STATE OF NEW YORK INSURANCE DEPARTMENT

REPORT ON EXAMINATION

OF THE

AMERICAN INTERNATIONAL LIFE

ASSURANCE COMPANY OF NEW YORK

AS OF DECEMBER 31,1995

DATE OF REPORT: MAY 2, 1997
EXAMINER: JOHN LETOURNEAU

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STATE OF NEW YORK
INSURANCE DEPARTMENT
160 WEST BROADWAY
NEW YORK, NEW YORK 10013

June 2,1997

Honorable Neil D. Levin

Superintendent of Insurance

State of New York

Albany, New York 12257

Dear Sir:

In accordance with instructions contained in Appointment Number 20960 dated May 1,1996 and annexed hereto, an examination has been made of the American International Life Assurance Company of New York, hereinafter referred to as the "Company", at its home office, located at 80 Pine Street, New York 10270.

Wherever the term "the 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 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 31,1995 filed annual statement. (See item 5 of this report).

During the period under review, the examiners found that the Company did not maintain completed disclosure statements in the files relating to internal replacements as required by Department Regulation No. 60 and the Company did not file termination notices for all agents terminated during the examination period in accordance with Section 2112(d) of the New York Insurance Law. (See item 6A of this report)

The Company paid interest on death claims on New York issued policies in accordance with the statutes of the beneficiary's state of residence. Interest on death claims relating to New York State issued policies should be paid in accordance with New York Insurance Law. (See item 6C of this report)

The Company purchased an interest rate cap without a hedging program and without board of directors' approval. This is in violation of Section 1403(d)(2) and 1411(a) of the New York Insurance Law. (See item 7 of this report)

The Company gave discounts for life insurance to employees of affiliated companies in violation of Section 4224(c) of the New York Insurance Law. (See item 8 of this report)

The Company utilized premium rates in connection with its group long term disability policies that were different than those on file with the superintendent. This is in violation of Section 4235(h)(1) (2) and (3) of the New York Insurance Law. (See item 10 of this report)

2. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 1992. This examination covers the period from January 1,1993 to December 31,1995. As necessary, the examiner reviewed transactions occurring subsequent to December 31,1995 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 31,1995 to determine whether the Company's filed 1995 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 bonds and other insurance
Officers', employees' and agents' 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

A review was also made by the examiner and it was noted that corrective action was taken by the Company with respect to all comments, recommendations and/or violations contained in the previous report on examination.

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

3. DESCRIPTION OF COMPANY

A. History

The Company was organized as a stock life insurance company on March 16,1962, under the provisions of Section 48, now Section 1201, of the New York Insurance Law and commenced business in November 1962. It was incorporated with an authorized capital of $1,000,000 consisting of 10,000 shares of common stock with a par value of $100 per share, and paid-in and contributed surplus of $1,000,000. In 1972, the authorized capital was increased by $250,000 as a result of a stock dividend. In 1989, the authorized capital was increased to $2,500,000 consisting of 12,500 shares of common stock with a par value of $200 per share. This reduced paid-in and contributed surplus by $1,250,000. Authorized capital was increased to 16,125 shares of common stock with a par value of $200 per share and paid-in and contributed surplus was decreased by $725,000 in 1991.

From 1981 through 1992, the parent company, American International Group, made contributions to surplus totaling $120,000,000. In 1993, the parent made an additional contribution to surplus of $78,000,000 bringing the current paid-in and contributed surplus to $197,025,000.

B. Holding Company

The Company is 77.5% owned by American International Group, Incorporated, a Delaware corporation, (hereinafter referred to as the parent or AIG). AIG is a publicly traded corporation which is partially owned (16.12%) by Starr International Company, Inc.("SICO"). SICO'S major stockholders include some of the directors of C.V. Starr & Co.,Inc. who collectively hold 83.3% of SICO's outstanding stock.

