Built for Times Like These

SAFE AND SECURE

JUST LIKE ALWAYS

NEW YORK LIFE

A Time of Upheaval … but Not for New York Life

Since the emergence of the subprime market collapse more than a year ago, the financial markets have been extraordinarily turbulent. The government takeover of the giant mortgage lenders Fannie Mae and Freddie Mac, the acquisitions of Bear Stearns and Merrill Lynch, the bankruptcy of Lehman Brothers, the federal government's loan to AIG, the conversion of the last two independent investment banks into bank holding companies, and the $700-billion rescue of the financial sector all have combined to fundamentally reshape the financial services industry to a degree not seen since FDR's New Deal.

So what's new at New York Life?

Nothing.

Our remarkable resilience amid turbulent times is nothing new. For more than 160 years, New York Life has kept promises to policyholders, no matter what the situation — through the yellow fever epidemics of the 19th century, the Civil War, the Great Depression, and the aftermath of recent tragedies, such as 9/11 and Hurricane Katrina.

As the nation's oldest and largest mutual life insurance company, we remain the premier provider of long-term insurance guarantees — backed by the highest possible credit ratings, billions of dollars of surplus more than needed to be confident we can meet our obligations to policyholders, and a well-diversified, conservative investment portfolio that includes very little exposure to the problem areas in today's market.

Note: "New York Life" as used throughout this document can refer either separately to the parent company, New York Life Insurance Company ("NYLIC"), or collectively to the parent company and its domestic insurance subsidiaries, including New York Life Insurance and Annuity Corporation ("NYLIAC").

In good times and in bad, three key factors set New York Life apart:

Our mutual form of ownership, which keeps us uniquely aligned with our policyholders;

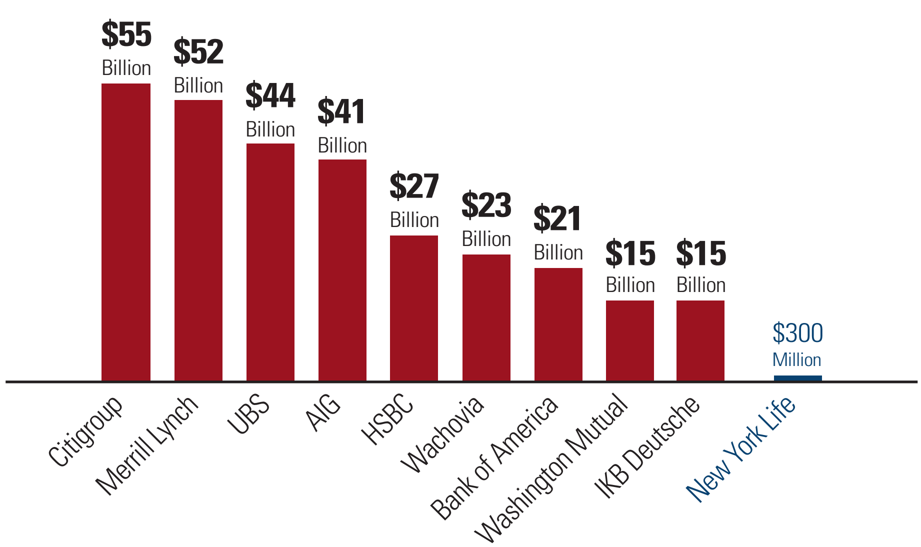
Our unquestionable financial strength, which backs the long-term promises we make; and

Our disciplined and conservative investment approach, which makes our financial strength possible.

As President and CEO Ted Mathas said recently, "We were built for times like these."

And it shows. From January 1, 2007, through June 30, 2008, New York Life's total credit losses totaled just $300 million on an investment portfolio of more than $150 billion[1] — just 0.2% and well within the range of what we budget for in a normal year. New York Life's health is also evident in our operating earnings: While every major publicly traded life insurer reported a decline in operating earnings for the first six months of the year, New York Life posted a solid 8% gain.[2]

Financial Services Industry: Credit Losses (January 1, 2007-June 30, 2008)



Source for AIG data is company financial press releases. Source for all other companies' data is Bloomberg.com. ("Banks' Subprime Losses Top $500 Billion on Writedowns," August 12, 2008.) New York Life credit losses represent other than temporary impairment losses and realized credit losses, net of recoveries, on fixed-maturity investments; of the $300 million in credit losses, $180 million are for NYLIC, and $120 million are for NYLIAC.

