

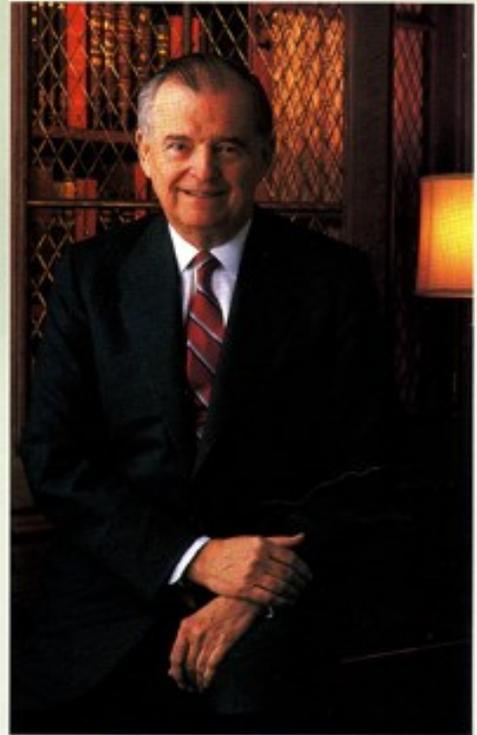
To our Policyowners:

"The Company You Keep," New York Life's new "signature," has many meanings...the people with whom you associate...the firm that earns your loyalty...the agent you trust. It is what New York Life is all about. Every employee and agent, in every transaction, is dedicated to earning your trust and retaining your loyalty. That's why we decided to incorporate "The Company You Keep" into our advertising campaign. In that campaign, we depict real agents, men and women who share your concerns, your hopes and dreams for the future; who take an active part in the community; who have built their careers on providing quality products and good service. They have held fast to old-fashioned values in a turbulent decade.

The past ten years were ones of enormous change. We took a big step in 1980 with the creation of New York Life Insurance and Annuity Corporation, which enabled us to offer more competitive insurance and annuity products. In 1984, we acquired MacKay-Shields Financial Corporation, a leading investment management firm. Two years later, NYLIFE® Securities Inc. was expanded to sell investment and registered products. And, we entered the managed health care business in 1987 with the acquisition of Sanus Corp. Health Systems. We have become more competitive and more diversified.

We have enhanced and expanded our traditional product line as well. Universal life, mutual funds, partnership investments, guaranteed investment contracts and other pension products were added. Recognizing that we are now part of a global economy, we have established a presence in Europe and the Pacific Basin.

The most important story in the '80s, however, has been our carefully managed growth. This prudent expansion has enabled us to grow while maintaining and enhancing our financial strength. Today, we are one of a handful of financial services



**Chairman of the Board
and President Donald K. Ross.**

companies given the highest marks by leading rating services—an added measure of assurance for those who believe that strength and stability are just as important as size.

Life insurance in force on January 1, 1980 was \$111.9 billion. At year-end 1989, we topped the \$300 billion mark. We began the decade with total assets of \$18.5 billion, and we ended it with \$46.6 billion. In 1979, premium income was \$2.6 billion; ten years later, it topped \$7.9 billion.

In 1989, a difficult sales year, gains from operations, before dividends and taxes, achieved record levels. Other milestones in 1989 included:

- Our MainStay® mutual funds reached \$1 billion in assets under management in June—just three years after inception—despite dramatic fluctuations in financial markets during those years.
- We established a mandatory continuing education program for agents. We want to make sure that our agents keep current on changes in the volatile financial services field.
- We offered new products and enhanced others. In March, we began offering a survivorship whole life policy; in April, a fixed period annuity; and in July, we lowered premiums on whole life policies with face amounts less than \$100,000.
- We continued our part in the fight against AIDS. In 1989, we committed to a \$20 million investment in Biogen, Inc. to jointly fund ongoing research, development, and clinical trials of AIDS therapeutic products.

Perhaps the most important milestone, however, was the complete restructuring of our field operations. We believe the agency system is the key to quality sales and service. After careful study, we decided to put five of our very best field managers in charge of our operations from coast-to-coast.