The sales functions and part of the underwriting operations of the Company are conducted at its home office by officers and employees of the Company. Certain operations and functions, including certain accounting, premium billing and collection, reinsurance, actuarial, auditing, agency matters and policyholder services are provided by AIG Life Insurance Company, an affiliate, from its offices in Wilmington, Delaware. Investment services, office management and supply services and personnel administration are provided to the Company by AIG in New York. Electronic data processing is performed for the Company by American International Group Data Center, Inc. located in New Jersey. The Company has service agreements with its parent and a number of affiliates. Fidelity bonds and other insurance coverage are purchased by AIG and include the Company as a named insured. The Company's employees are included under AIG's employee insurance program and pension plan.

C. Management and Control

The Company's charter provides that the Company is managed by a board of directors comprised of not less than 13 nor more than 25 directors, as may be determined from time to time by the board. At December 31,1995, there were 17 directors on the board. A review of the minutes of the meetings of the board of directors and its various committees revealed that all meetings were well attended and that each director had an acceptable attendence record.

The 17 members of the board and their principal business affiliations, as of December 31, 1995, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Peter J. Dalia North Miami Beach, Florida	Retired Vice President and Comptroller, AIG	1985
Marion Elizabeth Fajen Des Moines, Iowa	Retired Vice President and Secretary, AIG	1989
Cecil Calvert Gamwell III Westport, Connecticut	Retired Insurance Executive, AIG	1994
Maurice Raymond Greenberg New York, New York	Chairman and Chief Executive Officer, AIG	1962
Jacob Ernest Hansen Greenville, Delaware	President, AIG Marketing, Inc.	1991
Jack Russell Harnes Pawling, New York	Retired Medical Director, AIG	1971
John Inniss Howell Greenwich, Connecticut	Retired Chairman of the Executive Committee, J. Henry Schroder Bank & Trust Company	1988
Jeffrey M. Kestenbaum Katonah, New York	Senior Vice President, AILife	1994
Edwin Alfred Greenville Manton New York, New York	Retired Insurance Executive, AIG	1995
Jerome T. Muldowney Norwalk, Connecticut	Senior Vice President, AILife	1984
Win Jay Neuger Princeton, New Jersey	Senior Vice President and Chief Investment Officer, AIG	1995
Robert John O'Connell Fairfield, Connecticut	President and Chief Executive Officer, AILife	1991
Nicholas Alexander O' Kulich New York, New York	Vice President, AILife	1990
John R. Skar Newton Square, Pennsylvania	Vice President, AILife	1992

Name and Residence	Principal Business Affiliation	Year First Elected
Ernest Edward Stempel Fairylands, Bermuda	Chairman of the Board, AILife	1989
David J. Walsh Morris Township, New Jersey	General Counsel, Domestic Brokerage companies of AIG	1995
Gerald W. Wyndorf Greenville, Delaware	Executive Vice President, AILife	1995

During 1996, Mr. Patrick J. Foley was added to the board of directors.

The following is a listing of the principal officers of the Company as of December 31, 1995:

Name	Title
Ernest E. Stempel	Chairman of the Board
Robert J. O'Connell	Chief Executive Officer and President
Gerald W. Wyndorf	Executive Vice President
Michele L. Abruzzo	Senior Vice President
Gregory A. Arms	Senior Vice President
James A. Bambrick	Senior Vice President
Raymond Tsun-Che Chen	Senior Vice President
Henry Chung-Ta Hsiang	Senior Vice President
Jeffrey M. Kestenbaum	Senior Vice President
Edward E. Matthews	Senior Vice President - Finance
Jerome T Muldowney	Senior Vice President
Norman Sorensen	Senior Vice President
Robert Liguori*	Vice President
Elizabeth M. Tuck	Secretary

* Designated Consumer Services Officer per Section 216.4(c) of 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 most states of the United States (except Arizona, Connecticut, and Maryland), the District of Columbia, American Samoa, U.S. Virgin Islands and Guam. The Company started marketing variable annuity contracts in 1988. All individual business is written on a non-participating basis while group policies receive experience refunds under certain conditions.

The sales force consists of general agents, brokers, and soliciting agents. At December 31,1995, there were 652 general agents and 8,211 soliciting agents and brokers.

In 1995, New York State accounted for 65% of the Company's direct life insurance premium income, 89% of annuity considerations and 80% of accident and health premiums.

