

175 Years of Experience

An Interview with Ted Mathas, Chairman and Chief Executive Officer, New York Life

EDITORS' NOTE Ted Mathas has been a director of the company since July 2006. He became CEO on July 1, 2008, and was named Chairman on June 1, 2009. He serves on the board of the American Council of Life Insurers and will become its Chairman for the second time in October 2020. He also sits on the boards of the American Museum of Natural History and the Partnership for New York City. Mathas graduated with a BA from Stanford University, with distinction, in 1989. He received a JD from the University of Virginia in 1992, where he was a member of the Virginia Law Review and the Order of the Coif.



Ted Mathas

COMPANY BRIEF New York Life (newyorklife.com) is the nation's largest mutual life insurance company and one of the largest life insurance companies in the world with more than \$600 billion in assets under management. New York Life and its subsidiaries provide insurance, investment and retirement solutions that help people at all stages of life achieve financial security, delivered through financial specialists nationwide. The company also provides insurance and investment products to the institutional market and operates one of the world's largest global asset managers through New York Life Investments. A Fortune 100 company, New York Life was founded in 1845 and has occupied its landmarked headquarters on Madison Avenue in New York City since 1928. In 2020, the company marked its first 175 years of helping individuals build better futures for themselves and those they love.

How has New York Life remained an industry leader throughout its 175-year history?

Earlier this year we were fully prepared to celebrate our 175th anniversary, and today in this pandemic, we are embracing our culture and values, and relying on our 175 years of experience to navigate this crisis. In the 2008 Great Recession, we said we were built for times like these, and this pandemic and global financial crisis present an extraordinary time that we will steer our clients and policy owners through, just as we've weathered what's come before.

Our unwavering focus is on our core purpose – to be there when our policy owners need us most – and keeping our promises through dramatic and unexpected economic and societal moments in history. It is my responsibility to serve as steward of the nation's oldest and largest mutual life insurance company, and we continue to be entirely dedicated to providing financial security and peace of mind to all our clients and policy owners through the current crises, just as New York Life has always done.

We have successfully navigated every crisis this country has been through in the last 175 years, including the 1918 Spanish influenza pandemic. While we can't predict the future, we can, and do, prepare for it; we regularly stress test our ability to weather a wide variety of low probability/high severity scenarios, including the exact situation we are facing today.

In addition, our mutual business model allows us to prioritize our policy owners. We don't have shareholders and we don't focus on quarter-over-quarter results, so we are able to take the long-term view. Mutuality is one of the four interdependent pillars of our strategy, in addition to life insurance, career agency, and financial strength – all of which allow us to put our policy owners at the center of our business and, as a result, consistently differentiate ourselves from industry peers.

The global COVID-19 pandemic is being fought on the front lines by healthcare workers, first responders, those providing supplies and meals, transportation workers, and all other essential workers. What do you say to these leaders and true heroes who are risking their lives to protect others and how is New York Life supporting these front line workers?

We say to these leaders and heroes: thank you and we are here for you and your families today, and we'll be here for you in the future. This environment presents a calling for companies to dig deep when considering the essence of their mission and how they define themselves, and to lean into their empathy and humanity. We are proudly focused on the families of front line healthcare workers who knowingly risk their lives every day. In April, the New York Life Foundation partnered with the Cigna Foundation to provide financial and emotional support for the families of those workers who lost their lives in the fight against COVID-19. Very quickly, we mobilized our network and resources and the outcome was the launch of the multimillion-dollar Brave of Heart Fund at E4E Relief to honor front line healthcare workers.

As a purpose-driven company, how has New York Life adapted its business and the way it works during the COVID-19 pandemic to effectively support its employees, financial professionals and clients?

Protecting the health and safety of our employees and financial professionals is our top

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priority. By the middle of March this year, New York Life had transitioned from having 95 percent of our employees working in the office to having around 94 percent working from home. We provided all of our employees and financial professionals with virtual communications capabilities so we could continue to focus on serving the needs of our policy owners and clients safely and efficiently. It was an immense effort that has been extremely successful. We also committed to employees that no one would lose their job in 2020 as a result of COVID-19, providing peace of mind and certainty in this uncertain environment.

We continue to concentrate on providing the best service and support to our policy owners and clients. This includes maintaining all our operations, providing advice and guidance through our financial professionals and customer service professionals, and fulfilling our promises by paying claims. It also goes beyond simply fulfilling our obligations, and to help ensure policy owners do not lose their insurance coverage during this difficult time, we introduced premium payment flexibility and accommodations for those who need them.

