



FINANCIAL CONDITION REPORT ON EXAMINATION

OF

THE UNITED STATES LIFE INSURANCE COMPANY

IN THE CITY OF NEW YORK

AS OF DECEMBER 31, 2021

EXAMINER:

MESKEREM BELAY

DATE OF REPORT:

JUNE 13, 2023

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KATHY HOCHUL
Governor



ADRIENNE A. HARRIS
Superintendent

June 22, 2023

Honorable Adrienne A. Harris
Superintendent of Financial Services
New York, New York 10004

Dear Adrienne A. Harris:

In accordance with instructions contained in Appointment No. 32420, dated June 30, 2022, and annexed hereto, an examination has been made into the condition and affairs of The United States Life Insurance Company in the City of New York, hereinafter referred to as “the Company”. The Company’s home office is located at 28 Liberty Street, New York, NY 10005. The Company’s administrative office is located at 2727-A Allen Park, Houston, TX 77019. Due to the COVID-19 pandemic, the examination was conducted remotely.

Wherever “Department” appears in this report, it refers to the New York State Department of Financial Services.

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

1. EXECUTIVE SUMMARY

The material comments contained in this report are summarized below.

- 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. The examiner requested statements and corresponding demonstrations for the Company's policy forms subject to Section 4228(h) of the New York Insurance Law. While the Company was able to provide the requested statements of self-support and corresponding demonstrations, it was noted that improvements are needed with respect to the quality of such documentation. (See item 5F of this report.)
- On October 26, 2020, American International Group, Inc. ("AIG") announced its intention to separate its Life and Retirement business. (See item 3 of this report.)
- On March 28, 2022, AIG announced a strategic partnership with BlackRock, Inc. ("BlackRock"), through which BlackRock will manage a significant portion of fixed income and other assets in the AIG and Life and Retirement investment portfolios. On March 29, 2022, AIG issued a press release announcing that its majority-owned subsidiary, Corebridge Financial, Inc. ("Corebridge"), intends to commence a private offering of senior unsecured notes in connection with the previously announced separation of AIG's Life and Retirement business. (See item 6 of this report.)
- On September 19, 2022, Corebridge completed an initial public offering in which AIG sold 80 million shares of Corebridge common stock to the public. As of December 31, 2022, AIG owns 77.7% of the outstanding common stock of Corebridge. (See item 6 of this report.)

2. SCOPE OF EXAMINATION

The examination of the Company was a full-scope examination as defined in the National Association of Insurance Commissioners' ("NAIC's") *Financial Condition Examiners Handbook, 2022 Edition* (the "Handbook"). The examination covers the five-year period from January 1, 2017, to December 31, 2021. The examination was conducted observing the guidelines and procedures in the Handbook and, where deemed appropriate by the examiner, transactions occurring subsequent to December 31, 2021, but prior to the date of this report (i.e., the completion date of the examination) were also reviewed.

The examination was conducted on a risk-focused basis in accordance with the provisions of the Handbook published by the NAIC. The Handbook guidance provides for the establishment of an examination plan based on the examiner's assessment of risk in the insurer's operations and utilizing that evaluation in formulating the nature and extent of the examination. The examiner planned and performed the examination to evaluate the current financial condition as well as identify prospective risks that may threaten the future solvency of the insurer. The examiner identified key processes, assessed the risks within those processes and evaluated the internal control systems and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, evaluating the overall financial statement presentation, and determining management's compliance with New York statutes and Department guidelines, Statutory Accounting Principles as adopted by the Department, and annual statement instructions.

The examination was conducted as part of the Life and Retirement Insurance Companies within American International Group, Inc. consisting of the following insurance companies: American General Life Insurance Company ("AGL"), domiciled in Texas; The Variable Annuity Life Insurance Company ("VALIC"), domiciled in Texas; the Company, domiciled in New York; and AGC Life Insurance Company ("AGCL"), domiciled in Missouri. The examination was called by Texas Insurance Department in accordance with the NAIC Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The examination was facilitated by the State of Texas with participation from New York and Missouri. Since all states are accredited by the NAIC, all states deemed it appropriate to rely on each other's work.

Information about the Company's organizational structure, business approach and control environment were utilized to develop the examination approach. The Company's risks and management activities were evaluated incorporating the NAIC's nine branded risk categories. These categories are as follows:

- Pricing/Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The Company was audited annually, for the years 2017 through 2021, by the accounting firm of PricewaterhouseCoopers LLP ("PwC"). The Company received an unqualified opinion in all years. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. The Company shares an internal audit department with its affiliates in the AIG Life and Retirement group, which was given the task of assessing the internal control structure and compliance with Sarbanes-Oxley Act of 2002 ("SOX"). Where applicable, SOX workpapers and reports were reviewed, and portions were relied upon for this examination.

The examiner reviewed the corrective action taken by the Company with respect to the violation and comment 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 as a stock life insurance company under the laws of the State of New York on February 25, 1850 and commenced business on March 4, 1850.

