



# Evolving Trends in Bank-Owned Life Insurance Market

Complimentary Edition – 2022-Q1

July 2022

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# Economic Backdrop

# Economic Updates

## Central Banks

- By March-end, Central banks adopted more hawkish stances with the US Fed delivering a rate hike for the first time since 2018 with an indication for a faster pace of future hikes (6 further hikes in its median dot plot projection) and balance sheet runoff
- At the May FOMC meeting, participants voted to raise the federal funds rate by 50bps (to 0.75-1%)

## Russian Sanctions

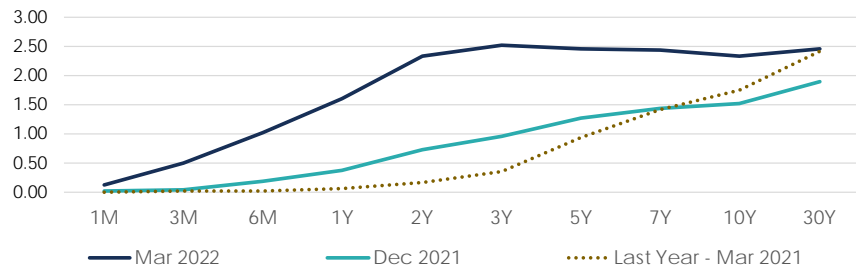
- Russia's invasion of Ukraine and subsequent imposition of financial sanctions added stress to already fragile global supply chains, leading to inflation through higher commodity prices

## US Economy

- The Consumer Price Index increased another 1.2% in March bringing the 1-year increase to 8.5%, the largest year over year increase since 1981
- A tight labor market spiked wage growth; Unemployment fell to 3.6% while the average hourly wage increased 0.4% in March alone

# Financial Markets Update

## US Treasury Yields



	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
Mar 2022	0.13	0.50	1.02	1.61	2.34	2.51	2.46	2.43	2.34	2.45
Dec 2021	0.03	0.04	0.19	0.38	0.73	0.96	1.26	1.44	1.51	1.90
Q Change	0.10	0.45	0.83	1.22	1.60	1.56	1.20	1.00	0.83	0.55
Mar 2021	0.00	0.02	0.03	0.06	0.16	0.35	0.94	1.42	1.74	2.41
Year Change	0.13	0.48	0.99	1.55	2.18	2.17	1.52	1.01	0.60	0.04

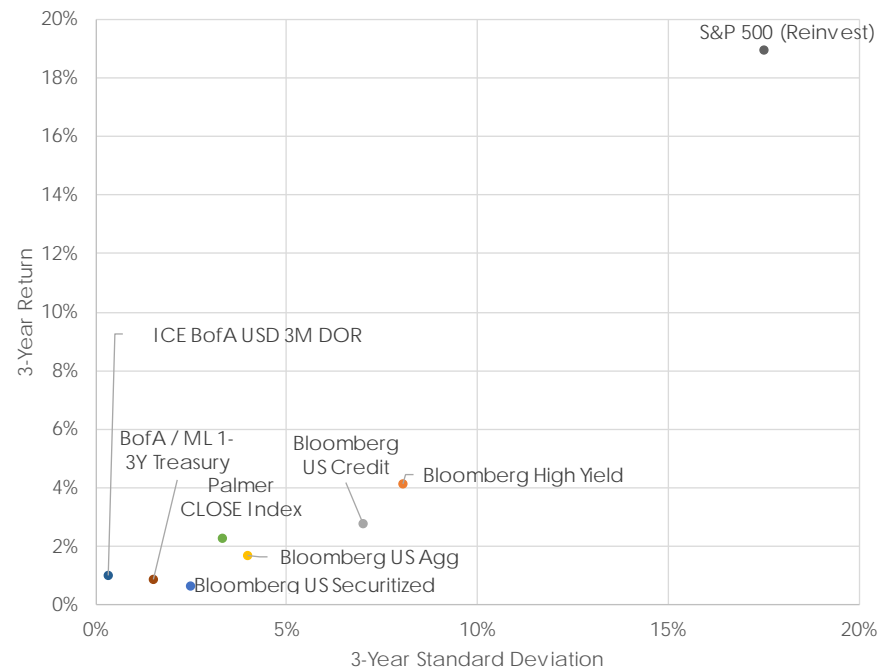
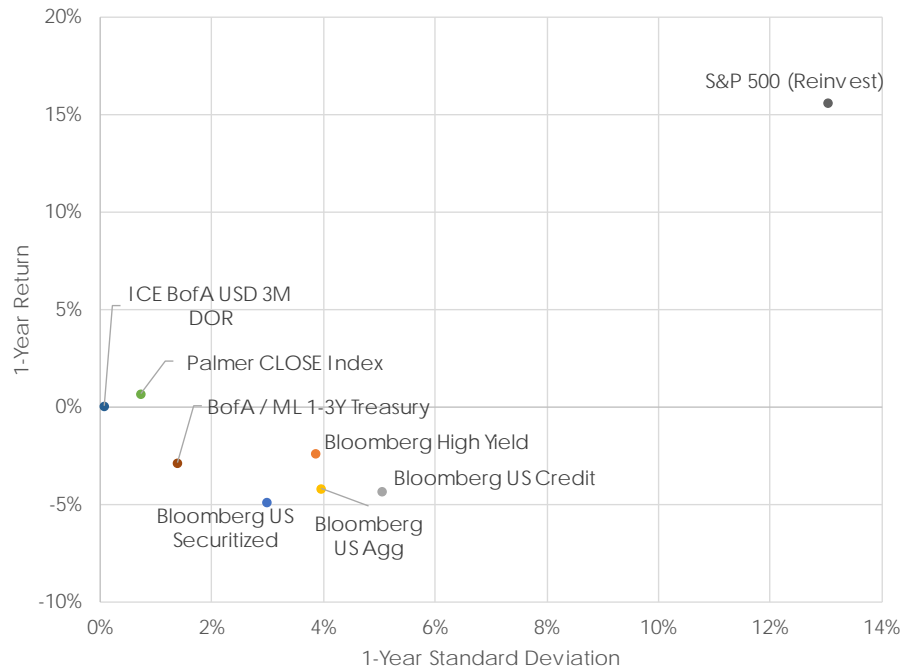
## Sector Performance (As of Q4)

	YTW	Duration	OAS	3M Return	12M Return	3Y Return	5Y Return
Treasuries	2.42%	6.78	0.01%	-5.58%	-3.67%	1.39%	1.76%
Corporate	3.60%	8.15	1.16%	-7.69%	-4.20%	3.02%	3.34%
CMBS	3.26%	4.94	0.85%	-5.59%	-4.47%	1.90%	2.44%
ABS	2.84%	2.28	0.57%	-2.88%	-3.06%	1.38%	1.68%
Credit Card ABS	2.81%	3.28	0.38%	-3.84%	-3.92%	1.04%	1.46%
Auto ABS	2.89%	1.86	0.68%	-2.55%	-2.75%	1.44%	1.74%
Agency MBS	3.01%	5.18	0.24%	-4.97%	-4.92%	0.56%	1.36%
GNMA	2.98%	4.81	0.19%	-4.15%	-4.60%	0.51%	1.24%
FHLHC	2.99%	5.38	0.24%	-5.29%	-5.03%	0.54%	1.41%
FNMA	3.00%	5.21	0.25%	-5.11%	-4.95%	0.65%	1.45%
Palmer CLO AAA	3.76%	3.76	1.30%	-0.23%	0.73%	2.25%	2.50%

\*Discount Margin

	3M Return	12M Return	3Y Return	5Y Return
<b>SP 500 (Reinvest)</b>	<b>-4.60%</b>	<b>15.65%</b>	<b>18.92%</b>	<b>15.99%</b>
Energy	39.03%	64.30%	11.05%	6.73%
Materials	-2.37%	13.92%	19.22%	13.28%
Industrials	-2.36%	6.14%	13.18%	11.27%
Consumer Discretionary	-9.03%	9.79%	18.60%	17.16%
Consumer Staples	-1.01%	16.10%	14.00%	10.16%
Health Care	-2.58%	19.10%	16.47%	15.10%
Financials	-1.48%	14.69%	16.76%	12.36%
IT	-8.36%	20.90%	30.54%	26.81%
Telecom	-11.92%	-0.93%	15.50%	9.58%
Utilities	4.77%	19.93%	12.19%	11.42%

# 1 & 3-Year Benchmark Risk/Return Plots

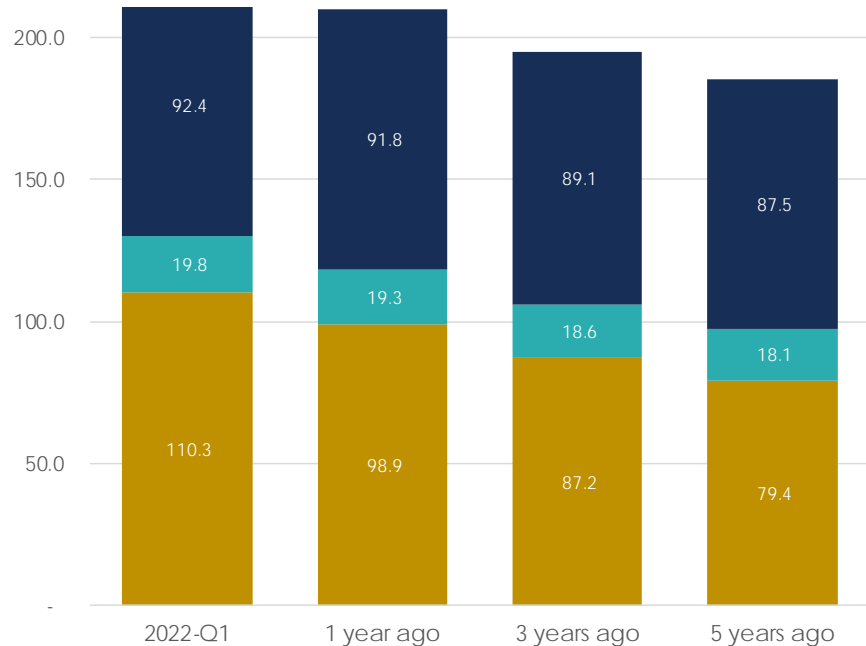


Data as of 2022-Q1

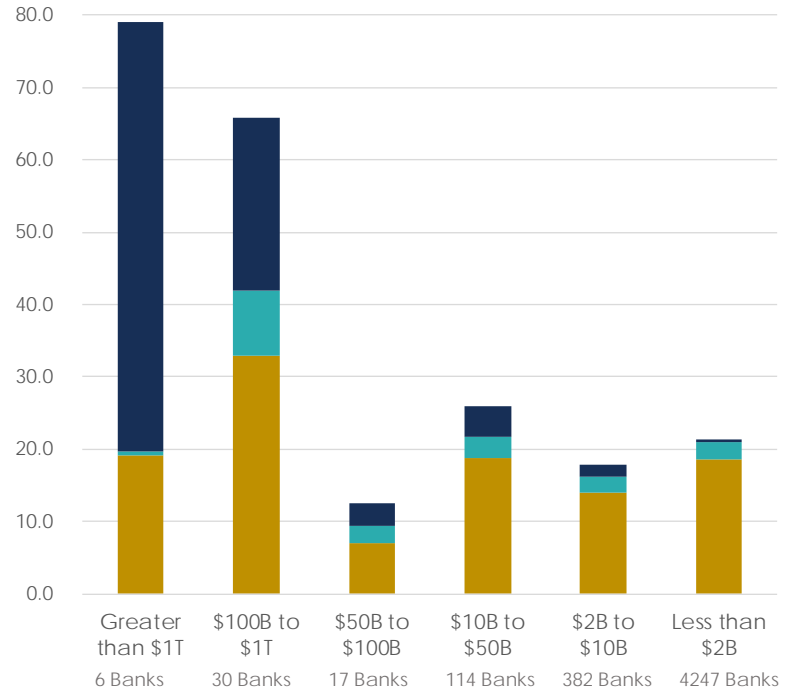
# Recent Trends in BOLI

# BOLI Market Overview as of 2022-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 2022-Q1

Bank Size	Number of Banks <sup>1</sup>	% 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%	14,338	19.2	0.6	59.3	79.1	7.89%	0.55%
\$100 Billion to \$1 Trillion	30	83%	7,667	32.9	9.1	23.8	65.8	9.94%	0.86%
\$50 Billion to \$100 Billion	17	94%	1,259	7.0	2.4	3.1	12.5	9.59%	1.00%
\$10 Billion to \$50 Billion	114	82%	2,515	18.8	3.0	4.1	25.9	10.19%	1.03%
\$2 Billion to \$10 Billion	382	84%	1,568	14.0	2.3	1.6	17.8	10.46%	1.13%
Less than \$2 Billion	4,247	65%	1,769	18.6	2.3	0.5	21.4	10.71%	1.21%
<b>TOTALS</b>	<b>4,796</b>	<b>68%</b>	<b>29,117</b>	<b>110.3</b>	<b>19.8</b>	<b>92.4</b>	<b>222.5</b>	<b>9.20%</b>	<b>0.76%</b>