E. Reinsurance

The Company has reinsurance ceded agreements to reinsure the excess over its retention limits on ordinary life, annuity, accident and health, group life and group accident and health insurance with seventy reinsurers, including reinsurance provided by thirty six reinsurers through five reinsurance intermediaries. The agreements cover both automatic and facultative cessions in excess of the Company's normal retention limits. The Company's maximum retention on ordinary life is $500,000 per life, applicable to those insureds meeting the necessary health and occupational qualifications. The Company also cedes business under surplus and catastrophe type treaties.

The Company assumes business from nine insurers of which five are affiliates of the Company. The Company's major accident and health assumption agreement is with American Home Assurance Company, an affiliate.

At December 31,1995, the Company had a total of $711,024,670 face amount of life insurance ceded, which represented 16% of the Company's total life insurance in force. Of that amount $4,775,769, or .67% of the total amount reinsured was in unauthorized companies. Substantially all of the reinsurance in unauthorized companies is collateralized by letters of credit.

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.

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

	December 31, 1992	December 31, 1995	Increase
Admitted assets	$3,440,014,955	$4,993,531,618	$1,553,516,663
Liabilities	$3,294,183,688	$4,735,622,103	$1,441,438,415
Common capital stock	$ 3,225,000	$ 3,225,000	$ 0
Paid-in and contributed surplus	119,025,000	197,025,000	78,000,000
Special surplus funds	4,082,819	6,354,776	2,271,957
Unassigned surplus	19,498,448	51,304,739	31,806,291
Total capital and surplus	$ 145,831,267	$ 257,909,515	$ 112,078,248
Total liabilities, capital and surplus	$3,440,014,955	$4,993,531,618	$1,553,516,663

The increase in assets, liabilities, and surplus reflected normal growth during the period under examination. The Company's admitted assets as of December 31, 1995, were mainly invested in bonds (82.8%),and mortgage loans (9.3%). The Company did not have a significant amount of non-investment grade bonds.

The following table gives a detailed breakdown of the net gain or (loss) after federal income taxes but before realized capital gains, by line of business for each of the years under review:

	1993	1994	1995
Ordinary:			
Life insurance	$ (1,491,193)	$ (3,568,642)	$ (1,676,636)
Individual annuities	13,688,914	13,956,807	18,627,360
Supplementary contracts	275,980	199,499	379,422
Total ordinary	$ 12,473,701	$10,587,664	$17,330,146
Credit life	$ 697,135	$ 145,043	$ 267,477
Group:			
Life	$ 597,986	$ 180,806	$ 1,122,561
Annuities	(12,078,424)	7,667,193	28,897,899
Total group	$ (11,480,438)	$ 7,847,999	$30,020,460
Accident and health:			
Group	$ 942,574	$ 127,048	$ 143,686
Other	(19,110)	(495,753)	(898,433)
Total accident and health	$ 923,464	$ (368,705)	$ (754,747)
All other lines	$ (97,535)	$ (18,808)	$ (1,326)
Total	$ 2,516,327	$18,193,193	$46,862,010

The Company's low operating earnings in 1993 result primarily from the cancellation of a reinsurance treaty with AIG Life Insurance Company. The Company's net gains over the past two years have improved considerably. This is due primarily to economies of scale associated with the group annuity and group pension lines of business.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital, surplus and other funds as of December 31, 1995, as contained in the Company's filed 1995 annual statement, a condensed comparative 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 31,1995 filed annual statement.

A. Assets, Liabilities, Capital, Surplus, and Other Funds

Admitted Assets

Bonds	$4,138,963,285
Stocks:	
Preferred stocks	4,563,766
Common stocks	25,715,942
Mortgage loans	463,970,362
Real estate:	
Investment real estate	27,000,397
Policy loans	10,990,635
Cash on hand and on deposit	(12,798,272)
Short-term investments	103,039,531
Other invested assets	60,961,362
Aggregate write-ins for invested assets	509,625
Reinsurance ceded:	
Amounts recoverable from reinsurers	4,329,002
Commissions and expense allowances due	2,533,105
Experience rating and other refunds due	356,055
Electronic data processing equipment	1,812
Life insurance premiums and annuity considerations deferred and uncollected	804,694
Accident and health premiums due and unpaid	2,888,008
Investment income due and accrued	74,355,143
Receivable from parent, subsidiaries and affiliates	1,279,066
Aggregate write-ins for other than invested assets	15,917,432
From separate accounts statement	68,150,668
Total admitted assets	$4,993,531,618

