



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
INVESTMENT MANAGEMENT

September 30, 2021

VIA ELECTRONIC MAIL

RESPONSE OF CHIEF ACCOUNTANT'S OFFICE
DIVISION OF INVESTMENT MANAGEMENT

Stephen E. Roth
Eversheds Sutherland (US) LLP
Email: steveroth@eversheds-sutherland.com

Re: Wilton Reassurance Life Company of New York

By letter dated September 28, 2021, you request permission under Regulation S-X §3-13 (“Rule 3-13”) for Wilton Reassurance Life Company of New York (“WRNY”) to file audited financial statements prepared in accordance with statutory accounting principles¹ (“SAP”), in place of financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), in registration statements on Form S-1 filed in the future for certain contracts in satisfaction of the financial information required by Form S-1, including the requirements of Items 11(e), 11(f), 11(g), and 16(b) of Form S-1, as described in your letter. These contracts (the “Contracts”) are market value adjustment (MVA) annuity contracts that WRNY will acquire in connection with the transaction described below.

Background

WRNY

You state that WRNY is a stock life insurance company, domiciled in the State of New York, that is subject to regulation by the New York State Department of Financial Services (“NYSDFS”). You also state that WRNY is a direct wholly-owned subsidiary of Wilton Reassurance Company (“WRAC”), a reinsurance company organized under the laws of Minnesota, which in turn is a wholly-owned subsidiary of Wilton Re US Holdings, Inc. (“WRUSH”), a

¹ You note that these principles are those that are prescribed or permitted by WRNY’s domiciliary state regulator.

holding company organized under the laws of Delaware, with the ultimate controlling parent being Wilton Re Ltd. (“WRL”), a Nova Scotia holding company (together known as the “Wilton Re Group”).

You state that except for Form N-4 and Form N-6 filings for a closed block of variable annuity and variable life insurance contracts,² none of the companies that are part of the Wilton Re Group file registration statements with the Commission under the Securities Act of 1933 (“Securities Act”) or periodic reports pursuant to Sections 12 or 15 of the Securities Exchange Act of 1934 (“Exchange Act”). You also state that WRNY, like WRAC and the other insurance subsidiaries of WRAC, does not prepare GAAP financial statements. You further state that WRNY prepares limited GAAP financial information for use in the consolidated GAAP financial statements of its indirect parent company, WRUSH, and that this GAAP financial information does not constitute a GAAP reporting package or partial GAAP financial statements. You state that WRNY would prepare full GAAP financial results only for entity level GAAP financial statements filed in the Form S-1 registration statements for the Contracts.

You state that WRNY is eligible for the exemption from filing periodic reports required by the Exchange Act provided by rule 12h-7 under the Exchange Act and will rely on this exemption and comply with its conditions so long as the WRNY relies on the requested permission.³ In this regard, you note that (1) WRNY is subject to supervision by the NYSDFS; and (2) WRNY files an annual statement of its financial condition with, and is supervised and its financial condition is periodically examined by, the NYSDFS.⁴

The Transaction

You state that the Wilton Re Group has agreed to acquire (the “Proposed Acquisition”) all of the issued and outstanding capital stock of Allstate Life Insurance Company of New York (“ALNY”).⁵ You further state that as a result of the Proposed Acquisition, ALNY will become a

² You state that the WRNY financial statements filed with those registration statements are prepared on a SAP basis as permitted by Forms N-4 and N-6.

³ Rule 12h-7 exempts insurance companies from filing Exchange Act reports with respect to certain specified types of securities that are subject to state insurance regulation and are registered under the Securities Act if certain other conditions are satisfied. 17 CFR 240.12h-7.

⁴ Rule 12h-7(a) and (c) specify that an issuer qualifying under the rule is a corporation subject to the supervision of the insurance commissioner, bank commissioner, or any agency or officer performing like functions, of any State (as defined in the Exchange Act); and files an annual statement of its financial condition with, and is supervised and its financial condition examined periodically by, the insurance commissioner, bank commissioner, or any agency or officer performing like functions, of the issuer's domiciliary State.

