

1 Jennifer Boucek, Executive Assistant for Policy Affairs
Mary M. Butterfield, Assistant Director
2 Steven P. Ferguson, Assistant Director
Alexandra Shafer, Assistant Director
3 Deloris E. Williamson, Assistant Director
Paul Hogan, Chief Market Conduct Examiner
4 Erin Klug, Public Information Officer
Catherine M. O'Neil, Consumer Legal Affairs Officer
5 Arizona Department of Insurance
2910 N. 44th Street, 2nd Floor
6 Phoenix, AZ 85018

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IN THE MATTER OF
NEW YORK LIFE INSURANCE COMPANY

REGULATORY SETTLEMENT AGREEMENT

THIS REGULATORY SETTLEMENT AGREEMENT (the "Regulatory Settlement Agreement") is entered into as of this 30th day of June, 2004, by and between New York Life Insurance Company ("New York Life" or "the Company") as party of the first part, and the State of New York Insurance Department (the "Department" or "Lead Regulatory Negotiator"), along with the insurance regulators of each of the states of the United States and of the District of Columbia that adopt, approve and agree to this Regulatory Settlement (the "Participating Regulators"), as parties of the second part.

I. BACKGROUND AND RECITALS

A. On June 22, 2000, the Department issued Supplement No. 1 to Circular Letter No. 19 (2000) notifying all life insurers and fraternal benefit societies that the Department was investigating allegations of race-based underwriting of life insurance by its licensees.

B. The Department thereafter conducted an examination with respect to race-based underwriting practices and policies of New York Life. The examination included a review of historical documents, several hundred policy application files and extensive data analysis.

C. Details regarding the scope of, and findings from, the Department's examination are set forth in a report entitled State of New York Insurance Department Report on Examination of New York Life Insurance Company Regarding Response to Supplement No. 1 to Circular Letter No. 19 (2000) dated June 30, 2004 (the "Report on Examination").

D. Members of the National Association of Insurance Commissioners ("NAIC"), including the Participating Regulators, as the chief regulatory officials of their respective jurisdictions, agreed that the Department would be principally responsible as Lead Regulatory Negotiator for negotiating this Regulatory Settlement Agreement on behalf of and for the benefit of the Participating Regulators and the NAIC.

E. New York Life and the Department have agreed to enter into this Regulatory Settlement Agreement. This Regulatory Settlement Agreement provides benefits to former policyholders who may have been affected by certain race-based underwriting practices, or their legal heirs.

F. The Department, the Participating Regulators and the Company desire to resolve all regulatory issues arising from or in any way relating to race-based underwriting practices, including the subject matter described in the Report on Examination, on the terms and conditions set forth herein.

IT IS HEREBY STIPULATED AND AGREED:

II. GENERAL TERMS

A. The Report on Examination did not identify any evidence that New York Life used agent rate manuals, policy forms or dividend scales that differentiated among individuals on the basis of race, but did confirm that, during the period from 1920 until

no later than 1948, New York Life, in New York and elsewhere, issued African-Americans endowment policies with substandard ratings established using mortality data specific to race as one, though not the sole, underwriting criteria.

B. New York Life will endeavor to identify endowment policies issued by New York Life to African-Americans from 1920 through 1948, where the insured's age was advanced five or more years ("Policies"). Any endowment policies New York Life issued to African-Americans prior to 1920 where the insured's age was advanced five or more years shall also be considered "Policies" under this Agreement.

C. New York Life will implement a program designed to refund to appropriate parties, if any, the additional premium associated with any such advance in age under the Policies.

D. The terms of this refund program will be as set forth in the attached Exhibit labeled "Refund Program", which is incorporated herein.

E. New York Life and the Department may mutually agree in writing to changes to this Exhibit.

F. New York Life, in agreeing to this Regulatory Settlement Agreement, does not admit to any violation of Insurance Law or any other law or regulation in connection with the subject matter of the Report on Examination.

III. REGULATORY RESOLUTION

A. Each person signing on behalf of a Participating Regulator gives his/her express assurance that under applicable state laws, regulations and judicial rulings,

he/she has the authority to enter into this Regulatory Settlement Agreement on behalf of the Participating Regulator.

