



Evolving Trends in Bank-Owned Life Insurance

Complimentary Edition – 2024-Q4

March 2025

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Economic Backdrop

Economic Updates

Federal Reserve & Yield Curve

- The Fed cut its target rate 25bps during the December meeting and the median dot-plot displayed only 50bps of cuts in 2025
- The yield curve steepened significantly, with the 3-month and 6-month yields falling and longer-term yields increasing

Sector Returns

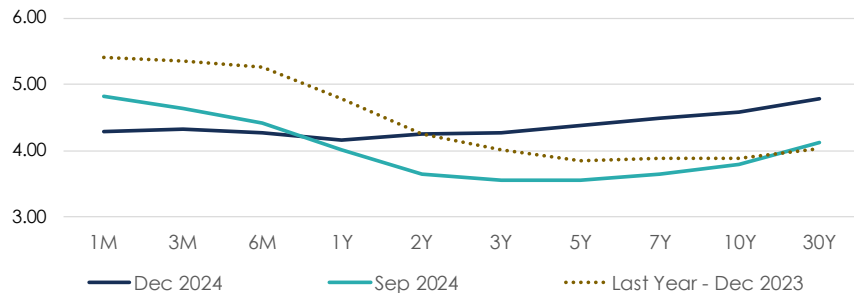
- Fixed income sectors primarily had a rough quarter, with Agency MBS returning -3.16%; underperforming like duration treasuries by 13bps
 - Auto ABS (+0.55%) alongside CLOs (+1.59%) were bright-spots in Q4
- The S&P 500 posted a positive 2.41% return with consumer discretionary (+14.25%) leading the widely mixed-performing sectors; The S&P 500 finished 2024 with a very strong +25.02% return

US Economy

- Most tones coming out of the US elections were hawkish towards potential policy changes
- Mortgage pre-payment speeds stayed historically low with rates ending 2024 ~7.3%

Financial Markets Update

US Treasury Yields



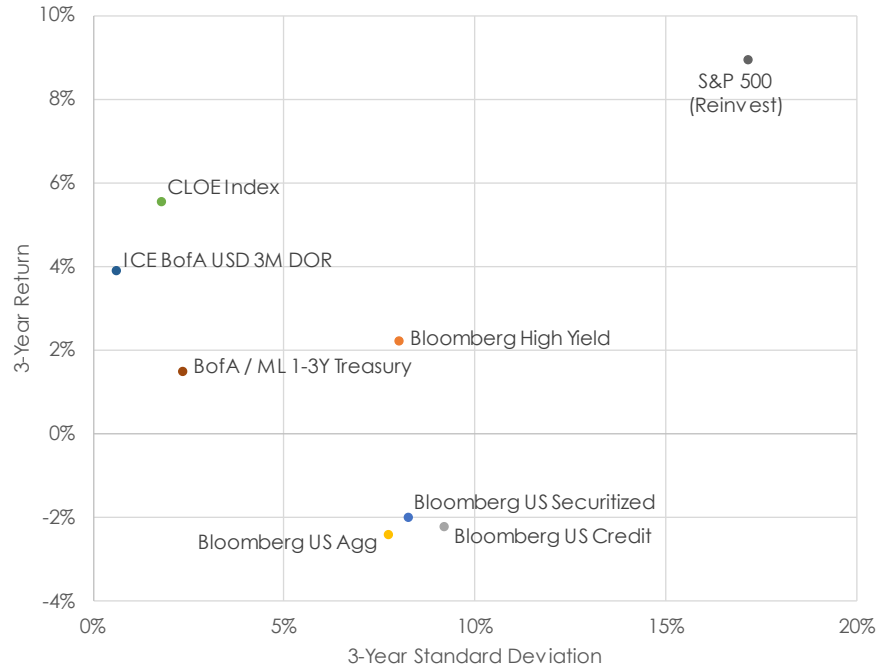
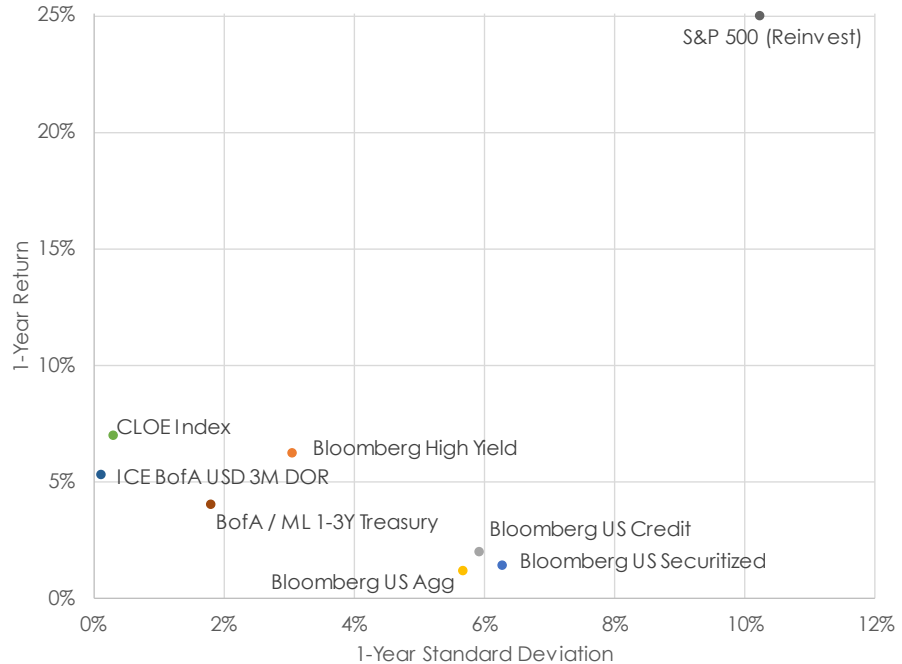
	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
Dec 2024	4.28	4.32	4.27	4.15	4.24	4.27	4.38	4.48	4.57	4.78
Sep 2024	4.82	4.63	4.41	4.01	3.64	3.55	3.56	3.65	3.78	4.12
Q Change	-0.54	-0.31	-0.14	0.14	0.60	0.72	0.82	0.83	0.79	0.66
Dec 2023	5.40	5.34	5.26	4.77	4.25	4.01	3.85	3.88	3.88	4.03
Year Change	-1.12	-1.02	-0.99	-0.62	-0.01	0.26	0.54	0.60	0.69	0.75

Sector Performance (As of Q4)

	YTW	Duration	OAS	3M Return	12M Return	3Y Return	5Y Return
Treasuries	4.45%	5.81	0.00%	-3.14%	0.58%	-2.88%	-0.68%
Corporate	5.33%	6.81	0.80%	-3.04%	2.13%	-2.26%	0.30%
CMBS	5.19%	4.14	0.80%	-1.48%	4.68%	-0.57%	0.99%
ABS	4.73%	2.69	0.44%	-0.05%	5.02%	1.98%	2.01%
Credit Card ABS	4.60%	2.28	0.32%	0.10%	5.07%	1.06%	1.44%
Auto ABS	4.70%	1.74	0.45%	0.55%	5.62%	2.34%	2.22%
Agency MBS	5.27%	6.17	0.43%	-3.16%	1.20%	-2.13%	-0.74%
GNMA	5.32%	6.09	0.42%	-2.83%	0.96%	-1.71%	-0.60%
FHLHC	5.15%	5.27	0.52%	-3.05%	1.60%	-2.07%	-0.67%
FNMA	5.25%	6.21	0.43%	-3.26%	1.26%	-2.17%	-0.72%
Palmer CLO AAA	5.25%	0.06		1.59%	7.06%	5.55%	

	3M Return	12M Return	3Y Return	5Y Return
SP 500	2.41%	25.02%	8.94%	14.53%
Energy	-2.44%	5.72%	20.02%	12.14%
Materials	-12.42%	-0.04%	-0.43%	8.69%
Industrials	-2.27%	17.47%	9.47%	12.03%
Consumer Discretionary	14.25%	30.14%	5.28%	14.12%
Consumer Staples	-3.26%	14.87%	4.69%	8.56%
Health Care	-10.30%	2.58%	0.87%	7.99%
Financials	7.09%	30.56%	9.42%	11.70%
IT	4.84%	36.61%	15.69%	24.55%
Telecom	8.87%	40.23%	9.51%	14.57%
Utilities	-5.51%	23.43%	5.22%	6.61%

1 & 3-Year Benchmark Risk/Return Plots

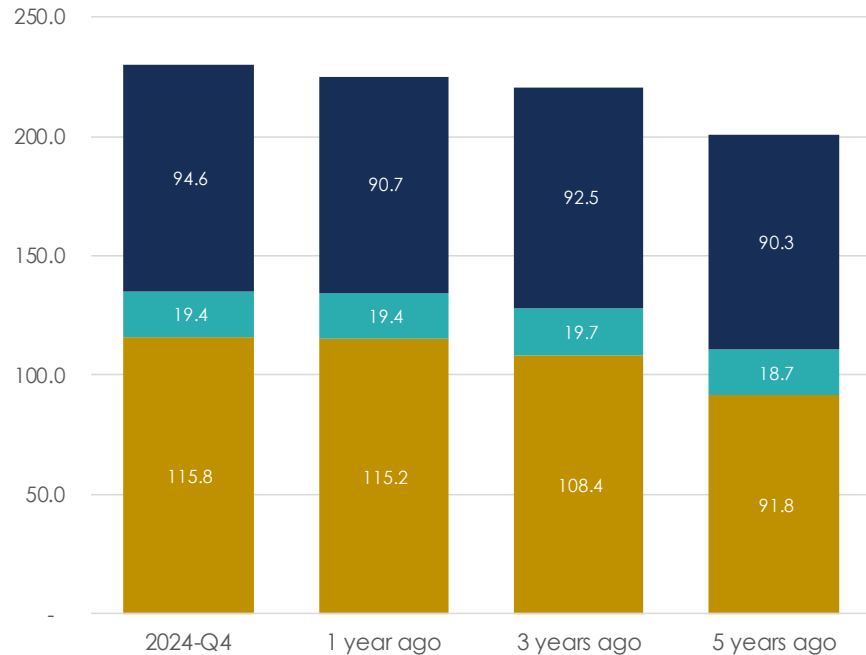


Data as of 2024-Q4

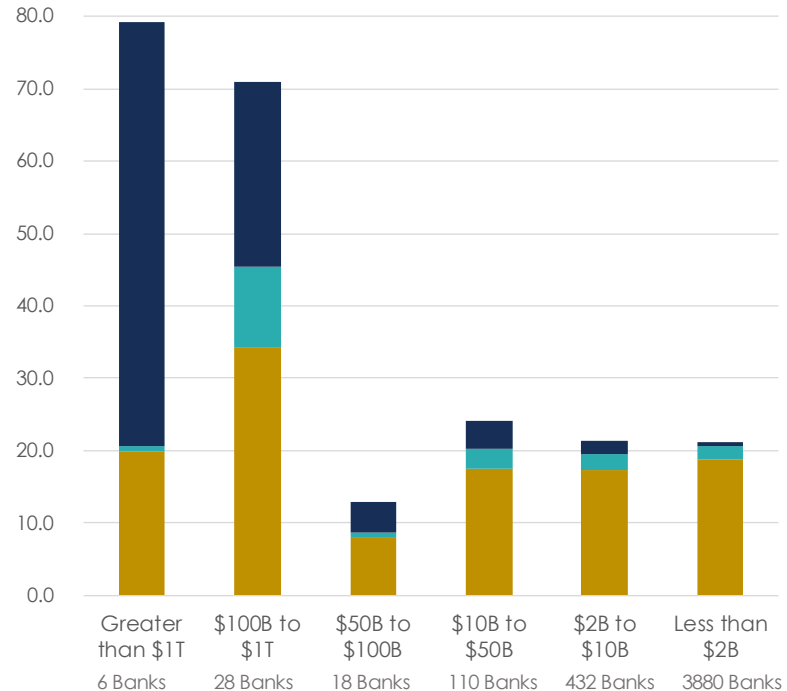
Recent Trends in BOLI

BOLI Market Overview as of 2024-Q4

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-Q4

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%	14,438	19.9	0.7	58.7	79.3	7.06%	0.55%
\$100 Billion to \$1 Trillion	28	82%	7,553	34.2	11.3	25.5	71.0	9.63%	0.94%
\$50 Billion to \$100 Billion	18	94%	1,244	8.0	0.8	4.1	12.9	9.93%	1.03%
\$10 Billion to \$50 Billion	110	79%	2,393	17.6	2.6	3.9	24.2	8.70%	1.01%
\$2 Billion to \$10 Billion	432	83%	1,834	17.3	2.1	2.0	21.4	10.04%	1.17%
Less than \$2 Billion	3,880	66%	1,715	18.8	1.9	0.5	21.2	10.15%	1.23%
TOTALS	4,474	68%	29,177	115.8	19.4	94.6	229.8	8.55%	0.79%

