



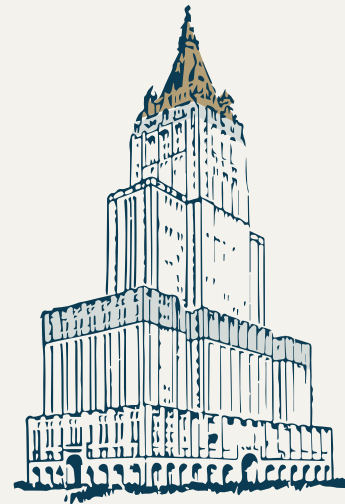
175
YEARS

With you...

2019 Report to Policy Owners



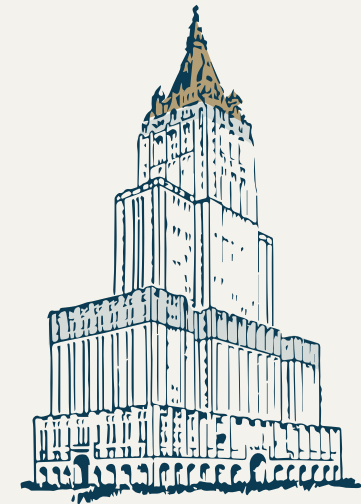
building
brighter
tomorrows...



Since our founding in 1845, we've been inspiring and empowering people to create the life they want with those they love. We will continue to be there for you...for good.

Be Good at Life.





for 175 years. Thank you.

Since our founding in 1845, we've been inspiring and empowering people to create the life they want with those they love. We will continue to be there for you...for good.



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Note: "New York Life" or "the company," as used throughout the *Report*, can refer either separately to the parent company, New York Life Insurance Company (NYLIC), or one of its subsidiaries, or collectively to all New York Life companies, which include NYLIC and its subsidiaries and affiliates, including New York Life Insurance and Annuity Corporation (NYLIAC) and NYLIFE Insurance Company of Arizona (NYLAZ). NYLAZ is not authorized in New York or Maine, and does not conduct insurance business in New York or Maine. Any discussion of ratings and safety throughout the *Report* applies only to the financial strength of New York Life, and not to the performance of any investment products issued by the company. Such products' performances will fluctuate with market conditions.

It is a privilege to share the progress of your company as we mark our 175th year in business. I am pleased to tell you that our team of agents and employees turned in another strong performance on your behalf in 2019, adding to the financial strength that supports the plans you made for yourself and the people you care about the most.

Much has changed since 1845, but what hasn't changed is the role we play in people's lives.

At a time when our world is more digitally connected than ever before, it's difficult to imagine one that was still decades away from seeing the first telephone or Edison's light bulb. Over the years, our business has evolved from a small storefront life insurance operation into what is now an international company offering an array of insurance and investment products and services to millions.

What hasn't changed, however, is the role we play in people's lives. We are here to help you believe in your ability to build a better future. We strive to inspire and enable you to act on the care and love you have for those most important to you.

From our perspective, what we do goes beyond the benefits we offer. It's more than just finding the right product to make sure that you'll have enough money to pay for your child's education. It's about enabling you to be the parent who can tell your son

or daughter that he or she can go to the college of their choice. It's more than just helping you save enough money for a comfortable retirement. It's about helping you look back on a lifetime of memories you built with the person you love and being able to say, "We did good."

Since our founding, moments like these, more than anything else, reflect who we are and what we believe in. And it continues today primarily through the work of our agents across the country—financial experts dedicated to helping you create these moments and be good at life.

We sincerely appreciate the trust you have placed in us. You can be certain that when you need us, we will be there—just as we have been for the past 175 years.

Thank you for choosing New York Life.



A handwritten signature in black ink, appearing to read 'Ted Mathas'.

Ted Mathas
Chairman of the Board and Chief Executive Officer



With you...because that's what 'mutual' means.

Our interests are aligned with yours

For 175 years, our number one priority has been maintaining superior financial strength to back the insurance and annuity products that deliver the secure financial future you and your family depend upon. But as a company that does not answer to Wall Street or shareholders, we are also able to share our success with you, not just in the future, but today. For many of our clients, this comes in the form of an annual dividend¹—something we've paid consistently since 1854.

