How we measure up

2013 Report to Policyholders
Note: “New York Life” or “the company” as used throughout the Report can refer either separately to the parent company, New York Life Insurance Company (NYLIC), or one of its subsidiaries, or collectively to all New York Life companies, which include NYLIC and its subsidiaries and affiliates, including New York Life Insurance and Annuity Corporation (NYLIC) and NYLIFE Insurance Company of Arizona (NYLAZ). NYLAZ is not authorized in New York or Maine, and does not conduct insurance business in New York or Maine. Any discussion of ratings and safety throughout the Report applies only to the financial strength of New York Life, and not to the performance of any investment products issued by the company. Such products’ performances will fluctuate with market conditions.
To our policyholders:

Theodore Roosevelt once said, “The best prize life has to offer is the chance to work hard at work worth doing.” That’s a notion that I’m proud to say resonates with everyone in our organization.

We understand that the work we do has purpose; it affects not only the lives of people like you who have placed your trust with us, but arguably generations of family members who will follow you. We invite you to review our performance in 2013 and hope you walk away feeling confident that we continue to hold ourselves to the highest standards to ensure we measure up to your expectations.

As we begin 2014, there are many reasons to be cautiously optimistic about the path of our nation’s economy. The equity market had a very strong advance in 2013; interest rates, while still very low from a historical perspective, recorded a marked rise during the
For nearly 170 years, we have built our business around bringing certainty and security to our customers in good times and bad.

Past year; unemployment declined to a five-year low; the housing market has been stabilizing; and in a sign of confidence that the economy is indeed regaining its strength, shortly before the year came to a close, the Federal Reserve announced its intention to begin scaling back on its massive stimulus program.

Concerns remain, such as the near-term possibility of an equity market correction, or more fundamentally, the fact that much of the improvement in our unemployment numbers has been driven by people who have stopped looking for work. Moreover, our federal government has not taken any material action to address our long-term debt situation, and we appear positioned for a continued stretch of political motivations trumping sound policy decisions.

Yet, a feeling of optimism is starting to take root. Perhaps we are adjusting to the ongoing uncertainty in the markets and the continued inaction of our political leaders. Or perhaps we are collectively deciding that it is simply time to move forward—more than five years after the start of the Great Recession. In any case, regardless of its source, a sense of confidence is essential to our prosperity. Of course, this ultimately must be grounded in individual action and accountability, but we are long overdue for a return of the optimism and collective pride that remain at the heart of the American success story.

At New York Life, we appreciate the continued confidence you show in us by entrusting our company year after year with the safety and security of those you love. By doing business with us and our unmatched network of Agents and advisors, you are demonstrating your individual accountability for prioritizing what matters most and keeping the good things going in your life.

For nearly 170 years, we have built our business around bringing certainty and security to our customers in good times and bad.
No one can predict the future, but we’ve made it our business to plan and prepare for whatever it may hold. We recognize that no matter what is happening in the world around us, life goes on. And we are here to help you at every stage: life insurance to protect against the unexpected; mutual funds and annuities to help pay for college tuition, or prepare for a comfortable retirement; and long-term care insurance to help ensure you receive the support you need in the event of a disability or chronic illness.

We hope you take great comfort and pride in the financial strength of your mutual company. Our undisputed financial strength anchors our ability to live up to the guarantees and promises we make to you. In the years since the onset of the financial crisis, New York Life has consistently delivered strong results despite unparalleled economic headwinds. And I’m pleased to report the momentum continued in 2013.

You can find the details of our financial performance on pages 8–15 in this Report and online at www.newyorklife.com. By any measure, the past year is one we can all feel very good about. Sales were up across the board; operating earnings, or profits, grew by 11 percent; and surplus, the money over and above the reserves we set aside to pay the benefits we offer, stood at more than $21 billion* at year-end—an all-time record.

Contributions to our success are coming from every corner of the company. The heart of our organization has been, and always will be, our core life insurance operation and our team of career Agents who have led the United States in MDRT® membership for 59 consecutive years. We are also the #1 direct marketer of life insurance in America,** as well as one of the premier providers of life insurance to large professional associations. And our subsidiary, Seguros Monterrey New York Life, remains one of the top life insurance companies in Mexico. The size and strength of our insurance business is the reason why, out of roughly 900 companies

“We remain the predominant provider of guaranteed lifetime income annuities in the United States.”

