STATE OF NEW YORK INSURANCE DEPARTMENT

REPORT ON EXAMINATION

OF THE

MUTUAL OF AMERICA LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2001

DATE OF REPORT:	AUGUST 30, 2002
EXAMINER:	JOSHUA WEISS

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

August 30, 2002

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

Sir:

In accordance with instructions contained in Appointment No. 21826, dated January 25, 2002 and annexed hereto, an examination has been made into the condition and affairs of the Mutual of America Life Insurance Company, hereinafter referred to as “the Company,” at its home office located at 320 Park Avenue, New York, New York 10022.

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.

http://www.ins.state.ny.us

1. EXECUTIVE SUMMARY

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, 2001 filed annual statement. (See item 5 of this report)

The examiner recommends that the Company enter into service agreements with four of its subsidiaries. (See item 3B of this report)

The Company violated Section 51.6(b)(6) of Department Regulation No. 60 when it did not maintain replacement files indexed by agent. (See item 6A of this report)

2. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 1996. This examination covers the period from January 1, 1997 through December 31, 2001. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2001 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, 2001 to determine whether the Company’s 2001 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
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 violations and recommendations 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 departure from laws, regulations or rules, or which require explanation or description.

3. DESCRIPTION OF COMPANY

A. History

The Company was incorporated and licensed as a retirement association under the laws of New York on January 3, 1945, and commenced business on October 1, 1945 as National Health and Welfare Retirement Association Incorporated, a not for profit organization, with the authority to transact business in accordance with what is currently codified as Article 46 of the New York Insurance Law.

On December 31, 1978, the Company converted to a mutual life insurance company pursuant to Section 7303 of the New York Insurance Law under the name National Health and Welfare Mutual Life Insurance Association, Incorporated and eventually assumed all of the business of National Health and Welfare Retirement Association Incorporated.

Effective January 1, 1984, the Company's name was changed to Mutual of America Life Insurance Company.

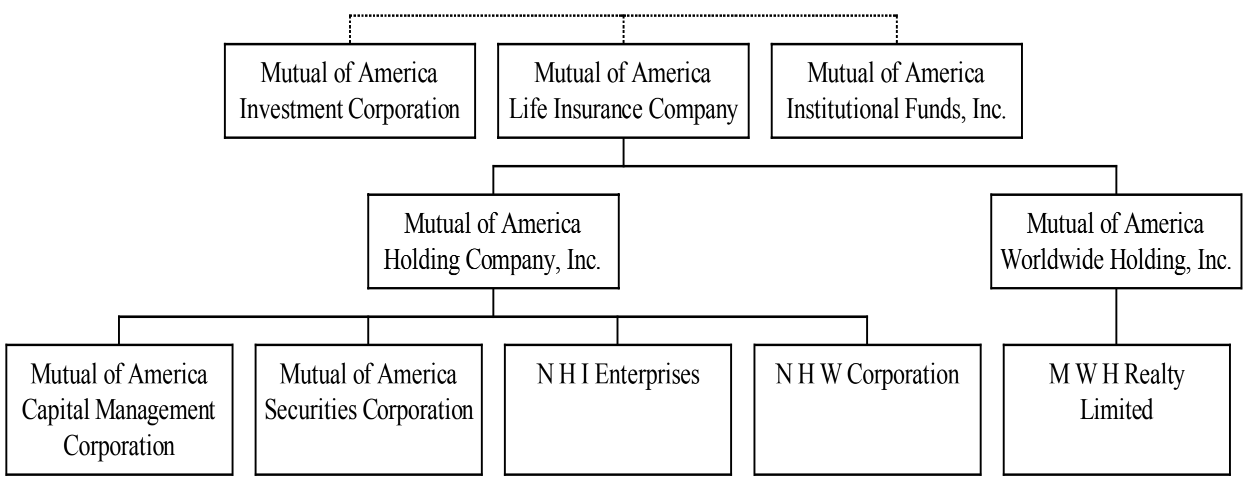
The Company is a mutual life insurer that has specialized in providing employee benefits, including pensions and life and health insurance to employees of employers in the "not for profit" field. Its clientele includes providers of health care, educational institutions, unions, religious and charitable organizations and governmental agencies and their employees. As a provider of benefits to the "not for profit" sector, the Company had been exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Tax Reform Act of 1986 limited the Company's federal tax exemption to the Company's pension business only. The Tax Payer Relief Act of 1997 made the Company's entire operations subject to federal income tax, effective January 1, 1998. This change was subject to certain "fresh start" transition rules, which moderated the impact of federal income taxes on the Company.

