



Evolving Trends in Bank-Owned Life Insurance

Complimentary Edition – 2025-Q4

March 2026

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Economic Backdrop

Economic Updates

Federal Reserve & Yield Curve

- The Fed cut rates 25bps at both its October and December meetings, bringing the target rate to a range of 3.5%-3.75%

Sector Returns

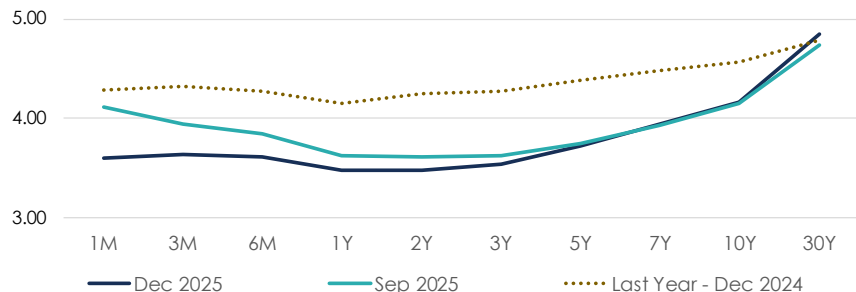
- Fixed income sectors took advantage of curve steepening, especially Agency MBS; returning 1.7%; outperforming like duration treasuries by 69bps
 - MBS outperformed treasuries by almost ~1.7% in 2025
- The S&P 500 had another positive quarter – returning 2.66% and pushing YTD returns to nearly 18%
 - Healthcare (+11.7%) & Telecom (+7.3%) were by far the leading sectors, while Utilities (-1.4%) was the only negative sector in Q4

US Economy

- Mortgage rates fell in the US to 6.25%, but prepayment speeds remained low
- Unemployment was higher than forecast to end the year, but inflation came in slightly under (2.7%) the 3.1% prediction

Financial Markets Update

US Treasury Yields



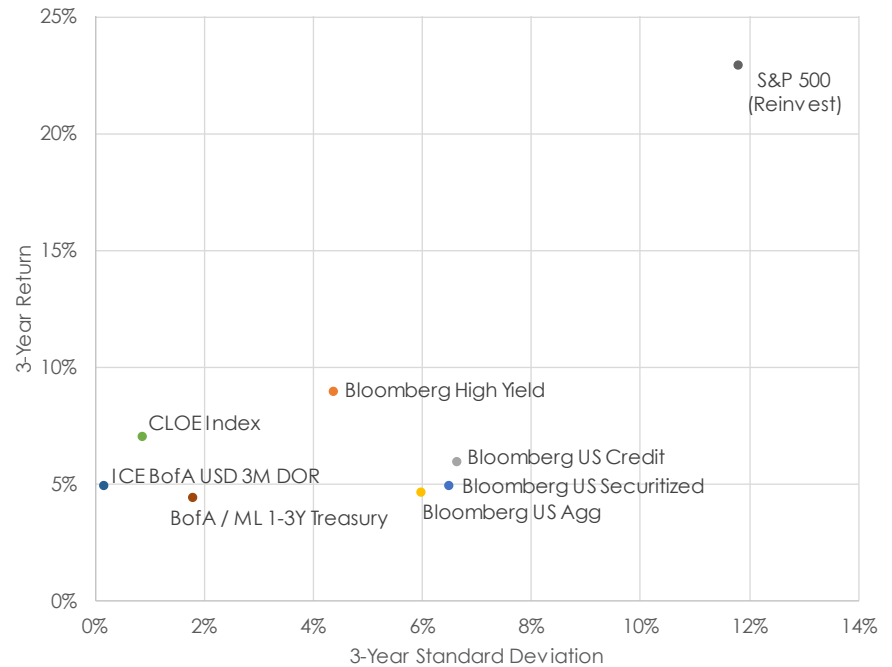
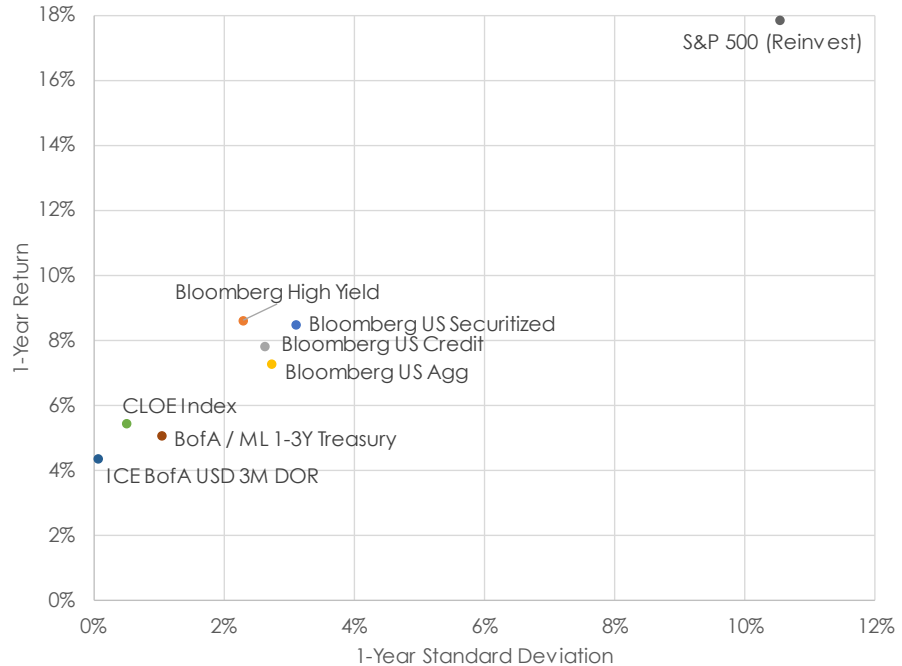
	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
Dec 2025	3.60	3.63	3.61	3.48	3.48	3.54	3.73	3.94	4.17	4.85
Sep 2025	4.11	3.94	3.84	3.62	3.61	3.62	3.74	3.93	4.15	4.73
Q Change	-0.51	-0.31	-0.23	-0.15	-0.13	-0.08	-0.02	0.01	0.02	0.11
Dec 2024	4.28	4.32	4.27	4.15	4.24	4.27	4.38	4.48	4.57	4.78
Year Change	-0.69	-0.69	-0.66	-0.68	-0.77	-0.73	-0.66	-0.54	-0.40	0.06