B. Each Participating Regulator shall execute and deliver this Regulatory Settlement Agreement to the Lead Regulatory Negotiator within sixty (60) days following the receipt of this Regulatory Settlement Agreement from the Lead Regulatory Negotiator. If a Participating Regulator finds that, under applicable state law, regulation or procedure, the preparation and execution of a consent order is necessary to carry out the terms of this Regulatory Settlement Agreement, such a consent order (the "Applicable Consent Order") shall be prepared by such Participating Regulator within sixty (60) days following the receipt of this Regulatory Settlement Agreement from the Lead Regulatory Negotiator.

C. For purposes of this Regulatory Settlement Agreement, an "Applicable Consent Order" shall be satisfactory to the Company if it: (1) incorporates by reference and attaches via exhibit a copy of this Regulatory Settlement Agreement; (2) expressly adopts and agrees to the provisions of this Regulatory Settlement Agreement; and (3) includes only those other terms that may be legally required in the state of the applicable Participating Regulator. However, nothing in this Regulatory Settlement Agreement shall be construed to require any state to execute and deliver an Applicable Consent Order if such State elects instead to sign this Regulatory Settlement Agreement.

D. Upon execution of this Regulatory Settlement Agreement, the Department and the Participating Regulators release and forever discharge the Company from all liability for, and from all civil or administrative causes, actions, claims, damages, losses

and demands of any nature whatsoever, that arise from acts or omissions related to the subject matter of the Report on Examination and this Regulatory Settlement Agreement.

E. Any material violation of this Regulatory Settlement Agreement may be deemed to constitute a violation of an Order issued by the Department or the Participating Regulators to the Company.

F. The Company shall not issue any written statements, written press releases or other written media notices in connection with the proposed settlement which have not first been provided to the Department sufficiently in advance of public release to provide the Department with adequate time to review and comment on the proposed statement, press release, or notice and to prepare its own statement.

G. The Regulatory Settlement Agreement may be signed in counterparts, each of which shall constitute a duplicate original.

H. This Regulatory Settlement Agreement sets forth the entire agreement between the Company and the Department and the Participating Regulators with respect to its subject matter, and it may not be altered or modified except by written instrument executed by the Department and the Company.

I. This Regulatory Settlement Agreement shall be governed by and interpreted according to the law of the State of New York.

Agreed to this 30 day of JUNE, 2004

APPROVED AND AGREED TO BY AND ON
BEHALF OF THE STATE OF NEW YORK
INSURANCE DEPARTMENT

By:

A handwritten signature in black ink, appearing to read "Gregory V. Serio", is written over a horizontal line.

GREGORY V. SERIO
SUPERINTENDENT OF INSURANCE

APPROVED AND AGREED TO BY AND ON
BEHALF OF NEW YORK LIFE INSURANCE
COMPANY

By:

SHEILA K. DAVIDSON
SENIOR VICE PRESIDENT AND GENERAL COUNSEL
NEW YORK LIFE INSURANCE COMPANY

Agreed to this 30 day of June, 2004

APPROVED AND AGREED TO BY AND ON BEHALF OF
THE STATE OF NEW YORK INSURANCE DEPARTMENT

By:

GREGORY V. SERIO
SUPERINTENDENT OF INSURANCE

APPROVED AND AGREED TO BY AND ON BEHALF OF
NEW YORK LIFE INSURANCE COMPANY

By:



SHEILA K. DAVIDSON
SENIOR VICE PRESIDENT AND GENERAL COUNSEL
NEW YORK LIFE INSURANCE COMPANY

EXHIBIT TO REGULATORY SETTLEMENT AGREEMENT

Refund Program

1. OVERVIEW

The limited historical information available to New York Life Insurance Company suggests that from at least the 1920's until 1948 the Company may have charged African-Americans an additional premium for endowment policies by advancing the insured's age five years. While New York Life believes that "age-rating" was consistent with industry norms and legal requirements at the time, the Company is committed to addressing this apparent historical inequity through a refund program.

2. ELIGIBLE POLICIES

- a. Endowment policies issued from 1920 through 1948 to African-Americans, with a five-year (or greater) age advance are "Eligible Policies".
- b. Any endowment policies issued to African-Americans with a five-year (or greater) age advance prior to 1920 will also be considered eligible for refunds under the Program. Any policies in this category will not be included in the Eligible Policy database described in Section 3 or referenced in the public notice described in Section 4.