Under a special permit issued pursuant to Section 4231 of the New York Insurance Law, the Company writes both participating and non-participating business in all jurisdictions in which it is authorized to do business. The Company is licensed to transact business in all 50 states, the District of Columbia, and the territory of the U.S. Virgin Islands.

On June 17, 1997, American General Corporation (“AGC”) acquired control of the Company and its immediate parent, USLIFE Corporation, through the merger of USLIFE Corporation with Texas Stars Corporation, a wholly owned subsidiary of AGC. On August 29, 2001, AGC was acquired by American International Group, Inc. (“AIG”), a Delaware holding corporation, resulting in AIG becoming the Company’s ultimate parent.

On December 31, 2002, American General Life Insurance Company of New York, a New York domiciled insurer, merged with and into the Company. On December 31, 2003, North Central Life Insurance Company also merged with and into the Company.

During 2009, as part of AIG’s restructuring, the Company consolidated its domestic life insurance and retirement services subsidiaries under the SunAmerica Financial Group and the SunAmerica Retirement Services, Inc. umbrellas. The AGC affiliates, including the Company, were realigned under SunAmerica Financial Group.

Effective December 31, 2010, subsequent to the receipt of regulatory approval from the Department, American International Life Assurance Company of New York (“AIL”) merged with and into the Company, with the Company being the surviving entity, and effective December 31, 2011, subsequent to the receipt of regulatory approval from the Department, First SunAmerica Life Insurance Company also merged with and into the Company, with the Company again being the surviving entity.

In December 2012, AIG reorganized its life insurance and retirement services divisions to implement a less complex and more efficient holding company structure, while continuing to market products and provide services under existing brands. The reorganization required several mergers involving AGCL, a number of AIG’s life insurance subsidiaries, and a number

of other affiliates. The reorganization involved the following mergers and transactions, which were all completed on December 31, 2012:

SunAmerica Investments, Inc. (“SAII”) merged into SunAmerica Life Insurance Company (“SALIC”). The merger was approved by the Arizona Department of Insurance. SAII’s wholly owned subsidiaries, SunAmerica Affordable Housing Partners, Inc. (“SAAHP Inc.”) and AIG Advisor Group, Inc., became wholly owned subsidiaries of SALIC.

SALIC contributed 100% of its ownership interest in SAAHP Inc. to SA Affordable Housing, LLC, making it a wholly owned subsidiary of the latter. AIG Life Holdings, Inc. (formerly SunAmerica Financial Group, Inc.) contributed 100% of its ownership interests in SALIC and American General Assurance Company (“AGAC”) to AGCL, which were recognized by AGCL as capital contributions of \$3.1 billion and \$66.5 million, respectively, making SALIC and AGAC wholly owned subsidiaries of AGCL.

AGL distributed 100% of its ownership interest in VALIC to AGCL, making VALIC a wholly owned subsidiary of AGCL. The distribution by AGL of its interest in VALIC and the receipt by AGCL of the interest in VALIC were approved by the Texas and Missouri Departments of Insurance.

Concurrent with the distribution of VALIC to AGCL, SunAmerica Annuity and Life Assurance Company merged into SALIC, with SALIC being the surviving entity. Immediately thereafter, SALIC, American General Life & Accident Insurance Company, American General Life Insurance Company of Delaware, AGAC and Western National Life Insurance Company merged into AGL, with AGL being the surviving entity.

As a result of the reorganization, all of AIG’s subsidiaries that provided life insurance and retirement services products were merged and reduced into the following three U.S. life insurance companies for which AGCL is now the direct parent: AGL, VALIC and the Company.

On October 26, 2020, AIG announced its intention to separate its Life and Retirement business. On November 2, 2021, AIG and Blackstone Inc. (“Blackstone”) completed the acquisition by Blackstone of a 9.9 percent equity stake in SAFG Retirement Services, Inc. (“SAFG”), which is the holding company for AIG’s Life and Retirement business, for \$2.2 billion in an all-cash transaction, subject to adjustment if the final pro forma adjusted book value is greater or lesser than the target pro forma adjusted book value. As part of the separation, most

of AIG's investment operations were transferred to SAFG or its subsidiaries as of December 31, 2021, and AIG entered into a long-term asset management relationship with Blackstone to manage an initial \$50 billion of Life and Retirement's existing investment portfolio beginning in the fourth quarter of 2021 with that amount increasing by increments of \$8.5 billion per year for five years beginning in the fourth quarter of 2022, for an aggregate of \$92.5 billion. As part of the transaction, AGL, VALIC, and AGCL entered into master separate managed account agreements with Blackstone ISG-I Advisors, LLC.

