



Evolving Trends in Bank-Owned Life Insurance

Complimentary Edition – 2024-Q1

June 2024

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Economic Backdrop

Economic Updates

Federal Reserve & Yield Curve

- After expectations of 2024 Fed cuts increased quickly in Q4, expectations were reigned-in in Q1, more aligning with original projections of summer rate cuts
- All tenors of the yield curve except 1-month increased during the quarter, with the long-end increasing more than the front

Sector Returns

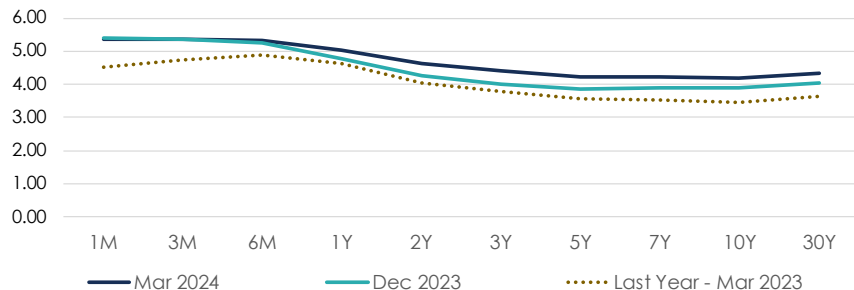
- Fixed income sectors had mixed performance, with treasuries and agency MBS falling ~1%, while CMBS and ABS had modest positive returns
- The S&P 500 posted a very strong 10.6% return with all component sectors having positive performance

US Economy

- Positive employment figures and wage increases continue to keep consumer purchasing power strong

Financial Markets Update

US Treasury Yields



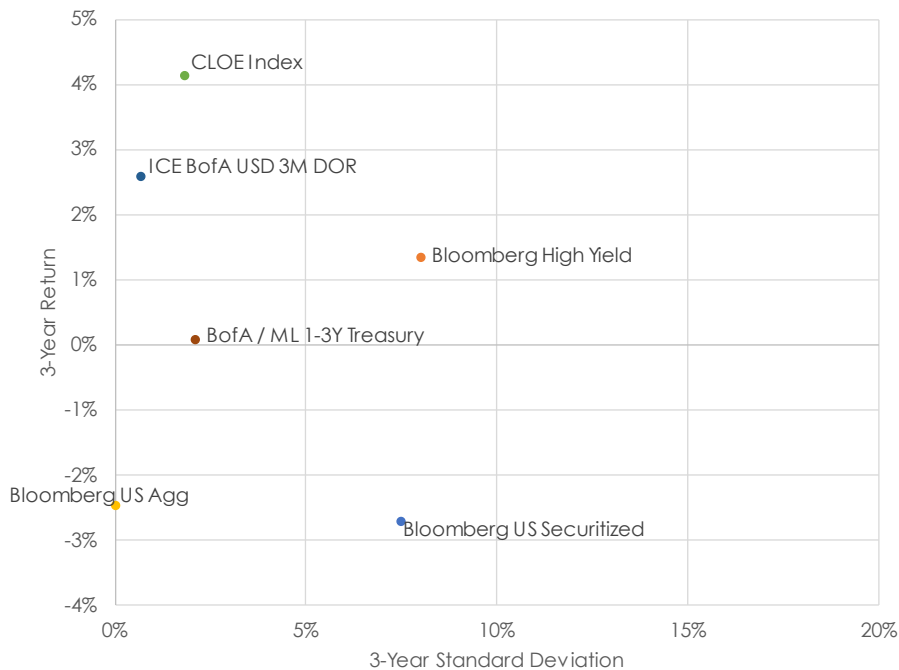
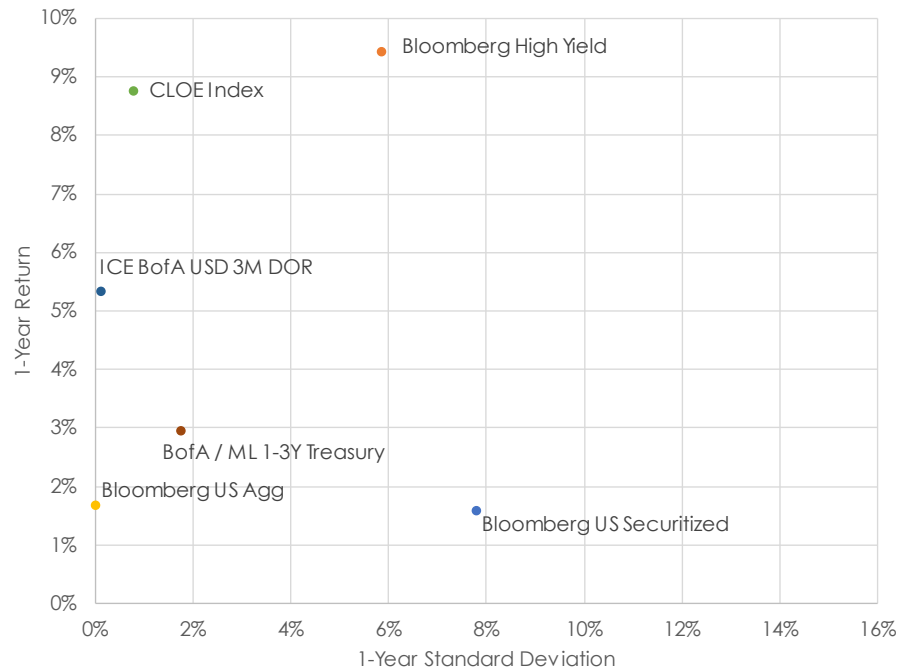
	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
Mar 2024	5.37	5.37	5.32	5.03	4.62	4.41	4.21	4.21	4.20	4.34
Dec 2023	5.40	5.34	5.26	4.77	4.25	4.01	3.85	3.88	3.88	4.03
Q Change	-0.04	0.03	0.07	0.26	0.37	0.40	0.37	0.33	0.32	0.32
Mar 2023	4.53	4.75	4.88	4.62	4.03	3.79	3.58	3.54	3.47	3.65
Year Change	0.84	0.62	0.44	0.41	0.59	0.62	0.64	0.67	0.73	0.69

Sector Performance (As of Q1)

	YTW	Duration	OAS	3M Return	12M Return	3Y Return	5Y Return
Treasuries	4.43%	6.04	0.00%	-0.96%	0.05%	-2.74%	-0.08%
Corporate	5.30%	7.01	0.90%	-0.40%	4.43%	-1.87%	1.52%
CMBS	5.33%	4.32	0.96%	0.84%	4.42%	-1.41%	1.20%
ABS	5.19%	2.63	0.55%	0.68%	4.32%	0.50%	1.76%
Credit Card ABS	5.14%	2.08	0.45%	0.59%	4.10%	-0.42%	1.18%
Auto ABS	5.30%	1.81	0.61%	0.84%	4.75%	0.71%	1.86%
Agency MBS	5.04%	6.08	0.49%	-1.04%	1.39%	-2.85%	-0.39%
GNMA	5.06%	5.89	0.43%	-1.06%	1.65%	-2.53%	-0.28%
FHLHC	4.95%	5.02	0.53%	-0.68%	2.09%	-2.72%	-0.30%
FNMA	5.04%	6.17	0.50%	-1.05%	1.29%	-2.87%	-0.34%
Palmer CLO AAA	5.74%	0.07		2.18%	8.67%	3.66%	

	3M Return	12M Return	3Y Return	5Y Return
SP 500	10.56%	29.88%	11.49%	15.05%
Energy	13.69%	17.67%	30.00%	12.86%
Materials	8.95%	17.57%	7.87%	13.30%
Industrials	10.97%	26.70%	10.44%	12.97%
Consumer Discretionary	4.98%	28.73%	4.34%	11.54%
Consumer Staples	7.52%	7.19%	8.00%	9.96%
Health Care	8.85%	16.09%	10.01%	12.05%
Financials	12.46%	33.55%	9.52%	12.76%
IT	12.69%	46.01%	18.99%	25.39%
Telecom	15.83%	49.76%	6.86%	13.67%
Utilities	4.57%	0.42%	4.14%	5.87%

1 & 3-Year Benchmark Risk/Return Plots

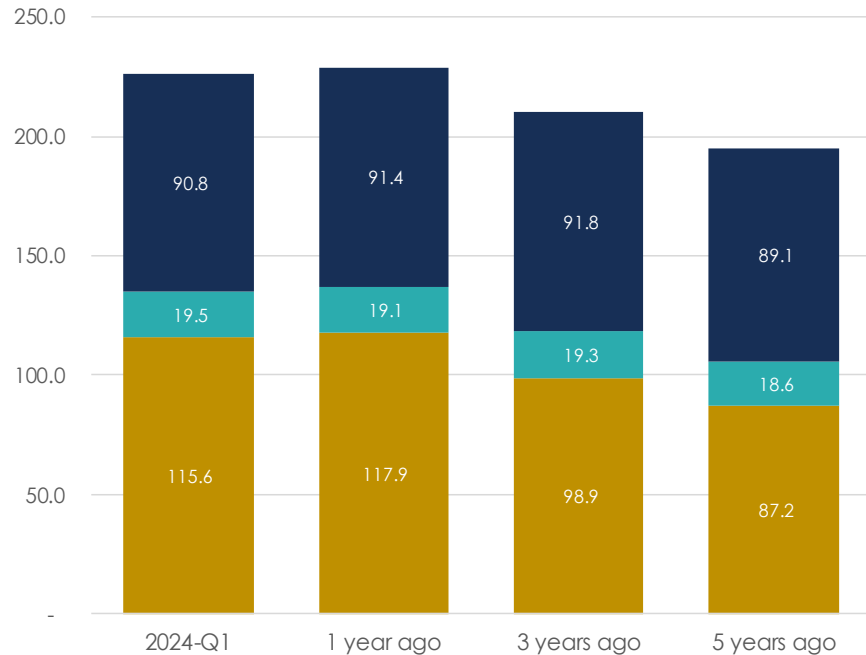


Data as of 2024-Q1

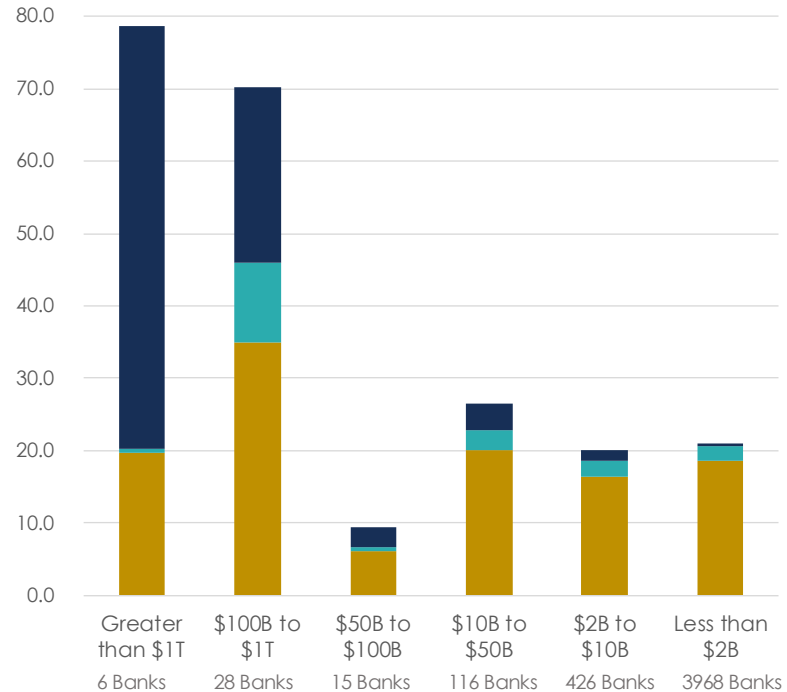
Recent Trends in BOLI

BOLI Market Overview as of 2024-Q1

Total BOLI (\$B) by Type



Current BOLI Type by Institution Total Asset Size



Institutions represent Bank Holding Companies and Stand-Alone Savings & Loans and Banks

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SA

GA

Hybrid

BOLI Market Overview as of 2024-Q1

Bank Size	Number of Banks ¹	% Owning BOLI	Total Assets (Billions)	GA BOLI (Billions)	Hybrid BOLI (Billions)	SA BOLI (Billions)	Total BOLI (Billions)	BOLI / Capital	BOLI / Assets
Greater than \$1 Trillion	6	100%	14,683	19.6	0.7	58.3	78.6	7.15%	0.54%
\$100 Billion to \$1 Trillion	28	82%	7,528	34.9	11.1	24.1	70.2	9.91%	0.93%
\$50 Billion to \$100 Billion	15	93%	1,053	6.1	0.6	2.8	9.5	8.65%	0.90%
\$10 Billion to \$50 Billion	116	80%	2,528	20.0	2.9	3.7	26.6	9.38%	1.05%
\$2 Billion to \$10 Billion	426	84%	1,756	16.4	2.2	1.5	20.1	9.94%	1.15%
Less than \$2 Billion	3,968	66%	1,707	18.5	2.0	0.4	21.0	10.24%	1.23%
TOTALS	4,559	68%	29,255	115.6	19.5	90.8	226.0	8.67%	0.77%

¹ The number of banks represents the number of Top Bank Holding Companies and Stand-Alone Savings & Loan and Banking Institutions. A Bank Holding Company may have several subsidiary banks, but they are not counted individually in this figure.

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BOLI Risk-Weighted Assets Analysis

Bank Size	Number of Banks ¹	% Owning BOLI	SA Exposure (\$B)	SA RWA (\$B)	SA RWA / SA Exposure	Average Bank RW%
Greater than \$1 Trillion	6	100%	58.5	17.7	30.2%	30.0%
\$100 Billion to \$1 Trillion	28	82%	29.9	13.7	45.9%	53.5%
\$50 Billion to \$100 Billion	15	93%	3.3	2.9	86.3%	70.5%
\$10 Billion to \$50 Billion	116	80%	5.9	4.0	66.8%	82.4%
\$2 Billion to \$10 Billion	426	84%	2.1	1.7	81.0%	93.6%
Less than \$2 Billion	3,968	66%	0.4	0.4	92.2%	96.8%
Total	4,559	68%	100.2	40.3	40.2%	88.5%

Observations

- While many banks default to 100%, most large banks (\$25B+) achieve SA RW% between 20%-40%, and account for over half the total SA exposure
- Banks include Hybrid BOLI when reporting SA Exposure and SA RWA in the call report values above. MBSA does have a method for estimating the RW% of SA BOLI only (excluding Hybrid). If interested, please reach out.