How critical is it for New York Life to have diverse perspectives and experiences at the table when making business decisions?

Nurturing and maintaining a diverse workforce remains a key part of the company’s business strategy. We are a culture that continuously evolves by actively welcoming and respecting different backgrounds and points of view for the benefit of our company, our employees and financial professionals. Of our workforce, 52 percent are women and 42 percent are people of color. We have received widespread recognition for our practices and programs that support a workplace environment that values and respects personal differences and helps us continue to grow and evolve as an organization.

More than 20 years ago we recognized that having a sales force of financial professionals who are as diverse as our policy owners is essential to serving the financial needs of all Americans. We became a pioneer in the industry by being one of the first companies to create a Cultural Markets business by building relationships with minority communities and investing in a career agency force that is representative of our different communities. As a result, our field force is more diverse than the industry and better represents the increasing diversity of the

U.S. population, enabling us to better serve these under-penetrated segments. Consequently, today our Cultural Markets business is one of the fastest-growing areas of the company.

How is New York Life standing up for racial equity and social justice with the current movement taking place in this country?

We have a long-standing and an unwavering commitment to a culture of inclusion and equality, where racism has no place. Humanity is one of our core values. With the killing of George Floyd confirming that racial and social injustice still exist in this country, we recognize that as a company, as individuals, and as a society, it is time to review and assess our programs, behaviors and practices and ask, “how can we do better?” We care about combating racism and social injustice in society. Actions underway include supporting social justice nonprofits which are aligned with our values and where we think the impact will be more meaningful. We have a long-standing record of supporting organizations that support the Black community and during the last 20 years, we have provided more than \$25 million to these organizations.

We are fostering dialogue, identifying training needs, and continuing to listen to the needs of our diverse communities at New York Life. We are embracing our shared values to support our Black communities and using this period of pain and anguish to examine how we can continue to do better going forward.

New York Life was built with an entrepreneurial spirit. How are you thinking about the business over the long term in order to survive these challenging times?

Because we make promises to our policy owners that can last decades, we are strategic and purposeful in how we adapt and evolve, while never losing sight of who we are and how we deliver value. It’s reflected in our commitment to complementing our foundational life insurance franchise with strategic businesses that support earnings and financial strength by delivering diversified revenue streams. New York Life’s \$6 billion acquisition of Cigna’s group life and disability insurance business, the largest acquisition in our company’s history, is the latest enhancement to the company’s portfolio. This deal establishes us as one of the nation’s leading players in the group and disability insurance space, reinforcing our financial strength by dependably generating capital to contribute to our surplus, dividends, and earnings, and helps

reduce our exposure to today’s historically low interest rate environment. We also have robust data science and analytics capabilities, service technologies, and advanced underwriting techniques which are all designed to make it easier for clients to do business with us.

There is much discussion about how businesses will reopen. What is your outlook for what the new world may look like and how is New York Life preparing for the next stage in the pandemic crisis?

The return to on-site locations is something that we are thinking about very carefully and our approach is both watchful and prudent. We are driven by our top priority which is to safeguard our staff and their families while also continuing to meet the needs of our clients and policy owners. With that, we are closely monitoring new government guidance and regulatory requirements and building a comprehensive, company-wide strategy that will guide our plans across all our locations.

We are very mindful of our employees’ and financial professionals’ personal needs as we move forward and consider the broader issues around how our people and their families will return to the daily routines of living while knowing that those routines will likely not be the same as they were before the pandemic.

Human interaction with policy owners is core to who we are as a company, but the pandemic has accelerated the development of our online resources for our financial professionals, our clients and our policy owners. We use technology to empower and augment the interactions and relationships that we are building and cultivating every day.

What are you telling your people and what would you say to young people across the country who are deeply concerned and uncertain about the future?

While we cannot predict the future, we can prepare for whatever it may hold. That means making the best decisions in our present – as individuals, as a company, and as a nation – to get us to the place where we want to be. Throughout history, times of challenges are often followed by times of prosperity: after World War I and the 1918 pandemic came the Roaring ’20s. After World War II came the Baby Boom. While no one can say what will happen next or when, we should be optimistic and confident that, together, we will emerge stronger and with the confidence that we can and will continue to build better futures for our loved ones. ●