B. Holding Company

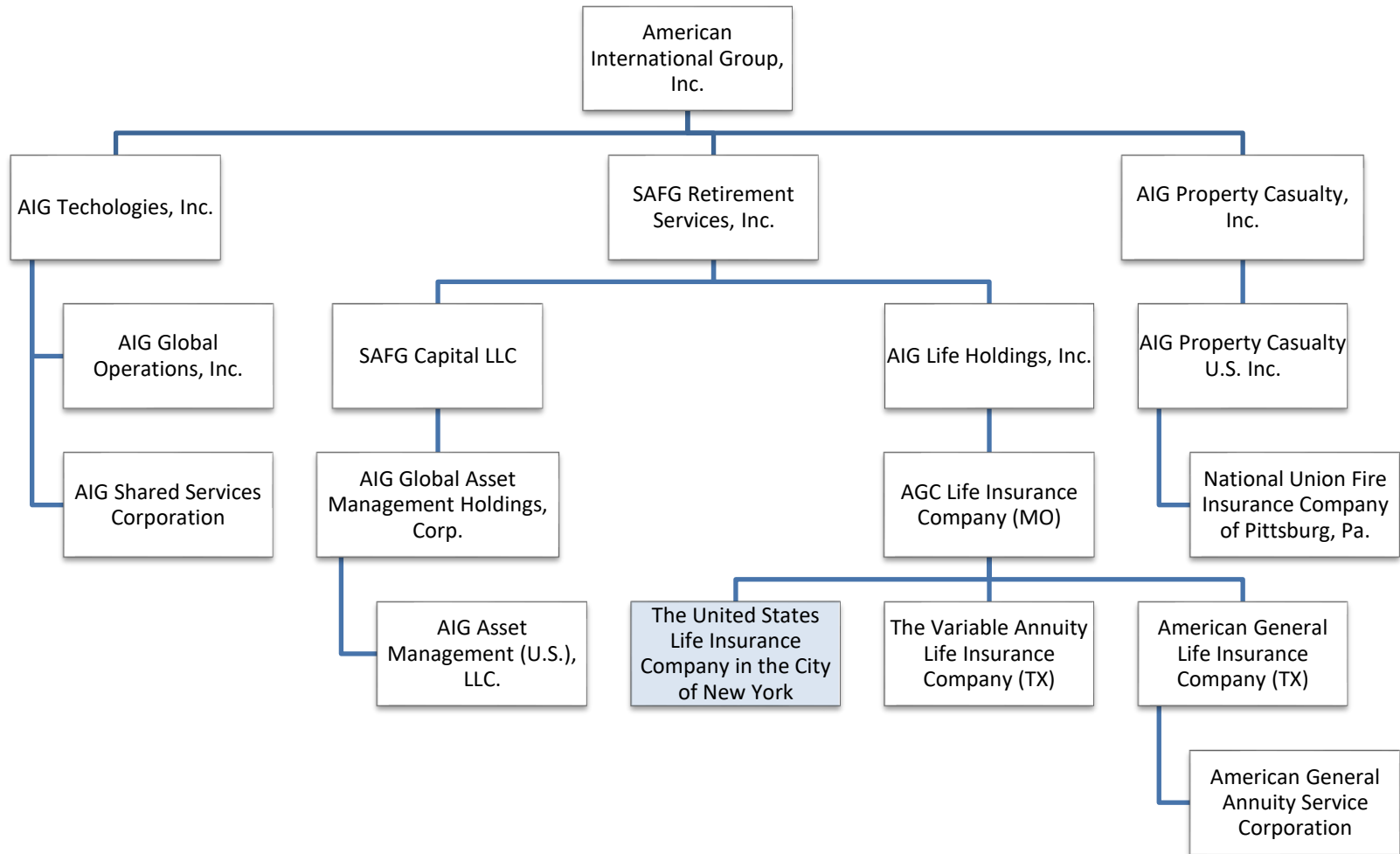
The Company is a wholly owned subsidiary of AGCL. AGCL is in turn a wholly owned subsidiary of AIG Life Holdings (U.S.), Inc., a Texas holding company. The ultimate parent of the Company is AIG.

AIG, through its subsidiaries, provides a wide range of property casualty insurance, life insurance, retirement products, and other financial services to commercial and individual customers in more than 80 countries and jurisdictions.

At the end of 2014, AIG reorganized its insurance businesses into two segments: consumer insurance and commercial insurance. Consumer insurance comprises four modules—individual retirement, group retirement, life insurance and personal insurance. Individual retirement provides variable annuities, fixed annuities, index annuities and retail mutual funds; group retirement provides group variable annuities, group fixed annuities, individual annuity and investment products, group mutual funds, and financial planning and advisory services; life insurance provides term and universal life insurance; and personal insurance provides personal auto and property insurance, voluntary and sponsor-paid personal accident and supplemental health products for individuals, employees, associations and other organizations, a broad range of travel insurance products and services for leisure and business travelers. The statutory premiums for personal insurance are reflected in non-life reporting entities.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2021, follows:



