



STATE OF NEW YORK INSURANCE DEPARTMENT
REPORT ON EXAMINATION
OF THE
LIFE INSURANCE COMPANY OF BOSTON & NEW YORK

CONDITION:

DECEMBER 31, 2007

DATE OF REPORT:

MARCH 8, 2010

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REPORT ON EXAMINATION
OF THE
LIFE INSURANCE COMPANY OF BOSTON & NEW YORK
AS OF
DECEMBER 31, 2007

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EXAMINER:

LUIS MARQUEZ

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

David Paterson
Governor

James J. Wrynn
Superintendent

December 28, 2009

Honorable James J. Wrynn
Superintendent of Insurance
Albany, New York 12257

Sir:

In accordance with instructions contained in Appointment No. 22782, dated July 1, 2008 and annexed hereto, an examination has been made into the condition and affairs of Life Insurance Company of Boston & New York, hereinafter referred to as "the Company," at its home office located at 277 North Avenue, Suite 200, New Rochelle, New York 10801.

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 material findings and violations contained in this report are summarized below:

- The Company violated Section 4228(h) of the New York Insurance Law by failing to sign the supporting demonstrations related to the actuarial statements of self support for the Company's primary policy forms. (See item 7 of this report)
- The Company violated Section 3230(a) of the New York Insurance Law by failing to provide an accelerated death benefit disclosure in any of the worksite policies issued to policyholders during the examination period. (See item 6B of this report)
- The Company violated Section 3201(b)(1) by utilizing forms that were not filed with and approved by the Superintendent. (See item 6B of this report)

2. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 2004. This examination covers the period from January 1, 2005 through December 31, 2007. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2007 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, 2007 to determine whether the Company's 2007 filed 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
- 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

This report on examination is confined to financial statements and comments on those matters which involve departure 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 May 25, 1988, and was licensed and commenced business on March 7, 1990. Initial resources of \$6,000,000, consisting of common capital stock of \$2,000,000 and paid in and contributed surplus of \$4,000,000, were provided through the sale of 20,000 shares of common stock (with a par value of \$100 each) for \$300 per share.

In June of 1992, the Company received a \$500,000 cash contribution to surplus from its parent, Boston Mutual Life Insurance Company (“Boston Mutual”), increasing gross paid in and contributed surplus to \$4,500,000.

In September of 1998, the Company received a \$2,000,000 cash contribution to surplus from its parent, increasing gross paid in and contributed surplus to \$6,500,000.

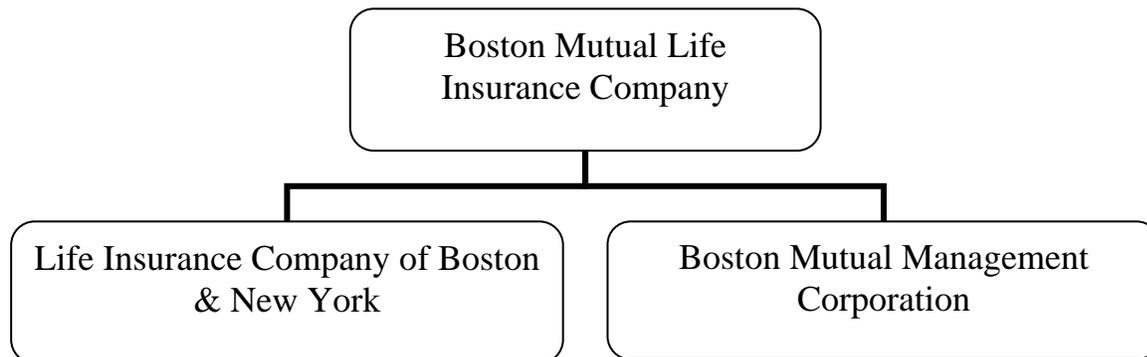
In December of 2002, the Company again received a \$1,000,000 cash contribution to surplus from its parent, increasing gross paid in and contributed surplus to \$7,500,000.