Recent BOLI Transaction Counts & Totals

Movement or Transactions of \$10M or More

Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2024-Q1	2	45	23	740	25	785	4	-331	15	-535	19	-865
1-Year	9	426	49	1,303	58	1,728	14	-712	32	-2,845	46	-3,558
3-Year	106	7,371	224	7,543	330	14,914	19	-1,563	64	-3,775	83	-5,338
5-Year	167	12,243	309	9,534	476	21,777	24	-1,714	79	-4,466	103	-6,180
SA												
2024-Q1	0	0	4	138	4	138	1	-215	3	-254	4	-469
1-Year	1	62	10	293	11	355	2	-248	8	-1,874	10	-2,123
3-Year	5	149	27	977	32	1,126	3	-259	19	-2,148	22	-2,407
5-Year	8	247	33	1,275	41	1,522	6	-363	25	-2,461	31	-2,825
GA												
2024-Q1	2	45	13	474	15	519	3	-116	8	-212	11	-328
1-Year	8	364	32	862	40	1,225	10	-408	15	-788	25	-1,196
3-Year	99	7,107	180	6,208	279	13,315	13	-1,238	24	-1,232	37	-2,470
5-Year	157	11,881	258	7,885	415	19,766	14	-1,242	33	-1,609	47	-2,851
HYBRID												
2024-Q1	0	0	6	128	6	128	0	0	4	-68	4	-68
1-Year	0	0	7	148	7	148	2	-56	9	-183	11	-239
3-Year	2	115	17	358	19	473	3	-66	21	-396	24	-462
5-Year	2	115	18	374	20	489	4	-108	21	-396	25	-504

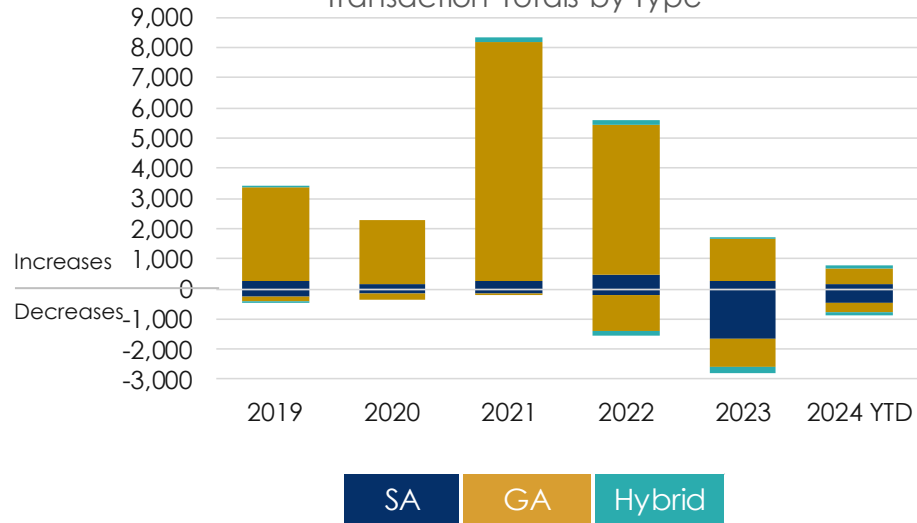
Listings of activity by institution are available upon request

Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Recent BOLI Transactions

Movement or Transactions of \$10M or More

Transaction Totals by Type



Current Quarter Notable Increases/Decreases

- In 2024-Q1, First Horizon surrendered \$215 million of SA
- Truist's SA decreased by \$133 million, while its GA increased by an apparent off-setting amount
- Banc of California's GA increased by \$110 million, while its SA decreased by \$110 million
- Hawaiian Electric's SA increased by \$55 million while its GA decreased by \$55 million
- First Financial Bcorp's SA increased by \$53 million, alongside a decrease of \$40 million of GA and \$13 million of HY
- FVCbank surrendered \$45 million of GA

Recent Notable Increases/Decreases

- In 2023-Q3, Wells Fargo's SA BOLI decreased by \$1.23 billion
- From 2022-Q4 through 2023-Q2, First Citizens GA decreased by \$1.24 billion (some following acquisitions)

Recent BOLI Transactions

Movement or Transactions of \$10M or More

Restructures

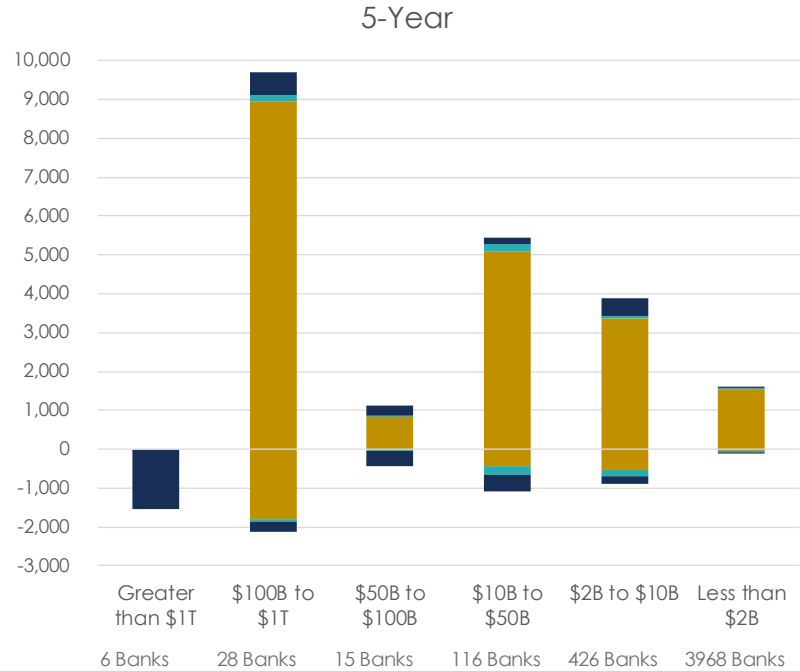
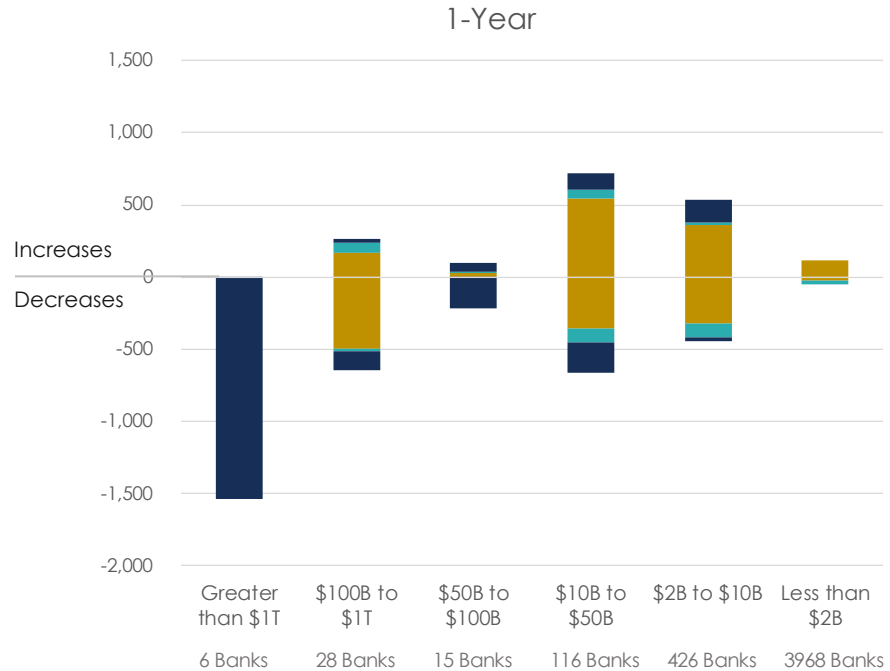
- Like last quarter, many banks have reported off-setting amounts of multiple types of BOLI
- A list of observed instances in 2024-Q1 include (in millions):

	SA	GA	Hybrid
❖ Truist	-133	+133 (approx.)	
❖ Banc of California	-110	+110	
❖ Hawaiian Electric	+55	-55	
❖ First Financial Bcorp	+53	-40	-13
❖ Citizens Financial Group		-23	+43
❖ Central Pacific Financial Corp	+36	-24	
❖ New York Community Bcorp		-20	+26
❖ Southstate Corp		-20	+26
❖ MapleMark Bank		+22	-22
❖ Hometrust Bancshares		+22	-22
❖ Cambridge Financial Group	+14	-21	+10
❖ Ocean Bankshares		+12	-11
❖ BankFirst Financial Services	-11	+9	

Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings

BOLI Transactions by Type and Bank Size

Movement or Transactions of \$10M or More



SA

GA

Hybrid

Listing of activity by institution are available upon request

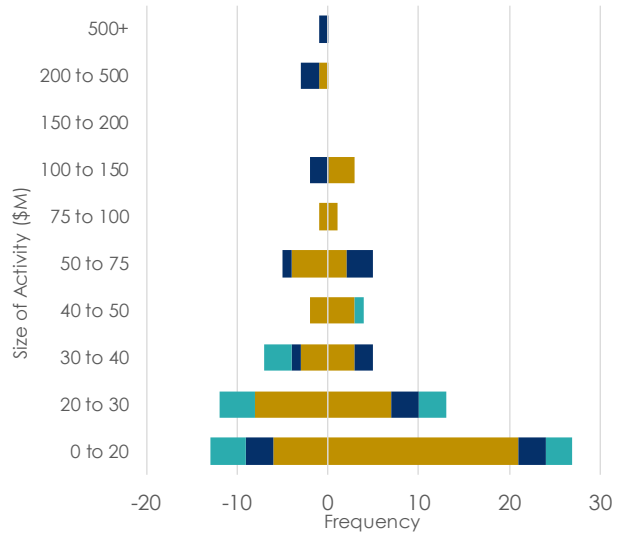
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Frequency of BOLI Transaction Sizes

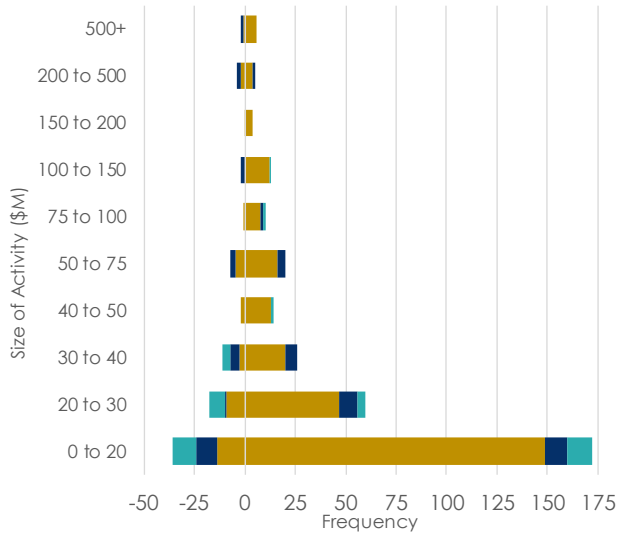
Movement or Transactions of \$10M or More

- Over the past 5 years, over 67% of transactions have been below \$30 Million, while 9% are over \$100 million

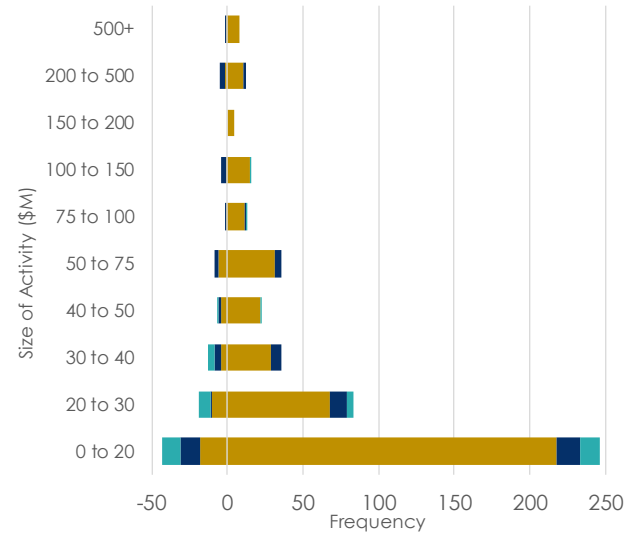
1-Year



3-Year



5-Year



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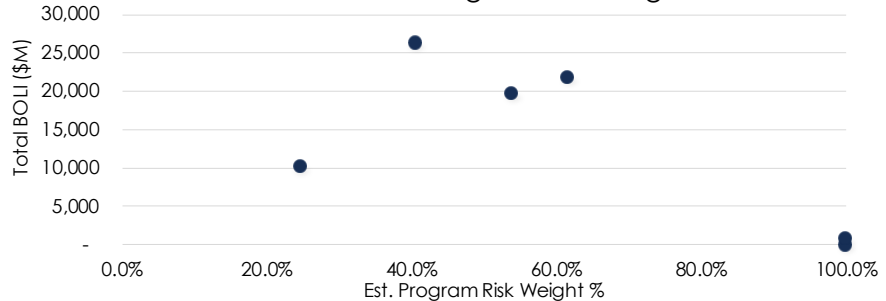
Market Analytics By Bank Size

Banks with over \$1T in Total Assets

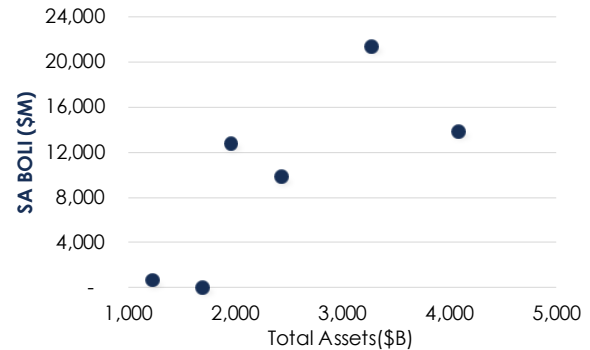
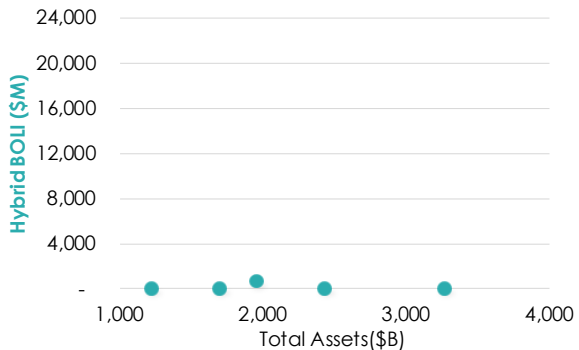
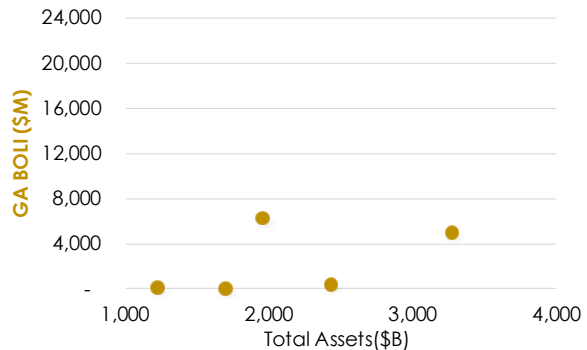
6 of 6 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	19,648	661	58,292	78,601	7%
Average	3,275	110	9,715	13,100	6%
Last Q # of Increases	-	-	-	-	
Increase Total (\$M)	-	-	-	-	
Last Q # of Decreases	-	-	-	-	
Decrease Total (\$M)	-	-	-	-	