3. IDENTIFICATION OF ELIGIBLE POLICIES

- a. Brief Cards – The Company's information regarding Eligible Policies is limited to data found on policy brief cards currently maintained on microfilm. Information on a brief card usually consists of:
 - i. Name of insured (and race, for years in question)
 - ii. Policy type and face amount
 - iii. Issue date and termination date
 - iv. Premium
 - v. Date of birth and any age advance
 - vi. Address of insured
 - vii. Beneficiary

- b. Independent Consultant – The Company retained independent consultants, at the Company's expense, to review microfilm rolls, identify Eligible Policies, and transfer information on each Eligible Policy to an appropriate data base. The independent consultants' work plan was submitted to the New York Insurance Department.
- c. Timing – The creation of the data base of Eligible Policies has been completed.

4. PUBLIC NOTICE OF REFUND PROGRAM

- a. Timing – This aspect of the Refund Program will commence within 60 days (tentatively July 1, 2004) after the complete data base of Eligible Policies is available. It will conclude six months from the date of the first publication described in b. below (tentatively December 31, 2004).
- b. Forms of Notice
 - i. Publication - The Company will publish a notice of the Refund Program as described below.
 - 1. The notice will be substantially similar in content to Appendix 1 attached.
 - 2. The publication schedule will be designed so that the notice will be published weekly, monthly or quarterly until the end of this aspect of the Refund Program. The notice will be published nationally in one edition of USA Today. The publication schedule will be submitted to the New York Insurance Department for prior approval.
 - 3. Publications selected are:
 - Black Enterprise
 - Jet
 - Ebony
 - American Legacy
 - Upscale
 - Family Digest
 - USA Today
 - ii. Web Site - The Company will make available to the public a direct URL to support the Refund Program. The web site will be entitled

“Outreachprogram.info” . The content and functionality of the site will consist of a notice substantially similar in content to Appendix 1, attached, and the following:

1. The ability for the visitor to the web site to input data to determine if a particular individual was the insured under an Eligible Policy issued between 1920 and 1948. Data to be input will include: name of insured; date of birth of insured; policy number (if available) and city and state of insured’s residence.
 2. If data input matches name of insured and either the insured’s date of birth, residence or policy number this will be considered a Potential Match and visitor to site will be instructed as to how to initiate claims process. The website’s search capability will take into account approximate spellings of the insured’s name using the Soundex or similar system.
 3. The website will instruct visitors that with respect to any policies issued prior to 1920 they must provide the Company with the policy number. The website will provide a toll-free telephone number and a mailing address for that purpose.
 4. If data input does not match information available on an Eligible Policy, visitor to site will receive a message to that effect.
 5. The website will permit the printing of a claim form, regardless of match.
- iii. Direct Mail Outreach – The Company will send a Claim Form and information on the Refund Program substantially similar in content to Appendix 1, attached, to the last known mailing address for each Eligible Policy. The Company will conduct a search of its other policy records to determine whether it has a more recent address for all Eligible Policyholders identified in the database.
- c. Points of Contact – In addition to the web site described above, the Company will establish the following additional means by which individuals who become aware of the Refund Program can contact the Company.
- i. Telephone – The Company will establish a dedicated, toll-free line to support the Refund Program.
 1. This contact point will be staffed by Company employees (or individuals retained through an appropriate outside service) in a

manner consistent with the Company's usual business practices with respect to call centers provided for customer service. The hours of operation for the call center will be 9 a.m. to 5 p.m. Eastern Time Monday through Friday except holidays.

2. A caller on this line will be able to provide data similar to that described in a. above to determine if there is a Potential Match. If there is a Potential Match, the Company will provide the claimant, within 15 days, with a Claim Form and instructions on how to initiate the claims process.
- ii. Mail – The Company will establish a mailing address to support the Refund Program.
 1. Writers will be asked to provide data similar to that described in b.ii.1. above to determine if there is a Potential Match.
 2. The Company will respond within 15 days of receipt of a claimants' letter. If there is a Potential Match the Company's response will include a Claim Form and instructions on how to initiate the claims process.

5. CLAIMS PROCESS

- a. Claim Form Submission – To be eligible for a refund an individual must submit a Claim Form before the last day of the 10th month following the first publication of the Refund Program Notice (Claim-In Deadline).
- b. Form of Notices – The notices sent by the Company as provided for in this section will be made by U.S. mail to the address provided by the submitter (or to another appropriate address if the notice is provided to someone other than the submitter); provided, however, that the Company can supply these notices solely by email upon request by the submitter or such other person.
- c. Initiation of Claim – An individual who has been notified of a Potential Match or requests a Claim Form will be provided with a Claim Form (available online and through the mail). If the Claim Form is sent through the mail it will be accompanied by a pre-paid return envelope. Information necessary to complete the form will include:
 - i. the data provided to establish the Potential Match;
 - ii. the submitter's name, address and other contact information;

- iii. a description of the submitter's relationship to the insured under the Eligible Policy; and
- iv. clear photocopies of the Proofs of Claim described below.

