New York Life Global Funding

$11,000,000,000

GLOBAL DEBT ISSUANCE PROGRAM

This supplement ("Base Prospectus Supplement") is supplemental to and must be read in conjunction with the Offering Memorandum dated November 21, 2007 (the "Offering Memorandum") as supplemented by base prospectus supplements dated March 10, 2008 and April 11, 2008 (collectively, the "base prospectus supplements") prepared by New York Life Global Funding (the "Issuer") under the Issuer's global medium-term note program for the issuance of senior secured medium-term notes (the "Notes").

Application has been made to the Irish Financial Services Regulatory Authority as competent authority for the purposes of Directive 2003/71/EC (the "Prospectus Directive") for this Base Prospectus Supplement to be approved.

This document constitutes a Base Prospectus Supplement for the purposes of the Prospectus Directive. References herein to this document are to this Base Prospectus Supplement incorporating Annex 1 hereto.

On April 16, 2008, New York Life published its Management's Discussion and Analysis of Financial Condition and Results of Operations of New York Life, Certain Financial and Accounting Matters, Statutory Capitalization of New York Life and Selected Historical Statutory Financial Information of New York Life (collectively, the "Financial Information") the text of which is set out in Annex 1 to this document. Copies of such Financial Information will be made available for inspection at the offices of the parties at whose offices documents are to be available for inspection as identified in "General Information" in the Offering Memorandum.

Except as disclosed in this document, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Offering Memorandum or the base prospectus supplements since the publication of the Offering Memorandum.

Each of the Issuer and New York Life accepts responsibility for the information contained in this Base Prospectus Supplement. To the best of the knowledge of each of the Issuer and New York Life (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Base Prospectus Supplement dated April 21, 2008

ANNEX I

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF NEW YORK LIFE

Prospective investors should read the following discussion in conjunction with "Certain Financial and Accounting Matters", "Selected Historical Statutory Financial Information of New York Life" and the 2007 and 2006 Statutory Financial Statements of New York Life and the notes thereto contained elsewhere in the Offering Memorandum.

Unless the context otherwise requires, (i) references to "New York Life" are to New York Life Insurance Company on a stand-alone, non consolidated basis and (ii) references to "The Company" are to New York Life Insurance Company, together with its domestic and international subsidiaries.

OVERVIEW

General

Based on data compiled by the National Underwriter Insurance Data Services and analyzed by New York Life, New York Life is one of the largest mutual life insurance companies in the United States in terms of both total assets, of which New York Life had $122,753 million at December 31, 2007, and total life insurance in-force, of which New York Life had $780,170 million at December 31, 2007. The wide range of insurance and investment products and services offered through New York Life and its subsidiaries includes life and health insurance, long term care, annuities (including guaranteed lifetime income annuities), pension products, mutual funds (through its broker/dealer subsidiary), and other investments and investment advisory services. The Company owned or had under management $280,046 million in total assets at December 31, 2007.

The Company's four principal lines of business are Life and Annuity, Investment Management, Special Markets and International operations. Life and Annuity operations are conducted primarily through New York Life and its wholly-owned insurance subsidiaries, New York Life Insurance and Annuity Corporation ("NYLIAC") and NYLIFE Insurance Company of Arizona. Investment Management operations are conducted through New York Life and various registered investment advisory subsidiaries of its wholly-owned investment management subsidiary, New York Life Investment Management Holdings LLC ("NYLIM"). Special Markets is a niche business of New York Life and NYLIAC that markets group life and health insurance to membership associations and long-term care ("LTC") insurance and is the exclusive endorsed provider of life insurance and guaranteed lifetime income annuity products through NYLIAC to the American Association of Retired Persons ("AARP"). New York Life and its subsidiaries market their products in all 50 of the United States, its territories and the District of Columbia, primarily through its agency force. New York Life markets insurance and investment products in Asia and Latin America through its wholly-owned subsidiary New York Life International, LLC and its affiliates. Operations in China are conducted through New York Life. NYLIFE LLC is a wholly owned subsidiary of New York Life, and is a holding company for certain subsidiaries of New York Life. NYLIFE LLC, through its subsidiaries, offers securities brokerage, financial planning and investment advisory services, trust services and capital financing.

For the year ended December 31, 2007, New York Life had total premiums and annuity considerations of $9,752 million. Of this total, $6,045 million was attributable to Life and Annuity, $2,171 million to Investment Management and $1,536 million to Special Markets.

Basis of Financial Presentation

The discussion below for the years ended December 31, 2007 and 2006 is based on the 2007 and 2006 Statutory Financial Statements. Those financial statements have been prepared on the basis of Statutory Accounting Practices ("SAP") prescribed or permitted by the New York State Insurance Department. Under SAP, results of subsidiaries are not consolidated with the results of New York Life on a line-by-line basis, but rather are generally recorded at their underlying net equity value as affiliated common stock investments, with the current year change in net equity value, less dividends paid and contributions from New York Life reflected in unrealized capital gains and losses through surplus. Dividends received from subsidiaries are included in New York Life's net investment income. During 2007 and 2006, New York Life received $11 million and $20 million, respectively in dividends from its subsidiaries.

Financial statements prepared on the basis of SAP vary in certain significant respects from financial statements prepared on the basis of Generally Accepted Accounting Principles (“GAAP”). See "Selected Historical Statutory Financial Information of New York Life."

Income, Benefits and Expenses

New York Life derives its income principally from premiums on life contracts and net investment income from general account assets. New York Life’s benefits and expenses consist principally of insurance benefits provided to policyholders and beneficiaries; additions to reserves; and operating expenses, including marketing, administrative and distribution costs. In addition, New York Life has historically focused, and expects to continue to focus, on participating life insurance products, which typically pay annual policyholder dividends. As a result, a significant deduction from income is represented, and likely will continue to be represented, by policyholder dividends. New York Life reflected total policyholder dividends of $1,644 million, $1,546 million, and $1,477 million for each of the years ended December 31, 2007, 2006 and 2005.

New York Life’s profitability depends primarily on the adequacy of its product pricing, which is a function of its ability to select underwriting risk, its mortality and persistency experience, its ability to generate earnings on the investments supporting its products and its ability to control expenses in accordance with its pricing assumptions.

Results of Operations – Year Ended December 31, 2007 Compared to Year Ended December 31, 2006

Net Income

Net Gain from Operations after dividends and federal income taxes of $577 million was $83 million, or 16.8%, higher than December 31, 2006. The increase over the prior year is due to higher net investment income primarily associated with limited partnership distributions of $358 million (net of tax), which were $87 million higher than 2006, and lower federal income tax expense of $126 million. These positive impacts were partially offset by a $98 million increase in dividends to policyholders.

Net Income, which is Net Gain from Operations plus net realized capital gains (after tax and transfers to the IMR), was $856 million and was $62 million or 7.8% higher than 2006. Net realized capital gains of $279 million were $21 million lower than 2006. 2006 included after tax gains of $110 million resulting from the sale of 4 million shares of Express Scripts, Inc. (“ESI”) common stock. Exclusive of this large transaction, 2007 net realized capital gains increased $89 million.

Premium Income

Premiums are generated from sales of life and health insurance and annuities. Additionally, Guaranteed Interest Contracts (“GICs”) that include annuity purchase rate guarantees are counted as premium, since there is exposure to mortality risk in the product. Premium income for the year ended December 31, 2007 was $9,752 million, $451 million, or 4.8% higher than the $9,301 million reported for the year ended December 31, 2006. The $451 million increase is attributable to $54 million of first year and single premiums, and $397 million from renewal business.

Positive premium growth was generated from New York Life’s life insurance operations. Premium income for the year ended December 31, 2007 for **Individual Life** was $5,677 million, an increase of $210 million, or 3.8%, over the prior year. Life insurance premium from **Special Markets** of $1,061 million was $112 million, or 11.8%, higher than the prior year. Guaranteed Products’ premiums also increased $163 million to $2,171 million in 2007.

Offsetting these positive variances was a decrease of $34 million in **Individual Annuity** premiums, primarily associated with a shift in sales of Single Premium Immediate Annuities (“SPIAs”) from New York Life to its subsidiary, NYLIAC. This shift resulted in a decline in SPIA sales from New York Life that was more than offset by higher SPIA sales in NYLIAC (SPIA revenue is up $159 million, or 25%, on a combined basis).

At December 31, 2007, 58% of premium income was provided from the Individual Life business segment, 22% was from the Investment Management business segment (GICs), 16% was from the Special Markets business segment and the Individual Annuity business segment contributed the remaining 4%.