Sector Performance (As of Q4)

	YTW	Duration	OAS	3M Return	12M Return	3Y Return	5Y Return
Treasuries	3.89%	5.88	0.00%	0.90%	6.32%	3.62%	-0.99%
Corporate	4.81%	6.83	0.78%	0.84%	7.77%	6.09%	-0.09%
CMBS	4.43%	3.87	0.75%	1.34%	7.75%	5.93%	0.92%
ABS	4.09%	2.85	0.52%	1.25%	5.93%	5.49%	2.29%
Credit Card ABS	3.87%	2.48	0.32%	1.24%	6.02%	5.39%	1.70%
Auto ABS	4.02%	1.77	0.54%	1.26%	5.73%	5.61%	2.50%
Agency MBS	4.63%	5.63	0.22%	1.71%	8.58%	4.89%	0.15%
GNMA	4.72%	5.65	0.22%	1.57%	8.08%	4.77%	0.23%
FHLHC	4.43%	5.43	0.28%	1.75%	8.84%	5.24%	0.25%
FNMA	4.61%	5.63	0.22%	1.75%	8.74%	4.93%	0.18%
Palmer CLO AAA	4.58%	0.06		1.22%	5.45%	7.05%	

	3M Return	12M Return	3Y Return	5Y Return
SP 500	2.66%	17.88%	23.01%	14.42%
Energy	1.53%	8.67%	4.27%	23.78%
Materials	1.12%	10.54%	7.54%	6.79%
Industrials	0.88%	19.42%	18.34%	13.66%
Consumer Discretionary	0.71%	6.04%	25.26%	9.02%
Consumer Staples	0.01%	3.90%	6.26%	7.18%
Health Care	11.68%	14.60%	6.26%	8.21%
Financials	2.02%	15.02%	18.98%	15.27%
IT	1.42%	24.04%	38.81%	20.91%
Telecom	7.26%	33.55%	42.90%	16.35%
Utilities	-1.40%	16.04%	10.00%	9.73%