In November of 2004 the Company moved its corporate home office to Vestal, New York from New York, New York. Then in 2007 the Company moved its corporate home office to New Rochelle, New York from Vestal, New York.

B. Holding Company

The Company is a wholly owned subsidiary of Boston Mutual, a Massachusetts Company.

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2007 follows:



The Company had one service agreement in effect with its parent during the examination period.

Type of Agreement and Department File Number	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Administrative Services File # 29213	11/1/99	Boston Mutual	The Company	All services	2005 \$(738,597) 2006 \$(769,974) 2007 \$(871,409)

* Amount of Income or (Expense) Incurred by the Company

The Company also has a consolidated federal income tax allocation agreement in effect with its parent.

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 15 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in June of each year. As of December 31, 2007, the board of directors consisted of eight members. Pursuant to the by-laws of the Company, regular meetings of the board of directors shall be held on such dates as the board may designate. Meetings of the board were held in February, June and November of 2005 and 2006 and in February, May and November of 2007.

The eight board members and their principal business affiliation, as of December 31, 2007, were as follows:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>	<u>Year First Elected</u>
Christine T. Coughlin Stoneham, MA	Secretary Life Insurance Company of Boston & New York	2005
Richard Lewis* Cape Elizabeth, ME	Retired	2006
Leo C. McKenna* Windsor, VT	Financial Consultant Self Employed	1988

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>	<u>Year First Elected</u>
Frank E. Melo Walpole, MA	Treasurer Life Insurance Company of Boston & New York	1988
Marnie W. Mueller* Hartford, CT	Consultant	2004
Paul E. Petry Osterville, MA	President, Chief Executive Officer and Chairman of the Board Life Insurance Company of Boston & New York	1996
Timothy L. Porter* New York, NY	Senior Counsel Proskauer Rose LLP	2000
Thomas H. Schwarz* New York, NY	Managing Director Schwartz Executive Search	1988

*Not affiliated with the Company or any other company in the holding company system

In December, 2007, Robert D. Whoriskey retired from the board and was replaced by John J. Murphy in 2008, which rendered the Company in compliance with Section 1201(a)(5)(B)(v) of the New York Insurance Law, which requires a minimum number of nine directors.

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, 2007:

<u>Name</u>	<u>Title</u>
Paul E. Petry	President and Chief Executive Officer
Christine T. Coughlin	Secretary
Frank E. Melo	Treasurer
Paul S. Painchaud	Appointed Actuary

Frederick Thurston, the Company's Chief Compliance Officer is the designated consumer services officer per Section 216.4(c) of Department Regulation No. 64

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.

The Company is licensed to transact business in the State of New York only. In 2007, 100% of life premiums and 100% of accident and health premiums were received from New York State. Policies are written on a non-participating basis.

The Company primarily writes individual life, group life and accident and health insurance. In 2007, most of the Company's premiums were split between ordinary life insurance (49.76%) and group accident and health insurance (47.70%) with the remainder from group life insurance (2.50%).

The Company's agency operations are conducted on a general agency basis. Products are marketed through a producer network and sold to employer groups in addition to trade and professional organizations. Individual products are marketed through a group of worksite marketing general agents. The Company's worksite product, Employee Life Option, is an interest sensitive whole life insurance product that offers voluntary life insurance coverage to employees of manufacturing, healthcare and municipal organizations throughout New York. It is sold through the Company's worksite program, Employee Security Options.

E. Reinsurance

As of December 31, 2007, the Company had reinsurance treaties in effect with five companies, of which four were authorized or accredited. The Company's life, accident and health business is reinsured on a coinsurance and yearly renewable term basis. Reinsurance is provided on an automatic and 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, 2007, was \$145,241,391, which represents 14% of the total face amount of life insurance in force. The Company also maintains a number of reinsurance treaties for its accident and health business of which approximately 87% is ceded

to reinsurers. The principal reinsurer on the accident and health business is Union Security Life Insurance Company of New York.