<sup>1</sup> 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 <sup>1</sup>	% Owning BOLI	SA Exposure (\$B)	SA RWA (\$B)	Total RWA / Total Exposure	Average Bank RW%
Greater than \$1 Trillion	6	100%	59.2	17.6	29.7%	29.8%
\$100 Billion to \$1 Trillion	30	83%	28.2	11.8	41.9%	56.1%
\$50 Billion to \$100 Billion	17	94%	5.1	4.0	79.4%	69.0%
\$10 Billion to \$50 Billion	114	82%	6.2	3.8	61.2%	78.9%
\$2 Billion to \$10 Billion	382	84%	2.2	1.8	79.5%	86.7%
Less than \$2 Billion	4,247	65%	0.6	0.5	88.7%	95.0%
<b>Total</b>	<b>4,796</b>	<b>68%</b>	<b>101.5</b>	<b>39.5</b>	<b>38.9%</b>	<b>85.7%</b>

### Observations

- Bank RW% Median and Mode are both 100%, indicating most banks are defaulting to 100%
- Using category weights from our BOLI Allocations Study, MBSA estimates a ~26% effective risk-weight for the SA industry using the Basel III Standardized Approach
- The largest banks account for over half of SA Exposure, yet achieve lower RW%

# 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)
<b>TOTAL</b>												
2022-Q1	10	583	23	808	33	1,391	0	0	2	-22	2	-22
1-Year	75	5,373	100	2,843	175	8,216	0	0	5	-122	5	-122
3-Year	134	9,992	186	5,139	320	15,132	5	-151	20	-812	25	-963
5-Year	199	12,355	236	6,446	435	18,801	8	-278	27	-969	35	-1,247
<b>SA</b>												
2022-Q1	1	18	1	30	2	48	0	0	2	-22	2	-22
1-Year	1	18	7	269	8	287	0	0	4	-97	4	-97
3-Year	3	96	14	873	17	969	3	-105	10	-410	13	-515
5-Year	4	126	21	1,188	25	1,314	4	-145	14	-519	18	-663
<b>GA</b>												
2022-Q1	9	565	21	767	30	1,332	0	0	0	0	0	0
1-Year	73	5,255	88	2,498	161	7,753	0	0	1	-24	1	-24
3-Year	130	9,796	166	4,175	296	13,971	1	-4	10	-402	11	-406
5-Year	191	12,091	208	5,155	399	17,246	3	-92	13	-450	16	-542
<b>HYBRID</b>												
2022-Q1	0	0	1	10	1	10	0	0	0	0	0	0
1-Year	1	100	5	76	6	176	0	0	0	0	0	0
3-Year	1	100	6	92	7	192	1	-42	0	0	1	-42
5-Year	4	138	7	103	11	241	1	-42	0	0	1	-42

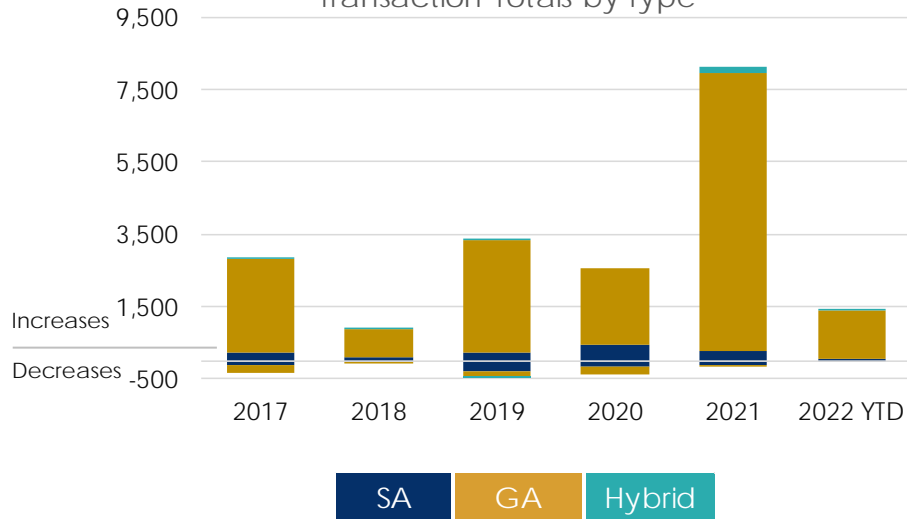
Listings of activity by institution are available upon request

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



## Recent Notable Purchases / Increases

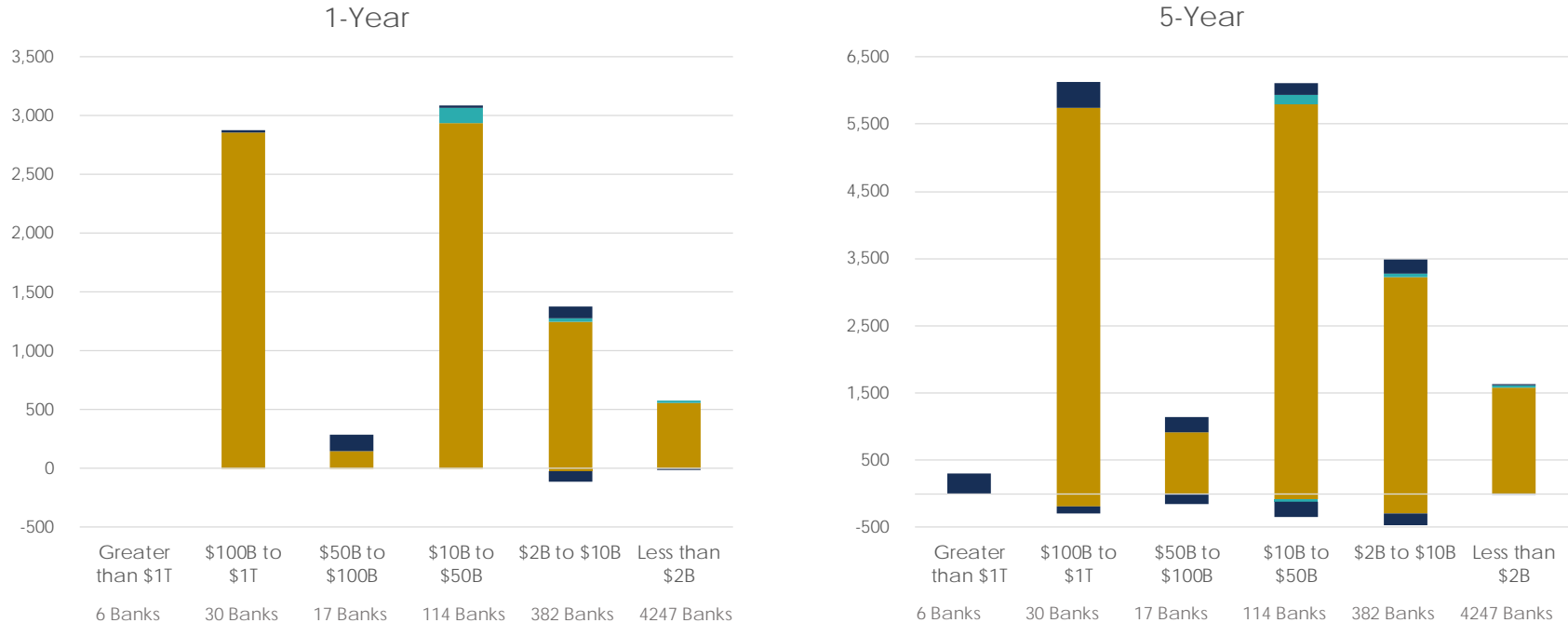
- In 2022-Q1 Truist's GA BOLI increased by ~\$276 million
- In 2022-Q1 Citizens Financial purchased \$100 million of GA
- In 2022-Q1 Bank of Hawaii purchased \$100 million of GA
- In 2021-Q4 PNC Financial purchased \$950 million of GA
- In 2021-Q4 Truist Financial purchased \$606 million of GA
- In 2021-Q4 Citizens Financial purchased \$400 million of GA

## Recent Notable Surrenders / Decreases

- We have not tracked any surrenders (over \$10 million) in call reports or filings over the last year
- In 2021-Q1 Hancock Whitney surrendered \$44 million of SA and purchased \$45 million of GA
- In 2020-Q4 Regions performed an **exchange** of SA for GA; MBSA estimates the exchange ~\$250 million

# 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

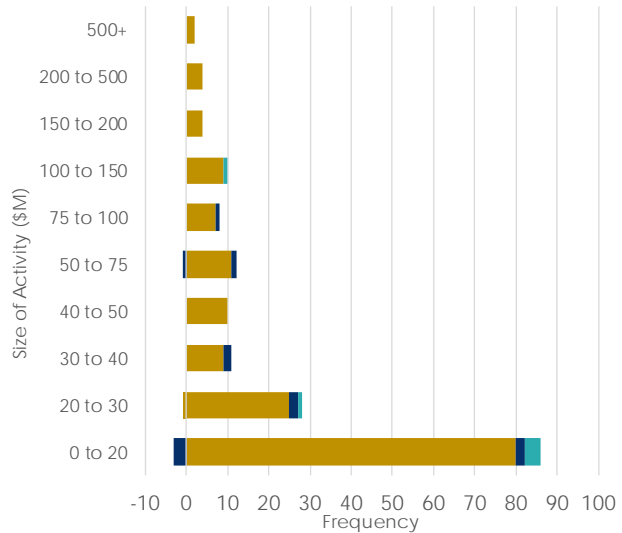
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# Frequency of BOLI Transaction Sizes

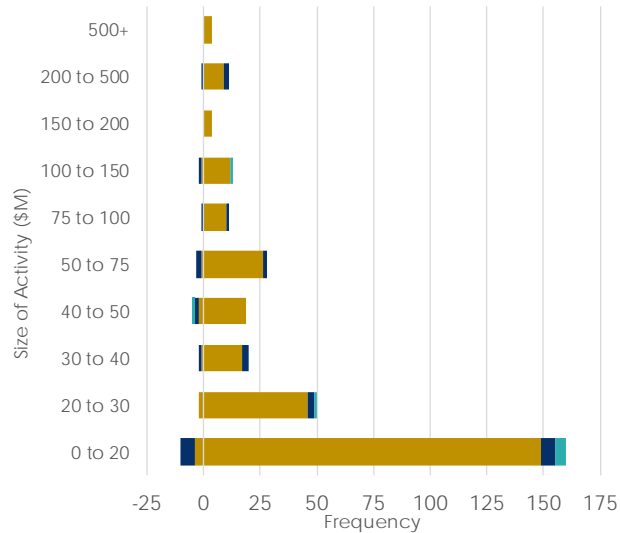
Movement or Transactions of \$10M or More

- Over the past 5 years, over 67% of transactions have been below \$30 Million, while 8% are over \$100 million

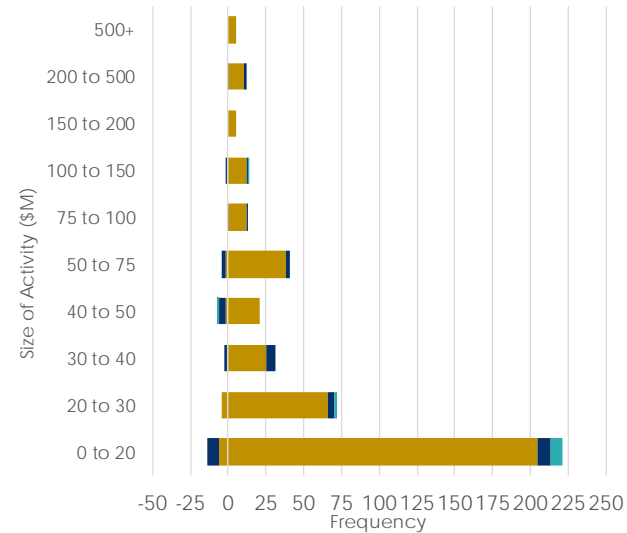
1-Year



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

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SA

GA

Hybrid

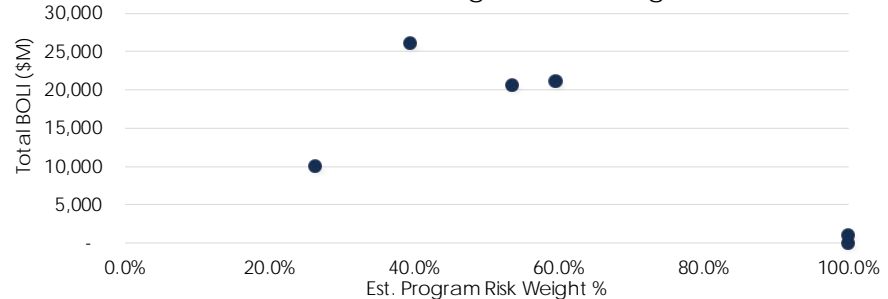
# Market Analytics By Bank Size

## Banks with over \$1T in Total Assets

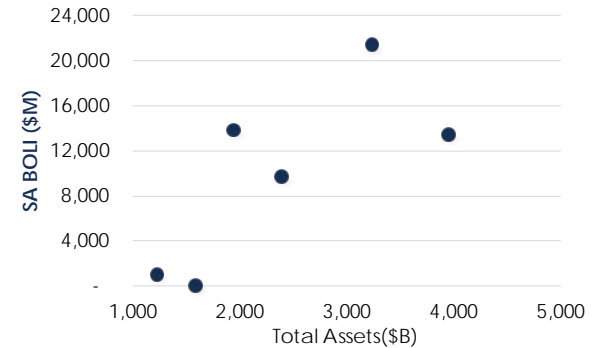
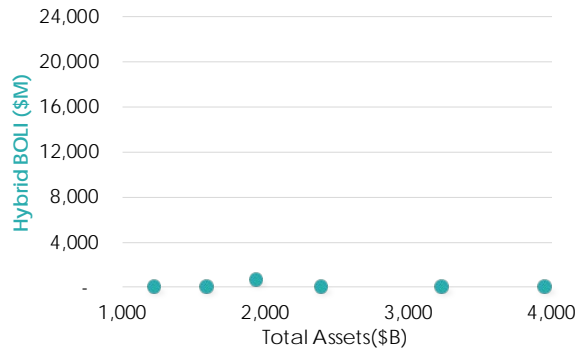
### 6 of 6 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
<b>Total</b>	<b>19,151</b>	<b>648</b>	<b>59,271</b>	<b>79,070</b>	<b>8%</b>
Average	3,192	108	9,879	13,178	7%
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)
<b>TOTAL</b>												
2022-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	1	306	1	306	0	0	0	0	0	0
5-Year	0	0	1	306	1	306	0	0	0	0	0	0
<b>SA</b>												
2022-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	1	306	1	306	0	0	0	0	0	0
5-Year	0	0	1	306	1	306	0	0	0	0	0	0
<b>GA</b>												
2022-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
<b>HYBRID</b>												
2022-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