Total BOLI vs Est. Program Risk Weight



Types of BOLI by Bank Asset Size



Recent BOLI Transaction Counts & Totals

Banks with over \$1T in Total Assets

Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2024-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	0	0	0	0	0	0	2	-1,540	2	-1,540
3-Year	0	0	0	0	0	0	0	0	2	-1,540	2	-1,540
5-Year	0	0	0	0	0	0	0	0	2	-1,540	2	-1,540
SA												
2024-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	0	0	0	0	0	0	2	-1,540	2	-1,540
3-Year	0	0	0	0	0	0	0	0	2	-1,540	2	-1,540
5-Year	0	0	0	0	0	0	0	0	2	-1,540	2	-1,540
GA												
2024-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	0	0	0	0	0	0	0	0	0	0
3-Year	0	0	0	0	0	0	0	0	0	0	0	0
5-Year	0	0	0	0	0	0	0	0	0	0	0	0
HYBRID												
2024-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	0	0	0	0	0	0	0	0	0	0
3-Year	0	0	0	0	0	0	0	0	0	0	0	0
5-Year	0	0	0	0	0	0	0	0	0	0	0	0

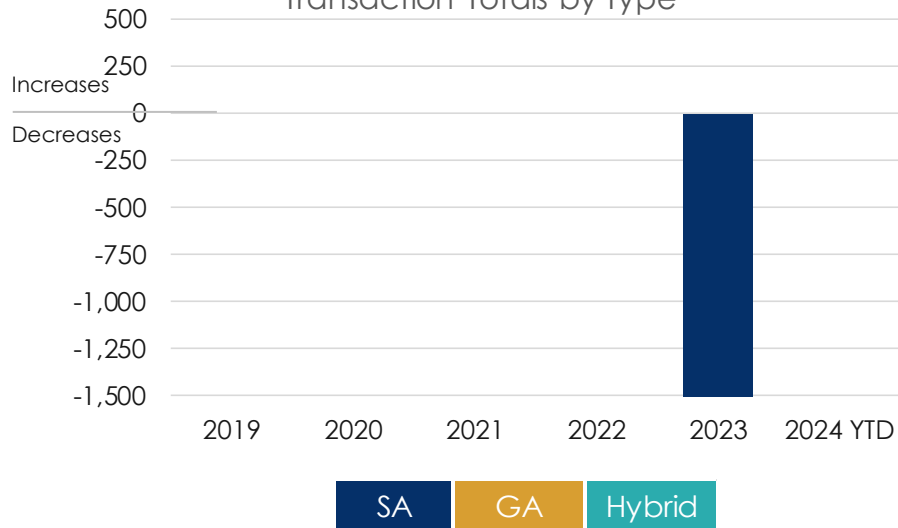
Listings of activity by institution are available upon request

Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Recent BOLI Transactions

Banks with over \$1T in Total Assets

Transaction Totals by Type



Current Quarter Activity

- None this quarter

Recent Notable Actions

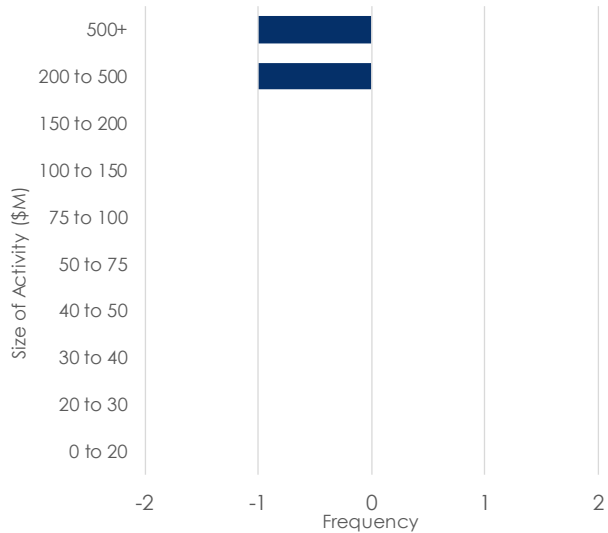
- In 2023-Q4, Morgan Stanley's SA decreased by \$311 million
- In 2023-Q3, Wells Fargo Bank's SA decreased by ~\$1.23 billion

Frequency of BOLI Transaction Sizes

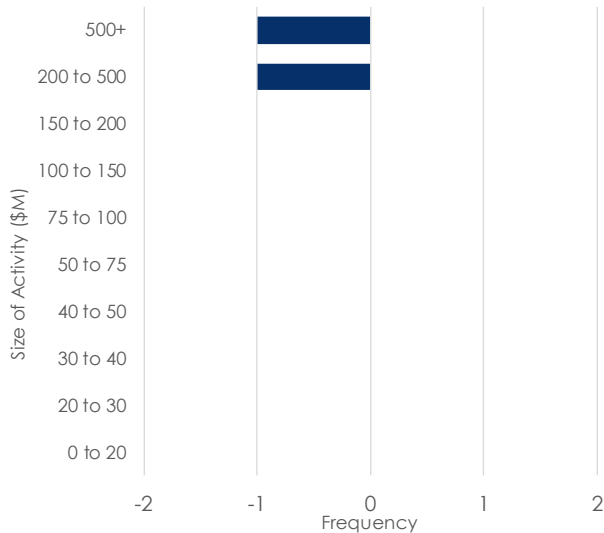
Banks with over \$1T in Total Assets

- While they own over a third of all BOLI, MBSA has only tracked 2 transactions (not related to M&A) over the last 5 years

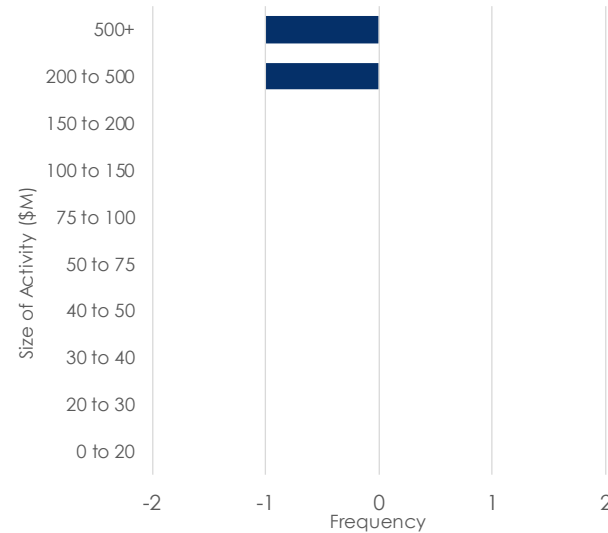
1-Year



3-Year



5-Year



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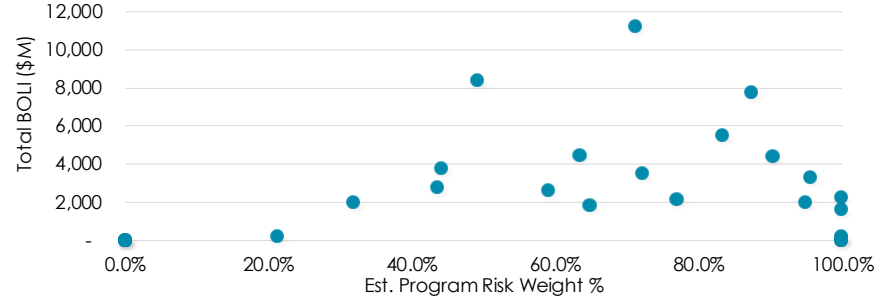
Market Analytics By Bank Size

Banks with \$100B to \$1T in Total Assets

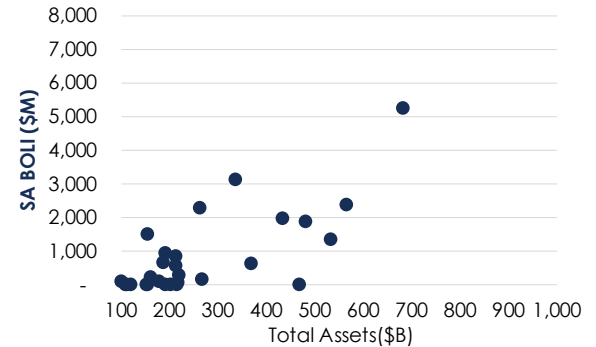
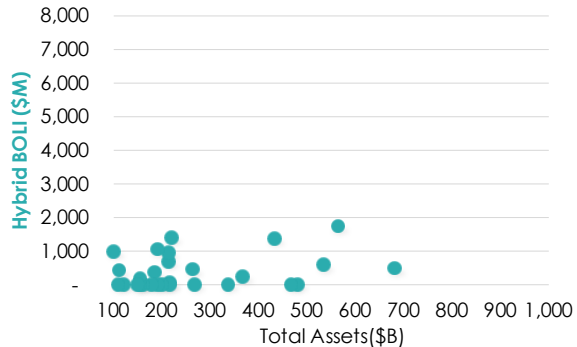
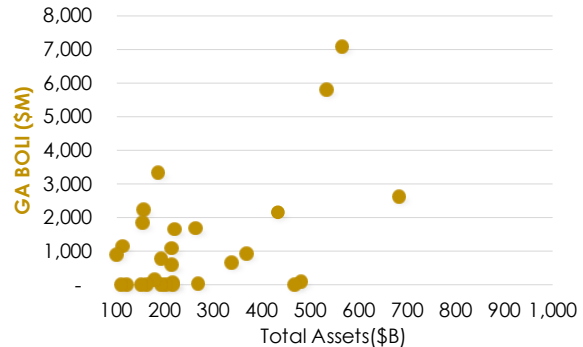
23 of 28 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	34,928	11,120	24,123	70,171	10%
Average	1,247	397	862	2,506	10%
Last Q # of Increases	1	2	-	3	
Increase Total (\$M)	133	70	-	203	
Last Q # of Decreases	2	-	1	3	
Decrease Total (\$M)	(43)	-	(133)	(176)	

Total BOLI vs Est. Program Risk Weight



Types of BOLI by Bank Asset Size



Recent BOLI Transaction Counts & Totals

Banks with \$100B to \$1T in Total Assets

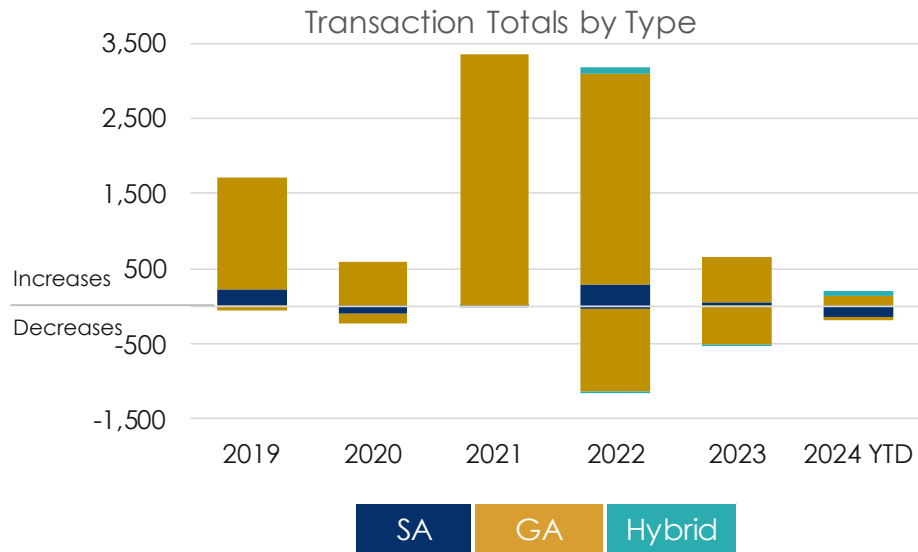
Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2024-Q1	0	0	3	203	3	203	0	0	3	-176	3	-176
1-Year	1	10	5	252	6	262	0	0	6	-649	6	-649
3-Year	13	3,809	12	2,716	25	6,525	2	-815	9	-1,036	11	-1,851
5-Year	22	6,773	13	2,921	35	9,694	2	-815	13	-1,320	15	-2,135
SA												
2024-Q1	0	0	0	0	0	0	0	0	1	-133	1	-133
1-Year	0	0	1	23	1	23	0	0	1	-133	1	-133
3-Year	2	52	3	295	5	347	0	0	2	-170	2	-170
5-Year	4	90	4	500	8	590	0	0	4	-274	4	-274
GA												
2024-Q1	0	0	1	133	1	133	0	0	2	-43	2	-43
1-Year	1	10	2	160	3	170	0	0	4	-494	4	-494
3-Year	11	3,757	6	2,270	17	6,027	2	-815	5	-820	7	-1,635
5-Year	18	6,683	6	2,270	24	8,952	2	-815	7	-1,000	9	-1,815
HYBRID												
2024-Q1	0	0	2	70	2	70	0	0	0	0	0	0
1-Year	0	0	2	70	2	70	0	0	1	-22	1	-22
3-Year	0	0	3	151	3	151	0	0	2	-46	2	-46
5-Year	0	0	3	151	3	151	0	0	2	-46	2	-46

Listings of activity by institution are available upon request

Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Recent BOLI Transactions

Banks with \$100B to \$1T in Total Assets



Current Quarter Activity

- Truist's SA decreased by \$133 million, while its GA increased by an apparent off-setting amount
- Citizens Financial's HY increased by \$43 million while its GA decreased by \$23 million
- New York Community Bcorp's HY increased by \$26 million while its GA decreased by \$20 million

Recent Notable Actions

- In 2023-Q4, New York Community Bcorp's GA increased by \$27 million, but corresponded with a \$22 million decrease to HY
- In 2023-Q3, BMO's SA increased by \$23 million, but corresponded with an equal decrease to its GA
- In 2023-Q2, First Citizens' GA decreased by \$427 million following its acquisition of CIT
- In 2023-Q1, First Republic's GA increased by \$575 million, and SA increased by \$25 million
- In 2023-Q1 First Citizens surrendered \$55 million of GA

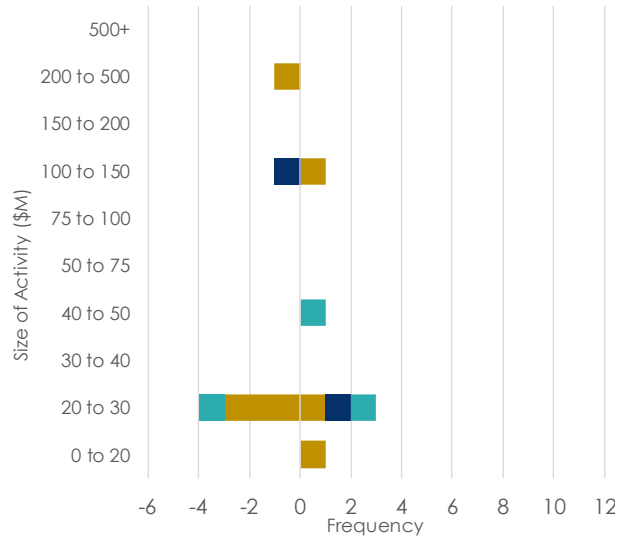
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Frequency of BOLI Transaction Sizes

