STATE OF NEW YORK INSURANCE DEPARTMENT

REPORT ON EXAMINATION

OF THE

PHOENIX LIFE AND REASSURANCE COMPANY OF NEW YORK

AS OF

DECEMBER 31, 2002

DATE OF REPORT: JANUARY 9, 2004

EXAMINER: MARC A. TSE

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STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

George E. Pataki
Governor

Gregory V. Serio
Superintendent

January 9, 2004

Honorable Gregory V. Serio
Superintendent of Insurance
Albany, New York 12257

Sir:

In accordance with instructions contained in Appointment No. 21997, dated January 21, 2003 and annexed hereto, an examination has been made into the condition and affairs of Phoenix Life and Reassurance Company of New York, hereinafter referred to as "the Company", at its office located at One American Row, Hartford, Connecticut 06102.

Wherever "Department" appears in this report, it refers to the State of New York Insurance Department.

The report indicating the results of this examination is respectfully submitted.

1. EXECUTIVE SUMMARY

The Company ceased marketing all direct insurance products in 1998. The remaining block of life insurance business, which consisted of 15 policies at December 31, 2002, is in run-off status. Effective August 1999, the Company stopped assuming business and terminated all existing reinsurance contracts whereby it had assumed business. (See items 3D and 3E of this report)

The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2002 filed annual statement. (See item 5 of this report)

The examiner's review of the Company's market conduct activities did not reveal significant instances which deviated from the New York Insurance Law, Department regulations and circular letters and the operating rules of the Company. (See item 6 of this report)

2. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 1997. This examination covers the period from January 1, 1998 through December 31, 2002. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2002 but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a verification of assets and liabilities as of December 31, 2002 to determine whether the Company’s filed 2002 annual statement fairly presents its financial condition. The examiner reviewed the Company’s income and disbursements necessary to accomplish such verification and utilized the National Association of Insurance Commissioners’ Examiners Handbook or such other examination procedures, as deemed appropriate, in such review and in the review or audit of the following matters:

Company history
Management and control
Corporate records
Fidelity bond and other insurance
Officers' and employees' welfare and pension plans
Territory and plan of operation
Market conduct activities
Growth of Company
Business in force by states
Mortality and loss experience
Reinsurance
Accounts and records
Financial statements

The examiner reviewed the corrective actions taken by the Company with respect to the violation and recommendation contained in the prior report on examination. The results of the examiner’s review are contained in item 7 of this report.

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations, or rules or which require explanation or description.