⁵ The Proposed Transaction will be conducted pursuant to a Stock Purchase Agreement, by and among WRAC, a Minnesota-domiciled stock life company and Allstate Life Insurance Company, an Illinois domiciled life insurance company, Allstate Insurance Company, an Illinois domiciled insurance

direct subsidiary of WRAC. You also state that immediately following the closing of the Proposed Acquisition, WRAC proposes to merge ALNY with and into WRNY (the “Merger”). You state that WRAC has submitted a request for approval of the Proposed Acquisition and the Merger to the NYSDFS and WRNY has requested approval of the Merger from the California Department of Insurance as required by regulations in that state. You also state that October 1, 2021 is the targeted date for the closing of the Proposed Acquisition and Merger subject to receipt of regulatory approvals and fulfillment of certain closing conditions.

You state that WRNY intends to file registration statements on Form S-1 for certain MVA annuity contracts it will acquire from ALNY at the time of the Merger. You also state that as part of the Proposed Acquisition and Merger, WRNY will acquire, in addition to the Contracts, a closed block of variable annuity and variable life insurance products registered on Forms N-4 and N-6, respectively. You further state that if WRNY receives the permission requested in your letter, the WRNY financial statements filed for the closed block of variable product business that WRNY currently holds and the closed block of variable products registered on Forms N-4 and N-6 that it is acquiring from ALNY will be prepared on a SAP basis as permitted by those forms.

The Contracts

You state that the Contracts are combination flexible premium annuity contracts that offer fixed rate investment options with market value adjustment (MVA) features as well as variable investment options that ALNY issued and registered in the past. You further state that the fixed rate investment options in the Contracts, which ALNY has registered on Form S-1, guarantee an interest payment at a specified fixed rate for a specified term period. You also state that as part of the Allstate Group, ALNY has filed audited GAAP financial statements with its Form S-1 registration statements for the Contracts.

You state that following the Proposed Acquisition and the Merger, WRNY will not offer the Contracts for sale, but existing Contract owners may continue to allocate subsequent premiums or additional contract value to available fixed rate investment options and also may continue to rollover their current allocations to new term periods. You also state that (1) the Contracts will not constitute an equity interest in WRNY and will be subject to regulation under the insurance laws of New York, WRNY’s domiciliary state;⁶ (2) the Contracts are not and will not be listed, traded or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network, or any other similar system and WRNY will take steps reasonably

company, Allstate Financial Insurance Holdings Corporation, a Delaware corporation and Allstate Insurance Holdings, LLC, a Delaware limited liability company (together the “Allstate Group”).

⁶ Rule 12h-7(b) specifies that the securities that would otherwise trigger Exchange Act reporting obligations must not constitute an equity interest in the issuer, and must either be securities subject to regulation under the insurance laws of the domiciliary State of the issuer or guarantees of securities that are subject to regulation under the insurance laws of that jurisdiction.

designed to ensure that a trading market for the Contracts does not develop,⁷ and (3) prospectuses for the Contracts will disclose that WRNY relies on the relief provided by rule 12h-7.⁸

Discussion

You note that Rule 3-13 provides that the Commission may, upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the financial statements required by Regulation S-X or the filing in substitution thereof of appropriate statements of comparable character. You assert that, for the Form S-1 registration statement of the Contracts, SAP financial statements audited by an independent auditor⁹ are appropriate statements of a comparable character to GAAP financial statements and would be consistent with investor protection.

In support of this claim, you assert that investors in the Contracts will be most interested in information relevant to assessing WRNY's ability to fulfill its contractual obligations.¹⁰ You assert that SAP financial statements would provide investors in the Contracts with sufficient information to assess WRNY's solvency and its ability to satisfy its contractual obligations.¹¹

In this regard, you claim that SAP financial statements contain detailed information about an insurance company's assets and liabilities, including its regulatory capital and surplus, which serve as financial cushions for paying contract owner claims. In addition, you claim that SAP financial statements enable state regulators to determine WRNY's ability to meet contract owner obligations based on the availability of readily marketable assets when obligations are due.

