Evolving Trends in Bank-Owned Life Insurance

Complimentary Edition – 2024-Q3

December 2024

Table Of Contents

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Economic Backdrop

Economic Updates

Federal Reserve & Yield Curve

- Throughout Q3, rates rallied following supportive inflation figures
- The Fed cut its target rate from 5.50% to 5.00% during the September meeting; Markets priced in at least one more rate cut by year end
- All tenors of the yield curve decreased during the quarter, with the 10-year falling 62bps from June

Sector Returns

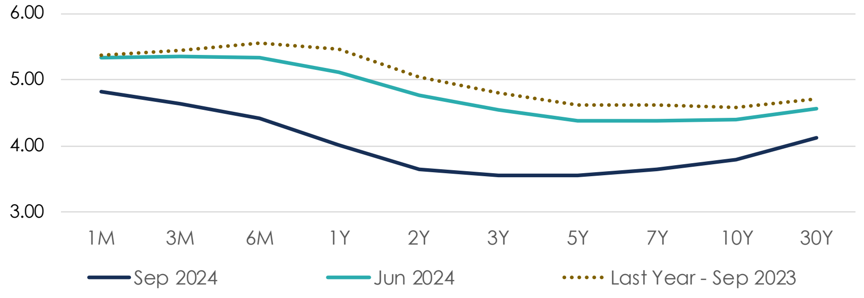
- Fixed income sectors had positive performance, with Agency MBS outperforming like duration treasuries by 79bps
- The S&P 500 posted a strong 5.89% return with Utilities (+19.37%) leading the positive sectors and energy being the only negative sector (-2.32%)

US Economy

- Most forecasts called for softer inflation and lower volatility, but uncertainties still surrounded the US Election

Financial Markets Update

US Treasury Yields



	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
Sep 2024	4.82	4.63	4.41	4.01	3.64	3.55	3.56	3.65	3.78	4.12
Jun 2024	5.32	5.36	5.33	5.12	4.76	4.55	4.38	4.37	4.40	4.56
Q Change	-0.50	-0.73	-0.92	-1.11	-1.11	-1.00	-0.82	-0.73	-0.62	-0.44
Sep 2023	5.36	5.45	5.55	5.46	5.05	4.80	4.61	4.62	4.57	4.70
Year Change	-0.54	-0.82	-1.14	-1.45	-1.40	-1.25	-1.05	-0.97	-0.79	-0.58

Sector Performance (As of Q3)

	YTW	Duration	OAS	3M Return	12M Return	3Y Return	5Y Return
Treasuries	3.76%	6.11	0.00%	4.74%	9.72%	-1.78%	-0.20%
Corporate	4.72%	7.17	0.89%	5.84%	14.28%	-1.18%	1.16%
CMBS	4.59%	4.23	0.93%	4.65%	11.83%	-0.28%	1.22%
ABS	4.36%	2.77	0.64%	3.35%	8.72%	1.81%	2.10%
Credit Card ABS	4.18%	2.29	0.49%	3.23%	8.12%	0.82%	1.48%
Auto ABS	4.38%	1.80	0.67%	2.99%	8.06%	1.97%	2.21%
Agency MBS	4.53%	5.71	0.42%	5.53%	12.32%	-1.20%	0.04%
GNMA	4.64%	5.48	0.46%	4.96%	11.49%	-0.91%	0.08%
FHLHC	4.34%	5.00	0.43%	5.42%	12.20%	-1.16%	0.10%
FNMA	4.50%	5.80	0.41%	5.71%	12.58%	-1.20%	0.10%
Palmer CLO AAA	6.16%	0.07		1.77%	8.48%	4.63%	

	3M Return	12M Return	3Y Return	5Y Return
SP 500	**5.89%**	**36.35%**	**11.91%**	**15.98%**
Energy	-2.32%	0.84%	24.14%	13.90%
Materials	9.70%	25.20%	9.09%	13.00%
Industrials	11.55%	35.89%	13.40%	13.76%
Consumer Discretionary	7.80%	28.06%	4.85%	12.10%
Consumer Staples	8.96%	25.32%	10.36%	10.04%
Health Care	6.07%	21.69%	8.35%	13.37%
Financials	10.66%	39.01%	8.55%	12.40%
IT	1.61%	52.68%	19.89%	26.74%
Telecom	1.68%	42.91%	6.45%	14.59%
Utilities	19.37%	41.82%	11.66%	7.99%

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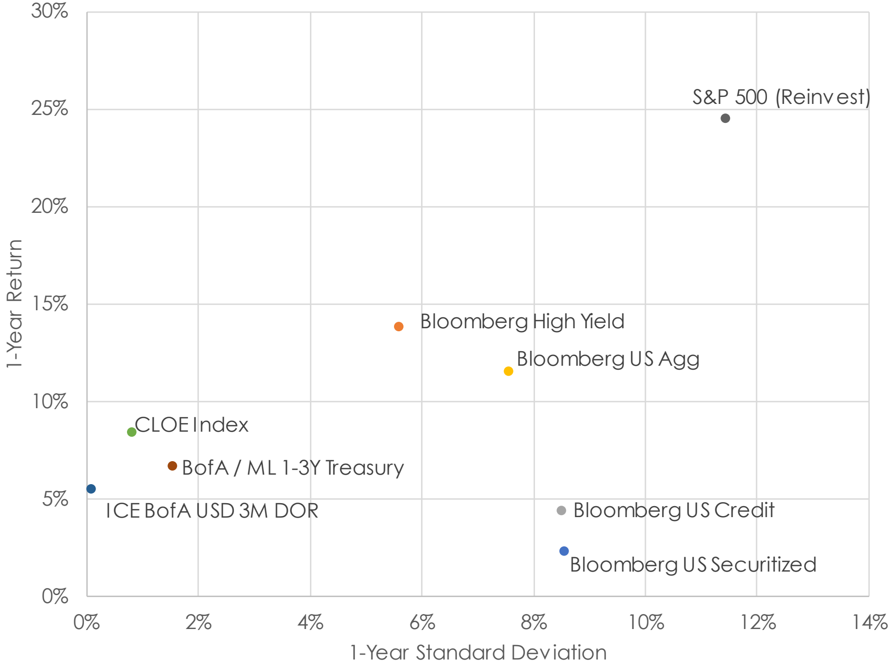
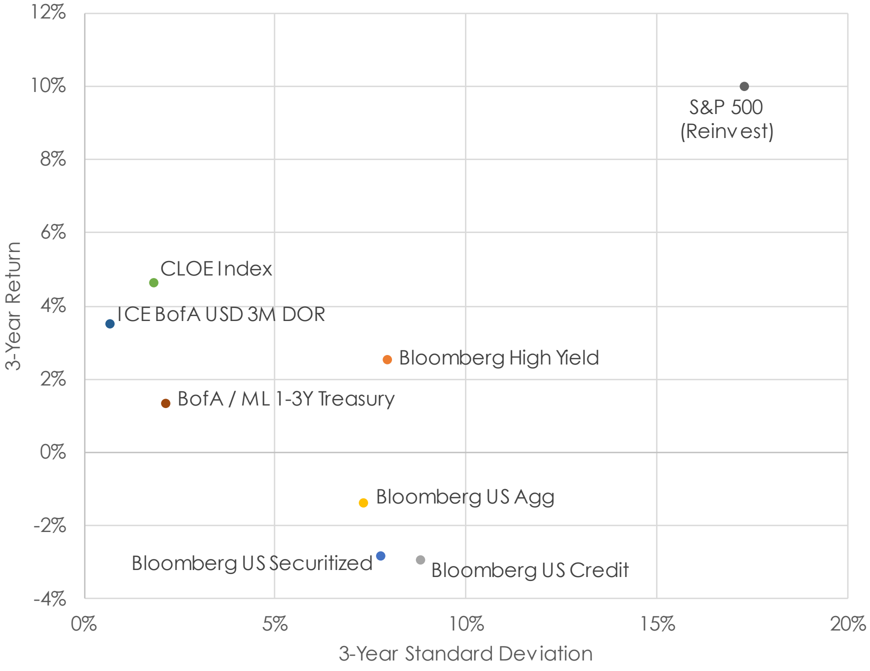
1 & 3-Year Benchmark Risk/Return Plots

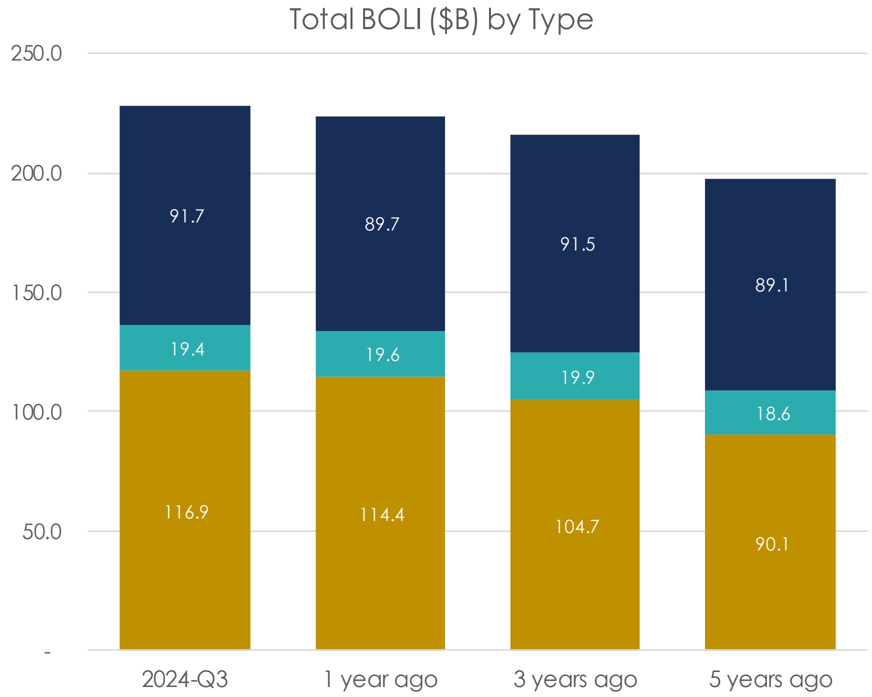


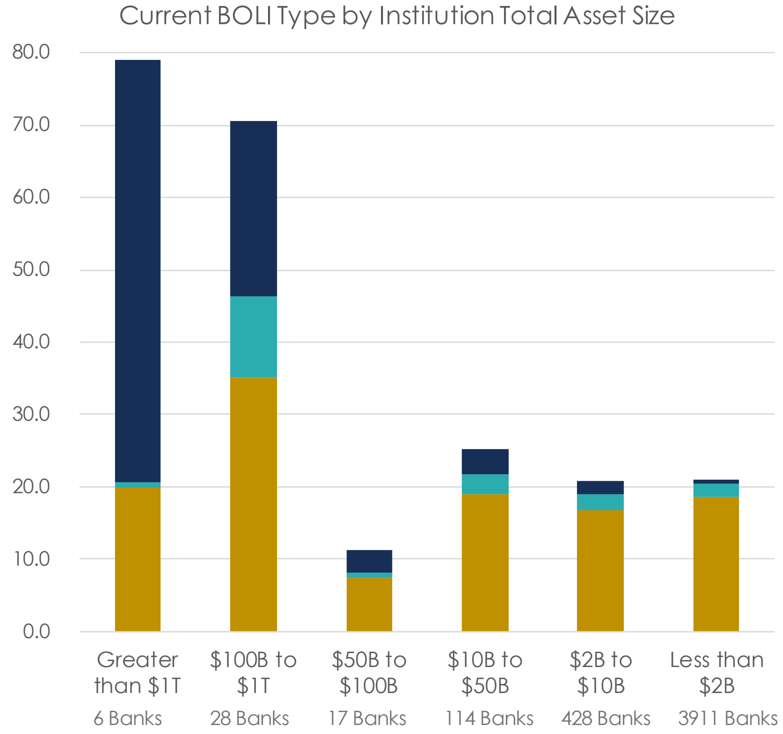


Data as of 2024-Q3

Recent Trends in BOLI

BOLI Market Overview as of 2024-Q3





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

SA | GA | Hybrid

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BOLI Market Overview as of 2024-Q3

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%	14,873	19.9	0.7	58.6	79.1	7.05%	0.53%
$100 Billion to $1 Trillion	28	82%	7,571	35.2	11.2	24.3	70.7	9.64%	0.93%
$50 Billion to $100 Billion	17	94%	1,149	7.4	0.7	3.1	11.2	9.53%	0.97%
$10 Billion to $50 Billion	114	81%	2,475	19.0	2.7	3.6	25.3	9.07%	1.02%
$2 Billion to $10 Billion	428	83%	1,805	16.8	2.2	1.8	20.7	9.95%	1.15%
Less than $2 Billion	3,911	66%	1,718	18.5	2.0	0.5	21.0	10.07%	1.22%
TOTALS	**4,504**	**68%**	**29,591**	**116.9**	**19.4**	**91.7**	**228.0**	**8.54%**	**0.77%**