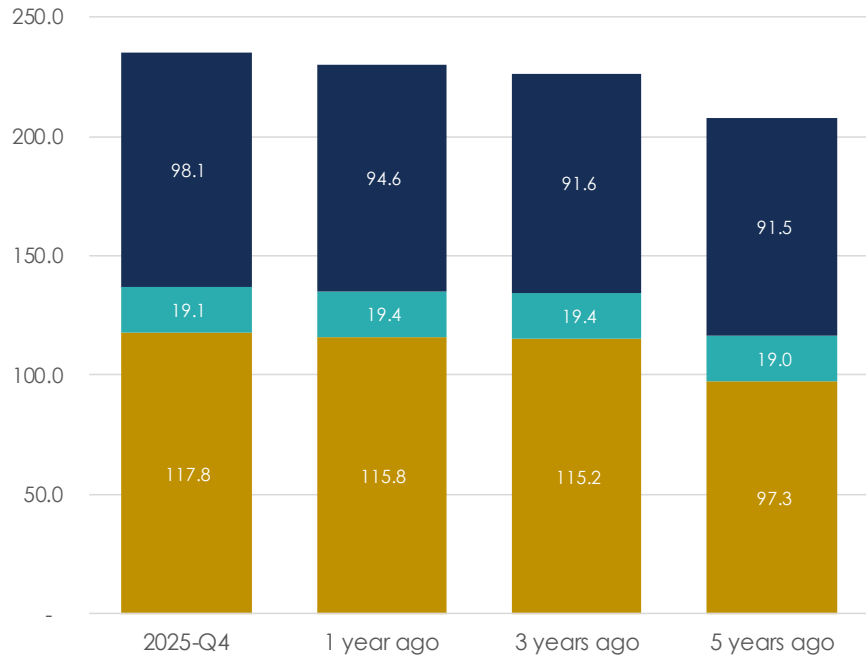
1 & 3-Year Benchmark Risk/Return Plots



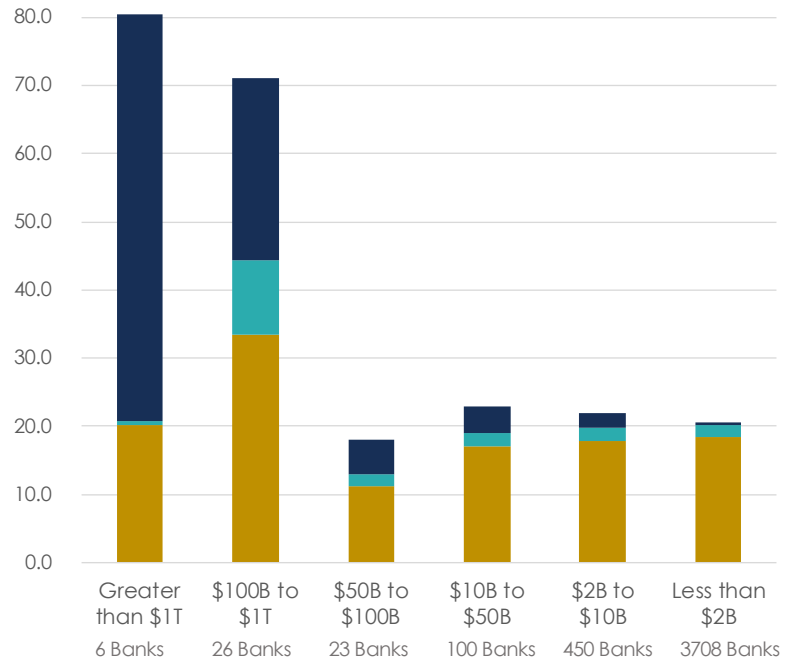
Recent Trends in BOLI

BOLI Market Overview as of 2025-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

BOLI Market Overview as of 2025-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%	15,872	20.1	0.7	59.7	80.5	6.96%	0.51%
\$100 Billion to \$1 Trillion	26	85%	7,725	33.4	11.0	26.8	71.2	9.53%	0.92%
\$50 Billion to \$100 Billion	23	96%	1,657	11.1	1.8	5.1	18.0	10.25%	1.09%
\$10 Billion to \$50 Billion	100	78%	2,248	17.1	2.0	3.7	22.8	8.89%	1.01%
\$2 Billion to \$10 Billion	450	83%	1,924	17.8	1.9	2.3	22.0	9.61%	1.14%
Less than \$2 Billion	3,708	66%	1,679	18.3	1.8	0.5	20.6	9.91%	1.23%
TOTALS	4,313	68%	31,105	117.8	19.1	98.1	235.0	8.48%	0.76%

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%	60.5	18.6	30.7%	30.7%
\$100 Billion to \$1 Trillion	26	85%	31.5	13.5	42.7%	53.9%
\$50 Billion to \$100 Billion	23	96%	6.5	5.1	77.8%	65.3%
\$10 Billion to \$50 Billion	100	78%	5.1	3.3	64.3%	83.9%
\$2 Billion to \$10 Billion	450	83%	3.9	3.1	79.9%	90.8%
Less than \$2 Billion	3,708	66%	1.5	1.4	93.8%	102.6%
Total	4,313	68%	109.0	44.9	41.2%	95.6%

Observations

- While many banks default to 100%, most large banks (\$25B+) achieve SA RW% between 20%-45%, 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. MB Schoen 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												
2025-Q4	7	80	71	1,016	78	1,095	0	0	24	-406	24	-406
1-Year	29	1,001	110	2,212	139	3,213	9	-283	50	-1,313	59	-1,595
3-Year	53	2,752	224	6,781	277	9,533	38	-1,567	125	-6,467	163	-8,034
5-Year	167	11,022	418	12,617	585	23,640	43	-2,407	155	-7,367	198	-9,773
SA												
2025-Q4	0	0	8	645	8	645	0	0	1	-6	1	-6
1-Year	4	314	21	1,075	25	1,389	1	-25	3	-28	4	-53
3-Year	11	1,446	52	3,250	63	4,696	5	-296	16	-1,897	21	-2,193
5-Year	16	1,553	66	3,891	82	5,444	7	-351	27	-2,166	34	-2,517
GA												
2025-Q4	7	80	58	301	65	380	0	0	17	-346	17	-346
1-Year	21	557	79	940	100	1,497	4	-217	29	-813	33	-1,031
3-Year	36	1,127	149	3,018	185	4,144	23	-1,095	70	-3,615	93	-4,710
5-Year	143	9,175	320	8,016	463	17,191	25	-1,870	79	-4,056	104	-5,925
HYBRID												
2025-Q4	0	0	5	70	5	70	0	0	6	-55	6	-55
1-Year	4	130	10	197	14	327	4	-40	18	-472	22	-512
3-Year	6	179	23	514	29	693	10	-176	39	-955	49	-1,130
5-Year	8	294	32	710	40	1,004	11	-186	49	-1,145	60	-1,331

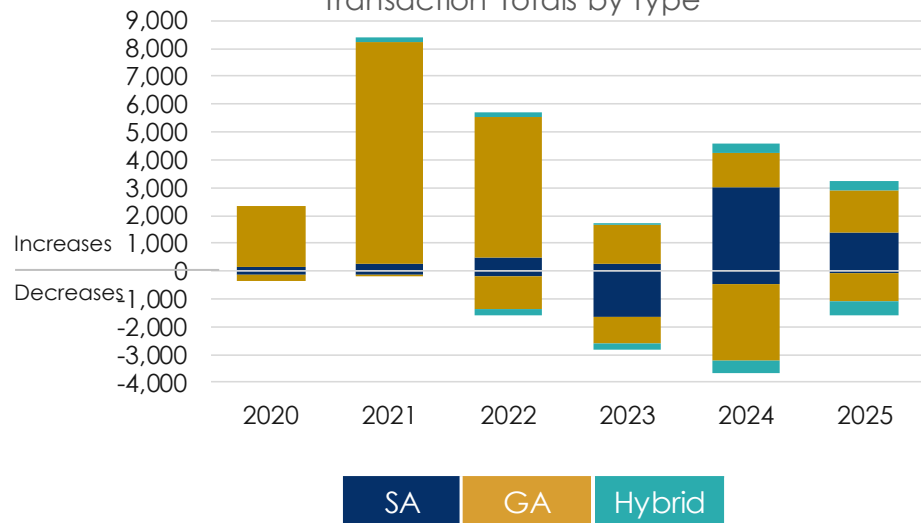
Listings of activity by institution are available upon request