3. DESCRIPTION OF COMPANY

A. History

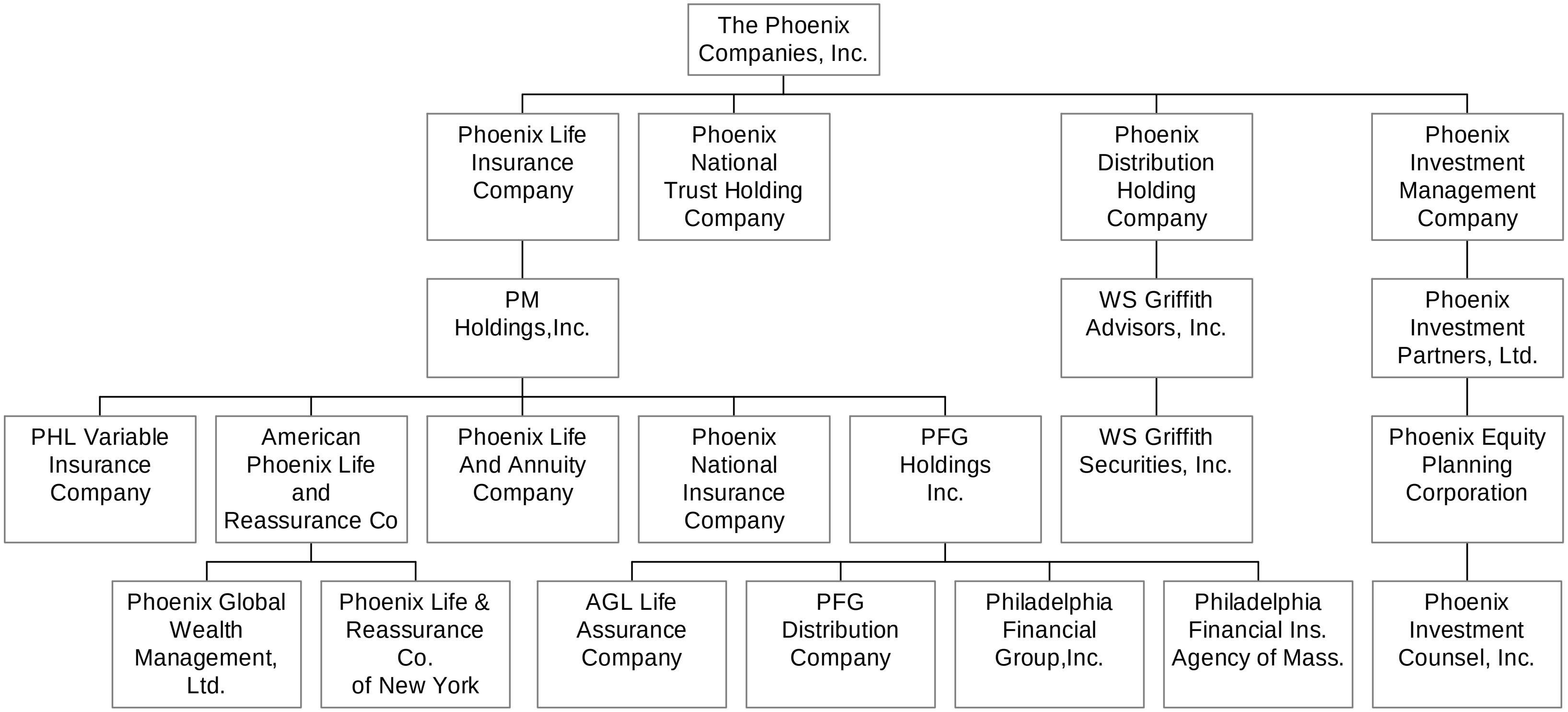
The Company was incorporated as a stock life insurance company under the laws of New York on April 15, 1988 under the name Maximum Life Insurance Company, and commenced business on May 20, 1988. Initial resources of $7,502,427, consisting of common capital stock of $2,000,000 and paid in and contributed surplus of $5,502,427, were provided through the sale of 2,000 shares of common stock (with a par value of $1,000 each) for $3,751.21 per share.

On December 31, 1995, the Company was acquired by American Phoenix Life and Reassurance Company ("APLAR"), and the name of the Company was changed to its current name, Phoenix Life and Reassurance Company of New York.

B. Holding Company

The Company is a wholly owned subsidiary of APLAR, a Connecticut life insurance company. APLAR is a wholly owned subsidiary of PM Holdings, Inc. ("PMH"), a Connecticut holding company. PMH is a wholly owned subsidiary of Phoenix Life Insurance Company ("Phoenix Life"), a New York life insurance company. The ultimate parent of the Company is The Phoenix Companies, Inc. ("The Phoenix"), a Delaware holding company.

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2002 follows:


The Phoenix Companies, Inc.
Phoenix Life Insurance Company
Phoenix National Trust Holding Company
Phoenix Distribution Holding Company
Phoenix Investment Management Company
PM Holdings,Inc.
WS Griffith Advisors, Inc.
Phoenix Investment Partners, Ltd.
PHL Variable Insurance Company
American Phoenix Life and Reassurance Co
Phoenix Life And Annuity Company
Phoenix National Insurance Company
PFG Holdings Inc.
WS Griffith Securities, Inc.
Phoenix Equity Planning Corporation
Phoenix Global Wealth Management, Ltd.
Phoenix Life & Reassurance Co. of New York
AGL Life Assurance Company
PFG Distribution Company
Philadelphia Financial Group,Inc.
Philadelphia Financial Ins. Agency of Mass.
Phoenix Investment Counsel, Inc.

The Company had two service agreements in effect during the examination period.