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

Data Sourced from FFIEC Call Report Data

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%	59.1	18.1	30.6%	30.8%
$100 Billion to $1 Trillion	28	82%	30.0	13.7	45.7%	53.6%
$50 Billion to $100 Billion	17	94%	3.6	2.0	55.0%	57.8%
$10 Billion to $50 Billion	114	81%	5.7	3.9	68.1%	82.1%
$2 Billion to $10 Billion	428	83%	2.3	1.8	78.4%	91.4%
Less than $2 Billion	3,911	66%	0.4	0.4	96.0%	98.1%
Total	**4,504**	**68%**	**101.1**	**39.8**	**39.4%**	**87.4%**

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-Q3	5	860	17	496	**22**	**1,356**	4	-103	13	-450	**17**	**-553**
1-Year	15	1,459	70	1,758	**85**	**3,217**	18	-920	45	-1,603	**63**	**-2,523**
3-Year	64	5,969	216	7,118	**280**	**13,087**	25	-1,847	81	-4,199	**106**	**-6,046**
5-Year	164	12,020	359	9,717	**523**	**21,737**	26	-1,891	97	-4,903	**123**	**-6,793**
SA												
2024-Q3	1	800	6	221	**7**	**1,021**	1	-19	2	-30	**3**	**-49**
1-Year	5	1,094	19	556	**24**	**1,651**	3	-267	10	-604	**13**	**-871**
3-Year	9	1,181	35	1,213	**44**	**2,394**	4	-278	20	-2,031	**24**	**-2,309**
5-Year	12	1,279	41	1,346	**53**	**2,625**	5	-322	27	-2,361	**32**	**-2,683**
GA												
2024-Q3	4	60	10	262	**14**	**322**	2	-71	9	-351	**11**	**-422**
1-Year	10	365	42	979	**52**	**1,344**	11	-547	24	-741	**35**	**-1,287**
3-Year	54	4,773	162	5,468	**216**	**10,241**	16	-1,452	36	-1,648	**52**	**-3,100**
5-Year	150	10,626	298	7,918	**448**	**18,544**	16	-1,452	45	-2,022	**61**	**-3,474**
HYBRID												
2024-Q3	0	0	1	13	**1**	**13**	1	-13	2	-69	**3**	**-82**
1-Year	0	0	9	222	**9**	**222**	4	-106	11	-259	**15**	**-365**
3-Year	1	15	19	438	**20**	**453**	5	-116	25	-520	**30**	**-637**
5-Year	2	115	20	452	**22**	**567**	5	-116	25	-520	**30**	**-637**

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

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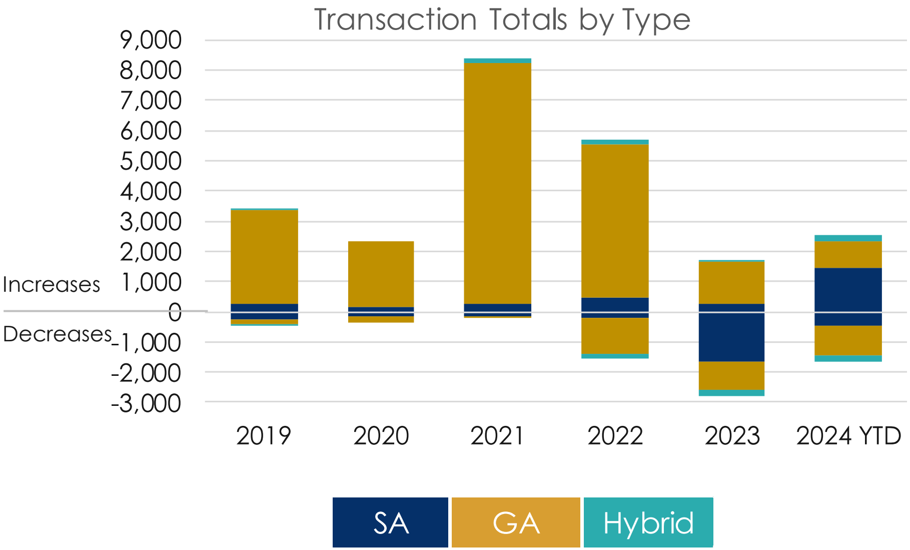
Recent BOLI Transactions

Movement or Transactions of $10M or More



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

Current Quarter 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-Q3	Ameris		$75	
2024-Q3	NB Bcorp Inc		$50	
2024-Q3	Banc of California	$45	($45)	
2024-Q3	Green Dot	**($19)**	**($37)**	
2024-Q3	National Exchange Bank and Trus	$30	($22)	

Recently Notable		SA	GA	HY
2024-Q2	First Hawaiian	$182	($143)	($37)
2024-Q1	First Horizon	**($215)**		
2024-Q1	Truist	($133)	$133	
2024-Q1	Hawaiian Electric	$55	($55)	
2024-Q1	First Financial	$53	($40)	($13)
2024-Q1&2	Green Dot	**$40**	**($40)**	
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

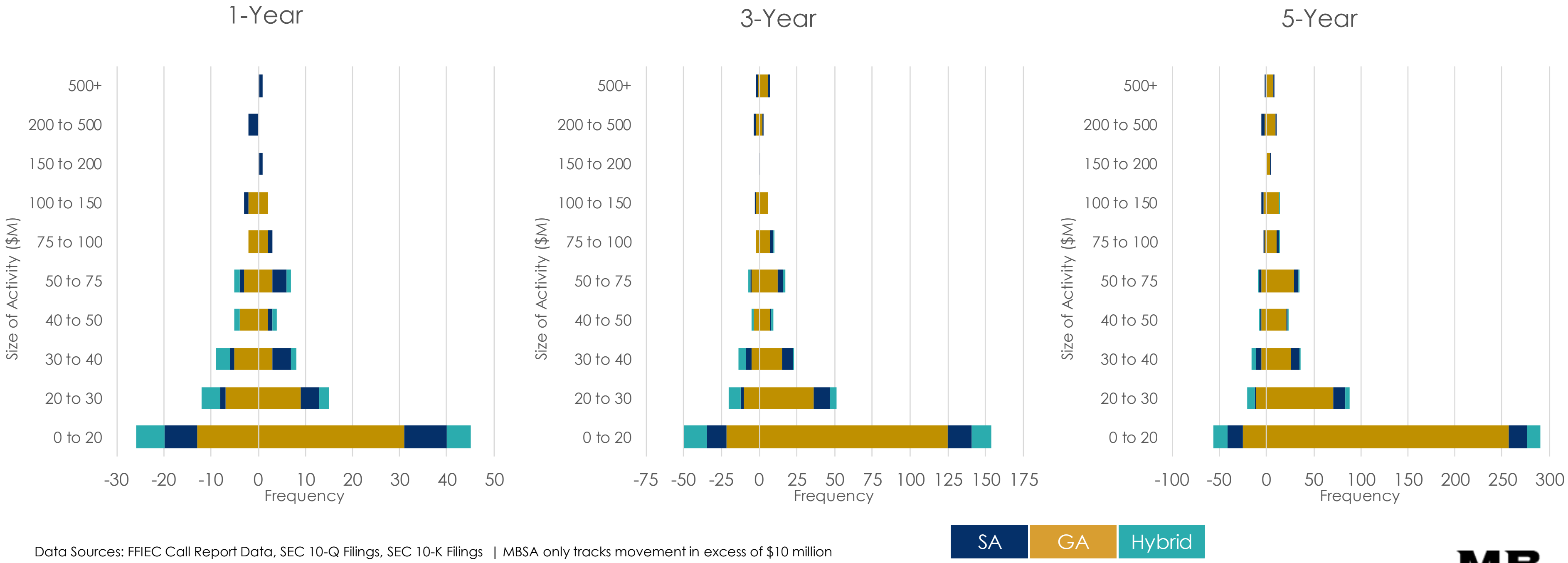
Listing of activity by institution are available upon request

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



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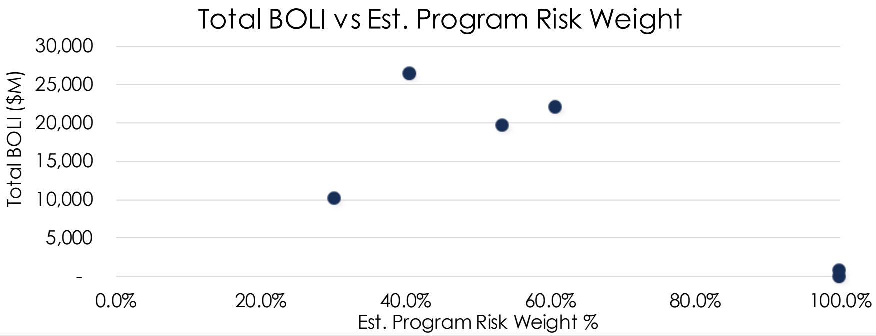
Market Analytics By Bank Size

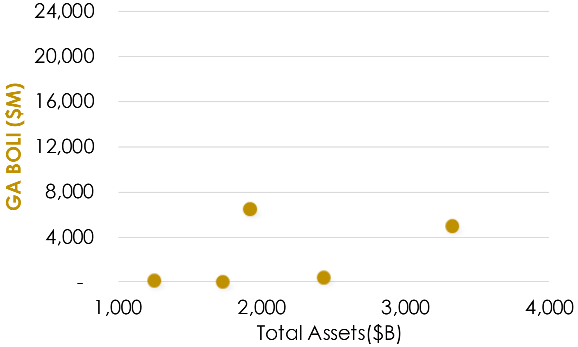
Banks with over $1T in Total Assets

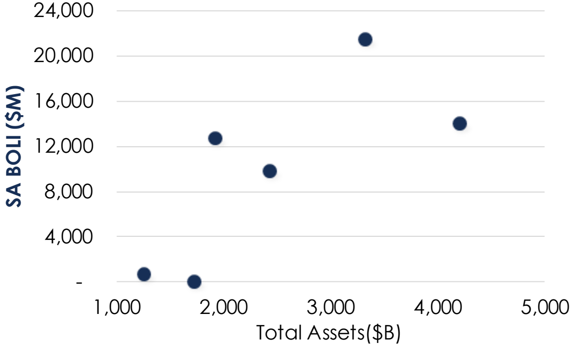
6 of 6 banks own BOLI

	GA ($M)	Hybrid ($M)	SA ($M)	Total BOLI ($M)	BOLI / Capital
Total	**19,899**	**663**	**58,571**	**79,133**	**7%**
Average	3,317	111	9,762	13,189	6%
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 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-Q3	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
1-Year	0	0	0	0	**0**	**0**	0	0	2	-329	**2**	**-329**
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-Q3	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
1-Year	0	0	0	0	**0**	**0**	0	0	1	-311	**1**	**-311**
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-Q3	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-Q3	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

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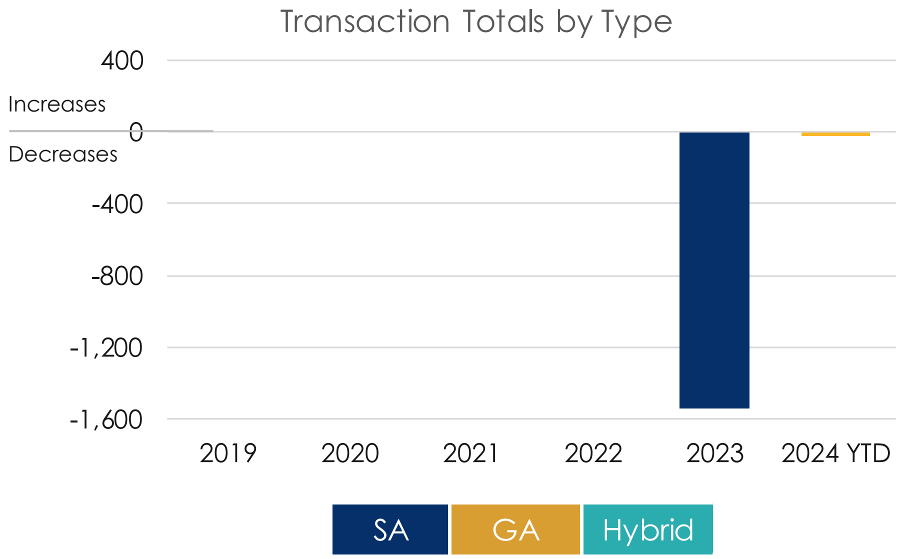
Recent BOLI Transactions