Notes appear on pages 22-23
“I’m very proud to say that we are the only major mutual U.S. life insurance company to increase both its dividend scale and its total dividend payout in both 2013 and 2014.”

selling life insurance in the United States today, not one has a higher rating for financial strength from A.M. Best, Fitch, Moody’s, or Standard & Poor’s than we do.†

While our combined insurance businesses form the foundation of the company, no other area of the organization is growing more rapidly than our investments operations. This is not happening by chance. During the past few years, we have made a concerted effort to extend beyond our insurance foundation by growing our mutual funds and asset management businesses. The array of products we offer provides our customers with additional solutions for their financial planning needs. And we’re seeing great results. We remain the predominant provider of guaranteed lifetime income annuities in the United States.‡ And mutual fund sales, which have been growing steadily, nearly doubled this year, reflecting both strong flows across the MainStay Funds family and the addition of a few new funds to our portfolio.

The contributions from our investments operations ultimately generate additional surplus and enhance our financial strength—and that is something that benefits all our policyholders. As a mutual life insurer, we have no shareholders. You are our priority. And every dollar we create within our organization is put to use with you in mind, which includes our annual dividend payout for eligible policies.

As I’ve discussed in this letter for the past several years, no economic factor has a greater effect on life insurance companies than the level of interest rates. It affects our dividends, crediting rates, and earnings. While rates have been slowly rising this past year, they still remain well below their long-term average.

Notes appear on pages 22-23
Regardless of the economic climate, when it comes to dividends, we always aim to provide the largest payout we can while ensuring our continued financial strength that backs the benefits we’ve promised to you. Upon reviewing our operating performance this past year, and taking into consideration the additional capital we generated on the company’s equity investments, our Board of Directors agreed to approve a raise to the dividend scale again this year. The total payout for 2014 will exceed $1.4 billion—an increase of more than $100 million over last year. And I’m very proud to say that we are the only major mutual U.S. life insurance company to increase both its dividend scale and its total dividend payout in both 2013 and 2014.*

From an operational and strategic standpoint, we could point to any number of factors as reasons why New York Life remains at the top of the life insurance industry. But in reality, strategies, products, marketing, and other business operations can be copied or replicated by others. What I believe truly separates us from others is our perspective on, and approach to, the business we’re in.

With every product we offer, our goal is to be here to pay that benefit whenever it comes due. That moment is, and always will be, the essence of what our business is all about. And if you visit us at newyorklife.com, you will find just a small sampling of stories that play out every day in the words of our customers and Agents. I want to personally thank them for taking the time to share their experiences, and, in turn, allowing us to share them with you.

We hope our performance in 2013 makes you feel good about your decision to choose New York Life. You can be certain that what we do each year isn’t about having a bigger slice of the pie in the short term; it is always about growing the size of the pie for you and all our customers in the years ahead. Our job—every single day—is to help you remain optimistic and feel good about your future and the future of those you care about most.

Thank you for continuing to make us “The Company You Keep.”

Sincerely,

Ted Mathas
Chairman of the Board, President and Chief Executive Officer

Notes appear on pages 22-23
As a mutual life insurer, we see New York Life as a “not-just-for-profit” company.

Of course, like any business, we need profits—or earnings—to keep the organization strong and growing. But earnings are not our true “bottom line.” Unlike publicly traded companies that distribute earnings to their shareholders, we put that money to work on your behalf.
This is the 160th consecutive year that we have paid a dividend to eligible policyholders.

<table>
<thead>
<tr>
<th>Year</th>
<th>In $ Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>8.62</td>
</tr>
<tr>
<td>2012</td>
<td>8.10</td>
</tr>
<tr>
<td>2011</td>
<td>7.62</td>
</tr>
<tr>
<td>2010</td>
<td>7.21</td>
</tr>
<tr>
<td>2009</td>
<td>6.58</td>
</tr>
</tbody>
</table>

Notes appear on pages 22-23
Between 2009 and 2013, we paid beneficiaries more than $15 billion in life insurance benefits.

That would be enough money to put more than 165,000 students through four years of college,* or pay off over 85,000 home mortgages.§

Between 2009 and 2013, we paid out more than $14 billion in annuity benefits.

That could pay one year’s worth of an average Social Security retirement benefit for more than 960,000 Americans.°

Notes appear on pages 22-23
Through economic ups and downs, life insurance is a product that has withstood the test of time; it continues to have a place in virtually every prudent financial plan. For nearly 170 years, life insurance also has been the foundation of New York Life’s business. And as a mutual company with no shareholders, our primary objective is to invest and manage the dollars we’re paid to generate strong, stable returns to back the promises we make to those who have placed their trust in us.

The consistent growth in our individual life insurance in force means more people like you are turning to us each year for financial security and peace of mind. And the growth in our assets under management is primarily driven by the fact that, in the wake of the financial crisis, an increasing number of retail and institutional customers believe in our long-term investment management philosophy and want our assistance in growing their assets, regardless of what is happening in the world around us.