Net Investment Income

Net investment income for the year ended December 31, 2007 was $5,653 million, an increase of $322 million, or 6.0% higher than the $5,331 million reported for the prior year. The increase was primarily due to higher net investment income from other invested assets ($164 million) and bonds ($160 million). The increase from other invested assets was primarily related to higher distributions of capital gains on the underlying assets held by limited partnerships ($134 million pre-tax), which are included in net investment income for statutory reporting. The increase from bonds was primarily due to a $2,257 million increase in holdings in the bond portfolio.

Benefit Payments

Benefit payments of $9,636 million for the year ended December 31, 2007 were $796 million, or 9.0% higher than the $8,840 million reported for 2006. The increase is primarily due to (1) scheduled withdrawals on GICs ($304 million), (2) surrenders of Participating Separate Account and General Account business ($238 million), (3) interest credited to deposit funds ($167 million), and (4) normal aging and growth of inforce business ($56 million).

Net Transfers to/from Separate Accounts

Net transfers to Separate Accounts of $230 million for the year ended December 31, 2007 were primarily related to higher net cash flow from several new cases in 2007 as well as higher net contributions on one large inforce contract in excess of the level of withdrawals. In 2006, net transfers from Separate Accounts of $(193) million were primarily related to higher net withdrawals from the Separate Accounts.

Operating Expenses

New York Life's operating expenses primarily include general insurance expenses, taxes, licenses, fees and commissions. For the year ended December 31, 2007, total operating expenses of $1,963 million reflected a $3 million, or 0.2%, increase from the $1,960 million reported for the year ended December 31, 2006. Higher sales related expenses were offset by lower fixed expenses in 2007. The lower fixed costs are indicative of the Company's continued focus on expense management.

Dividends to Policyholders

Dividends to policyholders for the year ended December 31, 2007 were $1,644 million, $98 million or 6.3% higher than the $1,546 million reported for the year ended December 31, 2006. Despite a general decline in portfolio rates, equity returns from prior years permitted New York Life to maintain dividend scales in 2007. In addition, this amount includes the first dividends from the AARP Life Insurance Program, which will be paid in 2008.

Federal Income Taxes

The Company had a net federal income tax expense for the year ended December 31, 2007 of $116 million compared to a $242 million federal income tax expense for the year ended December 31, 2006.

The following table reconciles the tax expense calculated at the statutory rate to the tax expense reflected in the Statutory Statements of Operations:

Tax Reconciliation (in millions)				
		2007		2006
Expected Income Taxes at 35%	**$**	**243**	**$**	**258**
Tax reserves higher than statutory reserves		(69)		(76)
Tax exempt income		(60)		(64)
Tax credits		(46)		(42)
Non-deductible postretirement costs		79		85
Lower prior year pension contributions		-		44
Other (includes true-ups related to prior year returns)		(31)		37
Total Federal Income Tax	**$**	**116**	**$**	**242**

The lower tax expense in 2007 is due mainly to changes in prior year taxes reflected in Other (approximately $49 million benefit in 2007 compared to a $63 million expense in 2006) and non-deductible pension contributions made in 2006.

BALANCE SHEET – AT DECEMBER 31, 2007 COMPARED TO DECEMBER 31, 2006

Assets

New York Life's total assets at December 31, 2007 were $122,753 million, $9,049 million, or 8.0%, higher than the $113,704 million at December 31, 2006. The increase in assets is primarily due to: (1) cash flow from financing activities of $3,708 million primarily from funding agreements associated with sales of Medium Term Notes ("MTN") and Short-Term Investment Funds ("STIF"); (2) strong cash flow from operating activities of $2,461 million; (3) an increase in affiliated common stocks of $1,317 million, primarily market appreciation of ESI ($868 million).

Liabilities

New York Life's total liabilities (including the Asset Valuation Reserve) at December 31, 2007 were $110,794 million, $8,390 million, or 8.2% higher than the $102,404 million at December 31, 2006. The increase in liabilities is primarily attributed to higher policy reserves of $1,426 million and a higher liability for deposit type-contracts of $3,241 million.

New York Life's Asset Valuation Reserve ("AVR") at December 31, 2007 was $2,257 million, an increase of $170 million from December 31, 2006, primarily due to absorption of capital gains.

Surplus

New York Life's financial strength is demonstrated by its statutory surplus position. Surplus represents the funds that ensure the Company can meet future obligations to policyholders and to fund growth. Statutory surplus was $11,959 million at December 31, 2007, an increase of $659 million, or 5.8% from the $11,300 million at December 31, 2006. The main drivers of surplus are presented in the following table:

(In millions)	2007
Beginning surplus	$ 11,300
Net income	856
Change in non-admitted assets*	11
Change in deferred taxes	49
Change in asset valuation reserve	(170)
Unrealized capital gains/(losses)**	(191)
Change in Valuation Basis	81
Other	23
Ending surplus	11,959
Asset Valuation Reserve	2,257
Surplus and Asset Valuation Reserve ***	$ 14,216

* Excludes the increase in non-admitted deferred taxes of $47 million reclassified to "Change in deferred taxes".
* * Excludes deferred tax expense on unrealized gains/(losses) of $168 million reclassified to "Change in deferred taxes".
*** Consolidated Statutory Surplus and Asset Valuation Reserve, which includes the AVR of the Company's wholly-owned domestic insurance subsidiaries (New York Life Insurance and Annuity Corporation and NYLIFE Insurance Company of Arizona), totaled $14,680 million at December 31, 2007.

Net income of $856 million was the key driver behind the increase in surplus in 2007. Other items impacting New York Life's 2007 surplus position, both positively and negatively, included the following:

Change in Non-Admitted Assets. Certain assets are non-admitted under statutory accounting, which reduces statutory capital. Generally these are assets having economic value but cannot be readily used to pay policyholder obligations. A net decrease in non-admitted assets increased surplus by $11 million primarily due to a decrease in the overfunded pension asset from 2006 to 2007.

Change in Deferred Taxes. The net positive impact on surplus of the change in deferred taxes was $49 million in 2007. The following table details the components of the change in deferred taxes.

(In millions)	2007
Deferred taxes on operating results	$ (72)
Deferred taxes on net unrealized gains/(losses)	168
Decrease in deferred taxes non-admitted	(47)
Total change in deferred taxes	$ 49

Change in Asset Valuation Reserve. The AVR is an investment reserve established to provide for default risk on fixed income assets and market value fluctuation on equity-type investments. In 2007, the AVR increased by $170 million due to the absorption of capital gains on equity investments.

Unrealized Capital Gains/(Losses). Net unrealized capital losses resulted in a decrease in surplus of $191 million at December 31, 2007. The decrease was driven by $414 million in unrealized capital losses in the unaffiliated common stock portfolio, primarily representing the reversal of unrealized capital gains on securities sold (pretax realized gains on unaffiliated common stock totaled $429 million during the year). These unrealized losses were partially offset by $223 million in unrealized gains, of which $212 million is appreciation on the equity of affiliates in the insurance, non-insurance and international subsidiaries.

Liquidity and Capital Resources

Liquidity Sources and Requirements

Liquidity Sources. New York Life's principal cash inflows from its insurance activities come from life insurance premiums, annuity considerations, GICs and deposit funds.

New York Life's principal cash inflows from investments result from proceeds on repayments of principal and from maturities of invested assets and investment income.

Additional sources of liquidity to meet unexpected cash outflows are available from New York Life's portfolio of liquid assets. These liquid assets include cash equivalents, short-term investments, U.S. Treasury and Agency securities, publicly traded common stocks as well as investments in the New York Life Short Term Investment Fund, LP an affiliate (see "Limited Partnerships, including Limited Liability Companies and Other Long-Term Investments" section). New York Life's available portfolio of liquid assets was approximately $59,294 million and $55,622 million at December 31, 2007 and 2006, respectively.

New York Life's domestic insurance subsidiaries are subject to certain insurance department regulatory restrictions as to the payment of dividends to New York Life. In general, a dividend may be paid without prior approval from the domiciliary state insurance department provided that the subsidiary's statutory earned surplus is positive. Additionally, dividends paid in any twelve month period cannot exceed the greater of (1) 10% of the subsidiary's surplus, or (2) the subsidiary's net gain from operations, both based on the preceding December 31st Statutory Financial Statements. These restrictions pose no short-term or long-term liquidity concerns for New York Life as it does not rely on subsidiary dividends as a primary source of liquidity.

Sources of liquidity also include a facility for short-term borrowing arranged through New York Life's subsidiary New York Life Capital Corporation ("NYLCC"). (See "Financing" below for a comprehensive discussion.)