Banks with over $1T in Total Assets



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

Current Quarter	SA	GA	HY

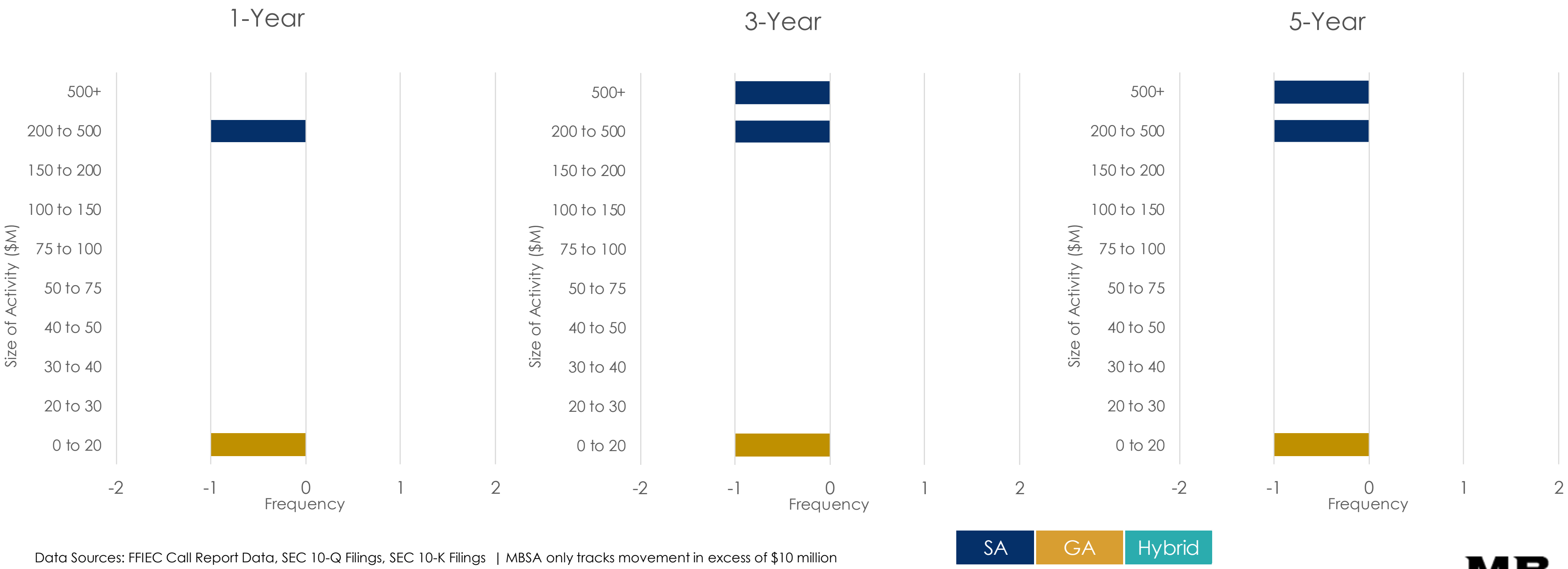
Recently Notable	SA	GA	HY
2024-Q2 Morgan Stanley		($18)	
2023-Q4 Morgan Stanley	($311)		
2023-Q3 Wells Fargo	($1,230)		

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 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



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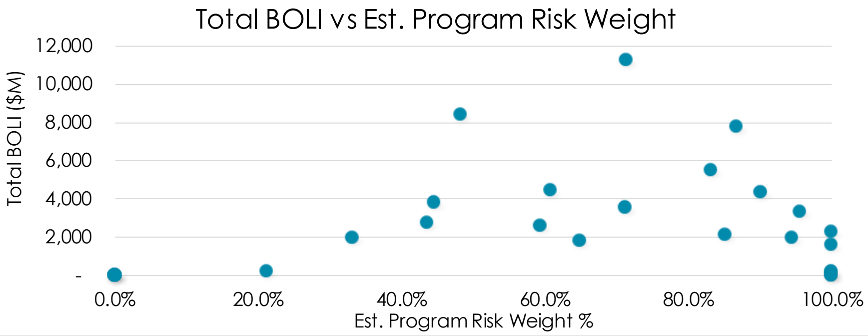
Market Analytics By Bank Size

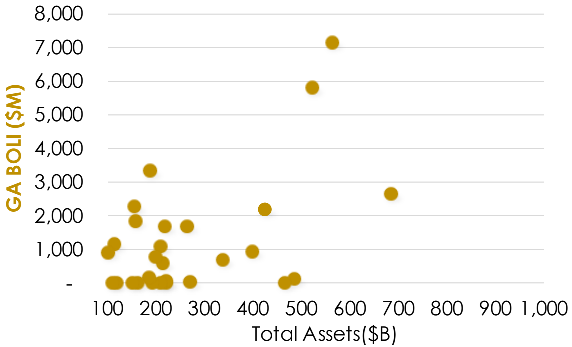
Banks with $100B to $1T in Total Assets

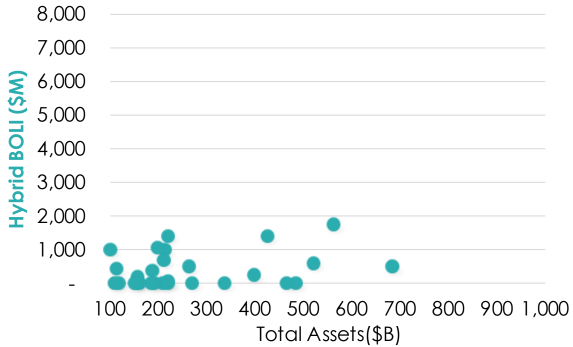
23 of 28 banks own BOLI

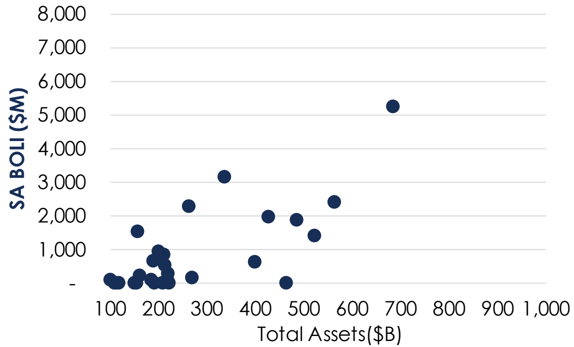
	GA ($M)	Hybrid ($M)	SA ($M)	Total BOLI ($M)	BOLI / Capital
Total	**35,192**	**11,180**	**24,296**	**70,667**	**10%**
Average	1,257	399	868	2,524	9%
Last Q # of Increases	-	-	-	-	
Increase Total ($M)	-	-	-	-	
Last Q # of Decreases	-	-	-	-	
Decrease Total ($M)	-	-	-	-	



Types of BOLI by Bank Asset Size







Recent BOLI Transaction Counts & Totals

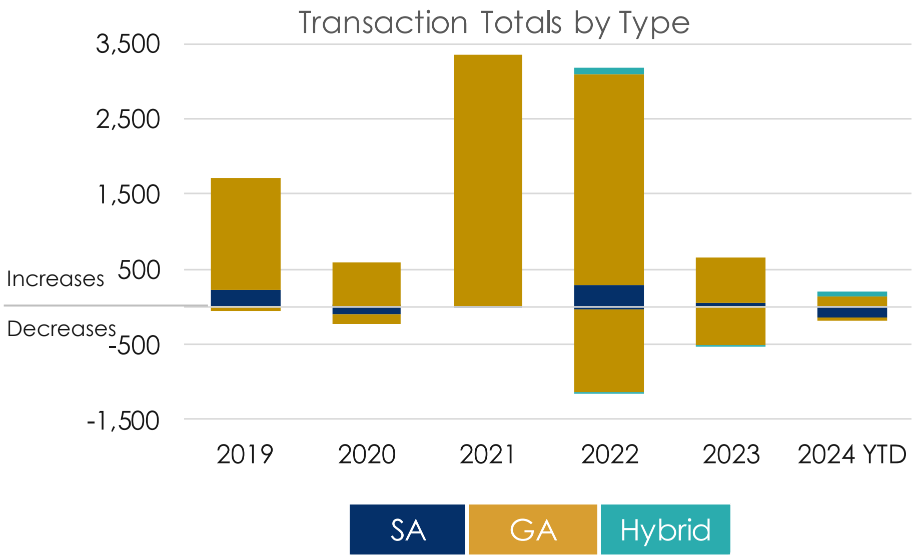
Banks with $100B to $1T in Total Assets

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-Q3	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
1-Year	0	0	4	229	**4**	**229**	0	0	4	-198	**4**	**-198**
3-Year	10	3,284	12	2,716	**22**	**6,000**	2	-815	9	-1,036	**11**	**-1,851**
5-Year	21	5,773	12	2,716	**33**	**8,489**	2	-815	13	-1,320	**15**	**-2,135**
SA												
2024-Q3	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
1-Year	0	0	0	0	**0**	**0**	0	0	1	-133	**1**	**-133**
3-Year	2	52	3	295	**5**	**347**	0	0	2	-170	**2**	**-170**
5-Year	4	90	3	295	**7**	**385**	0	0	4	-274	**4**	**-274**
GA												
2024-Q3	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
1-Year	0	0	2	160	**2**	**160**	0	0	2	-43	**2**	**-43**
3-Year	8	3,232	6	2,270	**14**	**5,502**	2	-815	5	-820	**7**	**-1,635**
5-Year	17	5,683	6	2,270	**23**	**7,952**	2	-815	7	-1,000	**9**	**-1,815**
HYBRID												
2024-Q3	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
1-Year	0	0	2	70	**2**	**70**	0	0	1	-22	**1**	**-22**
3-Year	0	0	3	151	**3**	**151**	0	0	2	-46	**2**	**-46**
5-Year	0	0	3	151	**3**	**151**	0	0	2	-46	**2**	**-46**

Listings of activity by institution are available upon request
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of $10 million

Recent BOLI Transactions

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



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

Current Quarter	SA	GA	HY
2024-Q2 [None Recorded]			

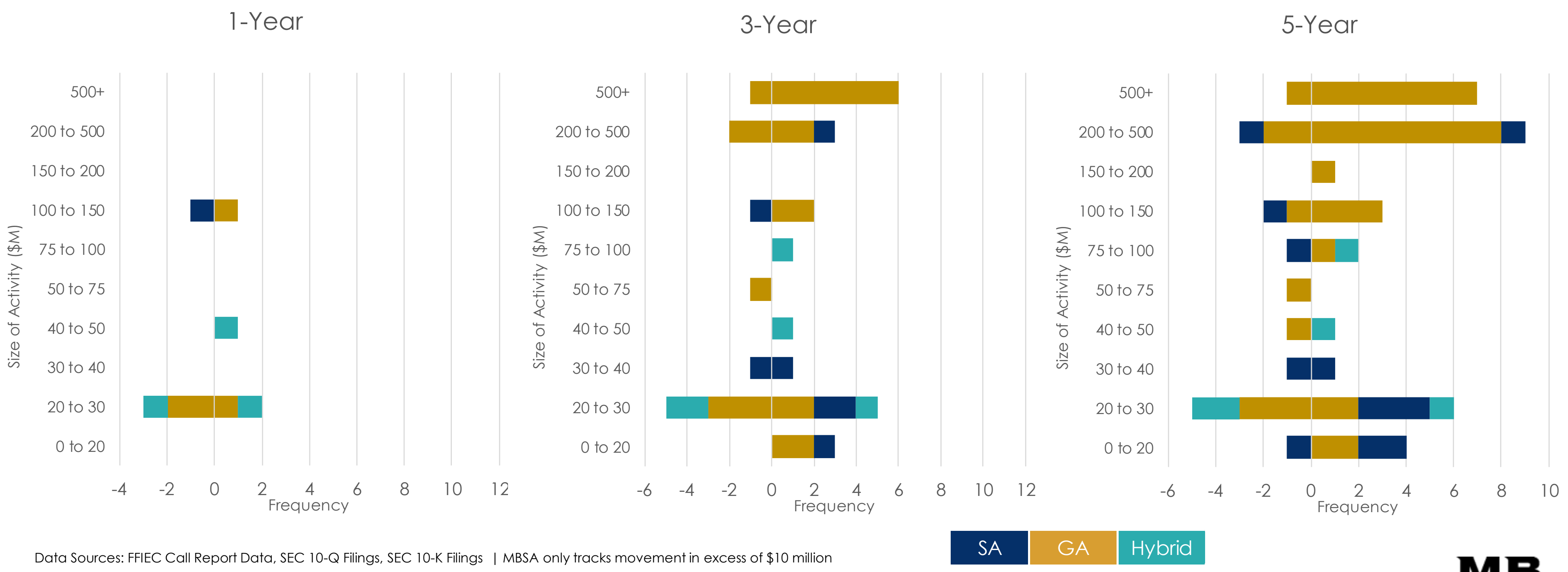
Recently Notable	SA	GA	HY
2024-Q1 Truist	($133)	$133	
2024-Q1 Citizens Financial		($23)	$43
2023-Q4 New York Community Bcorp		$27	($22)
2023-Q3 BMO	$23	($23)	
2023-Q2 First Citizens		($427)	
2023-Q1 First Citizens		**($55)**	
2023-Q1 First Republic	$25	$575	

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 $100B to $1T in Total Assets

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



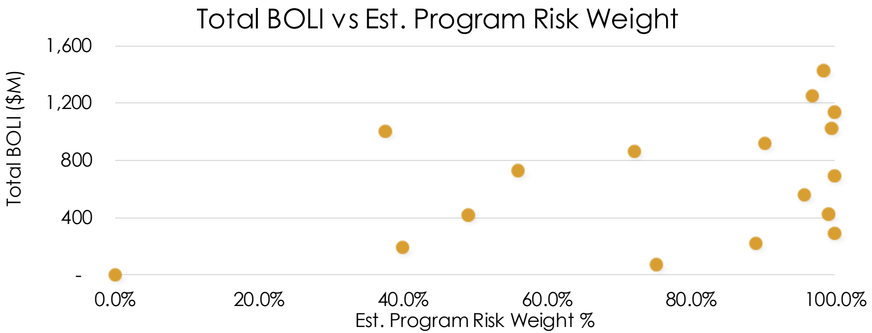
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of $10 million