Each of our new zone senior vice presidents has an outstanding track record as an agent and field manager. They have

been given the mandate—and the authority—to sustain and to grow our agency force as the most effective in the industry. It is their responsibility to see that each of the offices in their zones operates at peak efficiency, on your behalf. Their selection and appointment were highlights of a busy year.

We ended 1989 without one of our valued Board Members, Walter J.P. Curley. After more than eight years of service, he resigned to become the U.S. Ambassador to France, following former Board Member Robert Mosbacher, Secretary of Commerce, into the Bush administration. We miss him and we wish him great success. Thomas W. Langfitt, M.D., president and chief executive officer of The Glenmede Trust Company and The Pew Charitable Trusts, was elected to the Board in May, and we welcome his expertise.

The new decade has already had an auspicious beginning. On January 17, 1990, Harry Hohn was elected chairman of the board and chief executive officer and George Bundschuh, president, effective August 1, 1990, upon my normal retirement.

Harry Hohn joined New York Life in 1956 as an attorney in the legal department. He was elected to the Board of Directors in 1985, and named vice chairman in 1986. A graduate of New York University, he holds a Doctor of Laws degree from Fordham University School of Law, and a Master of Laws degree from New York University School of Law. Harry is actively involved in the work of industry organizations and is a member of the board of directors of The American College. He is also on the board of Witco Corporation.

George Bundschuh joined New York Life in 1959 as an investment analyst in the New York Home Office. In 1983, he was elected to the Board of Directors and was subsequently named vice chairman of the board. He is a graduate of Pace University and a member of the University's board of trustees. He also serves on the board of directors of the Life Insurance Council of New York. George is a graduate of the Columbia



University Graduate School of Business and is a Chartered Financial Analyst.

Together, Harry and George have a balanced book of 65 years' experience with New York Life. It is the Company they

**Chairman-elect
Harry G. Hohn (seated)
and President-elect
George A.W. Bundschuh.**



have kept—and the Company they will keep. You can rest assured they will manage it wisely in your best interests.

Toward that end, they will be ably assisted, as I have been, by the Company's Executive Management Committee. This committee establishes management policies in all areas of the Company's business. Its continuing focus in the years ahead will be on customer satisfaction.

As we look back, we'll remember 1989 for the natural disasters—Hurricane Hugo, the San Francisco earthquake, the Huntsville tornadoes—we lived through or watched, deeply moved, on television. But we'll also remember 1989 for the courage and spirit we witnessed. The sharing and kindness

The Executive Management Committee: Front (left to right) Executive Vice President Kenneth R. O'Brien; Senior Vice President, General Counsel and Secretary Alice T. Kane; Vice Chairman George A.W. Bundschuh; Chairman and President Donald K. Ross; Vice Chairman Harry G. Hohn; Senior Vice President Richard M. Kernan, Jr.; Executive Vice President Walter Shur. Rear (left to right) Senior Vice President Seymour Sternberg; Executive Vice President Lee M. Gammill, Jr.; Senior Vice President Thomas P. O'Connor; Consultant Stanley Liss; Senior Vice President Walter C. Weissinger, Jr.

exhibited by so many reminded us that our country is really just a series of caring communities.

In the pages that follow, you'll see eight different stories about the relationships our customers have with New York Life. As in our commercials, these are real people. The stories they tell show the bond our clients form with their agents and service representatives. Chicago, Scottsdale, Fullerton—name almost any city in the nation, and you'll find a New York Life person who is a friend and neighbor.

New York Life is a large organization with over \$46 billion in assets. But to many of you we're simply one agent, a friend, someone in your community you know and trust. For 145 years, we've built our client base, one agent at a time, one customer at a time, one relationship at a time. And that will be the foundation for our continued growth in the '90s.

In November, we received a letter from one of our policyowners, Richard Ferguson of Missouri: "New York Life Insurance Company 'The Company You Keep' for me translates to: New York Life Insurance Company 'The Company I've Kept.' That little policy I took out at Grand Island, Nebraska, back in 1937 has been with me through the rest of the Great Depression, a couple of wars, the works!

"I like the slogan."

Thank you, Mr. Ferguson, from the Company you've kept.