Liquidity Uses. New York Life's principal cash outflows primarily relate to the payment of liabilities associated with its various life insurance, annuity and group pension products, GICs and funding agreements, operating expenses and income taxes. Liabilities arising from its insurance activities primarily relate to benefit payments, policy surrenders, withdrawals associated with GICs and funding agreements, loans and dividends.

New York Life is committed to maintaining surplus levels for its insurance and non-insurance subsidiaries to fund growth opportunities, support new products, reduce surplus strain or maintain targeted risk-based capital ("RBC") levels. New York Life believes it is unlikely that any required contributions to subsidiaries would have a material effect on either short-term or long-term liquidity.

The following table summarizes New York Life's annuity contract reserves and deposit fund liabilities in terms of contractholders' ability to withdraw funds for the indicated periods:

Withdrawal Characteristics of Annuity Contract Reserves and Deposit Fund Liabilities[(1)]

	2007		2006	
	Amount	**% of Total**	**Amount**	**% of Total**
	(Dollars in millions)			
Subject to discretionary withdrawal:				
With market value adjustment	$ 7,009	16%	$ 7,295	18%
At fair value	3,609	8	3,652	9
Total with adjustment or at market value	10,618	24	10,947	27
Not subject to discretionary withdrawal provisions	31,506	72	28,376	68
At book value without adjustment	1,978	4	1,977	5
Total annuity reserves and deposit fund liabilities	$ 44,102	100%	$ 41,300	100%

Annuity contract reserves and deposit fund liabilities are monetary amounts that an insurer must have available to provide for future obligations with respect to annuities and deposit funds. These are liabilities on the balance sheet of financial statements prepared in conformity with statutory accounting practices. These amounts are at least equal to the values available to be withdrawn by policyholders.

Individual life insurance policies are less susceptible to withdrawal than are annuity contracts because policyholders may incur surrender charges and be required to undergo a new underwriting process in order to obtain a new insurance policy.

Individual life insurance policies, other than term life insurance policies, generally increase in cash values over their lives. Policyholders have the right to borrow from New York Life an amount generally up to the cash value of their policies at any time. As of December 31, 2007, New York Life had approximately $40 billion in cash values with respect to which policyholders had rights to take policy loans. The majority of cash values eligible for policy loans are at variable interest rates which are reset annually on the policy anniversary.

Cash Flows

Net cash provided from operating activities for the years ended December 31, 2007 and 2006 were $2,461 million and $2,718 million, respectively.

Net cash used by investing activities was $4,508 million and $3,946 million for the years ended December 31, 2007 and 2006, respectively. The ratio of investments acquired to investment proceeds in 2007 was higher than the ratio of investments acquired to investment proceeds in 2006, resulting in higher net amount of cash used in 2007. In both 2007 and 2006, the Company used the cash flow generated by its operations and amounts received from financing activities to invest primarily in fixed income securities.

Net cash provided by financing activities and miscellaneous sources was $3,708 million and $1,087 million for the years ended December 31, 2007 and 2006, respectively. The net cash provided in 2007 was primarily due to net deposit funds of $1,735 million, funds related to securities lending activities of $1,428 million and an increase in borrowed funds of $525 million. The net cash provided in 2006 was primarily due to an increase in deposit-type contracts of $931 million, funds withheld on reinsurance of $195 million, and the settlement of prior year trade sale positions of $26 million.

Financing

NYLCC serves as a conduit for New York Life to the credit markets by issuing commercial paper and is authorized to issue up to $3 billion. At December 31, 2007, New York Life had a loan payable to NYLCC of $992 million, an increase of $498 million from 2006. By reinvesting the proceeds, New York Life earns a spread above the cost of borrowing.

New York Life and NYLCC are party to a committed 5 year credit agreement, expiring July 27, 2010, with a consortium of banks. The banks' commitments under this facility total $1.5 billion. The facility serves as back up for NYLCC's commercial paper program and for general corporate purposes. The credit facility has never been utilized.

Surplus Notes. New York Life issues Surplus Notes as a source of financing. On May 5, 2003, New York Life issued a Surplus Note with a principal balance of $1 billion, bearing interest at 5.875%, and a maturity date of May 15, 2033. Proceeds from the issuance of the Surplus Note were $990 million, net of discount. The Surplus Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and is administered by Citibank as registrar/paying agent. Interest on the 5.875% Surplus Note is scheduled to be paid semiannually on May 15 and November 15 of each year with the approval of the Superintendent of Insurance of the State of New York.

Commitments and Contingencies

New York Life, in the ordinary course of its business, has numerous agreements with respect to its affiliates, related parties and other third parties. In connection with such agreements, there may be related commitments or contingent liabilities which may take the form of guarantees.

New York Life, as lessee, enters into various operating lease agreements primarily associated with real property (including leases of office spaces) and data processing and other equipment. The approximate future minimum rental payments required under these operating leases is $465 million.

New York Life has a revolving loan agreement dated April 16, 2001, as amended, with Madison Capital Funding ("MCF") to provide funding to MCF in an amount up to $3,200 million. The amount loaned cannot exceed 3% of New York Life's admitted assets as of December 31 of the prior year. At December 31, 2007, New York Life had outstanding loans receivable from MCF of $1,685 million.

At December 31, 2007 contractual commitments to extend credit under commercial and residential mortgage loan agreements totaled $249 million. These commitments are diversified by property type and geographic location. At December 31, 2007, New York Life had no outstanding contractual obligations to acquire additional private placement securities. Unfunded commitments on limited partnerships and limited liability corporations, excluding MCF amounted to $2,753 million at December 31, 2007.

Investment Risk Management

The investment portfolio has potential exposure to various sources of investment risk, including liquidity, interest rate, credit and equity price risks. New York Life has established comprehensive policies and procedures at both the corporate and business segment levels to minimize overall risk exposures. The Investment Committee of the Board of Directors provides oversight over New York Life's investment activity, including review of various risk factors and establishment of investment policies. One of the key measures used to quantify and control overall investment risk is the Statutory Surplus-at-Risk metric that measures the impact of adverse changes in financial market and credit conditions over a 12-month period.

As previously discussed, a substantial positive operating cash flow supports New York Life's strong liquidity and ability to meet its liabilities when due. Primary sources of cash include sales of insurance and investment products, investment income, maturities, prepayments and dividends. Additional liquidity to meet unexpected cash demands can be provided by New York Life's portfolio of liquid assets, which include U.S. Treasury securities, short-term money market investments, agency bonds, and mortgage-backed securities. Funds are also available through a commercial paper program administered by NYLCC.

Management evaluates the impact of various stress events on New York Life's liquidity on a regular basis using the analysis of various stress scenarios. Based on the results of these stress tests, management believes that New York Life has more than ample liquidity and financial strength to provide for foreseeable cash requirements, including cash outflows in extreme stressed conditions. Various liquidity risk indicators are tracked regularly to provide management with an early indication of any potential liquidity issues.

Earnings and cash flows relating to fixed-rate investments are sensitive to interest rate changes. New York Life manages interest rate risk as part of its asset/liability management process and product design procedures. Asset/liability management strategies include segmentation of investments by product line and the construction of investment portfolios designed to specifically satisfy the projected cash needs of the product lines. Interest rate risk is also assessed and controlled by modeling asset and liability cash flows on a product-by-product basis, under current and various other projected interest rate scenarios. New York Life's asset/liability position is monitored regularly, enabling management to adjust asset portfolios through dynamic hedging or option purchases, or to alter liability cash flows, in order to efficiently mitigate risk exposures exceeding management's risk tolerances.

New York Life's investments in corporate bonds and mortgage loans expose it to potential credit losses. Credit risk is managed by applying disciplined credit evaluation and underwriting standards; aligning allocations to lower-quality, higher-yielding investments with New York Life's risk-return tolerances; and diversifying bond exposures by industry, issuer and sector (see page 15 for discussion on management of bonds), and mortgage loan exposure by region and property type (see page 17 for discussion on management of mortgage loans).

Subprime residential mortgage lending is the origination of residential mortgage loans to customers with weak credit profiles, including using relaxed mortgage underwriting standards that provide for affordable mortgage products. New York Life's exposure to subprime residential mortgage lending is through fixed maturity investments that are collateralized by mortgages that have characteristics of subprime lending. These investments are primarily in the form of mortgage-backed securities supported by subprime mortgage loans. The collective carrying value of these investments is $294 million representing 0.4% of total bond investments. Of the total subprime-related investments, 95.7% had "AAA" or "AA" credit quality ratings. Common stock subprime exposure was immaterial. The company manages its subprime risk exposure by limiting New York Life's holdings in these types of instruments, maintaining high credit quality investments, and performing ongoing analysis of cash flows, prepayment speeds, default rates and other stress variables.