Liabilities, Capital, Surplus and Other Funds

Aggregate reserve for life policies and contracts	$3,744,670,335
Aggregate reserve for accident and health policies	8,672,913
Supplementary contracts without life contingencies	9,331,288
Policy and contract claims:	
Life	13,852,719
Accident and health	18,128,573
Premiums and annuity considerations received in advance	139,222
Liability for premium and other deposit funds:	
Guaranteed interest contracts	737,479,720
Policy and contract liabilities:	
Provision for experience rating refunds	3,220,124
Interest maintenance reserve	16,841,363
Commissions to agents due or accrued	548,345
Commissions and expense allowances payable on reinsurance assumed	765,437
General expenses due or accrued	957,444
Taxes, licenses and fees due or accrued	496,257
Cost of collection on premiums and annuity considerations deferred and uncollected in excess of loading thereon	132,053
Unearned investment income	35,633
Amounts withheld or retained by company as agent or trustee	111,149
Remittances and items not allocated	36,185,696
Asset valuation reserve	63,378,041
Reinsurance in unauthorized companies	301,143
Payable to parent, subsidiaries and affiliates	8,774,230
Aggregate write-ins for liabilities	3,449,750
Total liabilities excluding Separate Accounts business	$4,667,471,435
From Separate Accounts Statement	68,150,668
Total liabilities	$4,735,622,103
Common capital stock	$ 3,225,000
Gross paid in and contributed surplus	197,025,000
Aggregate write-ins for special surplus funds	6,354,776
Unassigned funds	51,304,739
Total capital, surplus and other funds	$ 257,909,515
Total liabilities, capital, surplus and other funds	$4,993,531,618

B. Summary of operations

	1993	1994	1995
Premiums and considerations	$597,231,900	$ 833,306,583	$ 665,015,225
Net investment income	302,566,240	334,943,673	383,333,502
Other	4,007,614	4,793,099	4,596,048
Total income	$903,805,754	$1,173,043,355	$1,052,944,775
Benefit payments	$395,978,192	494,866,183	558,608,446
Increase in reserves	445,764,684	566,847,620	336,071,550
Commissions	25,050,385	35,355,458	27,889,650
General insurance expenses	34,464,241	34,490,929	31,797,506
Net transfers to or (from) separate accounts	1,322,961	8,632,485	32,896,137
Total deductions	$902,580,463	$1,140,192,675	$ 987,263,289
Net gain from operations	$ 1,225,291	$ 32,850,680	$ 65,681,486
Federal income taxes	(1,291,037)	14,657,487	18,819,473
Net gain before net realized capital gains	$ 2,516,328	$ 18,193,193	$ 46,862,013
Net realized capital gains or loss	(218,820)	3,032,401	2,197,202
Net gain	$ 2,297,508	$ 21,225,594	$ 49,059,215

C. Capital and surplus account

	1993	1994	1995
Capital and surplus, December 31, previous year	$145,831,267	$ 212,094,693	$214,273,275
Net gain	$ 2,297,508	$ 21,225,594	$ 49,059,215
Change in net unrealized capital gains (losses)	12,244,742	(560,297)	177,635
Change in non-admitted assets and related items	(22,569)	(198,622)	252,503
Change in liability for reinsurance in unauthorized companies	114,161	(27,621)	151,400
Change in reserve valuation basis	0	(15,000,000)	0
Change in asset valuation reserve	(15,714,766)	(3,754,046)	(6,011,405)
Change in treasury stock	0	0	0
Change in surplus in separate accounts statement	(148,899)	(1,599)	(1,109,514)
Surplus adjustments:			
Paid in	78,000,000	0	0
Aggregate write ins for gains and losses in surplus	(10,506,751)	495,173	1,116,406
Net change in capital and surplus for the year	$ 66,263,426	$ 2,178,582	$ 43,636,240
Capital and surplus December 31, current year	$ 212,094,693	$214,273,275	$257,909,515