The Company ceded a de minimis amount to unauthorized insurers and did not take any reserve credit for reinsurance ceded to unauthorized companies. The Company did not assume any reinsurance during the examination period.

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, <u>2004</u>	December 31, <u>2007</u>	<u>Increase</u>
Admitted assets	<u>\$45,695,506</u>	<u>\$62,967,151</u>	<u>\$17,271,645</u>
Liabilities	<u>\$38,459,905</u>	<u>\$53,375,806</u>	<u>\$14,915,901</u>
Common capital stock	\$ 2,000,000	\$ 2,000,000	\$ 0
Gross paid in and contributed surplus	7,500,000	7,500,000	0
Unassigned funds (surplus)	<u>(2,264,399)</u>	<u>91,345</u>	<u>2,355,744</u>
Total capital and surplus	<u>\$ 7,235,601</u>	<u>\$ 9,591,345</u>	<u>\$ 2,355,744</u>
Total liabilities, capital and surplus	<u>\$45,695,506</u>	<u>\$62,967,151</u>	<u>\$17,271,645</u>

The Company's invested assets as of December 31, 2007, were mainly comprised of bonds (75.0%), policy loans (20.0%), cash and short-term investments (4.0%).

The Company's entire bond portfolio, as of December 31, 2007, was comprised of investment grade obligations.

The following indicates, for each of the years listed below, the amount of life insurance issued and in force by type (in thousands of dollars):

<u>Year</u>	<u>Individual Whole Life</u>		<u>Group Life</u>	
	<u>Issued</u>	<u>In Force</u>	<u>Issued & Increases</u>	<u>In Force</u>
2005	\$ 83,187	\$765,012	\$ 9,502	\$134,641
2006	\$ 93,557	\$791,997	\$48,042	\$153,886
2007	\$130,021	\$837,785	\$45,248	\$180,111

The increase in individual whole life issues from 2006 to 2007 is due to sales in 2007 that were \$1,541,000 versus \$1,201,000 in 2006 resulting in more lives and in-force being added. The Company's two biggest general agents increased their production in 2007.

The increase in group life issued and increases in 2006 is due to the Company adding 1,959 lives with an average face amount of \$23,000. The volume added in 2006 includes 2 large cases, both over 600 lives each.

The following has been extracted from the Exhibits of Accident and Health Insurance in the filed annual statements for each of the years under review:

	<u>Group</u>		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
Outstanding, end of previous year	138	135	146
Issued during the year	18	26	3
Other net changes during the year	<u>21</u>	<u>15</u>	<u>45</u>
Outstanding, end of current year	<u>135</u>	<u>146</u>	<u>104</u>

The decrease in issued during the year from 2006 to 2007 is attributed to the fact that the Company exited the dental business as of March 1, 2007. Additionally, in February 2007 the Company closed the sales office in New York and focused on retaining existing business versus writing new business.

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:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Ordinary Life insurance:	\$ <u>929,225</u>	\$ <u>791,112</u>	\$ <u>782,829</u>
Group Life	\$(<u>170,812</u>)	\$(<u>111,537</u>)	\$ <u>(8,662)</u>
Accident and health:			
Group	\$ 35,088	\$ 314,169	\$ 29,729
Other	<u>0</u>	<u>(17,930)</u>	<u>(13,265)</u>
Total accident and health	\$ <u>35,088</u>	\$ <u>296,239</u>	\$ <u>16,464</u>
Total	\$ <u>793,501</u>	\$ <u>975,814</u>	\$ <u>790,631</u>

The group life losses in 2005, 2006 and 2007 are due to the fact that it is a small line of business which has not been profitable due to higher claims and expenses.

The increase in group accident and health gains from 2005 to 2006 is directly related to the reduction in the Company's largest third party administrator, Charles J. Sellers & Company Inc. ("Sellers") open claim reserve in 2006, which contributed to a larger net gain.

The losses in accident and health other in 2006 and 2007 are attributed to the Company marketing a new worksite accident product in late 2007. The new product's limited premium was not sufficient to cover start up costs in 2006 and 2007.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2007, as contained in the Company's 2007 filed 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, 2007 filed annual statement.