New York Life's holdings of public and private equity securities are subject to market risk. These holdings are diversified and managed against risk tolerance limits established by individual product lines and at the aggregate corporate level. Weak equity market performance may adversely affect sales of the Company's variable products, mutual funds or investment management products, cause potential purchasers of the Company's products to refrain from new or additional investments, and may cause current investors to withdraw from the market or reduce their rates of ongoing investment.

New York Life's Investment Portfolio

New York Life's general account investment portfolio totaled $105,011 million at December 31, 2007, an increase of $8,138 million, or 8.4%, over the $96,873 million reported at December 31, 2006. Invested assets are managed to support the liabilities of New York Life's lines of business. The Company emphasizes asset/liability management and liquidity management across all product lines. Quality and diversification are essential building blocks in portfolio construction.

Changes in interest rates can have significant effects on New York Life's profitability. Under certain circumstances of interest rate volatility, New York Life is exposed to disintermediation risk and reduction in net interest spread or profit margins. The fair value of New York Life's invested assets fluctuates depending on market and other general economic conditions and the interest rate environment. In addition, mortgage prepayments, life insurance and annuity surrenders and bond calls are affected by interest rate fluctuations. Although management of New York Life employs a number of asset/liability management strategies to minimize the effects of interest rate volatility, no assurance can be given that New York Life will continue to be successful in managing the effects of such volatility and that such volatility will not have a material adverse impact on New York Life's business, financial condition and results of operations.

The U.S. Treasury yield, which was essentially flat to slightly inverted at year end 2006, returned to a normal positive slope in the second half of 2007. However, the continuing low level of Treasury rates, especially for longer term maturities, depress the investment earnings associated with new money and reinvested assets.

General Account Investments

	December 31,			
	2007		2006	
	Carrying Value	% of Total	Carrying Value	% of Total
	(Dollars in millions)			
Cash & Cash Equivalents and Short Term Investments	$ 4,608	4.4%	$ 2,947	3.0%
Bonds[1]				
Public	48,630	46.3%	46,554	48.1%
Private	18,038	17.2%	17,857	18.4%
Subtotal	66,668	63.5%	64,411	66.5%
Mortgage loans[2]	9,081	8.6%	8,082	8.3%
Real Estate				
Equity	101	0.1%	220	0.2%
Foreclosures	38	-%	47	-%
Company Occupied	314	0.3%	302	0.4%
Subtotal	453	0.4%	569	0.6%
Stocks				
Affiliated	5,724	5.4%	4,406	4.6%
Unaffiliated	3,087	3.0%	3,881	4.0%
Subtotal	8,811	8.4%	8,287	8.6%
Policy loans	6,619	6.3%	6,249	6.5%
Limited Partnership and Other	8,771	8.4%	6,328	6.5%
Total investments	$105,011	100.0%	$ 96,873	100.0%

(1) As of December 31, 2007 and 2006 respectively, the estimated fair value of New York Life's bonds was $68,175 million and $66,151 million.

(2) Includes residential mortgage loans of $174 million and $240 million as of December 31, 2007 and 2006, respectively.

The yield on general account cash and invested assets, excluding net realized investment gains and losses, was 5.9% and 5.9% for the years ended December 31, 2007 and 2006, respectively.

Bonds

Long-term bonds totaled $66,668 million and $64,411 million at December 31, 2007 and 2006, respectively, and increased $2,257 million, or 3.5% from the prior year. Bonds represent 63.5% and 66.5% of total cash and invested assets at December 31, 2007 and 2006, respectively, and consist of publicly traded and private placement debt securities. At December 31, 2007 and 2006, publicly traded bonds comprised 72.9% and 72.3%, respectively, of the total bond portfolio.

Most of the public and private placement bonds held by New York Life are evaluated by the NAIC's Securities Valuation Office, or SVO. The SVO evaluates the credit quality of the investments of insurers for regulatory reporting purposes and assigns securities to one of six investment categories called "NAIC Designations." The NAIC Designations closely mirror the ratings of marketable bonds used by the nationally recognized securities rating organizations. NAIC Designations 1 and 2 include bonds considered investment grade (e.g., rated BBB– or higher by S&P) by the nationally recognized securities ratings organizations. Designations 3 through 6 are referred to as below investment grade (e.g., rated BB+ or lower by S&P).

It is New York Life's objective to maintain a high quality, well-diversified, bond portfolio. The bond portfolio consists primarily of high-grade corporate bonds, asset-backed and mortgage-backed securities and U.S. Treasury securities and Agency obligations. Realizing that the market was not pricing certain fixed income securities properly, in February 2007 (well before the subprime credit crisis became front page news in August 2007), the Company approved a plan to improve the quality of the portfolio by increasing its concentration of assets in U.S Treasury securities. Consequently, the portion of the total bond portfolio rated highest quality ("NAIC 1") increased to 69.4% from 68.1% in 2006. An analysis of the credit quality, as determined by NAIC Designation, of the total bond portfolio and, separately, the public and private placement bond portfolios, at December 31, 2007 and 2006, is set forth in the following tables.

Total Bonds – Public and Private Placement
by NAIC Designation

		December 31,					
		2007			2006		
NAIC Designation [1]	Rating Agency Equivalent Designation[2]	Carrying Value	Estimated Fair Value	% of Total Carrying Value	Carrying Value	Estimated Fair Value	% of Total Carrying Value
		(Dollars in millions)					
1	AAA to A–	$46,299	$47,526	69.4%	$43,861	$ 45,071	68.1%
2	BBB+ to BBB–............	15,657	16,006	23.5%	15,807	16,219	24.5%
	Investment Grade	61,956	63,532	92.9%	59,668	61,290	92.6%
3	BB+ to BB–	2,327	2,333	3.5%	2,070	2,142	3.2%
4	B+ to B–	1,805	1,746	2.7%	2,204	2,237	3.4%
5	CCC+ to CCC–............	556	515	0.8%	435	437	0.7%
6	CC to D........................	24	49	0.1%	34	45	0.1%
	Below Investment Grade	4,712	4,643	7.1%	4,743	4,861	7.4%
	Total	$66,668	$68,175	100%	$64,411	$66,151	100%

New York Life had investment grade bonds of $61,956 million and $59,668 million that represent 92.9% and 92.6% of total bond holdings at December 31, 2007 and 2006, respectively. Below investment grade bonds of $4,712 million and $4,743 million represented approximately 7.1% and 7.4% of total bond holdings at December 31, 2007 and 2006, respectively. Below investment grade bonds are comprised of investments in medium and lower grade obligations that were part of New York Life's high yield investment objective to enhance overall portfolio yield and income. Additionally, investments that have been downgraded (i.e., fallen angels) from investment grade are included in this category. New York Life applies the same prudent principles in managing its high yield portfolio, emphasizing diversification standards (such as limits on issuer, industry and geographic locations to minimize concentration risks), credit quality and liquidity. New York Life manages its aggregate risk exposure to investment risks against an approved risk budget and other internal limits and guidelines.

Public Bonds
by NAIC Designation

NAIC Designation[1]	Rating Agency Equivalent Designation [2]	December 31, 2007 Carrying Value	2007 Estimated Fair Value	2007 % of Total Carrying Value	2006 Carrying Value	2006 Estimated Fair Value	2006 % of Total Carrying Value
		(Dollars in millions)					
1	AAA to A–	$36,427	$37,641	74.9%	$ 34,331	$ 35,389	73.8%
2	BBB+ to BBB–.........	9,270	9,510	19.1%	9,295	9,612	20.0%
3	BB+ to BB–.............	1,169	1,166	2.4%	1,172	1,219	2.5%
4	B+ to B–	1,351	1,306	2.8%	1,456	1,483	3.1%
5	CCC+ to CCC–.........	413	376	0.8%	297	299	0.6%
6	CC to D.....................	-	-	0.0%	3	8	0.0%
Total	....	$48,630	$49,999	100%	$ 46,554	$ 48,010	100.0%

Private Placement Bonds
by NAIC Designation

NAIC Designation [1]	Rating Agency Equivalent Designation [2]	December 31, 2007 Carrying Value	2007 Estimated Fair Value	2007 % of Total Carrying Value	2006 Carrying Value	2006 Estimated Fair Value	2006 % of Total Carrying Value
		(Dollars in millions)					
1	AAA to A–...............	$9,872	$9,885	54.8%	$ 9,530	$ 9,682	53.3%
2	BBB+ to BBB–........	6,387	6,496	35.4%	6,512	6,607	36.5%
3	BB+ to BB–	1,158	1,167	6.4%	898	923	5.0%
4	B+ to B–	454	440	2.5%	748	754	4.2%
5	CCC+ to CCC–........	143	139	0.8%	138	138	0.8%
6	CC to D....................	24	49	0.1%	31	37	0.2%
Total	....	$18,038	$18,176	100.0%	$ 17,857	$ 18,141	100.0%

(1) NAIC Designations are assigned no less frequently than annually.