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

Recent BOLI Transactions

Movement or Transactions of \$10M or More

Transaction Totals by Type



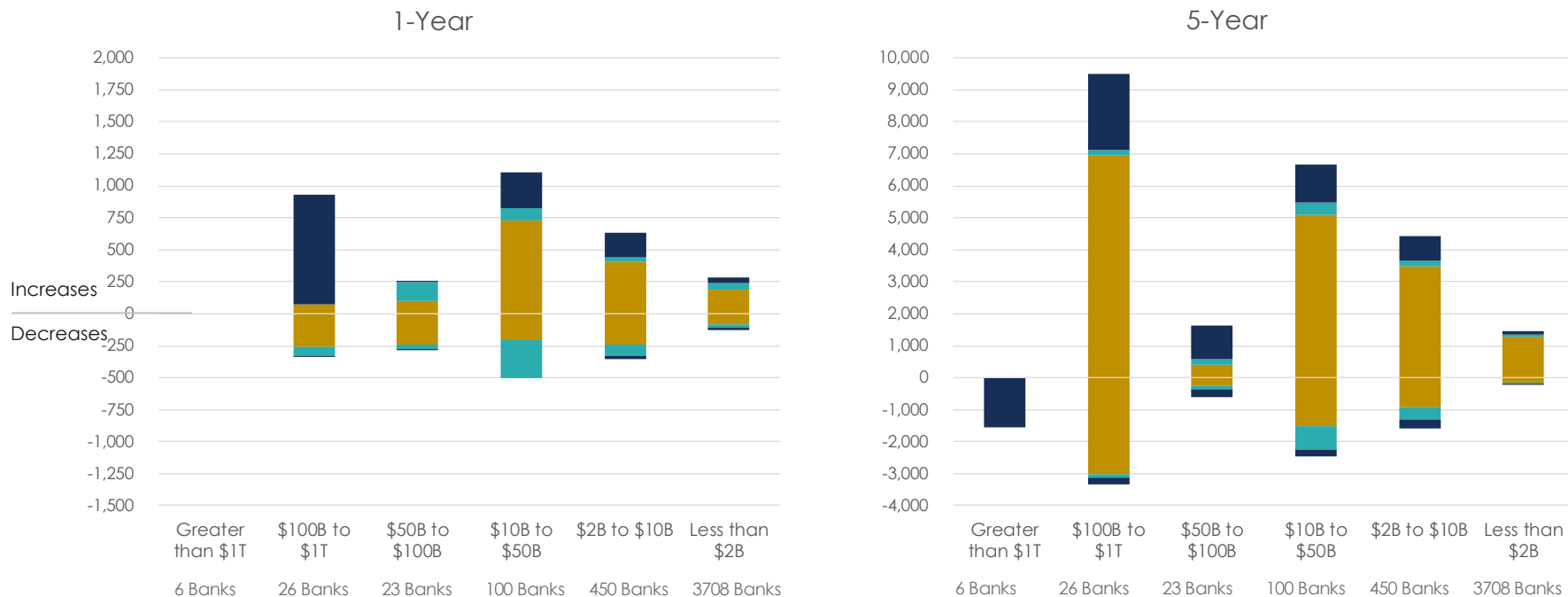
Activity in Millions | **Bolded** values are confirmed/noted in filings

Current Quarter Notable		SA	GA	HY
2025-Q4	Truist	\$600		
2025-Q4	Synovus		(\$195)	(\$20)
2025-Q4	UMB Financial		\$36	
2025-Q4	Dollar Mutual Bcorp		(\$30)	\$30
2025-Q4	Cadence Bank		(\$25)	\$25

Recently Notable		SA	GA	HY
2025-Q3	Servisfirst Bancshares		\$125	
2025-Q2	Truist	\$260	(\$260)	
2025-Q2	City National Bank of Florida		\$215	(\$215)
2025-Q2	First Hawaiian		\$40	(\$40)
2025-Q1	Eagle Bcorp	\$200		
2024-Q4	Truist	\$1,139	(\$1,120)	
2024-Q4	Banc of California	\$218	(\$200)	(\$20)
2024-Q3	Western Alliance	\$800		
2024-Q2	First Hawaiian	\$182	(\$143)	(\$37)

BOLI Transactions by Type and Bank Size

Movement or Transactions of \$10M or More



Listing of activity by institution are available upon request

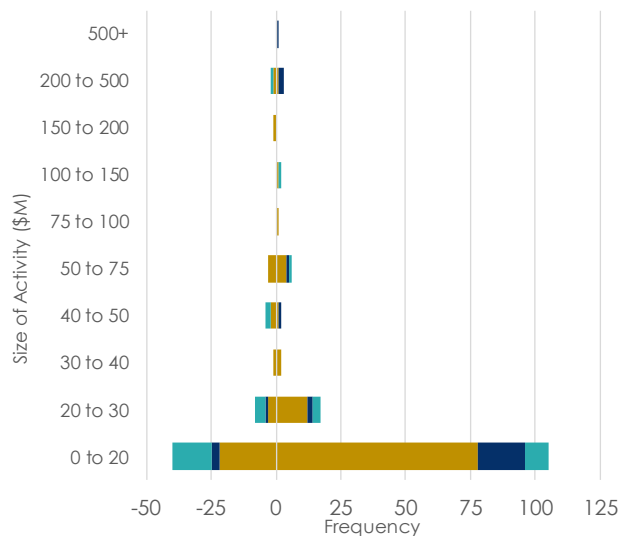
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings

Frequency of BOLI Transaction Sizes

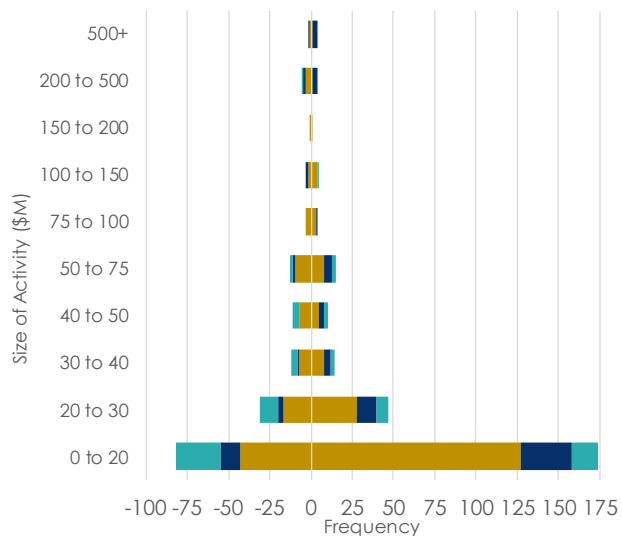
Movement or Transactions of \$10M or More

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

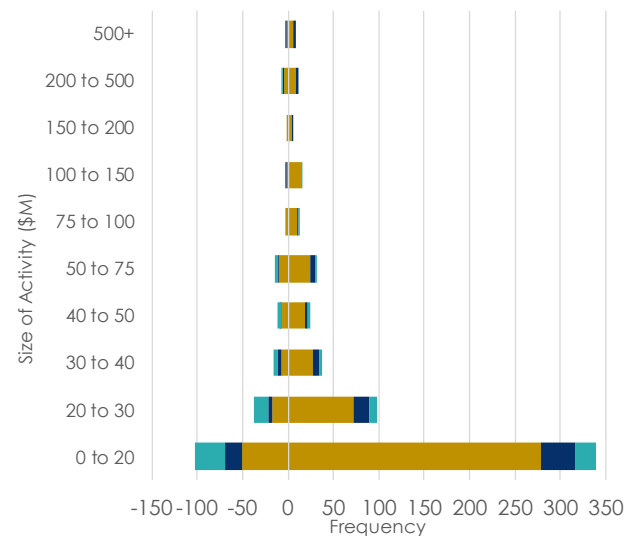
1-Year



3-Year



5-Year



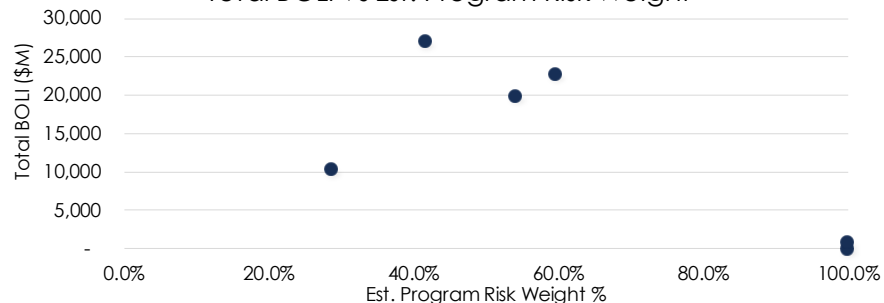
Market Analytics By Bank Size

Banks with over \$1T in Total Assets

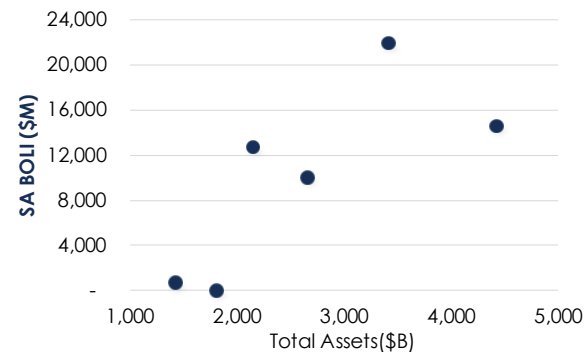
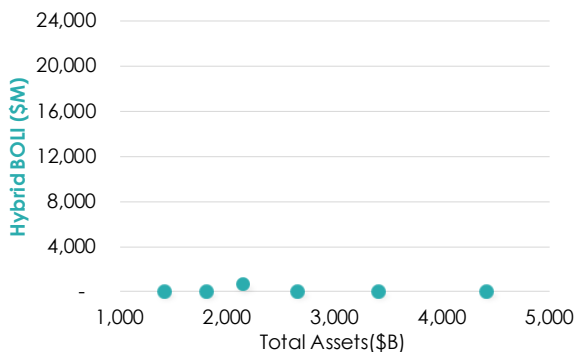
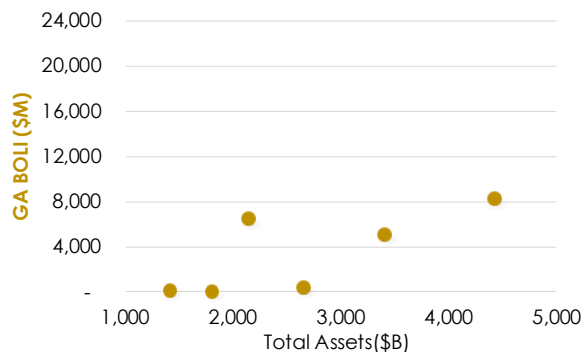
6 of 6 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	20,097	673	59,706	80,476	7%
Average	3,350	112	9,951	13,413	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												
2025-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	3	-1,558	3	-1,558
5-Year	0	0	0	0	0	0	0	0	3	-1,558	3	-1,558
SA												
2025-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												
2025-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	1	-18	1	-18
5-Year	0	0	0	0	0	0	0	0	1	-18	1	-18
HYBRID												
2025-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