As a result of the Tax Relief Act of 1997, the Company was also able to broaden its policyholder base. The Company's original charter limited its policyholders to solely tax-exempt organizations, governmental entities and their directors, employees and families (to comply with its original restricted tax-exempt purpose). In December 1998, the Company's board of directors amended the charter so that the Company could serve the insurance and financial needs of the general public, including for-profit companies, while continuing to serve non-profit organizations.

During 1999, the Company submitted a Plan of Reorganization to the Department ("the Plan") whereby the Company planned to sell American Life Insurance Company of New York ("American Life"), a wholly owned subsidiary. In preparation for the sale, the Company needed to recapture business previously reinsured with American Life and assume all existing business originally written by American Life. Effective January 31, 2001, the Department gave final approval to the termination of the existing reinsurance agreement in effect between the companies, whereby the Company had ceded certain business to American Life. As a result, $641 million of insurance and annuity reserves were returned to the Company. In addition, business written by American Life was assumed by the Company and American Life was sold on February 28, 2001.

B. Subsidiaries

An organization chart reflecting the relationship between the Company and certain significant subsidiaries, as of December 31, 2001, and a brief description of such subsidiaries follows:



Mutual of America Investment Corporation ("Investment Corporation") is a registered, open-end investment management company, incorporated in Maryland in 1986, commonly known as a mutual fund. Unlike most public mutual funds, it restricts the sale of shares solely to the Separate Accounts of the Company. The shares of the respective funds of the Investment Corporation are owned by the Company through its various Separate Accounts.

Mutual of America Institutional Funds, Inc. ("Institutional Funds") is a registered, open-end investment management company, incorporated in Maryland in 1994, commonly known as a mutual fund. It began its operations in 1996. It is owned by the organizations that purchase its shares (i.e., the institutional investors including the Company). Its shares are made available only to endowments, foundations, corporations, municipalities or other public entities and other institutions with a requirement of $25,000 as a minimum initial investment. The funds are not made available to individuals, nor are they made available to Separate Accounts of annuity or insurance contracts. Institutional Funds currently offers six funds, with a selection of equity and fixed income alternatives. This fund was formed to offer the Company's non-profit clientele investment alternatives for their non-pension assets. Many such organizations had expressed an interest in some form of investment services for their other operational or surplus funds. A mutual fund approach was deemed to be the most cost-effective, viable solution for these clients.

Mutual of America Holding Company, Inc. ("Holding Company") is a holding company organized under the laws of the State of Delaware in 1998. It holds all of the shares of the Company's operating subsidiaries.

The Holding Company has no employees. Its officers are also officers of Mutual of America Life Insurance Company.

Mutual of America Capital Management Corporation ("Capital Management") is a registered investment adviser, incorporated in Delaware in 1993. It manages the assets of the Company and its family of companies. It also seeks other opportunities to manage assets for unaffiliated third parties.

Capital Management serves as the investment adviser/manager of the General Account of the Company. It also manages the nine funds of the Investment Corporation, and the six funds of the Institutional Funds. Finally, it manages the individual Separate Accounts established at the Company specifically for the pension plans of several of its clients. Capital Management also manages the funds of each of Mutual of America's subsidiaries in order to carry out their respective investment objectives.

Mutual of America Securities Corporation ("Securities Corporation") is a registered broker/dealer organized under the laws of the State of Delaware in 1990. It distributes the shares of the Institutional Funds. It is also authorized to operate as an introducing broker in executing certain equity trades on behalf of the Company's General Account.

NHW Corporation and NHI Enterprises currently have no assets and are dormant. Previously, they held interests in a partnership holding a foreclosed mortgage loan.