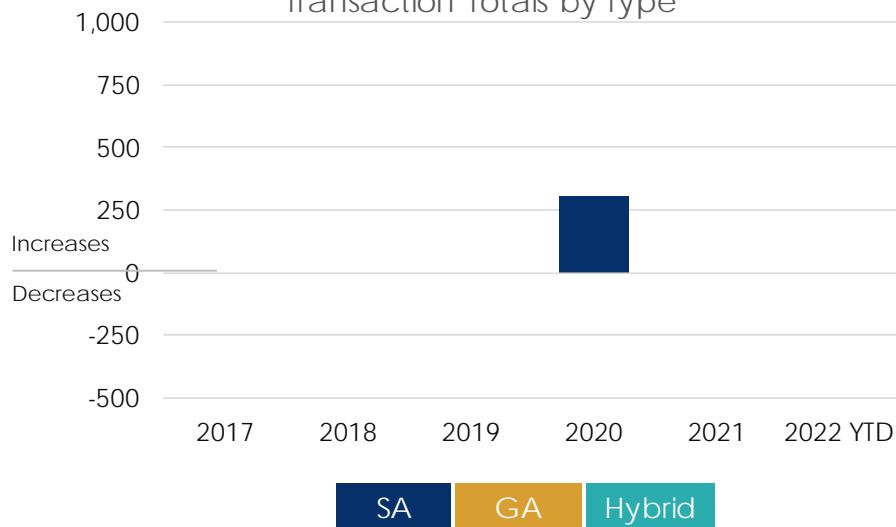
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million



# Recent BOLI Transactions

## Banks with over \$1T in Total Assets

### Transaction Totals by Type



### Current Quarter Activity

- [None observed]

### Recent Notable Actions

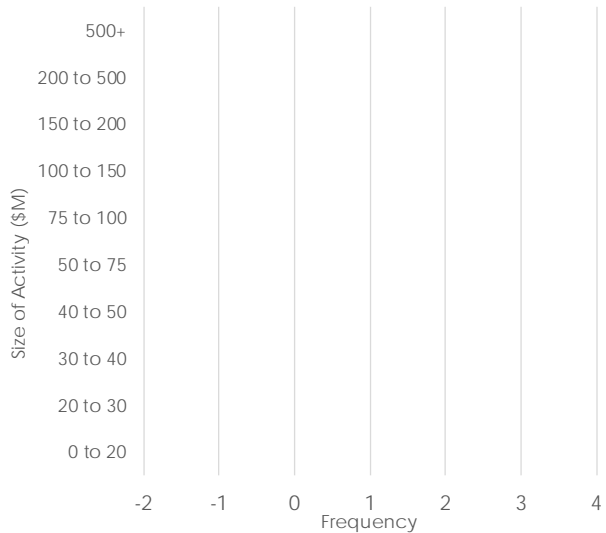
- In 2020-Q4, Morgan Stanley's SA BOLI increased by ~\$306 million

# Frequency of BOLI Transaction Sizes

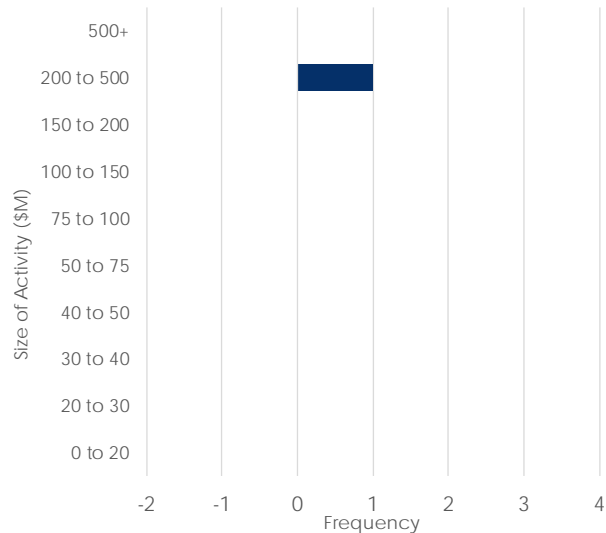
## Banks with over \$1T in Total Assets

- While they own over a third of all BOLI, MBSA has only tracked one purchase over the last 5 years for \$1 Trillion+ banks

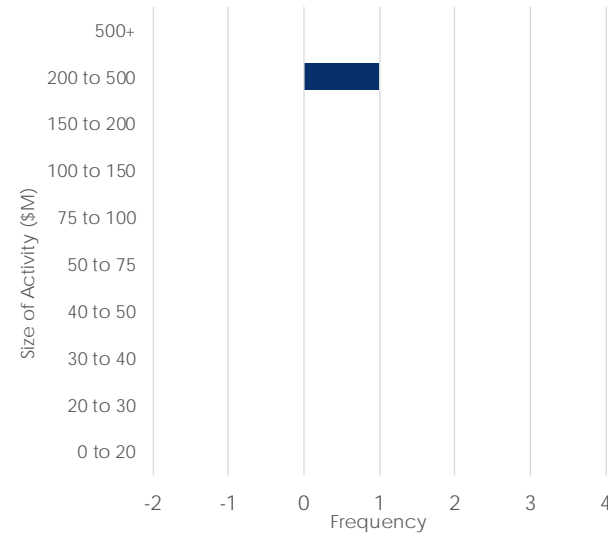
1-Year



3-Year



5-Year



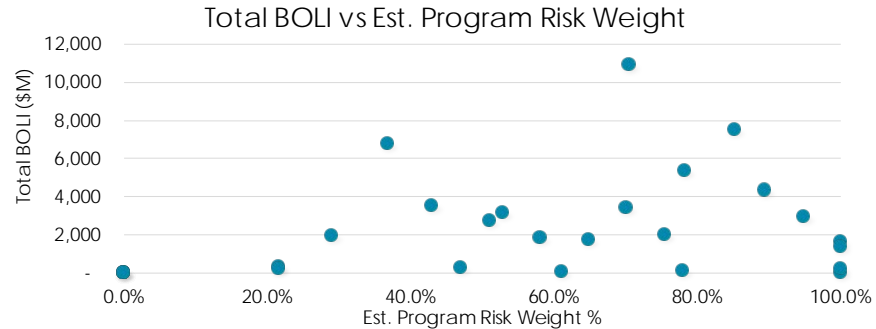
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# Market Analytics By Bank Size

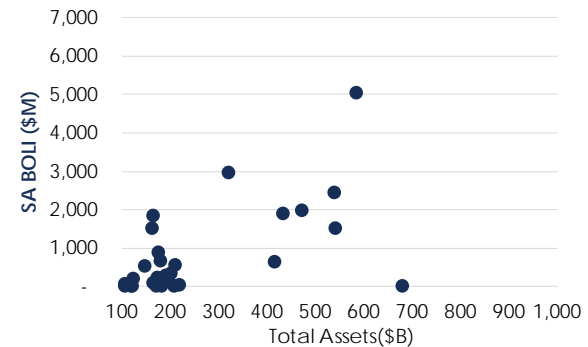
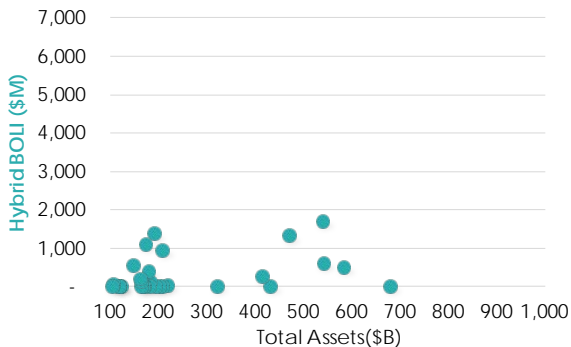
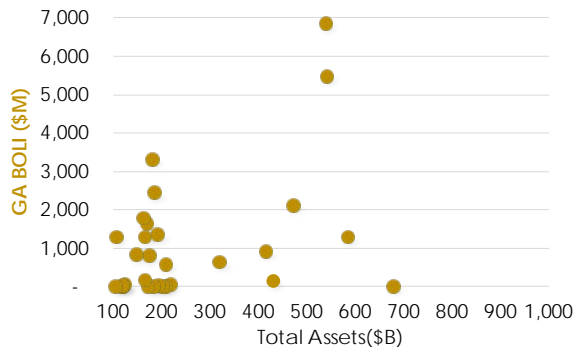
## Banks with \$100B to \$1T in Total Assets

25 of 30 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
<b>Total</b>	<b>32,880</b>	<b>9,132</b>	<b>23,788</b>	<b>65,800</b>	<b>10%</b>
Average	1,096	304	793	2,193	27%
Last Q # of Increases	2	-	1	3	
Increase Total (\$M)	376	-	18	394	
Last Q # of Decreases	-	-	-	-	
Decrease Total (\$M)	-	-	-	-	



## 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)
<b>TOTAL</b>												
2022-Q1	2	118	1	276	3	394	0	0	0	0	0	0
1-Year	8	2,599	1	276	9	2,875	0	0	0	0	0	0
3-Year	15	5,310	2	481	17	5,791	0	0	4	-284	4	-284
5-Year	16	5,511	3	615	19	6,125	0	0	4	-284	4	-284
<b>SA</b>												
2022-Q1	1	18	0	0	1	18	0	0	0	0	0	0
1-Year	1	18	0	0	1	18	0	0	0	0	0	0
3-Year	2	36	1	205	3	241	0	0	2	-104	2	-104
5-Year	2	36	2	339	4	375	0	0	2	-104	2	-104
<b>GA</b>												
2022-Q1	1	100	1	276	2	376	0	0	0	0	0	0
1-Year	7	2,581	1	276	8	2,857	0	0	0	0	0	0
3-Year	13	5,274	1	276	14	5,550	0	0	2	-180	2	-180
5-Year	14	5,475	1	276	15	5,751	0	0	2	-180	2	-180
<b>HYBRID</b>												
2022-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

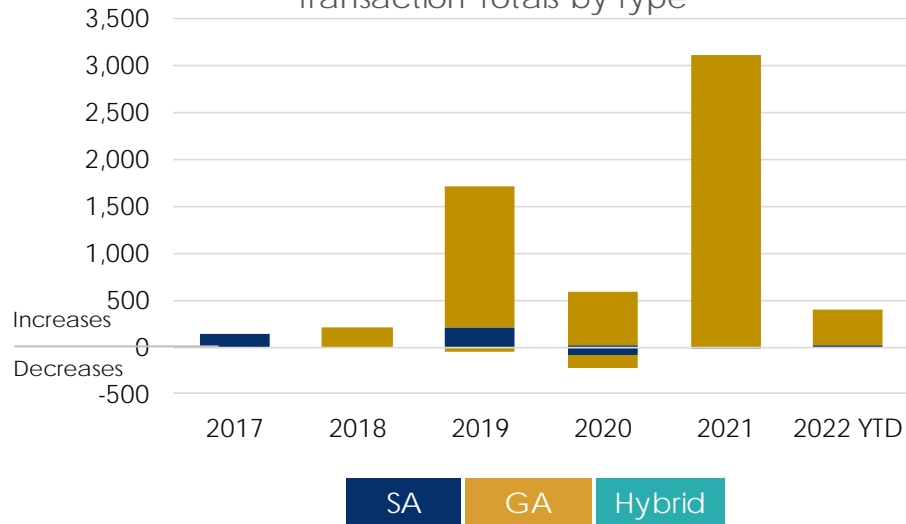
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Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