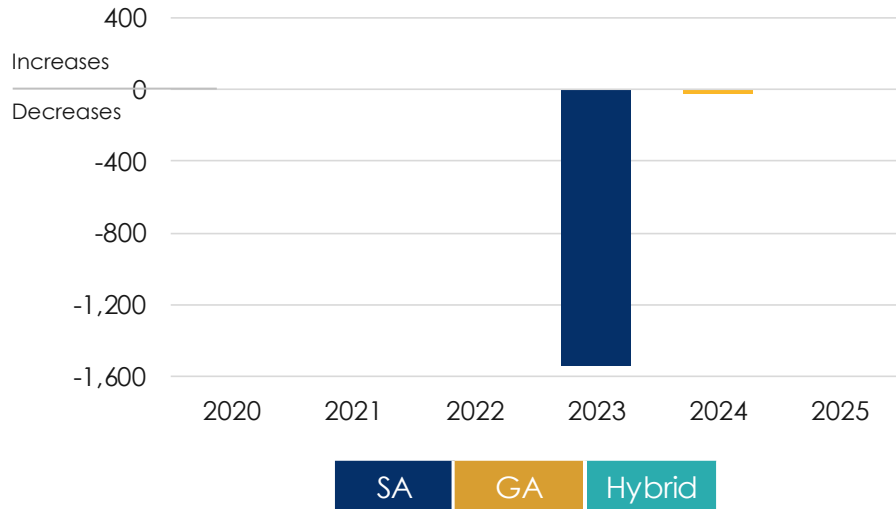
Listings of activity by institution are available upon request

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

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

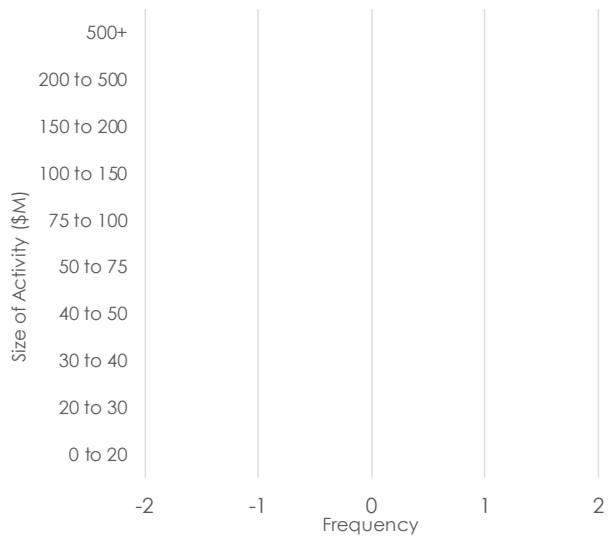
(\$1,230)