The purpose of Mutual of America Worldwide Holding, Inc. is to own all of the Company's subsidiaries operating outside the United States. Currently, it holds ownership of only one corporation, MWH Realty Limited, which has entered into a lease for office space in Dublin, Ireland.

The Company had seven service agreements in effect with its affiliates and subsidiaries as of December 31, 2001. A general description of each of these service agreements is shown below.

1. Investment Advisory Agreement between the Company and Capital Management, effective January 3, 1994, whereby Capital Management renders investment advisory and management services to the Company. Such services include: performing research; consulting and furnishing the board of directors of the Company recommendations with respect to the Company's investment plan; seeking out, presenting and recommending specific investment opportunities; making and carrying out decisions to acquire or dispose of permissible investments and selecting brokers or dealers that will execute the purchases and sales of the portfolio securities.
2. Distribution Agreement between the Company and Investment Corporation, effective September 21, 1994, whereby Investment Corporation appoints the Company as the principal underwriter and distributor to sell its shares to the Company's Separate Accounts. Investment Corporation is comprised of nine separate funds, each of which pursues its investment objective through separate investment policies.
3. Investment Accounting Agreement between the Company and Capital Management effective January 1, 1997 whereby the Company provides Capital Management with employees, an accounting system and accounting services in connection with Capital Management's activities as the investment accounting and recordkeeping agent for the portfolios of Institutional Funds.
4. Service agreement between the Company and Capital Management, effective January 3, 1994, whereby, the Company provides accounting, tax and auditing, legal and actuarial services to Capital Management.

5. Investment Advisory Agreement between the Company and Capital Management, effective October 1, 1994, whereby Capital Management provides investment advisory services to the fixed income Separate Account of one of its clients.
6. Investment Advisory Agreement between the Company and Capital Management, effective September 10, 1997, whereby Capital Management provides investment advisory services to the Separate Account of one of its clients.
7. Investment Advisory Agreement between the Company and Capital Management, effective August 29, 2001, whereby Capital Management provides investment advisory services to the Separate Account of one of its clients.

The examiner recommends that the Company develop service agreements with the following four subsidiaries: Securities Corporation; Mutual of America Worldwide Holding, Inc.; MWH Realty Limited; and Holding Company. As noted above services are provided by these subsidiaries, however no service agreements were submitted to the Department.

C. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than 13 and not more than 24 directors. One third of the directors are elected each year for a period of three years. Directors are elected by the policyholders during the Company's board of directors elections held in April of each year. As of December 31, 2001, the board of directors consisted of 19 members. Meetings of the board are held five times a year.

The 19 board members and their principal business affiliation, as of December 31, 2001, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Clifford L. Alexander* Washington, D.C.	President Alexander and Assoc.	1989
Manfred Altstadt New York, NY	Chief Financial Officer and Senior Executive Vice President Mutual of America Life Insurance Company	1998
Patrick A. Burns New York, NY	Senior Executive Vice President and General Counsel Mutual of America Life Insurance Company	1998

Name and Residence	Principal Business Affiliation	Year First Elected
Richard M. Cummins* New York, NY	Consultant Pricewaterhouse Coopers, LLP	2000
Salvatore R. Curiale New York, NY	Senior Executive Vice President Mutual of America Life Insurance Company	1998
Roselyn P. Epps M.D.* Washington, D.C.	Medical and Public Health Consultant National Institute of Health	1992
William J. Flynn Garden City, NY	Chairman of the Board Mutual of America Life Insurance Company	1971
Earle H. Harbison, Jr.* St. Louis, MO	Chairman Harbison Corp.	1993
Frances R. Hesselbein* Easton, PA	President The Drucker Foundation	1981
William Kahn* St. Louis, MO	Professor George Warren Brown School of Social Work Washington University	1985
Lasalle D. Leffall, Jr. M.D.* Washington, D.C.	Charles R. Drew Professor of Surgery Howard University College of Medicine	1985
Connie Mack* Washington, D.C.	Senior Policy Advisor Shaw Pittman	2001
Thomas J. Moran New York, NY	President and Chief Executive Officer Mutual of America Life Insurance Company	1992
Fioravante G. Perrotta* New York, NY	Former Senior Partner Rogers & Wells	1997
Dennis J. Reimer* Oklahoma City, OK	Director National Memorial Institute for the Prevention of Terrorism	2000