Donald K. Ross
Chairman of the Board and President



The difference is service

Tom Lin, CLU, ChFC, Agent, Fullerton, California

When I came to this country to go to college back in 1974, one of the most valuable lessons I learned was how much an immigrant has to depend on other people. People with a different culture, language, and law. It's a lesson I've taken to heart; it's shaped the way I do business.

For me, service means more than just making policy changes and sending birthday cards. It means being there for people. Especially those people who are new to this country, who don't know how to go about getting a driver's license or getting working papers. I was there. I know what it's like to struggle with government forms.

I like to think that my help has made their transition to America easier than mine was. And I know that when these people get established here, they'll come back to me for insurance and financial advice. I'll be ready with the answers then, too.

Shiao-Ping Liu, Rowland Heights, California

I noticed a big change in the service we got when my company's health plan was taken over by Tom. When problems arose, he came over to handle them himself. He's always around to explain things or hand deliver a claim. And New York Life's service has been great. They handle our health and key employee insurance.

I'd thought about asking Tom to handle my personal insurance needs, but like most people I kept putting it off. Then, one day, my husband got a call from an agent with another carrier. We told her to send us some information. We looked it over and asked her to stop by to answer some questions. Though she was very nice, she still made "vanishing premium" seem like a

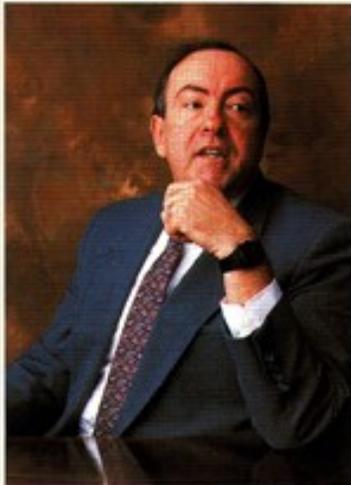
The Company You Keep



magic trick. So I suggested we ask Tom about it.

Tom showed us a similar illustration, but he explained to us how the policy dividends should be large enough to offset the premium after eight years—and he carefully pointed out to us that dividends are not guaranteed and may not be paid as illustrated. We didn't want magic, we wanted the facts and his explanation convinced us that he knew what he was talking about and could tell us in terms we could understand.

*S*hiao-Ping Liu enjoys New York Life group health, key person, and life insurance benefits through her employer. And the futures of her son, Larry, and husband, Charles (pictured in background), are assured through a whole life policy on herself.



A continuing partnership

George Neuman, Group Vice President, New York, New York

Back in 1961, my first job out of college was right here. I've spent my whole career here and I'm proud to be a part of the New York Life family. In fact, my wife, Randi Lynn, is a supervisor in our Greater New York Group Claims Office.

Throughout my career, I've worked in different areas of the group department. I've found that here in "large group" we can take a different approach with clients like The World Bank. We view them as a partner. They were our very first group client. They've stayed with us and we've made a commitment to them—to provide their employees with the quality services they need.