⁷ Rule 12h-7(d) requires that those securities must not be listed, traded, or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network, or any other similar system, network, or publication for trading or quoting. Rule 12h-7(e) requires that an issuer take steps reasonably designed to ensure that a trading market for the securities does not develop.

⁸ Rule 12h-7(f) provides that the prospectus for the securities must contain a statement indicating that the issuer is relying on the exemption provided by the rule.

⁹ You state that the independent auditor engaged to audit the SAP financial statements will be registered with and subject to inspection by the Public Company Accounting Oversight Board, and will satisfy the independence standards of Article 2 of Regulation S-X.

¹⁰ You note the Commission recognized, in proposing variable annuity registration forms, that contract owners, participants, and annuitants may not want or need disclosure about the financial performance of the insurance company, but instead may be interested only in the insurer's solvency. *Registration Form for Insurance Company Separate Accounts that Offer Variable Annuity Contracts*, Securities Act Release No. 6502 and Investment Company Act Release No. 13689 (Dec. 22, 1983).

¹¹ You also note that, while GAAP financial statements assist investors in understanding WRNY's going concern value, investors in the Contracts do not need information regarding WRNY's going concern value since there is no secondary market in the Contracts.

Based on the facts and representations set forth in your letter as summarized above, as well as the conditions outlined above, and without necessarily agreeing with all of your analysis, your request for permission under Rule 3-13 for WRNY to file SAP financial statements, audited by an independent auditor, in lieu of GAAP financial statements in registration statements filed for the Contracts on Form S-1, as it relates to the accounting basis of those financial statements only and as described above, is granted.¹²

¹² Our analysis underlying this assurance has been developed in consultation with the staff of the Commission's Office of the Chief Accountant.

This permission is provided for the Contracts described in your letter based on the facts disclosed therein, including that the Contracts seeking to rely on the permission are non-variable annuity contracts classified as market-value adjusted annuities, contingent deferred annuities, and/or indexed annuities. As to any Contract registered or materially amended in the future, this permission is subject to the Commission staff's assessment of the Contract's registration statement for consistency with the facts described in your letter and the intended product types. In this regard, you have stated that WRNY will notify the staff, in a letter accompanying the filing of any new registration statement for a Contract or any post-effective amendment to an existing registration statement that reflects a material change to a Contract, of its intent to rely on the permission granted in this letter.

If you have any questions regarding this letter, please call the Chief Accountant's Office of the Division of Investment Management at (202) 551-6918.

Sincerely,

A handwritten signature in black ink, appearing to read "Jenson Wayne". The signature is fluid and cursive, with a large initial "J" and "W".

Jenson Wayne
Chief Accountant
Division of Investment Management

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

September 28, 2021

Mr. Jenson Wayne
Chief Accountant
Division of Investment Management
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Wilton Reassurance Life Company of New York

Dear Mr. Wayne:

We are writing on behalf of Wilton Reassurance Life Company of New York (“WRNY” or the “Company”). On March 30, 2021, Allstate Life Insurance Company of New York (“ALNY”) filed an updated Form S-1 registration statement which disclosed that ALNY will be acquired by Wilton Reassurance Company (“WRAC”), the parent of WRNY in the second half of 2021 (“Proposed Acquisition”).¹ Immediately following the closing of the Proposed Acquisition, WRAC intends to merge ALNY with and into WRNY (the “Merger”). October 1, 2021 is the targeted date for the closing of the Proposed Acquisition and Merger subject to receipt of regulatory approvals and fulfillment of certain closing conditions.