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%	59.2	18.4	31.0%	31.3%
\$100 Billion to \$1 Trillion	28	82%	31.3	14.1	45.2%	53.8%
\$50 Billion to \$100 Billion	18	94%	4.6	3.4	74.3%	63.4%
\$10 Billion to \$50 Billion	110	79%	6.2	4.1	66.3%	82.9%
\$2 Billion to \$10 Billion	432	83%	3.7	3.1	82.4%	91.2%
Less than \$2 Billion	3,880	66%	1.6	1.5	94.0%	102.0%
Total	4,474	68%	106.6	44.6	41.9%	95.6%

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-Q4	7	234	20	1,830	27	2,063	8	-233	19	-1,733	27	-1,966
1-Year	17	1,370	72	3,234	89	4,604	18	-847	54	-2,791	72	-3,639
3-Year	56	3,906	205	8,103	261	12,009	33	-2,080	100	-5,932	133	-8,012
5-Year	164	11,493	362	11,273	526	22,766	34	-2,124	112	-6,418	146	-8,542
SA												
2024-Q4	2	38	7	1,537	9	1,575	1	-4	1	-21	2	-25
1-Year	6	1,070	21	1,961	27	3,031	3	-238	7	-233	10	-471
3-Year	11	1,219	38	2,561	49	3,781	5	-282	21	-2,052	26	-2,334
5-Year	14	1,317	47	2,871	61	4,189	6	-326	27	-2,277	33	-2,602
GA												
2024-Q4	3	147	11	232	14	379	5	-200	12	-1,560	17	-1,760
1-Year	9	251	40	990	49	1,241	11	-530	33	-2,212	44	-2,743
3-Year	42	2,623	149	5,095	191	7,717	21	-1,652	48	-3,207	69	-4,860
5-Year	146	10,012	293	7,888	439	17,900	21	-1,652	54	-3,468	75	-5,121
HYBRID												
2024-Q4	2	49	2	61	4	110	2	-30	6	-153	8	-182
1-Year	2	49	11	283	13	332	4	-80	14	-346	18	-426
3-Year	3	64	18	447	21	511	7	-146	31	-673	38	-819
5-Year	4	164	22	513	26	677	7	-146	31	-673	38	-819

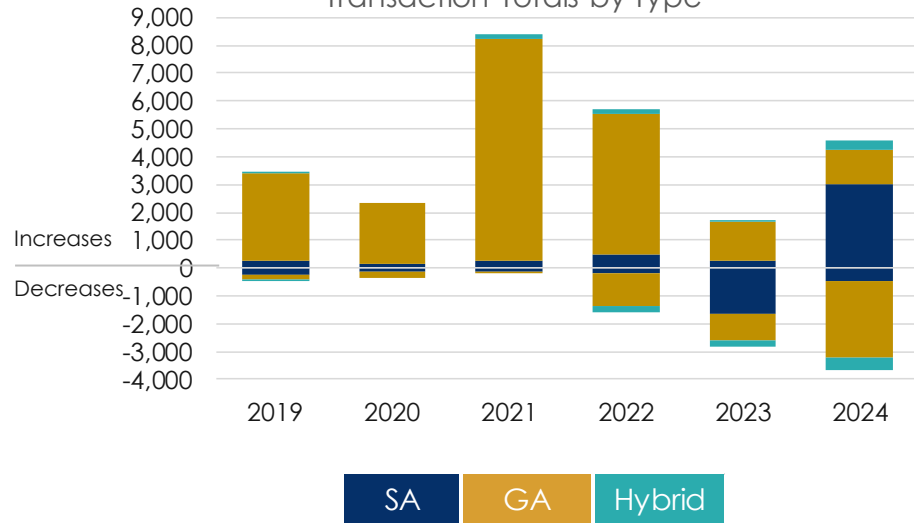
Listings of activity by institution are available upon request

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



Activity in Millions | **Bolded** values are confirmed/noted in filings

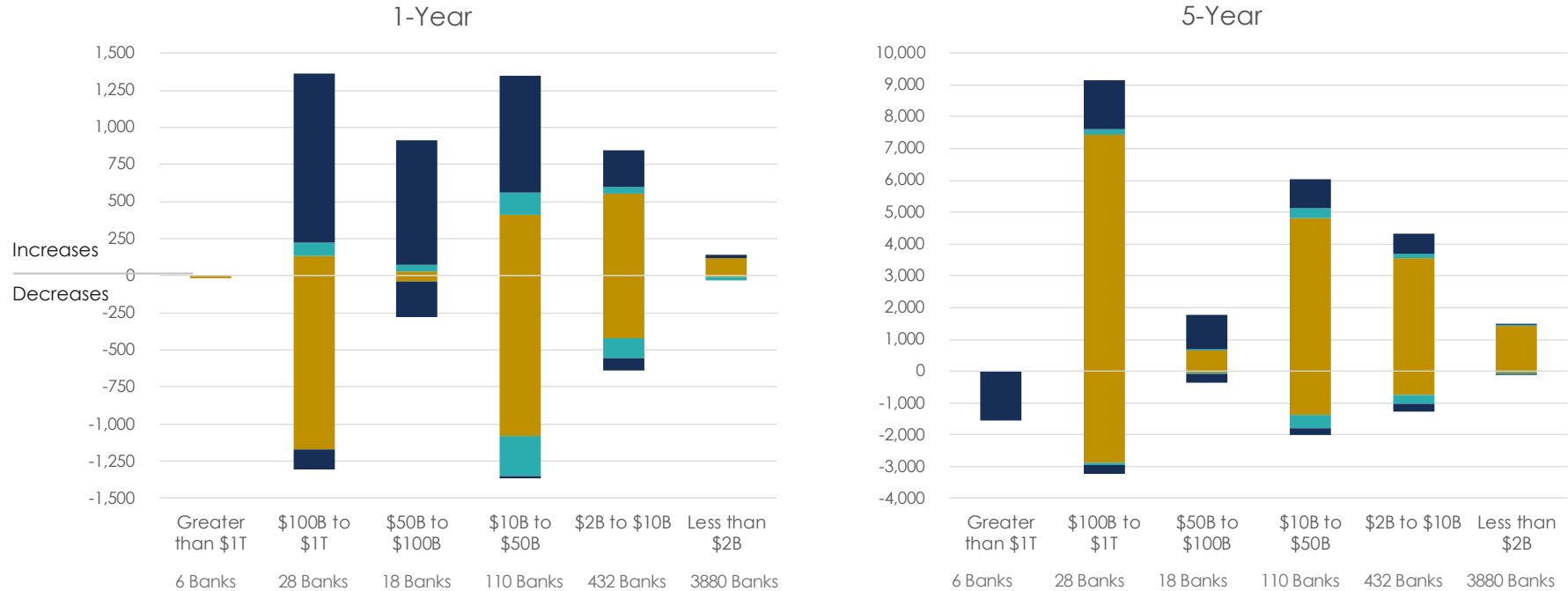
Current Quarter Notable		SA	GA	HY
2024-Q4	TRUIST FINANCIAL CORP	\$1,139	(\$1,120)	
2024-Q4	BANC OF CALIFORNIA INC	\$218	(\$200)	(\$20)
2024-Q4	AXOS FINANCIAL INC		\$100	
2024-Q4	DIME COMMUNITY BANCSHARES		(\$80)	(\$5)
2024-Q4	FIRST HAWAIIAN INC	\$64	(\$13)	(\$49)
2024-Q4	AMERIS BCORP		(\$53)	
2024-Q4	MUTUAL BCORP		(\$50)	
2024-Q4	NORTHFIELD BCORP INC		\$50	(\$50)

Recently Notable		SA	GA	HY
2024-Q3	Western Alliance	\$800		
2024-Q3	City National Bank of Florida		(\$110)	(\$54)
2024-Q3	Bank of Hawaii	\$95	(\$95)	
2024-Q2	First Hawaiian	\$182	(\$143)	(\$37)
2024-Q1	First Horizon	(\$215)		
2024-Q1	Truist	(\$133)	\$133	
2023-Q3	Wells Fargo	(\$1,230)		
2022-2023	First Citizens		(\$1,240)	

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

BOLI Transactions by Type and Bank Size

Movement or Transactions of \$10M or More



Listing of activity by institution are available upon request

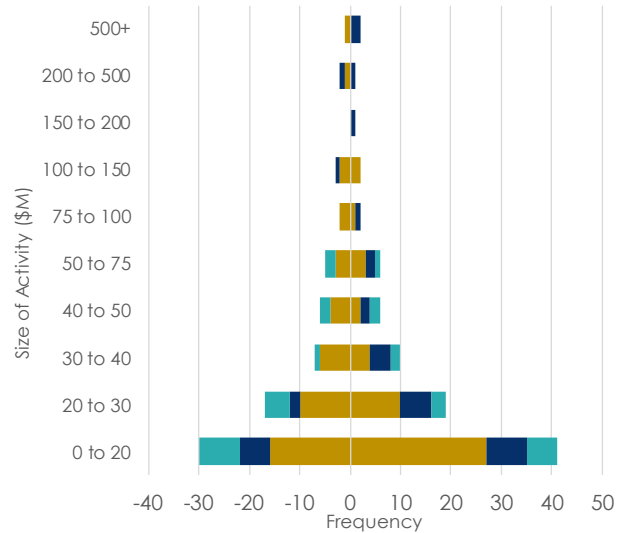
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Frequency of BOLI Transaction Sizes

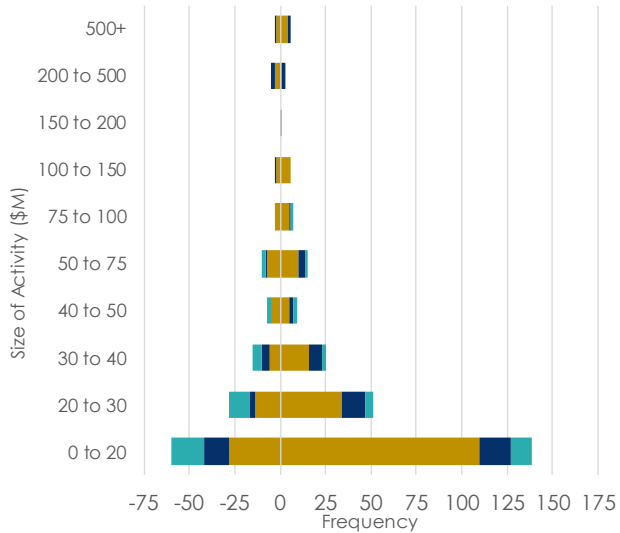
Movement or Transactions of \$10M or More

- Over the past 5 years, over 70% of transactions have been below \$30 Million, while 8% are over \$100 million

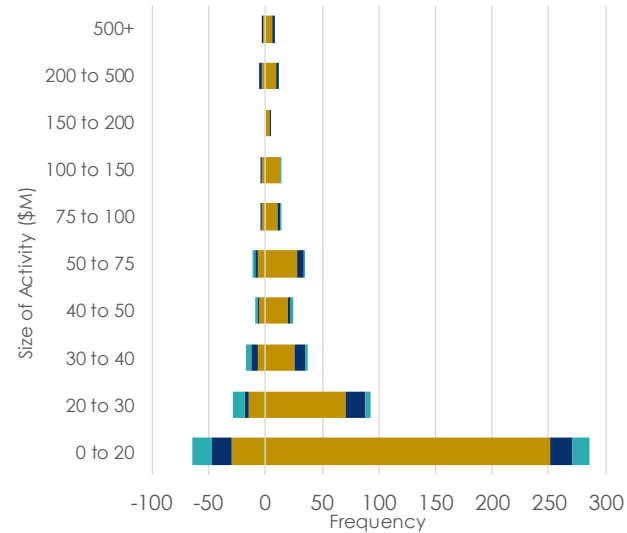
1-Year



3-Year



5-Year



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

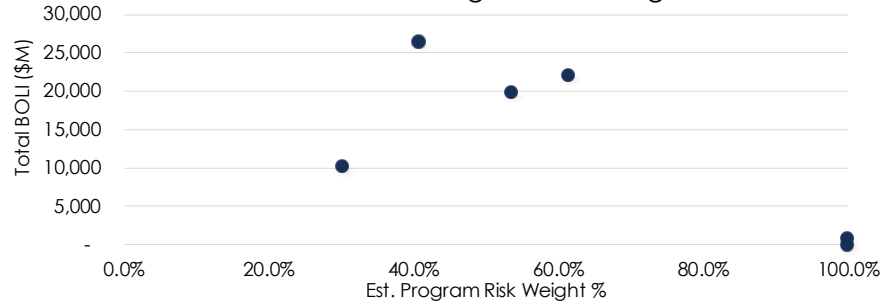
Market Analytics By Bank Size

Banks with over \$1T in Total Assets

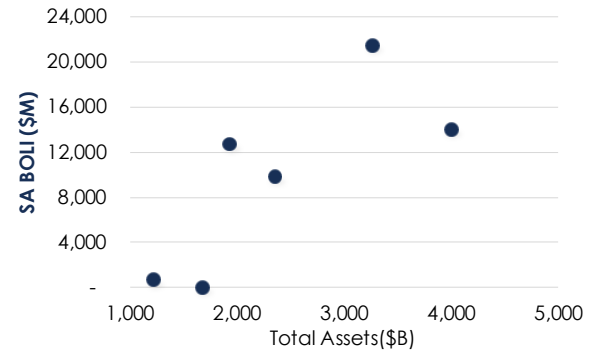
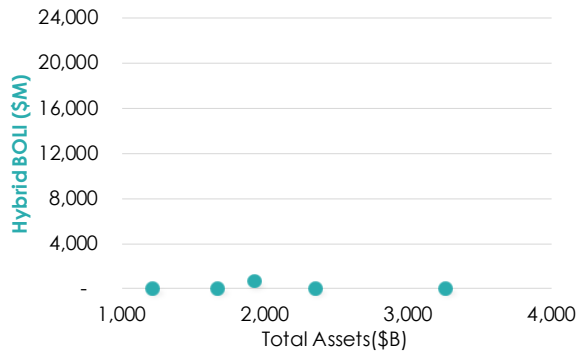
6 of 6 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	19,918	666	58,700	79,284	7%
Average	3,320	111	9,783	13,214	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-Q4	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	0	0	0	0	0	0	1	-18	1	-18
3-Year	0	0	0	0	0	0	0	0	3	-1,558	3	-1,558
5-Year	0	0	0	0	0	0	0	0	3	-1,558	3	-1,558
SA												
2024-Q4	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	2	-1,540	2	-1,540
5-Year	0	0	0	0	0	0	0	0	2	-1,540	2	-1,540
GA												
2024-Q4	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	0	0	0	0	0	0	1	-18	1	-18
3-Year	0	0	0	0	0	0	0	0	1	-18	1	-18
5-Year	0	0	0	0	0	0	0	0	1	-18	1	-18
HYBRID												
2024-Q4	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