Frequency of BOLI Transaction Sizes

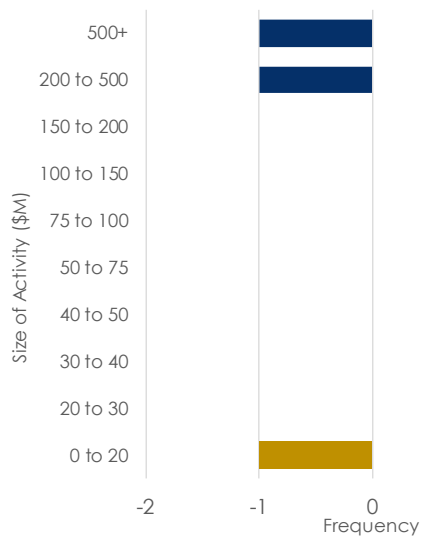
Banks with over \$1T in Total Assets

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

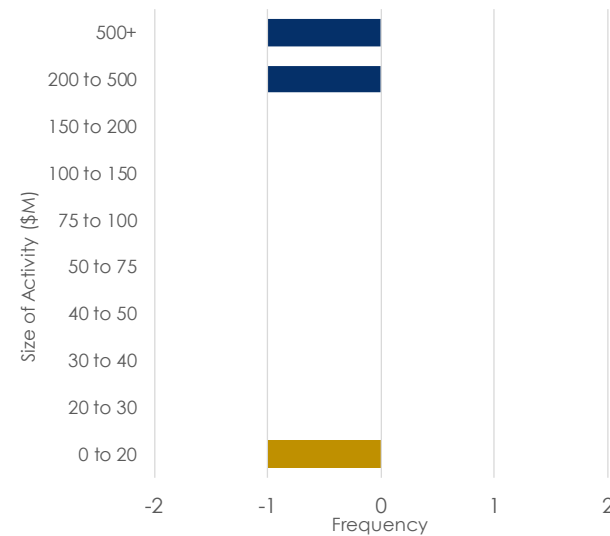
1-Year



3-Year



5-Year



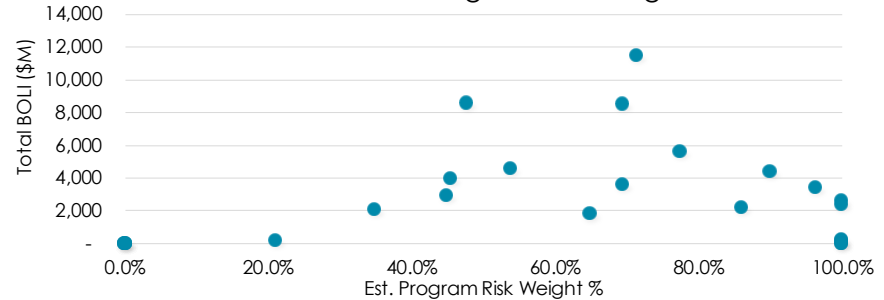
Market Analytics By Bank Size

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

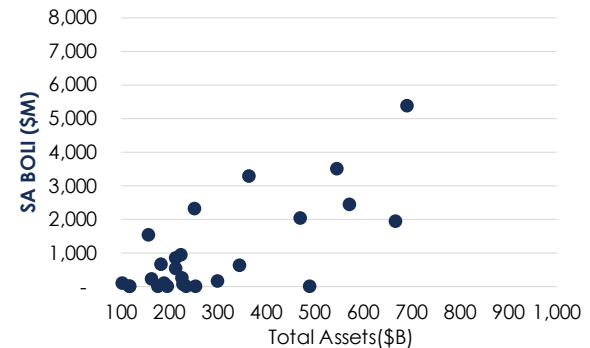
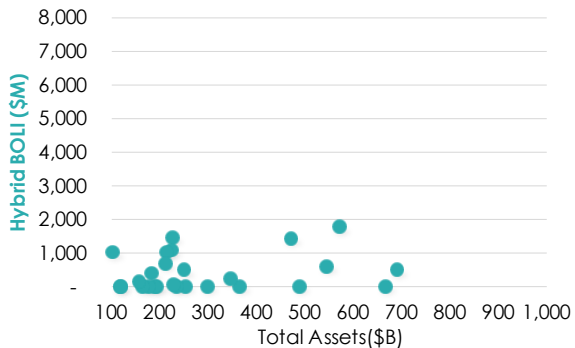
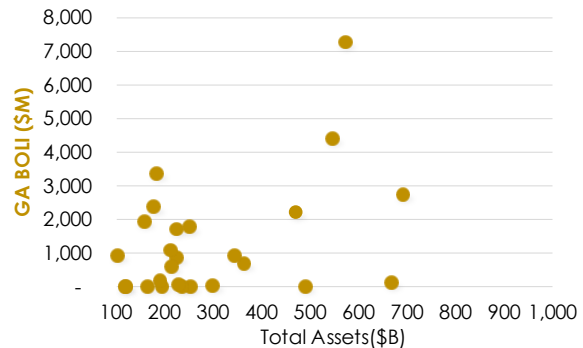
22 of 26 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	33,391	10,958	26,803	71,153	10%
Average	1,284	421	1,031	2,737	28%
Last Q # of Increases	-	-	1	1	
Increase Total (\$M)	-	-	600	600	
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 \$100B to \$1T in Total Assets

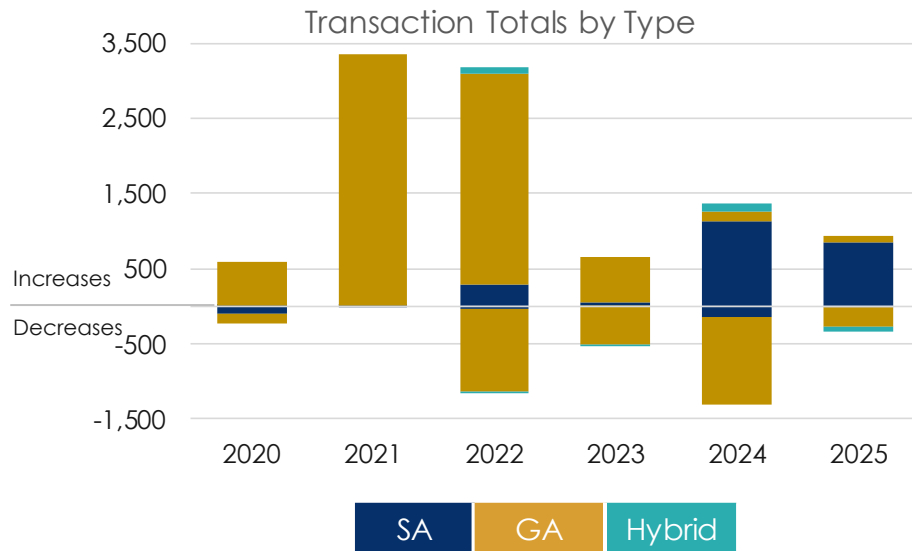
Time Period	Confirmed Purchases	Amount (Millions)	Likely Purchases	Amount (Millions)	Total Purchases	Amount (Millions)	Confirmed Surrenders	Amount (Millions)	Other Large Decreases	Amount (Millions)	Total Decreases	Amount (Millions)
TOTAL												
2025-Q4	0	0	1	600	1	600	0	0	0	0	0	0
1-Year	0	0	4	930	4	930	0	0	4	-330	4	-330
3-Year	1	10	13	2,941	14	2,951	1	-55	12	-2,109	13	-2,164
5-Year	17	4,690	18	4,805	35	9,495	2	-815	16	-2,507	18	-3,322
SA												
2025-Q4	0	0	1	600	1	600	0	0	0	0	0	0
1-Year	0	0	2	860	2	860	0	0	1	-4	1	-4
3-Year	0	0	5	2,047	5	2,047	0	0	2	-137	2	-137
5-Year	3	72	6	2,294	9	2,366	0	0	4	-185	4	-185
GA												
2025-Q4	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	2	70	2	70	0	0	1	-260	1	-260
3-Year	1	10	5	805	6	815	1	-55	7	-1,884	8	-1,939
5-Year	14	4,618	8	2,340	22	6,957	2	-815	8	-2,210	10	-3,025
HYBRID												
2025-Q4	0	0	0	0	0	0	0	0	0	0	0	0
1-Year	0	0	0	0	0	0	0	0	2	-66	2	-66
3-Year	0	0	3	90	3	90	0	0	3	-88	3	-88
5-Year	0	0	4	171	4	171	0	0	4	-112	4	-112