6. MARKET CONDUCT ACTIVITIES

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

A. Advertising and Sales Activities

The examiner reviewed the Company's advertising files and the sales activities of the agency force, including trade practices, solicitation and the replacement of insurance policies. The result of the review follows:

Department Regulation No. 60, section 51.5(a) (5) (v) requires each insurer to:

> "maintain copies of any proposal and other sales material used, the completed 'Disclosure Statement', proof of receipt by the applicant of the 'Notice to Applicants Regarding Replacement of Life Insurance',... in its home office for at least three years or until the conclusion of the next succeeding regular examination by the Insurance Department of its State of domicile, whichever is later".

The examiner reviewed the Company's internal and external replacements. As a result of this review the examiner noted that internal replacement files did not comply with Regulation 60. Disclosure statements were not in a number of the files. This problem was concentrated in one agent. He wrote approximately 80% of the internal replacements and none of these files contained disclosure statements. This accounted for approximately 90% of the business the agent wrote for the company during the examination period.

It is recommended that the Company comply with the requirements of Department Regulation 60 and maintain completed disclosure statements in the files.

Agent Termination Notices

Section 2112(d) of the New York Insurance Law states in part:

> "Every insurer...doing business in this state shall, upon termination of the certificate of appointment of any insurance agent licensed in this state, forthwith file with the superintendent a statement, in such form as the superintendent may prescribe, of the facts relative to such termination and the cause thereof..."

The Company did not file the requisite termination notices for a number of agents who were terminated during the examination period. The Company violated Section 2112(d) of the New York Insurance Law.

B. Underwriting and Policy Forms

The examiner reviewed a selected number of new underwriting files, both issued and declined, to determine that the treatment of applicants was in accordance with the Company's underwriting rules and practices and that the applicable policy forms were filed and/or approved in accordance with Section 3201 of the New York Insurance Law. No adverse findings were noted.

C. Treatment of Policyholders

The examiner reviewed a random sample of various types of claims, surrenders, changes and lapses to determine whether policyholders, beneficiaries or claimants were treated fairly and in accordance with policy provisions and Company rules. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

Section 3214 (c) of the New York Insurance Law states in part:

> " If no action has been commenced, interest upon the principal sum paid to the beneficiary or policyholder shall be computed daily at the rate of interest currently paid by the insurer on proceeds left under the interest settlement option, from the date of death of the insured or annuitant in connection with a death claim on such a policy of life insurance or contract of annuity...to the date of payment and shall be added to and be a part of the total sum paid".

In reviewing death claims the examiner noted the Company paid interest on New York issued policies in accordance with the statutes of the beneficiary's state of residence at the time the claim was made. This is incorrect. Interest on death claims relating to New York State issued policies should be paid in accordance with the New York Insurance Law. This matter was brought to the attention of Company management. Thereafter, the Company agreed to take corrective action with regard to applicable claims paid during the examination period and to pay interest on claims correctly in the future.

7. INVESTMENTS

Section 1403(d)(2) of the New York Insurance Law states in part:

> "(2) Subject to the provisions of this subsection, nothing in this chapter shall prohibit a domestic life insurer from buying or selling:
>
> (A) contracts and options for the future delivery or receipt of obligations, contracts and options for future settlement relating to market-value indices of obligations, and options to acquire any such contracts, in bona fide hedging transactions"

Section 1411(a) of the New York Insurance Law states:

> "No domestic insurer shall make any loan or investment...unless authorized or approved by its board of directors or a committee thereof responsible for supervising or making such investment or loan. The committee's minutes shall be recorded and a report submitted to the board of directors at its next meeting."