A dividend can be used in a few different ways. Some people simply take it as cash to spend on current needs. Others apply the money towards their premium payment to reduce out-of-pocket expenses. Many, however, use their dividend to purchase more insurance.

Our track record reflects our commitment to paying the strongest dividend possible each year, while maintaining unquestioned financial strength to back the long-term guarantees we make.

Notes appear on pages 16-17

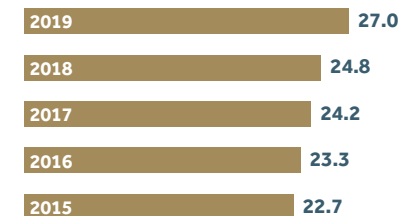
Policy Owner Benefits & Dividends²

In \$ Billions



Surplus and Asset Valuation Reserve³

In \$ Billions



If you own one of our individual life insurance products, you are part of a community of millions that collectively owns more than \$1 trillion in protection for their families and businesses. That's money that can help pay for an education, secure a retirement, or protect the assets you've worked hard to accumulate.

The premiums and fees we collect on life insurance and annuity products are prudently invested and managed for the long term to ensure that we fulfill the promises we make to you.

Surplus is one of the most important measures of an insurer's financial strength since it shows the company's ability to help secure your future. This is capital above and beyond the funds already set aside to pay the benefits we promise. Think of it as a cushion against potential future adverse

economic events—money that further ensures we can continue to meet our obligations to you whenever you need us. As a life insurer with no shareholders, this long-term view informs every decision we make. Whether it's paying dividends or enhancing our financial strength by growing surplus, the actions we take are with your best interests in mind.

We can thrive in any environment

Interest rates decreased during the past year, and they remain at historically low levels. Despite this challenging environment, we've been able to pay a record total dividend payout to our eligible policy owners for the past six years, something no other major U.S. mutual life insurance company has done.⁴ How have we been able to do this?

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In a low interest rate environment, companies have only a few options to offset the impact that smaller investment returns have on the size of policy owner dividends. They can tap into surplus, which is capital above and beyond the funds already set aside to pay benefits. They can seek larger returns by making more aggressive—sometimes riskier—investments. Or they can operate other businesses to generate additional earnings.

Exercising these options for the benefit of their policy owners, however, can be challenging for some companies. Publicly traded life insurers, for example, are not in a position to share their success with policy owners because their priority is generating returns for their shareholders. Other life insurers who, like us, are mutuals, need to have robust surplus or other successful businesses as options to offset those smaller investment returns in a low interest rate environment. We have both. This is how New York Life is uniquely positioned for your benefit and why we are built for both economic challenges and times of growth.

Our diverse business portfolio is put to work for you

All New York Life policy owners benefit from our diversified business portfolio. These businesses are run by us and work for you. These strategic businesses can generate additional earnings to grow surplus and help keep your company strong and growing. Our whole life policy owners also enjoy a distinct advantage from this business strategy: a portion of those earnings can also contribute to the dividend payout. And we have been able to do this while continuing to hold the highest ratings for financial strength currently awarded to any U.S. life insurer by the four major rating agencies.⁵ Our alignment with your interests pays dividends.

One of the best ways we can continue to improve this portfolio of businesses for you is to make it even more financially strong and diverse, which is the reason behind our planned acquisition of Cigna's Group Life & Group Disability Insurance business, as we announced on December 18, and subject to regulatory approval (see sidebar).

Our strategic businesses: run by us, working for you

2020

STRATEGIC BUSINESS HIGHLIGHT

Our Acquisition of Cigna's Group Life & Group Disability Insurance Business

Our proposed acquisition of Cigna's Group Life & Group Disability Insurance business is intended to broaden the diversity of our strategic business portfolio and enhance our financial strength, which can help contribute to the dividend even in a low interest rate environment

and add millions of customers to the New York Life family. Expected to close this year, subject to applicable regulatory approvals and other customary closing conditions, this acquisition will only strengthen our mission to provide financial security and peace of mind to our customers.



OUR DIVERSIFIED STRATEGIC BUSINESSES⁶

Group Membership Institutional Annuities Institutional Life
 Long-Term Care New York Life Business Solutions New York Life Direct
 New York Life Investments Retail Annuities Seguros Monterrey



BENEFITS TO OUR POLICY OWNERS



Notes appear on pages 16-17

With you...to help you
achieve your goals.