# Recent BOLI Transactions

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

Transaction Totals by Type



### Current Quarter Activity

- Truist Financial's GA increased by ~\$276 million
- Citizens Financial purchased \$100 million of GA
- First Republic purchased \$18 million of SA

### Recent Notable Actions

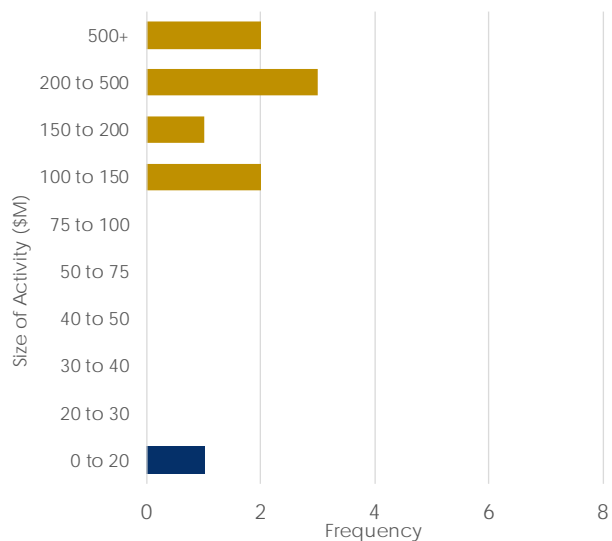
- In 2021-Q4 PNC Financial purchased \$950 million of GA
- In 2021-Q4 Truist Financial purchased \$606 million of GA
- Citizens Bank's total 2021 GA purchases were \$1.05 billion
- Throughout 2021 First Republic purchased \$500 million of BOLI; Primarily GA, with some SA

# Frequency of BOLI Transaction Sizes

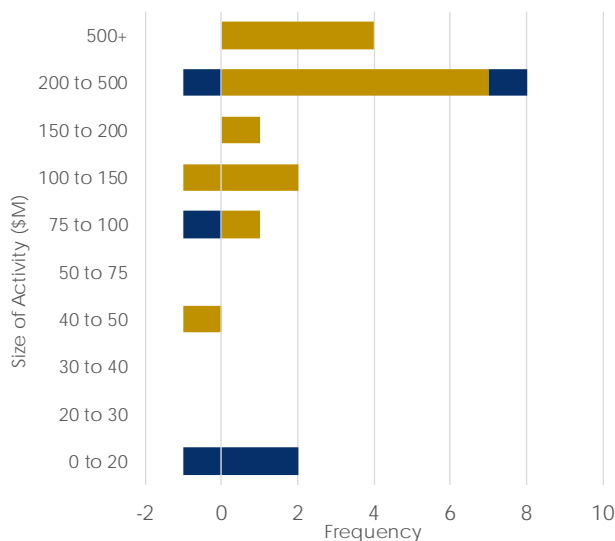
## Banks with \$100B to \$1T in Total Assets

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

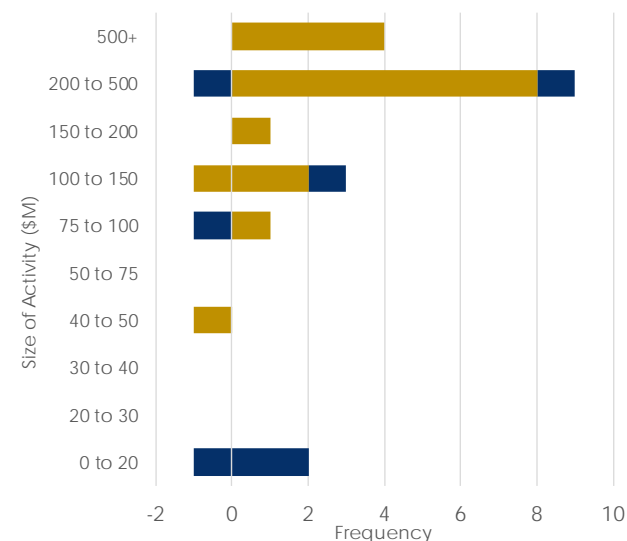
1-Year



3-Year



5-Year

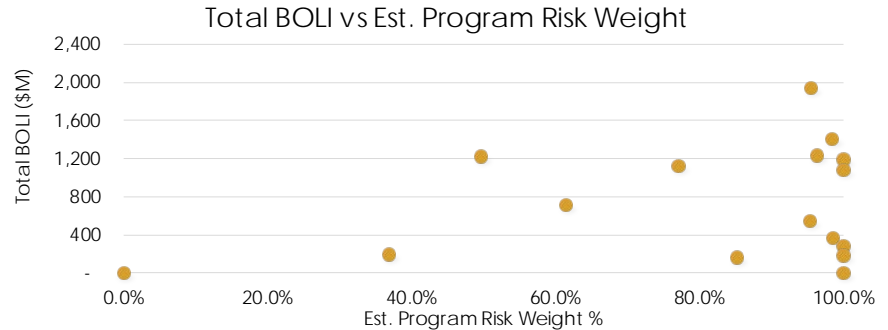


# Market Analytics By Bank Size

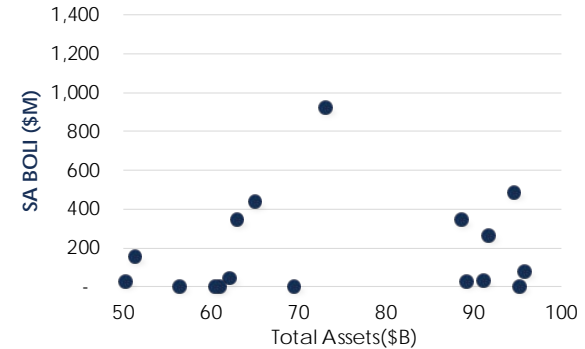
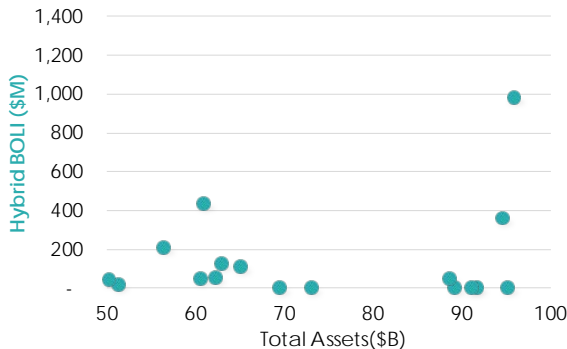
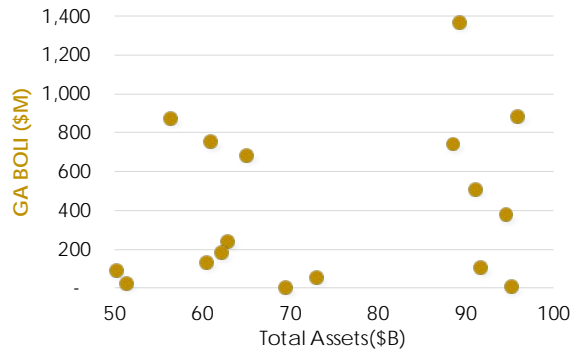
## Banks with \$50B to \$100B in Total Assets

16 of 17 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
<b>Total</b>	<b>6,981</b>	<b>2,421</b>	<b>3,140</b>	<b>12,542</b>	<b>10%</b>
Average	411	142	185	738	10%
Last Q # of Increases	-	-	-	-	-
Increase Total (\$M)	-	-	-	-	-
Last Q # of Decreases	-	-	-	-	-
Decrease Total (\$M)	-	-	-	-	-



## 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)
<b>TOTAL</b>												
2022-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	1	150	4	140	5	290	0	0	0	0	0	0
3-Year	6	655	10	300	16	955	0	0	2	-135	2	-135
5-Year	7	675	11	461	18	1,136	0	0	3	-146	3	-146
<b>SA</b>												
2022-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	4	140	4	140	0	0	0	0	0	0
3-Year	0	0	8	222	8	222	0	0	2	-135	2	-135
5-Year	0	0	8	222	8	222	0	0	3	-146	3	-146
<b>GA</b>												
2022-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	1	150	0	0	1	150	0	0	0	0	0	0
3-Year	6	655	2	78	8	733	0	0	0	0	0	0
5-Year	7	675	3	239	10	914	0	0	0	0	0	0
<b>HYBRID</b>												
2022-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

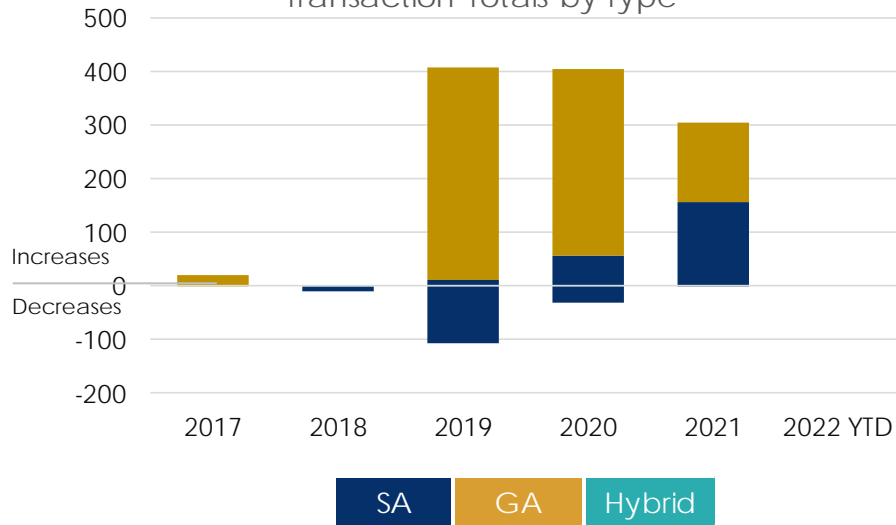
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million



# Recent BOLI Transactions

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

Transaction Totals by Type



### Current Quarter Activity

- [None observed]

### Recent Notable Actions

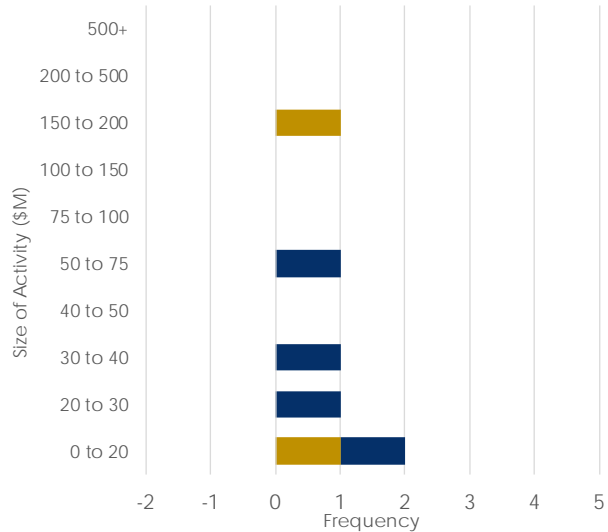
- In 2021-Q3 East West Bank purchased \$150 million of GA
- In 2021 Raymond James's SA BOLI increased by ~\$100 million
- In 2021-Q2 City National's SA BOLI increased by ~\$12 million
- In 2021-Q1 City National's SA BOLI increased by ~\$16 million
- In 2020-Q1 Synovus purchased \$250 million of GA
- In 2020 City's SA BOLI increased by ~\$67 million

# Frequency of BOLI Transaction Sizes

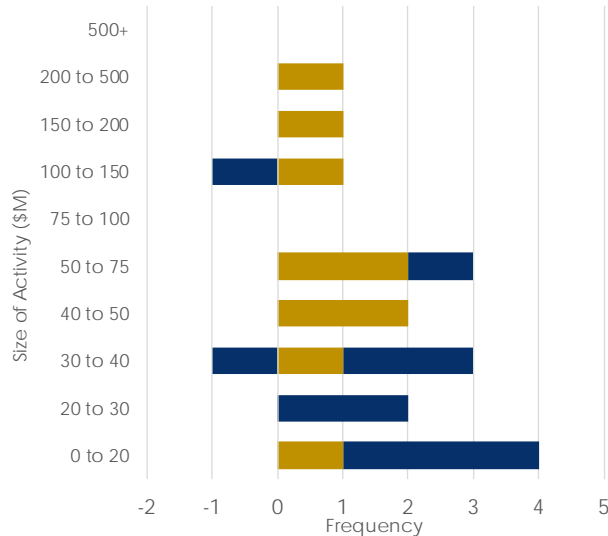
## Banks with \$50B to \$100B in Total Assets