Type of Agreement	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Investment Advisory Agreement	Amended and Restated 6/25/01	Phoenix Investment Counsel, Inc.	the Company	Investment advisory services.	1998 ($27,272) 1999 ($39,577) 2000 ($15,147) 2001 ($18,111) 2002 ($13,376)
Administrative Agreement	Amended and Restated 6/25/01	Phoenix Life	the Company	Use of office space and personnel services.	1998 ($169,625) 1999 ($ 94,475) 2000 ($ 59,361) 2001 ($ 26,559) 2002 ($ 50,596)

The Company also has a tax allocation agreement in effect with The Phoenix.

C. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than nine and not more than 21 directors. The number of directors shall be increased to not fewer than 13 within one year following the end of the calendar year in which the Company's admitted assets exceed $500,000,000. Directors are elected for a period of one year at the annual meeting of the stockholders held in March of each year. During the period under examination, the sole stockholder voted to elect directors and conduct other business by unanimous written consent, in lieu of an annual meeting. As of December 31, 2002, the board of directors consisted of nine members. Meetings of the board are held twice annually.

The nine board members and their principal business affiliation, as of December 31, 2002, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Robert W. Fiondella Bristol, CT	Chairman, CEO and President The Phoenix Companies, Inc.	1996
Michael E. Haylon West Hartford, CT	Executive Vice President Phoenix Life and Reassurance Company of New York	2002
Joseph E. Kellenher Simsbury, CT	Senior Vice President The Phoenix Companies, Inc.	2000
Robert G. Lautensack Simsbury, CT	Senior Vice President The Phoenix Companies, Inc.	2000
Louis J. Lombardi Glastonbury, CT	Senior Vice President The Phoenix Companies, Inc.	2002
Bonnie J.Malley Suffield, CT	Senior Vice President The Phoenix Companies, Inc.	2002
Coleman D. Ross West Simsbury, CT	Executive Vice President and Chief Financial Officer Phoenix Life and Reassurance Company of New York	2002
Simon Y. Tan West Hartford, CT	Executive Vice President The Phoenix Companies, Inc.	2000
Dona D. Young West Hartford, CT	President and Chief Operating Officer The Phoenix Companies, Inc.	1996

At the close of business on December 31, 2002, Robert W. Fiondella resigned from the board. On March 24, 2003, Simon Y. Tan and Dona D. Young were removed from the board via a shareholder resolution and Michael J. Gilotti and David R. Pellerin were appointed to the board. At the close of business on December 31, 2003, Coleman D. Ross resigned from the board. On January 1, 2004, James D. Wehr was appointed to the board. Sue Ann Collins was appointed as a director on May 26, 2003 and resigned as a director on November 1, 2003 and Robert E. Primmer was appointed to the board in her stead on November 16, 2003.

The examiner’s review of the minutes of the meetings of the board of directors and its committees indicated that meetings were well attended and that each director attended a majority of meetings.

The following is a listing of the principal officers of the Company as of December 31, 2002:

Name	Title
David R. Pellerin	President
Michael E. Haylon	Executive Vice President
Tracy L.Rich	Executive Vice President and Assistant Secretary
Coleman D. Ross	Executive Vice President and Chief Financial Officer
John H. Beers	Vice President and Secretary
John R. Flores	Vice President and Assistant Secretary
Richard J. Wirth	Vice President and Assistant Secretary
Moira C. Lowe*	Vice President and Chief Compliance Officer
Katherine P. Cody	Second Vice President and Treasurer
Christopher A. Macklem	Second Vice President and Appointed Actuary
Frederick F. Sullivan	Assistant Vice President
Sheila K. Dubinsky	Assistant Treasurer
Susan L. Guazzelli	Assistant Treasurer
James J. Nolan	Assistant Treasurer

* Designated consumer services officer per Section 216.4(c) of Department Regulation No. 64

In December 2003, Nancy Enberg replaced Moira C. Lowe as Second Vice President and Chief Compliance Officer. Ms. Enberg also became the designated consumer services officer per Section 216.4(c) of Department Regulation No. 64. At the close of business on December 31, 2003, Coleman D. Ross resigned as Executive Vice President and Chief Financial Officer. On January 1, 2004 Michael E. Haylon was appointed Executive Vice President and Chief Financial Officer and James D. Wehr was appointed Senior Vice President and Chief Investment Officer.

D. Territory and Plan of Operation

The Company is authorized to write life insurance, annuities and accident and health insurance as defined in paragraphs 1, 2 and 3 of Section 1113(a) of the New York Insurance Law.