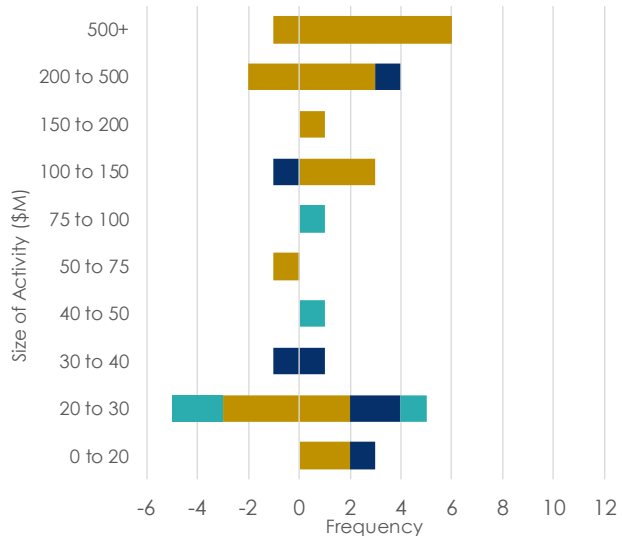
Banks with \$100B to \$1T in Total Assets

- Many recent deals for large banks have been over \$200 million, including six over \$500 million

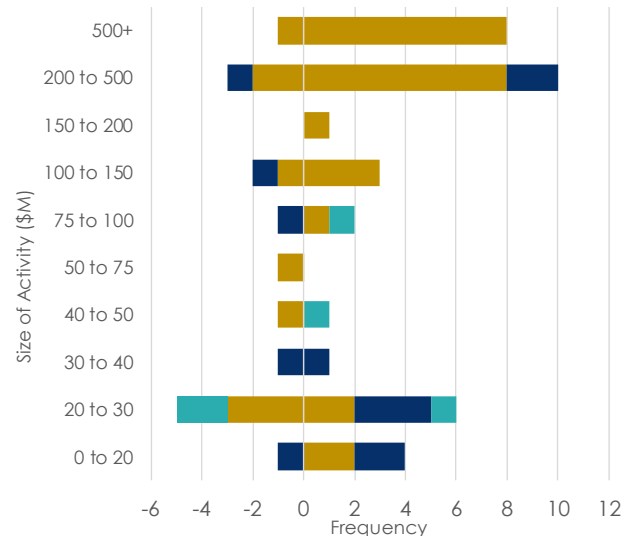
1-Year



3-Year



5-Year



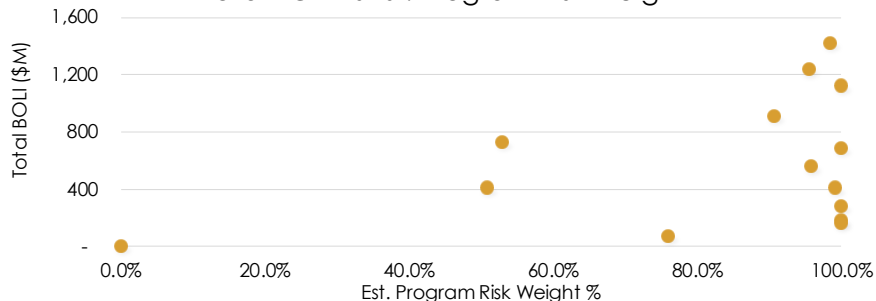
Market Analytics By Bank Size

Banks with \$50B to \$100B in Total Assets

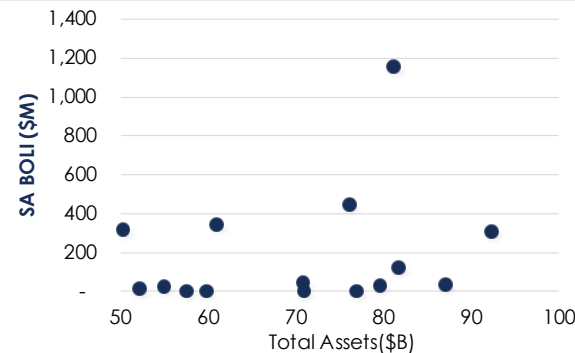
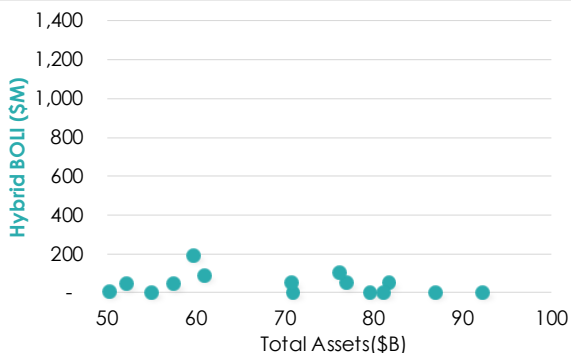
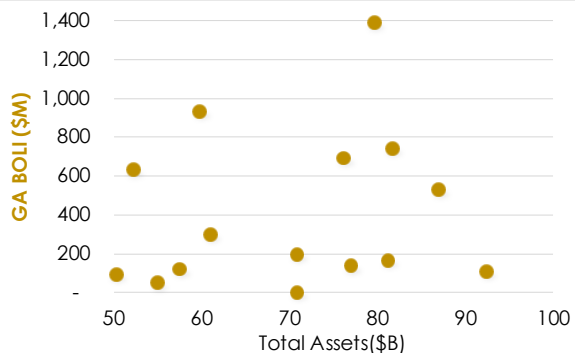
14 of 15 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	6,051	614	2,810	9,475	9%
Average	403	41	187	632	9%
Last Q # of Increases	-	1	1	2	
Increase Total (\$M)	-	12	36	48	
Last Q # of Decreases	-	-	1	1	
Decrease Total (\$M)	-	-	(215)	(215)	

Total BOLI vs Est. Program Risk Weight



Types of BOLI by Bank Asset Size



Recent BOLI Transaction Counts & Totals

Banks with \$50B to \$100B in Total Assets

Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2024-Q1	0	0	2	48	2	48	1	-215	0	0	1	-215
1-Year	1	28	3	70	4	98	1	-215	0	0	1	-215
3-Year	2	178	11	293	13	472	1	-215	3	-70	4	-285
5-Year	7	683	17	454	24	1,137	1	-215	5	-205	6	-420
SA												
2024-Q1	0	0	1	36	1	36	1	-215	0	0	1	-215
1-Year	0	0	2	58	2	58	1	-215	0	0	1	-215
3-Year	0	0	6	198	6	198	1	-215	1	-29	2	-244
5-Year	0	0	10	280	10	280	1	-215	3	-164	4	-379
GA												
2024-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	1	28	0	0	1	28	0	0	0	0	0	0
3-Year	2	178	4	84	6	262	0	0	0	0	0	0
5-Year	7	683	6	162	13	845	0	0	0	0	0	0
HYBRID												
2024-Q1	0	0	1	12	1	12	0	0	0	0	0	0
1-Year	0	0	1	12	1	12	0	0	0	0	0	0
3-Year	0	0	1	12	1	12	0	0	2	-41	2	-41
5-Year	0	0	1	12	1	12	0	0	2	-41	2	-41

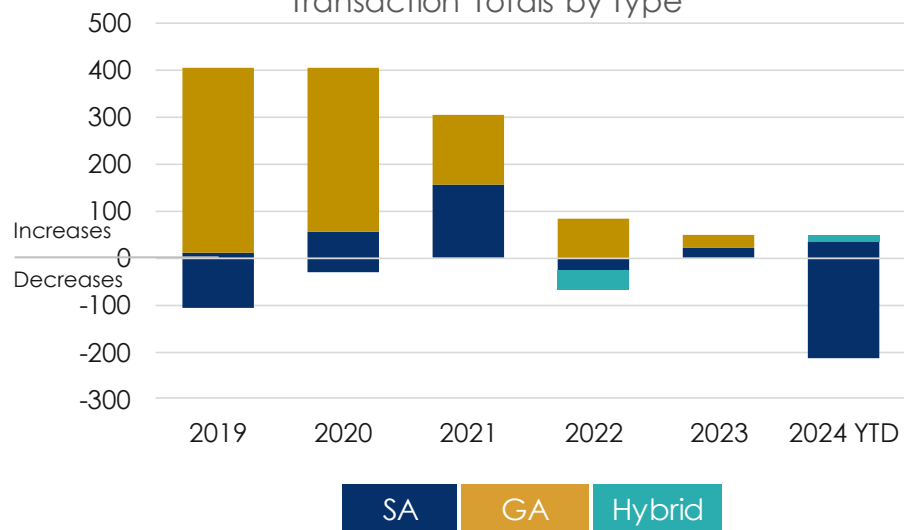
Listings of activity by institution are available upon request

Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Recent BOLI Transactions

Banks with \$50B to \$100B in Total Assets

Transaction Totals by Type



Current Quarter Activity

- First Horizon Surrendered \$215 million of SA
- City National Bank's SA increased by \$36 million
- Synovus Financial Corp's HY increased by \$12 million

Recent Notable Actions

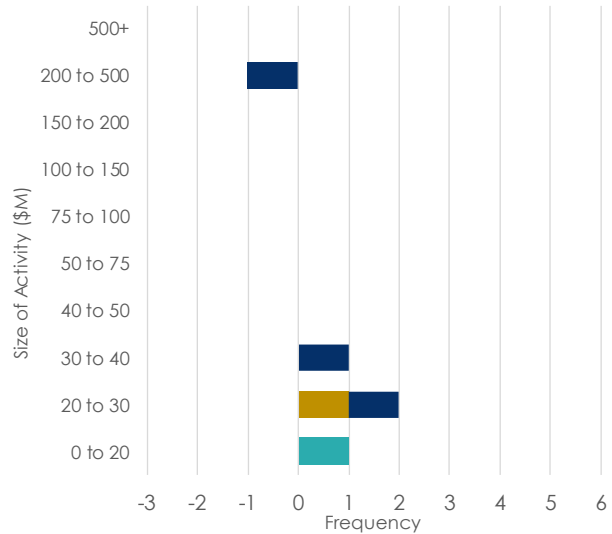
- In 2023-Q4, Columbia Banking purchased \$28 million of GA
- In 2023-Q4, City National Bank's SA increased by \$22 million
- In 2022-Q4, City National Bank's GA increased by \$14 million
- In 2022-Q4, Synovus Financial Corp's HY decreased by \$10 million while its GA increased by \$10 million

Frequency of BOLI Transaction Sizes

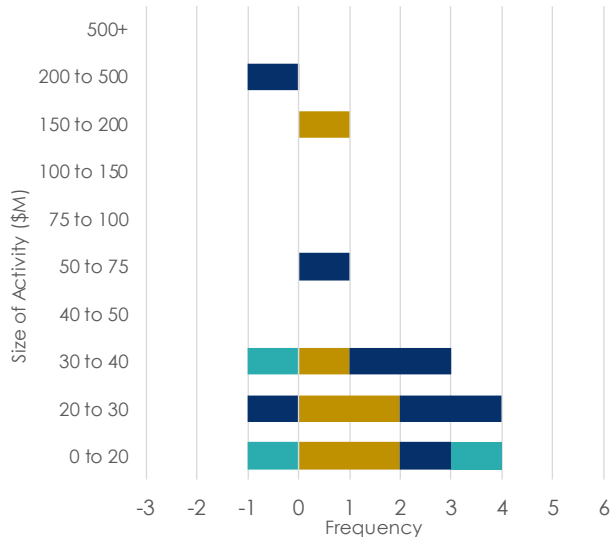
Banks with \$50B to \$100B in Total Assets

- Recent purchases have been fairly spread out in overall size

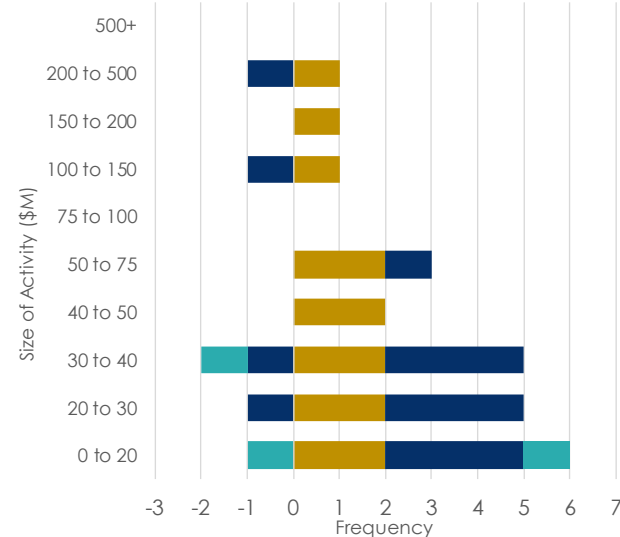
1-Year



3-Year



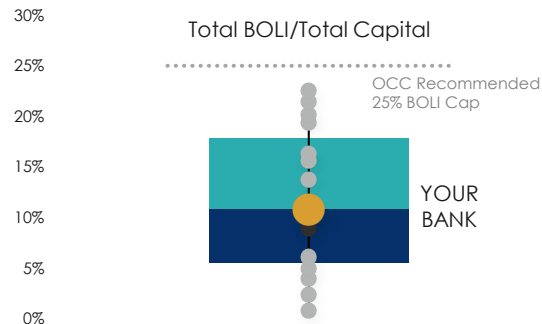
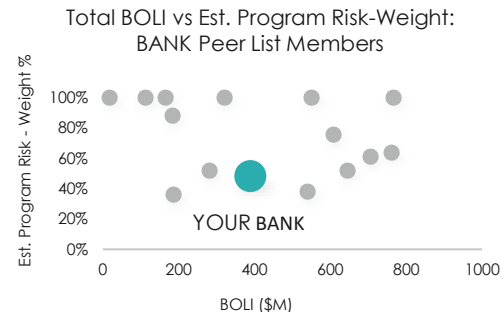
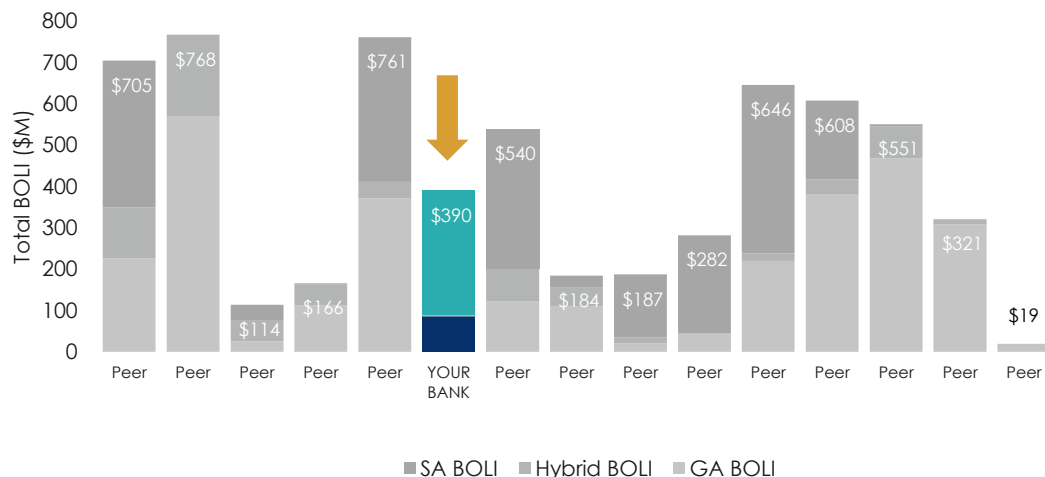
5-Year



Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

CUSTOM PEER BANK REPORTS

- ✓ Customizable— Create your peer group & choose which banks to include
- ✓ Risk Management— Extensive peer BOLI monitoring
- ✓ Comprehensive Updates— Quarterly review of BOLI market activity



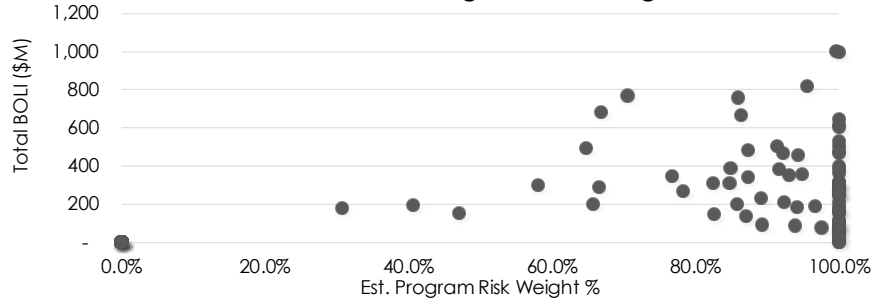
Market Analytics By Bank Size

Banks with \$10B to \$50B in Total Assets

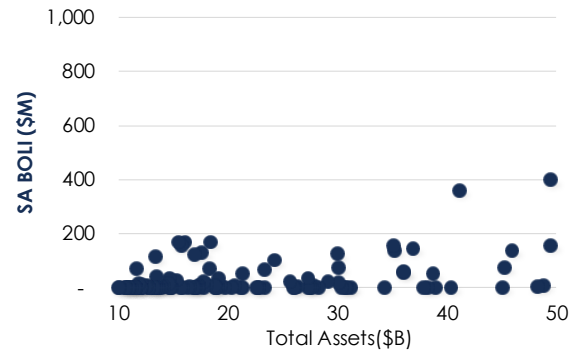
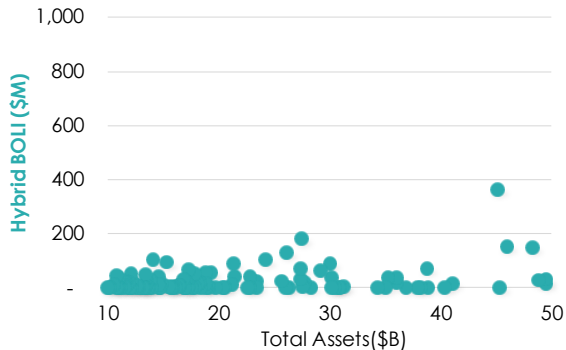
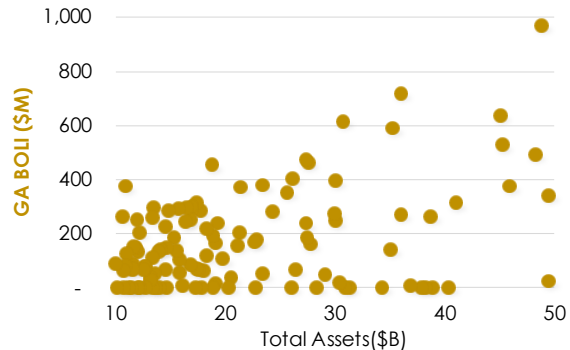
93 of 116 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	20,039	2,878	3,658	26,575	9%
Average	173	25	32	229	10%
Last Q # of Increases	3	2	1	6	
Increase Total (\$M)	177	36	53	266	
Last Q # of Decreases	4	1	1	6	
Decrease Total (\$M)	(145)	(13)	(110)	(268)	

Total BOLI vs Est. Program Risk Weight



Types of BOLI by Bank Asset Size



Recent BOLI Transaction Counts & Totals

Banks with \$10B to \$50B in Total Assets

Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2024-Q1	0	0	6	266	6	266	1	-32	5	-236	6	-268
1-Year	2	202	15	518	17	720	5	-199	13	-462	18	-661
3-Year	37	2,301	48	1,892	85	4,192	5	-199	23	-621	28	-820
5-Year	48	2,904	62	2,536	110	5,440	10	-350	27	-742	37	-1,092
SA												
2024-Q1	0	0	1	53	1	53	0	0	1	-110	1	-110
1-Year	0	0	2	117	2	117	1	-33	3	-175	4	-208
3-Year	0	0	5	163	5	163	1	-33	5	-221	6	-254
5-Year	0	0	5	163	5	163	4	-138	7	-295	11	-432
GA												
2024-Q1	0	0	3	177	3	177	1	-32	3	-113	4	-145
1-Year	2	202	10	344	12	546	3	-144	6	-212	9	-356
3-Year	36	2,201	38	1,633	74	3,834	3	-144	8	-241	11	-385
5-Year	47	2,804	52	2,277	99	5,081	4	-148	10	-289	14	-438
HYBRID												
2024-Q1	0	0	2	36	2	36	0	0	1	-13	1	-13
1-Year	0	0	3	56	3	56	1	-22	4	-74	5	-96
3-Year	1	100	5	96	6	196	1	-22	10	-158	11	-180
5-Year	1	100	5	96	6	196	2	-64	10	-158	12	-222

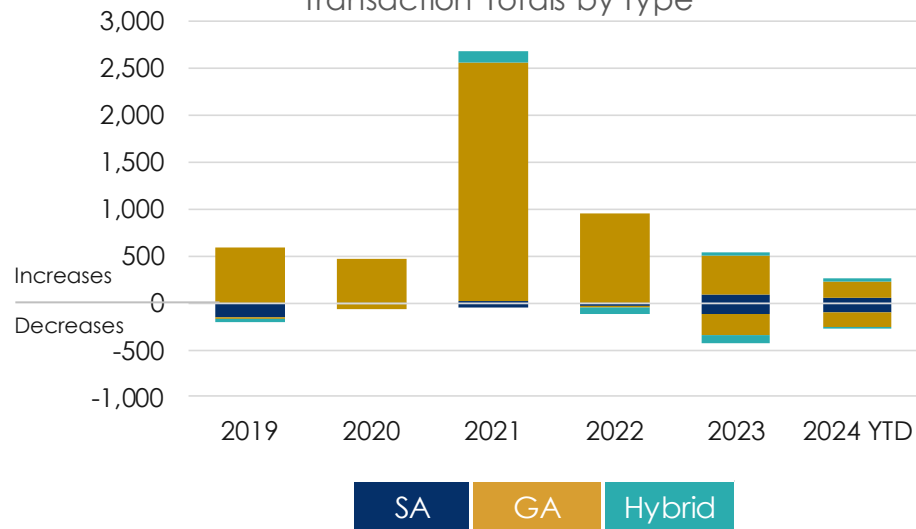
Listings of activity by institution are available upon request

Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Recent BOLI Transactions

Banks with \$10B to \$50B in Total Assets

Transaction Totals by Type



Current Quarter Activity

- Banc of California's GA increased by \$110 million, while its SA decreased by the same \$110 million
- First Financial Bcorp's SA increased by \$53 million while its GA decreased by \$40 million and HY decreased by \$13 million
- Hawaiian Electric's SA increased by \$55 million while its GA decreased by \$53 million
- BankUnited surrendered \$33 million of GA
- Southstate Corp's HY increased by \$26 million while its GA decreased by \$20 million
- F N B Corp's HY increased by \$10 million
- WSFS Financial Corp's HY increased by \$11 million

Recent Notable Actions

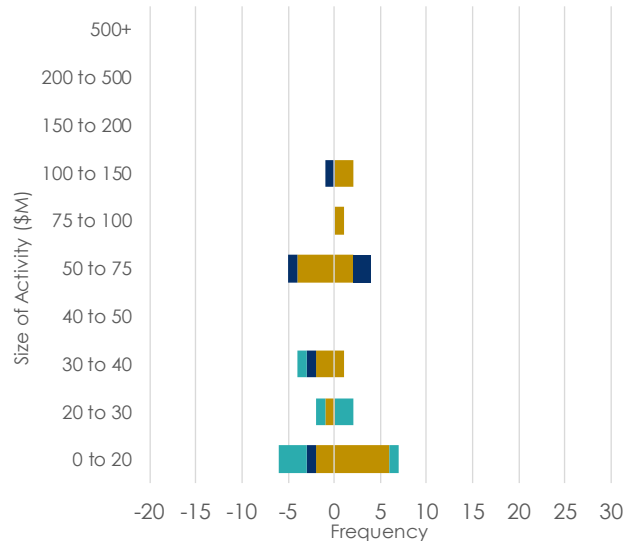
- In 2023-Q4, WSFS Financial Corp surrendered \$67 million of GA
- In 2023-Q4, Ohio Farmer's Insurance Co's GA increased by \$20 million
- In 2023-Q2 Customer Bancorp surrendered \$55 million of GA
- In 2022-Q2, Ameris purchased \$50 million of GA

Frequency of BOLI Transaction Sizes

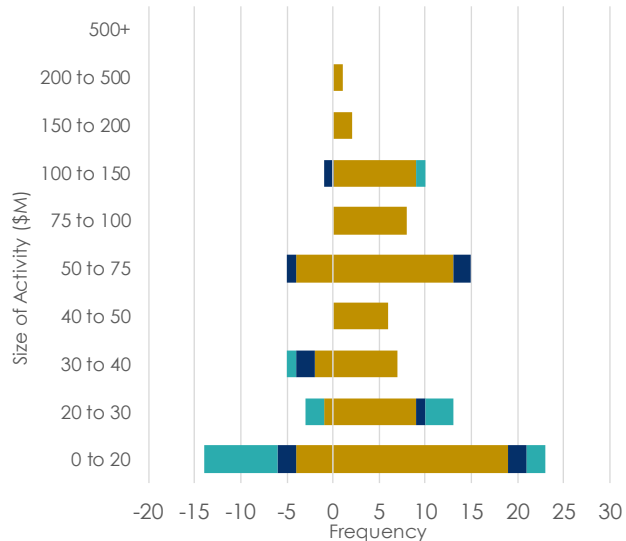
Banks with \$10B to \$50B in Total Assets

- Most purchases for these sized banks have been under \$75 million, and many a reverse action from a decrease of another type of BOLI

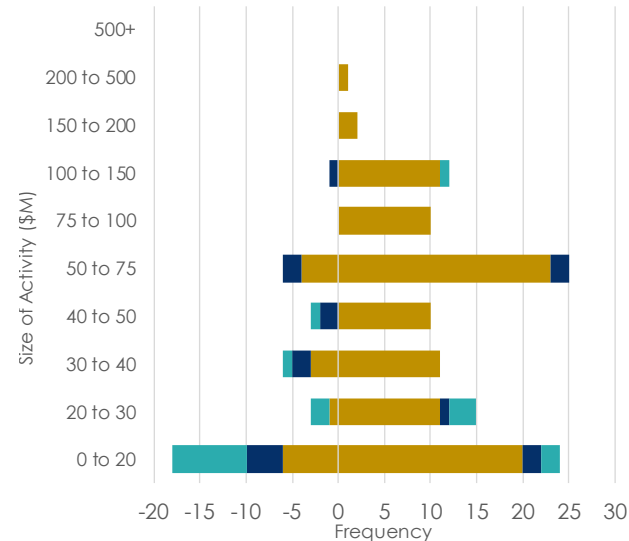
1-Year



3-Year



5-Year



Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

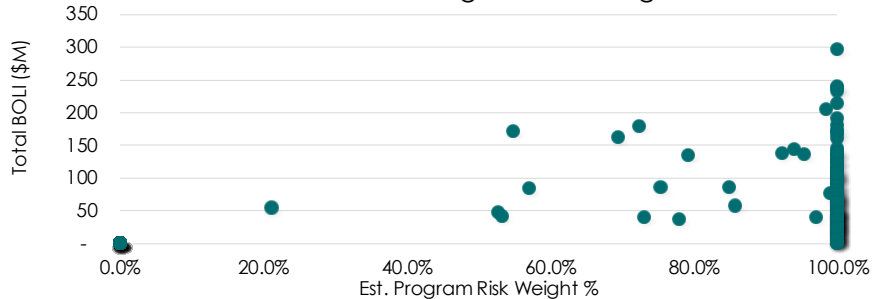
Market Analytics By Bank Size

Banks with \$2B to \$10B in Total Assets

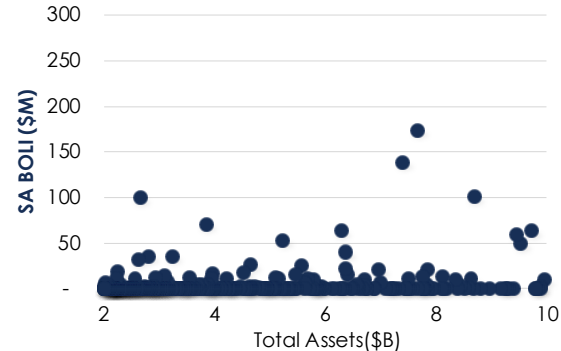
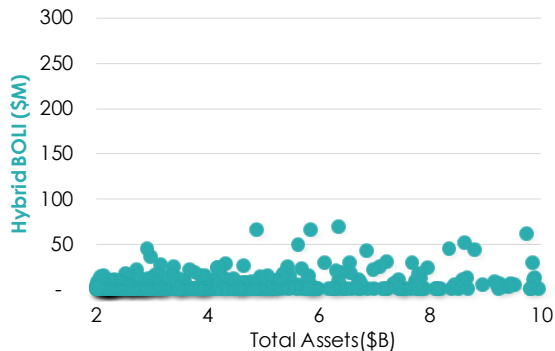
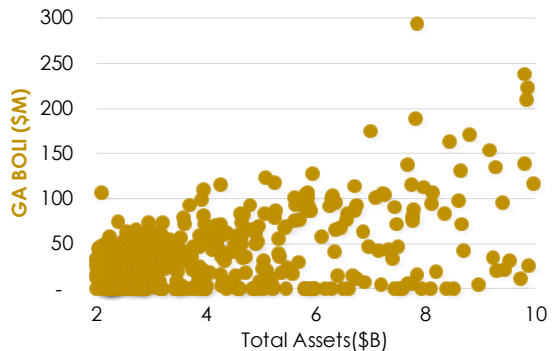
356 of 426 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	14,365	2,041	1,451	17,857	10%
Average	43	6	4	54	11%
Last Q # of Increases	7	1	2	10	
Increase Total (\$M)	130	10	49	189	
Last Q # of Decreases	4	2	1	7	
Decrease Total (\$M)	(129)	(34)	(11)	(173)	