- Recent purchases have been fairly spread out in overall size

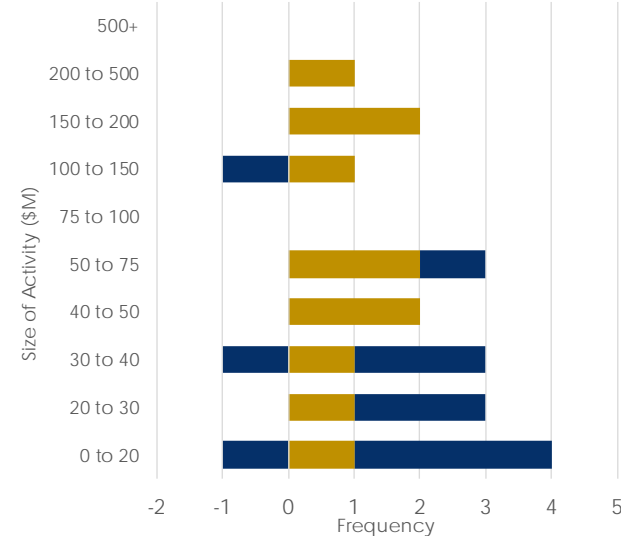
1-Year



3-Year

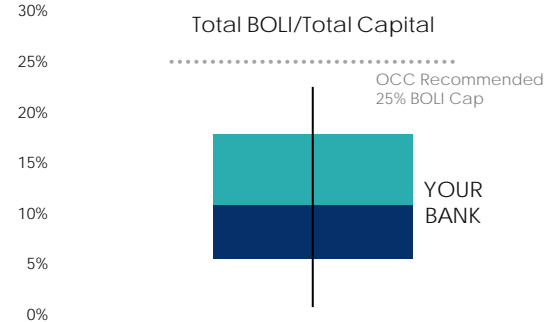
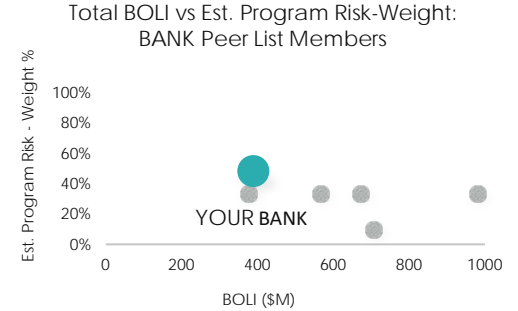
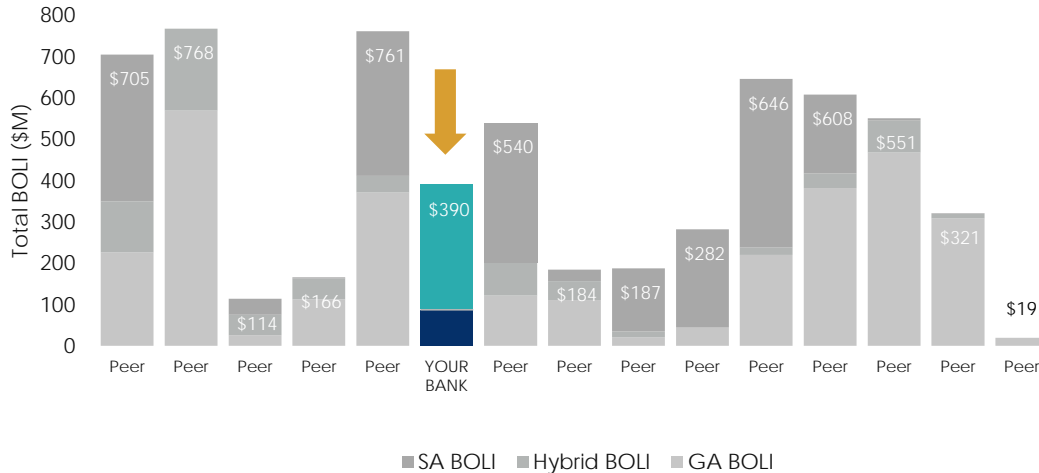


5-Year



# 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



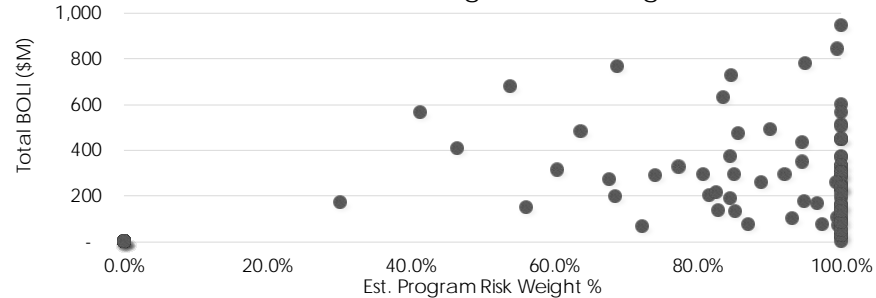
# Market Analytics By Bank Size

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

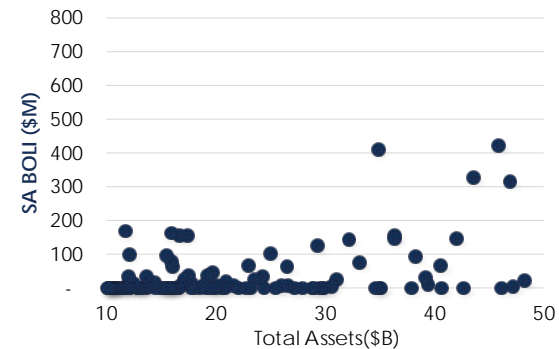
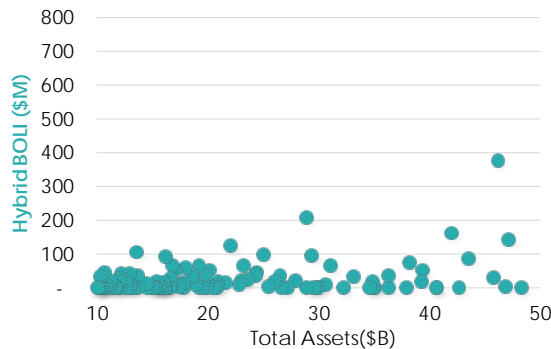
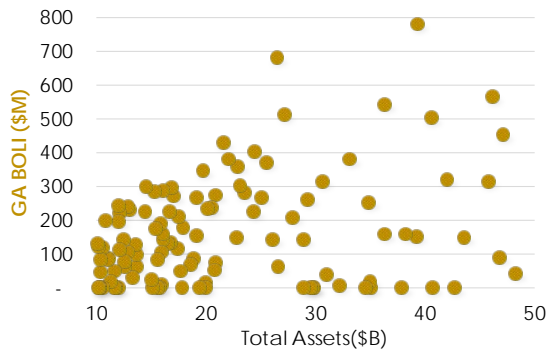
93 of 114 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
<b>Total</b>	<b>18,754</b>	<b>3,020</b>	<b>4,113</b>	<b>25,887</b>	<b>10%</b>
Average	165	26	36	227	13%
Last Q # of Increases	9	-	-	9	
Increase Total (\$M)	649	-	-	649	
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 \$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)
<b>TOTAL</b>												
2022-Q1	6	445	3	204	9	649	0	0	0	0	0	0
1-Year	31	1,974	18	1,114	49	3,088	0	0	0	0	0	0
3-Year	42	2,578	32	1,758	74	4,336	5	-151	4	-122	9	-273
5-Year	64	4,041	41	2,076	105	6,117	6	-175	5	-162	11	-338
<b>SA</b>												
2022-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	1	24	1	24	0	0	0	0	0	0
3-Year	0	0	1	24	1	24	3	-105	2	-74	5	-178
5-Year	1	30	5	157	6	187	3	-105	3	-114	6	-219
<b>GA</b>												
2022-Q1	6	445	3	204	9	649	0	0	0	0	0	0
1-Year	30	1,874	16	1,065	46	2,939	0	0	0	0	0	0
3-Year	41	2,478	30	1,709	71	4,186	1	-4	2	-48	3	-52
5-Year	61	3,897	35	1,894	96	5,791	2	-29	2	-48	4	-77
<b>HYBRID</b>												
2022-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	1	100	1	26	2	126	0	0	0	0	0	0
3-Year	1	100	1	26	2	126	1	-42	0	0	1	-42
5-Year	2	114	1	26	3	140	1	-42	0	0	1	-42

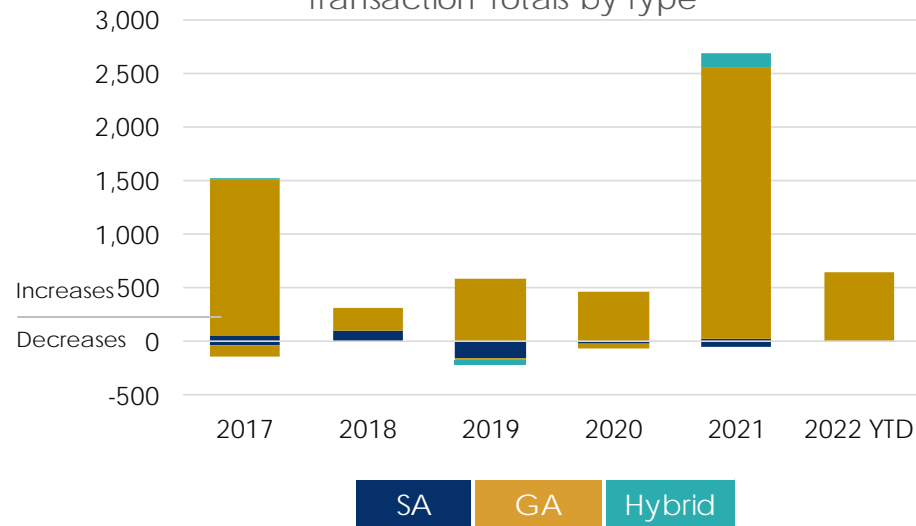
Listings of activity by institution are available upon request

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

- Bank of Hawaii purchased \$100 million of GA
- Southstate purchased \$80 million of GA
- Renasant purchased \$80 million of GA
- Pinnacle purchased \$75 million of GA
- Hancock Whitney purchased \$60 million of GA
- Banner Corp purchased \$50 million of GA
- First National Bank of Omaha's GA increased by ~\$126 million
- NexBank's GA increased by ~\$50 million
- Fulton Financial's GA increased by ~\$27 million

### Recent Notable Actions

- In 2021-Q4 Fulton Financial purchased \$75 million of GA
- In 2021-Q4 First National's GA increased by ~\$127 million
- In 2021-Q4 City National Bank of Florida's GA increased by ~\$90 million and HY increased by ~\$26 million
- In 2021-Q2 Simmons purchased \$160 million of GA
- In 2021-Q2 Pacific Premier purchased \$150 million of GA

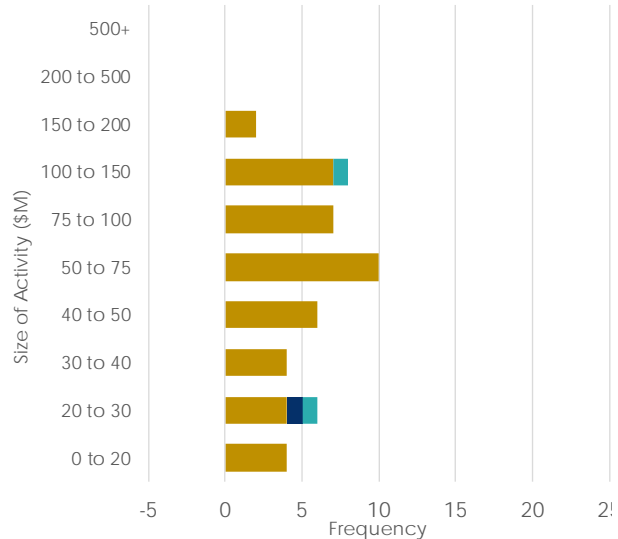
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

# Frequency of BOLI Transaction Sizes

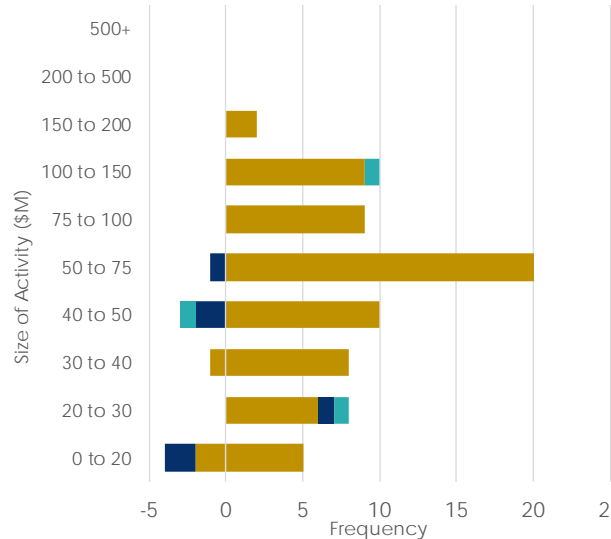
## Banks with \$10B to \$50B in Total Assets

- With a few outliers, most purchases for these sized banks are under \$75 million
- Decreases have been primarily under \$50 million