[1] Our investment portfolio totaled $151,374 million as of June 30, 2008 (including $48,948 million invested assets of NYLIAC). As of June 30, 2008: Total assets equaled $181,130 million (including $74,570 million total assets of NYLIAC). Total liabilities equaled $169,320 million (including $71,919 million total liabilities of NYLIAC). Statutory Capital, which includes statutory surplus and the asset valuation reserve on a consolidated basis of the company, totaled $14,287 million. (New York Life's statutory surplus was $11,810 million, including $2,652 million of NYLIAC's statutory surplus. AVR for New York Life and NYLIAC was $1,982 million and $495 million, respectively.)

[2] Operating earnings are the key measure used for management purposes to track the Company's profitability from ongoing operations. Operating earnings include New York Life Insurance Company and all of its subsidiaries and affiliates. Operating earnings are arrived at in accordance with our primary management reporting system, which 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. The New York State Insurance Department (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 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.

Our Mutual Advantage

As a mutual insurance company, we serve only one audience: our policyholders.

Publicly traded life insurance companies face a constant trade-off between policyholders and shareholders. In contrast, every dollar of value we create goes to benefit our policyholders, now and in the future.

Perhaps the most important benefit of mutuality for our policyholders is that it allows us to keep a long-term perspective in all our decision-making. This is crucial when we are making promises we will be keeping 20, 30, or 40 years into the future.

And our independence from the demands of outside investors and Wall Street analysts means that we have the freedom to walk away from investments or sales practices that offer potentially strong near-term returns but may not be in our policyholders' long-term best interests. Because of our mutuality, New York Life has a long history of taking contrarian stands that have proved to be very sound decisions.

When times are good, publicly traded and mutual life insurers generally both perform well. But when times are bad, the benefits of mutuality shine clearly. And today is no exception.

A Foundation of Financial Strength

Financial strength is the core value upon which New York Life was built, and it's at the heart of our continued stability, no matter what the market conditions.

Mission Statement

Our mission is to provide financial security and peace of mind through our insurance, annuity and investment products and services.

◆

By continuing to be a mutual company,
we are uniquely aligned with our customers.

◆

By maintaining superior financial strength, we protect their future.

◆

By acting with integrity and humanity, we earn their trust and loyalty.

◆

Every decision we make, every action we take has one overriding purpose: to be here when our customers need us.
That's why we call ourselves The Company You Keep.®

New York Life currently enjoys the highest possible financial strength ratings — with a stable ratings outlook — from all four major rating agencies:

A++	AAA	Aaa	AAA
Superior	Exceptionally Strong	Exceptional	Exceptionally Strong
A.M. Best	**Fitch**	**Moody's**	**Standard & Poor's**

Source: Individual third-party rating reports (A.M. Best, March 11, 2008; Fitch Ratings, September 4, 2008; Moody's Investors Service, September 2008; Standard & Poor's, August 28, 2008). To view the rationale for each of these ratings, please visit www.newyorklife.com.

In reaffirming our AAA rating in August 2008, S&P wrote: *"The insurer financial strength ratings on New York Life Insurance Co. and New York Life Insurance & Annuity Corp. (collectively, NYL) reflect NYL's superior brand and competitive positioning in individual life and annuities. The ratings also reflect the exceptional quality of the company's career agency force, its extremely strong risk-based capital position, its strong operating earnings, and its growing presence in international markets. Standard & Poor's Rating Services considers NYL to be one of the most respected names in the domestic life insurance business, characterized by a commitment to mutuality and its policyholders."*[3]

Underpinning our industry-leading financial strength ratings is our surplus (the funds that provide added safety and security for our policyholders) — again, among the strongest in the industry.

Because we are a mutual company, with only one audience to serve, we are able to supplement our capital with an additional amount big enough to withstand a major catastrophic event, such as the influenza epidemic of 1918. This "risk cushion" enhances our ability to withstand current and future challenges. And above and beyond this cushion, we have billions of dollars more to fund ongoing growth initiatives and to continue to return value to our policyholders, both today and in the future.