It is licensed to transact business solely in New York State. The Company ceased marketing all direct insurance products in 1998. The Company collected $54,469 of premiums in 2002, which consisted entirely of life insurance renewal premiums. The Company is currently not marketing any products, and the remaining block of life insurance business (15 policies) is in run off.

E. Reinsurance

As of December 31, 2002, the Company had reinsurance treaties in effect with two companies, of which one was authorized. Reinsurance of the Company's ordinary individual life policies is ceded on a yearly renewable term basis. Reinsurance is provided on an automatic and a facultative basis.

The maximum retention limit for individual life contracts is $50,000. The total face amount of life insurance ceded as of December 31, 2002, was $3,735,000, which represents 83.27% of the total face amount of life insurance in force. The reserve credit taken for reinsurance ceded to the unauthorized company, totaling $37,062, was supported by a letter of credit.

Effective November 30, 1997, the Company assumed a 60% share of Phoenix Life's international retrocession pool. This agreement was superseded by a quota share agreement, effective October 1, 1998. Under the new agreement, the Company assumed 100% of Phoenix Life's individual life international retrocession pool. Effective August 1, 1999, the reinsurance agreement was terminated and the business was commuted back to Phoenix Life.

The Company did not assume any life insurance as of December 31, 2002.

4. SIGNIFICANT OPERATING RESULTS

Indicated below is significant information concerning the operations of the Company during the period under examination as extracted from its filed annual statements. Failure of items to add to the totals shown in any table in this report is due to rounding.

The following table indicates the Company's financial growth during the period under review:

	December 31, 1997	December 31, 2002	Increase (Decrease)
Admitted assets	$36,239,633	$11,465,137	$(24,774,496)
Liabilities	$15,841,631	$ 219,594	$(15,622,037)
Common capital stock	$ 2,000,000	$ 2,000,000	$ 0
Gross paid in and contributed surplus	15,502,427	15,502,427	0
Unassigned funds (surplus)	2,895,575	(6,256,884)	(9,152,459)
Total capital and surplus	$20,398,002	$11,245,543	$ (9,152,459)
Total liabilities, capital and surplus	$36,239,633	$11,465,137	$(24,774,496)

The decrease in the Company's admitted assets and liabilities is mainly due to the termination of the assumption reinsurance contract with Phoenix Life (previously discussed in Section 3E above).

The Company's invested assets as of December 31, 2002, were comprised of bonds (91.2%), and cash and short-term investments (8.8%). The Company's entire bond portfolio as of December 31, 2002 was comprised of investment grade obligations.

The following is the net gain (loss) from operations by line of business after federal income taxes but before realized capital gains (losses) reported for each of the years under examination in the Company's filed annual statements:

	1998	1999	2000	2001	2002
Ordinary life insurance	$1,783,649	$677,975	$904,506	$867,605	$636,372

The net gain from operations decreased by 62% in 1999 compared to 1998 due to the termination of the assumption reinsurance contract with Phoenix Life.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital, surplus and other funds as of December 31, 2002, as contained in the Company's filed 2002 annual statement, a condensed summary of operations and a reconciliation of the capital and surplus account for each of the years under review. The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2002 filed annual statement.

A. ASSETS, LIABILITIES, CAPITAL, SURPLUS AND OTHER FUNDS AS OF DECEMBER 31, 2002

Admitted Assets	
Bonds	$10,342,301
Cash and short term investments	1,000,220
Federal income tax recoverable	14,081
Investment income due and accrued	91,850
Other assets	16,685
Total admitted assets	$11,465,137
Liabilities, Capital, Surplus and Other Funds	
Aggregate reserve for life policies and contracts	$ 8,506
Policy and contract liabilities:	
Interest maintenance reserve	54,841
General expenses due or accrued	8,994
Federal income taxes due or accrued	10,424
Remittances and items not allocated	34,385
Miscellaneous liabilities:	
Asset valuation reserve	40,063
Payable to parent, subsidiaries and affiliates	62,291
Escheat liability	90
Total liabilities	$ 219,594
Common capital stock	$ 2,000,000
Gross paid in and contributed surplus	15,502,427
Unassigned funds (surplus)	(6,256,884)
Total capital, surplus and other funds	$11,245,543
Total liabilities, capital, surplus and other funds	$11,465,137