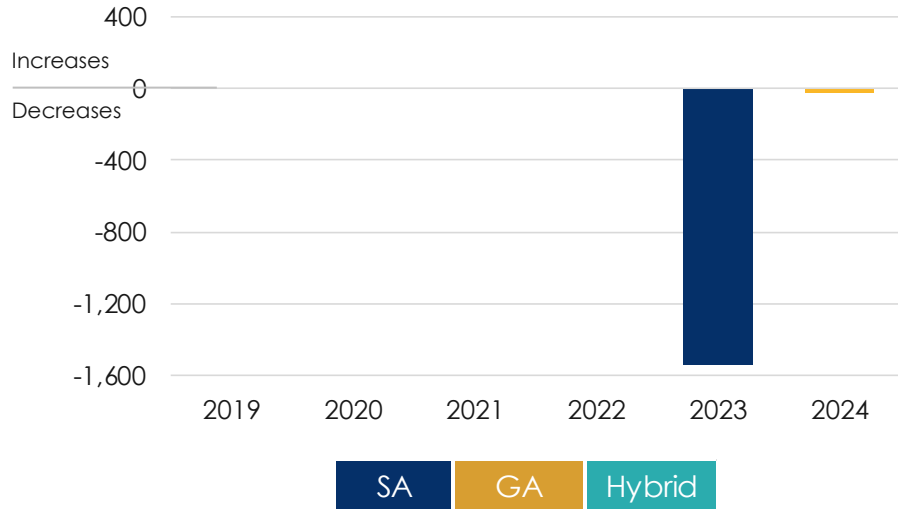
Listings of activity by institution are available upon request

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



Activity in Millions | **Bolded** values are confirmed/noted in filings

Current Quarter

SA

GA

HY

Recently Notable

SA

GA

HY

2024-Q2 Morgan Stanley

(\$18)

2023-Q4 Morgan Stanley

(\$311)

2023-Q3 Wells Fargo

(\$1,230)

Frequency of BOLI Transaction Sizes

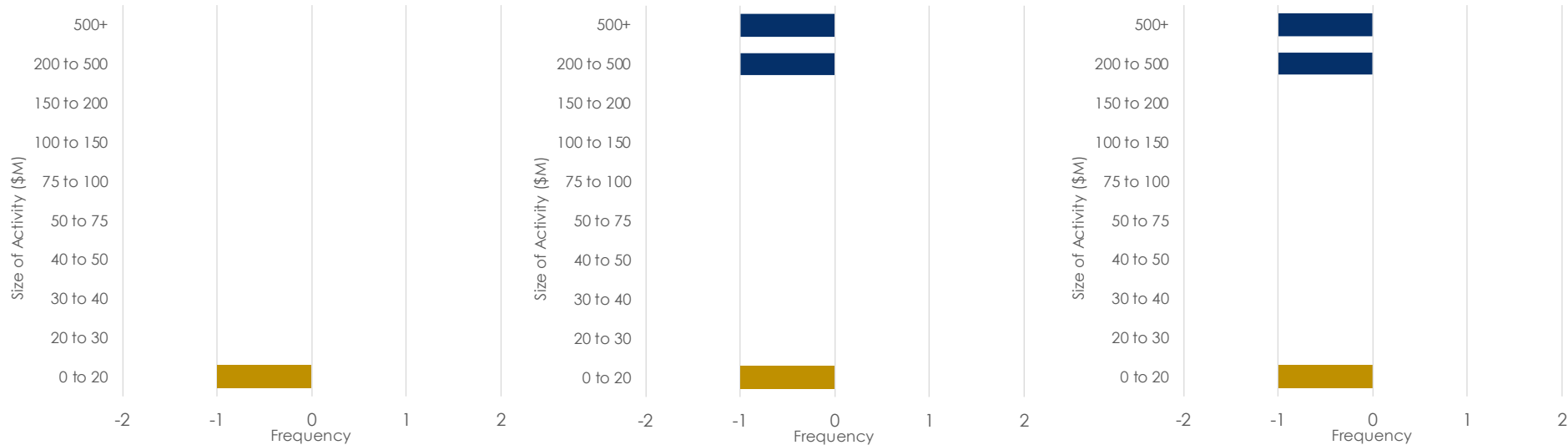
Banks with over \$1T in Total Assets

- While they own over a third of all BOLI, MBSA has only tracked 3 transactions (not related to M&A) over the last 5 years

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

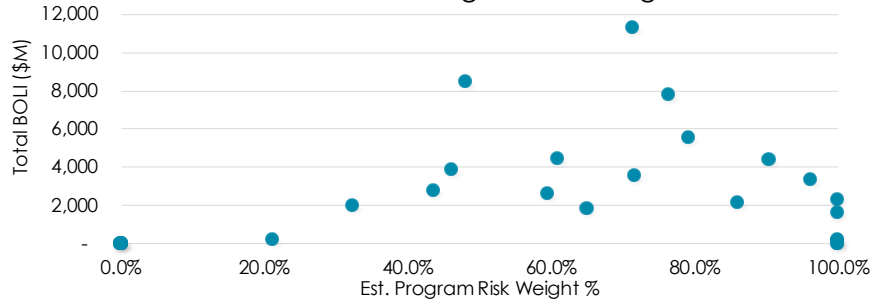
Market Analytics By Bank Size

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

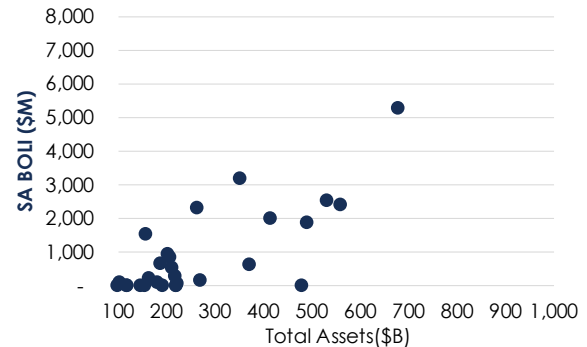
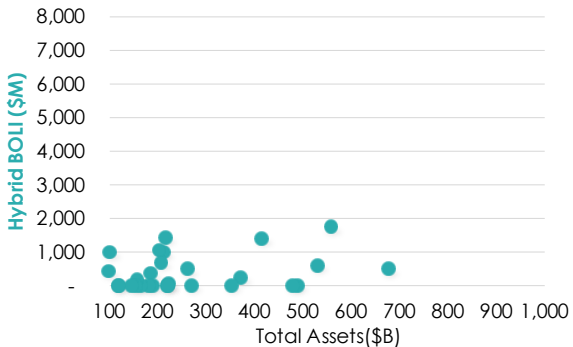
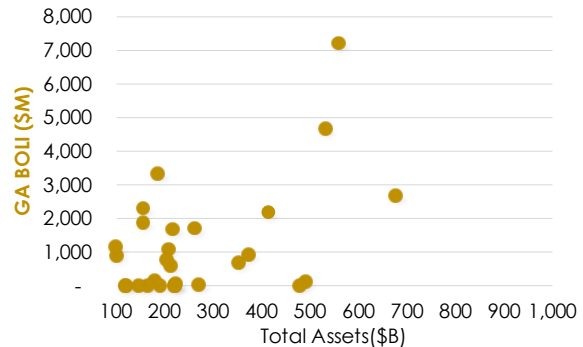
23 of 28 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	34,194	11,277	25,491	70,963	10%
Average	1,221	403	910	2,534	10%
Last Q # of Increases	-	1	1	2	
Increase Total (\$M)	-	20	1,139	1,159	
Last Q # of Decreases	2	-	-	2	
Decrease Total (\$M)	(1,130)	-	-	(1,130)	

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

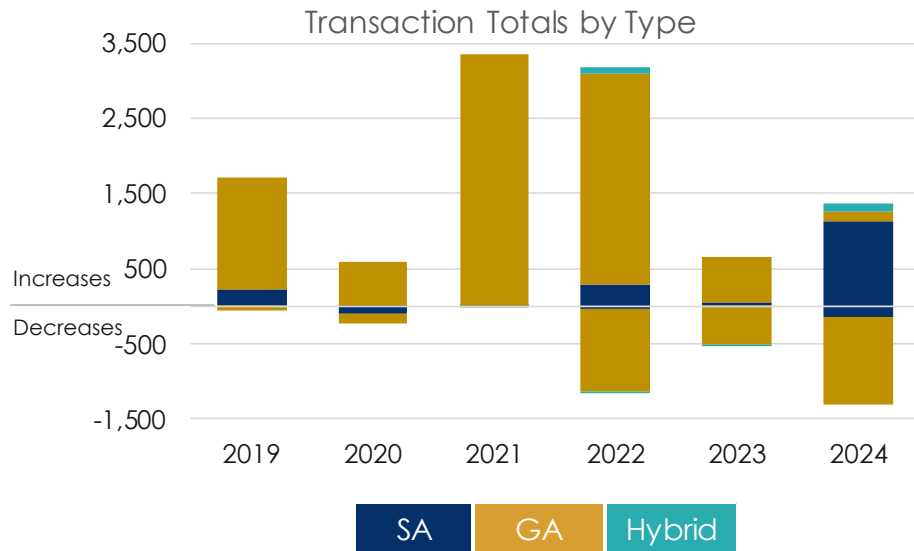
Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2024-Q4	0	0	2	1,159	2	1,159	0	0	2	-1,130	2	-1,130
1-Year	0	0	5	1,362	5	1,362	0	0	5	-1,306	5	-1,306
3-Year	7	1,328	14	3,875	21	5,203	2	-815	11	-2,166	13	-2,981
5-Year	20	5,273	14	3,875	34	9,148	2	-815	14	-2,403	16	-3,218
SA												
2024-Q4	0	0	1	1,139	1	1,139	0	0	0	0	0	0
1-Year	0	0	1	1,139	1	1,139	0	0	1	-133	1	-133
3-Year	2	52	4	1,434	6	1,486	0	0	2	-170	2	-170
5-Year	4	90	4	1,434	8	1,524	0	0	4	-274	4	-274
GA												
2024-Q4	0	0	0	0	0	0	0	0	2	-1,130	2	-1,130
1-Year	0	0	1	133	1	133	0	0	4	-1,173	4	-1,173
3-Year	5	1,276	6	2,270	11	3,546	2	-815	7	-1,950	9	-2,765
5-Year	16	5,183	6	2,270	22	7,452	2	-815	8	-2,083	10	-2,898
HYBRID												
2024-Q4	0	0	1	20	1	20	0	0	0	0	0	0
1-Year	0	0	3	90	3	90	0	0	0	0	0	0
3-Year	0	0	4	171	4	171	0	0	2	-46	2	-46
5-Year	0	0	4	171	4	171	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



Activity in Millions | **Bolded** values are confirmed/noted in filings

Current Quarter		SA	GA	HY
2024-Q4	TRUIST FINANCIAL CORP	\$1,139	(\$1,120)	
2024-Q4	NEW YORK COMMUNITY BCORP		(\$10)	\$20
Recently Notable		SA	GA	HY
2024-Q1	Truist	(\$133)	\$133	
2024-Q1	Citizens Financial		(\$23)	\$43
2023-Q4	New York Community Bcorp		\$27	(\$22)
2023-Q3	BMO	\$23	(\$23)	
2023-Q2	First Citizens		(\$427)	
2023-Q1	First Citizens		(\$55)	
2023-Q1	First Republic	\$25	\$575	

