Rate of compensation increase:				
Employees	5.16	5.16	5.16	5.16
Agents	5.45	5.45	N/A	N/A
Interest crediting rates for cash balance plan	3.66	3.34	N/A	N/A

NOTE 14 – BENEFIT PLANS (continued)

Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31, 2023 and 2022 were as follows:

	Pension Plan Benefits		Postretirement Plan Benefits	
	2023	**2022**	**2023**	**2022**
Discount rate for benefit obligations	5.22 %	3.00 %	5.25 %	3.08 %
Service cost discount rate	5.32	3.22	5.37	3.37
Effective rate of interest on benefit obligation	5.11	2.44	5.13	2.58
Expected long-term rate of return on plan assets	6.50	5.75	5.84	5.83
Rate of compensation increase:				
Employees	5.16	5.16	5.16	5.16
Agents	5.45	5.45	N/A	N/A
Interest crediting rates for cash balance plan	3.66	3.34	N/A	N/A

The Company uses a full yield curve approach to determine its U.S. pension and other postretirement benefit obligations as well as the service and interest cost components of net periodic benefit cost.

The discount rates used are based on hypothetical AA yield curves represented by a series of spot discount rates from half a year to 99 years. The spot rate curves are derived from a direct calculation of the implied forward curve, based on the included bond cash flows. Each bond issue underlying the yield curve is required to be non-callable, with a rating of AA, when averaging all available ratings by Moody's Investor Services, Standard & Poor's and Fitch. Additionally, each bond must have at least $300 million par outstanding to ensure it is sufficiently marketable. Finally, the outlier bonds (i.e. those whose yields to maturity significantly deviate from the average yield in each maturity grouping) are removed. The yields are used to discount future pension and other postretirement plan cash flows at an interest rate specifically applicable to the timing of each respective cash flow. For disclosure purposes, the sum of these discounted cash flows are totaled into a single present value and an equivalent weighted-average discount rate is calculated by imputing the singular interest rate that equates the total present value of the stream of future cash flows.

The Company utilizes a full yield curve approach in the calculation of the service and interest cost components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to their relevant underlying projected cash flows. The current approach provides a more precise measurement of service and interest cost by improving the correlation between projected benefit cash flows and their corresponding spot rates.

The expected long-term return on assets for the tax-qualified pension plans and the VEBA Trusts is based on (1) an evaluation of the historical behavior of the broad financial markets, (2) the plan's target asset allocation, and (3) the future expectations for returns for each asset class, modified by input from the plans' investment consultant based on the current economic and financial market conditions.

The assumed health care cost trend rates used in measuring the APBO were as follows:

	2023		2022	
	Before 65	**Age 65 and older**	**Before 65**	**Age 65 and older**
Following year	7.95 %	10.15 %	6.85 %	6.65 %
Ultimate rate to which cost increase is assumed to decline	4.50	4.50	4.50	4.50
Year in which the ultimate trend is received	2031	2031	2030	2030

For dental plans, the annual rate of increase in the per capita cost of covered health care benefits was assumed to be 4.50% for all participants for 2024 and beyond.

NOTE 14 – BENEFIT PLANS (continued)

Amounts Recognized in the Statements of Financial Position

The components of funded status and assets and liabilities recognized at December 31, 2023 and 2022 were as follows (in millions):

	Pension Plan Benefits		Postretirement Plan Benefits	
Components	**2023**	**2022**	**2023**	**2022**
Prepaid benefit costs	$ 2,361	$ 2,509	$ —	$ —
Overfunded plan assets	$ (1,965)	$ (2,117)	$ 79	$ 49
Accrued benefit costs	$ 778	$ 768	$ 594	$ 617
Liability for benefits	$ 278	$ 252	$ (173)	$ (140)
Assets and liabilities recognized				
Nonadmitted plan assets	$ (396)	$ (392)	$ (79)	$ (49)
Liabilities recognized	$ 1,056	$ 1,020	$ 421	$ 477

Increases or decreases in the funded status are reported as direct adjustments to surplus. Any overfunded plan assets are nonadmitted. Associated deferred tax assets are also recorded and admitted to the extent that contributions will be made over the next three tax years.

Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost were as follows (in millions):

	Pension Plan Benefits		Postretirement Plan Benefits	
	2023	**2022**	**2023**	**2022**
Items not yet recognized as a component of net periodic benefit cost - prior year	$ 2,369	$ 2,802	$ (189)	$ 49
Net prior service credit recognized	4	4	17	17
Net nonvested prior service cost recognized	—	—	(18)	(19)
Net (loss)/gain recognized	(148)	(167)	6	(5)
Net loss/(gain) arising during the year	19	(270)	(68)	(231)
Items not yet recognized as a component of net periodic benefit cost - current year	$ 2,244	$ 2,369	$ (252)	$ (189)

Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost were as follows (in millions):

	Pension Plan Benefits		Postretirement Plan Benefits	
	2023	**2022**	**2023**	**2022**
Net nonvested prior service cost	$ —	$ —	$ 16	$ 34
Net prior service credit	$ (1)	$ (5)	$ (67)	$ (84)
Net recognized losses/(gains)	$ 2,245	$ 2,374	$ (201)	$ (139)

Cash Flows

The Company's funding policy for the tax-qualified pension plans is to make annual contributions that are no less than the minimum amount needed to comply with the requirements of the ERISA and the IRC, and no greater than the maximum amount deductible for federal income tax purposes. The Company does not have any regulatory contribution requirements for 2024.

NOTE 14 – BENEFIT PLANS (continued)

Prefunding contributions can be made to either of the VEBA Trusts to partially fund postretirement health and life benefits other than pensions. The Company does not expect to make any prefunding contributions to either of the VEBA Trusts in 2024.

The estimated future benefit payments are based on the same assumptions used to measure the benefit obligations at December 31, 2023. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in millions):

	Pension Plan Benefits	Postretirement Plan Benefits	Postemployment Plan Benefits
2024	$ 473	$ 63	$ 11
2025	$ 489	$ 65	$ 12
2026	$ 503	$ 66	$ 13
2027	$ 518	$ 69	$ 14
2028	$ 530	$ 71	$ 14
2029 - 2033	$ 2,801	$ 393	$ 83

The Company expects to pay approximately $64 million of non-qualified pension plan benefits during 2024. The Company expects to pay approximately $36 million for other postretirement benefits during 2024.

For the years ended December 31, 2023 and 2022, the Company paid $54 million and $49 million, respectively, in gross benefit payments related to health benefits. For the years ended December 31, 2023 and 2022, the Company did not receive any gross subsidy receipts.

Defined Contribution Plans

The Company maintains various tax-qualified and non-qualified defined contribution plans covering eligible U.S. employees and agents (401(k) plans). For employees, 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 plan totaled $60 million and $55 million, respectively. A non-qualified plan credits participant and Company matching contributions with respect to compensation in excess of the amount that may be taken into account under the tax-qualified plan. For the years ending December 31, 2023 and 2022, the Company’s matching contributions to the employees’ non-qualified plans totaled $2 million and $3 million, respectively.

For agents, the plan provides for pre-tax and or/after-tax Roth commission reduction agreements, subject to maximums.

The Company annually determines the level of Company contributions to the agents’ plan. Contributions are based on each participant’s net renewal commissions, net renewal premiums and cash values for the plan year on certain policies for which the participant is the original writing agent. For the years ended December 31, 2023 and 2022, the Company’s contributions to the agents’ tax-qualified plan totaled $2 million. A non-qualified plan credits Company contributions with respect to compensation earned based on production and policy persistency. For the years ending December 31, 2023 and 2022, the Company’s contributions to the agents’ non-qualified plans totaled $7 million.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Guarantees

At December 31, 2023, the Company had the following outstanding guarantees (in millions):

	Nature and Circumstances of Guarantee and Key Attributes	Liability Recognition of Guarantee	Ultimate Financial Statement Impact if Action Under the Guarantee is Required	Maximum Potential Amount of Future Payments (Undiscounted) the Company Could be Required to Make Under the Guarantee	Current Status of Payment or Performance Risk of Guarantee
1.	The Company issues funding agreements to New York Life Global Funding, which issues, or has issued notes to investors. If any taxing authority imposes withholding taxes on the payments due under the funding agreements or such notes (for example, as a result of a change in applicable), the Company is required, in certain instances, to increase the payments on the funding agreements to make up for the amounts required to be withheld.	Exempt. Related party guarantee that is unlimited.	Expenses would increase	The Company cannot estimate the maximum liability. The Company cannot anticipate the risk or amount that taxing authorities may withhold taxes.	The Company does not view its risk of performance under the guarantee to be significant. Additionally, if withholding becomes required, the Company is permitted to terminate the funding agreements.
2.	The Company has entered into certain arrangements with various regulators whereby the Company agreed to maintain NYLAZ's capital and surplus at certain levels.	Exempt. Related party guarantee that is unlimited.	None	Unlimited	Capital contributions to wholly owned subsidiaries would not affect the Company's financial position.
3.	The Company, along with several other insurance companies, entered into a supplemental benefits reinsurance and participation agreement with Guaranty Association Benefits Company (GABC), a captive insurance company created to assume and reinsure certain restructured annuity obligations of Executive Life Insurance Company of New York (ELNY). The participating life insurance companies agreed to assure that each individual payee under ELNY contracts will receive from GABC total annuity benefits due to the payee.	$0	Expenses would increase	Unlimited	Based on an analysis performed by an independent risk management firm, the Company does not anticipate that any further funding will be required.
4.	On December 5, 2023, the Company entered into a 364-day revolving credit facility with MCF as borrower, the Company as guarantor, and a syndicate of banks as lenders. With the Company as guarantor, MCF received much lower pricing from the banks. In return, MCF will compensate the Company for providing the guaranty with an annual fee.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.[1]	Expenses would increase	$ 400	The Company views the risk of performance under this guarantee as remote.
5.	On April 7, 2015, the Company executed an agreement to indemnify Apogem Capital LLC (formerly GoldPoint Partners LLC) for capital contributions that may be required in connection with Apogem Capital LLC's indemnification obligations to NYLCAP Select Manager Fund III, L.P.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.[1]	Expenses would increase	$ 25	The Company oversees the operations of Apogem Capital LLC and assesses the risk to be minimal.
6.	On June 25, 2013, the Company issued a guarantee for the full and timely payment of certain indemnity payments that may become due and payable by NYLE to Yuanta Financial Holding Co., Ltd. ("Yuanta") in connection with the sale by NYLE of New York Life Insurance Taiwan Corporation.	Exempt. Guarantee is on behalf of previously wholly owned subsidiaries.	Expenses would increase	Unlimited	The Company views the risk of performance under this guarantee as remote.
7.	On January 17, 2012, the Company executed an agreement to indemnify Apogem Capital LLC for capital contributions that may be required in connection with Apogem Capital LLC's indemnification obligations to NYLCAP Select Manager Fund II, L.P.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.[1]	Expenses would increase	$ 25	The Company oversees the operations of Apogem Capital LLC and assesses the risk to be minimal.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (continued)