D. Service Agreements

The Company had 13 significant service agreements in effect with affiliates 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 and Expense Agreement File No. 31866	02/01/1974	AIG (directly or through its affiliates)	AIG's subsidiaries, including the Company	AIG, directly or through its affiliates, provides various services to other AIG affiliates at cost. Services include advertising, accounting, actuarial, tax, legal, data processing, payroll, claims adjustments, employee cafeteria, and office space.	2017 \$ (8,586,803) 2018 \$(13,372,546) 2019 \$(11,244,120) 2020 \$ (7,306,165) 2021 \$ (5,442,237)
Short Term Investment Pool Agreement (AIG Liquidity Pool) File No. 26949	04/28/1999	AIG Asset Management (U.S.), LLC ("AMG")	AIG subsidiaries, including the Company	It allows the Company and AIG's affiliates that are parties thereto, to invest their short-term cash in an investment pool managed by AMG.	Included in the amounts for File No.58739.
Administrative Services Agreement File No. 35399	05/01/2006	AGL	The Company	AGL provides the Company with various administrative services, including accounting, underwriting, actuarial, claims, policyholder, marketing, distribution on all lines of AIL insurance business.	Included in the amounts for File No. 37012

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 Agreement File No. 37013	01/19/2007	AGL (as successor to Western National Life Insurance Company)	The Company	AGL provides certain administrative and marketing services for the sale of certain fixed annuity products issued by the Company and sold by financial institutions and their affiliated insurance agencies and subagents, with existing relationships with AGL.	Included in the amounts for File No. 37012
Administrative Services Agreement File No. 37012	01/19/2007	AGL	The Company	AGL provides the Company with certain administrative services.	2017 \$(109,473,435) 2018 \$ (93,916,262) 2019 \$(103,756,264) 2020 \$ (94,333,696) 2021 \$ (91,914,265)
Assignment and Service Agreement File No. 41300	05/01/2009	American General Annuity Service Corporation (“AGASC”) and AGL	The Company	AGASC acts as assignment company and owner of the Company structured settlement policies, and AGL provides services for structured settlement functions.	2017 \$0 2018 \$0 2019 \$0 2020 \$0 2021 \$0 (Assignment fees assumed are equal to expenses therefore no entry posted)
Administrative Services Agreement File No. 45269	01/01/2012	AIG Shared Services Corporation – Management Services ** (“AIGROHQ”) AIG Shared Services-Business Processing, Inc.	The Company	AIGROHQ provides accounting, administrative services, and performs administrative activities related to the Company’s business operations, subject to the cost-plus method of the Philippine transfer pricing guidelines.	2017 \$(2,333,937) 2018 \$(4,286,985) 2019 \$(4,114,181) 2020 \$(3,150,424) 2021 \$(3,273,094)

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 Agreement *** File No. 45320	01/01/2012	National Union Fire Insurance Company of Pittsburgh, Pa., Chartis Specialty Insurance Company, Chartis Insurance Agency, Inc., and Chartis Global Services, Inc.	The Company	The Company is provided with the following administrative services: distribution/producer management, reinsurance and underwriting, policy owner and contract holder services, safeguarding customer information, actuarial services, financial services, information technology, legal services, consumer complaints and other administrative services.	2017 \$15,800,153 2018 \$ 717,809 2019 \$ 45,908 2020 \$ 0 2021 \$ 0
Master Intra-Company Services Agreement. File No. 46213	12/31/2012	AIG Technologies, Inc. ("AIGT") (Formerly AIG Global Services, Inc.)	The Company	AIGT provides various information technology services under the agreement. The arrangement is at cost but could be at cost plus if the services are provided by an affiliate in which transfer pricing applies.	2017 \$(8,869,673) 2018 \$(6,974,298) 2019 \$(7,119,239) 2020 \$(8,035,430) 2021 \$(5,382,167)
Administrative Services Agreement File No. 48076	04/15/2014	AIG Shared Services Corporation ("AIG Shared Services")	The Company	AIG Shared Services provides certain data related and information technology services and activities relating to the business operations of the Company. The arrangement is cost plus due to Philippine transfer pricing requirements.	Included in the amounts for File No. 45269
Service Agreement ***** File No. 47161	08/15/2014	AIG Markets, Inc.	The Company	AIG Markets, Inc. provides certain derivatives execution and support services, collateral management services, short-term investment management, and operational support services to the Company	2017 \$ 0 2018 \$ 0 2019 \$ 0 2020 \$(811,173) 2021 \$(814,307)

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
Master Agreement for Professional Services ***** File No. 57357	03/01/2019	AIG Analytics & Services Private Limited (“AASPL”)	The Company	AASPL provides services to the Company including software design and development, quality assurance automation engineering, cloud service engineering, and development operations engineering.	2017 \$ 0 2018 \$ 0 2019 \$ (9,286) 2020 \$(51,236) 2021 \$ 0
Second Amended and Restated Investment Advisory Agreement Approved 4/27/2020 File No. 58739	06/02/2020	AIG Asset Management (U.S.) LLC (AMG)	The Company	Amended and restated the Amended and Restated Investment Advisory Agreement for consistency with the other life insurance company investment management agreements originally dated on January 1, 2011 in connection with the execution of the Fortitude Re transaction.	2017 \$(19,963,644) 2018 \$(19,028,849) 2019 \$(19,471,540) 2020 \$(21,857,345) 2021 \$(22,752,304)

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

**As of December 31, 2020, AIG Shared Services – Business Processing, Inc. assigned its rights and obligations under the agreement to AIGROHQ. AIGROHQ is a branch of AIG Global Operations, Inc.