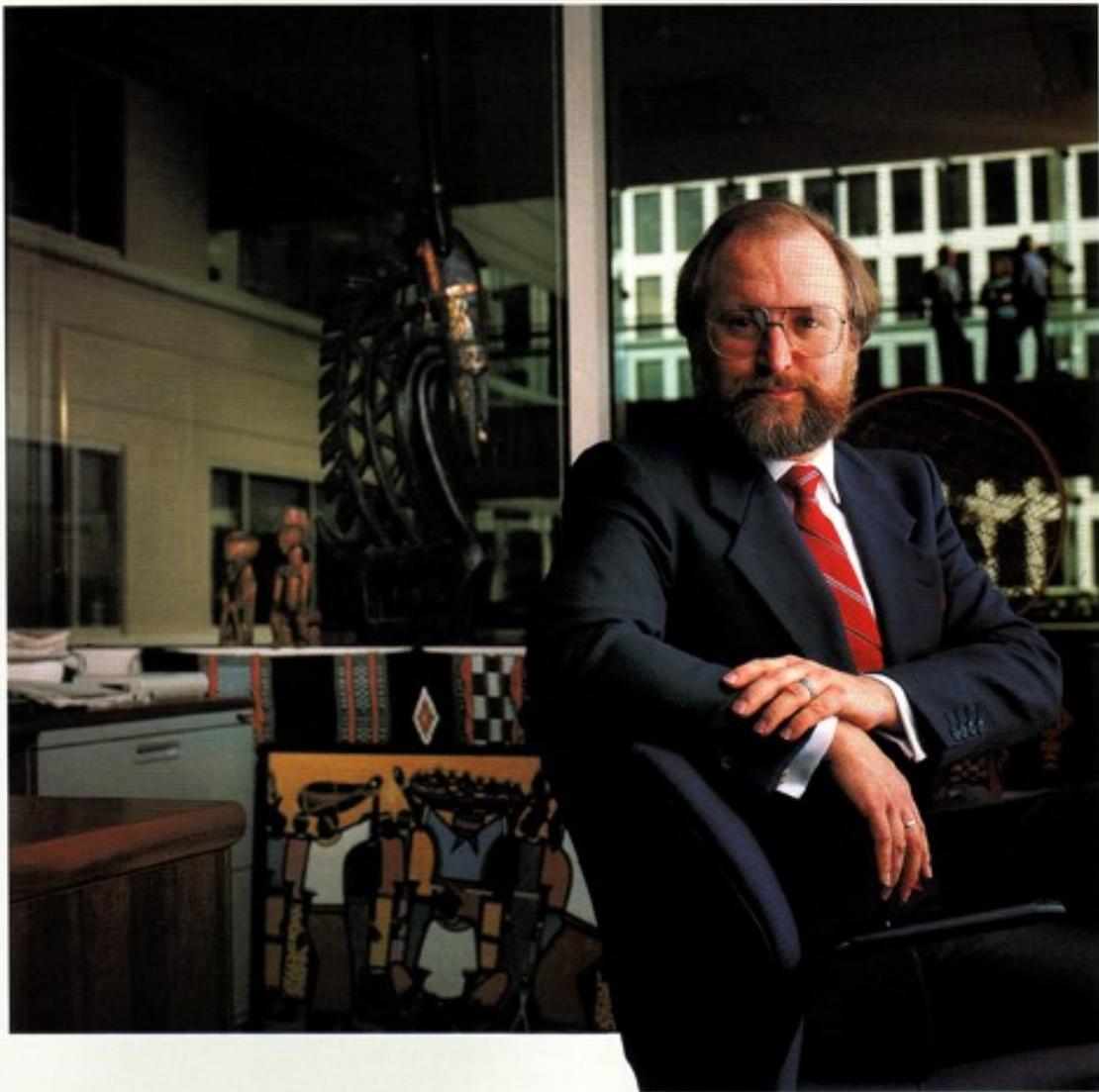
Richard Eddy, Insurance Manager, The World Bank, Washington, D.C.

From my perspective, I can't afford to waste my time dealing with bureaucracies. I have to meet the insurance needs of 6,000 employees, representing 112 nations, stationed here in Washington and thousands more around the world. I need reliable, seasoned professionals working with me. People like George Neuman and his staff.

They take the time to learn about us and what we need. Then they find ways to meet those needs. Once, during a flu epidemic, claims started to back up. New York Life instantly tapped the resources of other claims areas and rearranged work loads to get the checks out on time.

We encourage our employees to discuss treatment costs in advance with their claims examiners—this helps prevent problems later. The claims office also helps me show employees how the health insurance plan is our plan. The claims staff tells us the reasons behind provisions. To be good health care consumers, we have to use medical services prudently.

The Company You Keep



With today's increasing health care and insurance costs, the renewal process is never automatic. But for the last 38 years, we've stuck with New York Life. They seem to view renewals as opportunities to prove again why they deserve our business.

We know we can count on the New York Life team to do its part, but we have to do our part, too. Working together, we can keep costs down.

As the insurance manager at The World Bank, Richard Eddy must consider the needs of both the bank and its employees. He depends on the full cooperation of everyone—especially his group insurance provider since 1951: New York Life.



Advice that makes sense

Tema Steele, Agent, Cherry Hill, New Jersey

After graduating from Temple University, I worked in banking, eventually serving as a branch manager. But the money wasn't there. So, after my boys started school, I thought I'd try insurance sales. I already knew how to handle the cold calls. I used to set up appointments for my ex-

husband, who was an agent with another insurance company. Recalling the respect he had for their training program, I decided to join New York Life.