	Nature and Circumstances of Guarantee and Key Attributes	Liability Recognition of Guarantee	Ultimate Financial Statement Impact if Action Under the Guarantee is Required	Maximum Potential Amount of Future Payments (Undiscounted) the Company Could be Required to Make Under the Guarantee	Current Status of Payment or Performance Risk of Guarantee
8.	On September 12, 2012, the Company issued a guarantee for the full and punctual payment of all amounts that are or may become due and payable by NYL Cayman Holdings Ltd., NYLE, and Seguros Monterrey New York Life S.A. to Ace INA International Holdings Ltd. in connection with the sale by NYL Cayman Holdings Ltd., NYLE and Seguros Monterrey New York Life S.A. of New York Life Worldwide Capital, LLC, the holding company for Fianzas Monterrey, S.A. and its subsidiary, Operadora FMA, S.A. de C.V.	Exempt. Guarantee is on behalf of previously wholly owned subsidiaries.	Expenses would increase	Unlimited	The Company views the risk of performance under this guarantee as remote.
9.	On July 11, 2008, the Company executed an agreement to indemnify Apogem Capital LLC for capital contributions that may be required in connection with Apogem Capital LLC's indemnification obligations to NYLCAP Select Manager Fund, LP.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.[1]	Expenses would increase	$ 25	The Company oversees the operations of Apogem Capital LLC and assesses the risk to be minimal.
10.	On November 7, 2007, the Company issued a guarantee to the Bank of New York ("BoNY") unconditionally guaranteeing the debts of MCF in connection with a standby letter of credit entered between MCF and BoNY. Standby letters of credit are issued in connection with agreements made by MCF's customers to counterparties. Standby letters of credit are drawn only upon failure of MCF's customer to perform under the terms of the underlying contract.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.[1]	Expenses would increase	$ 100	The Company, in the ordinary course of business, provides MCF with capital and financing to meet their obligations. The Company views the risk of performance under this guarantee to be minimal.

(1) This exemption only applies to guarantees issued on behalf of wholly-owned subsidiaries that do not have negative equity.

Guarantee Obligations (in millions):

a.	Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees[(1)]	$	575
b.	Current contingent liability recognized in financial statement		
	1. Noncontingent liabilities	$	—
	2. Contingent liabilities	$	—
c.	Ultimate financial statement impact if action under the guarantee is required		
	1. Investments in SCA	$	—
	2. Joint venture	$	—
	3. Dividends to stockholders	$	—
	4. Expense	$	575
	5. Other	$	—

(1) Excludes guarantees where maximum potential is unlimited or not quantified.

Litigation

The Company and/or its subsidiaries are defendants in individual and/or alleged class action suits arising from their agency sales force, insurance (including variable contracts registered under the federal securities law), investment, retail securities, employment and/or other operations, including actions involving retail sales practices. Some of the actions seek substantial or unspecified compensatory and punitive damages. The Company and/or its subsidiaries are also from time to time involved in various governmental, administrative, and investigative proceedings and inquiries.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (continued)

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.