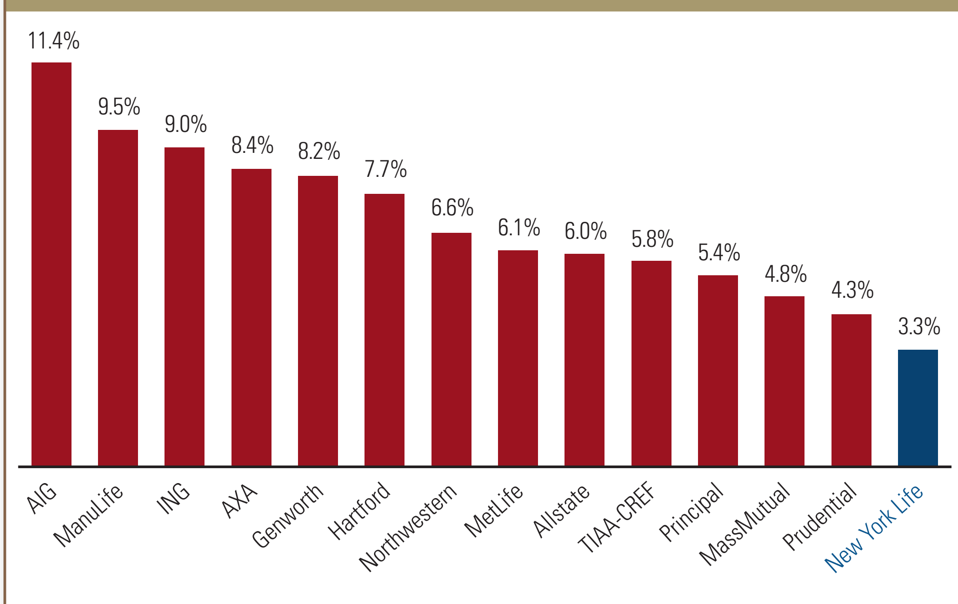
Our Investment Philosophy — "Confidently Humble"

New York Life's investment management team has long ascribed to a proven, conservative discipline in managing our more than $150-billion portfolio. As S&P noted in its recent affirmation of our AAA rating, at New York Life, "Credit risk management follows a robust set of guidelines."[3] We don't try to predict which way the market will move. We do our own fundamental, bottom-up research, rather than relying on credit ratings. We invest for the long term, because we make long-term commitments to our policyholders. We maintain diversification and ample liquidity. And we ensure that the potential returns offered by the securities we invest in significantly exceed the risk of these investments.

[3] Standard & Poor's Corporate Ratings, New York Life Insurance Co. and New York Life Insurance and Annuity Corp., August 28, 2008.

It is that insistence on getting paid for taking risk that drove a strategic reallocation of some of our investments in February 2007 — a move we refer to as a "quality tilt." More than a year before the current credit crisis emerged, New York Life's investment management team, led by Vice Chairman and Chief Investment Officer Gary Wendlandt, began closely monitoring what they believed to be an unfavorable market environment. Observing a trend toward weaker underwriting standards for all forms of debt, as well as investment returns that were not commensurate with the risk, they recommended a strategy that called for temporarily allocating a larger portion of the company's investments into safe U.S. Treasury bonds.[4]

The benefits of this rigorous investment discipline are extremely apparent today. New York Life currently maintains the most diversified investment portfolio among all major life insurers, with our 10 largest credit exposures accounting for only 3.3% of our total credit risk.



Life Insurance Industry: Top 10 Credit Exposures as a Percentage of Total Credit Risk

Source: Bloomberg.com; statutory filings as of year-end 2007.

Such diversification requires significant discipline. "New York Life's strong operating results over the past decade have meant a continual inflow of money to be invested. Even at the peak of the market, we would not take a significant stake in any single name, no matter how attractive it appeared, because we know there's always a risk we could get it wrong," says Gary Wendlandt. "We're confidently humble in our investing approach."

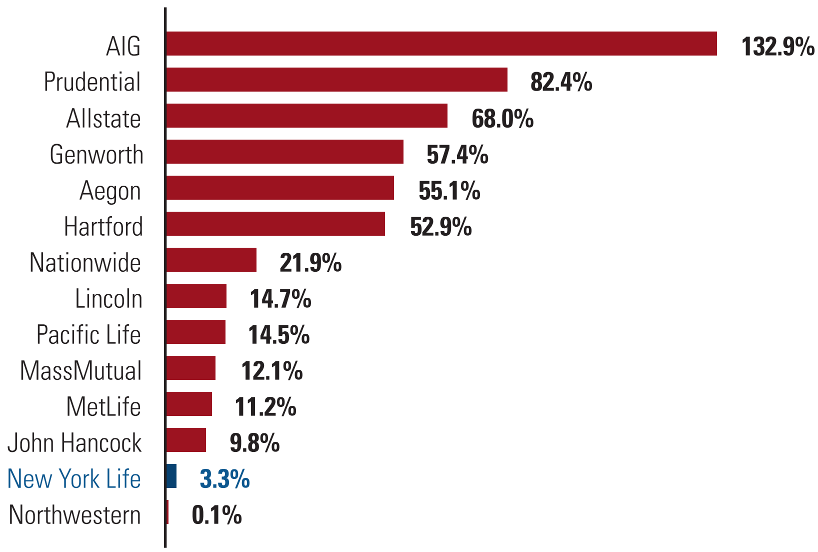
[4] To learn more about our investment philosophy and the "quality tilt" strategy of 2007, read our "2007 Report to Policyholders: Strength and Safety for Uncertain Times," available on www.newyorklife.com.