Name and Residence	Principal Business Affiliation	Year First Elected
Francis H. Schott* Ridgewood, NJ	Former Senior Vice President and Chief Economist The Equitable Life Assurance Society of the United States	1991
O. Stanley Smith Jr.* Columbia, SC	Chairman and Chief Executive Officer Constan Development Company	1989
Sheila M. Smythe* Valhalla, NY	Executive Vice President of the University and Dean of the Graduate School of Health Sciences New York Medical College	1991
Elie Wiesel* New York, NY	Andrew W. Mellon Professor in the Humanities Boston University	1989

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

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, 2001:

Name	Title
Thomas J. Moran	President and Chief Executive Officer
Manfred Altstadt	Chief Financial Officer and Senior Executive Vice President
Patrick A. Burns	Senior Executive Vice President and General Counsel
Salvatore R. Curiale	Senior Executive Vice President
William Breneisen	Executive Vice President
Jeremy J. Brown	Executive Vice President and Chief Actuary
William S. Conway	Executive Vice President
William A. DeMilt	Executive Vice President
Thomas E. Gilliam	Executive Vice President
John R. Greed	Executive Vice President and Treasurer
Theodore L. Herman	Executive Vice President
Gregory A. Kleva	Executive Vice President and Deputy General Counsel
George L. Medlin	Executive Vice President - Internal Audit
Joan M. Squires	Executive Vice President
Diane M. Aramony	Executive Vice President and Corporate Secretary

Jared Gutman, Senior Vice President, 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 50 states and the District of Columbia. In 2001, 24% of life premiums and 37% of annuity considerations were received from New York. In addition, a majority (81%) of deposit type funds were received from New York (33%), the District of Columbia (28%) and California (20%). Policies are written on a participating and non-participating basis.

The Company focuses on the not-for-profit annuity and pension marketplace. The primary products marketed by the Company include defined benefit and defined contribution retirement plans, tax deferred annuities, individual retirement annuities and guaranteed interest contracts.

The Company's agency operations are conducted on a regional sales office basis. All business is solicited either by direct mail or through salaried field consultants of the Company.

E. Reinsurance

As of December 31, 2001, the Company had reinsurance treaties in effect with four companies, of which three were authorized or accredited. The Company's life and accident and health business is reinsured on a modified-coinsurance and/or yearly renewable term basis. Reinsurance is provided on an automatic and/or facultative basis.

The maximum retention limit for individual life contracts is $150,000. The total face amount of life insurance ceded as of December 31, 2001 was $145,512,000, which represents 13% of the total face amount of life insurance in force.

The total face amount of life insurance assumed, as of December 31, 2001, was $16,995,298.

During 2000, the Company assumed a substantial portion of American Life's group and individual in-force business. As a result of the assumption reinsurance agreement, general account reserves and assets totaling $256.1 million and separate account reserves and assets totaling $186.6 million were transferred to the Company.

Effective October 1, 2000, all eligible policyholders who had not previously elected to have their contracts assumed by the Company were given the opportunity to have their policies with American Life cancelled and rewritten by the Company. Under this option, general account reserves and assets totaling $43.7 million and separate account reserves and assets totaling $32.0 million were cancelled in American Life and rewritten by the Company.

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, 1996	December 31, 2001	Increase
Admitted assets	$7,432,740,452	$10,395,017,304	$2,962,276,852
Liabilities	$7,001,695,074	$ 9,776,250,484	$2,774,555,410
Guaranty fund – Colorado	$ 400,000	$ 400,000	$ 0
Special contingency fund for Separate Account business	750,000	750,000	0
Unassigned funds (surplus)	429,895,378	617,616,820	187,721,442
Total surplus	$ 431,045,378	$ 618,766,820	$ 187,721,442
Total liabilities and surplus	$7,432,740,452	$10,395,017,304	$2,962,276,852

The Company's invested assets as of December 31, 2001, exclusive of Separate Accounts, were mainly comprised of bonds (84.4%), stocks (5.7%) and real estate (5.1%).