Lease Commitments

The Company leases office space, distribution facilities, and certain office equipment under various agreements with various expiration dates. The leases contain provisions for payment of real estate taxes, building maintenance, electricity, and rent escalations.

Rent expense for all leases amounted to $148 million and $125 million for the years ended December 31, 2023 and 2022, respectively, of which $64 million and $62 million was billed to subsidiaries in accordance with an intercompany cost sharing agreement for the years ended December 31, 2023 and 2022, respectively.

Future minimum lease payments under non-cancellable operating leases with original or remaining lease terms in excess of one year at December 31, 2023 were as follows (in millions):

Year	Real Property	Equipment	Total
2024	$ 117	$ 17	$ 134
2025	96	4	100
2026	91	2	93
2027	88	—	88
2028	80	—	80
Thereafter	210	—	210
Total	$ 682	$ 23	$ 705

In connection with the sale of one of its home office properties in 1995, the Company had entered into an agreement, as amended in 2009 and 2019, to lease back a portion of the building through 2024. The total future lease obligations in connection with this agreement of $7 million at December 31, 2023 are included in the above table.

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.

Liens

Several commercial banks have customary security interests in certain assets of the Company to secure potential overdrafts and other liabilities of the Company that may arise under custody, securities lending and other banking agreements with such banks.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (continued)

Other Commitments and Contingencies

At December 31, 2023 and 2022, contractual commitments to extend credit for commercial mortgage loans were $810 million and $617 million, respectively, at both fixed and variable rates of interest. These commitments are diversified by property type and geographic location. There were no contractual commitments to extend credit under residential loan agreements at December 31, 2023 and 2022.

At December 31, 2023 and 2022, the Company and its guaranteed separate accounts had outstanding contractual obligations to acquire additional private placement securities for $1,403 million and $1,298 million, respectively.

Unfunded commitments on limited partnerships, limited liability companies and other invested assets amounted to $4,634 million and $4,696 million at December 31, 2023 and 2022, respectively. Unfunded commitments on LIHTC amounted to $191 million and $174 million at December 31, 2023 and 2022, respectively. At December 31, 2023, unfunded commitments on LIHTC are included in Other invested assets, with an offset in Other liabilities in the accompanying Statutory Statements of Financial Position.

NOTE 16 – INCOME TAXES

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

	2023			2022			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross DTAs	$ 4,229	$ 1,047	$ 5,276	$ 3,706	$ 1,101	$ 4,807	$ 523	$ (54)	$ 469
Statutory valuation allowance	—	—	—	—	—	—	—	—	—
Adjusted gross DTAs	4,229	1,047	5,276	3,706	1,101	4,807	523	(54)	469
Nonadmitted DTAs(1)	127	—	127	—	—	—	127	—	127
Subtotal net admitted DTAs	4,102	1,047	5,149	3,706	1,101	4,807	396	(54)	342
Gross DTLs	1,209	2,004	3,213	1,088	1,968	3,056	121	36	157
Net admitted DTAs/(DTLs)(2)	$ 2,893	$ (957)	$ 1,936	$ 2,618	$ (867)	$ 1,751	$ 275	$ (90)	$ 185

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

(2) The total net admitted DTAs are included in Other assets in the accompanying Statutory Statements of Financial Position.

The admission calculation components for the years ended December 31, 2023 and 2022 were as follows (paragraph references throughout Note 16 are to paragraphs of SSAP No. 101 "Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10") (in millions):

	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)	$ —	$ 241	$ 242	$ —	$ 243	$ 243	$ —	$ (2)	$ (1)
Adjusted gross DTA expected to be realized (excluding the amount of DTA from paragraph 11.a above) after application of the threshold limitation (the lesser of paragraph 11.b.i and 11.b.ii below):	1,670	25	1,694	1,476	32	1,508	194	(7)	186
Adjusted gross DTA expected to be realized following the balance sheet date (Paragraph 11.b.i)	1,670	25	1,694	1,476	32	1,508	194	(7)	186
Adjusted gross DTA allowed per limitation threshold (Paragraph 11.b.ii)	XXX	XXX	3,207	XXX	XXX	3,013	N/A	N/A	194
Adjusted gross DTA (excluding the amount of DTA from paragraphs 11.a and 11.b above) offset by gross DTL (Paragraph 11.c)	2,432	781	3,213	2,230	826	3,056	202	(45)	157
DTA admitted as the result of application of SSAP 101 (Total of paragraphs 11.a, 11.b, 11.c)	$ 4,102	$ 1,047	$ 5,149	$ 3,706	$ 1,101	$ 4,807	$ 396	$ (54)	$ 342

NOTE 16 - 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 at December 31, 2023 and 2022 (in millions):

	2023	2022
Ratio percentage used to determine recovery period and threshold limitation amount	889 %	846 %
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in paragraph 11.b.ii above	$ 21,380	$ 20,084

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 millions):

	2023	2022	Change
Federal[1]	$ 187	$ 29	$ 158
Foreign	16	2	14
Subtotal	203	31	172
Federal income tax on net capital gains	(70)	(15)	(55)
Total federal and foreign income taxes	$ 133	$ 16	$ 117

[1] The Company had investment tax credits of $64 million and $55 million for the years ended December 31, 2023 and 2022, respectively.