Protecting your family or business against the unexpected. Paying for college. Saving for retirement...and having the guaranteed income to enjoy it. Whatever your goals, we have the solutions that can help you achieve them.

Our job is to provide knowledge and guidance and help you assemble a customized plan to get there. And as your goals evolve, you can count on us to help you continue to be free from worrying about your financial future.

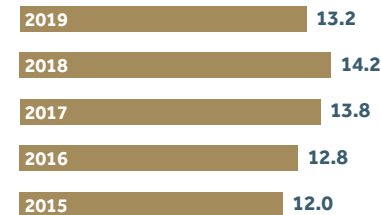
Insurance Sales⁷

In \$ Millions



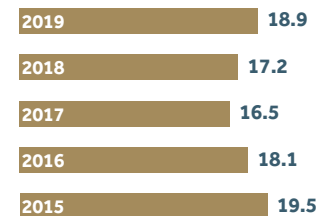
Annuity Sales⁸

In \$ Billions



Mutual Fund Sales⁹

In \$ Billions



With you...backed
by unparalleled
financial strength.

Individual Life Insurance in Force¹⁰

In \$ Billions



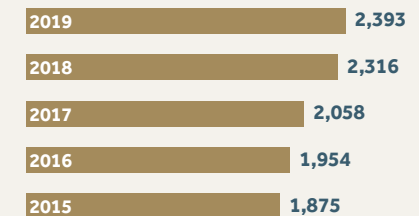
Assets Under Management¹¹

In \$ Billions



Operating Earnings¹²

In \$ Millions



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Notes appear on pages 16-17



New York Life agent ad, 1970

With you...as experts and caring guides.

The topic of long-term planning is confusing. You want to know that the people you are working with to plan your financial future can be trusted. That they understand your priorities and goals, have a proven track record of following through on what they say they will do, and genuinely care about building a better future for you and your loved ones.

For 175 years, millions of Americans have placed their financial security, peace of mind—and trust—with a New York Life agent.



1891

When married women were still prohibited from entering a legal contract, we had already hired our first five female agents.

Our agents do more than simply provide you with life insurance and annuity products—they offer you a service. They are financial specialists and professional problem solvers. They are there to share your life experience: to listen to you; to learn about your concerns, your dreams, and your goals; and to provide expert guidance to help you make the best financial decisions for you and your family.

When you work with us, you can also count on a lifetime commitment on

our part. Your New York Life agent is a partner who will continue to be there for you. He or she will work with you in the years to come to help you keep on track with your evolving needs.

Whether you live in a big city or a small town, you will also learn that the person you are working with is more than just a highly trained financial specialist. He or she is likely a local business leader, PTA member, coach, volunteer—and most certainly a neighbor and engaged member of your community.

With you...in support of your community.

As a life insurance company, we are there when you need us the most—but our actions extend beyond just you. For 175 years, New York Life has proactively addressed the needs of our communities by serving alongside our partners, neighbors, and families to build better futures together.

And just as New York Life takes the long-term view when it comes to our investments, we take the same approach in our philanthropic strategy. Since its founding in 1979, the New York Life Foundation continues to grow as a corporate philanthropy leader, investing a total of more than \$300 million in communities where we work and live. Today, the

New York Life Foundation has two primary grantmaking focus areas: childhood bereavement and programs supporting middle schoolers to successfully transition into high school. Perhaps more than the financial support awarded, the donation of time and talents by our workforce represents how we act with humanity, upholding one of our company values.



1896

In 1896, we became the first company to offer life insurance to people with disabilities.