On behalf of WRNY, we respectfully request that, pursuant to Rule 3-13 of Regulation S-X, the staff of the Division of Investment Management (the “Staff”) permit WRNY to file audited financial statements prepared in accordance with statutory accounting principles (“SAP”) prescribed or permitted by its domiciliary state regulator (New York) in place of financial statements prepared in accordance with United States generally accepted accounting principles (“GAAP”) in registration statements on Form S-1 that WRNY intends to file for certain market value adjustment (MVA) annuity contracts it will acquire from ALNY at the time of the Merger as described in this letter (the “Contracts”), in satisfaction of the financial information required by Form S-1, including the requirements of items 11(e), 11(f), 11(g) and 16(b) of the Form. This will be the first time that WRNY would be required to file a Form S-1 registration statement, and absent the permission being sought herein, to prepare audited GAAP financial statements.

¹ See Item 11(a) of ALNY’s 2021 Form S-1 (File No. 333-254871).

Because the Contracts are insurance products subject to state regulation, the Company believes that SAP financial statements are of a comparable character to GAAP financial statements and would provide investors in the Contracts with sufficient information to assess the Company's ability to meet its obligations under the Contracts, and that filing SAP financial statements in place of GAAP financial statements in registration statements on Form S-1 for the Contracts would be consistent with investor protection. Forms N-3, N-4 and N-6 already permit insurers that meet certain criteria to use SAP financial statements on those forms, which relief is intended to reduce the burden on insurance companies that would otherwise prepare GAAP financial statements solely to register variable insurance products. Because of the significant costs and administrative burdens associated with preparing GAAP financial statements, relief permitting use of SAP financial statements in Forms N-3, N-4 and N-6 serves as a precedent for allowing use of SAP financial statements in registration statements on Form S-1 for the Contracts.

The Company

WRNY is a stock life insurance company domiciled in the State of New York that is subject to regulation by the New York State Department of Financial Services ("NYDFS"). WRNY is engaged in administering its in-force life and annuity contracts and is licensed to conduct business in all fifty states, the District of Columbia and the U.S. Virgin Islands.

State regulators periodically examine the financial statements filed by WRNY as part of a comprehensive regulatory program that focuses on WRNY's solvency, with the goal of ensuring that WRNY can fulfill its contractual obligations to contract owners. The ultimate objective of state solvency regulation is to ensure that an insurance company can pay policyholder liabilities when they become due and that the insurance company maintains capital and surplus at all times in such forms as required by state law to provide a margin of safety. With the objective of solvency regulation and policyholder protection, statutory accounting principles focus on an insurance company's balance sheet and solvency and emphasizes the insurance company's liquidity.

WRNY is a direct wholly-owned subsidiary of WRAC, a reinsurance company organized under the laws of Minnesota, which in turn is a wholly-owned subsidiary of Wilton Re US Holdings, Inc. ("WRUSH"), a holding company organized under the laws of Delaware, with the ultimate controlling parent being Wilton Re Ltd. ("WRL"), a Nova Scotia holding company (together known as the "Wilton Re Group"). Except for Form N-4 and Form N-6 filings for a closed block of variable annuity and variable life insurance contracts acquired by WRNY in 2006,² none of the companies that are part of the Wilton Re Group file registration statements with the SEC under the Securities Act of 1933 ("1933 Act") or periodic reports pursuant to Sections 12 or 15 of the Securities Exchange Act of 1934 ("1934 Act").

² Pursuant to relief provided by Forms N-4 and N-6 on which the products are registered, the WRNY financial statements filed with those registration statements are prepared on a SAP basis.

WRAC, as the lead insurance company in the Wilton Re Group, grows its business through the acquisition of life insurance companies and through acquisition of closed blocks of insurance from its client companies by way of reinsurance. In furtherance of its growth, on March 29, 2021, the Wilton Re Group agreed to acquire all of the issued and outstanding capital stock of ALNY pursuant to a Stock Purchase Agreement, by and among WRAC, a Minnesota-domiciled stock life company and Allstate Life Insurance Company, an Illinois domiciled life insurance company, Allstate Insurance Company, an Illinois domiciled insurance company, Allstate Financial Insurance Holdings Corporation, a Delaware corporation and Allstate Insurance Holdings, LLC, a Delaware limited liability company (together the "Allstate Group").