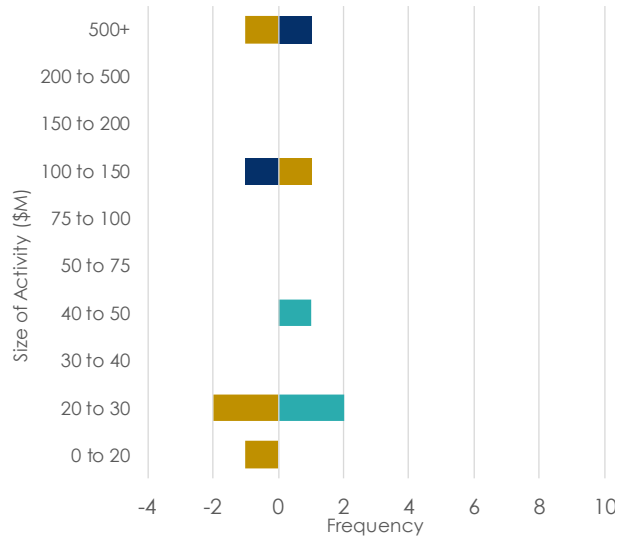
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Frequency of BOLI Transaction Sizes

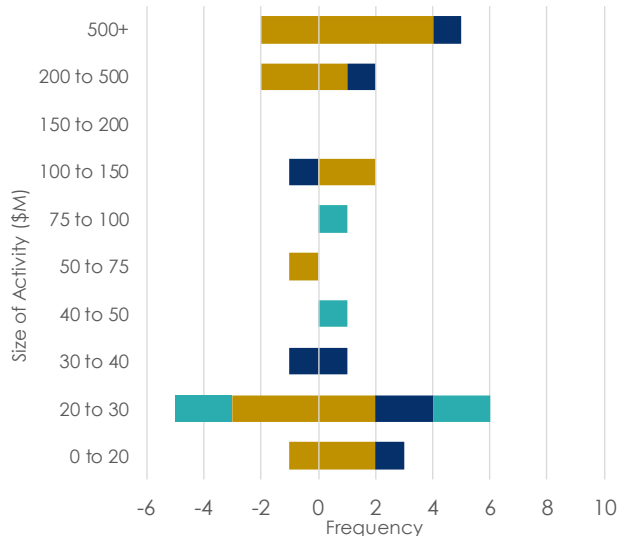
Banks with \$100B to \$1T in Total Assets

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

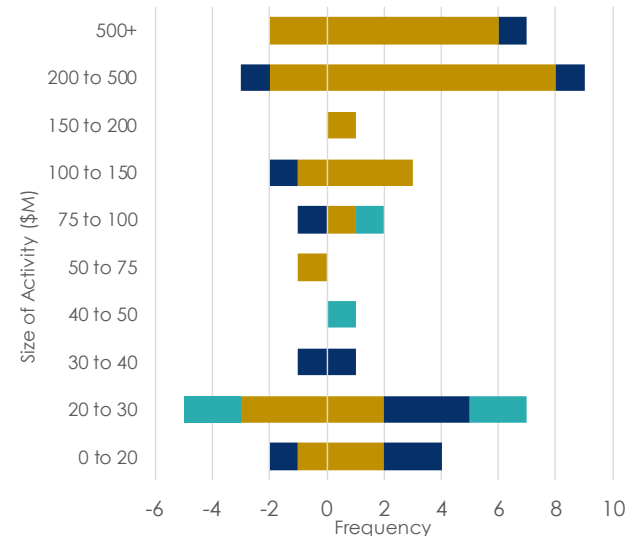
1-Year



3-Year



5-Year



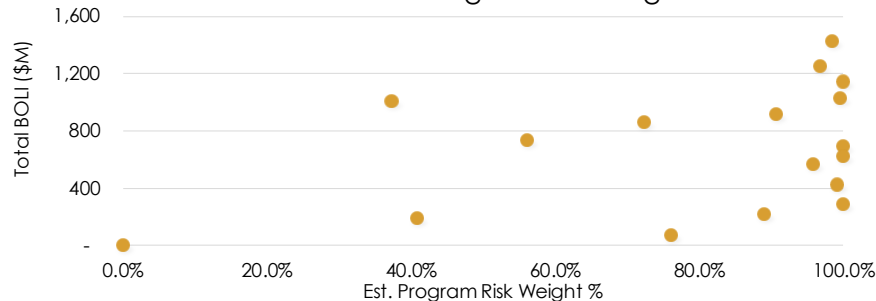
Market Analytics By Bank Size

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

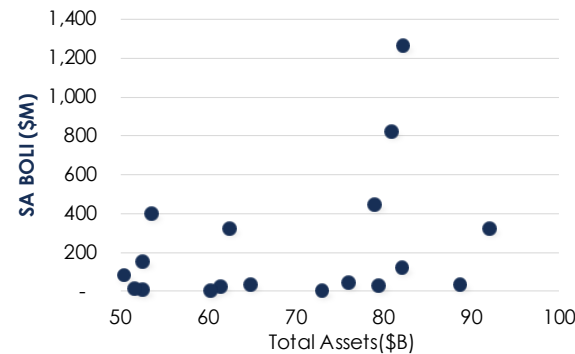
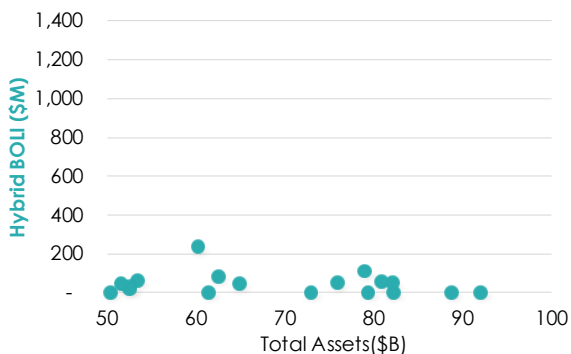
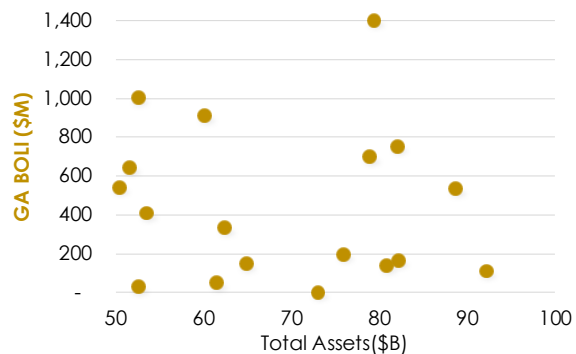
17 of 18 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	8,021	754	4,095	12,870	10%
Average	446	42	227	715	10%
Last Q # of Increases	-	1	-	1	
Increase Total (\$M)	-	38	-	38	
Last Q # of Decreases	1	-	-	1	
Decrease Total (\$M)	(38)	-	-	(38)	

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-Q4	1	38	0	0	1	38	1	-38	0	0	1	-38
1-Year	2	838	3	74	5	912	2	-253	1	-23	3	-276
3-Year	3	866	8	180	11	1,046	2	-253	4	-93	6	-346
5-Year	7	1,366	15	391	22	1,757	2	-253	5	-123	7	-376
SA												
2024-Q4	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	1	800	1	36	2	836	1	-215	1	-23	2	-238
3-Year	1	800	2	58	3	858	1	-215	2	-52	3	-267
5-Year	1	800	9	269	10	1,069	1	-215	3	-82	4	-297
GA												
2024-Q4	0	0	0	0	0	0	1	-38	0	0	1	-38
1-Year	0	0	1	26	1	26	1	-38	0	0	1	-38
3-Year	1	28	5	110	6	138	1	-38	0	0	1	-38
5-Year	5	528	5	110	10	638	1	-38	0	0	1	-38
HYBRID												
2024-Q4	1	38	0	0	1	38	0	0	0	0	0	0
1-Year	1	38	1	12	2	50	0	0	0	0	0	0
3-Year	1	38	1	12	2	50	0	0	2	-41	2	-41
5-Year	1	38	1	12	2	50	0	0	2	-41	2	-41

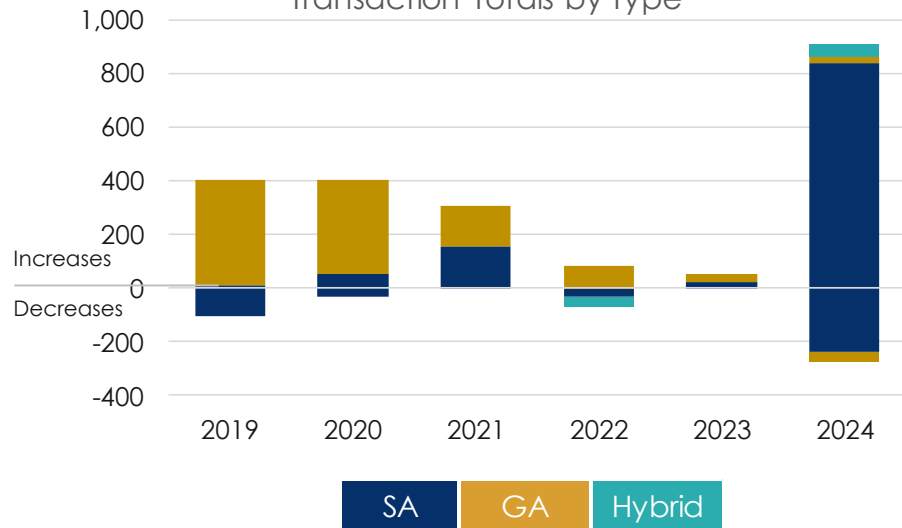
Listings of activity by institution are available upon request

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



Activity in Millions | **Bolded** values are confirmed/noted in filings

Current Quarter

	SA	GA	HY
2024-Q4 SYNOVUS FINANCIAL CORP		(\$38)	\$38

Recently Notable

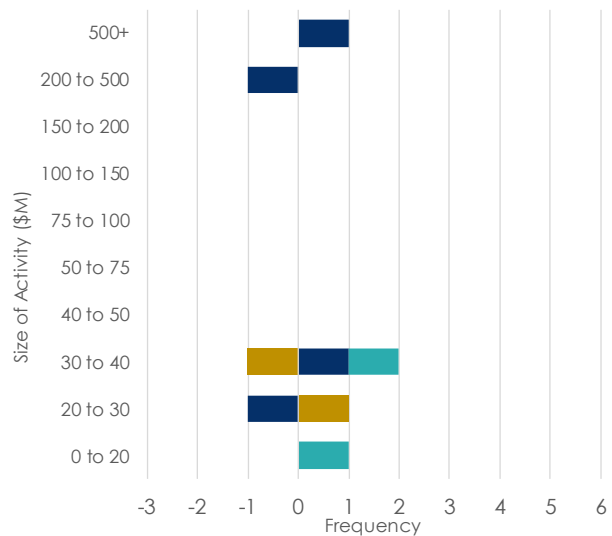
	SA	GA	HY
2024-Q3 Western Alliance Bcorp	\$800		
2024-Q2 Valley National	(\$23)	\$26	
2024-Q1 First Horizon	(\$215)		
2024-Q1 City National	\$36		
2024-Q1 Synovus			\$12
2023-Q4 Columbia Banking		\$28	
2023-Q4 City National	\$22		
2022-Q4 City National		\$14	
2022-Q4 Synovus		\$10	(\$10)

Frequency of BOLI Transaction Sizes

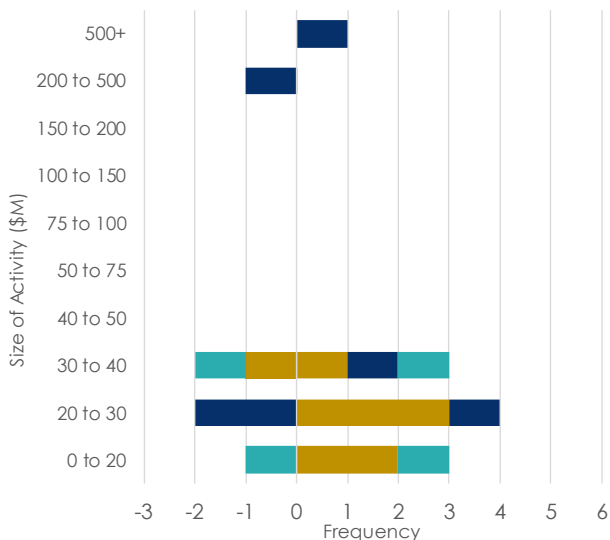
Banks with \$50B to \$100B in Total Assets

- Recent purchases have been mostly under 50 million, with the exception of one 500+ purchase of SA