2019 BY THE NUMBERS

\$25.4 million
Total Philanthropic Giving

\$15.2 million
Grants to Education and Bereavement Partners

\$3 million
Matching Gifts to Schools and Childhood Bereavement Organizations

\$1.7 million
Volunteer Grants

\$333,700
Disaster Relief Grants

\$900,000
Community Impact Grants

\$675,000
Grief-Sensitive Schools Grants

\$254,900
New York Life Family Scholarship Fund



With you...providing comfort during the most difficult times

One in 14 children will lose a parent or a sibling by the age of 18. However, the impact of this loss is often overlooked. We work with our communities to understand this issue, identifying the real needs so we can provide the right resources to those facing grief. For example, our partnership with StoryCorps allows young people to document their “love story,” ensuring that the legacy of a loved one is preserved. Additionally, on a more local level, we fund community groups such as the Tristesse Grief Center in Tulsa, Oklahoma, and OUR HOUSE Grief Support Center in Los Angeles, to

provide safe places for bereaved children to share their feelings and comfort one another through a loss. These local centers make what feels like a unique experience—losing a loved one—less isolating and serve as a way for us to connect, understand, and support children who are grieving.

We also continue to invest in systems of support, focusing on the people and places that, like us, help to ensure that children feel supported and able to communicate their feelings. New York Life’s Grief-Sensitive Schools Initiative was launched in October 2018 and has reached more than 25,000 school community members in over 1,000 schools in 46 states. The initiative has

generated strong engagement among New York Life’s workforce, with nearly 1,800 agents and employees participating in the program to better equip educators and school communities to support grieving students when they return to the classroom.

With you...in our desire to build better futures for our youth and our communities

With our business, we are with you during critical transitions throughout your life, and the New York Life Foundation invests in one of the most critical times in a young person’s life. Our investments in education have helped increase the number of programs available for underserved middle school youth during crucial out-of-school hours, so they will have the same opportunity as their peers to be successful in their academic journey and beyond. For example, our partnership with Classroom, Inc., a national leader in transforming literacy education for middle school students in after-school and summer learning programs, has resulted in an innovative digital literacy learning game called Read to Lead. This game helps students develop the

skills and behaviors needed to excel in school, successfully transition to high school, and prepare for postsecondary success. Like you, we know that good preparation is the key to a bright future.

Our workforce across the nation joins many of you in service by beautifying local schools, beaches and parks; cooking and serving food at local soup kitchens; supporting and running fundraisers for local charities; reading and mentoring students; and a host of other engagements. Our efforts through the work of our companywide community service program, Volunteers for Good, allow our workforce across the country to address the local needs we all care about. In addition, when our agents and employees volunteer at a nonprofit organization, independently or as a team, they can earn grants for those organizations. We had another record-breaking year, with over 145,000 volunteer hours supported with 1,263 grants to the local organizations to which our employees and agents gave their time.

Notes

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- 1) The annual dividend payout is the total amount of money the company pays to all of its eligible policy owners in a given year. Because characteristics including policy type and the year a policy was purchased differ from policy to policy, the performance of an individual policy's dividend over a specific period may not mirror the performance of the company's total dividend payout over that same period.

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- 2) Policy owner benefits primarily include death claims paid to beneficiaries and annuity payments. Dividends are payments made to eligible policy owners from divisible surplus. Divisible surplus is the portion of the company's total surplus that is available, following each year's operations, for distribution in the form of dividends. Dividends are not guaranteed. Each year the board of directors votes on the amount and allocation of the divisible surplus. Policy owner benefits and dividends reflect the consolidated results of NYLIC and its domestic insurance subsidiaries. Intercompany transactions have been eliminated in consolidation. NYLIC's policy owner benefits and dividends were \$7.67 billion and \$7.47 billion for the 12 months ended December 31, 2019 and 2018, respectively. NYLIAC's policy owner benefits were \$3.89 billion and \$3.68 billion for the 12 months ended December 31, 2019 and 2018, respectively.
- 3) Total surplus, which includes the Asset Valuation Reserve (AVR), is one of the key indicators of the company's long-term financial strength and stability, and is presented on a consolidated basis of the company. NYLIC's statutory surplus was \$22.03 billion and \$21.01 billion at December 31, 2019 and 2018, respectively. Included in NYLIC's statutory surplus is NYLIAC's statutory surplus totaling

\$9.35 billion and \$8.59 billion at December 31, 2019 and 2018, respectively. AVR for NYLIC was \$3.37 billion and \$2.59 billion at December 31, 2019 and 2018, respectively. AVR for NYLIAC was \$1.56 billion and \$1.21 billion at December 31, 2019 and 2018, respectively. At the time of printing this book, surplus and AVR at December 31, 2019 is preliminary and subject to final audit.