Total BOLI vs Est. Program Risk Weight



Types of BOLI by Bank Asset Size



Recent BOLI Transaction Counts & Totals

Banks with \$2B to \$10B in Total Assets

Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2024-Q1	1	10	9	179	10	189	2	-84	5	-90	7	-173
1-Year	4	151	20	381	24	531	8	-298	8	-148	16	-447
3-Year	48	998	88	1,725	136	2,723	11	-334	20	-416	31	-750
5-Year	77	1,702	112	2,183	189	3,885	11	-334	25	-565	36	-899
SA												
2024-Q1	0	0	2	49	2	49	0	0	1	-11	1	-11
1-Year	1	62	5	95	6	157	0	0	2	-26	2	-26
3-Year	3	97	11	283	14	380	1	-11	8	-178	9	-189
5-Year	4	157	11	283	15	440	1	-11	8	-178	9	-189
GA												
2024-Q1	1	10	6	120	7	130	2	-84	2	-45	4	-129
1-Year	3	89	14	276	17	365	7	-265	3	-57	10	-322
3-Year	44	886	71	1,363	115	2,249	8	-279	6	-110	14	-389
5-Year	72	1,530	95	1,821	167	3,351	8	-279	11	-259	19	-538
HYBRID												
2024-Q1	0	0	1	10	1	10	0	0	2	-34	2	-34
1-Year	0	0	1	10	1	10	1	-34	3	-65	4	-98
3-Year	1	15	6	79	7	94	2	-44	6	-128	8	-172
5-Year	1	15	6	79	7	94	2	-44	6	-128	8	-172

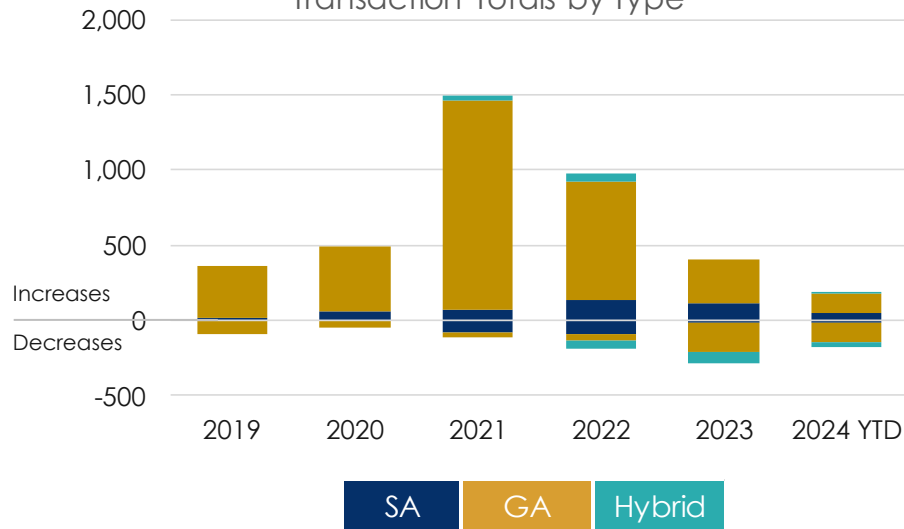
Listings of activity by institution are available upon request

Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Recent BOLI Transactions

Banks with \$2B to \$10B in Total Assets

Transaction Totals by Type



Current Quarter Activity (in millions)

- FVCbank Surrendered \$45 of GA
- Green Dot Corp surrendered \$40 of GA
- Kearny's GA increased by \$40
- Central Pacific's SA increased by \$36, and GA decreased by \$24
- Hometrust Bancshares' GA increased by \$22, and HY decreased by \$22
- Cambridge Financial Group's SA increased by \$14, its HY increased by \$10, and its GA decreased by \$21
- Big Poppy's GA increased by \$21
- Civista Bancshares's GA increased by \$15
- Ocean Bankshares' GA increased by \$12, and HY decreased by \$11
- Tompkins Financial purchased \$10 of GA
- BankFirst's GA increased by \$9, and SA decreased by \$10

Recent Notable Actions (in millions)

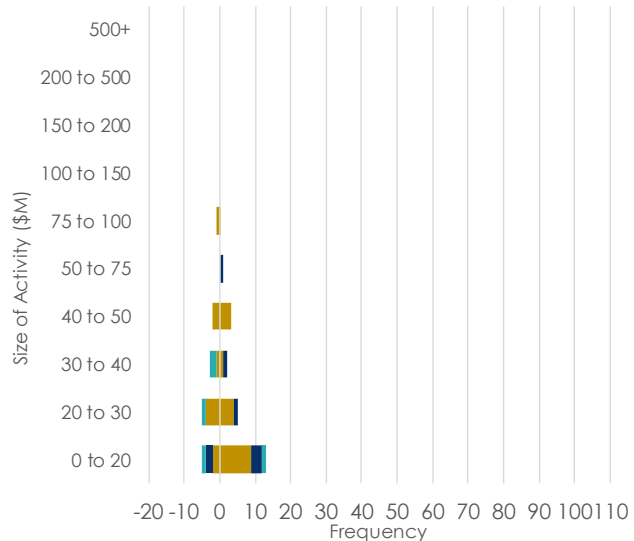
- In 2023-Q4, Horizon surrendered \$78 of GA and \$34 of HY
- In 2023-Q4, Financial Institutions surrendered \$43 of GA and purchased \$62 of SA

Frequency of BOLI Transaction Sizes

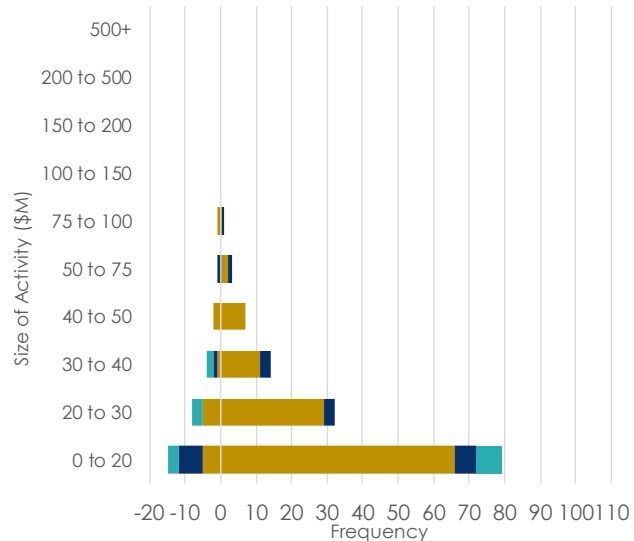
Banks with \$2B to \$10B in Total Assets

- This bank tier has only seen one recent purchase over \$75 million, with the majority under \$30 million
- Purchase activity increased significantly in 2021 compared to 2018-2020, but slowed again in 2023

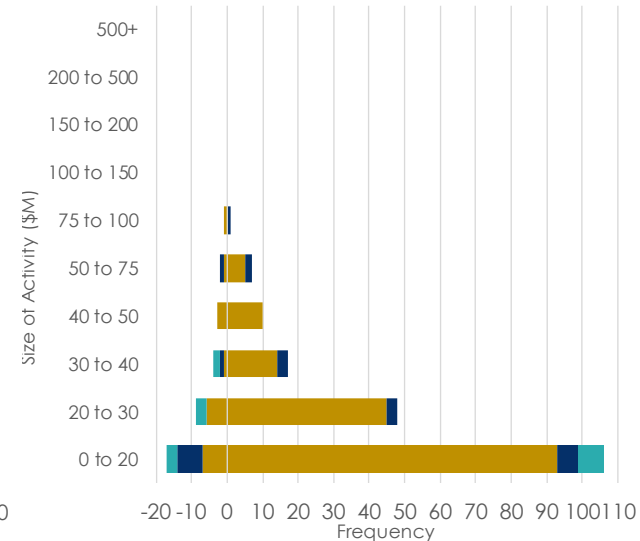
1-Year



3-Year



5-Year



Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

BOLI Industry Allocations & Analytics

MBSA BOLI Industry Allocations Study

Our ongoing study attempts to track how SA BOLI is allocated over time

Gathered SA BOLI AUM data is categorized into portfolio types

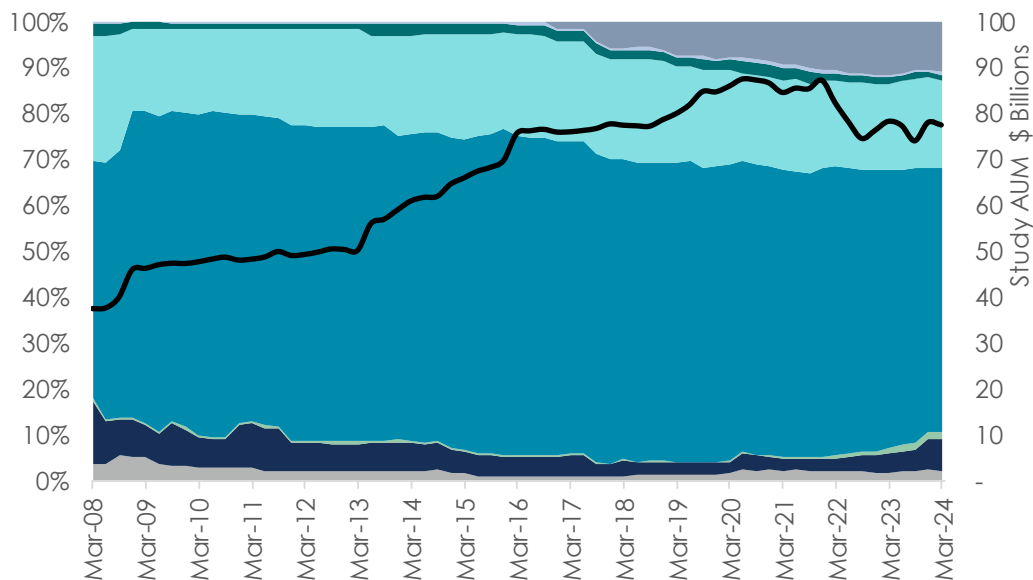
- Capital Efficient / Multi-Sector / Target RW
- High Yield
- Credit
- Core Fixed Income
- MBS / Securitized (ABS / CMBS)
- CLO / Bank Loan
- Short Duration
- Government

Portfolio types represent full portfolio MVs and do not look through to the holdings sector weights

Currently comprises \$78 billion – a massive share of the industry

SA BOLI Industry Allocations

SA BOLI Allocations Over Time



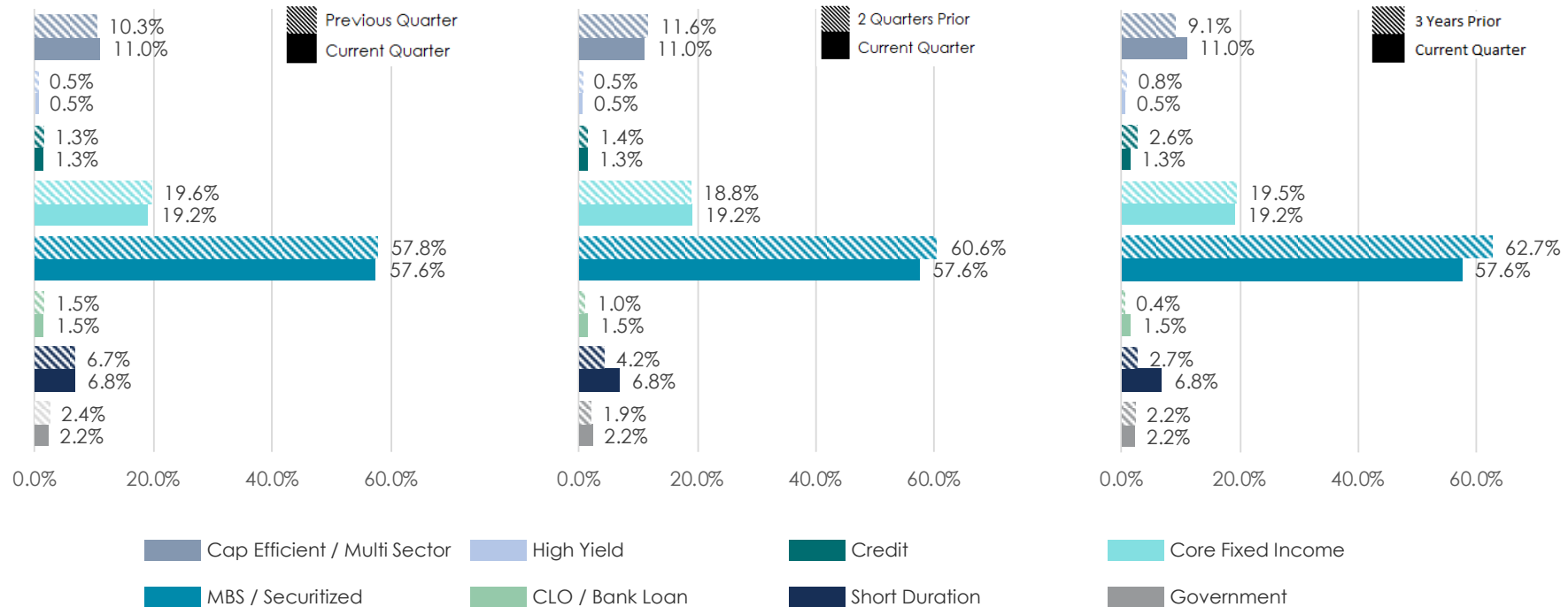
2024-Q1 Weights

Cap Efficient / Multi Sector	11.0%
High Yield	0.5%
Credit	1.3%
Core Fixed Income	19.2%
MBS / Securitized	57.6%
CLO / Bank Loan	1.5%
Short Duration	6.8%
Government	2.2%

— Black line (right axis) shows aggregate assets comprised in our study (number of participants have grown over time)

The aggregate assets black line decreases in 2022 due to the study's assets reported at MV which suffered losses while wrapped BOLI is reported as BV on Bank Call Reports