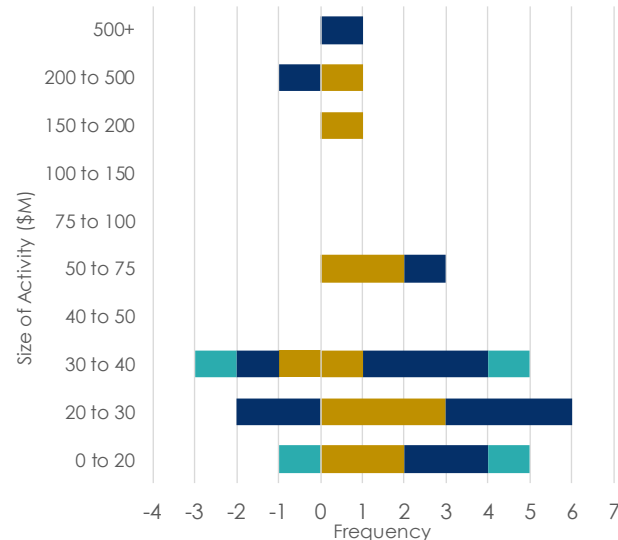
1-Year



3-Year



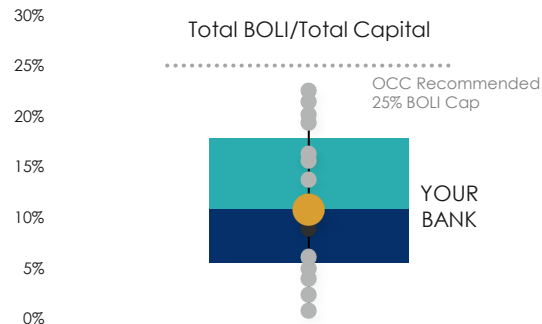
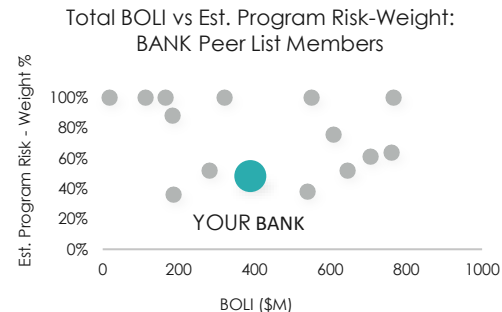
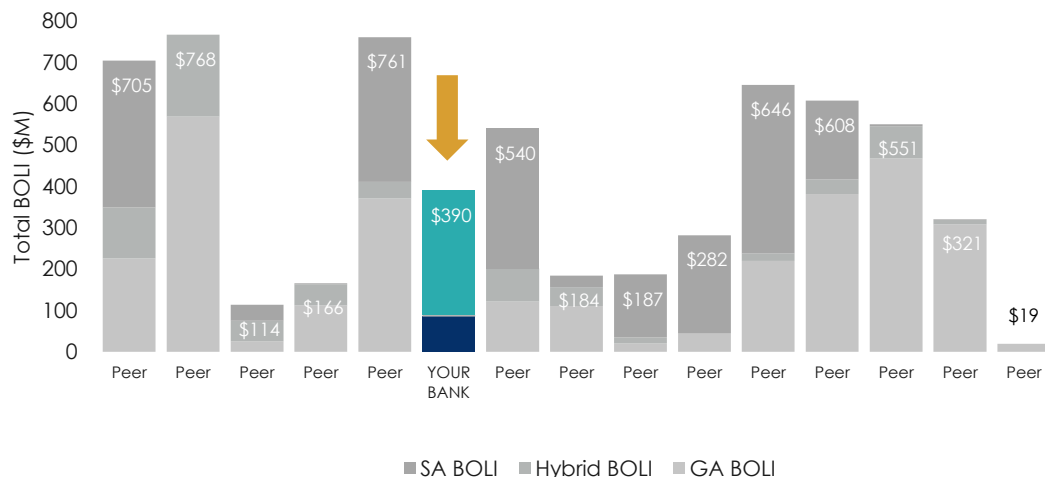
5-Year



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



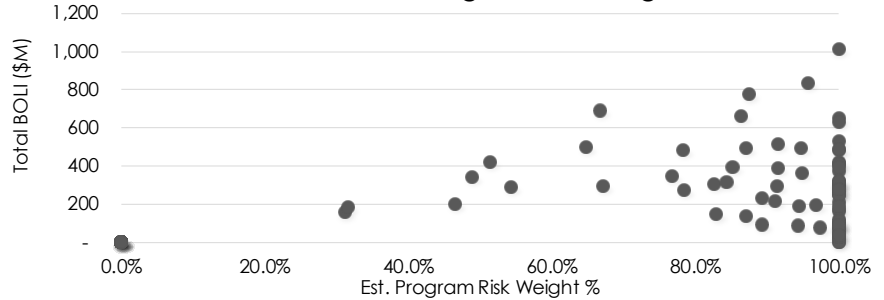
Market Analytics By Bank Size

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

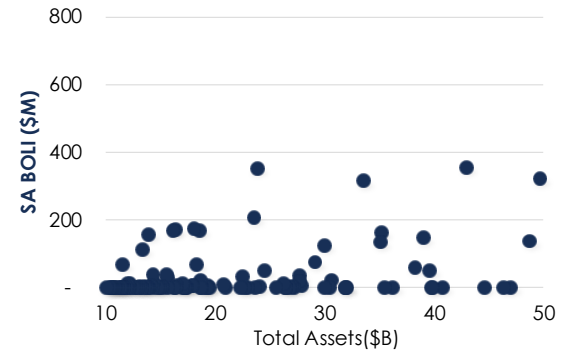
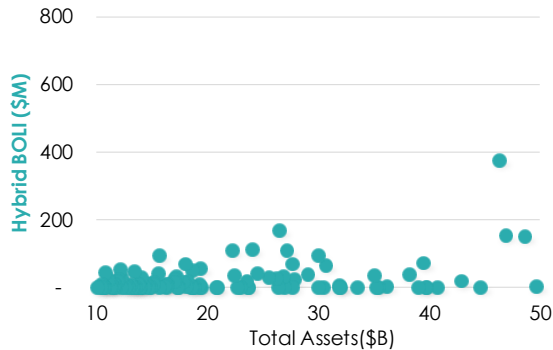
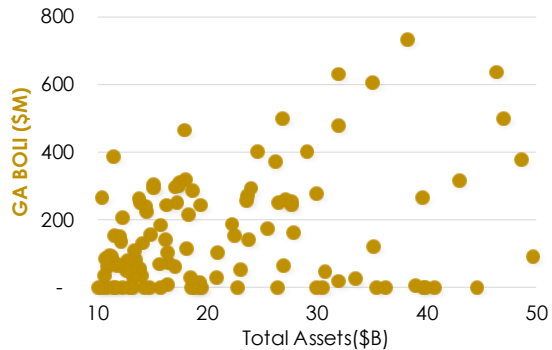
87 of 110 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	17,588	2,639	3,927	24,154	9%
Average	160	24	36	220	76%
Last Q # of Increases	3	2	4	9	
Increase Total (\$M)	147	52	349	548	
Last Q # of Decreases	9	5	1	15	
Decrease Total (\$M)	(470)	(102)	(4)	(575)	

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-Q4	2	111	7	437	9	548	6	-170	9	-405	15	-575
1-Year	6	332	24	1,015	30	1,347	10	-396	24	-971	34	-1,367
3-Year	18	1,103	53	1,770	71	2,874	14	-563	42	-1,356	56	-1,918
5-Year	51	3,053	74	2,975	125	6,028	15	-607	45	-1,419	60	-2,025
SA												
2024-Q4	0	0	4	349	4	349	1	-4	0	0	1	-4
1-Year	2	193	10	593	12	786	1	-4	1	-15	2	-19
3-Year	2	193	13	679	15	871	2	-37	5	-126	7	-163
5-Year	2	193	14	702	16	895	3	-81	6	-141	9	-222
GA												
2024-Q4	1	100	2	47	3	147	4	-162	5	-308	9	-470
1-Year	3	128	9	282	12	410	6	-337	16	-745	22	-1,082
3-Year	15	900	33	917	48	1,817	8	-449	21	-873	29	-1,322
5-Year	47	2,749	52	2,072	99	4,822	8	-449	23	-921	31	-1,370
HYBRID												
2024-Q4	1	11	1	41	2	52	1	-5	4	-98	5	-102
1-Year	1	11	5	140	6	151	3	-55	7	-211	10	-266
3-Year	1	11	7	174	8	185	4	-77	16	-356	20	-433
5-Year	2	111	8	200	10	311	4	-77	16	-356	20	-433

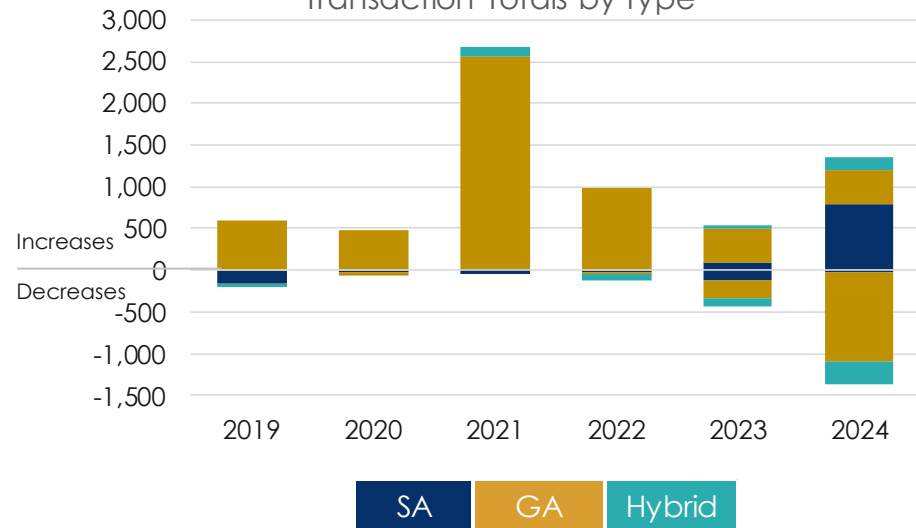
Listings of activity by institution are available upon request

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



Activity in Millions | **Bolded** values are confirmed/noted in filings

Current Quarter		SA	GA	HY
2024-Q4	BANC OF CALIFORNIA INC	\$218	(\$200)	(\$20)
2024-Q4	AXOS FINANCIAL INC		\$100	
2024-Q4	DIME COMMUNITY BANCSHARES		(\$80)	(\$5)
2024-Q4	FIRST HAWAIIAN INC	\$64	(\$13)	(\$49)
2024-Q4	AMERIS BCORP		(\$53)	
2024-Q4	BANK OF HAWAII CORP	\$42	(\$29)	(\$7)
2024-Q4	City National Bank of Florida		(\$41)	\$41
2024-Q4	FIRST FINANCIAL BCORP	\$25	(\$25)	
2024-Q4	SIMMONS FIRST NATIONAL CORP		\$25	
2024-Q4	FirstBank		\$22	(\$22)
2024-Q4	BANKUNITED INC	(\$4)	(\$18)	
2024-Q4	SOUTHSTATE CORP		(\$11)	\$11

Recently Notable		SA	GA	HY
2024-Q3	City National Bank of Florida		(\$110)	(\$54)
2024-Q3	Bank of Hawaii Corp	\$95	(\$95)	
2024-Q3	AMERIS Bcorp		\$75	

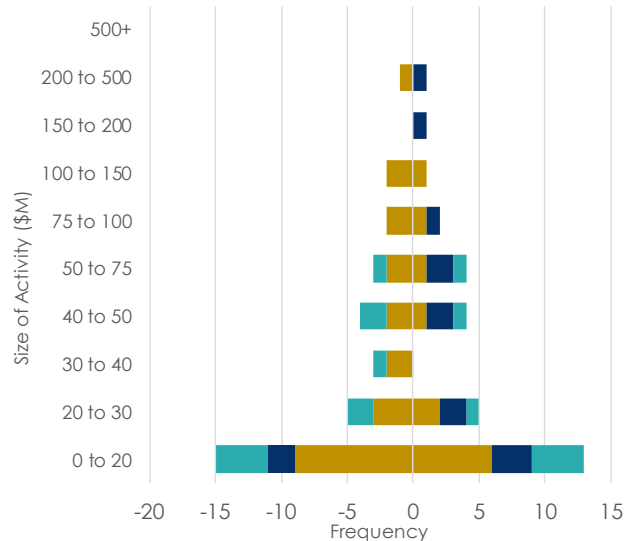
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Frequency of BOLI Transaction Sizes

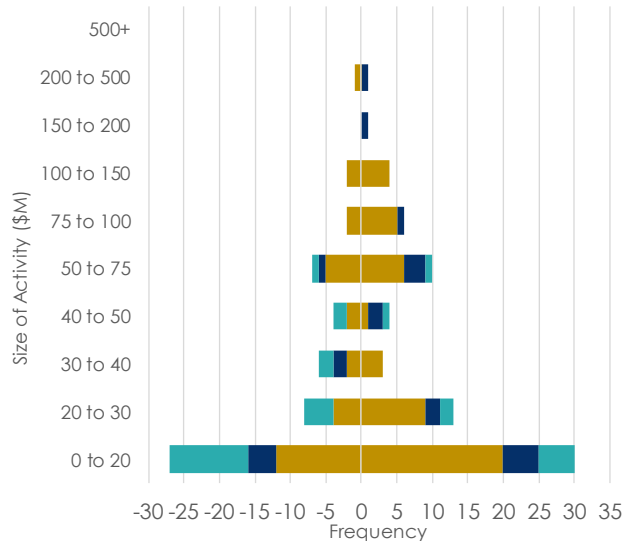
Banks with \$10B to \$50B in Total Assets