As a result of the Proposed Acquisition, ALNY will become a direct subsidiary of WRAC, which is also the direct parent of WRNY. Immediately following the closing of the Proposed Acquisition, WRAC proposes to merge ALNY³ with and into WRNY, pursuant to an Agreement and Plan of Merger.⁴ WRAC has submitted a request for approval of the Proposed Acquisition and the Merger to the NYSDFS and WRNY has requested approval of the Merger from the California Department of Insurance as required by regulations in that state. The companies have requested that the Proposed Acquisition and the Merger be approved simultaneously on or about October 1, 2021, but they have not yet received any assurance that a determination will be received by that date.

WRNY, like WRAC and the other insurance subsidiaries of WRAC, does not prepare GAAP financial statements. As an insurance company domiciled in New York, WRNY must prepare SAP financial statements that are audited by an independent auditor and filed with the NYSDFS and the National Association of Insurance Commissioners ("NAIC"). With the acquisition of ALNY and subsequent Merger of ALNY into WRNY, WRNY will acquire the Contracts and for the first time be required to file a registration statement on Form S-1 with GAAP financial statements.⁵

WRNY prepares limited GAAP financial information for use in the consolidated GAAP financial statements of its indirect parent company, WRUSH. This GAAP financial information consists only of a balance sheet and income statement and does not constitute a GAAP reporting package or partial GAAP financial statements. WRNY would prepare full GAAP financial results only for entity level GAAP financial statements filed in the Form S-1 registration statements for the Contracts.

³ As part of the Allstate Group, ALNY has filed audited GAAP financial statements with its S-1 registration statements for the Contracts.

⁴ With the Proposed Acquisition and Merger of ALNY, WRNY will acquire, in addition to the Contracts, a closed block of variable annuity and variable life insurance products registered on Forms N-4 and N-6, respectively. If WRNY receives the permission requested in this letter, the WRNY financial statements filed for the closed block of variable product business that WRNY currently holds and the closed block of variable products registered on Forms N-4 and N-6 that it is acquiring from ALNY will be prepared on a SAP basis as permitted by those forms.

⁵ The Form S-1 registration statement for the Contracts filed at the time of the Merger will contain financial statements for WRNY as well as for ALNY pursuant to Rule 3-05 of Regulation S-X.

WRNY is eligible for the exemption from filing periodic reports required by the 1934 Act provided by Rule 12h-7 thereunder and will rely on this exemption and comply with the conditions of the rule as long as it relies on the permission provided in response to this letter. WRNY is subject to supervision by the NYSDFS. The Contracts, which are the only securities that WRNY will register with the SEC on Form S-1, will not constitute an equity interest in WRNY, and are subject to regulation under New York insurance law. WRNY files annual statements of its financial condition with, and is supervised and its financial condition examined periodically by, the NYSDFS. Furthermore, the Contracts are not and will not be listed, traded or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network, or any similar system. WRNY will take steps reasonably designed to ensure that a trading market for the Contracts does not develop. Prospectuses for the Contracts will disclose that WRNY relies on the relief provided by Rule 12h-7.

The Contracts

The Contracts are combination flexible premium annuity contracts that offer fixed rate investment options with market value adjustment (MVA) features as well as variable investment options that ALNY issued and registered in the past. The fixed rate investment options in the Contracts, which ALNY has registered on Form S-1, guarantee an interest payment at a specified fixed rate for a specified term period. Withdrawals from or transfers out of a fixed rate investment option before the end of the specified term are subject to a positive or negative MVA adjustment that is calculated according to a formula prescribed by the Contracts and varies with the difference between the guaranteed interest rate and market interest rates prevailing at the time of the withdrawal or transfer. The MVA is positive when market interest rates are lower than the guaranteed interest rate at the time of the withdrawal or transfer, and negative when the market interest rates are higher than the guaranteed interest rate. The MVA adjustment protects the insurance company from risk that it will have to sell Contract reserves at a discount at the time of the withdrawal or transfer.