(2) S&P ratings equivalents are shown above. Comparisons between NAIC designations and S&P ratings or Moody's equivalent ratings are published by the NAIC. S&P and Moody's have not rated some of the bonds in New York Life's investment portfolio.

The following table presents the estimated fair value of New York Life's total bond portfolio classified as performing, problem and potential problem bonds at December 31, 2007 and 2006. Problem securities are defined as securities for which other than temporary impairment write-downs have been taken. Potential problem securities are defined as securities for which fair value is below carrying value by more than 20% as of the balance sheet date, but which continue to meet all their contractual obligations.

Performing, Problem and Potential Problem Bonds

	December 31,					
	2007			2006		
	Carrying Value	Estimated Fair Value	% of Total Carrying Value	Carrying Value	Estimated Fair Value	% of Total Carrying Value
	(Dollars in millions)					
Performing	$ 66,085	$67,704	99.1%	$ 64,291	$66,006	99.8%
Problem	127	138	0.2%	106	134	0.2%
Potential problem	456	333	0.7%	14	11	0.0%
Total	$ 66,668	$68,175	100.0%	$ 64,411	$ 66,151	100.0%

During 2007, New York Life had taken $71 million in bond impairments.

The following table identifies the aging and amount of unrealized losses associated with securities that have a fair value 20% or more below carrying value. The issuers of these securities continue to meet all their contractual obligations. Factors considered in evaluating whether a decline in value is other than temporary include: 1) whether the decline is substantial; 2) the financial condition and near-term prospects of the issuer; 3) the amount of time that the fair value has been less than cost; and 4) New York Life's ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value.

Potential Problem Bonds

	December 31,					
	2007			2006		
	Carrying Value	Estimated Fair Value	Unrealized Loss	Carrying Value	Estimated Fair Value	Unrealized Loss
	(Dollars in millions)					
Less than 6 months	$ 450	$ 328	$(122)	$ 9	$ 7	$ (2)
Between 6-9 months	6	5	(1)	5	4	(1)
Between 9-12 months	–	–	–	–	–	–
Greater than 12 months	–	–	–	–	–	–
Total	$ 456	$ 333	$ (123)	$ 14	$ 11	$ (3)

Bonds are carried at amortized cost, or the lower of amortized cost or fair value, if in default (as defined by an NAIC Designation of 6). Unrealized losses were $123 million and $3 million on potential problem bonds at December 31, 2007 and 2006, respectively. Credit spreads widened significantly in the second half of 2007 due to the credit crunch that was sparked by the subprime crisis. General market volatility, liquidity concerns, a slowing economy and the credit markets contributed to the increase in unrealized loss. However, since none of these securities were in default, no unrealized losses were reported as a reduction in statutory surplus for the respective periods. Net unrealized gains on the bond portfolio of $1,507 million and $1,740 million at December 31, 2007 and 2006, respectively, are not inherent in the Statutory Financial Statements since these bonds are held at amortized cost.

Bonds were diversified by industry type as set forth in the following table:

	December 31,			
	2007		2006	
	Carrying Value	% of Total	Carrying Value	% of Total
	(Dollars in millions)			
Mortgage-Backed	$ 11,093	17%	$10,276	16%
Bank and Finance	8,454	13%	8,787	13%
Utilities	7,806	12%	7,712	12%
Consumer Goods	7,793	12%	7,594	12%
Capital Goods	7,510	11%	7,507	12%
Asset-Backed	6,944	10%	6,456	10%
U.S. & State Governments	7,508	11%	7,187	11%
Energy	3,513	5%	3,464	5%
Media	1,662	2%	1,787	3%
Transportation	1,235	2%	1,275	2%
Other	3,150	5%	2,366	4%
Total Bonds	$ 66,668	100%	$ 64,411	100%

Mortgage and Asset-Backed Securities

New York Life's mortgage-backed securities investment portfolio consists of pass-through securities, which are pools of mortgage loans collateralized by single-family residences and primarily issued by government sponsored entities (*e.g.*, GNMA, FNMA, FHLMC), and structured pass-through securities, such as collateralized mortgage obligations ("CMO"), that may have specific prepayment and maturity profiles, are primarily AAA rated, and may be issued by either government sponsored entities or "private label" issuers.

New York Life also holds commercial mortgage-backed securities that may be originated by single or multiple issuers, which are collateralized by mortgage loans secured by income producing commercial properties such as office buildings, multi-family dwellings, industrial, retail, hotels and other property types.

The following table shows the types of mortgage-backed securities held at December 31, 2007 and 2006.

Mortgage-Backed Securities

	December 31,			
	2007		2006	
	Carrying Value	% of Total	Carrying Value	% of Total
	(Dollars in millions)			
Pass-through securities	$ 1,062	9.6%	$ 1,175	11.4%
CMO – Planned amortization class	1,009	9.1%	1,190	11.6%
CMO - Sequential pay class	1,153	10.4%	1,040	10.2%
CMO – Other..	2,078	18.7%	2,360	23.0%
Subtotal..	4,240	38.2%	5,765	56.2%
Commercial mortgage-backed Securities	5,791	52.2%	4,511	43.8%
Total	$ 11,093	100.0%	$ 10,276	100.0%

New York Life's asset-backed securities investment portfolio consists of securities collateralized by the cash flows of consumer loans or receivables relating to credit cards, automobiles, home equity and other asset classes (such as residential mortgage backed securities, reduction rate bonds, equipment, collateralized debt and other trade receivables). At each of the years ended December 31, 2007 and 2006, the percentage of New York Life's asset-backed securities that were rated AAA was 80%.

New York Life's exposure to subprime mortgages in the asset backed portfolio, in aggregate, is less than 1% of its cash and invested assets. Furthermore, over 86% of the fixed income holdings in the structured products/asset backed portfolio are in tranches rated AAA or AA.

The following table below shows the types of asset-backed securities held at December 31, 2007 and 2006.

Asset-Backed Securities

	December 31,			
	2007		**2006**	
	Carrying Value	**% of Total**	**Carrying Value**	**% of Total**
	(Dollars in millions)			
Home equity loans	$ 1,817	26.2%	$ 1,711	26.5%
Credit card receivables	1,221	17.6%	1,058	16.4%
Automobile receivables	697	10.0%	772	12.0%
Residential mortgage backed securities	1,000	14.4%	662	10.3%
Equipment	423	6.1%	324	5.0%
Reduction rate bonds	187	2.7%	177	2.7%
Collateralized debt obligations	720	10.4%	369	5.7%
Other	879	12.6%	1,383	21.4%
Total	$ 6,944	100.0%	$ 6,456	100.0%

Management of Bonds

New York Life follows a fundamental approach to credit analysis supporting bond purchase or sale decisions. Key factors include the stability and adequacy of cash flow in relation to debt service requirements and the outlook for growth in operating earnings. Issuers of below investment grade bonds generally have relatively high levels of indebtedness and are thus more sensitive than issuers of investment grade bonds to adverse economic conditions or to increasing interest rates. Although private placements are relatively less liquid, they benefit from more comprehensive financial covenants and are more likely to be secured or senior in structure.

New York Life actively manages and monitors its credit risk exposure. New York Life, through its subsidiary, NYLIM, manages credit risk on an individual issuer and sector basis as well as for the aggregate portfolio in accordance with New York Life's investment policy guidelines. Individual issuer limits are set based on the issuer's credit rating. Credit ratings for issuers used to monitor credit risk are either public rating agency credit ratings, or internal ratings. The internal ratings are maintained and monitored by an experienced group of credit analysts specialized by industry and asset type. Factors involved in determining credit rating include financial and operating ratios, industry outlook and priority of claim. Credit limits at a portfolio level, such as country and industry exposures, are also established and reviewed periodically. The bond portfolio is continuously examined to identify any potential problems or events that would result in the issuer not being able to comply with the contractual terms. These are included on a "watchlist" that is routinely monitored.