NOTE 16 - INCOME TAXES (continued)

The tax effects of temporary differences that give rise to DTAs and DTLs for the years ended December 31, 2023 and 2022 were as follows (in millions):

	2023	2022	Change
DTAs			
Ordinary:			
Policyholder reserves	$ 1,398	$ 1,267	$ 131
Deferred acquisition costs	726	663	63
Compensation and benefits accrual	505	487	18
Policyholder dividends accrual	478	428	50
Fixed assets	462	326	136
Receivables - nonadmitted	133	130	3
Pension accrual	195	190	5
Investments	286	164	122
Unearned premium reserves	1	1	—
Other	45	50	(5)
Subtotal	4,229	3,706	523
Nonadmitted	127	—	127
Admitted ordinary DTAs	4,102	3,706	396
Capital:			
Investments	1,046	1,100	(54)
Real estate	1	1	—
Subtotal	1,047	1,101	(54)
Nonadmitted	—	—	—
Admitted capital DTAs	1,047	1,101	(54)
Total admitted DTAs	5,149	4,807	342
DTLs			
Ordinary:			
Policyholder reserves	116	170	(54)
Deferred and uncollected premiums	435	434	1
Fixed assets	364	253	111
Investments	287	229	58
Other	7	2	5
Subtotal	1,209	1,088	121
Capital:			
Investments	1,862	1,830	32
Real estate	142	138	4
Subtotal	2,004	1,968	36
Total DTLs	3,213	3,056	157
Net admitted DTAs	$ 1,936	$ 1,751	$ 185
Change in deferred income tax on change in net unrealized capital gains/losses			$ 113
Change in net DTAs related to other items			199
Change in DTAs nonadmitted			(127)
Change in net admitted DTAs			$ 185

NOTE 16 - INCOME TAXES (continued)

The Company's federal and foreign income taxes and change in net DTAs for the years ended 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 millions):

	2023	2022	Change
Net gain from operations after dividends to policyholders and before federal and foreign income taxes at statutory rate	$ 57	$ 42	$ 15
Net realized capital losses at statutory rate	(157)	(108)	(49)
Nonadmitted assets	(17)	(2)	(15)
Prior year audit liability and settlement	16	(1)	17
Contiguous country branch income	(6)	(2)	(4)
Partnership income from MCF	19	15	4
Amortization of IMR	(10)	(21)	11
Dividends from subsidiaries	(100)	(129)	29
Tax exempt income	(84)	(19)	(65)
Tax credits, net of withholding	(61)	(56)	(5)
Other items impacting surplus	275	129	146
Other	2	10	(8)
Federal and foreign income taxes incurred and change in net deferred taxes during the year	$ (66)	$ (142)	$ 76
Federal and foreign income taxes reported in the Company's Statutory Statements of Operations	$ 203	$ 31	$ 172
Capital gains tax expense (benefit) incurred	(70)	(15)	(55)
Change in net DTAs	(199)	(158)	(41)
Federal and foreign income taxes incurred and change in net deferred taxes during the year	$ (66)	$ (142)	$ 76

The Company's federal income tax returns are routinely audited by the 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 did not have any operating loss and tax credit carry forwards available for tax purposes. 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 millions):

Year 2023	$ —
Year 2022	$ 98
Year 2021	$ 331

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.

NOTE 16 - INCOME TAXES (continued)

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

At December 31, 2023 and 2022, the Company recorded a current income tax payable of $142 million and receivable of $113 million, respectively. The current income tax payable was included in Other liabilities and receivable in Other assets in the accompanying Statutory Statements of Financial Position.

At December 31, 2023, the Company had no protective tax deposits on deposit with the IRS under Section 6603 of the IRC.

NOTE 17 – SURPLUS

Net Unrealized Capital Gains (Losses)

Cumulative net unrealized gains on investments, gross of deferred taxes, recognized in unassigned surplus were $5,946 million and $5,570 million at December 31, 2023 and 2022, respectively.