The Claim Form will include an affirmation by the submitter of the accuracy of the information provided and instructions to mail the Claim Form to an address specified on the form. The Claim Form will notify the individual about the deadline for submitting a Completed Claim Form.

- d. Proof of Claim – Required documentation will include the following:
 - i. If submitter is the insured – Proof of identity, which will include one of the following:
 1. Social Security card; or
 2. Driver's license or other, similar identification card issued by a state or municipality; or
 3. U.S. Passport; or
 4. Any other form of identification which, in the Company's judgment, is sufficient to establish identity.
 - ii. If submitter is not insured –
 1. Proof of death of insured–This will include –
 - Death certificate; or
 - Published obituary; or
 - Any other form of proof which, in the Company's judgment, is sufficient to establish death of insured.

Proof of death will not be required if the Company has other, credible information that the insured is deceased (such as notations on the relevant brief card) or if the insured would be over age 100 as of the date of the Claim Form is submitted.

2. Proof of relationship to insured –This will include –
 - Birth certificate; or
 - Baptismal or other church records; or

- An affidavit completed by submitter with sufficient information, in the Company's judgment, to establish submitter's relationship to insured; or
- Any other form of proof that, in the Company's judgment is sufficient to establish submitter's relationship to insured.

e. Claim Process and Determination –

i. Completed Claim Form –

1. If all required information is provided on or included with the Claim Form, the submitter will be notified by letter dated within 15 days of receipt of the form that it is a Completed Claim Form.
2. If the Claim Form is not complete, the submitter will be notified by letter dated within 15 days of receipt of the form of the missing information and reminded of the deadline for submitting a Completed Claim Form.
3. If further information is received, the submitter will be notified within 15 days of receipt of the Claim Form concerning whether it is a Completed Claim Form or if there are further requirements. Otherwise, no further reminders will be provided.
4. A Completed Claim Form means that, on its face, the document is complete and the appropriate type of documentation has been provided. This does not imply, however, that the claim process is complete and a determination has been reached.

ii. Claim Evaluation – A Completed Claim Form will be reviewed by the Company to determine whether and to whom to pay a refund.

1. Whether a refund is payable –

- The Company will evaluate the Completed Claim Form to determine if, in its reasonable judgment, the submitter has established a sufficient connection with an Eligible Policy to justify payment of a refund.
- In making this determination, the Company will make reasonable accommodations in light of the length of time that has passed since issuance of the Eligible

Policies and the consequent difficulty of providing definitive proof.

2. To whom a refund is payable –

- If a refund is due, the Company will then evaluate whether the submitter should be the sole recipient of the refund or whether the refund should be payable to more than one individual, whether or not all are submitters.
- In making this determination, the Company is not obligated to inquire as to the existence of other potential recipients.
- If the Company determines that there are multiple potential recipients, the priority as between and among recipients will be determined based solely on the current intestacy provisions of New York law, regardless of any evidence concerning the disposition of the estate of the insured. The Company's determination in this regard will be final and binding on all potential recipients.

f. Communication of Decision –

- i. The Company shall make a claim determination within 60 days of receipt of a Completed Claim Form.
- ii. Once a claim determination has been made, the Company will notify the submitter of its decision within 15 days.
 1. If a refund is payable solely to the submitter, the submitter will be notified of this fact and informed as to when the refund will be calculated and paid.
 2. If a refund is payable, but to a person other than the submitter, the submitter will be notified and provided with a reasonable explanation of the decision. The person to whom a refund is payable will also be notified and informed as to when the refund will be calculated and paid.
 3. If a refund is payable, but to more than one person, including the submitter, the submitter and other recipients will be notified, provided with a reasonable explanation and informed as to when the refund will be calculated and paid.