The majority (91.3%) of the Company's bond portfolio, as of December 31, 2001, 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):

	Individual Whole Life		Group Life	
Year	Issued	In Force	Issued & Increases	In Force
1997	$ 0	$ 6,419	$0	$ 0
1998	$ 0	$ 5,696	$0	$ 0
1999	$ 0	$ 5,213	$0	$ 0
2000	$12,068	$288,775	$0	$806,461
2001	$17,544	$309,682	$0	$834,786

The increases in the business in force for the years 2000 and 2001 are due to the assumption of business from American Life.

The following has been extracted from the Exhibits of Annuities in the filed annual statements for each of the years under review:

	Ordinary Annuities				
	1997	1998	1999	2000	2001
Outstanding, end of previous year	1,300	1,349	1,349	1,335	5,549
Issued during the year	101	37	20	4,494	10
Other net changes during the year	(52)	(37)	(34)	(280)	(441)
Outstanding, end of current year	1,349	1,349	1,335	5,549	5,118

The increase in annuities issued during the year 2000 is primarily related to the assumption reinsurance transaction with American Life that took place during the year.

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:

	1997	1998	1999	2000	2001
Ordinary:					
Life insurance	$ 0	$ 0	$ 0	$ (1,602,798)	$(1,836,480)
Individual annuities	3,302,638	7,152,507	8,356,293	(1,681,274)	(635,738)
Supplementary contracts	9,113	(195,027)	345,665	(1,703,779)	3,825,674
Total ordinary	$ 3,311,751	$ 6,957,480	$ 8,701,958	$ (4,987,851)	$ 1,353,456
Group:					
Life	$ 0	$ 0	$ 0	$ 578,841	$ 846,472
Annuities	50,725,273	42,997,052	64,104,154	48,352,795	38,217,024
Total group	$50,725,273	$42,997,052	$64,104,154	$48,931,636	$39,063,496
Accident and health:					
Group	$ 0	$ 0	$ 0	$ (3,166,605)	$(648,571)
Total	$54,037,024	$49,954,532	$72,806,112	$40,777,180	$39,768,381

The losses shown in all of the ordinary lines and the group accident and health lines of business in 2000 and 2001 are due to the acquisition expenses associated with the assumption reinsurance of the American Life business.

The following table indicates for the period under review, the limitations imposed by Sections 4228 of the New York Insurance Law, with respect to total selling expenses:

Limitation of Total Selling Expenses

Year	Limit	Expenses	Margin	Ratio
1998	$ 8,178,085	$ 975,890	$7,202,195	11.93%
1999	$12,858,069	$ 9,016,497	$3,841,572	70.12%
2000	$16,617,872	$14,810,037	$1,807,835	89.12%
2001	$26,668,499	$22,724,264	$3,944,235	85.21%

The Company did not include all the required expenses for 1998 and incorrectly included group life expenses for the years 1999-2001.

The examiner recommends that the Company take greater care in preparing Schedule Q.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, surplus and other funds as of December 31, 2001, as contained in the Company's 2001 filed annual statement, a condensed summary of operations and a reconciliation of the 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, 2001 filed annual statement.

A. ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS AS OF DECEMBER 31, 2001

Admitted Assets

Bonds	$ 5,074,639,487
Stocks:	
Preferred stocks	32,655,724
Common stocks	308,292,088
Mortgage loans - first liens	14,297,862
Real estate:	
Properties occupied by the company	306,017,110
Policy loans	95,697,481
Cash and short term investments	88,312,812
Other invested assets	91,811,843
Receivable for securities	3,294,118
Invested assets - Sargasso Mutual	883,018
Reinsurance ceded:	
Amounts recoverable from reinsurers	46,068
Commissions and expense allowances due	1,896
Other amounts recoverable under reinsurance contracts	3,560,931
Electronic data processing equipment and software	251,816
Federal and foreign income tax recoverable and interest thereon	2,271,522
Guaranty funds receivable or on deposit	5,822
Life insurance premiums and annuity considerations deferred and uncollected on in force business	619,759
Accident and health premiums due and unpaid	424,090
Investment income due and accrued	98,557,126
Uncollected group annuity	5,056,588
Other assets and accounts receivable	3,680,526
From Separate Accounts statement	4,264,639,617
Total admitted assets	$10,395,017,304