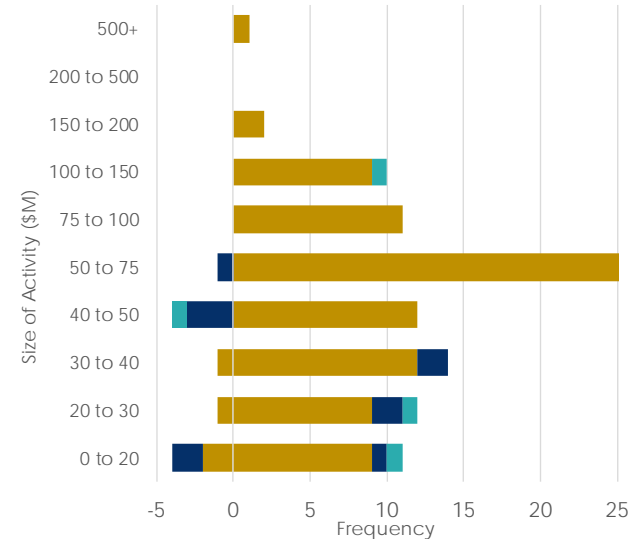
1-Year



3-Year



5-Year



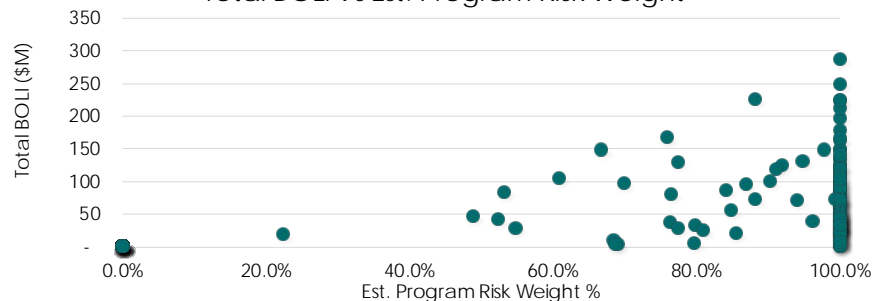
# Market Analytics By Bank Size

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

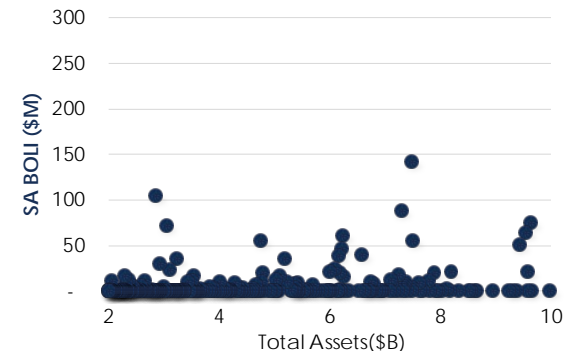
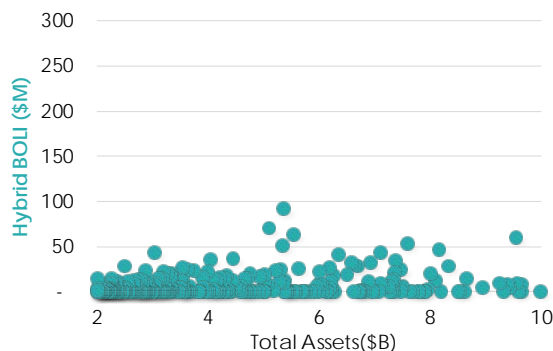
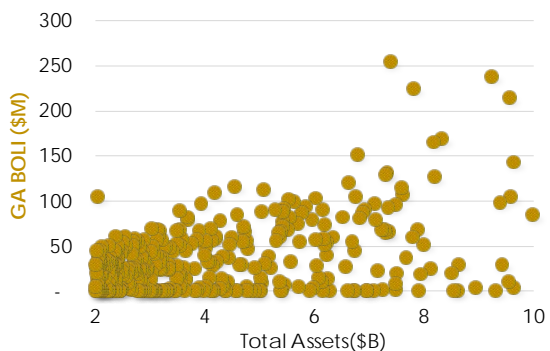
319 of 382 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
<b>Total</b>	<b>12,898</b>	<b>2,167</b>	<b>1,544</b>	<b>16,610</b>	<b>11%</b>
Average	39	7	5	50	11%
Last Q # of Increases	10	-	1		
Increase Total (\$M)	194	-	30		
Last Q # of Decreases	-	-	1		
Decrease Total (\$M)	-	-	(12)		

## 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)
<b>TOTAL</b>												
2022-Q1	2	20	9	205	11	225	0	0	1	-12	1	-12
1-Year	31	610	36	772	67	1,382	0	0	4	-111	4	-111
3-Year	60	1,314	60	1,230	120	2,545	0	0	9	-261	9	-261
5-Year	89	1,819	80	1,666	169	3,485	2	-103	14	-366	16	-469
<b>SA</b>												
2022-Q1	0	0	1	30	1	30	0	0	1	-12	1	-12
1-Year	0	0	2	106	2	106	0	0	3	-87	3	-87
3-Year	1	60	2	106	3	166	0	0	3	-87	3	-87
5-Year	1	60	4	154	5	214	1	-40	5	-144	6	-184
<b>GA</b>												
2022-Q1	2	20	8	174	10	194	0	0	0	0	0	0
1-Year	31	610	32	636	63	1,246	0	0	1	-24	1	-24
3-Year	59	1,254	56	1,094	115	2,349	0	0	6	-174	6	-174
5-Year	86	1,735	74	1,482	160	3,217	1	-63	9	-222	10	-285
<b>HYBRID</b>												
2022-Q1	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	2	30	2	30	0	0	0	0	0	0
3-Year	0	0	2	30	2	30	0	0	0	0	0	0
5-Year	2	24	2	30	4	54	0	0	0	0	0	0

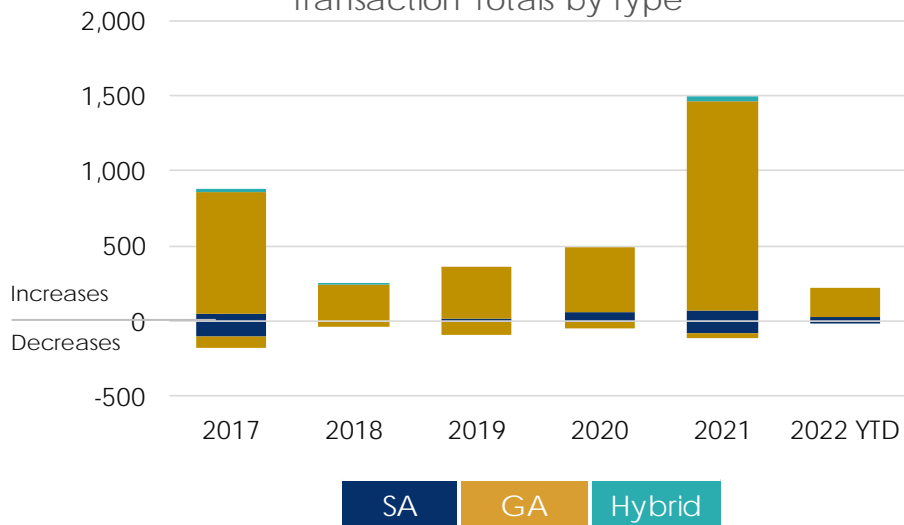
Listings of activity by institution are available upon request

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

Transaction Totals by Type



### Current Quarter Activity

- First Bancshares' GA increased by ~\$40 million
- First Bancshares' SA increased by ~\$30 million
- Green Dot's GA increased by ~\$33 million
- Cape Cod Five Mutual's GA increased by ~\$23 million
- FineMark's GA increased by ~\$20 million
- Alpine Banks of Colorado's GA increased by ~\$20 million
- MB Mutual's GA increased by ~\$15 million
- Heritage Financial's SA decreased by ~\$12 million
- Heritage Financial's GA increased by ~\$11 million
- First State Bancshares' GA increased by ~\$11 million
- Shore Bancshares purchased \$10 million of GA
- Summit Financial Group purchased \$10 million of GA

### Recent Notable Actions

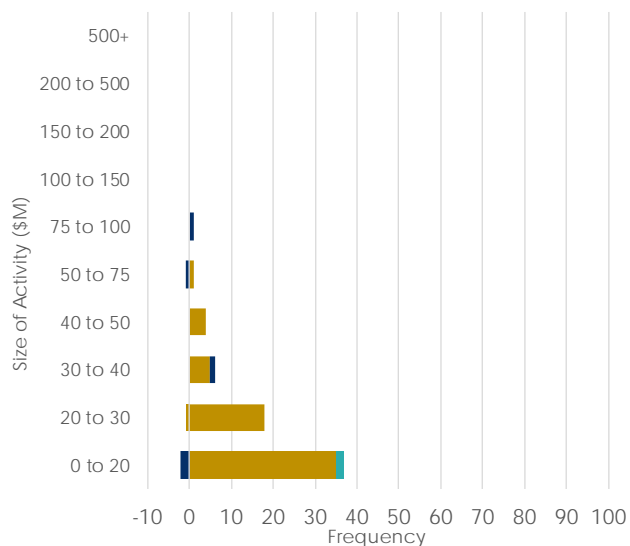
- In 2021-Q4 Liberty Bank's SA increased by ~\$75 million
- In 2021-Q4 Shore Bancshares' GA increased by ~\$43 million
- In 2021-Q3 Seacoast National purchased \$35 million of GA

# Frequency of BOLI Transaction Sizes

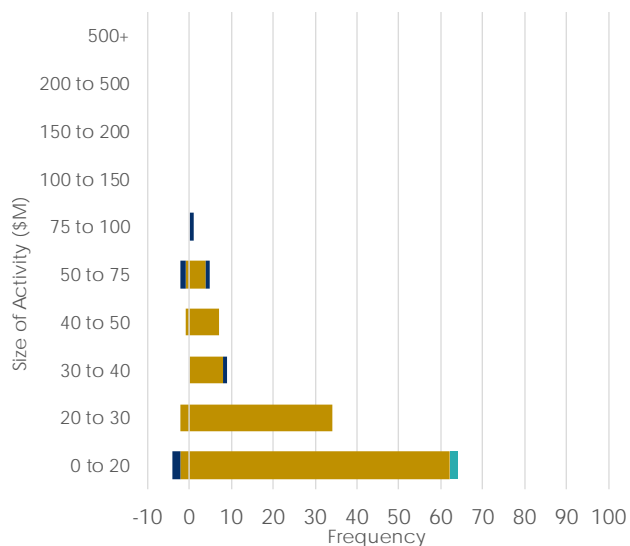
## Banks with \$2B to \$10B in Total Assets

- 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

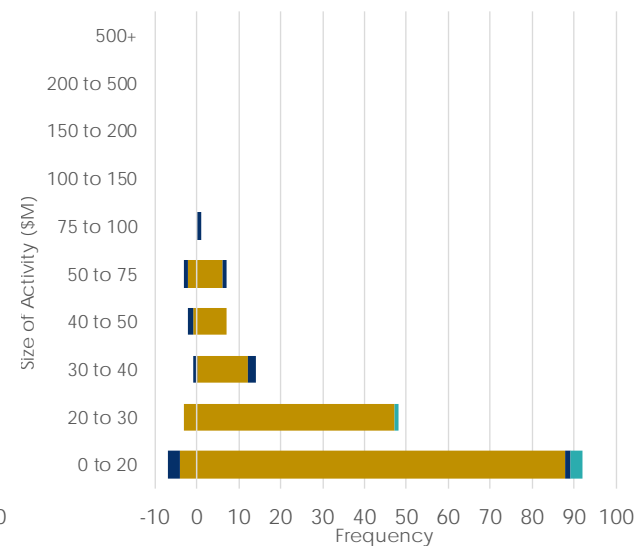
1-Year



3-Year



5-Year



# 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

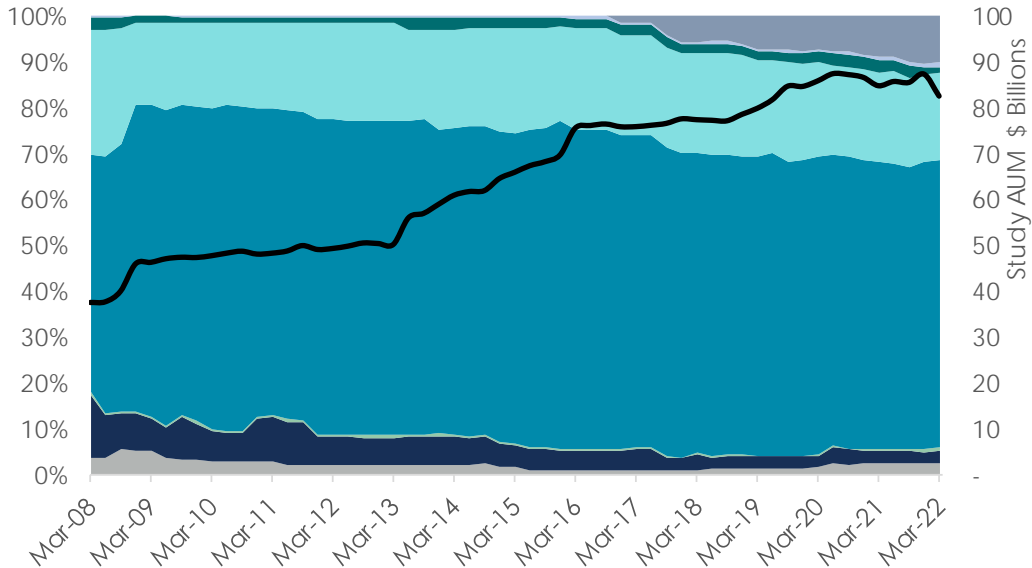
- Capital Efficient / Multi-Sector / Target RW
- High Yield
- Credit
- Core Fixed Income
- MBS / Securitized (ABS / CMBS)
- CLO / Bank Loan
- Short Duration
- Government