A. ASSETS, LIABILITIES, CAPITAL AND SURPLUS AS OF DECEMBER 31, 2007

Admitted Assets

Bonds	\$44,895,229
Preferred stocks	126,373
Cash, cash equivalents and short term investments	2,450,983
Contract loans	12,090,313
Other invested assets	545,639
Investment income due and accrued	966,806
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	480,411
Reinsurance:	
Amounts recoverable from reinsurers	20,028
Other amounts receivable under reinsurance contracts	716,869
Current federal and foreign income tax recoverable and interest thereon	166,508
Net deferred tax asset	338,610
Security Deposit	<u>169,382</u>
 Total admitted assets	 <u>\$62,967,151</u>

Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	\$48,930,509
Aggregate reserve for accident and health contracts	1,764,457
Contract claims:	
Life	639,636
Accident and health	49,452
Premiums and annuity considerations for life and accident and health contracts received in advance	54,267
Contract liabilities not included elsewhere:	
Interest maintenance reserve	351,624
Commissions to agents due or accrued	275,571
General expenses due or accrued	119,698
Taxes, licenses and fees due or accrued, excluding federal income taxes	(21,802)
Amounts withheld or retained by company as agent or trustee	553,617
Remittances and items not allocated	364,840
Miscellaneous liabilities:	
Asset valuation reserve	104,530
Payable to parent, subsidiaries and affiliates	101,158
Payable for securities	(29,636)
Uncashed Checks pending escheatment	<u>117,884</u>
 Total liabilities	 <u>\$53,375,806</u>
 Common capital stock	 \$ 2,000,000
Gross paid in and contributed surplus	7,500,000
Unassigned funds (surplus)	<u>91,345</u>
Total capital and surplus	<u>\$ 9,591,345</u>
 Total liabilities, capital and surplus	 <u>\$62,967,151</u>

B. CONDENSED SUMMARY OF OPERATIONS

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Premiums and considerations	\$10,777,287	\$10,845,505	\$11,233,316
Investment income	2,536,365	2,880,852	3,265,498
Commissions and reserve adjustments on reinsurance ceded	2,503,115	2,657,435	2,405,607
Miscellaneous income	<u>9,359</u>	<u>8,414</u>	<u>17,178</u>
Total income	<u>\$15,826,126</u>	<u>\$16,392,206</u>	<u>\$16,921,599</u>
Benefit payments	\$ 3,754,768	\$ 4,127,843	\$ 4,553,556
Increase in reserves	4,831,746	4,757,133	5,053,281
Commissions	3,628,824	3,816,879	3,704,182
General expenses and taxes	2,155,522	2,153,392	2,417,440
Increase in loading on deferred and uncollected premium	<u>(2,978)</u>	<u>(27,080)</u>	<u>5,718</u>
Total deductions	<u>\$14,367,882</u>	<u>\$14,828,167</u>	<u>\$15,734,177</u>
Net gain	\$ 1,458,244	\$ 1,564,039	\$ 1,187,422
Federal and foreign income taxes incurred	<u>664,743</u>	<u>588,224</u>	<u>396,789</u>
Net gain from operations before net realized capital gains	\$ 793,501	\$ 975,815	\$ 790,633
Net realized capital gains (losses)	<u>0</u>	<u>(32,990)</u>	<u>(27,162)</u>
Net income	<u>\$ 793,501</u>	<u>\$ 942,825</u>	<u>\$ 763,471</u>

C. CAPITAL AND SURPLUS ACCOUNT

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Capital and surplus, December 31, prior year	\$ <u>7,235,601</u>	\$ <u>7,901,478</u>	\$ <u>8,785,900</u>
Net income	\$ 793,501	\$ 942,825	\$ 763,471
Change in net deferred income tax	157,417	82,408	(14,813)
Change in non-admitted assets and related items	(115,769)	(138,905)	65,795
Change in asset valuation reserve	(29,956)	(1,906)	(9,006)
Prior year service fees	<u>(139,317)</u>	<u>0</u>	<u>0</u>
Net change in capital and surplus for the year	\$ <u>665,877</u>	\$ <u>884,422</u>	\$ <u>805,447</u>
Capital and surplus, December 31, current year	\$ <u>7,901,478</u>	\$ <u>8,785,900</u>	\$ <u>9,591,347</u>