My career provides the income I need to take care of my two boys, stay involved with community groups, and continue to learn and grow. During my eight years here, I've earned my MBA from Drexel University and have written many articles for industry and general publications.

In some ways, the business classes I teach at Rutgers University give me the same kind of satisfaction that I get when I'm with clients like Jane Walton. I enjoy showing people various ways to handle their finances or start a business. And for me, there is no greater joy than to have someone come to me for advice. That makes me feel good about what I'm doing.

Jane Walton, Mt. Laurel, New Jersey

After the '87 stock market crash, my stockbroker shrugged, "Everybody lost." But that was my life savings. So when Tema called me, I was ready to listen to some advice, but also determined to be very cautious before I trusted anyone again.

Right from the beginning, I felt comfortable talking with Tema. She listens and teaches. We went over my portfolio statements and she showed me what had been going on with my account. She patiently explained how the various investments work and where charges and taxes could be avoided.

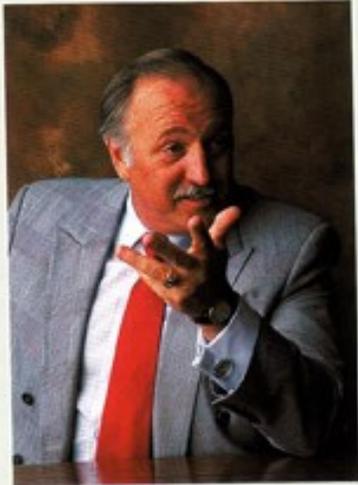
The Company You Keep



She even taught me how to read a prospectus. In fact, one day I got on the phone with my former broker and asked him why my "diversified" portfolio was all invested in government mortgage vehicles.

With Tema's help, I now have control of my finances. They're very safe with New York Life. And I feel comfortable with my guaranteed annuity. It provides me with the income to carry me through when sales are slow in the housing market, and I don't have to worry about changes in the stock market.

As a sales counselor for a real estate developer, Jane Walton knows the growth potential of the NYLIFE Realty and Government Mortgage Plus limited partnerships she owns. But she's also learned to diversify her portfolio with annuities, mutual funds, and oil and gas partnership investments.



Tailor-made benefit packages

John Angelone, Agent, Scottsdale, Arizona

I've really had two careers with New York Life. The first began in 1964, when I was recruited into the Northern Ohio office in Cleveland. Working in my home town, I had lots of contacts and quickly reached the highest sales levels. But in '71, after my wife and I had weathered too many bliz-

zards, we headed southwest to Scottsdale.

It was tough getting started again in a new town. I didn't know anyone. But one of the first people I met was Tom Moxley. He was just starting out here, too. Seven years later, both our businesses were successful and he asked me for some advice. He and his partner were looking for ways to attract and keep good electronics marketing people.

I went right to work. I find challenges like this make my profession a real pleasure. Soon, we'd designed an employee benefits package that provided the recruiting tool they needed. And I'd become a part of the Compass Marketing team—a role I also enjoy.

Tom Moxley, President, Compass Marketing & Sales Inc., Phoenix, Arizona

We may not be the biggest company in our industry, but we're certainly recognized as one of the best at what we do. Our strength comes from the seasoned marketing and sales people in Arizona, New Mexico, and Colorado we put to work for our customers and principals. It's crucial for us to attract and keep these kinds of people. But we also can't afford costly benefits.

In other words, we need a benefits professional we can trust like one of our own managers. And that's John Angelone. I've known him longer than I've known my partner, Doyle Kelly. And they're both vital to the business.

The Company You Keep



Doyle provides technological experience. And John shows us how to use disability income and whole life insurance policies to create very attractive benefit packages. Now, before we hire a key person, we refer them to John. He explains how it is the intent of Compass Marketing to provide a steady income—in sickness, health, or death—for our employees and their families.

We're giving our people great benefits and the best part is, it's a package we can afford.

Partners Tom Moxley (left) and Doyle Kelly (right) offer whole life and disability insurance policies from New York Life as attractive benefits to key people in their company. They also own several personal life policies on themselves.