Surplus Notes

The following table summarizes the Company's surplus notes issued and outstanding at December 31, 2023 ($ in millions):

Issue Date	Principal Amount	Carrying Value	Interest Paid Current Year	Carrying Value of Note Prior Year	Cumulative Interest Paid	Interest Rate	Maturity Date
4/14/2020	$ 1,250	$ 1,243	$ 47	$ 1,243	$ 168	3.75 %	5/15/2050
4/4/2019	1,000	993	45	993	205	4.45	5/15/2069
10/8/2009	1,000	999	67	999	952	6.75	11/15/2039
5/5/2003	1,000	997	59	997	1,206	5.88	5/15/2033
Total	$ 4,250	$ 4,232	$ 218	$ 4,232	$ 2,531		

Issue Date	Are Surplus Note payments contractually linked? (Y/N)	payments subject to administrative offsetting provisions? (Y/N)	used to purchase an asset directly from the holder of the surplus note? (Y/N)	Is Asset Issuer a Related Party (Y/N)	Type of Assets Received Upon Issuance	Is Surplus Note Holder a Related Party (Y/N)	Source a Related Party to the Surplus Note Issuer? (Y/N)
4/14/2020	N	N	N	N	Cash	N	N
4/4/2019	N	N	N	N	Cash	N	N
10/8/2009	N	N	N	N	Cash	N	N
5/5/2003	N	N	N	N	Cash	N	N

The 2020 Notes, 2019 Notes, 2009 Notes and the 2003 Notes (collectively, the "Notes") were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by Citibank, as registrar/paying agent. Interest on the Notes is paid semi-annually on May 15th and November 15th of each year.

NOTE 17 – SURPLUS (continued)

The Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims against the Company. Under New York State Insurance Law, the Notes are not part of the legal liabilities of the Company. Each payment of interest or principal may be made only with the prior approval of the Superintendent of Financial Services of the State of New York ("Superintendent") and only out of surplus funds, which the Superintendent determines to be available for such payments under New York State Insurance Law. Provided that approval is granted by the Superintendent, the Notes may be redeemed at the option of the Company at any time at the "make-whole" redemption price equal to the greater of: (1) the principal amount of the Notes to be redeemed, or (2) the sum of the present values of the remaining scheduled interest and principal payments on the notes to be redeemed, excluding accrued interest as of the date on which the Notes are to be redeemed, discounted on a semi-annual basis at an adjusted treasury rate plus 20 basis points for the 2003 Notes, 40 basis points for the 2009 Notes, 25 basis points for the 2019 Notes, and 40 points for the 2020 Notes, respectively, plus in each case, the accrued interest on the notes to be redeemed to the redemption date.

At December 31, 2023 and 2022, none of the Company's affiliates owned any of the Notes.

At December 31, 2023, State Street Bank & Trust Co, Bank of New York Mellon, JP Morgan Chase Bank, Northern Trust and Citibank were each the holder of record at The Depository Trust Company of more than 10% of the outstanding amount of the Notes, with each holding Notes, at least in part, for the accounts of their respective clients.

Nonadmitted Assets

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

Special Surplus Funds

The Company's special surplus funds increased from December 31, 2022 to December 31, 2023 by $471 million due to the admittance of negative IMR. Refer to Note 6 - Investments for a more detailed discussion on Admitted Negative IMR.

NOTE 18 – SIGNIFICANT SUBSIDIARY

NYLIAC is engaged in the life insurance and annuity businesses. A summary of NYLIAC's statutory statements of financial position at December 31, 2023 and 2022 and results of operations for the years then ended are as follows (in millions):

	2023	2022
Assets:		
Bonds	$ 102,056	$ 93,817
Mortgage loans	15,484	15,544
Separate accounts assets	55,405	49,808
Other assets	21,370	25,817
Total assets	$ 194,315	$ 184,986
Liabilities and Capital and Surplus:		
Policy reserves	$ 112,990	$ 109,695
Separate accounts liabilities	55,388	49,777
Other liabilities	17,007	16,977
Capital and surplus	8,930	8,537
Total liabilities and capital and surplus	$ 194,315	$ 184,986
Results of Operations:		
Net gain/(loss) from operations	$ 405	$ (618)
Net realized capital gains/(losses)	188	(37)
Net income/(loss)	$ 593	$ (655)

NOTE 19 - WRITTEN PREMIUMS

Deferred and uncollected life insurance premiums at December 31, 2023 and 2022 were as follows (in millions):

	2023		2022	
	Gross	Net of Loading	Gross	Net of Loading
Ordinary renewal	$ 1,672	$ 1,381	$ 1,770	$ 1,648
Group life	412	345	430	358
Ordinary new business	151	32	152	41
Total	$ 2,235	$ 1,758	$ 2,352	$ 2,047

The amounts above reflect a prescribed practice that departs from the NAIC SAP. Refer to Note 2 - Basis of Presentation for additional information.

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.

Ordinary new business and ordinary renewal business consist of the basic amount of premium required on the underlying life insurance policies.

NOTE 19 – WRITTEN PREMIUMS (continued)

Based upon the Company experience, the amount of premiums that may become uncollectible and result in a potential loss is not material to the Company's financial position. At December 31, 2023 and 2022, the Company had $6 million and $7 million of premiums, respectively, that were nonadmitted as they were over 90 days past due.