The Company purchased an Interest Rate Cap in 1993 in the amount of $1,132,500. The Company did not purchase the cap as part of a comprehensive hedging program and the purchase was not approved by the Company's board of directors. Thus, transaction was consummated in violation of Sections 1403(d) (2) and 1411(a) of the New York Insurance Law

8. PREMIUM DISCOUNTS

Section 4224 of the New York Insurance Law states, in part:

> "(c) No such life insurance company...shall pay, allow or give, or offer to pay, allow or give, directly or indirectly... any rebate of premium or policy fee or any special favor or advantage in the dividends or other benefits to accrue on any such policy or contract, or knowingly receive any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever which is not specified in such policy or contract."

In violation of Section 4224(c), the company gave a 20% discount on life insurance premiums for employees of AIG and affiliated companies.

9. POLICY AND CONTRACT CLAIMS

The Company has approximately 2,000 items (totaling over $1,000,000) in three general ledger accounts under the above captioned liability. The nature of the items and reasons for the items being in the accounts could not be determined by the examiner. The examiner noted that a number of accounts have been accumulating balances for as long as five years without any action having been taken by the Company. The examiner brought this matter to the attention of Company management.

Thereafter, the Company initiated action to identify and resolve items in these accounts. It is recommended that the Company continue the project to identify and resolve the items in the accounts and initiate escheat filings when necessary.

10. RATE FILINGS

Section 4235(h) (1) (2) and (3) of the New York Insurance Law states in part:

> "(1) Each domestic insurer...shall file with the superintendent its schedule of premium rates, rules and classification of risks for use in connection with the issuance of its policies of group accident, group health or group accident and health insurance...
>
> (2) An insurer may revise its schedules from time to time, and shall file such revised schedules with the superintendent.
>
> (3) No insurer shall issue any policy of group accident, group health or accident and health insurance the premium rate under which for the first policy year is less than that determined by the schedules of such insurer as then on file with the superintendent..."

The Company was unable to demonstrate how rates on file with the superintendent were utilized in calculating premium rates charged during the examination period for group long term disability policies.

The Company violated Section 4235(h)(1)(2) and (3) of the New York Insurance Law by using rates other than those on file with the superintendent in connection with the issuance of group long term disability policies.

11. SUMMARY AND CONCLUSIONS

Attention is called to the following violations, recommendations and comments contained in this Report.

Item		Page No.
A	The Company did not maintain disclosure statements in the file as required by Department Regulation 60.	13
B	The Company did not file agent termination notices as required by Section 2122 of the New York Insurance Law.	14
C	The Company does not pay interest on death claims in accordance with Section 3214(c) of the New York Insurance Law.	14
D	The Company violated Section 1403(d)(2) for purchasing an interest rate cap not connected with bona fide hedging transactions.	15
E	The Company violated Section 1411(a) for purchasing an investment without approval of the Company's board of directors.	15
F	The Company violated Section 4224(c) of the New York Insurance Law by giving a 20% discount on life insurance premiums to employees of AIG affiliated companies.	15
G	The Company has three general ledger accounts that have been accumulating balances. It is recommended that the Company take the necessary steps to resolve balances in various accounts.	16
H	The Company violated Section 4235(h)(1) (2) and (3) of the New York Insurance Law for not using premium rates on file with the superintendent in connection with the issuance of group long term disability policies.	16

Respectfully submitted,

_______/s/_______________
John Letourneau
Senior Insurance Examiner

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

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

_______/s/_______________
John Letourneau

Subscribed and sworn to before me

this_________ day of _________________

The foregoing Report on Examination is hereby submitted:

/s/
John Letourneau
Examiner in Charge
State of New York
Representing Northeastern Zone, NAIC

/s/
Vincent Rapacciuolo, CFE
State of Mississippi

Representing Southeastern Zone, NAIC

/s/
Richard W. Harvey, CFE, CIE
State of Nevada
Representing Western Zone, NAIC

APPOINTMENT NO. 20960

STATE OF NEW YORK

INSURANCE DEPARTMENT

I, EDWARD J. MUHL *, Superintendent of Insurance of the*

State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:

John Letourneau

as proper person to examine into the affairs of the

American International Life Assurance 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/she shall deem requisite.

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

this 1st *day of* May *19* 96

EDWARD J. MUHL
Superintendent of Insurance

Miriam A Boggio
(by) Deputy Superintendent

Form 7 (rev. 11/87)