Response to disaster: "Above and beyond the call"

**Steve Adkins, CLU, ChFC, General Manager,
Charleston, South Carolina**

We heard about Hugo's approach for days, but no warnings can possibly prepare you for the kind of devastation that hurricane caused. After ripping our roofs off, it rained on us for two straight days. Water seeped into everyone's lives. It seeped into walls and carpets. It poured out of our computers, desks, typewriters, and file drawers.

I learned a lot about how resilient I am. And I have a new appreciation for my agents, office staff, and management team. They can really roll with the punches. And they're resourceful. With phones and electricity out in our office, they worked at their homes, continuing to do the necessary paperwork and calling. Even with the office down, clients got uninterrupted service on their New York Life policies, and agents were able to maintain their livelihoods.

The importance of our winning attitude has really come home since Hurricane Hugo hit.

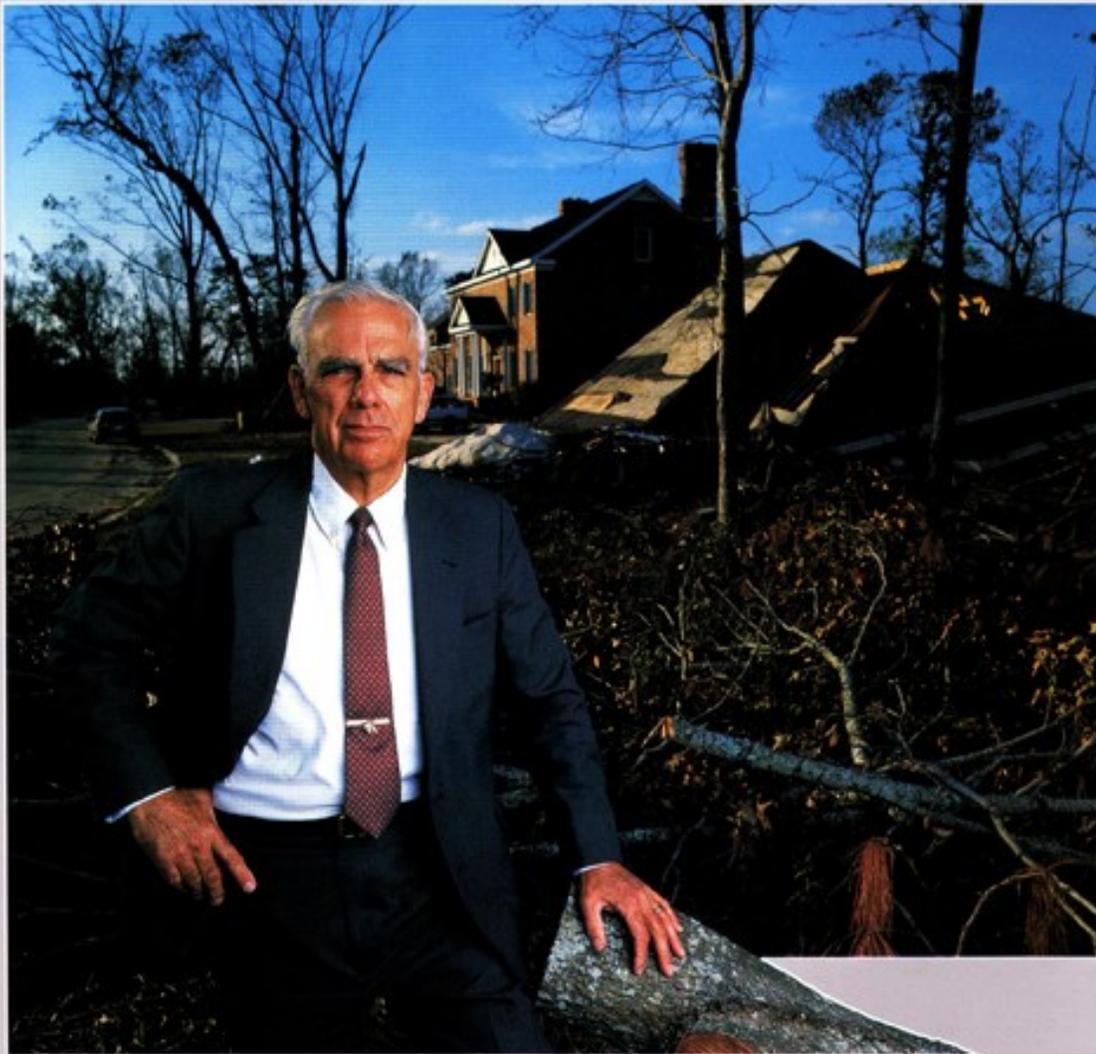
In the wake of Hurricane Hugo, natural disasters also struck in California and Alabama—touching the lives of thousands. For many, personal tragedies and traumas gave way to active concern for neighbors, friends, colleagues, and clients. At New York Life field offices, staffs and agents pulled together to provide the necessary financial services for policyowners.