***This agreement was not in use in 2020 and 2021 and was terminated in 2022.

**** AIG Markets, Inc. did not bill the Company under this agreement until 2020.

*****This agreement was terminated upon the sale of AASPL to a third party as of December 31, 2020.

E. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than 7 and not more than 13 directors. Directors are elected every year at the annual meeting of the stockholders held in April of each year. As of December 31, 2021, the board of directors consisted of seven members. Meetings of the board are held quarterly.

The seven board members and their principal business affiliation, as of December 31, 2021, were as follows:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>	<u>Year First Elected</u>
William J. Carr* Houston, TX	President and Managing Director Safire Solutions	2021
Emily W. Gingrich Brooklyn, NY	Senior Vice President, Chief Actuary and Corporate Illustration Actuary The United States Life Insurance Company in the City of New York	2021
Elias F. Habeyeb Westfield, NJ	Executive Vice President and Chief Financial Officer The United States Life Insurance Company in the City of New York	2021
Michael P. Harwood Houston, Texas	Senior Vice President The United States Life Insurance Company in the City of New York	2013
Kevin T. Hogan Berkley Heights, NJ	Chairman, Chief Executive Officer, and President The United States Life Insurance Company in the City of New York	2014
Glen D. Keller* Chesterfield, MO	Retired American General Life Insurance Company	2016
Alireza Vaseghi New York, NY	Senior Vice President and Chief Investment Officer The United States Life Insurance Company in the City of New York	2018

*Not affiliated with the Company or any other company in the holding company system. The board of directors of the Company's parent fulfils, pursuant to Section 1202(b)(3) of the New York Insurance Law, the requirements prescribed by Section 1202(b)(1) relating to independent directors.

In 2022, Alireza Vaseghi and Michael P. Harwood resigned from the board, and on June 14, 2022 were replaced by Sabra Purtill and Sabyasachi Ray, respectively. In 2023, Kevin T. Hogan, Elias F. Habayeb, and Sabra Purtill resigned from the board, and in March 2023 were replaced by Todd P. Solash, Michael B. Bailey, and Lisa M. Longino, respectively.

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, 2021:

<u>Name</u>	<u>Title</u>
Kevin T. Hogan	Chief Executive Officer and President
Jonathan J. Novak	Chief Executive Officer, Institutional Markets
Todd P. Solash	Chief Executive Officer, Individual Retirement and Life Insurance
Timothy M. Heslin	President, Life Insurance
Bryan A. Pinsky	President, Individual Retirement
Elias F. Habayeb	Executive Vice President and Chief Financial Officer
Christopher P. Filiaggi	Senior Vice President and Life Controller
Sabyasachi Ray*	Senior Vice President and Chief Operating Officer

*Designated consumer services officer per Section 216.4(c) of 11 NYCRR 216 (Insurance Regulation 64)

In 2023, Kevin T. Hogan resigned and was replaced by Todd P. Solash as Chairman of the Board and President of the Company effective March 2023. In addition, Elias F. Habayeb resigned and was replaced by Michael B. Bailey as Senior Vice President and Chief Financial Officer effective March 2023.

4. TERRITORY AND PLAN OF OPERATIONS

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 all 50 states, the District of Columbia, and the territory of the U.S. Virgin Islands. In 2021, 69% of life premiums, 49% accident and health premiums, and 98 % annuity considerations were received from New York. Policies are written on a non-participating basis.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2021:

<u>Life Insurance Premiums</u>		<u>Accident and Health Insurance Premiums</u>	
New York	68.9%	New York	48.9%
Minnesota	<u>10.3</u>	Florida	<u>10.8</u>
Subtotal	79.2%	Subtotal	59.7%
All others	<u>20.8</u>	All others	<u>40.3</u>
Total	<u>100.0%</u>	Total	<u>100.0%</u>

A. Statutory and Special Deposits

As of December 31, 2021, the Company had \$2,835,000 (par value) of United States Treasury Bonds on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants, and creditors of the Company. As reported in Schedule E of the 2021 filed annual statement, an additional \$11,092,120 (fair value) was being held by the states of Arkansas, Florida, Georgia, Illinois, Massachusetts, New Mexico, North Carolina, Texas, Virginia and the territories of Guam and the U.S. Virgin Islands.

B. Direct Operations

The Company markets individual life insurance, individual annuities, group insurance, and certain credit life insurance.

The Company's individual life insurance products are primarily term life and universal life insurance, distributed through independent marketing organizations, independent insurance agents, financial advisors, and direct marketing.