Following the Proposed Acquisition and the Merger, WRNY will not offer the Contracts for sale, but existing Contract owners may continue to allocate subsequent premiums or additional contract value to available fixed rate investment options and also may continue to rollover their current allocations to new term periods.

Request for Relief

Rule 3-13 of Regulation S-X provides that the SEC “may upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the financial statements herein required by Regulation S-X or the filing in substitution thereof of appropriate statements of a comparable character.” For the reasons stated herein, WRNY believes that SAP financial statements audited by an independent auditor⁶ included in the Form S-1 registration statements for the Contracts are appropriate statements of a comparable character to GAAP financial statements and would be consistent with investor protection.

⁶ The auditor will satisfy the independence standards of Article 2 of Regulation S-X and be registered with and subject to inspection by the Public Company Accounting Oversight Board (“PCAOB”).

SAP financial statements will provide investors in the Contracts with sufficient information to assess WRNY's ability to meet its contractual obligations.

Forms N-3, N-4 and N-6 used to register variable insurance products under the Securities Act of 1933, already permit use of SAP financial statements in place of GAAP financial statements if the insurance company issuing the contract meets certain criteria, including that it would not have to prepare GAAP financial statements except for use in registration statements on such forms. When proposing Forms N-3 and N-4 for variable annuity contracts with instructions permitting the use of SAP financial statements, the SEC recognized that guarantees associated with annuity payments and other benefits provided by the contracts, which are backed by the insurance company's general account, depend on the solvency of the insurance company, and that contract owners, participants and annuitants who invest in the contracts may not want or need disclosure about the financial performance of the insurance company, but instead may be interested only in the insurance company's solvency.⁷

Similar to investors in variable annuity contracts, investors in the Contracts will be most interested in information relevant to assessing the Company's ability to fulfill its contractual obligations. Statutory accounting principles are designed specifically to provide this type of information to state regulators. SAP financial statements contain detailed information about the Company's assets and liabilities as well as its regulatory capital and surplus, which serve as financial cushions for paying contract owner claims. Furthermore, SAP financial statements enable state regulators to determine the Company's ability to meet contract owner obligations, based on the availability of readily marketable assets when obligations are due. In contrast, GAAP financial statements assist investors in understanding a company's going concern value. Due to the absence of any secondary market in the Contracts, investors in the Contracts do not need information regarding WRNY's going concern value. Consequently, SAP financial statements would provide investors in the Contracts with sufficient information to assess the solvency of WRNY and its ability to satisfy its contractual obligations. GAAP financial statements, on the other hand, would not provide additional informative value to investors that would justify the significant costs and administrative burdens of preparing and auditing an additional set of financial statements solely to include in the Form S-1 registration statements for the Contracts.

Conclusion

For the reasons stated above, SAP financial statements are appropriate financial statements of a comparable character to GAAP financial statements and will provide investors in the Contracts with sufficient information to assess WRNY's ability to meet its obligations under the Contracts, and filing SAP financial statements in place of GAAP financial statements would be consistent with investor protection.

⁷ See Registration Forms for Insurance Company Separate Accounts that Offer Variable Annuity Contracts (Proposing Release) Rel. Nos. 33-6502 and IC-13689 (December 22, 1983).

We respectfully request, on behalf of WRNY, that the Staff grant relief pursuant to Rule 3-13 of Regulation S-X to permit WRNY to file SAP financial statements audited by an independent auditor in registration statements on Form S-1 for the Contracts. Should you provide this relief, WRNY agrees to notify the Staff in a letter, accompanying the filing of any new registration statement for a Contract or any post-effective amendment to an existing registration statement that reflects a material change to a Contract, of its intent to rely on the permission granted in response to this letter.

Thank you for your attention to this matter. Please contact me at 202-383-0158 or Lorna MacLeod at 202-383-0817 if you need additional information or have any questions concerning this request.

Sincerely,

A handwritten signature in cursive script that reads "Stephen E. Roth".

Stephen E. Roth
Eversheds Sutherland (US) LLP

cc: Alex Bradford
Michael Pawluk