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

Currently comprises \$83 billion – a massive share of the industry

# SA BOLI Industry Allocations

## SA BOLI Allocations Over Time

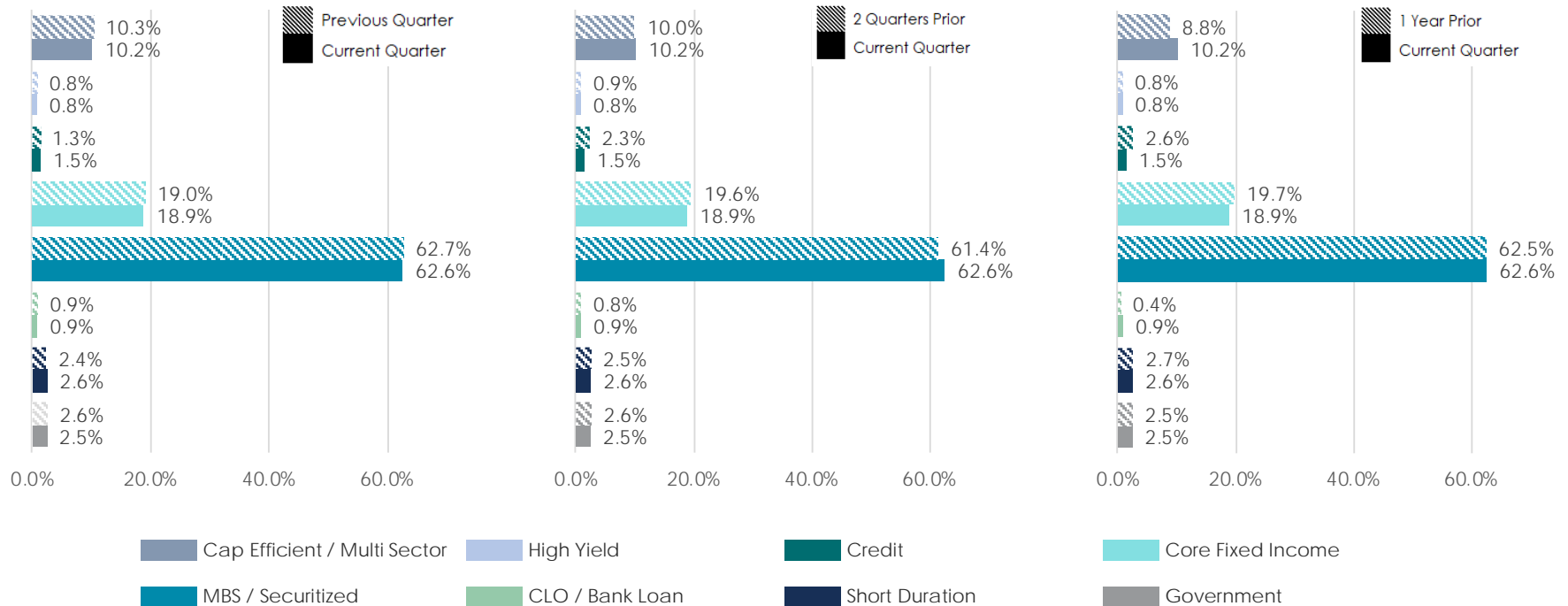


## 2022-Q1 Weights

Cap Efficient / Multi Sector	10.2%
High Yield	0.8%
Credit	1.5%
Core Fixed Income	18.9%
MBS / Securitized	62.6%
CLO / Bank Loan	0.9%
Short Duration	2.6%
Government	2.5%

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

# Recent Allocation Changes



# Investment Performance Proxy

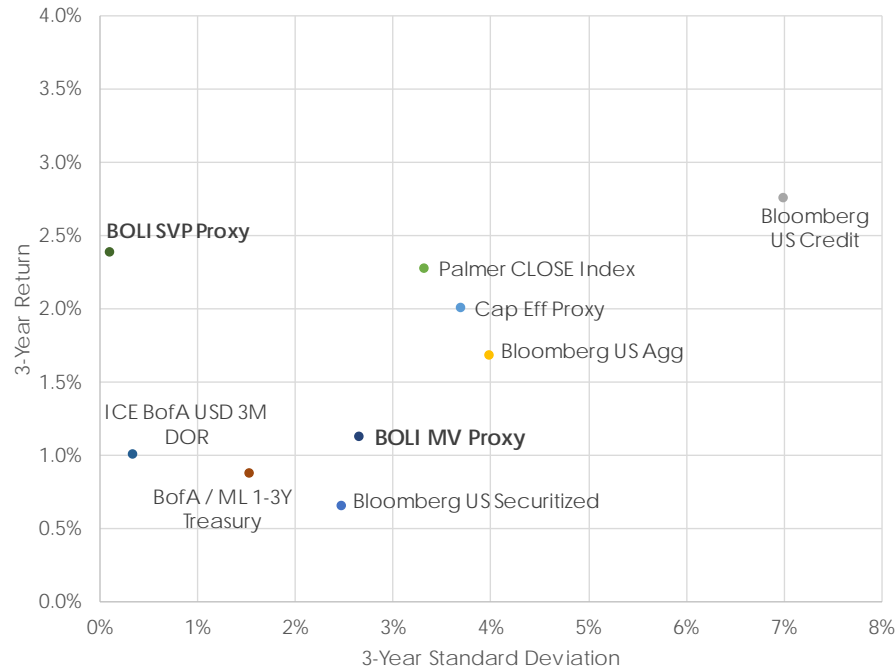
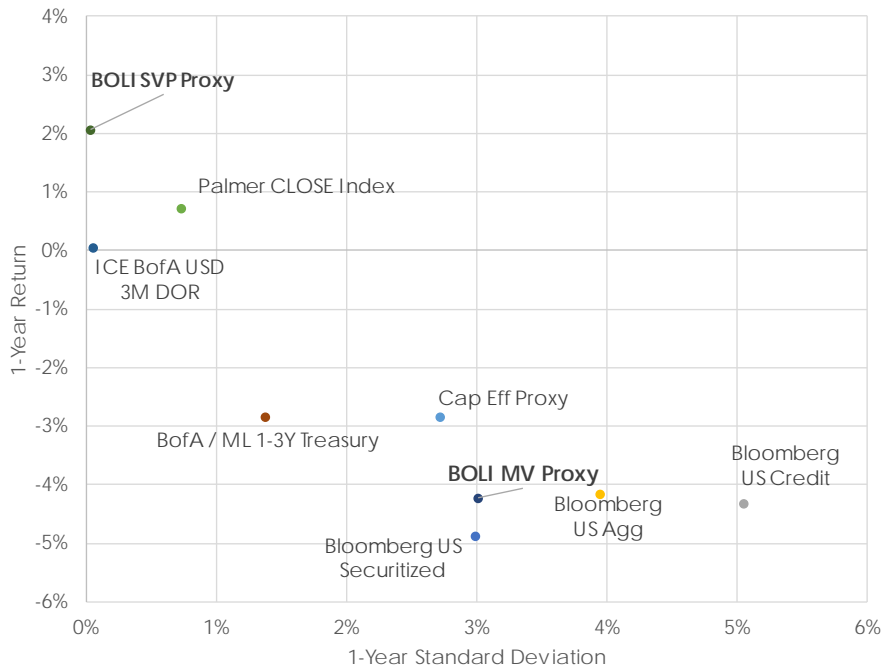
Using common benchmarks for the categories, a proxy for the industry's SA Q1 MV performance is estimated at -4.90%

	Benchmark	Quarter	1-Year	3-Year	5-Year	Weights
Cap Efficient / Multi Sector	[Proxied by a sector blend]	-4.27%	-2.84%	2.01%	2.49%	10.16%
High Yield	<i>Bloomberg High Yield</i>	-4.86%	-2.37%	4.12%	4.36%	0.84%
Credit	<i>Bloomberg US Credit</i>	-7.42%	-4.32%	2.76%	3.15%	1.48%
Core Fixed Income	<i>Bloomberg US Agg</i>	-5.93%	-4.15%	1.69%	2.14%	18.88%
MBS / Securitized	<i>Bloomberg US Securitized</i>	-5.00%	-4.86%	0.66%	1.44%	62.61%
CLO / Bank Loan	<i>Palmer CLOSE Index</i>	-0.26%	0.72%	2.28%	2.53%	0.92%
Short Duration	<i>ICE BofA USD 3M DOR</i>	-0.06%	0.05%	1.01%	1.34%	2.60%
Government	<i>BofA / ML 1-3Y Treasury</i>	-2.34%	-2.84%	0.88%	1.07%	2.50%
<b>Industry Proxy MV Performance using rolling weights:</b>		<b>-4.90%</b>	<b>-4.22%</b>	<b>1.13%</b>	<b>1.74%</b>	
Industry Proxy Stable Value Performance:		0.50%	2.08%	2.40%	2.42%	

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

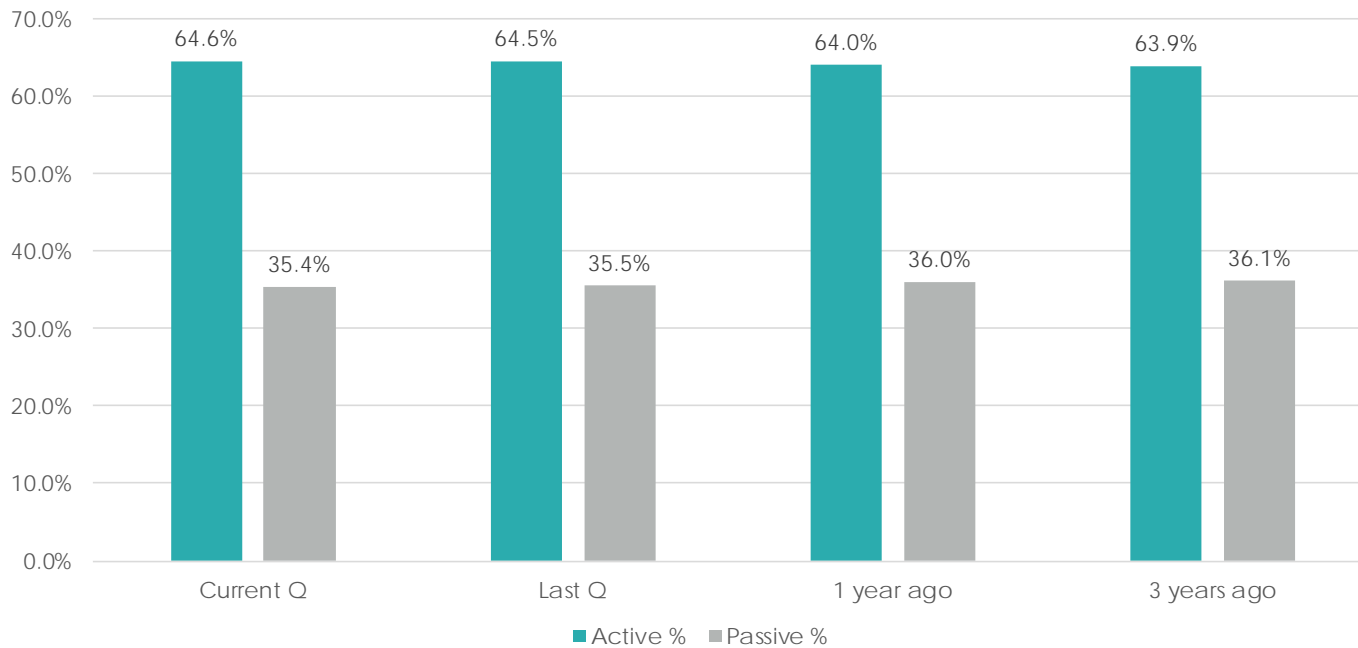


# 1 & 3-Year Risk/Return Plots with BOLI



Data as of 2022-Q1

## Active / Passive Breakdown



# Legislative, Regulatory, Judicial, Tax and Accounting Updates

# Noteworthy Judicial Developments

## Leonard v. John Hancock – Attorney’s Fees Awarded in COI Litigation (Mar)

- On March 17 the US District Court for the Southern District of New York signed an order awarding attorneys’ fees and expenses to Class Counsel (Susman Godfrey) in connection with this class action settlement. Class Counsel was awarded **\$34.4 million** plus a pro rata share of interest earned on the Settlement Fund.
- In this litigation, Plaintiffs alleged that John Hancock improperly increased cost of insurance (COI) charges for certain universal life policies issued between 2003 and 2010. As we noted in our October 2021 LRA Update, an interesting aspect of this case and subsequent settlement is that the COI provisions in these policies provided John Hancock with discretion to base COI rates on various factors in addition to “expectations of future mortality” experience. The factors expressly included “investment earnings” or “future investment earnings.”
- The Settlement Agreement included the following primary terms:
  - ❖ A cash Settlement Fund of up to **\$123 million**, which is equal to 91.25% of all COI overcharges collected by Hancock from the Class Policies through August 31, 2021.
    - “COI overcharge” refers to the amount a Settlement Class member paid in COI charges in excess of what would have been paid had Hancock not implemented the COI increase.
  - ❖ A total and complete freeze on any new COI increase for a period of five years following Final Approval of the Settlement.
  - ❖ Hancock has agreed not to challenge the validity and enforceability of any eligible policies owned by participating Class members on the grounds of lack of an insurable interest or misrepresentations in the application for such policies.
- As noted previously, the fairness hearing is set for May 17.