B. CONDENSED SUMMARY OF OPERATIONS

	1998	1999	2000	2001	2002
Premiums and considerations	$13,398,844	$ 3,948,223	$ 26,893	$ 20,255	$ 16,140
Investment income	1,948,785	2,431,606	1,399,541	1,342,184	954,545
Commissions and reserve adjustments on reinsurance ceded	0	3,913	0	0	0
Miscellaneous income	18,551,717	0	0	0	0
Total income	$33,899,346	$ 6,383,742	$1,426,434	$1,362,439	$970,684
Benefit payments	$ 8,553,362	$ 2,831,828	$ 50,286	$ 54,799	$ 0
Increase in reserves	17,352,251	(25,716,252)	(1,430)	(2,749)	(1,247)
Commissions	4,435,006	208,902	5,822	4,971	3,414
General expenses and taxes	184,929	99,871	31,676	48,321	41,550
Miscellaneous deductions	0	29,096,156	43	0	0
Total deductions	$30,525,548	$ 6,520,505	$ 86,397	$ 105,342	$ 43,717
Net gain (loss)	3,373,798	(136,763)	1,340,037	1,257,097	926,967
Federal income taxes	1,590,149	(814,739)	435,531	389,492	290,595
Net gain (loss) from operations before net realized capital gains	$ 1,783,649	$ 677,976	$ 904,506	$ 867,605	$636,372
Net realized capital gains (losses)	(402)	(8,708)	13,554	(1,206)	(8,307)
Net income	$ 1,783,247	$ 669,268	$ 918,060	$ 866,399	$628,065

C. CAPITAL AND SURPLUS ACCOUNT

	1998	1999	2000	2001	2002
Capital and surplus, December 31, prior year	$20,398,002	$22,159,450	$22,824,125	$23,737,112	$24,603,309
Net income	$ 1,783,247	$ 669,268	$ 918,060	$ 866,399	$ 628,065
Change in deferred income tax					10,992
Change in asset valuation reserve	(21,799)	(4,593)	(5,073)	(202)	24,593
Cumulative effect of change in Accounting principles					(21,416)
Dividends to stockholders	0	0	0	0	(14,000,000)
Net change in capital and surplus	$ 1,761,448	$ 664,675	$ 912,987	$ 866,197	$(13,357,766)
Capital and surplus, December 31, current year	$22,159,450	$22,824,125	$23,737,112	$24,603,309	$11,245,543

6. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

A. Advertising and Sales Activities

The Company did not engage in advertising or sales activities during the period under examination.

B. Underwriting and Policy Forms

The Company did not underwrite any new policies during the period under examination.

C. Treatment of Policyholders

The examiner reviewed a sample of death claims. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

Based upon the sample reviewed, no significant findings were noted.

7. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violation and recommendation contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

Item	Description
A	The Company violated Section 1505(d)(2) of the New York Insurance Law for failing to notify the Superintendent of its intention to enter into a reinsurance treaty with an affiliate. The examiner's review of reinsurance contracts with affiliates revealed that the Company notified the Superintendent in accordance with Section 1505(d) of the New York Insurance Law.
B	The examiner recommended that the Company file the aforementioned reinsurance treaty with the Superintendent. The Company filed the referenced reinsurance treaty with the Department.

Respectfully submitted,

/s/
Marc A. Tse
Associate Insurance Examiner

STATE OF NEW YORK)
)SS:
COUNTY OF NEW YORK)

Marc A. Tse, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/
Marc A. Tse

Subscribed and sworn to before me

this__________ day of ___________________2004 .

APPOINTMENT NO. 21997

STATE OF NEW YORK

INSURANCE DEPARTMENT

*I, **GREGORY V. SERIO**, Superintendent of Insurance of the State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:*

MARC TSE

as a proper person to examine into the affairs of the

PHOENIX LIFE AND REASSURANCE COMPANY OF NEW YORK

and to make a report to me in writing of the condition of the said

COMPANY

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by name and affixed the official Seal of the Department at the City of New York

this 21st day of January, 2003

GREGORY V. SERIO
Superintendent of Insurance

Superintendent