Mortgage Loans

New York Life underwrites commercial mortgages on general purpose income producing properties including office buildings, retail facilities, apartments, industrial and hotel properties and purchases residential (one to four family) mortgage pools on the secondary market. Geographic and property type diversification is also considered in analyzing investment opportunities, as well as property valuation and cash flow. At December 31, 2007, approximately 29.7% of New York Life's mortgage loan portfolio was office buildings, 25.8% retail buildings, 20.2% apartment complex, 21.5% industrial, 1.9% residential and 0.9% other types.

The mortgage loan portfolio, including both commercial and residential loans, was $9,081 million (commercial $8,907 million; residential $174 million) and $8,082 million (commercial $7,842 million; residential $240 million) at December 31, 2007 and 2006, respectively. The mortgage loan portfolio comprised 8.6% and 8.3% of New York Life's total invested assets at December 31, 2007 and December 31, 2006, respectively. Approximately 36.3% of the portfolio was secured by properties located in the states of California, New York, and Florida. At December 31, 2007 and 2006, mortgages with principal balances of $75 million or greater accounted for 12% and 11% of the aggregate principal balance of the commercial mortgage portfolio, respectively.

New York Life evaluates its mortgage loan portfolio for impairments. A loan is impaired when, based on current facts and circumstances, it is probable that it will be unable to collect all amounts due according to the contractual terms of the loan agreement. The impairment is measured based upon the fair value of the collateral and a valuation allowance is established with a corresponding charge to unrealized loss. If the impairment is other than temporary, a direct write down will be recognized as a realized loss, and a new cost basis established. The new cost basis shall not be changed for subsequent recoveries in value. Mortgage loans for which foreclosure is probable shall be considered other than temporarily impaired.

Commercial Mortgage Loans

The following tables show the composition of New York Life's commercial mortgage loan portfolio by type of property and region at December 31, 2007 and 2006. Regions are as defined by the American Council of Life Insurers ("ACLI").

Composition of Commercial
Mortgage Loan Portfolio by Property Type

	December 31,			
	2007		2006	
	Carrying Value	% of Total	Carrying Value	% of Total
	(Dollars in millions)			
Property Type:				
Office	$ 2,693	30.2%	$ 2,432	31.0%
Retail	2,341	26.3%	2,244	28.6%
Apartment	1,834	20.5%	1,542	19.7%
Industrial	1,958	22.0%	1,531	19.5%
Other	81	1.0%	93	1.2%
Total	$ 8,907	100.0%	$ 7,842	100.0%

Composition of Commercial
Mortgage Loan Portfolio by Region

	December 31,			
	2007		2006	
	Carrying Value	% of Total	Carrying Value	% of Total
	(Dollars in millions)			
Region:				
South East	$ 2,225	25.1%	$ 1,995	25.4%
Middle Atlantic	1,870	20.9%	1,863	23.8%
Pacific	1,891	21.3%	1,465	18.7%
South Central	968	10.9%	884	11.3%
North Central	1,189	13.3%	856	10.9%
New England	494	5.5%	512	6.5%
Mountain	266	3.0%	262	3.3%
Other	4	-%	5	0.1%
Total	$ 8,907	100.0%	$ 7,842	100.0%

Commercial Mortgage Problem Loan Experience as a Percentage of Mortgage Loan Portfolio Principal Balance

At December 31, 2007 and 2006 there were no restructured mortgage loans. During 2007, mortgage loans with a carrying value of $2 million were foreclosed (none in 2006). At December 31, 2007 there were 2 properties with a carrying value of $3 million that were in the process of foreclosure (none in 2006).

Management of Mortgage Loans

New York Life actively monitors and manages its mortgage loan portfolio; substantially all of the mortgage loan portfolio is serviced directly by New York Life's subsidiary, NYLIM. All aspects of loan origination and loan management are performed and/or reviewed by NYLIM personnel, including lease analysis, economic and financial reviews, tenant analysis, and oversight of delinquency and bankruptcy proceedings. Properties securing loans of $5 million or more are generally reinspected and revalued on a regularly scheduled basis. Problem or potential problem loans are reinspected and revalued as often as required.

If any mortgage loan analysis or other information that is obtained indicates a potential problem (likelihood of the borrower not being able to comply with the present loan repayment terms), the loan will be placed on an internal watchlist and routinely monitored. Among the criteria that would indicate a potential problem are: borrower bankruptcies; major tenant bankruptcies; loan relief/restructuring requests; delinquent tax payments; late payments; low loan to value or debt service coverage ratios; and vacancy levels. No single factor necessarily requires a loan to be included on the watchlist, as such determination is subject to the judgment of management as to whether circumstances call for inclusion.

Losses on mortgage loans are a result of foreclosures, sales of loans and write-downs in anticipation of losses. Losses for 2007 were less than $1 million, or less than 1%, of the principal balance of mortgages in New York Life's investment portfolio. There were no losses in 2006.

Equity Investments

Equity Securities

At December 31, 2007, the total carrying value of the Company's unaffiliated equity portfolios was $3,087 million, comprised of $2,661 million in direct investments in common stocks, $230 million in mutual funds and $196 million in preferred stock. The carrying value decreased by $794 million from the $3,881 million reported at December 31, 2006 as the proceeds from sales of equity securities were reinvested in other asset types. During 2007, the Company had taken $40 million in common and preferred stock impairments.

Investments in affiliated common stock totaled $5,724 million at December 31, 2007, an increase of $1,318 million from the $4,406 million reported at December 31, 2006. This was primarily due to the increase in the value of New York Life's investment in ESI stock, a publicly traded affiliated company ($868 million) and an increase in the equity of NYLIAC ($326 million). (The net impact of ESI on the Company's Surplus was $49 million, after netting an additional $818 million liability to Credit Suisse. In connection with the forward sale of certain shares of ESI, Credit Suisse is entitled to the appreciation on certain shares of ESI as discussed in Note 14 – Commitments and Contingencies, in the 2007 Statutory Financial Statements).

Equity Real Estate

The carrying value of New York Life's real estate portfolio at December 31, 2007 and 2006 was $453 million and $569 million, respectively. The portfolio consists primarily of home office properties ($314 million in 2007 and $302 million in 2006.) The estimated fair value of real estate was $839 million and $878 million at December 31, 2007 and 2006 respectively. Investment properties, which exclude home office properties and foreclosures, were $101 million in December 2007 and $220 million in December 2006. The decrease of $119 million is due to the sale of an industrial building in California and the sale of a residential property in Texas.

NYLIM manages the real estate investment portfolio, which consists primarily of industrial properties. Each property in the portfolio is reappraised every two years and a surveillance system, based on a cash flow model, is employed to monitor the properties' financial position in order to identify potential problems.

New York Life owned 4 and 2 foreclosed properties at December 31, 2007 and December 31, 2006, respectively, with carrying values of $38 million and $47 million, respectively. Foreclosed properties generated net operating income of $1.6 million and $1.4 million in the years ended December 31, 2007 and 2006, respectively.

Limited Partnerships, including Limited Liability Companies and Other Long-Term Investments

Limited Partnerships and Other Long-Term Investments were $8,771 million and $6,328 million at December 31, 2007 and 2006, respectively. Limited Partnerships and Other Long-Term Investments consisted of: limited partnerships and other long-term investments of $7,700 million and $5,758 million; derivative instruments of $774 million and $514 million; and receivables for undelivered securities of $246 million and $53 million, at December 31, 2007 and 2006, respectively.

Limited Partnerships including Limited Liability Companies ("LLCs") and Other Long-Term Investments consisted of: $3,934 million and $2,653 million, in limited partnership interests and limited liability companies; $2,060 million and $1,647 million, in the New York Life Short Term Investment Fund, LP; and $1,706 million and $1,458 million, in loans to MCF, an indirect wholly owned subsidiary, at December 31, 2007 and 2006, respectively.

New York Life evaluates its Limited Partnership investments, including LLC's and Other Long-Term Investments, for impairments. The investment is considered impaired if it is probable based on facts and circumstances, that New York Life will be unable to recover the carrying amount of the investment. The cost basis of the investment is written down to fair value with a corresponding charge to realized loss. As of December 31, 2007, the Company had approximately $43 million in limited partnership impairments.

Limited partnership interests and LLCs primarily consist of domestic and international leveraged buyout funds, venture capital, real estate, oil and gas, and other equity investments. The limited partnership portfolio is well seasoned and diversified. The New York Life Short Term Investment Fund, LP, an affiliate, primarily invests in short-term U.S. Government and Agency securities, CDs, bankers acceptance notes, commercial paper and medium term floating rate notes. Loans to MCF are used to make capital available to middle market companies, generally in the form of revolving lines of credit.