Notes appear on pages 22-23
### Operating Earnings, Surplus and Asset Valuation Reserve

#### Operating Earnings<sup>4</sup>

<table>
<thead>
<tr>
<th>Year</th>
<th>In $ Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.76</td>
</tr>
<tr>
<td>2012</td>
<td>1.59</td>
</tr>
<tr>
<td>2011</td>
<td>1.34</td>
</tr>
<tr>
<td>2010</td>
<td>1.31</td>
</tr>
<tr>
<td>2009</td>
<td>1.08</td>
</tr>
</tbody>
</table>

#### Surplus and Asset Valuation Reserve<sup>5</sup>

<table>
<thead>
<tr>
<th>Year</th>
<th>In $ Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>21.14</td>
</tr>
<tr>
<td>2012</td>
<td>19.61</td>
</tr>
<tr>
<td>2011</td>
<td>17.86</td>
</tr>
<tr>
<td>2010</td>
<td>16.78</td>
</tr>
<tr>
<td>2009</td>
<td>15.01</td>
</tr>
</tbody>
</table>

Our growth in insurance in force and assets under management—along with the investment returns we generate—drive our strong earnings and the growth in surplus and asset valuation reserve. Surplus is an additional source of capital above and beyond the money already set aside to pay each and every benefit we’ve promised.

Notes appear on pages 22-23
“For policyholders, surplus is the most important financial measure—it is the primary indicator of the strength of your life insurer.”

Surplus in a mutual company can be used in one of three ways, all of which ultimately benefit our current and future customers: 1) to further enhance our financial strength and ensure we can meet our obligations regardless of what the future may hold; 2) to further grow our various business operations; or 3) to be distributed as a dividend to the owners of eligible policies.
For policyholders, surplus is the most important financial measure—it is the primary indicator of the strength of your life insurer.

When the financial crisis hit in 2008, many companies struggled to come up with the capital needed to keep operations running—with some even requiring a taxpayer-funded bailout. At New York Life, our surplus cushioned the impact on us and helped preserve the company’s top ratings for financial strength. And in the five years that followed, we initiated some important strategic decisions that enabled us to simultaneously grow on all three sides of the surplus triangle.

Along with our large and stable book of life insurance (which forms the foundation of our financial strength and our surplus growth), we have been increasing the scope of our retail and institutional investment businesses. Today, contributions to surplus from our investment operations are growing in size—and growing rapidly. We also made the decision to divest our companies and joint ventures in Asia, adding that additional capital back into surplus.

The result? Since 2009, surplus has grown over $6 billion. New York Life continues to grow in size and reach. And in 2013 and 2014, we have been the only major mutual U.S. life insurance company to increase both its dividend scale and total dividend payout to eligible policyholders.
Whether your goal is protecting your family or business against the unexpected, paying for college, or building and securing a comfortable retirement, you should never feel you have to “go it alone” when it comes to taking control of your future.
Insurance Sales, Annuity Sales, Mutual Fund Sales

Insurance Sales\(^6\)

<table>
<thead>
<tr>
<th>Year</th>
<th>In $ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,194</td>
</tr>
<tr>
<td>2012</td>
<td>1,149</td>
</tr>
<tr>
<td>2011</td>
<td>1,196</td>
</tr>
<tr>
<td>2010</td>
<td>1,138</td>
</tr>
<tr>
<td>2009</td>
<td>1,006</td>
</tr>
</tbody>
</table>

Annuity Sales\(^7\)

<table>
<thead>
<tr>
<th>Year</th>
<th>In $ Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>9.67</td>
</tr>
<tr>
<td>2012</td>
<td>7.49</td>
</tr>
<tr>
<td>2011</td>
<td>8.13</td>
</tr>
<tr>
<td>2010</td>
<td>8.67</td>
</tr>
<tr>
<td>2009</td>
<td>11.59</td>
</tr>
</tbody>
</table>

Despite the recent economic challenges, our track record of strong insurance and investments sales each year not only continues to fuel the company’s growth—it’s a sign that more people are following your lead and turning to New York Life for assistance. And no matter what products you may already own, our Agents and advisors stand ready with the solutions you need to help you achieve your objectives at every stage of your life.

Mutual Fund Sales\(^8\)

<table>
<thead>
<tr>
<th>Year</th>
<th>In $ Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>31.25</td>
</tr>
<tr>
<td>2012</td>
<td>17.22</td>
</tr>
<tr>
<td>2011</td>
<td>18.94</td>
</tr>
<tr>
<td>2010</td>
<td>10.86</td>
</tr>
<tr>
<td>2009</td>
<td>7.62</td>
</tr>
</tbody>
</table>

Notes appear on pages 22-23
You’ve got dreams and responsibilities.