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

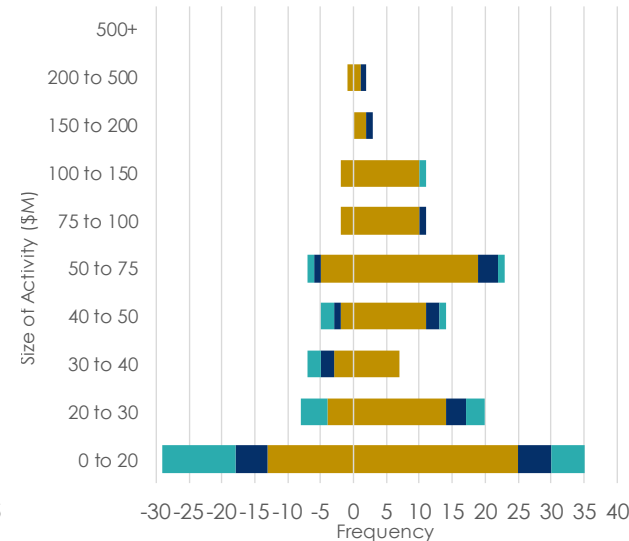
1-Year



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

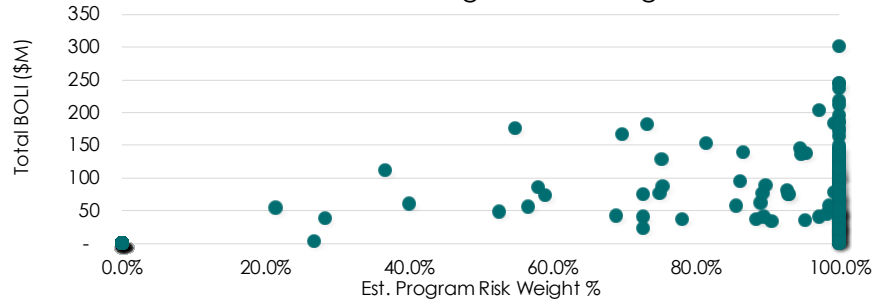
Market Analytics By Bank Size

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

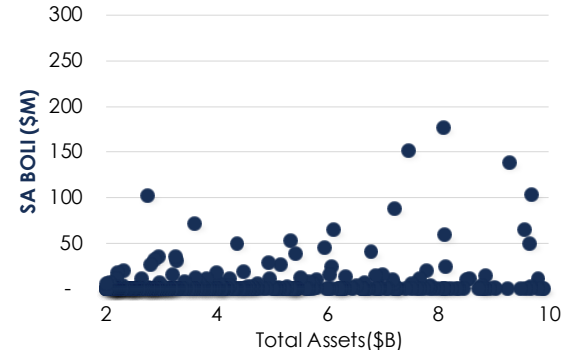
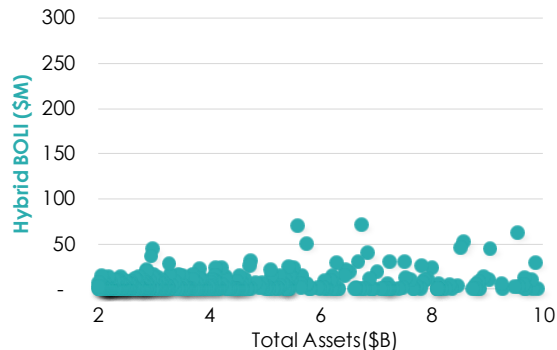
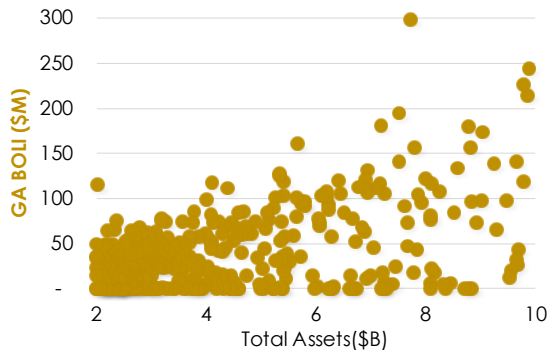
358 of 432 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	15,181	1,963	1,905	19,049	10%
Average	45	6	6	57	11%
Last Q # of Increases	11	-	4	15	
Increase Total (\$M)	232	-	87	319	
Last Q # of Decreases	5	3	1	9	
Decrease Total (\$M)	(122)	(80)	(21)	(223)	

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-Q4	4	85	11	234	15	319	1	-25	8	-198	9	-223
1-Year	8	166	32	679	40	844	6	-199	21	-441	27	-639
3-Year	26	563	88	1,714	114	2,278	15	-449	33	-667	48	-1,116
5-Year	77	1,678	139	2,654	216	4,332	15	-449	38	-822	53	-1,271
SA												
2024-Q4	2	38	2	49	4	87	0	0	1	-21	1	-21
1-Year	3	78	8	171	11	249	1	-19	4	-62	5	-81
3-Year	6	175	16	330	22	504	2	-30	9	-154	11	-184
5-Year	7	235	17	405	24	640	2	-30	11	-229	13	-259
GA												
2024-Q4	2	47	9	185	11	232	0	0	5	-122	5	-122
1-Year	5	88	22	467	27	555	4	-155	11	-265	15	-420
3-Year	19	374	67	1,304	86	1,678	10	-350	14	-305	24	-656
5-Year	69	1,428	115	2,139	184	3,567	10	-350	17	-385	27	-736
HYBRID												
2024-Q4	0	0	0	0	0	0	1	-25	2	-55	3	-80
1-Year	0	0	2	41	2	41	1	-25	6	-113	7	-138
3-Year	1	15	5	80	6	95	3	-69	10	-207	13	-276
5-Year	1	15	7	110	8	125	3	-69	10	-207	13	-276

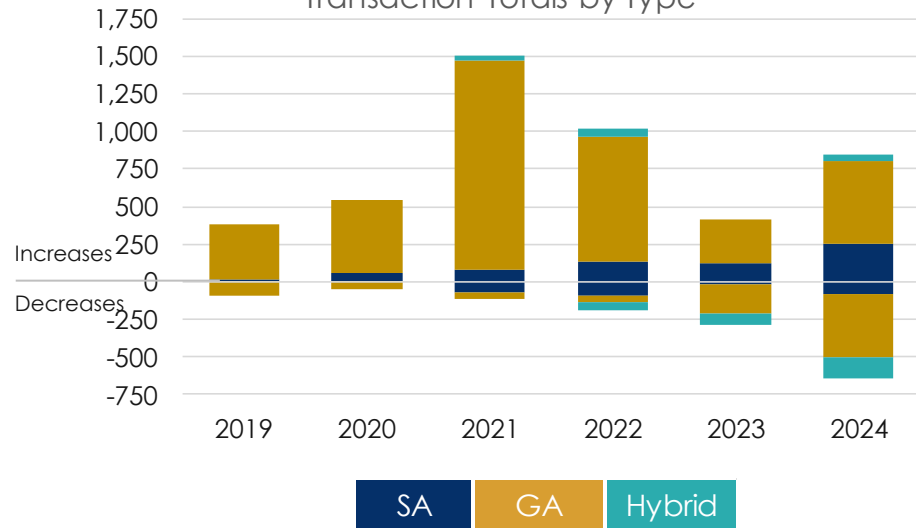
Listings of activity by institution are available upon request

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



Activity in Millions | **Bolded** values are confirmed/noted in filings

Current Quarter		SA	GA	HY
2024-Q4	MUTUAL BCORP		(\$50)	
2024-Q4	NORTHFIELD BCORP INC		\$50	(\$50)
2024-Q4	GREEN DOT CORP	\$18	\$37	
2024-Q4	CHOICE FINANCIAL HOLDINGS		\$35	
2024-Q4	Midwest BankCentre	\$25	(\$25)	
2024-Q4	HERITAGE FINANCIAL CORP		\$10	(\$25)
2024-Q4	NB BCORP INC	\$24	(\$24)	
2024-Q4	CAMBRIDGE FINANCIAL GROUP	(\$21)	\$21	
2024-Q4	1867 WESTERN FINANCIAL CORP		\$20	
2024-Q4	TRIUMPH FINANCIAL INC	\$20		
2024-Q4	BUSINESS FIRST BANCSHARES INC		\$15	
2024-Q4	ENCORE BANCSHARES INC		\$14	
2024-Q4	PEOPLESBANCORP MHC		(\$10)	(\$5)
2024-Q4	SMARTFINANCIAL INC		\$10	

Recently Notable

	SA	GA	HY
2024-Q3 NB Bcorp Inc		\$50	

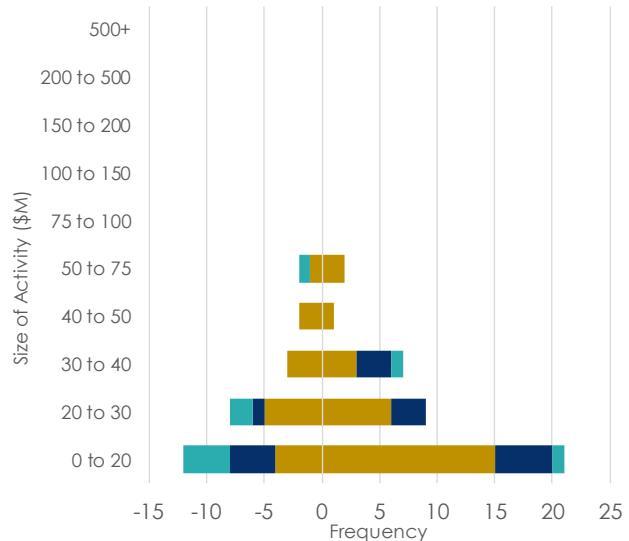
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of \$10 million

Frequency of BOLI Transaction Sizes

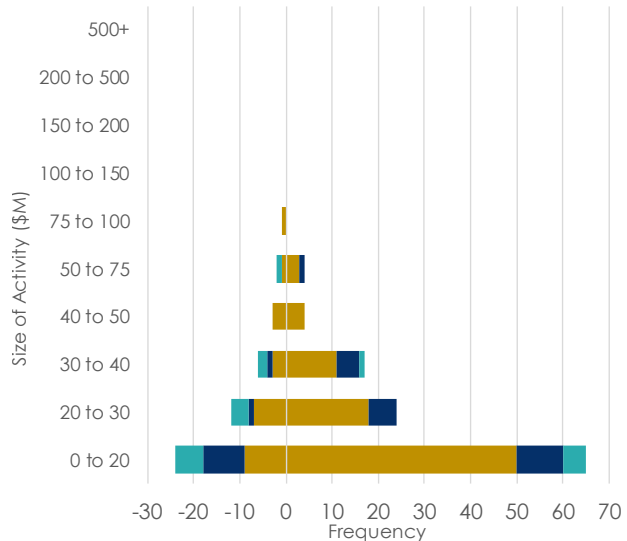
Banks with \$2B to \$10B in Total Assets

- This bank tier has only seen one recent purchase over \$75 million, with the majority under \$30 million
- Over the last year, many transactions appear to be restructuring related

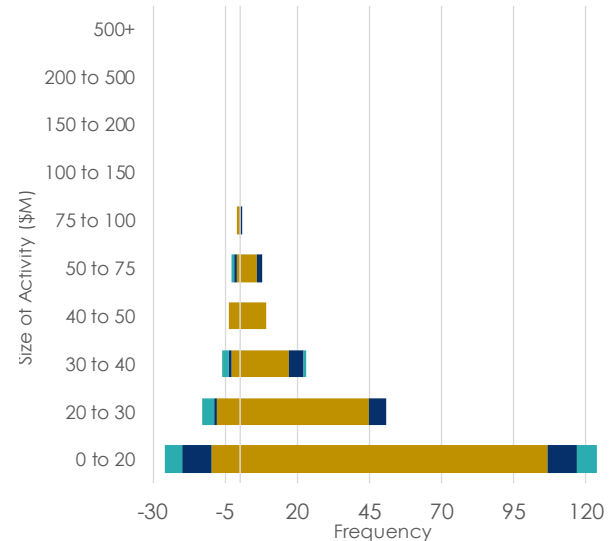
1-Year



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

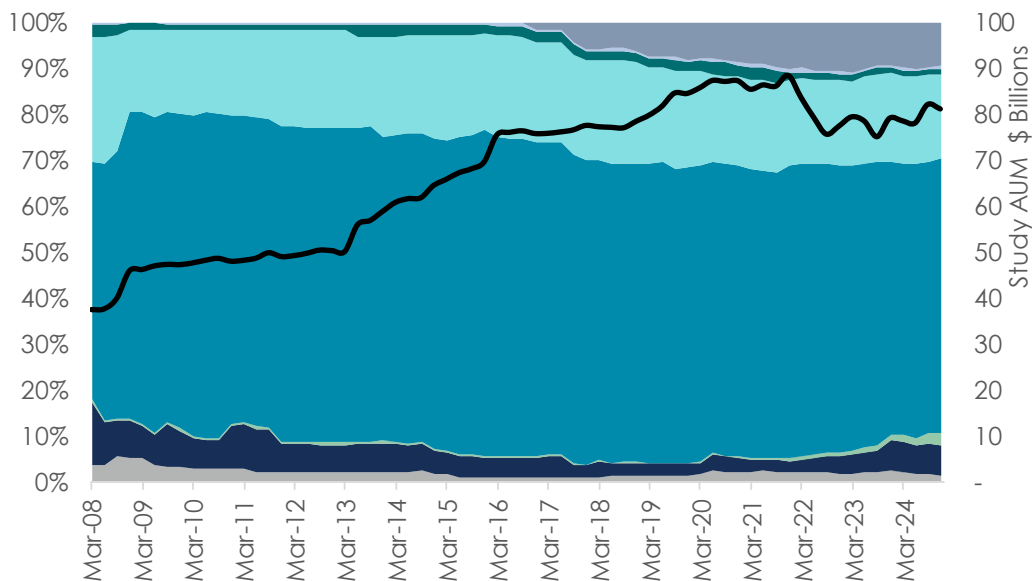
- Capital Efficient / Multi-Sector / Target RW
- High Yield
- Credit
- Core Fixed Income
- MBS / Securitized (ABS / CMBS)
- CLO / Bank Loan
- Short Duration
- Government