Liabilities, Surplus and Other Funds

Aggregate reserve for life policies and contracts	$ 4,243,359,588
Aggregate reserve for accident and health policies	47,093,474
Liability for deposit-type contracts	948,135,672
Policy and contract claims:	
Life	5,929,554
Accident and health	651,545
Dividends apportioned for payment	115,639
Policy and contract liabilities not included elsewhere:	
Other amounts payable on reinsurance assumed	1,502,756
Interest maintenance reserve	166,486,578
General expenses due or accrued	26,121,041
Transfers to Separate Accounts due or accrued	(23,301,694)
Taxes, licenses and fees due or accrued	1,807,978
Federal and foreign income taxes	1,601,603
Amounts withheld or retained by company as agent or trustee	1,678,641
Amounts held for agents' account	17,833
Remittances and items not allocated	7,248,693
Liability for benefits for employees and agents	24,187,831
Miscellaneous liabilities:	
Asset valuation reserve	43,569,072
Payable to parent, subsidiaries and affiliates	73,170
Payable for securities	9,558,075
Miscellaneous accounts payable	1,608,080
Unallocated liability – administered pension plans	4,165,738
From Separate Accounts statement	4,264,639,617
Total liabilities	$ 9,776,250,484
Special contingency fund for separate account business	$ 750,000
Guaranty Fund – Colorado	400,000
Unassigned funds (surplus)	617,616,820
Total surplus and other funds	$ 618,766,820
Total liabilities, surplus and other funds	$10,395,017,304

B. CONDENSED SUMMARY OF OPERATIONS

	1997	1998	1999	2000	2001
Premiums and considerations	$ 658,777,773	$ 705,074,438	$ 821,199,076	$1,088,665,660	$ 938,970,954
Investment income	342,888,601	322,342,130	338,261,864	325,538,955	396,734,574
Commissions and reserve adjustments on reinsurance ceded	0	0	0	442,086,410	641,070,534
Miscellaneous income	1,258,264	42,250,547	48,827,722	51,685,831	42,771,935
Total income	$1,002,924,638	$1,069,667,115	$1,208,288,662	$1,907,976,856	$2,019,547,997
Benefit payments	$ 778,451,532	$ 855,461,829	$ 939,413,646	$1,060,994,743	$ 980,844,730
Increase in reserves	(163,416,952)	(20,305,849)	(16,611,075)	425,666,672	914,288,635
Commissions	0	0	0	4,016	2,268
Increase in loading on deferred and uncollected premiums	0	0	0	0	14,831
General expenses and taxes	118,323,904	122,686,350	129,141,624	135,412,747	141,825,113
Net transfers to (from) Separate Accounts	212,793,644	61,806,312	76,550,179	248,302,697	(54,272,307)
Miscellaneous deductions	2,735,486	63,941	6,988,175	(3,378,394)	(3,076,996)
Total deductions	$ 948,887,614	$1,019,712,583	$1,135,482,549	$1,867,002,481	$1,979,609,175
Net gain (loss)	$ 54,037,024	$ 49,954,532	$ 72,806,113	$ 40,974,375	$ 39,921,723
Dividends	0	0	0	197,196	153,339
Net gain from operations before net realized capital gains	$ 54,037,024	$ 49,954,532	$ 72,806,113	$ 40,777,179	$ 39,768,384
Net realized capital gains	13,415,134	16,279,351	20,521,297	31,596,828	44,244,653
Net income	$ 67,452,158	$ 66,233,883	$ 93,327,410	$ 72,374,007	$ 84,013,037