Recent Allocation Changes



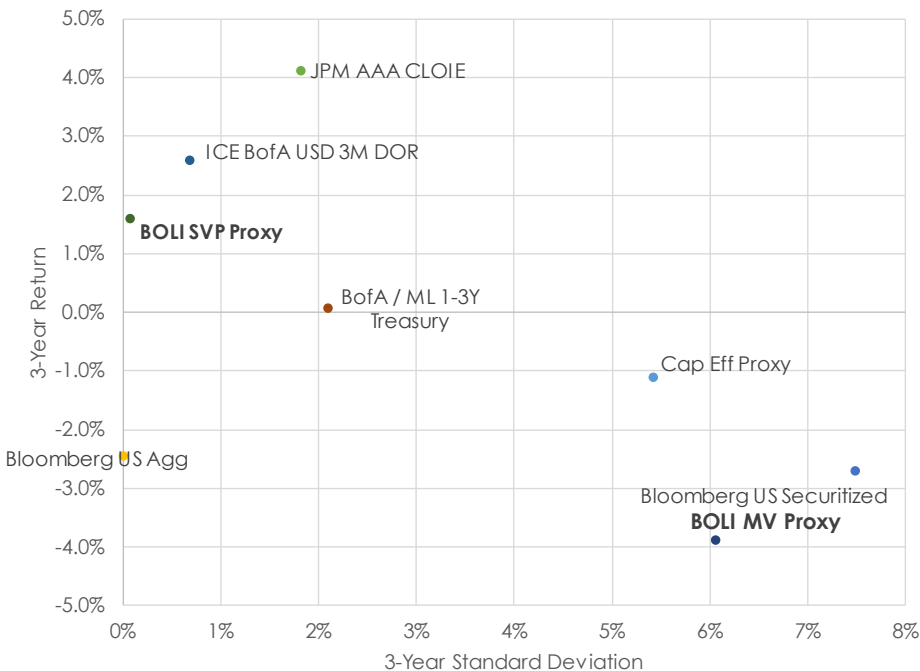
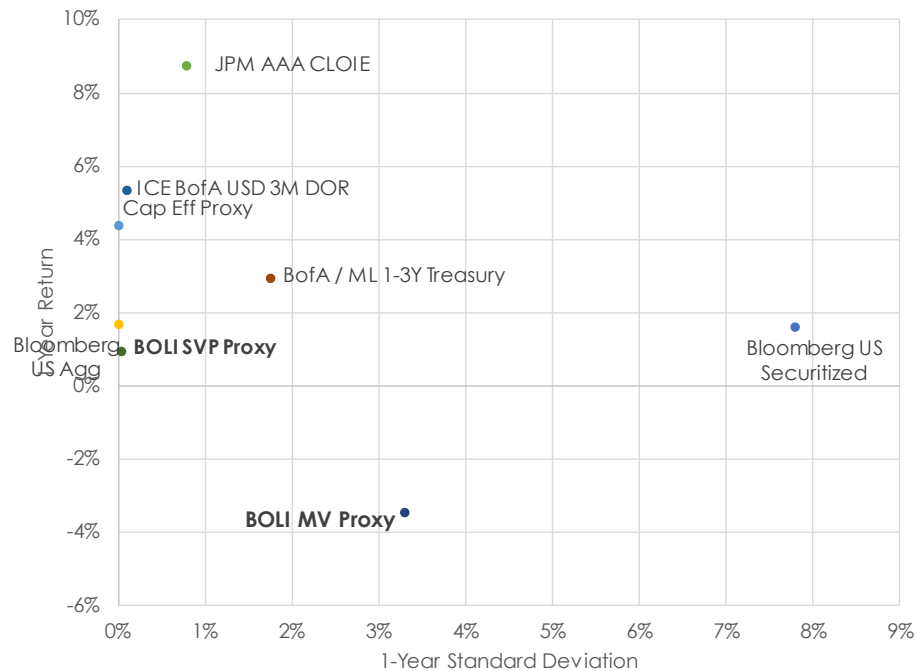
Investment Performance Proxy

Using common benchmarks for the categories, a proxy for the industry's SA Q1 MV performance is estimated at -0.54%

	Benchmark	Quarter	1-Year	3-Year	5-Year	Weights
Cap Efficient / Multi Sector	[Proxied by a sector blend]	0.19%	4.39%	0.06%	1.82%	10.97%
High Yield	Bloomberg High Yield	0.89%	9.45%	1.35%	3.78%	0.51%
Credit	Bloomberg US Credit	-0.41%	4.15%	-1.86%	1.39%	1.30%
Core Fixed Income	Bloomberg US Agg	-0.78%	1.70%	-2.46%	0.36%	19.15%
MBS / Securitized	Bloomberg US Securitized	-0.91%	1.61%	-2.71%	-0.25%	57.57%
CLO / Bank Loan	CLOE Index	1.84%	8.77%	4.13%	3.65%	1.49%
Short Duration	ICE BofA USD 3M DOR	1.30%	5.34%	2.59%	2.15%	6.85%
Government	BofA / ML 1-3Y Treasury	0.30%	2.97%	0.08%	1.15%	2.17%
Industry Proxy MV Performance using rolling weights:		-0.54%	2.26%	-2.02%	0.32%	
Industry Proxy Stable Value Performance:		0.52%	1.99%	1.95%	2.17%	

Stable Value performance represents book value growth of the industry proxy under a standard crediting rate formula beginning (MV=BV) in 2013

1 & 3-Year Risk/Return Plots with BOLI



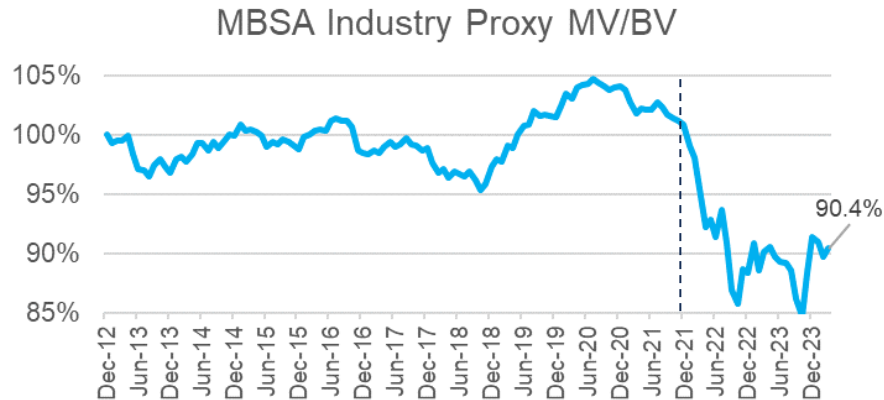
Data as of 2024-Q1

Industry MV/BV Ratio Developments

Ratios decreased to start 2024 and a slight rebound in March wasn't enough to bring the QoQ change positive. Overall, ratios decreased ~1% from Q4 to Q1.

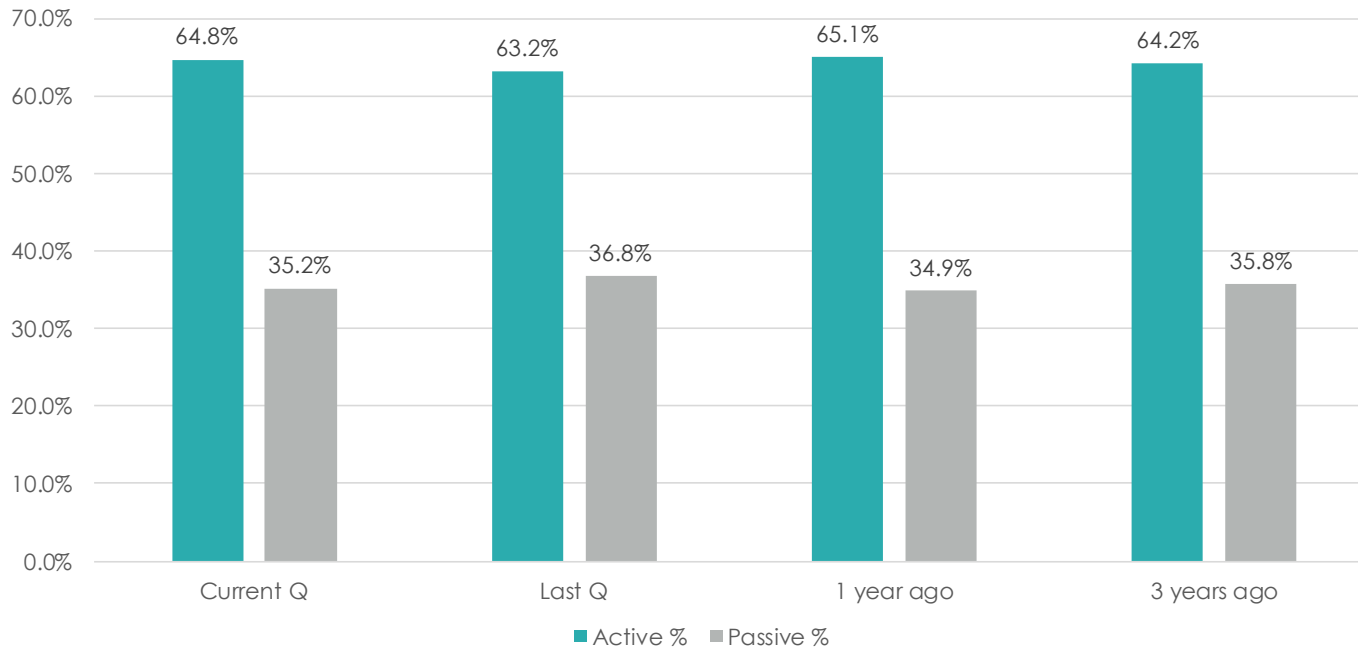
- MBSA began compiling market value and book value data to monitor the overall MV/BV ratios of BOLI allocations
 - ❖ As of Q1, the total MV in the carrier aggregate values was ~\$51 billion
- Additionally, using our proxy MV and BV performance monitoring from the prior pages, we calculate a proxy overall MV/BV ratio for the industry

	Carrier Aggregate MV/BV	MBSA Industry Proxy MV/BV
12/31/2021	100.9%	100.9%
3/31/2022	95.1%	95.5%
6/30/2022	91.1%	91.2%
9/30/2022	86.5%	86.7%
12/31/2022	88.2%	88.2%
3/31/2023	89.9%	90.2%
6/30/2023	89.1%	89.3%
9/30/2023	85.9%	86.2%
12/31/2023	91.2%	91.4%
3/31/2024	90.2%	90.4%



Stable Value performance represents book value growth of the industry proxy under a standard crediting rate formula beginning (MV=BV) in 2013

Active / Passive Management Breakdown



Legislative, Regulatory, Judicial, Tax and Accounting Updates

Noteworthy Judicial Developments

[No Judicial Topics Covered This Quarter]

- To view prior quarter topics, please visit the LRA Library on our website.

Noteworthy Tax Developments

Biden Budget Proposal (Mar)

- On March 11 the Biden Administration released its budget for [Fiscal Year 2025](#). The Treasury Department also released its General Explanations of the Administration's Fiscal Year 2025 Revenue Proposals (so-called "[Greenbook](#)").
- This year's materials included several budget proposals that have been put forth in prior years, including an increase in the Corporate Tax Rate from 21% to 28% and an expansion of the pro-rata interest expense disallowance for COLI. As a reminder, the proposed expansion of the pro-rata interest expense disallowance would be accomplished by removing the current exception applicable to insurance contracts that cover employees, officers or directors of a business. The proposal continues to be drafted to apply prospectively and, unless modified, would have minimal effect on existing BOLI/COLI programs.
- This year's materials included two additional proposals related to life insurance contracts.
 - ❖ Modify Rules for Insurance Products that Fail the Statutory Definition of a Life Insurance Contract
 - The Greenbook describes a product structure where certain foreign insurance companies have designed contracts that are referred to as "frozen cash value" (FCV) contracts to minimize the adverse tax effect of a life insurance contract that does not meet the IRC 7702 computational requirements.
 - In general, a life insurance contract that does not satisfy IRC 7702 requirements (e.g., the cash value accumulation test) will be subject to tax on the amounts by which the surrender value increases in a given taxable year. However, since the FCV contracts have been designed to have minimal growth in surrender values, there is minimal taxable "income on the contract."
 - The Treasury proposes rule modifications to ensure that FCV contracts have taxation that is "intended" for life insurance contracts that fail the IRC 7702 computational requirements. Likely in an effort to avoid broader utilization of FCV contracts pending statutory adjustments, the Greenbook states that this proposal would be effective for any such contracts issued on or after the date of publication of the Greenbook.
 - We are not aware of any instances where institutions have used FCV contracts and do not believe that these adjustments, if enacted, would have material effect on the BOLI/COLI industry.

Noteworthy Tax Developments

Biden Budget Proposal (Mar) Continued

❖ Limit Tax Benefits for Private Placement Life Insurance and Similar Contracts

- As we reported last month, Senate Finance Committee Chairman, Ron Wyden (D-OR) released a report questioning the appropriateness of current tax laws with respect to Private Placement Life Insurance (PPLI) and Private Placement Annuities (PPA). The report stated that the Finance Committee is working on legislation to curb the use of PPLI and described guiding principles of such legislation.
- This year's Greenbook includes a new section targeting PPLI. While we were previously of the understanding that the concerns were related to the High Net Worth individual PPLI market, the Greenbook's description targets business-owned life insurance as well. For example, the excerpt below (emphasis added) asserts that institutions own more than half of the value of PPLI contracts.
 - PPLI contracts are highly investment-oriented policies, provide legally minimal life insurance protection relative to the amounts invested, and are available only to the wealthiest taxpayers to whom income tax and/or estate tax benefits are far more important than the provision of insurance for their heirs. PPLI is also distinguishable from other life insurance products because more than half of the value of such policies is held by institutions, such as large corporations, and not individuals. This type of policyholder uses PPLI death benefits and other distributions to fund executive compensation, employee benefits, and other corporate purposes unrelated to the impact on the business from the death of the insured.
- Below we highlight elements of the proposal that is intended to curtail the utilization of PPLI.
- *Proposal*
 - A new class of contracts ("Covered Contracts") would be defined and subjected to adjusted tax treatment. Of primary note, the definition of Covered Contracts would include any PPLI contract that is 1) defined as a variable contract; 2) subject to SEC regulation as a security; 3) not registered with the SEC (i.e., is a private placement); and 4) requires the purchaser to be an accredited investor or qualified purchaser.
 - This definition would appear to capture Private Placement Universal Life products commonly used in COLI, BOLI and I-COLI markets. The proposal also states that if a single policyholder (or group of related policyholders) represents at least 5% of the value of any distinct investment option within a separate account (presumably including in the context of a registered variable contract), that contract will also be treated as a Covered Contract.

Continued...

Noteworthy Tax Developments

Biden Budget Proposal (Mar) Continued

- Proposal (continued)
- The proposal outlines the tax treatment that Covered Contracts would be subject to, including
 - Distributions would be subject to the income-first rule (i.e., similar to present MEC rules); however, distributions would include amounts payable as death benefits.
 - » Such distributions would be taxable as ordinary income to the extent that the contract's "investment value" exceeds the "investment in the contract."
 - » The "investment value" of a life insurance contract would be the greater of: (a) the contract's cash value; and (b) "an amount equal to the contract's death benefit, less the contract's amount at risk (i.e., the amount of pure insurance protection)."
 - » The "investment in the contract" would be determined under current law but would also be reduced by the amount of any mortality charges that have been assessed against the contract's investment value
 - Amounts paid from a life insurance contract by reason of the insured's death would be taxable as ordinary income, but only to the extent the beneficiary's share of the contract's investment value exceeds the beneficiary's share of the contract's investment in the contract.
 - » NOTE: We are still digesting this language in the proposal; however, another passage in the Greenbook describes the intent as follows: "...while preserving a tax exemption for the pure life insurance benefits (amounts paid in excess of a contract's cash value) received under PPLI contracts." Therefore, we interpret death benefit gains, if applicable, as remaining tax exempt.
 - An additional tax equal to 10% would be assessed on any taxable distribution (including taxable death benefits).
- This proposal is written to be effective for Covered Contracts issued on or after the date of the Greenbook's publication, so, as written, it would not impact any current BOLI, COLI or I-COLI contracts

Continued...