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

Currently comprises \$85 billion – a massive share of the industry

SA BOLI Industry Allocations

SA BOLI Allocations Over Time



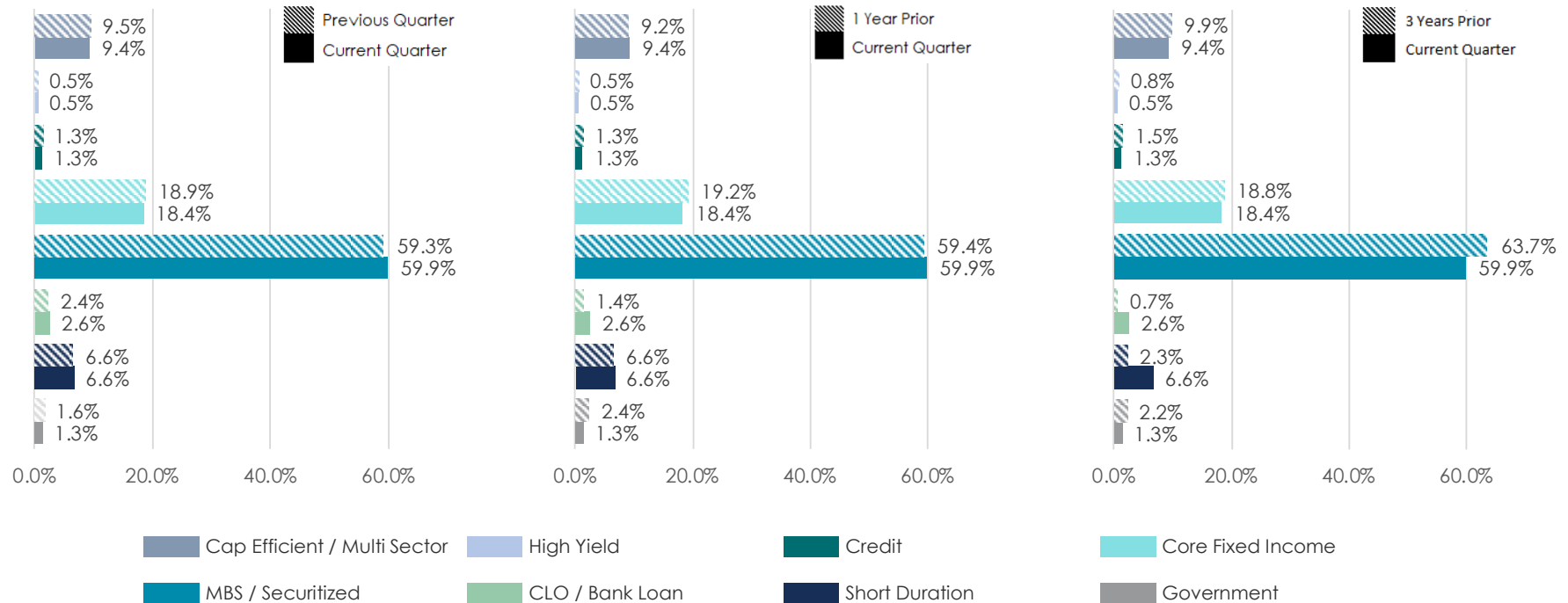
2024-Q4 Weights

Cap Efficient / Multi Sector	9.4%
High Yield	0.5%
Credit	1.3%
Core Fixed Income	18.4%
MBS / Securitized	59.9%
CLO / Bank Loan	2.6%
Short Duration	6.6%
Government	1.3%

— 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



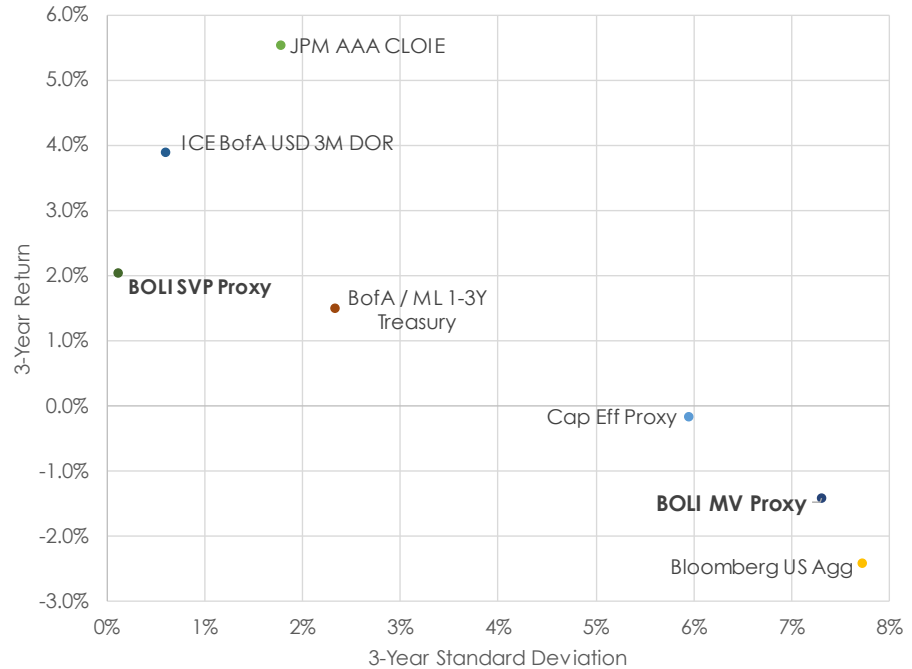
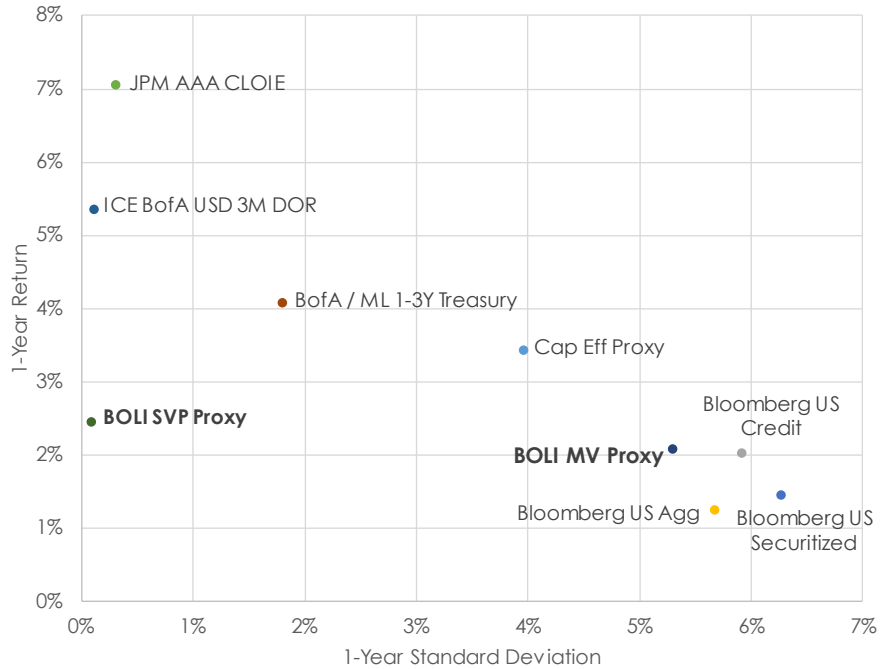
Investment Performance Proxy

Using common benchmarks for the categories, a proxy for the industry's SA Q4 MV performance is estimated at -2.43%

	Benchmark	Quarter	1-Year	3-Year	5-Year	Weights
Cap Efficient / Multi Sector	[Proxied by a sector blend]	-1.45%	3.43%	0.63%	1.52%	9.40%
High Yield	Bloomberg High Yield	-0.19%	6.27%	2.24%	3.41%	0.53%
Credit	Bloomberg US Credit	-3.04%	2.03%	-2.20%	0.23%	1.27%
Core Fixed Income	Bloomberg US Agg	-3.06%	1.25%	-2.41%	-0.33%	18.41%
MBS / Securitized	Bloomberg US Securitized	-3.01%	1.45%	-1.98%	-0.59%	59.88%
CLO / Bank Loan	CLOE Index	1.59%	7.06%	5.55%	4.11%	2.56%
Short Duration	ICE BofA USD 3M DOR	1.21%	5.37%	3.90%	2.58%	6.63%
Government	BofA / ML 1-3Y Treasury	-0.06%	4.08%	1.50%	1.40%	1.32%
Industry Proxy MV Performance using rolling weights:		-2.43%	2.08%	-1.42%	-0.06%	
Industry Proxy Stable Value Performance:		0.71%	2.46%	2.04%	2.16%	

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



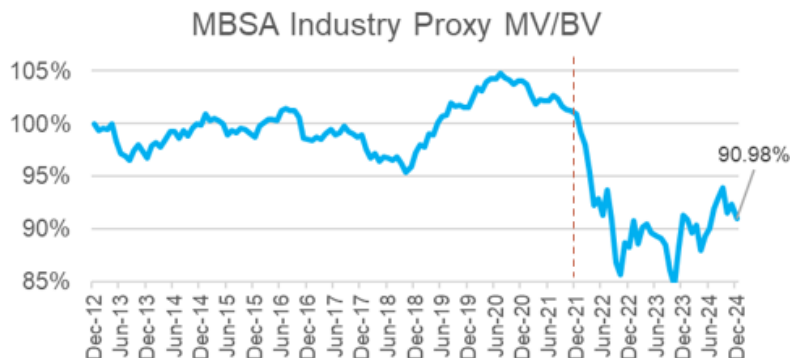
Data as of 2024-Q4

Industry MV/BV Ratio Developments

Markets were volatile in Q4, with ratios oscillating each month. Overall, ratios decreased ~2.9% from Q3 to Q4.

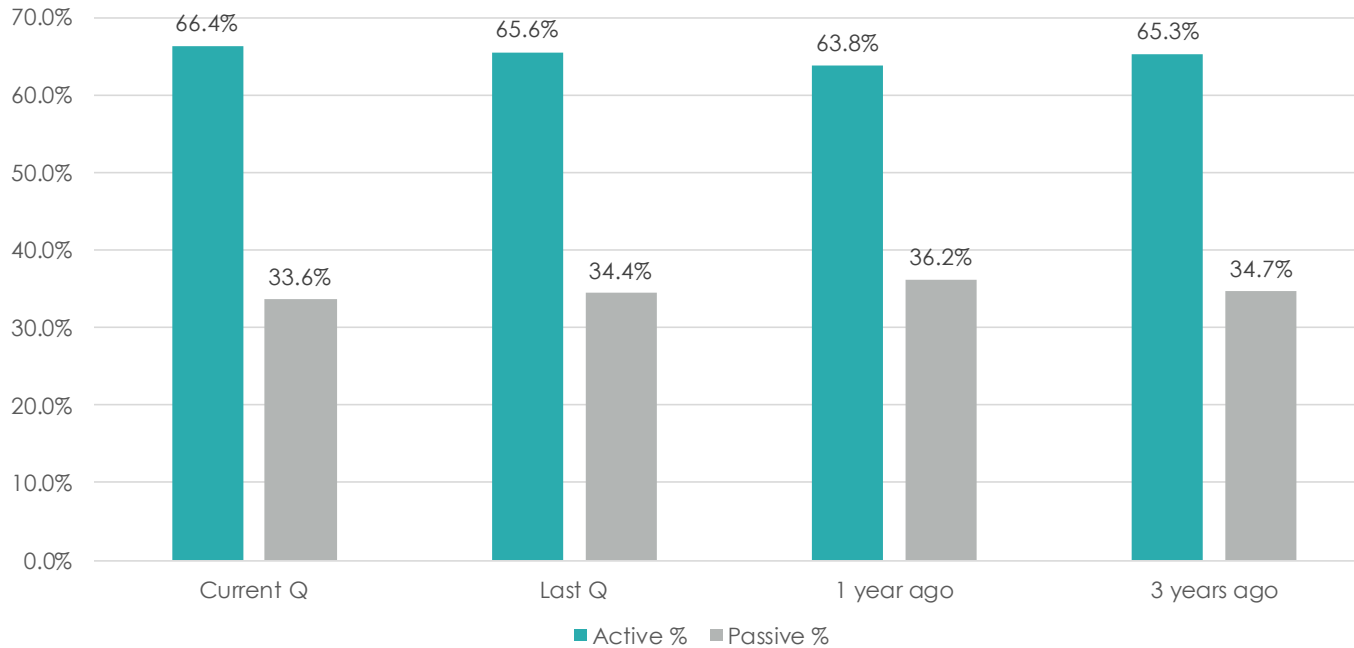
- MBSA began compiling market value and book value data to monitor the overall MV/BV ratios of BOLI allocations
 - ❖ As of Q4, the total MV in the carrier aggregate values was ~\$52 billion
- Additionally, using our proxy MV and BV performance monitoring from the prior pages, we calculate a proxy Industry MV/BV ratio