C. SURPLUS ACCOUNT

	1997	1998	1999	2000	2001
Surplus, December 31, prior year	$431,045,378	$523,940,304	$594,829,681	$680,768,652	$ 662,303,082
Net income	$ 67,452,158	$ 66,233,883	$ 93,327,410	$ 72,374,007	$ 84,013,037
Change in net unrealized capital gains (losses)	43,830,246	9,573,379	3,697,808	(128,080,758)	(126,583,938)
Change in nonadmitted assets and related items	20,430,042	9,967,036	(13,484,589)	(2,775,005)	(13,958,980)
Change in reserve valuation basis	0	133,510	0	0	0
Change in asset valuation reserve	(13,362,899)	1,829,946	2,400,388	40,016,186	22,539,539
Change due to codification	0	0	0	0	(677,720)
Cumulative effect of changes in accounting principles	0	0	0	0	(8,868,196)
Prior year adjustments	0	16,593	(2,046)	0	0
Common stock of affiliate write-off	0	(16,864,970)	0	0	0
Employee pension related liabilities	(25,454,621)	0	0	0	0
Net change in surplus	$ 92,894,926	$ 70,889,377	$ 85,938,971	$(18,465,570)	$ (43,536,258)
Surplus, December 31, current year	$523,940,304	$594,829,681	$680,768,652	$662,303,082	$ 618,766,824

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 51.6(b) of Department Regulation No. 60 states, in part:
>
> "Where a replacement has occurred or is likely to occur, the insurer replacing the life insurance policy or annuity contract shall . . .
> (6)Where the required forms are received with the application and found to be in compliance with this Part, maintain copies of: any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract . . . and the notification of replacement to the insurer whose life insurance policy or annuity contract is to be replaced indexed by agent, for six calendar years or until after the filing of the report on examination in which the transaction was subject to review by the appropriate insurance official of its state of domicile, whichever is later . . . "

Although the Company maintained replacement information, such information was not indexed by agent.

The Company violated Section 51.6(b)(6) of Department Regulation No. 60 when it did not maintain replacement files indexed by agent.

B. Underwriting and Policy Forms

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

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

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 216.11 of Department Regulation No. 64 states:

> "To enable department personnel to reconstruct the insurer's activities, all insurers subject to the provisions of this Part must maintain within each claim file all communications, transactions, notes and work papers relating to the claim. All communications and transactions, whether written or oral, emanating from or received by the insurer shall be dated by the insurer. Claim files must be so maintained that all events relating to a claim can be reconstructed by the Insurance Department examiners. Insurers shall either make a notation in the file or retain a copy of all forms mailed to claimants."

A review of the Company's death claim files and resisted claim files revealed that telephone conversations between Company personnel and beneficiaries, referred to in written correspondence, were not documented in the claim files. In addition, most of the claim files reviewed contained documents that were not date stamped.

The examiner recommends that a record of every communication and transaction be maintained for all claim files. Such records should include letters and oral correspondence with claimants and beneficiaries. The examiner also recommends that the Company date stamp all documents in its claim files.

2. A review of the Company's complaint files revealed that telephone conversations between Company personnel and claimants, referred to in written correspondence, were not documented in the complaint files.

The examiner recommends that the Company maintain a record of all communication with complainants, whether written or oral, in each complaint file.

3. The Company's complaint handling procedures specify that when a complaint is received a confirmation letter is to be sent to the complainant within four workdays. The Company did not send the required confirmation letter in all of the complaint files reviewed.

The examiner recommends that the Company follow its procedures and send the required confirmation letter to all complainants within four workdays.

D. Response to Supplement No. 1 to Department Circular Letter No. 19 (2000)

Supplement No. 1 to Circular Letter No. 19 (2000) (the "Supplement"), issued by the Department on June 22, 2000, notified all licensed life insurers that the Department was investigating allegations of race-based underwriting of life insurance by its licensees. The Supplement directed, pursuant to Section 308 of the New York Insurance Law, each domestic and foreign life insurer to review its past and present underwriting practices regarding race-based underwriting and to report its findings to the Department, no later than August 15, 2000.

Pursuant to Section 308 of the New York Insurance Law, the Company submitted in a timely manner a report of the findings of its review of past and present underwriting practices regarding race-based underwriting made in accordance with the requirements of the Supplement.

The Company reported that it reviewed all relevant documents, including but not limited to, its rate charts, mortality tables, compensation structures, underwriting and sales manuals, applications and policy form filings, board of directors (and committees) minutes and internal memoranda. The Company has always distributed its annuity and life insurance products through salaried employees and there are no agents or brokers contracts to be reviewed.

