

STATE OF NEW YORK INSURANCE DEPARTMENT

PRIVACY REPORT ON EXAMINATION

OF THE

AUSA LIFE INSURANCE COMPANY, INC.

AS OF

FEBRUARY 1, 2003

DATE OF REPORT:

MARCH 21, 2003

EXAMINER:

JO'CATENA HARGROVE

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

George E. Pataki
Governor

Gregory V. Serio
Superintendent

March 21, 2003

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

Sir:

In accordance with instructions contained in Appointment No. 21958, dated November 29, 2002 and annexed hereto, an examination has been made into the condition and affairs of AUSA Life Insurance Company, Inc., hereinafter referred to as "the Company," at its home office located at 4 Manhattanville Road, Purchase, New York 70688.

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 examiner's review of the Company's policies and procedures regarding the privacy of consumer and customer financial and health information and the Company's standards for safeguarding customer information did not reveal significant instances which deviated from the New York Insurance Law, Department regulations and circular letters and the operating rules of the Company. (See item 3 of this report)

2. SCOPE OF EXAMINATION

The examiner conducted a targeted examination limited to a review of: (i) the Company's policies and procedures regarding the privacy of consumer and customer financial and health information, and (ii) the Company's standards for safeguarding customer information. The objective of the examination was to determine whether the Company satisfied and complied with applicable New York Insurance Law and Department regulations and circular letters, the operating rules of the Company, and internal control standards deemed adequate by the Department.

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

3. EXAMINATION PROCEDURES AND FINDINGS

The examiner reviewed various elements of the Company's privacy and safeguarding activities affecting customers and consumers to determine compliance with applicable statutes and regulations, the operating rules of the Company, and internal control standards deemed adequate by the Department. The review included an evaluation of: the Company's documented privacy and safeguarding policies and procedures (including information previously submitted to the Department); internal, external and compliance audit workpapers; and management and internal control reports. The examination included a review of the following:

- privacy notices;
- opt out and opt in notices, if applicable;
- disclosure of non-public personal information (financial and health);
- redisclosure and reuse of non-public personal information (financial and health) received and disclosed; and
- the written information security program for the protection of customer information.

The examiner also conducted limited tests and other procedures, as deemed appropriate, in the review of privacy and safeguarding activities.

Based upon the examiner's review, no significant findings were noted.

APPOINTMENT NO. 21958

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:

JO'CATENA HARGROVE

as a proper person to examine into the affairs of the

AUSA LIFE INSURANCE COMPANY, INC.

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

COMPANY

with such other information as she 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 29th day of November, 2002



GREGORY V. SERIO

Superintendent of Insurance


Superintendent