We’re here for both.

As families grow, careers take unexpected turns, and priorities change, it’s nice to know that you’ve got a partner who’s here to help.
Meeting with your Agent for an annual review is a great opportunity to determine if you still have the best strategy in place or if you could benefit from an update to your protection or overall financial strategy.

All the way from your first job to welcoming your great grandchildren, wherever life takes you, we’ll be by your side with solutions and guidance to help you keep the good in your life going.

---

Starting out.

Getting started on the right foot doesn’t have to be complicated or expensive. There are insurance, annuity, and investment options that can help you lay the foundation of a smart financial strategy no matter what your goal or budget may be.

Growing along the way.

As careers mature and families get bigger, priorities often change—and so do your protection and financial needs. Your Agent can help you reassess your approach and determine the best way forward, like converting a term policy or purchasing an annuity. Whether you want to put four kids through college, pay off your mortgage, or retire early, we can help you find the right solution to turn your goals into realities.

Enjoying what you’ve accomplished.

Longer, healthier lives mean more time to enjoy a vibrant and active retirement. So whether you’re embarking on an exciting new chapter or just taking some well-deserved time for yourself, you can rest assured that New York Life will be there, just as we’ve always been.

Leaving a legacy to build on.

And when you’re ready to think about what you’ll pass on to your loved ones, plan for your long-term care needs, or consider leaving your mark with a charitable gift to a worthy cause or favorite organization, your Agent can give you proper guidance to help you make the best decision for your situation.
It comes down to one word: trust.

When you’re preparing for the future, it’s important to know you’re working with people who have a proven record of being there when they’re needed most. New York Life’s guiding principles, strong surplus, commitment to mutuality, and career Agents have served policyholders well for nearly 170 years.

Our success is built on relationships that last a lifetime. That’s why we are always looking ahead and making decisions and investments that are built for long-term performance rather than short-term gain.

- Financial strength, integrity, humanity: timeless principles for today and tomorrow.
- Strength and agility: nice to have in your corner.
Agents who are here to help.

Working with a New York Life Agent gives you the opportunity to discuss your needs and concerns with someone who values you as a person, not just a phone call or policy/account number. Our Agents build relationships, often spanning decades and even generations. They’re more than just highly trained financial professionals; they’re local business leaders, volunteers, coaches, and neighbors, just like you. It’s this connection to their communities that is the key to their success.
Mutuality makes all the difference.

As a mutual company, New York Life issues no stock, and is not beholden to stockholders or outside investors. Mutuality means that the only constituency we serve is you. This gives us the freedom to focus on the long-standing needs of our policyholders rather than the often shortsighted demands of Wall Street.

Another feature of mutuality is our ability to pay dividends. In 2014, our dividend payout to participating policyholders will rise by 8% for the second consecutive year—a $108 million increase over the previous year, for a total payout of $1.43 billion.

- For 160 consecutive years, New York Life has paid dividends to participating policyholders.

Taking responsibility for our communities.

Whether it’s providing relief to the victims of Hurricane Sandy or helping grieving children recover, few things are more important than giving—financial support or volunteer time—to make our communities stronger and better places to live.

Since its inception, the New York Life Foundation has awarded nearly $185 million to charities and causes that share our commitment to building a better tomorrow. Together, the efforts of the Foundation and our Corporate Responsibility department are centered on a simple theme: making good happen.
Notes

PAGE 3
* Includes Asset Valuation Reserve; see note 5 on page 23
° Million Dollar Round Table, the premier association of financial professionals, is an organization that recognizes excellence in the life insurance industry.
** Source: LIMRA International, 3rd quarter YTD 2013 survey results and other publicly available sources

PAGE 4
† Source, Third Party Ratings Reports: A.M. Best A++ (as of 6/4/2013), Fitch Ratings AAA (as of 8/29/2013), Moody’s Aaa (as of 1/10/2014), Standard & Poor’s AA+ (as of 6/18/2013).
‡ Source: LIMRA International, 3rd quarter YTD 2013 survey results. Guaranteed Lifetime Income products are issued by New York Life Insurance and Annuity Corporation, a wholly owned subsidiary of New York Life Insurance Company. Guarantees are backed by the claims-paying ability of the issuer.

PAGE 5
* Based on publicly available information on New York Life’s peer mutual U.S. life insurers. This peer group is comprised of major mutual U.S. insurance companies for whom life insurance is the primary focus and primary line of business, and whose dividend information is made publicly available.