The Company did not have any direct premium written/produced by managing general agents/third-party administrators equal to or greater than 5% of surplus for the years ended December 31, 2023 and 2022, respectively.

NOTE 20 – LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS

The following table lists each loan-backed and structured security at a CUSIP level where the present value of cash flows expected to be collected is less than the amortized cost basis during the year (in thousands):

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR

(1) CUSIP[1,2]	(2) Amortized Cost Before Current Period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized OTTI	(5) Amortized Cost After OTTI	(6) Fair Value	(7) Financial Statement Reporting Period
General Account						
001406AA5	$ 11,224	$ 9,694	$ 1,530	$ 9,694	$ 9,395	12/31/2023
02147GAC8	1,113	1,113	—	1,113	1,140	12/31/2023
12544ABN4	1,008	1,000	9	1,000	1,028	12/31/2023
12544TAH7	119	117	2	117	119	12/31/2023
12544VAB5	577	547	30	547	564	12/31/2023
12667FJ48	940	932	8	932	736	12/31/2023
12667FJ55	593	588	5	588	460	12/31/2023
12668AG25	1,278	1,259	19	1,259	1,313	12/31/2023
12668BFL2	322	301	21	301	306	12/31/2023
16162WNB1	14	13	1	13	13	12/31/2023
17029PAA3	5,106	4,951	155	4,951	4,951	12/31/2023
3622MPAB4	23	22	1	22	23	12/31/2023
69337VAE0	920	917	3	917	733	12/31/2023
76111XZW6	122	121	1	121	124	12/31/2023
933634AF4	346	322	24	322	333	12/31/2023
93934FCE0	474	464	10	464	421	12/31/2023
93934FEM0	1,098	1,097	1	1,097	997	12/31/2023
93934FLW0	375	374	1	374	350	12/31/2023
001406AA5	13,738	12,076	1,662	12,076	9,659	9/30/2023
16162WNB1	18	14	3	14	14	9/30/2023
16165MAG3	86	86	—	86	85	9/30/2023
3622MPAB4	24	24	—	24	22	9/30/2023
38237KAA8	6,103	6,103	—	6,103	5,313	9/30/2023
93934FEM0	1,142	1,141	1	1,141	997	9/30/2023
93934FLW0	405	404	1	404	365	9/30/2023
L2287*AC1	7,147	7,147	—	7,147	7,070	9/30/2023
001406AA5	16,553	15,103	1,450	15,103	9,942	6/30/2023
12667FJ48	999	974	24	974	792	6/30/2023
12667FJ55	630	614	16	614	495	6/30/2023
17029PAA3	5,473	5,106	367	5,106	5,411	6/30/2023
17029RAA9	137	1	136	1	125	6/30/2023

NOTE 20 – LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS (continued)

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR

(1) CUSIP[1,2]	(2) Amortized Cost Before Current Period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized OTTI	(5) Amortized Cost After OTTI	(6) Fair Value	(7) Financial Statement Reporting Period
17309BAD9	175	117	58	117	136	6/30/2023
69336QAL6	1,622	1,616	5	1,616	1,526	6/30/2023
93934FEM0	1,185	1,182	3	1,182	1,060	6/30/2023
93934FLW0	413	409	4	409	378	6/30/2023
38237KAA8	9,085	9,075	10	9,075	8,254	3/31/2023
61946TAA3	3,911	3,900	11	3,900	3,287	3/31/2023
69336QAL6	1,635	1,629	5	1,629	1,543	3/31/2023
93934FEM0	1,197	1,193	4	1,193	1,147	3/31/2023
93934FKQ4	642	632	11	632	633	3/31/2023
93934FLW0	450	419	31	419	391	3/31/2023
Subtotal- General Account	**XXX**	**XXX**	**$ 5,625**	**XXX**	**XXX**	
Guaranteed Separate Accounts						
07389NAC9	$ 143	$ 140	$ 3	$ 140	$ 142	12/31/2023
382371AA0	7,473	7,473	—	7,473	5,767	12/31/2023
81744HAF0	190	189	1	189	191	12/31/2023
86358RXZ5	47	45	2	45	44	12/31/2023
03842VAB3	4,608	4,479	130	4,479	3,803	9/30/2023
126694VR6	94	86	8	86	79	9/30/2023
32052MAA9	1	—	1	—	—	9/30/2023
61946TAA3	3,563	3,563	—	3,563	2,795	9/30/2023
382371AA0	7,805	7,805	—	7,805	5,990	6/30/2023
38237JAA1	8,633	8,632	—	8,632	6,905	6/30/2023
46628BBD1	124	113	10	113	102	6/30/2023
86358RXZ5	77	64	13	64	63	6/30/2023
382371AA0	371	362	9	362	347	3/31/2023
38237JAA1	765	738	27	738	716	3/31/2023
61946TAA3	3,834	3,823	11	3,823	3,222	3/31/2023
86746CAA9	1,947	1,923	24	1,923	1,925	3/31/2023
Subtotal- Guaranteed Separate Accounts	**XXX**	**XXX**	**$ 241**	**XXX**	**XXX**	
Grand Total	**XXX**	**XXX**	**$ 5,866**	**XXX**	**XXX**	

(1) Only the impaired lots within each CUSIP are included within this table.
(2) CUSIP amounts less than $1 thousand within this table are shown as zero.