The $260 million increase in the derivatives was primarily associated with the change in fair value of currency swaps. This was attributable primarily to increases in derivative valuations that hedge the foreign currency denominated EuroGIC liabilities included in deposit funds, as the British Pound and Euro increased in value relative to the US Dollar during 2007.

Policy Loans

Loans on policies are permitted to the extent of such policies' contractual limits. At December 31, 2007 and 2006, approximately 71% and 68% of the policy loans of $6,619 million and $6,249 million, respectively, were at variable interest rates, which are reset annually. The average variable rate was 5.88% as of December 31, 2007 and 2006. The remainder of the policy loans was at various fixed interest rates, ranging from 5.0% to 8.0%.

Separate Accounts

New York Life has established both non-guaranteed and guaranteed separate accounts with varying investment objectives which are segregated from New York Life's general account and are maintained for the benefit of separate account contractholders.

At December 31, 2007, New York Life's guaranteed separate account assets totaled $3,716 million, an increase of $315 million, or 9.3%, from the $3,401 million held at December 31, 2006. This increase is primarily attributable to premium income of $1,416 million and reinvested investment income of $181 million. These increases were partially offset by withdrawals of $1,270 million.

At December 31, 2007, New York Life's non-guaranteed separate account assets totaled $2,895 million, an increase of $180 million, or 6.6%, from the $2,715 million held at December 31, 2006. This increase is primarily attributable to premium income of $161 million and reinvested investment income of $130 million. These increases were partially offset by withdrawals of $87 million.

CERTAIN FINANCIAL AND ACCOUNTING MATTERS

Accounting Policies and Principles

Statutory Accounting Practices

The financial statements of New York Life included in a supplement to the Offering Memorandum have been prepared on the basis of SAP prescribed or permitted by insurance regulatory authorities. SAP differs from GAAP in that SAP is primarily designed to reflect the ability of the insurer to satisfy its obligations to policyowners, contractholders and beneficiaries, whereas GAAP is primarily oriented toward the allocation of revenues, expenses and costs to financial reporting periods. For example, under SAP, commissions and other costs incurred in connection with acquiring new business are charged to operations in the year incurred; whereas under GAAP, expenses and costs are deferred and amortized on a basis to match them against appropriate revenues.

Under SAP, New York Life's financial statements are not consolidated on a line-by-line basis and investments in subsidiaries are generally shown at net equity value. Accordingly, the assets, liabilities and results of operations of New York Life's subsidiaries are not consolidated with the assets, liabilities and results of operations, respectively, of New York Life. However, New York Life's financial statements do reflect, in New York Life's assets, the net equity value of New York Life's subsidiaries and, in New York Life's surplus, the current year change in net equity value, less dividends paid and contributions from New York Life, of subsidiaries as an unrealized gain or loss on investments. Dividends paid by subsidiaries to New York Life are included in New York Life's net investment income.

For more information about the differences between SAP and GAAP, see "Selected Historical Statutory Financial Information of New York Life."

Adjustments for Impaired Investments

The cost basis of fixed maturities and equity securities are adjusted for impairments in value deemed to be other than temporary, with the associated realized loss reported in net income. Factors considered in evaluating whether a decline in value is other than temporary include: 1) whether the decline is substantial; 2) the financial condition and near-term prospects of the issuer; 3) the amount of time that the fair value has been less than cost; and 4) New York Life's ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value.

Statutory Investment Reserves

SAP requires a life insurance company to maintain both an asset valuation reserve ("AVR"), and an interest maintenance reserve ("IMR"), to absorb both realized and unrealized gains and losses on a portion of New York Life's investments. The AVR is a statutory reserve for fixed maturity securities, equity securities, mortgage loans, equity real estate and other invested assets. The level of the AVR is based on both the type of investment and its credit rating. For example, the reserves required for similar investments, such as fixed maturity securities, differ according to the credit ratings of the investments, which are based upon ratings established periodically by the Securities Valuation Office of the NAIC. New York Life, in keeping with the New York Insurance Law and SAP, includes this reserve when determining its total adjusted capital for risk-based capital purposes. Changes in the AVR are accounted for as direct increases or decreases in surplus.

The IMR applies to all types of fixed maturity securities, including bonds, preferred stocks, mortgage-backed securities, asset-backed securities and mortgage loans. The IMR is designed to capture the after-tax capital gains or losses which are realized upon the sale of such investments and which result from changes in the overall level of interest rates. The captured after-tax net realized gains or losses are then amortized into income over the remaining period to the stated maturity of the investment sold. The IMR is not treated under SAP as part of total adjusted capital for risk-based capital purposes. New York Life's IMR was $267 million at December 31, 2007.

Dividends

New York Life annually determines the amount of dividends payable to eligible policyowners. These dividends have the effect of reducing the cost of insurance to policyowners and should be distinguished from the dividends paid on shares of capital stock by other types of business corporations or by stock life insurance companies. Policies on which such dividends may be payable are referred to as participating policies; policies on which such dividends are not payable are referred to as non-participating policies. As of December 31, 2007, New York Life’s dividend liability, which relates to dividends to be paid in 2008, was $1,598 million.

Surplus in excess of what New York Life's Board of Directors determines to be necessary to meet its future policy obligations, maintain reserves, and operate its business is distributed annually in the form of dividends on New York Life's participating policies in accordance with actuarially determined dividend scales adopted annually by New York Life's Board of Directors. New York Life has the discretion, subject to statutory requirements, to vary the amount of dividends payable to policyowners, even many years after the issuance of a particular policy. To the extent authorized by New York Life's Board of Directors, New York Life has the right to continue to declare policyowner dividends and to make dividend payments on its participating policies, which dividends are paid out of surplus funds.

Policy Reserves

Life insurance companies price their insurance products based upon assumptions regarding certain future events, including investment income, expenses incurred and mortality. SAP prescribes methods for providing for future benefits to be paid on a conservative basis, primarily by charging current operations with amounts necessary to establish appropriate reserves for anticipated future claims. Thus, under applicable state law, New York Life must maintain reserves in amounts, which are actuarially calculated to be sufficient to meet its various policy and contract obligations as they become due. Such reserves appear as liabilities on New York Life's financial statements.

New York Life is required under the New York Insurance Law to conduct annually an analysis of the sufficiency of interest-sensitive life and annuity reserves.

Reinsurance

New York Life uses a variety of reinsurance agreements with insurers to control its loss exposure and improve the competitiveness of its life insurance products. Generally, these agreements are structured either on an automatic basis, where all risks meeting prescribed criteria are automatically covered, or on a facultative basis, where the reinsurer must accept the specific reinsurance risk before it becomes liable. The amount of each risk retained by New York Life depends on its evaluation of the specific risk, subject, in certain circumstances, to maximum limits based on characteristics of coverages.

Under the terms of the reinsurance agreements, the reinsurer will be liable to reimburse New York Life for the ceded amount in the event the claim is paid. New York Life remains primarily liable for all reinsurance ceded even if the reinsurer fails to meet such obligations. New York Life has generally collected amounts due from its reinsurers.

Separate Accounts

Under state insurance laws, insurers are permitted to establish separate investment accounts in which assets backing certain policies, including certain group annuity contracts, are held. The investments in each separate account (which may be pooled or customer specific) are maintained separately from those in other separate accounts and the general account. The investment results of the separate account assets pass through directly to separate account policyowners and contractholders, so that an insurer derives management and other fees from, but bears no investment risk on, these assets, except the risk on certain products that the investment results of the separate account assets will not meet the minimum rate guaranteed on these products. Under the terms of the contracts of certain guaranteed separate accounts, New York Life will share in the excess investment performance of the separate account over an established benchmark.

STATUTORY CAPITALIZATION OF NEW YORK LIFE

New York Life is a mutual insurance company incorporated under the laws of the State of New York, United States. New York Life was incorporated on May 21, 1841 under the name Nautilus Insurance Company, was licensed to transact business in the State of New York on April 17, 1845 and changed its name to New York Life Insurance Company on April 5, 1849. The U.S. federal employer identification number of New York Life is 13-5582869. The registered office of New York Life is 51 Madison Avenue New York, New York 10010. The telephone number of New York Life is +1 (800) 692-3086.

As a mutual company, New York Life has no capital stock and no shareholders. Its participating policyowners generally have certain rights to receive policy dividends, and they and certain other policyowners may have rights to receive distributions in a proceeding for its rehabilitation, liquidation or dissolution. Policyowners also have certain rights to vote in the election of directors as provided by New York law.