The Company's fixed annuity products include single premium fixed annuities, immediate annuities, and deferred income annuities. The Company's variable annuity products include variable annuities that offer a combination of growth potential, death benefit features and income protection features. The Company's fixed index annuities include products that provide growth potential based in part on the performance of a market index, and certain fixed index annuity products offer optional income protection features. The Company's primary distribution channels include banks, wirehouses, broker dealers, independent marketing organizations and independent insurance agents.

The Company's group insurance products include group life, accidental death, and dismemberment, dental, excess major medical, vision and disability coverage. The Company's group insurance products are marketed through independent general agents and producers as well as third party administrators. The Company is currently in the process of exiting its group business.

C. Reinsurance

As of December 31, 2021, the Company had reinsurance treaties in effect with 30 companies, of which 19 were authorized, accredited, or certified. The Company's life, accident and health business is reinsured on a coinsurance, 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 \$10,000,000 for universal life contracts and \$3,500,000 for term life policies. The total face amount of life insurance ceded as of December 31, 2021, was \$30,134,210,016, which represents 39.7% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies, totaling \$163,146,120, was supported by letters of credit, trust agreements and funds withheld.

The total face amount of life insurance assumed as of December 31, 2021, was \$131,674,896.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2021, as contained in the Company's 2021 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, 2021, filed annual statement.

A. Independent Accountants

The firm of PwC was retained by the Company to audit the Company's combined statutory basis statements of financial position of the Company as of December 31 of each year in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the year then ended.

PwC concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Company at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

B. Net Admitted Assets

Bonds	\$19,862,548,199
Stocks:	
Preferred stocks	8,681,488
Common stocks	25,656,337
Mortgage loans on real estate:	
First liens	3,127,747,988
Other than first liens	61,238,962
Cash, cash equivalents and short-term investments	177,209,411
Contract loans	147,298,757
Derivatives	127,088,773
Other invested assets	1,805,316,604
Receivable for securities	5,804,812
Securities lending reinvested collateral assets	257,760,282
Initial margin for futures	29,500,650
Investment income due and accrued	186,691,811
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	(9,182,988)
Deferred premiums, agents' balances and installments booked but deferred and not yet due	56,541,848
Reinsurance:	
Amounts recoverable from reinsurers	68,743,324
Other amounts receivable under reinsurance contracts	6,269,626
Current federal and foreign income tax recoverable and interest thereon	10,651,597
Net deferred tax asset	130,664,211
Guaranty funds receivable or on deposit	1,477,016
Receivables from parent, subsidiaries and affiliates	26,293,284
Health care and other amounts receivable	(166,258)
Other assets non-admitted	
Remittances and items not allocated	15,823,316
Claim advances	42,151
Revenue sharing	2,157,393
Summary of remaining write-ins for Line 25 from overflow page	2,428,365
From separate accounts, segregated accounts and protected cell accounts	<u>6,147,777,988</u>
Total admitted assets	<u>\$32,282,064,947</u>

C. Liabilities, Capital, and Surplus

Aggregate reserve for life policies and contracts	\$21,438,763,456
Aggregate reserve for accident and health contracts	224,821,765
Liability for deposit-type contracts	771,982,573
Contract claims:	
Life	101,431,325
Accident and health	29,550,995
Policyholders' dividends and coupons due and unpaid	23,789
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts Dividends apportioned for payment	1,289,723
Premiums and annuity considerations for life and accident and health contracts received in advance	891,049
Contract liabilities not included elsewhere:	
Provision for experience rating refunds	80,065,256
Other amounts payable on reinsurance	9,259,309
Interest maintenance reserve	385,297,832
Commissions to agents due or accrued	1,226,479
General expenses due or accrued	17,517,905
Transfers to separate accounts due or accrued	(127,290,509)
Taxes, licenses and fees due or accrued, excluding federal income taxes	13,517,506
Unearned investment income	2,832,713
Amounts withheld or retained by company as agent or trustee	(429,238)
Amounts held for agents' account	337,036
Remittances and items not allocated	46,559,647
Miscellaneous liabilities:	
Asset valuation reserve	493,048,742
Reinsurance in unauthorized companies	7,598,048
Funds held under reinsurance treaties with unauthorized reinsurers	59,850,817
Payable to parent, subsidiaries and affiliates	34,580,588
Drafts outstanding	174,980
Payable for Securities	25,785,407
Payable for Securities Lending	260,590,420
Derivative collateral liability	128,626,689
Repurchase agreements	84,527,286
Unclaimed funds	21,822,178
Summary of remaining write-ins for Life 25 from overflow page	14,309
From Separate Accounts statement	<u>6,147,777,988</u>
 Total liabilities	 <u>\$30,262,046,063</u>
 Common capital stock	 \$ 3,961,316
Gross paid in and contributed surplus	1,912,675,305
Annuitant mortality fluctuation fund	131,631
Unassigned funds (surplus)	<u>103,250,632</u>
Surplus	<u>\$ 2,016,057,568</u>
Total capital and surplus	<u>\$ 2,020,018,884</u>
 Total liabilities, capital and surplus	 <u>\$32,282,064,947</u>