Noteworthy Tax Developments

Biden Budget Proposal (Mar) Continued

- Initial Observations
- *Similar to how the Volcker "Covered Fund" definition primarily related to whether certain exemptions from registration were relied upon, the proposed Covered Contract definition that hinges on whether the product is registered or private placement strikes us as arbitrary and ill-advised.*
- *As drafted, this proposal would not impact General Account products or SEC-registered variable products, which can be offered as alternatives to PPVUL products.*
- *We remain supportive of efforts to curb abuses in the individual High Net Worth marketplace. The longstanding investor control doctrine provides ample opportunity for the Service to achieve these ends.*
- *We find the 5% maximum interest for a single policyholder in a separate account to be impractical and misguided on several levels. For example, for a new investment option to qualify, an insurer would either need to seed the account with a significant investment, or it would need to have 20+ like-size policyholders elect the allocation virtually simultaneously. Likewise, if an investment option was previously diversified across enough policyholders, various transactions wholly outside the control of a given policyholder could result in the investment option no longer satisfying the constraint. Such transactions could include elective reallocations or transfers to other investment options, redemptions via contract termination, or redemptions due to death benefit payments.*
- *The proposed adjustment to a policyholder's "investment in the contract" (i.e., reducing such investment for mortality charges) is contrary to a provision enacted in the Tax Cuts and Jobs Act that expressly rejected such adjustments.*
- *We are reaching out to leading PPLI product providers for further input on this budget proposal and will continue to monitor for any actual legislative proposals.*

Continued...

Noteworthy Tax Developments

Biden Budget Proposal (Mar) Continued

- ❖ Revenue Estimates of Certain Proposals
- ❖ Both the Budget and the Greenbook included summary tables with estimated tax revenue effects of the various proposals. For context, we highlight the magnitude (over 10 years) of some of these estimates:
 - Raise the corporate tax rate to 28%: \$1,350 billion
 - Subtotal of provisions to “Strengthen Taxation of High-Income Taxpayers”: \$1,834 billion
 - Expansion of Pro-Rata Interest Expense Disallowance: \$7 billion
 - Limit tax benefits for PPLI: \$7 billion
 - Modify tax rules for FCVs: \$0 billion (i.e., \$185 million)
- ❖ Overall, the budgetary effects of the insurance-specific provisions are modest

Noteworthy Accounting Developments

[No Accounting Topics Covered This Quarter]

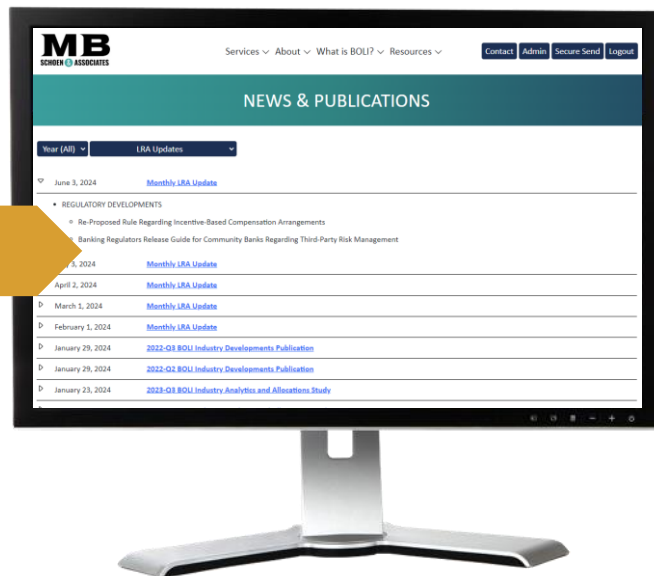
- To view prior quarter topics, please visit the LRA Library on our website.

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LEGISLATIVE, REGULATORY, JUDICIAL,
AND ACCOUNTING DEVELOPMENTS



Noteworthy Regulatory Developments

Re-Proposed Rule Regarding Incentive-Based Compensation Arrangements (May)

- On May 3 the FDIC approved a [Notice of Proposed Rulemaking](#) on Incentive-Based Compensation Arrangements. This is largely a re-proposal of a 2016 proposed rule, with some additional discussion in the preamble. The OCC and other regulatory agencies also approved the re-proposal; however, not all of the applicable agencies have formally approved the re-proposal yet. It is our understanding that the re-proposal cannot be published in the Federal Register until all the applicable agencies approve the re-proposal.
- We covered the prior proposed rule in our [May 2016 LRA Update](#). As a reminder, this rulemaking stems from section 956 of the Dodd-Frank Act, which prohibits covered financial institutions from encouraging inappropriate risks through incentive-based compensation arrangements.
- Based on several of the new questions posed for comments, it appears that certain agencies may be interested in strengthening the 2016 proposed rule.

Noteworthy Regulatory Developments

Banking Regulators Release Guide for Community Banks Regarding Third-Party Risk Management (May)

- On May 3 the [FDIC](#), [OCC](#), and [Federal Reserve Board](#) jointly released a [guide](#) intended as a resource for community banks in managing third-party risks. The agencies had previously released [final guidance](#) on third-party relationships in June 2023 (which rescinded and replaced previous guidance, including OCC 2013-29). More details on that final guidance can be found in our [June 2023 LRA update](#).
- The guide does not introduce any new material in addition to the previously released final guidance. Instead, it is “intended to assist community banks when developing and implementing their third-party risk management practices.” It is not meant as a comprehensive checklist and doesn’t include specific suggested practices, but it is a useful summary of the following topics:
 - ❖ Risk Management: considering appropriate level of risk for each third-party relationship, and adjusting and updating risk-management practices to be in line with the applicable size, complexity, and risk profile
 - ❖ Third-Party Relationship Life Cycle:
 - Planning
 - Due Diligence and Third-Party Selection
 - Contract Negotiation
 - Ongoing Monitoring
 - Termination
 - ❖ Governance: ongoing practices through-out relationship life cycle
 - Oversight and Accountability
 - Independent Reviews
 - Documentation and Reporting

Noteworthy Legislative Developments

[No Legislative-Related Items Covered This Quarter]

- To view prior quarter topics, please visit the LRA Library on our website.

Other Noteworthy Developments

[No Items Covered This Quarter]

- To view prior quarter topics, please visit the LRA Library on our website.

Insurance Company and Counterparty Updates

Current S&P Financial Strength Ratings

Insurance Carriers Rated AAA

- None

Insurance Carriers Rated AA+

- Guardian Life Insurance Company of America
- Massachusetts Mutual Life Insurance Co.
- New York Life Insurance and Annuity Corporation
- New York Life Insurance Company
- Northwestern Mutual Life Insurance Company
- USAA Life Insurance Company

Insurance Carriers Rated AA

- Canada Life Assurance Co. (US Branch)
- Empower Annuity Insurance Company of America
- Zurich Insurance Company

Insurance Carriers Rated AA-

- John Hancock Life Insurance Company (USA)
- Metropolitan Life Insurance Company
- Metropolitan Tower Life Insurance Company
- Minnesota Life Insurance Company
- Pacific Life Insurance Company
- Protective Life Insurance Company
- Pruco Life Insurance Company
- Prudential Insurance Company of America
- West Coast Life Insurance Company

Insurance Carriers Rated A+

- American General Life Insurance Company
- Ameritas Life Insurance Corp
- Athene Annuity and Life Company
- Brighthouse Life Insurance Company
- Equitable Financial Life Insurance Company
- Equitable Financial Life Insurance Company of America
- Lincoln National Life Insurance Company
- Midland National Life Insurance Company
- MONY Life Insurance Company
- National Life Insurance Company of Vermont
- Nationwide Life & Annuity Insurance Company
- Nationwide Life Insurance Company
- Principal Life Insurance Company
- Reliastar Life Insurance Company
- Transamerica Life Insurance Company
- U.S. Life Insurance Company in The City of NY

Insurance Carriers Rated A

- Connecticut General Life Insurance Company
- Jackson National Life Insurance Company
- Symetra Life Insurance Company
- Zurich American Life Insurance Company

Insurance Carriers Rated BBB+

- Delaware Life Insurance Company
- Talcott Resolution Life Insurance Company

Insurance Carriers Not Rated

- Everlake Life Insurance Company
- Augustar Life Insurance Company
- American Heritage Life Insurance Company
- Security Life of Denver Insurance Company
- Lincoln Benefit Life Company

*Categories based on S&P's Financial Strength Rating as of May 15, 2024

Current Fitch Financial Strength Ratings

Insurance Carriers Rated AAA

- New York Life Insurance and Annuity Corporation
- New York Life Insurance Company
- Northwestern Mutual Life Insurance Company

Insurance Carriers Rated AA+

- Massachusetts Mutual Life Insurance Co.

Insurance Carriers Rated AA

- Canada Life Assurance Co. (US Branch)
- Empower Annuity Insurance Company of America
- Minnesota Life Insurance Company
- Zurich Insurance Company

Insurance Carriers Rated AA-

- John Hancock Life Insurance Company (USA)
- Metropolitan Life Insurance Company
- Metropolitan Tower Life Insurance Company
- MONY Life Insurance Company
- Pacific Life Insurance Company
- Principal Life Insurance Company
- Protective Life Insurance Company
- Pruco Life Insurance Company
- Prudential Insurance Company of America
- West Coast Life Insurance Company

Insurance Carriers Rated A+

- American General Life Insurance Company
- Athene Annuity and Life Company
- Connecticut General Life Insurance Company
- Lincoln National Life Insurance Company
- Midland National Life Insurance Company
- U.S. Life Insurance Company in The City of NY

Insurance Carriers Rated A

- Brighthouse Life Insurance Company
- Jackson National Life Insurance Company
- Reliastar Life Insurance Company

Insurance Carriers Rated A-

- Augustar Life Insurance Company
- Delaware Life Insurance Company
- Security Life of Denver Insurance Company
- Talcott Resolution Life Insurance Company

Insurance Carriers Not Rated

- USAA Life Insurance Company
- Guardian Life Insurance Company of America
- Ameritas Life Insurance Corp
- Nationwide Life & Annuity Insurance Company
- Zurich American Life Insurance Company
- American Heritage Life Insurance Company
- Equitable Financial Life Insurance Company
- Equitable Financial Life Insurance Co of America
- National Life Insurance Company of Vermont
- Nationwide Life Insurance Company
- Symetra Life Insurance Company
- Transamerica Life Insurance Company
- Everlake Life Insurance Company
- Lincoln Benefit Life Company
- American Heritage Life Insurance Company
- Equitable Financial Life Insurance Company
- Equitable Financial Life Insurance Co of America
- National Life Insurance Company of Vermont
- Nationwide Life Insurance Company

*Categories based on Fitch's Financial Strength Rating as of May 15, 2024

Current Moody's Financial Strength Ratings

Insurance Carriers Rated Aaa

- New York Life Insurance and Annuity Corporation
- New York Life Insurance Company
- Northwestern Mutual Life Insurance Company

Insurance Carriers Rated Aa1

- Guardian Life Insurance Company of America
- USAA Life Insurance Company

Insurance Carriers Rated Aa2

- None

Insurance Carriers Rated Aa3

- Canada Life Assurance Co. (US Branch)
- Empower Annuity Insurance Company of America
- Massachusetts Mutual Life Insurance Co.
- Metropolitan Life Insurance Company
- Metropolitan Tower Life Insurance Company
- Minnesota Life Insurance Company
- Pacific Life Insurance Company
- Pruco Life Insurance Company
- Prudential Insurance Company of America
- Zurich Insurance Company

Insurance Carriers Rated A1

- Athene Annuity and Life Company
- Equitable Financial Life Insurance Company
- Equitable Financial Life Insurance Co. of America
- John Hancock Life Insurance Company (USA)
- MONY Life Insurance Company
- National Life Insurance Company of Vermont
- Nationwide Life & Annuity Insurance Company
- Nationwide Life Insurance Company
- Principal Life Insurance Company
- Protective Life Insurance Company
- Symetra Life Insurance Company
- Transamerica Life Insurance Company
- West Coast Life Insurance Company

Insurance Carriers Rated A2

- American General Life Insurance Company
- Connecticut General Life Insurance Company
- Lincoln National Life Insurance Company
- Reliastar Life Insurance Company
- U.S. Life Insurance Company in The City of NY

Insurance Carriers Rated A3

- Brighthouse Life Insurance Company
- Jackson National Life Insurance Company

Insurance Carriers Rated Baa1

- Security Life of Denver Insurance Company

Insurance Carriers Rated Baa2

- Talcott Resolution Life Insurance Company

Insurance Carriers Rated Ba1

- Augustar Life Insurance Company

Insurance Carriers Not Rated

- American Heritage Life Insurance Company
- Ameritas Life Insurance Corp
- Delaware Life Insurance Company
- Everlake Life Insurance Company
- Lincoln Benefit Life Company
- Midland National Life Insurance Company
- Zurich American Life Insurance Company

*Categories based on Moody's Insurance Financial Strength Rating as of May 15, 2024

Ratings or Outlook Revisions

AEGON N.V.

Transamerica Life Insurance Company

- Outlook changed from negative to [stable](#) by S&P (March)

American International Group, Inc.

- Outlook changed from stable to [positive](#) by S&P (March)

Augustar Life Insurance Company

- Outlook changed from stable to [positive](#) by Fitch (May)

JPMorgan Chase Bank, N.A.

- Outlook changed from stable to [positive](#) by S&P (April)

NEED UP TO DATE COUNTERPARTY TRACKING?

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Industry Developments

AIG Announces Sale of 20% Ownership Stake of Corebridge to Nippon Life (May)

- On May 16, AIG [announced](#) an agreement to sell 20% of its ownership stake in Corebridge Financial to Nippon Life. AIG owned 53.17% of Corebridge stock as of 3/31/2024. The sale is expected to close in the first quarter of 2025, subject to closing conditions.
- AIG previously spun off their life insurance business in what is now Corebridge through an IPO in September 2022.

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Custom Reports

Net Rating Changes by Period (Number of Notches)					
2022 Q1	2021 Q4	2022 YTD	2021	2020	2019
-	-	-	-	-	1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-2	-	1
-	-	-	-1	-	-
-	-	-	-1	-	-1
-	-	-	-	-	-
-	-	-	-	-	1
-	-	-	-	-	-

Custom reports show historical changes to ratings to view stability and trends over time

Insurance Carriers	Current Financial Strength Ratings			Net Rating Changes by Period (Number of Notches)											
	Agency	Rating	Outlook	2019 Q4	2019 Q3	2019 YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010
Carrier 1	S&P	A+	Stable	-	-	-	-	-	-	-	-	-	-	-	-1
	Fitch	A+	Positive	-	-	-	1	-	-	1	-	-	-	-	-1
	Moody's	A2	Stable	-	-1	-1	-	-	-	-	-	-	-	-	-
Carrier 2	S&P	AA	Stable	-	-	-	-	-	-	-	-	-	-	-	-
	Fitch	AA	Stable	-	-	-	-	-	-	-	-	-	-	-	-1
	Moody's	Aa3	Stable	-	-	-	-	-	-	-	-	-	-	-	-
Carrier 3	S&P	A	Negative	-	-	-	-2	-	-	-	1	1	-	-	-
	Fitch	A	Stable	-	-	-	-1	-	-	-	1	-	-	-	-
	Moody's	A2	Stable	-	-	-	-1	-	-	-	1	-	-	-	-

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