	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%
6/30/2024	89.7%	90.1%
9/30/2024	93.5%	93.9%
12/31/2024	90.6%	91.0%



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-Related Items Covered This Quarter]

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

Noteworthy Tax Developments

President Trump's Remarks to the World Economic Forum (Jan)

- On January 23 President Trump spoke via videoconference to the World Economic Forum. A transcript is available [here](#). Among other remarks, below is an excerpt on Trump's tax policy objectives.
 - To further unleash our economy, our majorities in the House and Senate — which we also took, along with the presidency — are going to pass the largest tax cut in American history, including massive tax cuts for workers and family and big tax cuts for domestic producers and manufacturers. And we're working with the Democrats on getting an extension of the original Trump tax cuts, as you probably know by just reading any paper.
 - My message to every business in the world is very simple: Come make your product in America, and we will give you among the lowest taxes of any nation on Earth. We're bringing them down very substantially, even from the original Trump tax cuts. But if you don't make your product in America, which is your prerogative, then, very simply, you will have to pay a tariff — differing amounts, but a tariff — which will direct hundreds of billions of dollars and even trillions of dollars into our Treasury to strengthen our economy and pay down debt
- Also, here was Trump's response to a question from Brian Moynihan (CEO of Bank of America).
 - You know, Brian, we're at 21 percent. It was at 40 percent, and I got it down to 21 percent — the corporate tax. And it was — actually, if you look at state and city, it was, in many cases, much higher than 40 percent. I got it down to 21 percent. And now we're going to bring it down from 21 to 15 percent if — this is a big "if" — if you make your product in the U.S.
 - So, we're going to have the lowest — just about the lowest rate. It will be — the 21 is on the low side worldwide; the 15 is about as low as it gets, and by far the lowest of a large country — a large, you know, rich, powerful country — by far, not even a contest.
 - So, we're going to bring it down to 15 percent if you make your product in the USA. So, that's going to create a — a tremendous buzz.
- We will continue to monitor the new Administration's tax policy initiatives.

Noteworthy Tax Developments

Ken Kies Nominated to be an Assistant Secretary of the Treasury (Jan)

- On January 22 Ken Kies was formally [nominated](#) to be an Assistant Secretary of the Treasury. According to press reports, Mr. Kies is expected to focus on tax policy.
- Mr. Kies has been a tax policy lobbyist, including work with Finseca. He also served as Chief of Staff for the Joint Committee on Taxation from 1995-1998.

Noteworthy Accounting Developments

FASB Exposure Draft – Codification Improvements (Jan)

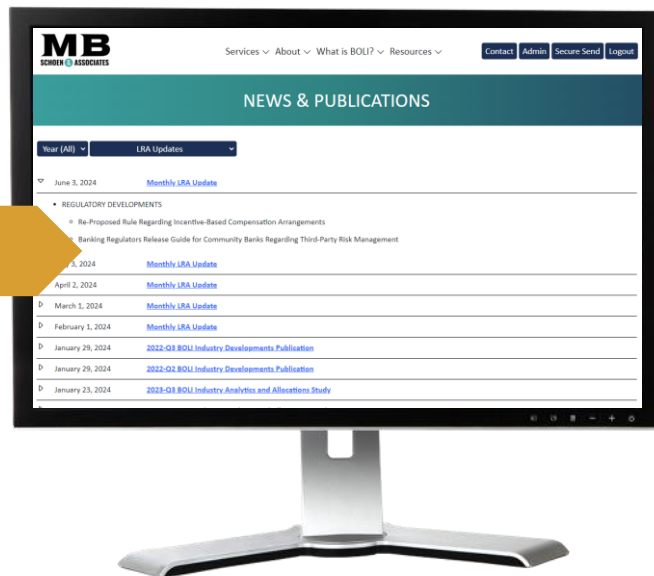
- On January 22 FASB released an [exposure draft](#) for a Proposed Accounting Standards Update – Codification Improvements. The exposure draft identified 34 proposed updates to the Codification.
- We reviewed the list of items and do not believe any have applicability to BOLI or COLI accounting standards.
- FASB welcomes comments on the exposure draft through April 22, 2025.

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LEGISLATIVE, REGULATORY, JUDICIAL,
AND ACCOUNTING DEVELOPMENTS



Noteworthy Regulatory Developments

Federal Reserve Vice Chair for Supervision Speech (Feb)

- On February 20 Michael Barr (Vice Chair for Supervision) delivered a [speech](#) at Georgetown University regarding risks and challenges for bank regulation and supervision. Mr. Barr recently announced that he would step down as Vice Chair for Supervision effective February 28. He will remain a member of the Board of Governors.
- He supports completion of Basel III reforms and believes new liquidity standards would be helpful. He also expressed support for the FRB's annual stress test regime and cautioned about problems that could arise with increased transparency and deliberation.

Noteworthy Legislative Developments

Wyden Releases Proposed Legislation Targeting Private Placement Life Insurance (Dec)

- On December 16 Senate Finance Committee Chair Ron Wyden (D-OR) released [draft legislation](#) to alter the tax treatment of certain private placement life insurance (PPLI) contracts. This draft legislation was prepared in connection with the report, “Private Placement Life Insurance: A Tax Shelter for the Ultra-Wealthy masquerading as Insurance,” issued by the Finance Committee in February 2024.
- The proposal would add Section 7702C (“Treatment of Applicable Private Placement Contracts”) to the Internal Revenue Code. A contract that is deemed to be a Private Placement Contract (“PPC”) would not be treated as an insurance or annuity contract. Therefore, such a contract would be subject to tax on the inside build-up and on any death proceeds in excess of basis.
- In general, PPC is defined as any private placement contract whose underlying segregated asset account does not support at least 25 private placement contracts owned by unrelated parties. Additionally, the value of each contract must be determined on a pro rata basis.
- The proposal would be effective upon the date of enactment, applying to existing contracts as well as new contracts. For existing contracts, all prior earnings must be taken into account. The proposal provides limited transition relief under which an existing contract has 180 days to be exchanged or converted to a non-PPC.
- In total, the proposal appears highly skeletal and looks to grant broad authority to the IRS to implement the proposal in a feasible manner.

Noteworthy Legislative Developments

House and Senate Approve Separate Budget Resolutions (Feb)

- In February the House ([H.Con.Res.14](#)) and Senate ([S.Con.Res.7](#)) each approved budget resolutions. The resolutions are materially different. The House version is more ambitious, including approval of net tax cuts of \$4.5 trillion over 10 years if Congress achieves \$2 trillion in spending cuts.
- The Senate version addressed specific funding priorities, including domestic energy production, defense spending, and border funding. Under the Senate approach, broader tax policy changes would be addressed in a second budget resolution.
- In order for legislation to avoid filibuster and advance via a simple majority, the House and Senate must adopt identical budget resolutions. If the Senate is persuaded to adopt the House's approach, legislation to address expiring TCJA provisions will likely accelerate.

Other Noteworthy Developments

NAIC Executive Committee Launches Risk-Based Capital Task Force (Feb)

- On February 20 the NAIC [announced](#) the creation of a task force aimed at guiding future adjustments to the risk-based capital (RBC) framework, along with a comprehensive gap analysis in the current framework.
- Wisconsin Insurance Commissioner Nathan Houdek noted that the low-interest rate environment following the financial crisis has resulted in insurers having more complex investment portfolios – including more liquidity risk. Houdek mentioned the opportunity to enhance RBC while also reinforcing the global competitiveness of the U.S. RBC framework.
- The press release also reiterates a commitment to the principle of “Equal Capital for Equal Risk.” As noted in our [September 2023 LRA](#), the NAIC Financial Condition (E) Committee indicated support for ongoing efforts to improve the consistency of RBC factors for insurer investments.
- The task force has not released any specifics on how certain asset classes could be impacted as a result of potential enhancements to the RBC calculation at this time. We will continue to monitor this task force's activities.

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 A-

- Delaware Life Insurance Company

Insurance Carriers Rated BBB+

- Talcott Resolution Life Insurance Company

Insurance Carriers Not Rated

(Rating at withdrawal)

- Everlake Life Insurance Company (A+)
- American Heritage Life Insurance Company (A)
- Augustar Life Insurance Company (BBB+)
- Security Life of Denver Insurance Company (BBB+)
- Lincoln Benefit Life Company (BBB)

*Categories based on S&P's Financial Strength Rating as of February 19, 2025

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
- John Hancock Life Insurance Company (USA)
- Minnesota Life Insurance Company
- Zurich Insurance Company

Insurance Carriers Rated AA-

- 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
- Reliastar 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

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

(Rating at withdrawal)

- USAA Life Insurance Company (AAA)
- Guardian Life Insurance Company of America (AA+)
- Symetra Life Insurance Company (A+)
- Transamerica Life Insurance Company (A+)
- American Heritage Life Insurance Company (A)
- Equitable Financial Life Insurance Company (A)
- Equitable Financial Life Insurance Co of America (A)
- National Life Insurance Company of Vermont (A)
- Nationwide Life Insurance Company (A)
- Everlake Life Insurance Company (BBB)
- Lincoln Benefit Life Company (BBB)
- Ameritas Life Insurance Corp
- Nationwide Life & Annuity Insurance Company
- Nationwide Life Insurance Company
- Zurich American Life Insurance Company

*Categories based on Fitch's Financial Strength Rating as of February 19, 2025

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

- Zurich Insurance Company

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

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
- Security Life of Denver Insurance Company

Insurance Carriers Rated Baa1

- Augustar Life Insurance Company
- Talcott Resolution Life Insurance Company

Insurance Carriers Not Rated

(Rating at withdrawal)

- American Heritage Life Insurance Company (Aa3)
- Midland National Life Insurance Company (A2)
- Everlake Life Insurance Company (A3)
- Zurich American Life Insurance Company (A3)
- Lincoln Benefit Life Company (Baa1)
- Delaware Life Insurance Company (Baa2)
- Ameritas Life Insurance Corp

*Categories based on Moody's Insurance Financial Strength Rating as of February 19, 2025

Ratings or Outlook Revisions

Brighthouse Life Insurance Company

- Outlook changed from stable to **negative** by Fitch (Dec)

Delaware Life Insurance Company

- Ratings **upgraded** from BBB+ to A- by S&P (Dec)

Security Life of Denver Insurance Company

- Ratings placed on **positive watch** by Fitch (Dec)
- Ratings placed on review for possible upgrade by Moody's (Jan)

NEED UP TO DATE COUNTERPARTY TRACKING?

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Industry Developments

AIG Completes Sale of Interest in Corebridge Financial to Nippon Life (Dec)

- On December 9, AIG [announced](#) that the sale of approximately 21% of Corebridge Financial to Nippon Life was completed. AIG remains the largest shareholder of Corebridge following the completion of the sale, owning 22.37% of the outstanding stock.

[Security Life of Denver] Resolution Life Announces Sale to Nippon Life (Dec)

- On December 11, Resolution Life [announced](#) the acquisition of 100% of its shares by Nippon Life at a valuation of \$10.6 billion. Nippon was already Resolution Life's largest investor prior to the proposed acquisition.
- Security Life of Denver Insurance Company is a subsidiary of Resolution Life, having been acquired from Voya in 2021.

Delaware Life Reinsurance Transaction (Dec)

- On December 9, Delaware Life closed a reinsurance transaction with Somerset Reinsurance to fully reinsure its BOLI business. The agreement is a co-insurance transaction where Delaware Life remains the direct counterparty while Somerset has assumed all the liabilities and servicing.
- Somerset has engaged Nautilus as the administrator of the block, with Nautilus hiring Delaware Life's current service staff and retaining Andesa as the third-party administrator.
- The ratings upgrade for Delaware Life was unrelated to this transaction.

Northwestern Mutual Strategic Partnership with Sixth Street (Jan)

- On January 7, Northwestern Mutual [announced](#) a strategic partnership with Sixth Street, the owner of Talcott resolution. The strategic partnership involves Sixth Street managing \$13 billion of assets for Northwestern Mutual, with the potential to scale. Northwestern Mutual will acquire a minority equity interest in Sixth Street as a part of the agreement.

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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	-	-	-	-

Contact Information

www.mbschoen.com

General Inquiries

Tradyn Foley

- **Email:** tradyn.foley@ mbschoen.com
- **Phone:** (805) 290-1601

Turner Fixen

- **Email:** turner.fixen@ mbschoen.com
- **Phone:** (701) 639-2151

Presentation Inquiries & Analytics

TJ Hopkins

- **Email:** tharemy.hopkins@mbschoen.com
- **Phone:** (701) 205-3571

Matt Johnson

- **Email:** matt.johnson@ mbschoen.com
- **Phone:** (701) 639-2157

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