New York Life's balance sheet includes its surplus and an AVR. The amount by which the admitted assets of New York Life exceed its liabilities is referred to as surplus. The AVR helps to mitigate surplus fluctuations that result from changes in the value of the investment portfolio (other than fluctuations in the value of certain fixed income investments due to interest rate changes) of New York Life. See "Certain Financial and Accounting Matters—Statutory Investment Reserves."

The following table sets forth the capitalization of New York Life at December 31, 2007. The AVR is included in the following table even though such reserve is shown as a liability on New York Life's balance sheet. This treatment is consistent with the general view of the insurance industry. In addition, such reserve is included as part of total adjusted capital for risk-based capital purposes.

	December 31, 2007
	(Dollars in millions)
Debt	
Short-Term Debt (less than 1 year) [(a)]	$2,642
Medium-Term Debt (1-10 years) [(b)]	252
Long-Term Debt (greater than 10 years)	–
Asset Valuation Reserve	2,257
Surplus	
Surplus notes	991
Unassigned funds	10,968
Surplus and Asset Valuation Reserve [(c)]	$ 14,216

(a) Represents affiliated loans of $1,100 million and liabilities held under forward contracts that are economically hedged of $1,542 million.

(b) Includes affiliated loans of $243 million.

(c) Consolidated Statutory Surplus and Asset Valuation Reserve, which includes the AVR of New York Life's wholly owned domestic insurance subsidiaries (New York Life Insurance and Annuity Corporation and NYLIFE Insurance Company of Arizona), totaled $14,680 million at December 31, 2007.

SELECTED HISTORICAL STATUTORY FINANCIAL INFORMATION OF NEW YORK LIFE

The following tables set forth selected historical financial information for New York Life. Prospective investors should read it in conjunction with "Certain Financial and Accounting Matters", "Management's Discussion and Analysis of Financial Condition and Results of Operations of New York Life" and New York Life's financial statements and related notes. The selected financial information for New York Life at and for each of the years ended December 31, 2007, 2006 and 2005 has been derived from the 2007, 2006 and 2005 Statutory Financial Statements. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from estimates.

Discussion of Certain Differences between SAP and GAAP

The financial information of New York Life included in this Offering Memorandum is presented in accordance with SAP. Statutory accounting is used by state insurance regulators to monitor the operations of insurance companies.

Financial statements prepared under SAP as determined under New York State Law vary from those prepared under GAAP in certain significant respects, primarily as follows:

- non-public majority owned subsidiaries are generally carried at net equity value, whereas under GAAP they would be consolidated; earnings of such subsidiaries are recognized in net investment income only when dividends are declared whereas under GAAP net income from such subsidiaries would be recognized when earned and dividends would be eliminated in consolidation. In addition, New York Life's publicly-traded investment, Express Scripts, Inc. ("ESI") is carried at market value, less a haircut, as defined in NAIC SAP, whereas under GAAP, New York Life's investment in ESI is carried at market value. At December 31, 2005, ESI was recorded on the equity basis of accounting under GAAP, since New York Life exercised significant influence;
- the costs related to acquiring business, principally commissions and certain policy issue expenses and sales inducements, are charged to income in the year incurred, whereas under GAAP they would be deferred and amortized over the periods benefited;
- life insurance reserves are based on different assumptions than they are under GAAP and dividends on participating policies are provided for when approved by the Board of Directors and the dividend liability represents a full year liability whereas under GAAP, only the portion earned at the financial statement date is recognized;
- life insurance companies are required to establish an AVR by a direct charge to surplus to offset potential investment losses, whereas under GAAP, the AVR would not be recognized and any losses on investments would be deducted from the assets to which they relate and would be charged to income;
- investments in bonds are generally carried at amortized cost or values as prescribed by the New York State Insurance Department; under GAAP, investments in bonds that are classified as available for sale or trading, would be carried at fair value, with changes in fair value charged or credited to equity or reflected in earnings, respectively;
- realized gains and losses resulting from changes in interest rates on fixed income investments are deferred in the IMR and amortized into investment income over the remaining life of the investment sold, whereas under GAAP, the gains and losses are recognized in income at the time of sale;
- deferred income taxes exclude state income taxes and are admitted to the extent they can be realized within one year subject to a 10% limitation of capital and surplus with changes in the net deferred tax reflected as a component of surplus; under GAAP, deferred income taxes include federal and state income taxes and a valuation allowance is recorded to reduce a deferred tax asset to that portion that is expected to more likely than not be realized and changes in the deferred tax would generally be reflected in earnings;
- certain reinsurance transactions are accounted for using deposit accounting for SAP and reinsurance accounting under GAAP, and assets and liabilities are reported net of reinsurance for SAP and gross of reinsurance for GAAP;

- certain assets, such as intangible assets, furniture and equipment, deferred taxes that are not realizable within one year and unsecured receivables, are considered non-admitted and excluded from assets in the Statutory Statements of Financial Position, whereas they would be included under GAAP, subject to a valuation allowance as appropriate;
- contracts that have any mortality or morbidity risk, regardless of significance, and contracts with life contingent annuity purchase rate guarantees are classified as insurance contracts; whereas under GAAP, contracts that do not subject New York Life to significant risks arising from policyholder mortality or morbidity would be accounted for in a manner consistent with the accounting for interest bearing or other financial instruments;
- goodwill is not permitted to be carried as an admitted asset, whereas under GAAP, goodwill, which is considered to have an indefinite useful life, would be tested for impairment and a loss recorded, where appropriate;
- postretirement obligations are measured for only vested employees and agents, whereas under GAAP, these costs would be measured for both vested and non-vested employees and agents;
- surplus notes are included as a component of surplus, whereas under GAAP, they would be presented as a liability;
- GAAP requires that for certain reinsurance arrangements whereby assets are retained by the ceding insurer (such as funds withheld of modified coinsurance) and a return is paid based on the performance of underlying investments, the liabilities for these reinsurance arrangements must be adjusted to reflect the fair value of the invested assets. Statutory accounting does not contain a similar requirement;
- contracts that contain an embedded derivative are not bifurcated between components and are accounted for consistent with the host contract, whereas under GAAP, the embedded derivative is bifurcated from the host contract and accounted for separately; and
- under GAAP, the overfunded or underfunded status of defined benefit pension and postretirement plans would be recognized as an asset or liability in the statement of financial position, and changes in the funded status would be recognized through comprehensive income, whereas under statutory accounting, no such impacts are currently required to be reflected in the Statutory Financial Statements.

The effects on the financial statements of the variances between SAP and GAAP are material to New York Life.

Selected Historical Statutory Financial Information of New York Life

The information shown in the table below is derived from Statutory Financial Statements of New York Life for the years ending December 31, 2007, 2006 and 2005.

	Year Ended December 31,		
	2007	2006	2005
New York Life:			
Statement of Operations Data:			
Income			
Premiums	$ 9,752	$ 9,301	$ 9,273
Net investment income	5,653	5,331	4,834
Other income	548	629	623
Total income	15,953	15,261	14,730
Benefits and Expenses			
Benefit payments	9,636	8,840	8,514
Additions to reserves	2,017	2,179	2,304
Operating expenses	1,963	1,960	1,817
Total benefits and expenses	13,616	12,979	12,635
Net gain before dividends and federal income taxes	2,337	2,282	2,095
Dividends to policyowners (a)	1,644	1,546	1,477
Net gain before federal income taxes	693	736	618
Federal income taxes	116	242	(101)
Net gain from operations	577	494	719
Net realized capital gains (losses) (b)	279	300	479
Net income	$ 856	$ 794	$ 1,198
Balance Sheet Data:			
General account assets	$ 116,142	$ 107,589	$ 101,961
Separate account assets	$ 6,611	$ 6,115	$ 5,921
Total assets	$ 122,753	$ 113,704	$ 107,882
Total liabilities	$ 110,794	$ 102,404	$ 97,333
Asset Valuation Reserve (c)	2,257	2,087	1,877
Surplus notes	991	991	991
Unassigned funds	10,968	10,309	9,558
Surplus	11,959	11,300	10,549
Surplus and Asset Valuation Reserve	$ 14,216	$ 13,387	$ 12,426
Total life insurance in force	$ 780,170	$ 752,805	$ 701,493

(a) Dividends to policyowners are discretionary and subject to the approval of New York Life's Board of Directors.

(b) After tax and transfers to interest maintenance reserve.

(c) These amounts are included in total liabilities.