In summary, the Company's findings were that it did not engage in, and does not now engage in, race-based underwriting.

An analysis of the Company's response to the Supplement and other factors indicated that the Company's review of its past and present underwriting practices complied with the requirements of the Supplement.

7. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

Item	Description
A	The examiner recommended that the Company take greater care in preparing its Exhibit of Annuities. The Company prepared its Exhibit of Annuities properly during the current examination period.
B	The Company violated Section 1313(a) of the New York Insurance Law by issuing brochures that purported to make known the Company's financial condition without disclosing the Company's liabilities and surplus to policyholders. The Company's brochures issued during the current examination period disclosed the Company's full financial condition including liabilities and surplus to policyholders.
C	The Company violated Section 219.4(p) of Department Regulation No. 34-A by not identifying the name of the city in which it has its home office. The Company instituted procedures to ensure that all advertisements identified the name of the city in which it has its home office. All advertisements reviewed included the city of the home office.
D	The examiner recommended that the Company report its entire cost basis, less depreciation, in its home office as "Real estate properties occupied by the Company." The Company now reports its entire cost basis, less depreciation, in its home office as "Real estate properties occupied by the Company."
E	The Company violated Section 1405(a)(4) of the New York Insurance Law by not obtaining the Superintendent's prior approval for capitalized costs on the Company's home office building. The Company received approval from the Superintendent.

Item	Description
F	The Company violated Section 4233(b) of the New York Insurance Law by not reporting in its annual statement 135 vendors that received in excess of $60,000. The Company reported all payments to vendors in excess of $60,00 in its filed annual statements during the examination period.
G	The examiner recommended that the Company report all vendors receiving payments in excess of $60,000 in its filed annual statements. The Company reported all payments to vendors in excess of $60,00 in its filed annual statements during the examination period.
H	The examiner recommended that the Company initiate action which will result in the ability to fully reconcile the amounts reported in its annual statement with the corresponding amount in its Separate Account annual statement. The Company initiated action that resulted in its being able to fully reconcile the amounts reported in its annual statement with the corresponding amounts in its Separate Account annual statement.
I	The examiner recommended that the Company take greater care in preparing its Schedule Q. The Company corrected certain errors made in the preparation of Schedule Q but made other errors in the preparation of Schedule Q during this examination period. This recommendation is repeated in the current report on examination.
J	The examiner recommended that the Company maintain records so that amounts reported in its annual statements for claims paid and outstanding can be traced back to the policy giving rise to the claim in order to facilitate the examination process and enhance the Company's internal control. The Company maintained records so that amounts reported in its annual statements for claims paid and outstanding could be traced back to the policy giving rise to the claim during the current examination period.

8. SUMMARY AND CONCLUSIONS

Following are the violations and recommendations contained in this report:

Item	Description	Page No(s).
A	The examiner recommends that the Company enter into service agreements with four of its subsidiaries.	8
B	The examiner recommends that the Company take greater care in preparing Schedule Q.	16
C	The Company violated Section 51.6(b)(6) of Department Regulation No. 60 when it did not maintain replacement files indexed by agent.	21
D	The examiner recommends that a record of every communication and transaction be maintained for all claim files.	22
E	The examiner recommends that the Company date stamp all documents in its claim files.	22
F	The examiner recommends that the Company maintain a record of all communication with complainants, whether written or oral, in each complaint file.	22
G	The examiner recommends that the Company follow its procedures and send the required confirmation letter to all complainants within four workdays.	23

Respectfully submitted,

/s/
Joshua Weiss
Associate Insurance Examiner

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

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

/s/
Joshua Weiss
Associate Insurance Examiner

Subscribed and sworn to before me

this__________ day of ___________________

APPOINTMENT NO. 21826

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:

JOSHUA WEISS

as a proper person to examine into the affairs of the

MUTUAL OF AMERICA LIFE INSURANCE COMPANY

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 25th day of January ,2002

GREGORY V. SERIO
Superintendent of Insurance

Superintendent