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 examiner reviewed a sample of the Company's advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

Section 243.2 of the Department Regulation No. 152 states, in part:

“ . . . (b) Except as otherwise required by law or regulation, an insurer shall maintain:

(5) A licensing record for six calendar years after the relationship is terminated for each Insurance Law licensee with which the insurer establishes a relationship. Licensing records shall be maintained so as to show clearly the dates of appointment and termination of each licensee . . . ”

The examiner requested the termination files for a sample of agents terminated by the Company during the examination period. The Company stated that all the agents are terminated for lack of business; not for cause. The Company however does not maintain agent termination files. The Company was therefore unable to provide the examiner with agent termination files which include statements of the fact relative to, and the cause of, the agent termination.

The examiner recommends that the Company revise its procedures related to the appointment and termination of agents to include the maintenance of the confirmation of the agent licensing status in order to comply with Section 243.2 (b)(5) of Department Regulation No. 152.

B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms.

- 1) Section 3230(a) of the New York Insurance Law, states:

“The application for a life insurance policy or policy rider which provides for accelerated payment of death benefits or a special surrender value shall:

(1) contain a notice, prominently displayed, to read as follows: "Receipt of accelerated death benefits may affect eligibility for public assistance programs and may be taxable."; and

(2) include the amount of any additional premium associated with the accelerated payment or, if there is no separately identifiable premium, whether a discount is associated with acceleration.”

A review of the Company’s Employee Life Insurance Option (“ELO”) brochure revealed that an accelerated death benefit is an important feature of the Company’s ELO plan. However, the examiner was unable to locate an accelerated death benefit rider in the policy records during the review of the worksite policy files even though this rider was approved by Albany.

In its response to the examiner’s request, the Company acknowledged that it did not include the rider or disclosure in any of the policies issued. The Company indicated that it is in the process of mailing out a notification to all the policyholders; 10,741 of which were affected during the examination period.

The Company violated Section 3230(a) of the New York Insurance Law by failing to provide an accelerated death benefit disclosure in any of the worksite policies issued to policyholders during the examination period.

- 2) Section 3201(b)(1) of the New York Insurance Law states, in part:

“No policy form shall be delivered or issued for delivery in this state unless it has been filed with and approved by the superintendent as conforming to the requirements of this chapter and not inconsistent with law . . . ”

The Company acknowledged in its response to the examiner's request relative to Group Life Policy Form Series GRPTP 4/99 (application) and Form GAD0605 Exp 5-08 (assessment form) that a review of its compliance files confirms that neither form was approved by the Superintendent. The forms were used for five of the Company's small group cases.

The Company violated Section 3201(b)(1) by utilizing policy forms that were not filed with and approved by the Superintendent.

The examiner recommends that the Company submit its unapproved policy forms to the superintendent for approval.

C. Treatment of Policyholders

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

1 Section 403(d) of the New York Insurance Law states, in part:

"All applications for commercial insurance, individual, group or blanket accident and health insurance and all claim forms . . . shall contain a notice in a form approved by the superintendent that clearly states in substance the following:

'Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.'

The examiner reviewed 6 paid group life claims and 30 paid individual life claims. The examiner also reviewed 15 paid disability claims administered by a TPA. During the review the examiner found that 3 paid group life claims and 3 paid individual life claim as well as 11 of the disability claims included claim forms which were missing the fraud warning statement required by the Insurance Law.

The Company violated Section 403(d) of the New York Insurance Law by failing to include the required fraud warning statement on all of its claim forms.