PAGE 8
1) Policyholder benefits primarily include death claims paid to beneficiaries and annuity payments. Dividends are payments made to eligible policyholders from divisible surplus. Policyholder benefits and dividends reflect the consolidated results of NYLIC and its domestic insurance subsidiaries. Intercompany transactions have been eliminated in consolidation. NYLIC’s policyholder benefits and dividends were $6.24 billion and $5.93 billion for the 12 months ended December 31, 2013 and 2012, respectively. NYLIAC’s policyholder benefits were $2.41 billion and $2.18 billion for the 12 months ended December 31, 2013 and 2012, respectively. Dividends are not guaranteed.

PAGE 9
* Average in-state tuition at public four-year colleges, plus room and board, books, and other campus costs, calculated @$22,800 per year. www.money.cnn.com/2013/10/23/pf/college/college-tuition/

PAGE 10
§ Based on national mortgage debt average of $173,876. www.money.cnn.com/2012/01/17/pf/credit_card_debt/
° Calculation based on data from the Office of Social Security, November 2013 snapshot. www.ssa.gov. The average annual Social Security benefit is $14,736. There are different types of annuities available, and annuity contracts vary in their terms and conditions. Some annuities require the contract owner to make an initial lump sum premium payment and others are funded by periodic premium payments. Payout terms also differ. Annuity benefits can consist of a partial return of premium as well as interest and mortality credits. Refer to your annuity contract for details.

PAGE 11
4) Operating earnings is the measure used for management purposes to track the company’s
results from ongoing operations and the underlying profitability of the business. This chart is based on accounting principles generally accepted in the United States of America (GAAP) with certain adjustments we believe are more appropriate as a measurement approach (non-GAAP). Policyholders may request a copy of the GAAP-basis consolidated financial statements and a detailed reconciliation to our non-GAAP performance measures by writing to the Secretary of New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010. In addition, the statements and reconciliation mentioned above, as well as the statutory financial statements mentioned in Note 5, will be available mid-April 2014 on our website (www.newyorklife.com).

The New York State Department of Financial Services (the department) recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York Insurance Law, and for management determining whether its financial condition warrants the payment of a dividend to its policyholders. No consideration is given by the department to financial statements prepared in accordance with GAAP in making such determinations.

5) Total Surplus, which includes the Asset Valuation Reserve (AVR), is one of the key indicators of the company’s long-term financial strength and stability and is presented on a consolidated basis of the company. NYLIC’s statutory surplus was $17.85 billion and $16.57 billion at December 31, 2013 and 2012, respectively. Included in NYLIC’s statutory surplus is NYLIAC’s statutory surplus totaling $6.75 billion and $6.40 billion at December 31, 2013 and 2012, respectively. AVR for NYLIC was $2.42 billion and $2.28 billion at December 31, 2013 and 2012, respectively. AVR for NYLIAC was $0.87 billion and $0.76 billion at December 31, 2013 and 2012, respectively. Policyholders may obtain a copy of the statutory financial statements applicable to their respective companies by contacting the Secretary of the parent company, New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010.

PAGE 15

6) Insurance sales represent annualized first-year premium on participating issued whole life insurance, term life insurance, universal life insurance, long-term care insurance, and other health insurance products. A sale is generally counted when the initial premium is paid and the policy is issued. Adjustments are made to reflect the relative importance of certain sales, primarily: single premium sales sold through our Agents and Advanced Markets Network (AMN) retail distribution channel, our network of independent Agents and brokers, are counted at 10 percent. Sales are generated from both domestic and Mexican operations. Agency Recurring Premium Life Insurance Sales refers to those products that are sold through our career Agent force and require premiums to be paid every year.

7) Total annuity sales represent premium income on our deferred annuities (both fixed and variable) and on our Guaranteed Income Annuities, which includes our immediate fixed annuity product (Guaranteed Lifetime Income) and our flexible premium deferred income annuity product (Guaranteed Future Income). Sales are generally recognized when premiums are received. Annuities are primarily issued by NYLIAC.

8) Mutual fund sales represent total cash deposited to new and existing accounts of the MainStay Funds, New York Life’s proprietary mutual funds. MainStay Funds are managed by New York Life Investment Management LLC and distributed through NYLIFE Distributors LLC, a wholly owned subsidiary of New York Life Insurance Company.

Where applicable, prior period numbers have been restated to conform to current year definition.

For further financial information, including detailed information on our investment strategy, visit our website (www.newyorklife.com), where the 2013 Annual Report will be available in mid-May 2014. A copy of the report is also available by writing to the Secretary of New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010.