Market Analytics By Bank Size

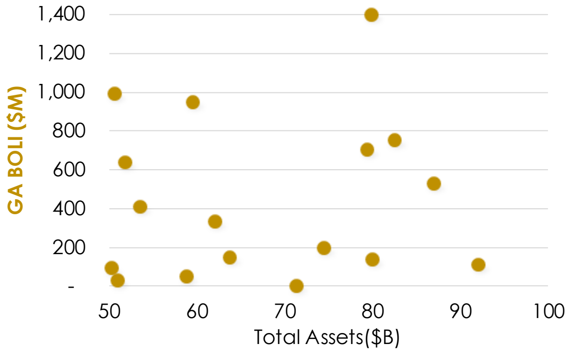
Banks with $50B to $100B in Total Assets

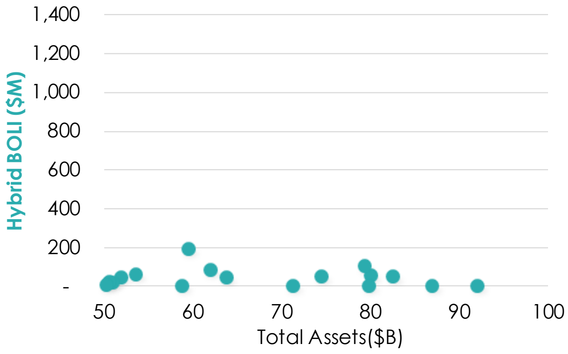
16 of 17 banks own BOLI

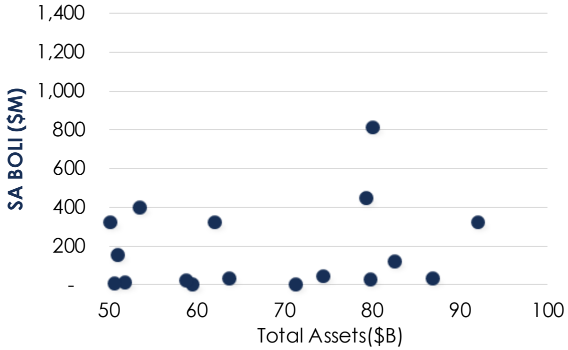
	GA ($M)	Hybrid ($M)	SA ($M)	Total BOLI ($M)	BOLI / Capital
Total	**7,431**	**704**	**3,065**	**11,200**	**10%**
Average	437	41	180	659	10%
Last Q # of Increases	-	-	1	1	
Increase Total ($M)	-	-	800	800	
Last Q # of Decreases	-	-	-	-	
Decrease Total ($M)	-	-	-	-	



Types of BOLI by Bank Asset Size







Recent BOLI Transaction Counts & Totals

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

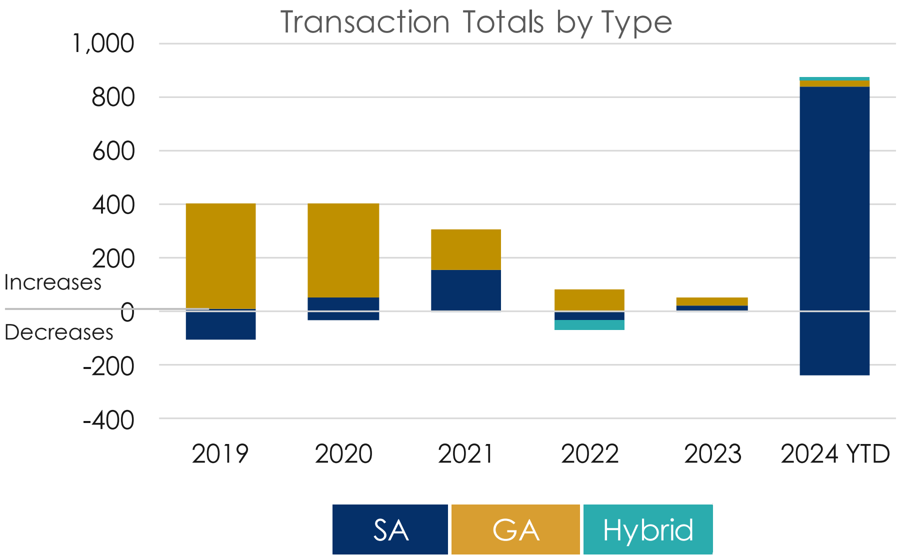
Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2024-Q3	1	800	0	0	**1**	**800**	0	0	0	0	**0**	**0**
1-Year	2	828	4	96	**6**	**924**	1	-215	1	-23	**2**	**-238**
3-Year	2	828	10	269	**12**	**1,097**	1	-215	4	-93	**5**	**-308**
5-Year	7	1,438	16	402	**23**	**1,840**	1	-215	6	-228	**7**	**-443**
SA												
2024-Q3	1	800	0	0	**1**	**800**	0	0	0	0	**0**	**0**
1-Year	1	800	2	58	**3**	**858**	1	-215	1	-23	**2**	**-238**
3-Year	1	800	4	147	**5**	**947**	1	-215	2	-52	**3**	**-267**
5-Year	1	800	10	280	**11**	**1,080**	1	-215	4	-187	**5**	**-402**
GA												
2024-Q3	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
1-Year	1	28	1	26	**2**	**54**	0	0	0	0	**0**	**0**
3-Year	1	28	5	110	**6**	**138**	0	0	0	0	**0**	**0**
5-Year	6	638	5	110	**11**	**748**	0	0	0	0	**0**	**0**
HYBRID												
2024-Q3	0	0	0	0	**0**	**0**	0	0	0	0	**0**	**0**
1-Year	0	0	1	12	**1**	**12**	0	0	0	0	**0**	**0**
3-Year	0	0	1	12	**1**	**12**	0	0	2	-41	**2**	**-41**
5-Year	0	0	1	12	**1**	**12**	0	0	2	-41	**2**	**-41**

Listings of activity by institution are available upon request
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of $10 million

MB SCHOEN & ASSOCIATES

Recent BOLI Transactions

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



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

Current Quarter		SA	GA	HY
2024-Q3	Western Alliance Bcorp	**$800**		

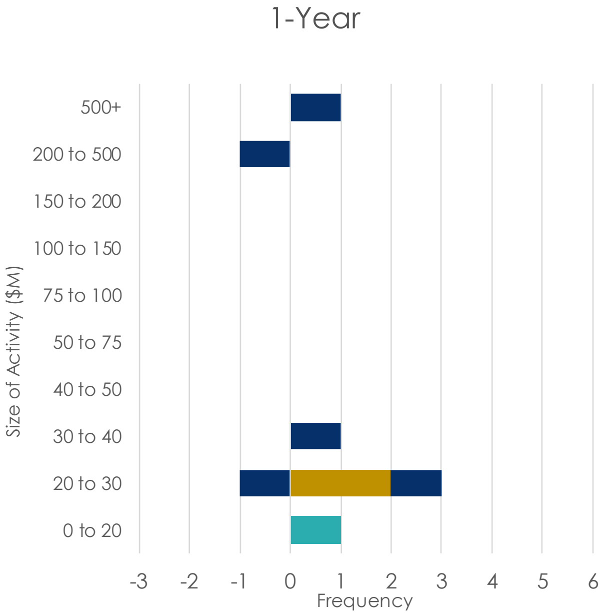
Recently Notable		SA	GA	HY
2024-Q2	Valley National	($23)	$26	
2024-Q1	First Horizon	**($215)**		
2024-Q1	City National	$36		
2024-Q1	Synovus			$12
2023-Q4	Columbia Banking		**$28**	
2023-Q4	City National	$22		
2022-Q4	City National		$14	
2022-Q4	Synovus		$10	($10)

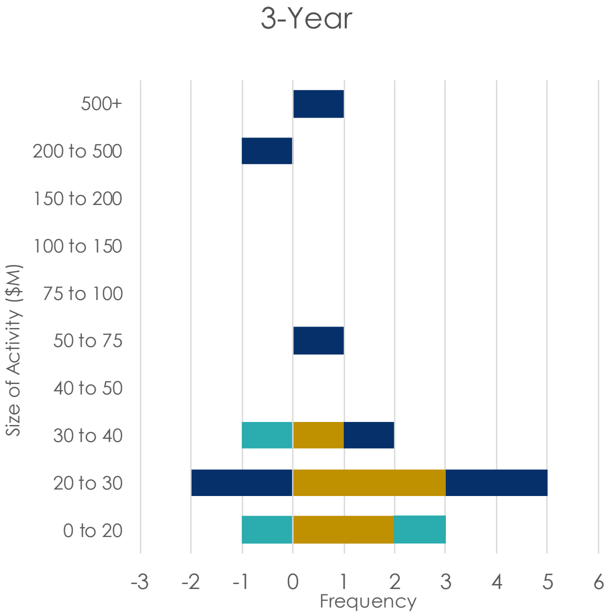
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of $10 million

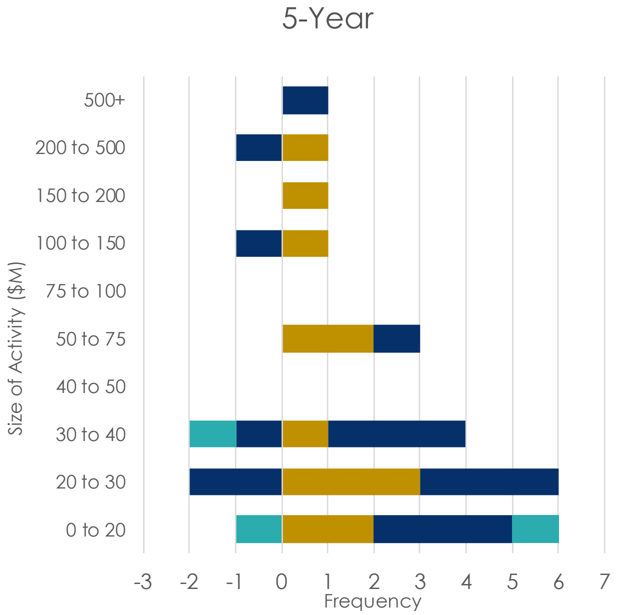
Frequency of BOLI Transaction Sizes

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

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







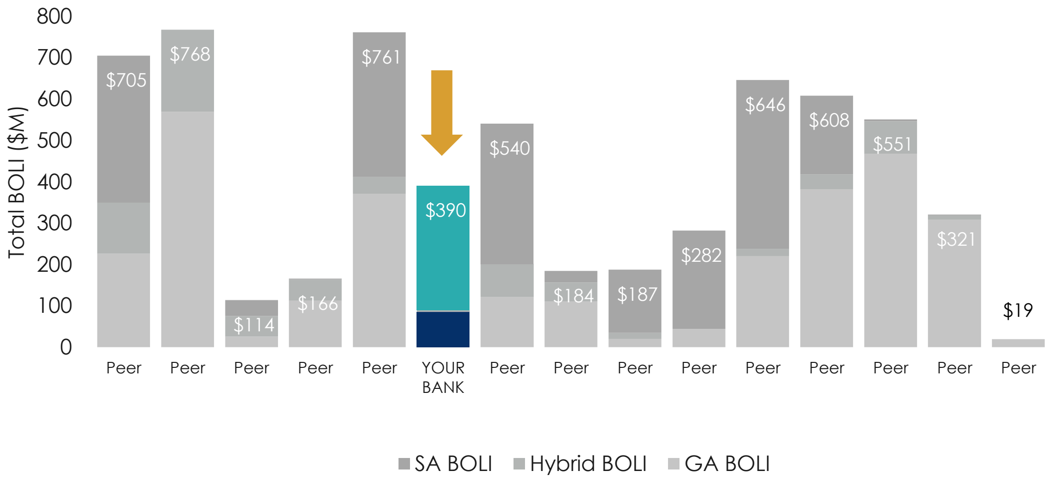
SA | GA | Hybrid

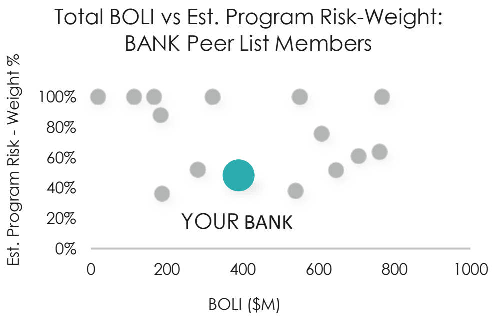
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of $10 million