D. Condensed Summary of Operations

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Premiums and considerations	\$1,305,738,713	\$(3,607,186,795)	\$1,846,798,353	\$ 1,684,320,938	\$ 2,471,896,302
Investment income	1,154,581,873	1,175,004,338	1,185,074,000	1,075,809,321	1,201,049,759
Net gain from operations from Separate Accounts	0	0	167,874	18,722,659	26,826,093
Commissions and reserve adjustments on reinsurance ceded	82,567,973	4,577,912,293	(157,402,537)	(265,820,930)	(426,747,134)
Miscellaneous income	<u>98,938,632</u>	<u>107,523,426</u>	<u>110,935,377</u>	<u>123,259,907</u>	<u>138,224,151</u>
 Total income	 <u>\$2,641,827,191</u>	 <u>\$ 2,253,253,262</u>	 <u>\$2,985,573,067</u>	 <u>\$ 2,636,291,895</u>	 <u>\$ 3,411,249,171</u>
 Benefit payments	 \$2,024,237,453	 \$ 1,405,720,256	 \$1,649,969,463	 \$ 1,497,570,726	 \$ 1,832,727,784
Increase in reserves	(15,951,563)	528,713,245	642,045,378	406,258,774	111,132,036
Commissions	112,375,503	97,716,934	96,287,311	74,070,938	87,531,489
General expenses and taxes	142,014,070	129,092,883	137,828,475	117,659,279	113,196,967
Increase in loading on deferred and uncollected premiums	(3,882,301)	9,878,863	(1,265,345)	749,987	2,059,619
Net transfers to (from) Separate Accounts	116,755,113	210,616,782	100,605,734	386,037,498	846,589,195
Miscellaneous deductions	<u>2,092,098</u>	<u>3,886,287</u>	<u>(3,766,296)</u>	<u>370,639</u>	<u>4,330,936</u>
 Total deductions	 <u>\$2,377,640,373</u>	 <u>\$ 2,385,625,250</u>	 <u>\$2,621,704,720</u>	 <u>\$ 2,482,717,841</u>	 <u>\$ 2,997,568,026</u>
 Net gain (loss)	 \$ 264,186,818	 \$ (132,371,988)	 \$ 363,868,347	 \$ 153,574,054	 \$ 413,681,145
Dividends	1,378,543	(574,878)	40,073	406,390	328,062
Federal and foreign income taxes Incurred	<u>120,559,164</u>	<u>73,008,387</u>	<u>146,984,805</u>	<u>51,314,944</u>	<u>131,598,808</u>
 Net gain (loss) from operations before net realized capital gains	 \$ 142,249,111	 \$ (204,805,497)	 \$ 216,843,469	 \$ 101,852,720	 \$ 281,754,275
Net realized capital gains (losses)	<u>(52,874,498)</u>	<u>(10,006,050)</u>	<u>36,119,991</u>	<u>151,797,354</u>	<u>(103,284,867)</u>
Net income	<u>\$ 89,374,613</u>	<u>\$ (214,811,547)</u>	<u>\$ 252,963,460</u>	<u>\$ 253,650,074</u>	<u>\$ 178,469,408</u>

E. Capital and Surplus Account

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Capital and surplus, December 31, prior year	\$ <u>1,836,968,739</u>	\$ <u>1,756,400,108</u>	\$ <u>1,278,050,221</u>	\$ <u>1,571,016,373</u>	\$ <u>1,789,774,395</u>
Net income	\$ 89,374,613	\$ (214,811,547)	\$ 252,963,460	\$ 253,650,074	\$ 178,469,408
Change in net unrealized capital gains (losses)	(20,648,008)	(1,479,209)	99,010,030	(81,557,819)	199,583,721
Change in net unrealized foreign exchange capital gain (loss)	52,253,296	(32,563,468)	16,954,079	47,845,013	(45,581,348)
Change in net deferred income tax	(248,996,069)	88,009,745	100,755,297	33,749,708	49,624,306
Change in non-admitted assets and related items	249,435,275	(159,794,223)	(65,378,517)	(38,070,906)	25,233,834
Change in liability for reinsurance in unauthorized companies	488,987	326,318	20,568	(236,477)	(7,133,338)
Change in reserve valuation basis	(62,506,718)	0	0	(19,996,197)	0
Change in asset valuation reserve	5,615,555	(75,633,805)	(97,591,614)	48,804,994	(61,805,038)
Surplus (contributed to), withdrawn from					
Separate Accounts during period	0	0	167,874	18,722,659	26,826,093
Other changes in surplus in Separate Accounts statement	0	0	(167,874)	(18,722,659)	(26,826,093)
Surplus adjustments:					
Paid in	0	0	0	135,000,000	0
Change in surplus as a result of Reinsurance	0	28,022,558	(2,147,056)	(2,147,056)	(2,147,056)
Dividends to stockholders	(140,000,000)	(142,000,000)	0	(156,700,000)	(101,000,000)
Correction of prior period items disclosed in footnote 2B	<u>(5,585,562)</u>	<u>31,573,744</u>	<u>(11,620,095)</u>	<u>(1,583,312)</u>	<u>(5,000,000)</u>
Net change in capital and surplus for the year	\$ <u>(80,568,631)</u>	\$ <u>(478,349,887)</u>	\$ <u>292,966,152</u>	\$ <u>218,758,022</u>	\$ <u>230,244,489</u>
Capital and surplus, December 31, current year	<u>\$1,756,400,108</u>	<u>\$1,278,050,221</u>	<u>\$1,571,016,373</u>	<u>\$1,789,774,395</u>	<u>\$2,020,018,884</u>