# Noteworthy Judicial Developments

## Athene v. American General, et al. – COLI SVP Product Dispute (Apr)

- On April 18 the Delaware Superior Court granted an order to stay discovery and all other pending deadlines because the parties have agreed in principle to a settlement that would resolve the proceedings.
- To briefly recap this dispute:
  - ❖ In October of 2000 and June of 2001, American General separately sold two substantially similar group-variable life insurance policies to Plaintiffs in return for \$150 million in premiums.
  - ❖ Athene chose to invest in a portfolio named the SVP Balanced Portfolio, which was comprised of two components: 1) an equity and bond portfolio; and 2) a guarantee from non-party Zurich Insurance Company that is calculated as “the difference between (i) the total value of the SVP Balanced Portfolio and (ii) the net asset value of the equity and bond portfolio.
  - ❖ In 2001, Athene provided notice of its intention to surrender the policies at a time that the SVP product value was \$23 million. Instead of proceeding with the surrender, the parties agreed to amend the Transaction Documents to, among other things, set a minimum crediting rate of eight percent and a cap of ten percent. Importantly from AGL’s perspective, the renegotiation also vested “sole discretion” with AGL as to when surrender proceeds would be paid.
  - ❖ Over time, the SVP Product has grown to become a larger and larger portion of the SVP Balanced Portfolio value.
  - ❖ In late 2011 and early 2012, AGL issued amendments to “cap” the value of the SVP Product at fifty-five percent of the total value of the SVP Balanced Portfolio and to clarify that surrender proceeds would not be paid until the value of the SVP Product is at or below zero.
  - ❖ In May 2020, the Court granted defendants’ motion to dismiss as it related to allegations that Athene’s surrender and/or reallocation rights were impaired. The Court concluded that those allegations were not ripe for adjudication. However, the allegations that the 55% cap improperly impacted death benefit proceeds was not dismissed
- Terms of the pending settlement have not been disclosed.

Docket: *C.A. No. N19C-10-55-PRW CCLD*

# Noteworthy Tax Developments

## Biden Administration Releases Fiscal Year 2023 Budget Proposal (Mar)

- On March 28 the Biden Administration released its Fiscal Year 2023 [budget proposal](#). Primary tax policy proposals include a new 20% minimum tax on households with more than \$100 million in wealth and an increase in the corporate tax rate to 28%.
- The summary table includes a few other notable tax proposals, along with estimates of each proposal's impact on the deficit:

Proposal	10-Year Budget Impact
Increase corporate tax rate to 28%	\$1.3 trillion
Impose a minimum tax on the wealthiest taxpayers	\$361 billion
Increase the top marginal tax rate for high earners	\$187 billion
Expand pro rata interest expense disallowance for business-owned life insurance	\$6.8 billion
Require employers to withhold tax on failed NQDC plans	\$6.8 billion

- While the budget proposals provide some insight as to the Administration's objectives and preferences, actual legislation often differs materially from the proposals outlined in the budget materials. We will continue to monitor for tax-related legislation.

# Noteworthy Tax Developments

## Treasury Greenbook Released (Apr)

- On March 28 the US Treasury released the General Explanations of the Administration's Fiscal Year 2023 Revenue Proposals, commonly referred to as the [Greenbook](#). This year's Greenbook included two explanations that could have applicability for BOLI programs.

### Expand Pro Rata Interest Expense Disallowance for Business-Owned Life Insurance

- Under current law, interest expense deductions allocable to unborrowed life insurance cash values covering the lives of past and current employees and directors are permitted. The Biden Administration proposal would repeal the exception from the pro rata interest expense disallowance rule for contracts covering employees, officers or directors.
- The proposal would apply to contracts issued after December 31, 2021.
- This topic was proposed in each of the Obama Administration budget proposals as well. Note that in the past, the proposal for this topic was always marked to apply to contracts issued after the end of that calendar year. This year's explanation is largely, but not entirely, prospective in nature.
- We have computational models set up to assess the potential economic impact of this provision. Please reach out to us if you are interested in the topic.

Continued...

# Noteworthy Tax Developments

## (Continued) Treasury Greenbook Released (Apr)

### Corrections to DAC Changes in TCJA

- The Greenbook notes that the Tax Cuts and Jobs Act intended to modify the DAC tax rates for various contracts:
  - ❖ Annuity contracts: from 1.75% to 2.09%;
  - ❖ Group Life contracts: from 2.05% to 2.45%; and
  - ❖ Other Life Insurance contracts: from 7.70% to 9.20%.
- The “Other Life Insurance” contracts rate is applicable to BOLI programs.
- The Greenbook states that a drafting error (which misidentified the appropriate IRC language) may result in only the annuity contracts percentage being implemented. Therefore, “a reasonable reading of the law could claim that only the percentage for annuity contracts was changed by TCJA.”
- The proposal would clarify that the intended rates are applicable for each category with an effective date as of the enactment of the TCJA (i.e., retroactive application). The proposal also makes a technical correction related to international and nonproportional reinsurance lines of business.
- It is our understanding that BOLI insurers had repriced for the 9.2% DAC rate, and, therefore, this issue may not have any appreciable impact



# Noteworthy Accounting Developments

## Mortality Tables for Determining Present Value Under Defined Benefit Pension Plans (May)

- On April 28 the IRS published a [Proposed Rule](#) related to prescribed mortality tables to be used for defined benefit pension plans. The tables are used to calculate the present value of expected future benefit payments for purposes of determining the minimum funding requirements for the plan.
- The base mortality rates proposed were derived from tables set forth in a 2012 report and include adjustments for “Mortality Improvement.” The Mortality Improvement scale was established based on data through 2019 and notably does not reflect increased mortality from 2020 or 2021.
- According to the publication, the number of deaths in 2020 (starting March 22, 2020) and 2021 were approximately 120% and 110% of the expected number, respectively. The IRS and Treasury note that ongoing monitoring of COVID-related mortality could impact future adjustments to the prescribed mortality rates.
  - ❖ The mortality rates provided in these proposed regulations would apply starting in 2023. If the impact of COVID-19 on mortality experience is viewed as only a short-term phenomenon, the mere fact that the model in the MP-2021 Report (upon which these proposed regulations are based) did not reflect the actual mortality experience for 2020 through 2022 does not mean that the mortality rates in these proposed regulations are inappropriate because it is not clear to what extent the increased mortality associated with COVID-19 will continue for 2023 and later years. However, to the extent there is a long-term higher mortality rate from COVID-19, the Treasury Department and the IRS expect that RPEC will reflect the long-term impact of COVID-19 in future mortality improvement scales, which could be specified for use in future guidance. The Treasury Department and the IRS request comments about how the data for periods in which mortality experience for plan participants has been significantly affected by the COVID-19 pandemic should be taken into account in future mortality improvement rates under these regulations and future base mortality tables.
- Comments on this proposed rule may be submitted through June 9.
- Note: These mortality tables are not directly applicable to BOLI/COLI products.

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LEGISLATIVE, REGULATORY, JUDICIAL,  
AND ACCOUNTING DEVELOPMENTS



# Noteworthy Regulatory Developments

## Financial Industry Association Request Review of SA-CCR (Apr)

- On April 21 the ISDA, the Institute of International Finance (IIF) and the Global Financial Markets Association (GFMA) submitted [a letter](#) to the Basel Committee on Banking Supervision (BCBS), requesting that the BCBS revisit the SA-CCR framework.
- The letter observes that aspects of the standard “result in excessive risk exposures with associated impact on capital and end-user cost.”

# Noteworthy Legislative Developments

## Utah Passes Consumer Privacy Law (Mar)

- On March 24 Utah Governor Spencer Cox signed the [Utah Consumer Privacy Act](#) (“UCPA”) into law. This law is reportedly similar to laws enacted in Virginia and Colorado.
- Under the UCPA, a “Consumer” is defined as an individual who is a resident of Utah “acting in an individual or household context” and expressly excludes an individual “acting in an employment or commercial context.”
- The UCPA also includes exemptions for a “financial institution... governed by, or personal data collected, processed, sold, or disclosed in accordance with Title V of the Gramm-Leach-Bliley Act and related regulations.”
- We do not expect Utah’s privacy law to have direct or indirect implications for BOLI programs.

# Other Noteworthy Developments

**[None covered this quarter]**

- For prior recent developments, see historical LRJA updates 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 Company
- Northwestern Mutual Life Insurance Company
- USAA Life Insurance Company

## Insurance Carriers Rated AA

- Canada Life Assurance Co. (US Branch)
- Great-West Life and Annuity Insurance Co.
- Zurich Insurance Company

## Insurance Carriers Rated AA-

- John Hancock Life Insurance Company (USA)
- Lincoln National Life Insurance Company
- Metropolitan Life Insurance Company
- Metropolitan Tower Life Insurance Company
- Pacific 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
- 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 A-

- Security Life of Denver Insurance Company

## Insurance Carriers Rated BBB+

- Delaware Life Insurance Company

## Insurance Carriers Rated BBB

- Talcott Resolution Life Insurance Company

\*Categories based on S&P's Financial Strength Rating as of May 16, 2022

# Current Moody's Financial Strength Ratings

## Insurance Carriers Rated Aaa

- New York Life Insurance Company
- Northwestern Mutual Life Insurance Company

## Insurance Carriers Rated Aa1

- USAA Life Insurance Company

## Insurance Carriers Rated Aa2

- Guardian Life Insurance Company of America

## Insurance Carriers Rated Aa3

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

## Insurance Carriers Rated A1

- Equitable Financial Life Insurance Company
- Equitable Financial Life Insurance Co. of America
- John Hancock Life Insurance Company (USA)
- Lincoln 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
- 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
- Jackson 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
- Zurich American Life Insurance Company

## Insurance Carriers Rated Baa1

- Security Life of Denver Insurance Company

## Insurance Carriers Rated Baa2

- None

## Insurance Carriers Rated Baa3

- Talcott Resolution Life Insurance Company

\*Categories based on Moody's Insurance Financial Strength Rating as of May 16, 2022



# Ratings or Outlook Revisions

## AEGON N.V.

- Outlook changed from Negative to **Stable** by Moody's (Apr)

## American General Life Insurance Company

- CreditWatch removed by S&P; outlook changed to **Stable** (Apr)
- Outlook changed from Negative to **Stable** by Moody's (Apr)

## American Heritage Life Insurance Company

- Outlook withdrawn by Fitch for commercial reasons (Apr)

## American International Group, Inc.

- **Negative watch removed** by Fitch; A- rating affirmed (Mar)

## Equitable Financial Life Insurance Company

- Rating **upgraded from A2 to A1** by Moody's (May)

## Equitable Financial Life Insurance Company of America

- Rating **upgraded from A2 to A1** by Moody's (May)

## MONY Life Insurance Company

- Rating **upgraded from A+ to AA-** by Fitch (Mar)

## Transamerica Life Insurance Company

- Outlook changed from Negative to **Stable** by Moody's (Apr)

## U.S. Life Insurance Company in The City of NY

- CreditWatch removed by S&P; outlook changed to **Stable** (Apr)
- Outlook changed from Negative to **Stable** by Moody's (Apr)

## West Coast Life Insurance Company

- Rating **upgraded from A+ to AA-** by Fitch (Mar)

NEED UP TO DATE COUNTERPARTY TRACKING?

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# Industry Developments

## **AIG Separation of Life & Retirement Business Update (Apr)**

- On March 28, AIG announced a series of updates related to the planned separation of the Life & Retirement business through an IPO. AIG announced that the Life & Retirement business will be rebranded as Corebridge Financial, Inc. following the IPO. AIG also announced appointments to the board, while noting that AIG expects to continue to own more than 50% of the business following the IPO, which would allow for 6 directors from AIG.
- AIG also announced a strategic partnership with BlackRock to manage up to \$90 billion of the Life & Retirement portfolio and up to \$60 billion of the global AIG investment portfolio.

## **Empower Acquisition of Prudential Retirement (Apr)**

- On April 4, Empower announced the completion of its acquisition of Prudential's retirement business. Empower acquired the business for \$3.5 billion. It is worth noting that the Prudential business that provides stable value for BOLI was not included in the acquisition by Empower.

# COUNTERPARTY TRACKING SYSTEM

✓ Risk Management

Monitor credit of BOLI Carriers, SVP Providers, and other counterparties

✓ Exclusive Access to Ratings

We offer an extensive database of Financial Strength Ratings & Issuer Credit Ratings

✓ Monthly Newsletter

Curated information covering insurance companies and counterparty exposures within your BOLI program

## 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	-	-	-	-	-	-	-	-	-	-	-	-1
	Fitch	AA	Stable	-	-	-	-	-	-	-	-	-	-	-	-
	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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