Where We're Invested Today

As always, the largest allocation in our portfolio is to high-grade corporate bonds, which comprise nearly 40% of our holdings. And thanks to our "quality tilt" program, we have far-above-average investments in U.S. Treasuries — liquidity we can put to work for our policyholders as the debt and equity markets stabilize.

Our exposure to problem sectors and holdings is extremely limited relative to the size of our overall portfolio. For example, our 2007 holdings of subprime mortgage securities comprised just 3.3% of our total adjusted capital — among the very lowest ratios in the life insurance industry.

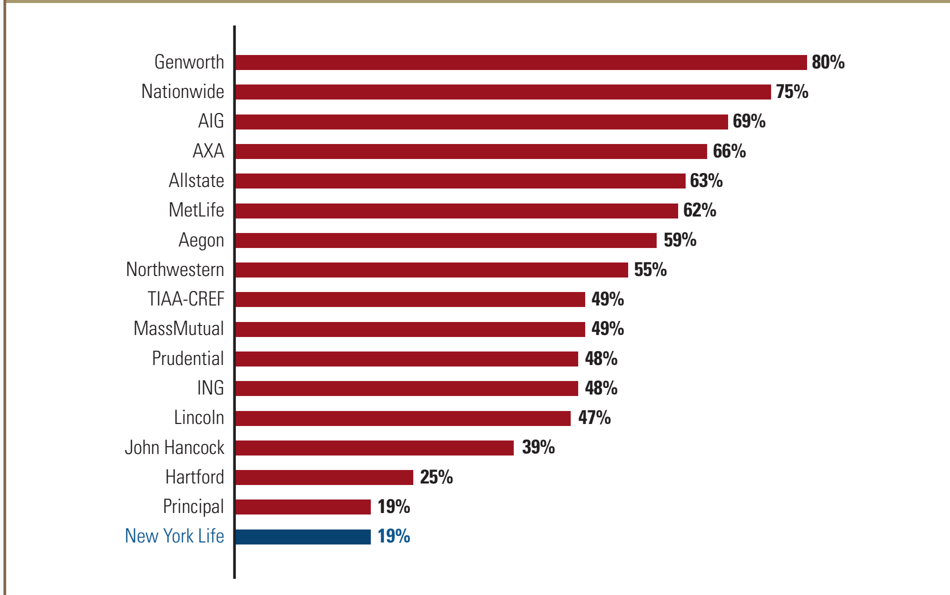
Life Insurance Industry: 2007 Subprime Exposure as a Percentage of Total Adjusted Capital



Data used in this chart are from Fitch Rating Agency Report "Subprime Mortgage Exposure for U.S. Life Insurers — Update and Outlook" dated February 21, 2008. Total Adjusted Capital is defined as statutory surplus plus asset valuation reserves plus one-half of the liability for policyholder dividends payable in the following year. For New York Life, 2006 Total Adjusted Capital was $14.6 billion (includes $2.8 billion from NYLIAC).

And our indirect exposure to the ongoing crisis in the mortgage markets is very limited, as well. Bonds of financial institutions comprise just 19% of our top ten holdings — the lowest concentration in the industry. Our disciplined investment philosophy means that our exposure to the specific companies hardest hit by the current market turmoil (including Fannie Mae and Freddie Mac, AIG, Lehman Brothers, Merrill Lynch and Washington Mutual) is likewise very small.

Life Insurance Industry: Financials as a Percentage of Top 10 Credit Exposures



Source: Bloomberg.com; statutory filings as of year-end 2007.

What Lies Ahead

As the events of the past weeks have made clear, we are in the middle of a fundamental reshaping of the financial sector — a transformation more dramatic than anything seen in generations. But amid this storm, it's business as usual at New York Life. In good times and in bad, our core values of financial strength, humanity and integrity continue to stand us — and, more important, our policyholders — in very good stead. Our mutuality allows us to keep a steady hand at the wheel, maintaining a long-term view and avoiding the temptations of chasing short-term gains. And our commitment to maintaining the industry's #1 team of well-trained professional agents means you have a valued partner to help guide you through these uncharted waters.

That's why we remain *The Company You Keep.*®

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