4. In each of the situations described above, the notice will also include the caution that, prior to the Final Claim Deadline (see below), the Company may receive information that affects the claim determination (for example, an adverse claim). If so, the submitter and other recipients will be notified within 15 business days of the Company's receipt of the information that affects the claim determination.
 5. If a refund is not payable, the submitter will be notified and provided with a reasonable explanation and a description of the process for resubmitting a claim (see below).
- g. Resubmission of Claim – In the event the submitter or another individual who receives a notice described in 5.f. above disagrees with the claim determination, he or she can provide additional information to the Company for its evaluation. This additional information must be received by the Company within 45 days of the date of the Company's notice. The Company will evaluate this information in a manner consistent with the process for review of the original claim.
- h. Deadlines –
- i. To be eligible for consideration for a refund, a Claim Form must be received by the Company before the Claim-In Deadline. The Claim-In Deadline is the last day of the 10th month following the first publication of the Refund Program Notice.
 - ii. To be eligible for a consideration for a refund, a Completed Claim Form must be received by the Company before the Completed Claim Form Deadline. The Completed Claim Form Deadline is the last day of the 12th month following the first publication of the Refund Program Notice.
 - iii. In no event will the Company make a claim determination or alter a previous claim determination after the Final Claim Deadline. The Final Claim Deadline is the last day of the 20th month following the first publication of the Refund Program Notice.
 - iv. The Company may, in its discretion, extend the Claim-In Deadline, Completed Claim Form Deadline and the period for Resubmission of a Claim in consideration of the facts and circumstances of a particular claim.
- i. Personnel - This claims process may be administered by employees of New York Life or by an outside consultant retained by New York Life.

- j. Calculation and Timing of Premium Refunds
- i. A premium refund will be calculated for each Eligible Policy for which the Company determines a refund is payable. The premium refund calculation will be performed by the Company or by an independent consultant retained by the Company.
 - ii. The premium refund will equal the extra premium actually paid because of the age rating accumulated to the date of payment of the refund at 4% simple interest per annum.
 - iii. The Company may make a reasonable estimate of the extra premium paid, in the absence of complete historical records.
 - iv. If the premium refund plus interest due any claimant is less than \$10.00, the Company will round each such payment up to \$10.00 so that no payment will be less than \$10.00.
 - v. The payment for all approved claims will be made as soon as reasonably possible after the Claim-In Deadline but in no event later than thirty (30) days after the Final Claim Deadline.
 - vi. Prior to receiving the check, recipient(s) will be provided with and required to execute appropriate documents settling the claim.
- k. New York Insurance Department Approval - All claim forms, claim settlement documents, correspondence to claimants, public notices, telephone scripts and website content used in connection with the Refund Program will be subject to the prior approval of the New York Insurance Department.
- l. Maintenance of Refund Program Records – The Company shall maintain Refund Program records, including copies of all claim correspondence, consistent with New York Insurance Department Regulation No. 152. The Company will also maintain a log of all individuals who conduct a search of the website database.
- m. Complaint Handling – The Company will maintain a log and records of any complaints received in connection with the Refund Program. Upon request by the New York Insurance Department the Company will provide the Department with the complaint log and any complaint records, including records that reflect the Company’s response to each complaint and the ultimate resolution of same. In its initial written response to each complaint the Company will provide the complainant with information on how to contact the Department about their complaint.

A message to African-Americans (or their legal heirs) who purchased endowment policies from New York Life Insurance Company between 1920 and 1948.

New York Life is committed to acting in the best interests of our policyholders. That is why we've conducted a comprehensive search of our records to find individuals who may have been overcharged by New York Life for endowment policies purchased between 1920 and 1948. Endowment policies return principal and interest to the owner, typically after a term of 10, 15 or 20 years, or a death benefit to the beneficiary in the event the owner dies prior to the maturity date. Because of the nature of the policies in question, none of them are in force today.

Our search revealed that between 1920 and 1948, New York Life Insurance Company charged African-American individuals more for these endowment policies. That practice ended in 1948, and perhaps earlier, according to our records. Today, New York Life is committed to make whole any customer affected by this practice.

If you or someone related to you had an endowment policy issued by New York Life Insurance Company prior to the end of 1948, and you are African-American, we invite you to learn whether you may be eligible for a refund of extra premiums paid. The deadline for submitting a claim for a refund, along with the required documentation, is April 30, 2005.

To find out if you are eligible for a refund, please call 1-866-891-0614. Hearing-impaired individuals can call our toll-free TTY telephone number, 1-800-420-8141. Phone lines will be open weekdays from 9:00 a.m. to 5:00 p.m. Eastern Time. You can also visit our dedicated web site, www.outreachprogram.info, or write us at New York Life, 51 Madison Avenue, Room 2510, New York, NY 10010. If you write us, please include the following information so we can reach you: your full name, address and phone number, the name of the insured person, and, if possible, the policy number.