Ben McGuckin, Jr., CLU, Agent, Charleston, South Carolina

Hugo put everyone's life on hold. For two weeks, we just cleaned up. Many businesses shut down, but we didn't. As the Company's press release promised, all services continued throughout the crisis—thanks in large part to the general office staff. They did a super job—above and beyond the call, as we used to say in the Navy.

Realizing the importance of keeping their policies in force, many clients came to us because they simply

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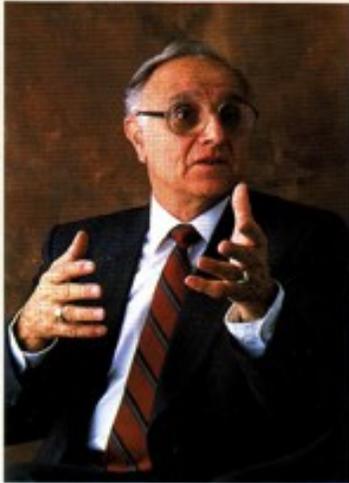


didn't have the money to pay their premiums. And the Company granted payment extensions.

We had to keep things running. When I sell life policies, I tell clients their cash value is a ready source of money for unexpected expenses. I wanted to be there to help make that money available.

Thanks to the extraordinary efforts of many, many people, we were quickly doing business as usual—under very unusual circumstances.

*B*en McGuckin has been a New York Life agent since his discharge from the U.S. Navy in 1956. "I've met most of my clients simply by doing the things I enjoy: hunting, fishing, sailing, tennis, and Naval Reserve activities."



Generations of trust

John Rocco, CLU, Agent, Boston, Massachusetts

My sons, John and Chris, are in their sixth and second years with the Company. I've been with this great organization for over 33 years. It's a way of life we're proud to be a part of.

When I started in the business, it was just life insurance—a wonderful product that I believe is still the best way to fill many personal, financial needs. But I'm also a big believer in our other products. For instance, our family of mutual funds offers the kinds of diverse options smart investors look for.

But the Piantedosi Bakery illustrates the real key to this business: permanence—sticking with the people, the products, and the Company for the long haul. Nothing makes estates grow better than time. So, when you're planning for retirement, college for the kids, or that dream house, your best bet is to use time to help a little cash today become tomorrow's estate.

Tom Piantedosi, President, Piantedosi Baking Co., Malden, Massachusetts

Family-run businesses offer many advantages, especially if you happen to be in the family that's running it. But I think most of the 150 people working with us know we consider them part of our family. We care about their personal needs and the needs of their families.

Seven of us third generation Piantedosis currently manage the bakery. And, believe me, it's not easy getting seven people to agree on anything. But, as in any business, we've had to make some changes here. That's why we recently hired a new accountant and lawyer.

But one person we've never thought of replacing is John Rocco. We all see him as a trusted adviser. As our needs have changed, John, like his com-

The Company You Keep



pany, has grown and changed, too. For instance, when we didn't have a clue how to set up a profit-sharing plan, he helped us create one. Now our employees can put money into a guaranteed account or the MainStay® Government Plus or Capital Appreciation mutual funds.

John is more than just my father's and uncle's insurance agent. He, too, is a member of our family. Who else would always be there when you need him? Who else would send five or six potential buyers my way after learning that I was trying to sell my condominium? Who else offers products backed by the financial strength of New York Life?

All the workers at Piantedosi Baking benefit from their New York Life group life insurance, as well as from the bakery's profit-sharing plan. Family members Tom (left, front) and Joe Piantedosi (right, front) and Dan Gattineri also own whole life policies on themselves. (The bakery worker in the background is Yoeum Koy.)