NOTE 21 – SUBSEQUENT EVENTS

At February 28, 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.

GLOSSARY OF TERMS

Term	Description
ABO	Accumulated benefit obligations
ABS	Asset-backed securities
AD&D	Accidental death and dismemberment
Agent VEBA	Agents' Life and Health Benefit Trust
APBO	Accumulated postretirement benefit obligations
AVR	Asset valuation reserve
BoNY	Bank of New York
CAC	Contract Annuity Cost
CAMT	Corporate Alternative Minimum Tax
COLI	Corporate owned life insurance
Closed Block	John Hancock closed block consisting primarily of participating whole life insurance policies
CSAs	Credit support annexes
CSUL	Corporate sponsored universal life policies
CSVUL	Corporate sponsored VUL policies
DTA(s)	Deferred tax asset(s)
DTL(s)	Deferred tax liability(ies)
Employee VEBA	The Employees' Life and Health Benefit Trust
ERISA	Employee Retirement Income Security Act of 1974
ETFs	Exchange traded funds
FHLB	Federal Home Loan Bank
FIAM	Fidelity Institutional Asset Management
FVA	Fair value adjustment
FX	Foreign Exchange
GA Contract	IPG contract relating to New York Life’s general account
GBS	Group Benefit Solutions
GICs	Guaranteed interest contracts
GMTN	Global Multi Currency Notes
IMR	Interest maintenance reserve
IPG	Immediate participation guarantee
IRA	The Inflation Reduction Act of 2022
IRC	Internal Revenue Code
IRS	Internal Revenue Service
John Hancock	John Hancock Life Insurance Company
LIHTC	Low-income housing tax credit
LINA	Life Insurance Company of North America
LTV	Loan to value ratio
MCF	Madison Capital Funding LLC
MAC	Market Annuity Cost
NAIC	National Association of Insurance Commissioners
NAIC SAP	National Association of Insurance Commissioners’ Accounting Practices and Procedures
NAV	Net asset value
NYLARC	New York Life Agents Reinsurance Company

GLOSSARY OF TERMS

Term	Description
NYLAZ	NYLIFE Insurance Company of Arizona
NYLCC	New York Life Capital Corporation
NYLE	New York Life Enterprises
NYLGICNY	New York Life Group Insurance Company of NY
NYLIAC	New York Life Insurance and Annuity Corporation
NYLIM	New York Life Investment Management LLC
NYL Investments	New York Life Investment Management Holdings LLC
NYL Investors	NYL Investors LLC
NYSDFS or the Department	New York State Department of Financial Services
OTC	Over-the-counter
OTC-bilateral	Over-the-counter bilateral agreements
OTC-cleared	Over-the-counter clearinghouse
OTTI	Other-than-temporary impairment(s)
PBO	Projected benefit obligation
SA Contract	Contract related to New York Life's pooled separate accounts
SCAs	Subsidiary, controlled and affiliated entities
S&P	Standard & Poor's
SPE	Special purpose entity(ies)
SSAP	Statement of statutory accounting principle
SVO	Securities Valuation Office
Superintendent	Superintendent of Financial Services of the State of New York
TDR	Troubled debt restructuring
The Company	New York Life Insurance Company
The Notes	The surplus notes issued in 2003, 2009, 2019, and 2020
TOLI	Trust owned life insurance
U.S. GAAP	Accounting principles generally accepted in the United States of America
VA	Variable annuity
VUL	Variable universal life
VEBA	Voluntary Employees Beneficiary Association Trusts
Yuanta	Yuanta Financials Holding Co., Ltd.
2003 Notes	Surplus notes issued in 2003
2009 Notes	Surplus notes issued in 2009
2019 Notes	Surplus notes issued in 2019
2020 Notes	Surplus notes issued in 2020
2021 MCF Credit Facility	Revolving credit facility agreement with MCF entered into in 2021
2022 Credit Facility	Revolving credit facility agreement between the Company and NYLCC
2022 MCF Credit Facility	Revolving credit facility agreement with MCF entered into in 2022
2023 MCF Credit Facility	Revolving credit facility agreement with MCF entered into in 2023