F. Reserves

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

“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. The examiner requested statements and corresponding demonstrations for the Company’s policy forms subject to Section 4228(h) of the New York Insurance Law. While the Company was able to provide the requested statements of self-support and corresponding demonstrations, it was noted that improvements are needed with respect to the quality of such documentation.

In response to the Department’s concerns, the Company agreed that all future demonstrations will be signed, dated and finalized prior to the date of the statement of self-support. The Company also agreed that such demonstrations will be well organized, containing detailed narrative descriptions of the methodologies and material assumptions.

6. SUBSEQUENT EVENTS

On March 28, 2022, AIG announced a strategic partnership with BlackRock, through which BlackRock will manage a significant portion of fixed income and other assets in the AIG and Life and Retirement investment portfolios. The arrangements contemplate BlackRock managing up to \$60 billion of the global AIG investment portfolios. The arrangements contemplate BlackRock managing up to \$60 billion of the global AIG investment portfolio. Additionally, BlackRock's Aladdin platform will provide investment management technology for both AIG and Life and Retirement.

On March 29, 2022, AIG issued a press release announcing that its majority-owned subsidiary, Corebridge, formerly known as SAFG Retirement Services, Inc., intends to commence a private offering of senior unsecured notes in connection with the previously announced separation of AIG's Life and Retirement business.

On September 19, 2022, Corebridge completed an initial public offering in which AIG sold 80 million shares of Corebridge common stock to the public. As of December 31, 2022, AIG owns 77.7% of the outstanding common stock of Corebridge.

7. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

<u>Item</u>	<u>Description</u>
A	<p>During the review of the Company's reserves, several concerns were raised by the Department actuaries that were not resolved prior to the filing of the examination report. As a result, the certificate of reserve valuation was held pending the resolution of the issues</p> <p>The certificate of reserve valuation was subsequently issued on October 16, 2019.</p>
B	<p>The Company violated Section 243.2(e) of 11 NYCRR 243 (Insurance Regulation 152) by failing to make available, as requested by the examiner, the data records that support the annual statement exhibits in the format and substance required within a reasonable time frame.</p>

As part of the reserve completeness review, the Company provided policy and contract level details of various annual statement line items along with the respective reconciliations. No material discrepancies were noted.

8. SUMMARY AND CONCLUSIONS

Following are the comments contained in this report:

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
A	On October 26, 2020, AIG announced its intention to separate its Life and Retirement business.	6
B	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. The examiner requested statements and corresponding demonstrations for the Company's policy forms subject to Section 4228(h) of the New York Insurance Law. While the Company was able to provide the requested statements of self-support and corresponding demonstrations, it was noted that improvements are needed with respect to the quality of such documentation.	22
C	On March 28, 2022, AIG announced a strategic partnership with BlackRock, through which BlackRock will manage a significant portion of fixed income and other assets in the AIG and Life and Retirement investment portfolios. On March 29, 2022, AIG issued a press release announcing that its majority-owned subsidiary, Corebridge, intends to commence a private offering of senior unsecured notes in connection with the previously announced separation of AIG's Life and Retirement business.	23

Respectfully submitted,

Meskerem Belay

Meskerem Belay
Senior Insurance Examiner

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

Meskerem Belay, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

Meskerem Belay
Meskerem Belay

Subscribed and sworn to before me
this 21st day of June, 2023

Audrey Hall

AUDREY HALL
Notary Public, State of New York
No. 01HAG274900
Qualified in Kings County
Commission Expires January 28, 2025

Respectfully submitted,

_____/s/
Courtney Williams
Principal Insurance Examiner

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

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

_____/s/
Courtney Williams

Subscribed and sworn to before me
this _____ day of _____

APPOINTMENT NO. 32420

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **ADRIENNE A. HARRIS**, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

MESKEREM BELAY

as a proper person to examine the affairs of the

UNITED STATES LIFE INSURANCE COMPANY IN THE CITY OF NEW YORK

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

COMPANY

with such other information as she shall deem requisite.

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

this 30th day of June, 2022

ADRIENNE A. HARRIS
Superintendent of Financial Services

By:

Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU