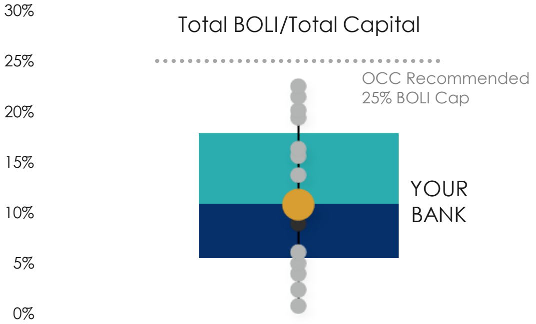
SUBSCRIPTION SERVICES

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







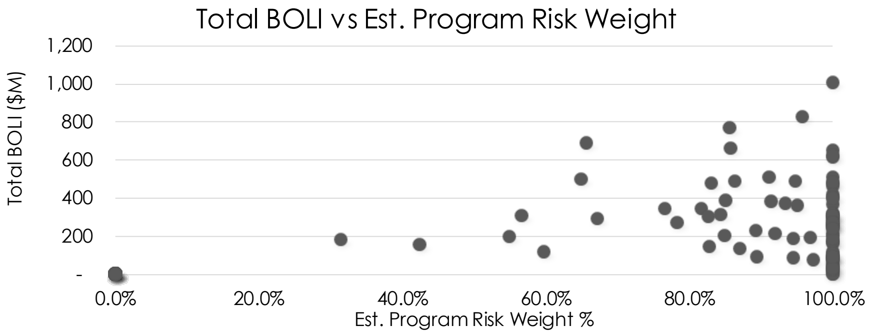
To request a subscription or more information; contact tharemy.hopkins@mbschoen.com or call 701-205-3571

Market Analytics By Bank Size

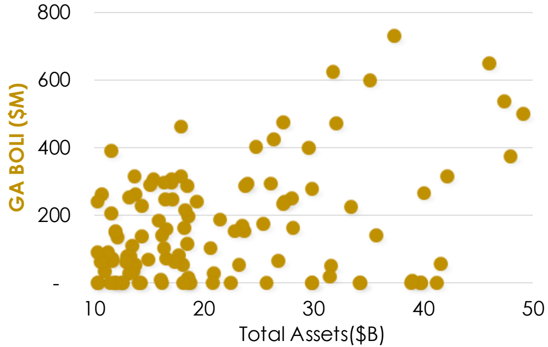
Banks with $10B to $50B in Total Assets

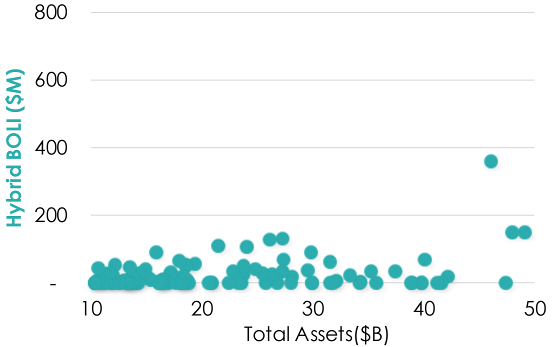
92 of 114 banks own BOLI

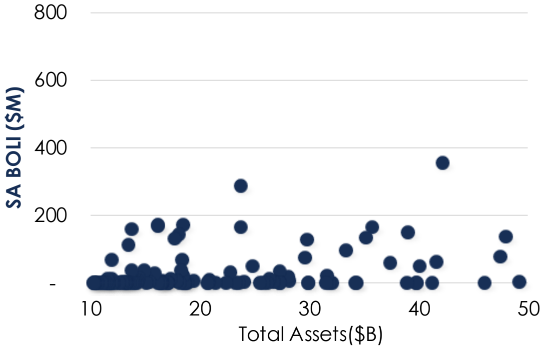
	GA ($M)	Hybrid ($M)	SA ($M)	Total BOLI ($M)	BOLI / Capital
Total	**19,041**	**2,701**	**3,568**	**25,310**	**9%**
Average	167	24	31	222	10%
Last Q # of Increases	5	1	5	11	
Increase Total ($M)	128	13	191	332	
Last Q # of Decreases	7	2	-	9	
Decrease Total ($M)	(314)	(67)	-	(381)	



Types of BOLI by Bank Asset Size







Recent BOLI Transaction Counts & Totals

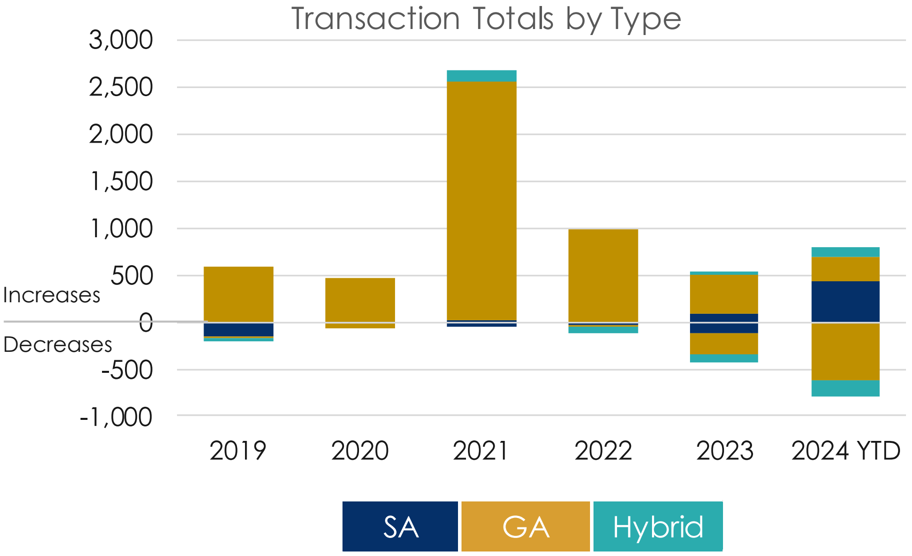
Banks with $10B to $50B in Total Assets

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-Q3	2	28	9	304	**11**	**332**	1	-13	8	-368	**9**	**-381**
1-Year	6	423	22	746	**28**	**1,169**	7	-337	19	-705	**26**	**-1,043**
3-Year	21	1,219	53	1,688	**74**	**2,907**	8	-392	33	-950	**41**	**-1,343**
5-Year	49	2,942	69	2,625	**118**	**5,567**	9	-436	36	-1,013	**45**	**-1,450**
SA												
2024-Q3	0	0	5	191	**5**	**191**	0	0	0	0	**0**	**0**
1-Year	2	193	7	308	**9**	**501**	1	-33	3	-80	**4**	**-113**
3-Year	2	193	10	354	**12**	**547**	1	-33	5	-126	**6**	**-159**
5-Year	2	193	10	354	**12**	**547**	2	-77	6	-141	**8**	**-218**
GA												
2024-Q3	2	28	3	100	**5**	**128**	0	0	7	-314	**7**	**-314**
1-Year	4	230	11	339	**15**	**569**	3	-232	12	-499	**15**	**-732**
3-Year	19	1,026	36	1,175	**55**	**2,202**	4	-287	16	-566	**20**	**-853**
5-Year	46	2,649	52	2,112	**98**	**4,761**	4	-287	18	-614	**22**	**-901**
HYBRID												
2024-Q3	0	0	1	13	**1**	**13**	1	-13	1	-54	**2**	**-67**
1-Year	0	0	4	99	**4**	**99**	3	-72	4	-126	**7**	**-198**
3-Year	0	0	7	159	**7**	**159**	3	-72	12	-259	**15**	**-331**
5-Year	1	100	7	159	**8**	**259**	3	-72	12	-259	**15**	**-331**

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



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

Current Quarter		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	
2024-Q3	Banc of California	$45	($45)	
2024-Q3	Home Bancshares	$25	($25)	
2024-Q3	WAFD Inc	$16	($16)	
2024-Q3	Customers Bancorp		**($15)**	**$15**
2024-Q3	Dime Community Bancshares Inc		**$15**	
2024-Q3	Ohio Farmers Insurance Co		$15	
2024-Q3	Cadence Bank		($13)	$13
2024-Q3	First Hawaiian Inc		**$13**	**($13)**
2024-Q3	First Financial Bcorp	$10	($10)	
2024-Q3	First American Financial Corp		$10	

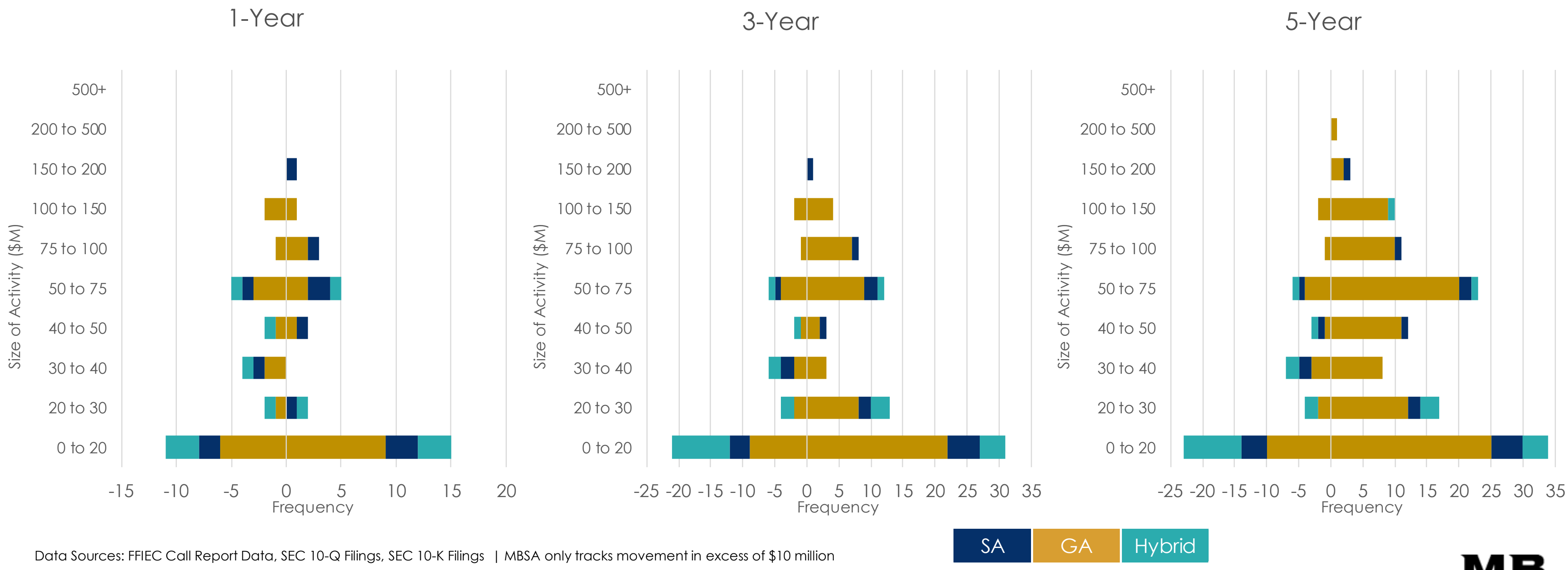
Recently Notable		SA	GA	HY
2024-Q1	First Financial Bcorp	$53	($40)	($13)
2023-Q4	WSFS Financial Corp		**($67)**	
2023-Q2	Customers Bancorp		**($55)**	

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)



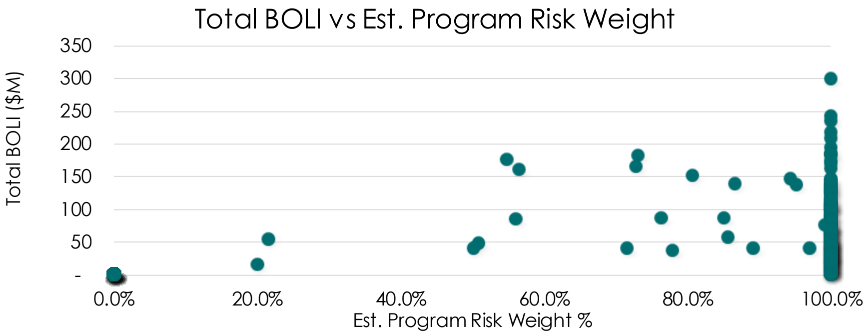
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings | MBSA only tracks movement in excess of $10 million

Market Analytics By Bank Size

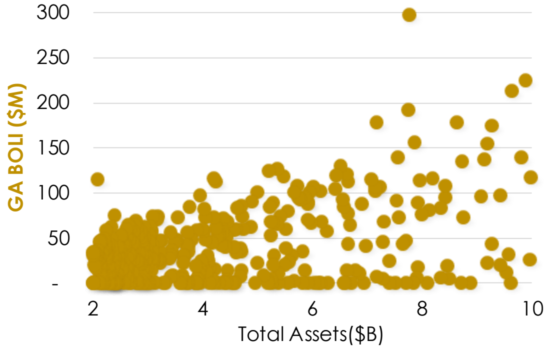
Banks with $2B to $10B in Total Assets

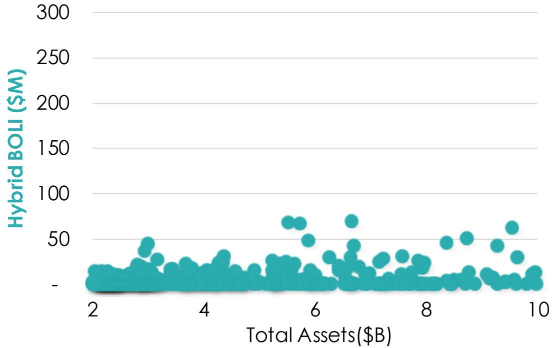
356 of 428 banks own BOLI

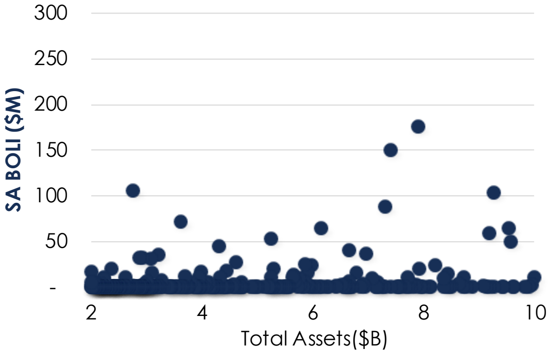
	GA ($M)	Hybrid ($M)	SA ($M)	Total BOLI ($M)	BOLI / Capital
Total	**14,668**	**2,039**	**1,687**	**18,394**	**10%**
Average	44	6	5	55	11%
Last Q # of Increases	7	-	1	8	
Increase Total ($M)	167	-	30	197	
Last Q # of Decreases	4	1	3	8	
Decrease Total ($M)	(108)	(15)	(49)	(172)	



Types of BOLI by Bank Asset Size







Recent BOLI Transaction Counts & Totals

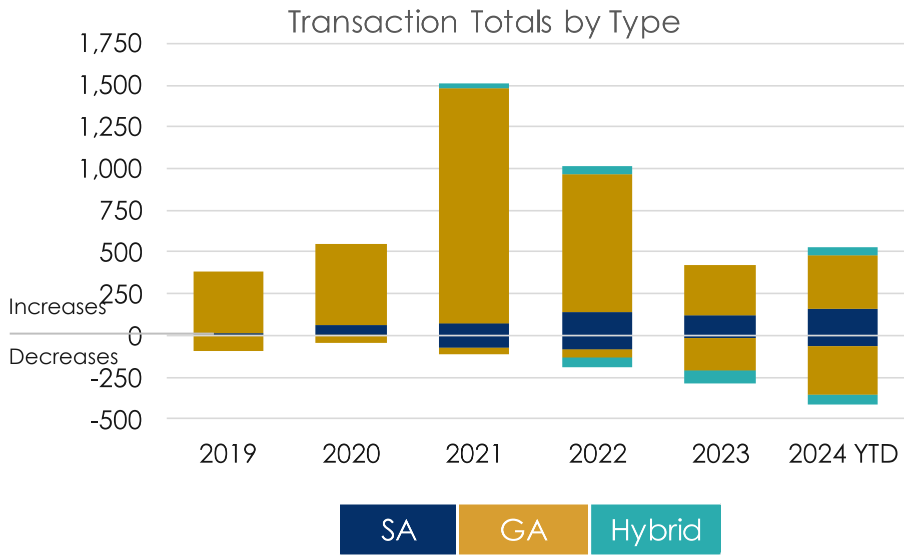
Banks with $2B to $10B in Total Assets

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-Q3	2	32	6	165	**8**	**197**	3	-90	5	-82	**8**	**-172**
1-Year	6	173	30	568	**36**	**741**	10	-367	16	-301	**26**	**-668**
3-Year	29	593	83	1,685	**112**	**2,278**	14	-424	25	-469	**39**	**-893**
5-Year	76	1,708	137	2,557	**213**	**4,265**	14	-424	32	-690	**46**	**-1,114**
SA												
2024-Q3	0	0	1	30	**1**	**30**	1	-19	2	-30	**3**	**-49**
1-Year	2	102	9	168	**11**	**270**	1	-19	4	-56	**5**	**-75**
3-Year	4	137	15	356	**19**	**493**	2	-30	8	-133	**10**	**-163**
5-Year	5	197	15	356	**20**	**553**	2	-30	10	-208	**12**	**-238**
GA												
2024-Q3	2	32	5	135	**7**	**167**	2	-71	2	-37	**4**	**-108**
1-Year	4	72	19	359	**23**	**430**	8	-314	7	-155	**15**	**-470**
3-Year	24	441	62	1,233	**86**	**1,675**	10	-350	9	-183	**19**	**-534**
5-Year	70	1,497	115	2,090	**185**	**3,587**	10	-350	14	-329	**24**	**-680**
HYBRID												
2024-Q3	0	0	0	0	**0**	**0**	0	0	1	-15	**1**	**-15**
1-Year	0	0	2	41	**2**	**41**	1	-34	5	-89	**6**	**-123**
3-Year	1	15	6	95	**7**	**110**	2	-44	8	-152	**10**	**-196**
5-Year	1	15	7	110	**8**	**125**	2	-44	8	-152	**10**	**-196**

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



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

Current Quarter		SA	GA	HY
2024-Q3	NB Bcorp Inc		$50	
2024-Q3	Green Dot Corp	**($19)**	**($37)**	
2024-Q3	Blue Ridge Bankshares Inc		**($34)**	
2024-Q3	National Exchange Bank And Trust	$30	($22)	
2024-Q3	Cass Information Systems	($15)	$30	($15)
2024-Q3	Stockman Financial		$25	
2024-Q3	Smartfinancial Inc		**$20**	
2024-Q3	Peoplesbancorp MHC		($15)	
2024-Q3	Johnson Financial Group		$15	
2024-Q3	Alpine Banks Of CO	($15)	$15	
2024-Q3	Nicolet Bankshares		**$12**	

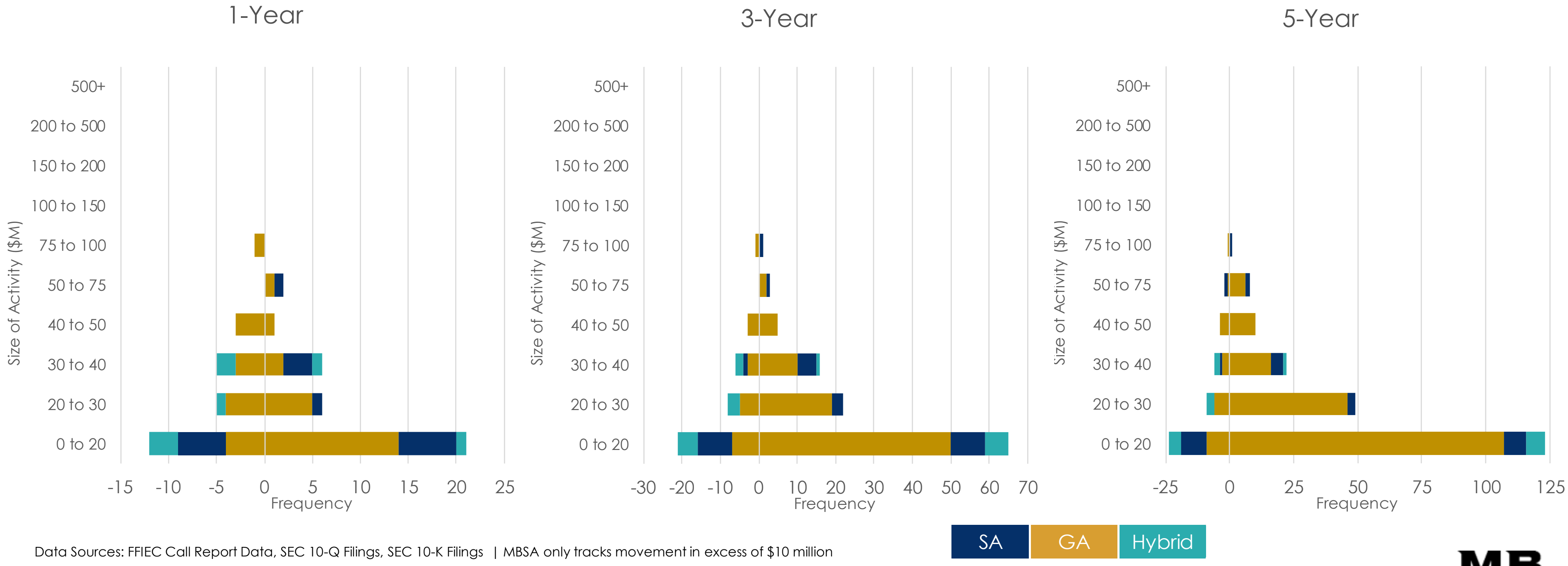
Recently Notable		SA	GA	HY
2024-Q2	Cass Information Systems Inc	$13	($45)	$31
2024-Q1	FVCbank		**($45)**	
2024-Q1/2	Green Dot Corp	**$40**	**($40)**	
2023-Q4	Horizon		**($78)**	**($34)**

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



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

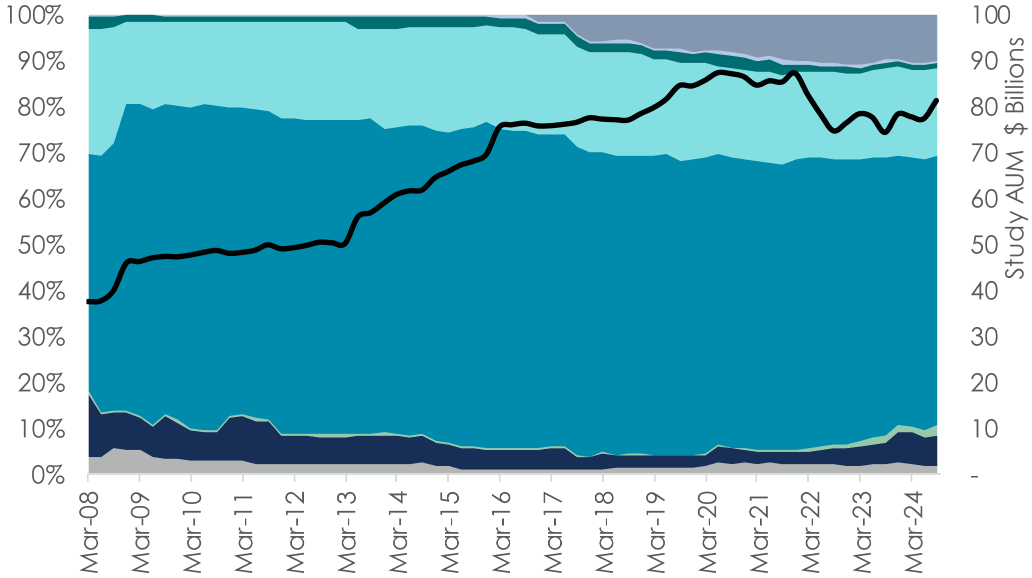
- Capital Efficient / Multi-Sector / Target RW
- High Yield
- Credit
- Core Fixed Income
- MBS / Securitized (ABS / CMBS)
- CLO / Bank Loan
- Short Duration
- Government

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

Currently comprises $82 billion – a massive share of the industry

SA BOLI Industry Allocations

SA BOLI Allocations Over Time



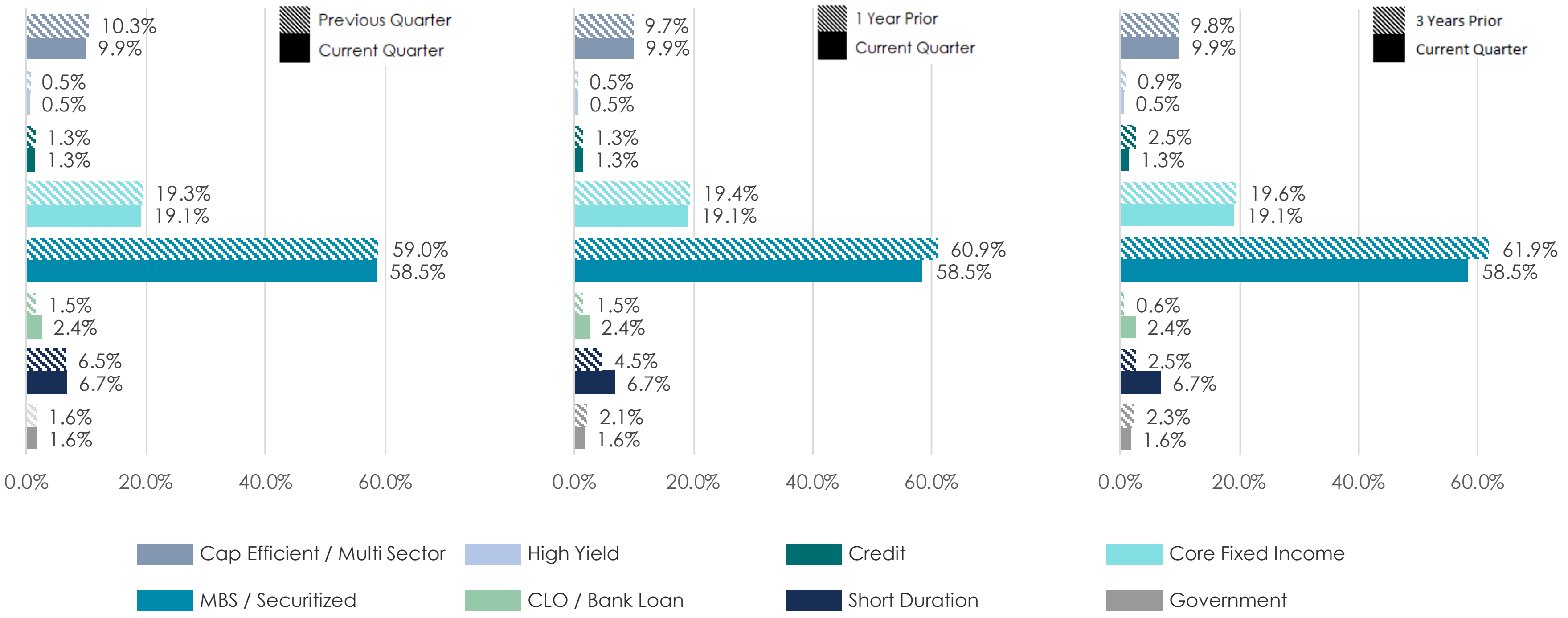
2024-Q3 Weights

Cap Efficient / Multi Sector	9.9%
High Yield	0.5%
Credit	1.3%
Core Fixed Income	19.1%
MBS / Securitized	58.5%
CLO / Bank Loan	2.4%
Short Duration	6.7%
Government	1.6%