2 Department Circular Letter No. 11(1978) advises:

“ . . . As part of its complaint handling function, the company’s consumer services department will maintain an ongoing central log to register and monitor all complaint activity. The log should be kept in a columnar form and list the following:

3. The New York State Insurance Department file number.”

A review of the Company’s complaint log revealed that the log was missing the New York State Insurance Department file number.

The examiner recommends that the Company maintain its complaint log in accordance with Department Circular Letter No. 11 (1978).

7. ACTUARIAL STATEMENT OF SELF-SUPPORT
AND SUPPORTING DEMONSTRATIONS

Section 4228(h) of the New York Insurance Law states, in part:

“(h) No company shall offer for sale any life insurance policy form or annuity contract form covered by this section or any debit life insurance policy form which shall not appear to be self-supporting on reasonable assumptions as to interest, mortality, persistency, taxes, agents' and brokers' survival and expenses resulting from the sale of the policy or contract form. For all such forms offered for sale in this state, and for all forms filed for use outside this state by domestic life insurance companies, a statement that the requirements of this subsection have been met, signed by an actuary who is a member in good standing of the American Academy of Actuaries and meets the requirements prescribed by the superintendent by regulation shall be submitted with each such life insurance policy or annuity contract form filed pursuant to paragraph one or six of subsection (b) of section three thousand two hundred one of this chapter. A demonstration supporting each such statement, signed by an actuary meeting such qualifications, shall be retained in the company's home office, while such form is being offered in this state and for a period of six years thereafter and be available for inspection”

The examiner conducted a review of the pricing adequacy for various products subject to Section 4228(h) of the New York Insurance Law. This review included an examination of the required actuarial statements of self support and the supporting demonstrations. During the review, it was discovered that the Company failed to sign the supporting demonstrations. Additionally, concerns were raised with regard to the lack of narrative descriptions for the methodologies and material assumptions that were used in such demonstrations.

The Company violated Section 4228(h) of the New York Insurance Law by failing to sign the supporting demonstrations related to the actuarial statements of self support for the Company's primary policy forms.

The examiner recommends that the Company implement changes for documenting its pricing and product development in the manner agreed upon with the Department.

8. SUMMARY AND CONCLUSIONS

Following are the violations and recommendations contained in this report:

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
A	The examiner recommends that the Company revise its procedures related to the appointment and termination of agents to include the maintenance of the confirmation of agent licensing status in order to comply with Section 243.2(b)(5) of Department Regulation No. 152.	16
B	The Company violated Section 3230(a) of the New York Insurance Law by failing to provide an accelerated death benefit disclosure in any of the worksite policies issued to policyholders during the examination period.	17
C	The Company violated Section 3201(b)(1) by utilizing forms that were not filed with and approved by the Superintendent.	17 – 18
D	The examiner recommends that the Company submit its unapproved policy form to the superintendent for approval.	17 – 18
E	The Company violated Section 403(d) of the New York Insurance Law by failing to include the required fraud warning statement on all of its claim forms.	18 – 19
F	The examiner recommends that the Company maintain its complaint log in accordance with Department Circular Letter No. 11 (1978).	19
G	The Company violated Section 4228(h) of the New York Insurance Law by failing to sign the supporting demonstrations related to the actuarial statements of self support for the Company's primary policy forms.	20
H	The examiner recommends that the Company implement changes for documenting its pricing and product development in the manner agreed upon with the Department.	20

Respectfully submitted,

_____/s/_____
Luis Marquez
Senior Insurance Examiner

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

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

_____/s/_____
Luis Marquez

Subscribed and sworn to before me
this _____ day of _____

APPOINTMENT NO. 22782

STATE OF NEW YORK
INSURANCE DEPARTMENT

I, ERIC R. DINALLO, Superintendent of Insurance of the State of New York,
pursuant to the provisions of the Insurance Law, do hereby appoint:

LUIS MARQUEZ

as a proper person to examine into the affairs of the

LIFE INSURANCE COMPANY OF BOSTON & 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 1st day of July, 2008



ERIC R. DINALLO
Superintendent of Insurance

Eric Dinallo
Superintendent