Investments that work

Wilder Howland, III, Regional Pension Manager, New York, New York

I joined New York Life right after I graduated from the University of Connecticut, back in 1967. I started out on the Company's management training track. Working through the ranks of pension underwriting, I eventually headed that area before moving over to sales in 1984.

Though we offer clients 11 different pension performance accounts and traditional GICs (guaranteed investment contracts), what I'm really selling is the Company's investment expertise. My clients are great at what they do. In the case of the Glaziers' Union, it's negotiating work contracts and workers' benefits. Contractors from around the New York area come to them for professional glass installers. Can they be expected to know the best way to manage the money for the members' retirements, too? That's why they've relied on us for the last five years.

Irving Monheit, Funds Administrator, Glaziers' Local Union 1087, New York, New York

As a second generation glazier, I worked with the tools until 1969, when I became a business representative. I was elected business manager and funds administrator in 1975. I'm very proud of this union and the tremendous work it has done for the glaziers in New York and Connecticut. The Glaziers' Local 1087 represents the interests of over 1,000 active and retired glaziers.

Today, I work with Business Manager Edward McNally and the Trustees of Local 1087 Fringe Benefits Funds, overseeing the various funds for covered members. We've promised them that we will prudently invest their funds. And to fulfill this extremely important responsibility, we rely on the advice we get from people like Wilder Howland. He has come through time after time—especially during the turbulent markets of these past few years.

The Company You Keep



Our New York Life investments continue to provide strong returns. They help assure the financial well-being of our members into their retirement years.

But there's more to it than just the bottom line. Wilder and his assistant, Bernadette Hoban, are aware of our needs. They've taken the time to come in here and learn what we're all about, what we need now, and what we may need in the future. When I retire, I'll leave knowing that my own retirement funds are well-secured and that our New York Life investments will be in good hands with Wilder, Bernadette, and their expert support staff.

For the last five years, New York Life has proven its ability to handle more and more of the Glaziers' Union pension fund money. So now, as Irving Monheit (left) retires, the management of his union can pass smoothly to his friend, Ed McNally (right). (Also pictured in background: union member Jeffrey Rothman.)



Understanding people

Gail Lutz, Agent, Calumet City, Illinois

It took Jerry Broadhurst, my manager, almost nine months to recruit me. I saw many great reasons to join the business, but had many concerns and questions I wanted answered.

Coming from administrative and accounting work in other industries, most of my initial questions were analytical. But once I got out there selling, I had many more “people” questions. Most had to do with dealing with their doubts and fears. I’ve had to learn to read people...not people, but each individual person.

Training alone couldn’t prepare me for the concerns of, say, Grace Caliebe. Thanks to advice from career agents, I learned how to listen. This helped me discover who Grace is, who she cares about, and what she wants out of life. Only now can I show her how New York Life products can help—like the annuity that’s providing an income for her widowed sister.

Grace Caliebe, Skokie, Illinois

It’s easy to look at the paper or watch TV news and bemoan how terrible things are. But, I think, overall, life is good...and that’s primarily because people are, at heart, compassionate. As a nurse and teacher, I’ve seen people at their worst and at their best: in the grip of pain caused by disease, in the throes of death, or on the mend—seeing new sets of challenges, learning, growing, searching for ways to help others.

Over the years, I’ve gotten more from others than I can ever possibly give back. I mean, I get so much pleasure from paintings, sculpture, traveling, and books. And I’m very thankful for my family. My sister, brother, and I are still very close. We help each other any way we can. I’m also blessed with a secure financial situation I’ve built for myself over the years. With New York

The Company You Keep



Life insurance and investments, I feel my savings are safe—there's no way you can question the Company's financial strength.

But it's also important to deal with people you can depend on and trust. As a nurse, I've worked with professionals capable of making vital decisions. The kind of professional I look for in a doctor, accountant, or financial representative. It's certainly the kind of professional I've found in my friend, Gail.

Grace Caliebe has enjoyed a long career as a nurse and teacher. Her research abilities help keep her financially savvy. She has chosen a number of New York Life and NYLIFE products, including whole life, annuities, limited partnerships, and mutual funds.