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



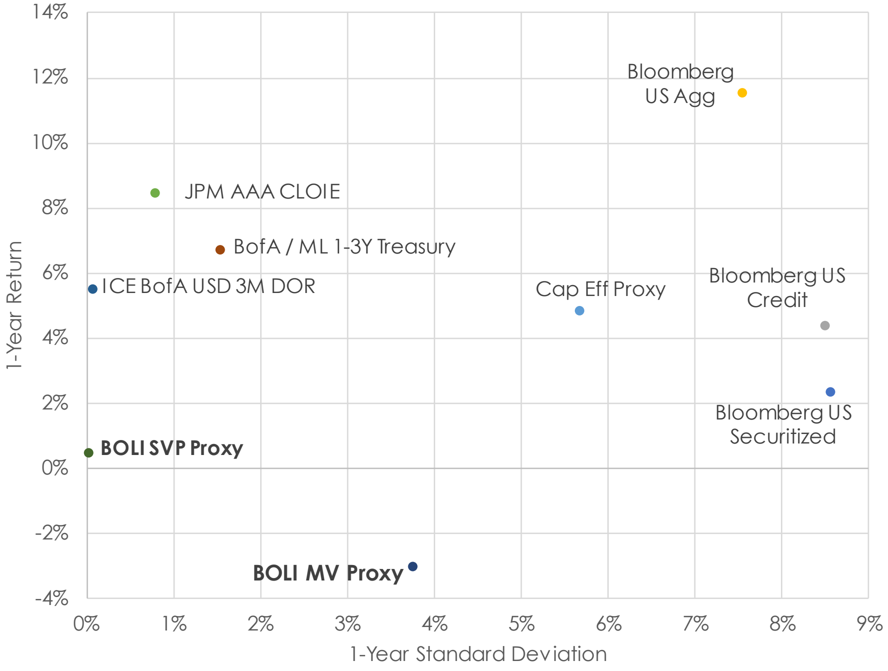
Investment Performance Proxy

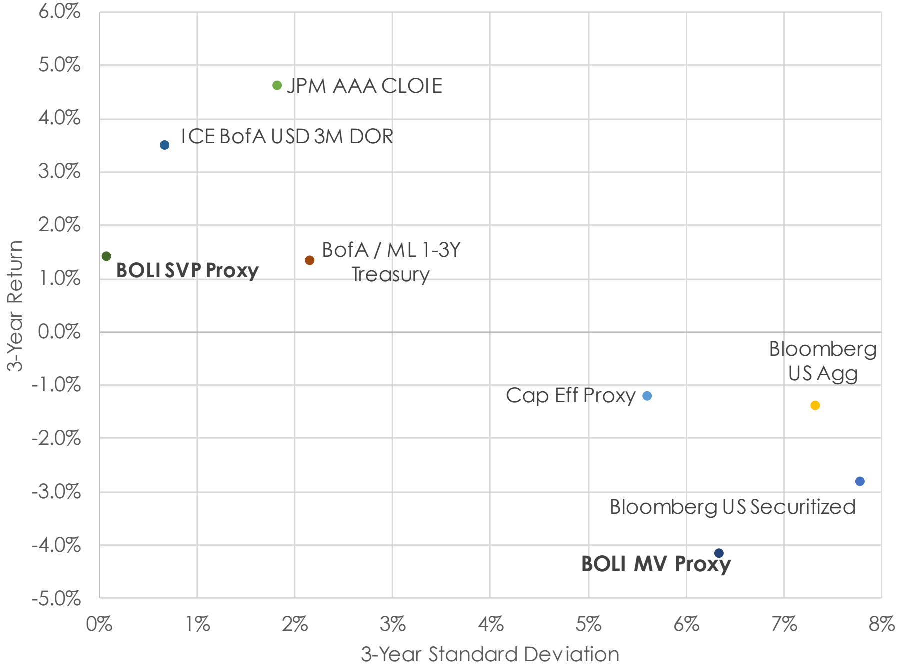
Using common benchmarks for the categories, a proxy for the industry's SA Q3 MV performance is estimated at 4.89%

	Benchmark	Quarter	1-Year	3-Year	5-Year	Weights
Cap Efficient / Multi Sector	[Proxied by a sector blend]	4.20%	11.12%	1.13%	1.94%	9.90%
High Yield	*Bloomberg High Yield*	4.32%	13.91%	2.53%	3.94%	0.53%
Credit	*Bloomberg US Credit*	5.71%	13.81%	-1.12%	1.07%	1.29%
Core Fixed Income	*Bloomberg US Agg*	5.20%	11.57%	-1.39%	0.33%	19.07%
MBS / Securitized	*Bloomberg US Securitized*	5.44%	12.22%	-1.11%	0.15%	58.55%
CLO / Bank Loan	*CLOE Index*	1.68%	7.69%	5.08%	3.93%	2.41%
Short Duration	*ICE BofA USD 3M DOR*	1.45%	5.53%	3.50%	2.44%	6.66%
Government	*BofA / ML 1-3Y Treasury*	2.87%	6.74%	1.33%	1.51%	1.59%
Industry Proxy MV Performance using rolling weights:		**4.89%**	**11.46%**	**-0.67%**	**0.56%**	
Industry Proxy Stable Value Performance:		0.63%	2.27%	1.99%	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





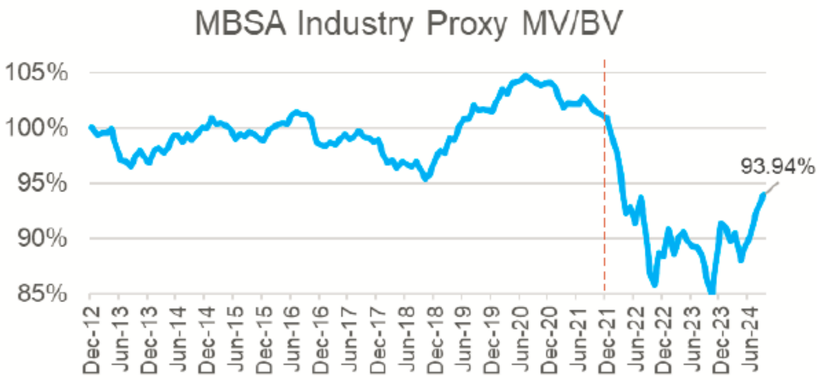
Data as of 2024-Q3

Industry MV/BV Ratio Developments

**Ratios increased each month in Q3, buoyed the most by strong July Performance.
Overall, ratios increased ~3.9% from Q2 to Q3.**

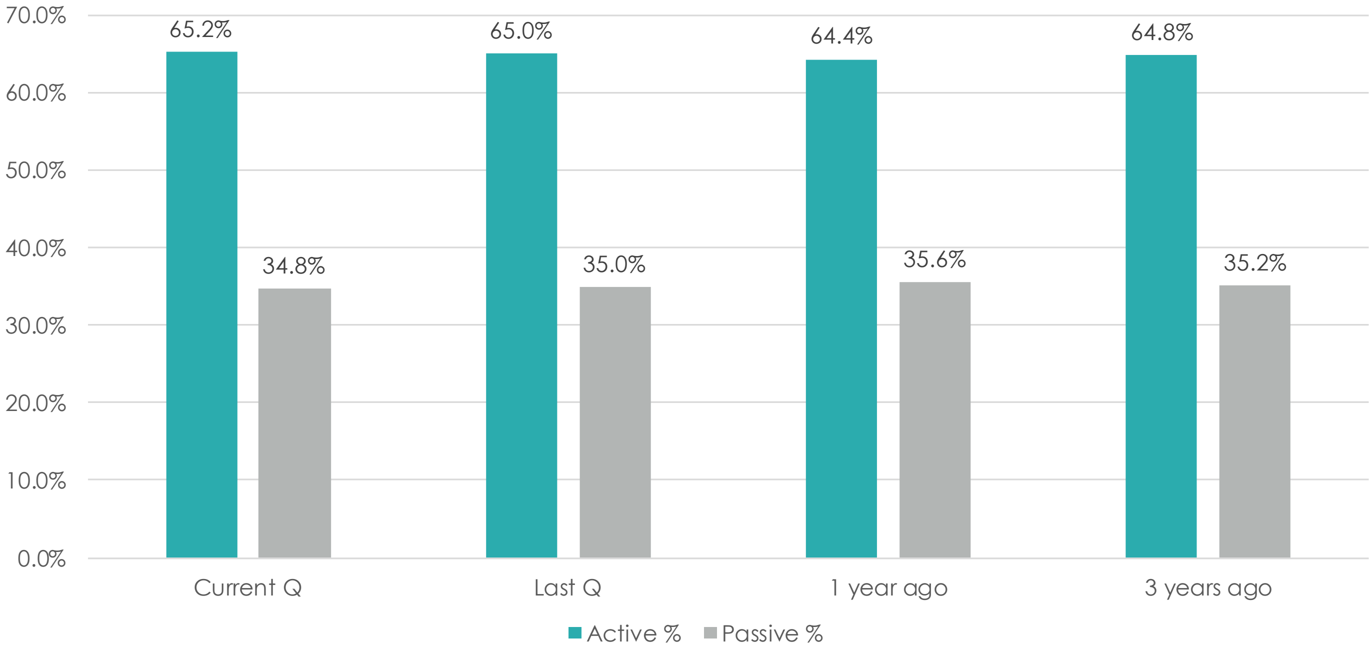
- MBSA began compiling market value and book value data to monitor the overall MV/BV ratios of BOLI allocations
    - ❖ As of Q3, the total MV in the carrier aggregate values was ~$57 billion
- Additionally, using our proxy MV and BV performance monitoring from the prior pages, we calculate a proxy Industry 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	93.6%	93.9%



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

IRS Releases Proposed Corporate AMT Rules (Sep)

- On September 12 the IRS and Treasury released proposed regulations that would address the application of the corporate alternative minimum tax (CAMT) which is imposed on the adjusted financial statement income (AFSI) of certain corporations for taxable years beginning after 2022.
- The 600+ page proposal includes numerous adjustments to financial statement income for purposes of calculating the tentative minimum tax. Upon initial review, we did not observe anything in the proposals that relate to BOLI/COLI. As such, we continue to believe that GAAP earnings arising from BOLI/COLI would continue to be fully included in the AFSI and be subjected to tentative minimum tax for an applicable corporation.
- As a reminder, the CAMT imposes a 15% minimum tax on AFSI on corporations with over $1 billion of AFSI for three consecutive years.
- The proposed rule sets forth AFSI adjustments for certain insurance companies, including one for "covered variable contracts" [see §1.56A-22(c)]. This provision appears to ensure that the AFSI adjustments for an insurance company are consistent with the premise that the Separate Account assets directly offset an insurer's liabilities under a variable contract.
- We did not observe any rules specific to banks.
- There are various rules related to corporate reorganizations, mergers and acquisitions. We have not yet reviewed these aspects in detail.

Noteworthy Tax Developments

JCT Description of the Revenue Provisions Contained in the President's Fiscal Year 2025 Budget Proposal (Nov)

- On November 22 the Joint Committee on Taxation (JCT) released its description and analysis of the revenue provisions that are included in President Biden's fiscal year 2025 budget proposal as submitted to the Congress on March 11, 2024 (as covered our March LRA Update).
- Two topics in the JCT description bear highlighting:
  - ❖ Proposal to Expand the Pro Rata Interest Expense Disallowance for Business-Owned Life Insurance; and
  - ❖ Proposal to Limit the Tax Benefits for Private Placement Life Insurance (PPLI).
- While it is clear that the Trump administration will have vastly different tax policy objectives, some of the modest revenue raisers could possibly get pulled into consideration as part of broader legislative negotiations.
- <u>Expansion of 264(f) Interest Expense Disallowance</u>
  - ❖ This proposal has been included in a number of previous budget proposals. In this JCT report, the authors provided a slightly more balanced assessment of the proposal. A primary purported rationale for the proposal is that businesses which own life insurance on employees can borrow from third parties (unconnected to the life insurance) and achieve a "tax arbitrage" by deducting interest on the debt while retaining tax-deferred and/or tax-free earnings from the life insurance.
  - ❖ The JCT report includes the following perspectives (each excerpted verbatim) in opposition to the measure:
    - Small businesses might argue that they need access to cash, in particular the cash value of life insurance on employees, officers, and directors, so retaining the tax subsidy provided by the exception for those individuals is appropriate for small businesses, regardless of the application of the proposal to others.
    - Opponents of the proposal argue that the funds borrowed under the life insurance contracts are used for tax-advantaged pre-funding of expenses such as retiree health benefits and supplemental pension benefits.

Continued…

Noteworthy Tax Developments

JCT Description of the Revenue Provisions Contained in the President's Fiscal Year 2025 Budget Proposal (Nov) continued

- A related argument is that investments in such insurance contracts are accepted as tier 1 capital for banks, an important incentive for banks to hold the contracts, and that limiting their tax advantages negatively impacts these financial institutions. Arguably, limiting this source of tier 1 capital may be a particularly inappropriate side effect of the proposal at times of economic downturn, illiquidity, unavailability of credit, or instability among banks.
- Some might view the proposal as somewhat ineffective because it would not impose any dollar limitation on the amount of insurance an employer would be permitted to purchase with respect to a 20-percent owner, nor on the amount of interest expense allocable to unborrowed policy cash values with respect to such insurance that would remain deductible under the proposal. It could be argued that the proposal would not effectively deter undesirable tax arbitrage in many cases, without any such limitations.

❖ The report largely counters each of the above perspectives as well; however, it is encouraging that the report acknowledges countervailing perspectives.

❖ In total, the JCT scored this proposal at ~$8.3 billion over ten years. The Biden budget scored it at ~$7 billion.

- <u>Limited Tax Benefits for PPLI</u>

❖ This was a new proposal in Biden's fiscal year 2025 budget proposal. As a quick recap, this proposal would look to modify the tax treatment for variable contracts that are exempt from SEC registration in an attempt to target utilization by high-net-worth individuals. The adjusted tax treatment would include applying a tax on death benefits (to the extent such benefits exceed basis) and applying a 10% excise tax to any taxable distributions, including death benefits.

❖ The JCT report on this provision appears to be slightly inconsistent in explaining and defending the rationale. First, it states that the proposal "ends tax deferral for this type of contract … by imposing current income tax on all distributions from such a contract on an income-first basis…" Note that an income tax is already imposed on pre-death distributions of inside build-up from life insurance, and MECs are already subjected to the income-first recognition treatment. As such, the current taxation of distributions is not highly controversial. However, the existing MEC and non-MEC distinctions are based on meaningful structural differences and adjusting non-MEC treatment solely on the basis of whether a contract is issued on a private placement basis strikes us as illogical.

❖ The report later observes that the proposal "does not change the tax treatment of amounts that are not distributed (or are not loaned or pledged) with respect to the contract." Hence, the proposal does not look to end tax deferral. However, the imposition of a 10% excise tax would likely overwhelm the value of tax deferral in most instances.

Continued…

Noteworthy Tax Developments

JCT Description of the Revenue Provisions Contained in the President's Fiscal Year 2025 Budget Proposal (Nov) continued

- ❖ Similar to the discussion on interest expense disallowance, the JCT report acknowledges that this proposal has some opposition (each excerpted verbatim):
  - Opponents of a change in the law may point out that deferral of income tax on inside buildup of life insurance and annuity contracts has been the same for decades starting in the previous millennium.
  - Some might question the idea of identifying a specific type of contract that may arguably be abusive and changing its tax treatment. Potential drawbacks of the approach may be that the proposal is either overbroad and taxes non-abusive contracts inappropriately or is underinclusive and does not address contracts or arrangements that could cost-effectively be adapted to achieve the results of using private placement life insurance and annuity contracts today.
  - Another potential criticism of the proposal's approach is that it might deter individuals from buying life insurance or annuity contracts generally, whether due to unfamiliarity with the scope of the proposal, or due to trepidation about future changes to the treatment of such contracts or the market for such contracts.
  - Issuers, reinsurers, investment advisors, and others may be concerned about the market as well and may feel that the proposal unfairly limits the profitability of their business activity.
- ❖ In total, the JCT scored this proposal at ~$9.8 billion over ten years. The Biden budget scored it at ~$7 billion

- <u>Increase the Corporate Tax Rate to 28%</u>
  - ❖ The Biden budget proposal called for increasing the corporate tax rate to 28%. The administration estimated this would increase revenues by ~$1.35 trillion. The JCT didn't score it as high, but still estimated ~$0.88 trillion in increased revenue.

Noteworthy Tax Developments

IRS Releases Contribution Limits for 2025 (Nov)

- On November 1, the IRS released its annual update regarding amounts individuals can contribute to 401(k) plans and other cost-of-living adjustments for various purposes (IRS Notice 2024-80).
- Notable updates include:

Topic	2024	2025
Limit on Elective Deferrals under 402(g)(1) and 457(e)(15) [applicable to 401(k), 403(b), 457(b), etc.]	$23,000	$23,500
Annual Compensation Limit under 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii)	$345,000	$350,000
Highly Compensated Employee Threshold under section 414(q)(1)(B)	$155,000	$160,000

Noteworthy Accounting Developments

Article on BOLI Surrender and Redeploy Considerations (Oct)

- On October 9 professionals from RSM US published an article on Insurance Newsnet, titled *BOLI, bonds and banks: Accounting for early surrender*. Since the recent increases in interest rates, many banks have considered surrendering recently purchased (i.e., prior to the run up in interest rates) BOLI to reinvest the proceeds in new BOLI with a higher yield. Over the past year, several banks have reported such transactions in their quarterly earnings releases.
- According to this article, "one of the Big Four accounting firms has suggested that such a 'surrender and redeploy' transaction could call into question the deferred tax treatment of the new policy as well as any existing policies not yet surrendered." The authors then provide a brief assessment and comparison relative to voluntarily liquidating Hold-to-Maturity (HTM) bonds. They note that a bank risks "tainting" the HTM treatment of all HTM securities if it sells certain HTM securities or reclassifies them to AFS.
- The article does not reach any specific conclusions but observes that "…accounting or regulatory authorities seeking a reasonable way to apply, clarify or reform the current 'expectations' standard may well conclude that a similar 'tainting' rule should be applied…" to BOLI.
- The exception to recording a deferred tax liability for BOLI is an important consideration. Each surrender situation is unique and should be carefully evaluated based on the specific facts and circumstances. In our view, there are situations when surrenders will not "taint" the deferred tax accounting of the remaining BOLI. Whenever a bank elects to surrender certain BOLI policies, arguments in support of its intention to hold the remaining BOLI to maturity should be documented, along with the circumstances justifying the surrender.

SUBSCRIPTION SERVICES

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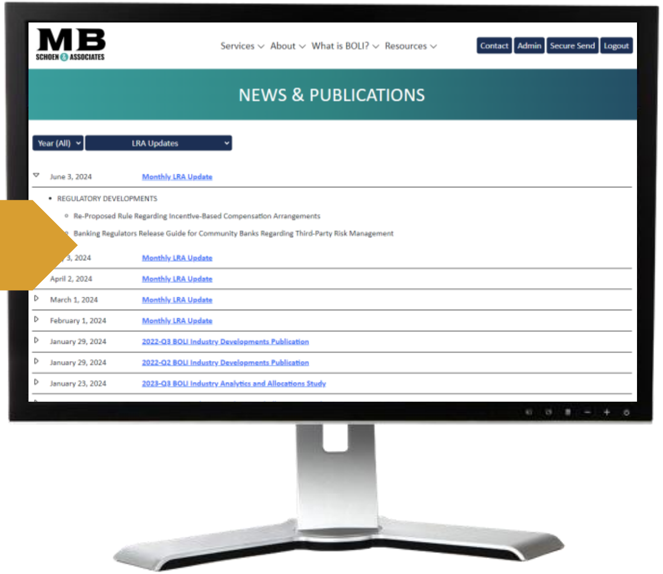
LEGISLATIVE, REGULATORY, JUDICIAL, AND ACCOUNTING DEVELOPMENTS



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Noteworthy Regulatory Developments

FRB Vice Chair for Supervision – Remarks on Status of Basel III Endgame (Sep)

- On September 10 the FRB Vice Chair for Supervision, Michael S. Barr, delivered a speech at the Brookings Institution. His comments focused on Basel III Endgame and capital surcharges for G-SIBs.
- Noteworthy statements include
    - He will recommend a re-proposal of Basel III Endgame and G-SIB surcharge rules
    - Banks with assets between $100 and $250 billion would no longer be subject to the endgame changes, other than the requirement to recognize unrealized gains and losses of their securities in regulatory capital
    - The re-proposals would increase aggregate common equity tier 1 capital requirements for the G-SIBs by 9%
    - Non-G-SIBs would have estimated impact of 3%-4% increase in capital requirements (largely due to inclusion of unrealized gains/losses in regulatory capital)
    - He proposes to extend the reduced risk weight for low-risk corporate exposures to certain regulated entities that a bank judges to be investment grade and that are not publicly traded
- More broadly, there had been speculation that the agencies might release updated proposals in September; however, further reports indicated that the FDIC board was reportedly at an impasse over the revised proposals – potentially delaying any resolution until after the election.

Noteworthy Regulatory Developments

House Financial Services Hearing – Regulators to Pause Major Rulemakings Until 2025 (Nov)

- On November 20, the House Financial Services Committee held a hearing entitled "Oversight of Prudential Regulators." Witnesses included Michael Barr (FRB Vice Chairman), Martin Gruenberg (FDIC Chairman) and Michael Hsu (OCC Acting Comptroller).
- Of note, during the session, the banking regulators expressed that major rulemakings, including Basel III Endgame, would not proceed until after the change in presidential administrations.

Noteworthy Legislative Developments

[No Legislative-Related Items Covered This Quarter]

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

Other Noteworthy Developments

FRB of Chicago Report on State Guaranty Funds (Sep)

- In the May 2024 issue of *Economic Perspectives*, Daniel Hartley (Senior Economist and Economic Advisor in the research department of the Federal Reserve Bank of Chicago) published a report on how state insurance guaranty associations operate.
- The report describes the design and legal processes that apply if an insurer becomes financially troubled and how state guaranty associations provide protections to policyholders. The author notes some risks and structural considerations, including unknown coverage amounts and uncertainties that arise through an often time-consuming insolvency process. The report describes what happened with two of the largest insurer insolvencies to date: Penn Treaty (who issued long-term care insurance) and Executive Life.
- The report is educational in nature and doesn't specifically call for any public policy action or response. However, it does call into question how effective the regime would be if a large life insurer were to become insolvent.

Insurance Company and Counterparty Updates

Current S&P Financial Strength Ratings

Insurance Carriers Rated AAA

- None

Insurance Carriers Rated AA+

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

Insurance Carriers Rated AA

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

Insurance Carriers Rated AA-

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

Insurance Carriers Rated A+

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

Insurance Carriers Rated A

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

Insurance Carriers Rated BBB+

- Delaware Life Insurance Company
- Talcott Resolution Life Insurance Company

Insurance Carriers Not Rated
(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 November 15, 2024

Current Fitch Financial Strength Ratings

Insurance Carriers Rated AAA
- New York Life Insurance and Annuity Corporation
- New York Life Insurance Company
- Northwestern Mutual Life Insurance Company

Insurance Carriers Rated AA+
- Massachusetts Mutual Life Insurance Co.

Insurance Carriers Rated AA
- Canada Life Assurance Co. (US Branch)
- Empower Annuity Insurance Company of America
- 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 November 15, 2024

Current Moody's Financial Strength Ratings

Insurance Carriers Rated Aaa

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

Insurance Carriers Rated Aa1

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

Insurance Carriers Rated Aa2

- 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 November 15, 2024

MB SCHOEN & ASSOCIATES

Ratings or Outlook Revisions

John Hancock Life Insurance Company

- Outlook changed from stable to positive by Moody's (Oct)

Security Life of Denver Insurance Company

- Rating upgraded from Baa1 to A3 by Moody's (Oct)

Reliastar Life Insurance Company

- Ratings upgraded one notch by Fitch (Sep)

Voya Financial

- Ratings upgraded one notch by Fitch (Sep)

Zurich Insurance Company

- Rating upgraded from Aa3 to Aa2 by Moody's (Oct)

JPMorgan Chase Bank, N.A.

- Ratings upgraded from A+ to AA- by S&P (Nov)

Industry Developments

[No Notable Developments this quarter]

SUBSCRIPTION SERVICES

COUNTERPARTY TRACKING SYSTEM

- ✓ **Risk Management**
  Monitor credit of BOLI Carriers, SVP Providers, and other counterparties
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  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
[illegible]	[illegible]	[illegible]	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	-	1
[illegible]	[illegible]	[illegible]	-	-	-

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

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

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