Policy owners can view the audited statutory financial statements by visiting our website, www.newyorklife.com, beginning in mid-March.

- 4) Based on publicly available information on New York Life's peer mutual U.S. life insurers. This peer group is comprised of major mutual U.S. insurance companies for whom life insurance is the primary focus and primary line of business, and whose dividend information is made publicly available.

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- 5) The "highest ratings currently awarded" refers to the highest ratings currently awarded to any life insurer, specifically: A.M. Best A++ (7/24/19), Fitch Ratings AAA (as of 5/20/19), Moody's Aaa (as of 9/12/19), and Standard & Poor's AA+ (as of 8/12/19). Source: third-party reports.

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- 6) For further financial information, including descriptions of our Strategic Businesses, visit our website (www.newyorklife.com), where the 2019 Annual Report will be available in mid-April 2020.

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- 7) Insurance sales represent annualized first-year premiums on participating issued whole life insurance, term life insurance, universal life insurance, long-term care insurance, and other health insurance products. A sale is generally counted when the initial premium is paid and the policy is issued. Adjustments are made to

normalize non-recurring premiums to align with our annualized recurring premium methodology for insurance sales. Some examples are: single premium products sold through our agents and Third Party Retail Life and Corporate-Owned Life Insurance distribution channel, our network of independent agents and brokers, are counted at 10 percent. Sales are generated from both domestic and Mexican operations.

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- 8) Total annuity sales represent premiums on our deferred annuities (both fixed and variable) and on our guaranteed income annuities. Sales are generally recognized when premiums are received. Annuities are primarily issued by NYLIAC.
- 9) Mutual fund sales represent total cash deposited to new and existing accounts of the MainStay Funds, New York Life's proprietary mutual funds. MainStay Funds are managed by New York Life Investment Management LLC and distributed through NYLIFE Distributors LLC, an indirect wholly owned subsidiary of NYLIC.
- 10) Individual life insurance in force is the total face amount of individual life insurance contracts (term, whole and universal life) outstanding for NYLIC and its domestic insurance subsidiaries at a given time. The company's individual life insurance in force totaled \$1,061.1 billion at December 31, 2019 (including \$177.7 billion for NYLIAC).
- 11) Assets under management consist of cash and invested assets and separate account assets of the company's domestic and international insurance operations, and assets the company manages for third-party investors, including mutual funds, separately managed accounts, retirement plans, and assets under administration. The company's general account investment portfolio totaled \$267.97 billion as of December 31, 2019 (including \$109.32 billion invested assets of NYLIAC). As of December 31, 2019, total assets equaled

\$330.81 billion (including \$164.74 billion total assets of NYLIAC). Total liabilities, excluding the AVR, equaled \$303.84 billion (including \$153.82 billion total liabilities of NYLIAC). See Note 3 for total surplus.

- 12) Operating earnings is the measure used for management purposes to track the company's results from ongoing operations and the underlying profitability of the business. This chart is based on accounting principles generally accepted in the United States of America (GAAP) with certain adjustments we believe are more appropriate as a measurement approach (non-GAAP).

Policy owners can view the GAAP-basis consolidated financial statements and a detailed reconciliation to our non-GAAP performance measures by visiting our website, www.newyorklife.com, beginning in mid-March.

The New York State Department of Financial Services (the Department) recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York Insurance Law, and for management determining whether its financial condition warrants the payment of a dividend to its policy owners. No consideration is given by the Department to financial statements prepared in accordance with GAAP in making such determinations.

Where applicable, prior period numbers have been restated to conform to current year definition. In addition, non-U.S. denominated results are generally valued using applicable year-end exchange rates.

A copy of the Report, our GAAP and statutory financial statements, and reconciliation to our non-GAAP operating performance measure are also available by writing to the Secretary of New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010.

Visit us at www.newyorklife.com

Our Story

www.newyorklife.com/who-we-are/our-story

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Claims

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New York Life Foundation

www.newyorklife.com/foundation

Social Impact

www.newyorklife.com/who-we-are/our-social-impact

LEARN MORE ABOUT OUR HISTORY

To hear stories about how New York Life has been helping people build better futures for 175 years, visit www.newyorklife.com

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