



New York Life Advanced Markets Network News

Industries with which New York Life will not do business

Summary

Because we know that there are business opportunities in all parts of the marketplace, we wish to alert you to areas that can be problematic for New York Life. As a rule, New York Life will not accept applications from owners or employees of illicit businesses or companies in the marijuana industry. Any applicants that appear to serve these businesses will be subject to additional underwriting requirements, and an enhanced review by the Company.

Rationale

Through prudent underwriting decisions, we protect the reputation and long-term financial strength of the Company. Because of the threat they pose to New York Life both financially and reputationally, we cannot accept applications on individuals involved in illicit businesses i.e., massage parlors and adult entertainment businesses. Specifically, these are the risks:

- Significant expense and effort is required to verify and confirm information used to determine if the case is acceptable to New York Life.
- Increased mortality is associated with individuals involved in these businesses.
- The source of funds, assets, and income are usually difficult to verify because these businesses operate on a cash-only basis.
- Criminal activity could be associated with these businesses

While marijuana is now legal in a number of states for medical and/or recreational purposes, existing federal law makes the sale and possession of marijuana illegal. As a result, New York Life cannot accept funds from anyone who is engaged in the marijuana industry. To do so, could place New York Life, its agents and its employees in a position where they would be subject to criminal and civil penalties.

Under the Federal Controlled Substances Act, marijuana is still classified as a “Schedule 1 drug” meaning it: 1) has the potential for abuse, 2) has no currently accepted medical use in treatment in the U.S., and 3) has a lack of accepted safety for use of the drug under medical supervision.

Adhering to this policy

As stated above, New York Life will not accept cases on individuals in these businesses. If during the underwriting process, we learn that the proposed insured is an owner or employee of an illicit or marijuana business, this application will be referred for enhanced review. Please contact your underwriter if you have questions about this policy or have questions about a specific case.

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SMRU1788657

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