Listings of activity by institution are available upon request

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

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
2025-Q4 Truist	\$600		

Recently Notable

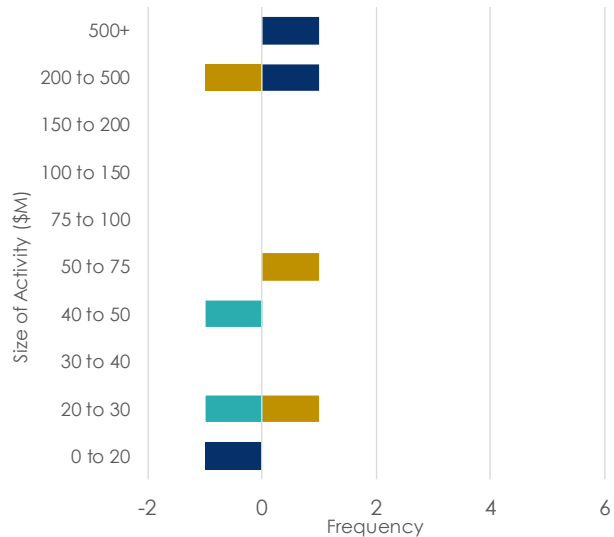
	SA	GA	HY
2025-Q2 Truist	\$260	(\$260)	
2025-Q2 Regions	(\$4)	\$50	(\$46)
2025-Q1 Citizens Financial		\$20	(\$20)
2024-Q4 Truist	\$1,139	(\$1,120)	
2024-Q1 Truist	(\$133)	\$133	
2024-Q1 Citizens Financial		(\$23)	\$43
2024-Q4 New York Community Bcorp		(\$10)	\$20
2023-Q4 New York Community Bcorp		\$27	(\$22)
2023-Q3 BMO	\$23	(\$23)	
2023-Q2 First Citizens		(\$427)	
2023-Q1 First Citizens		(\$55)	
2023-Q1 First Republic	\$25	\$575	

Frequency of BOLI Transaction Sizes

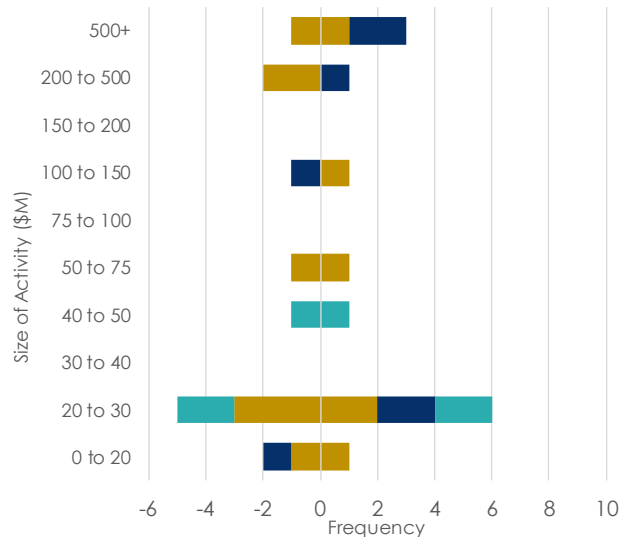
Banks with \$100B to \$1T in Total Assets

- Many recent deals have been over \$200 million, and are trending from General to Separate Account

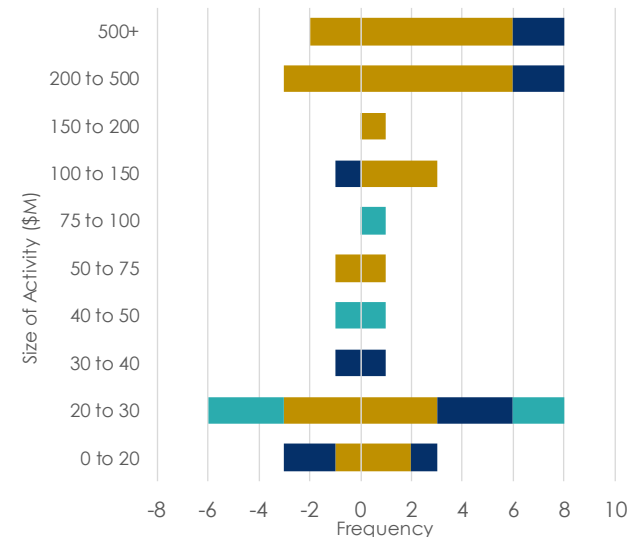
1-Year



3-Year



5-Year



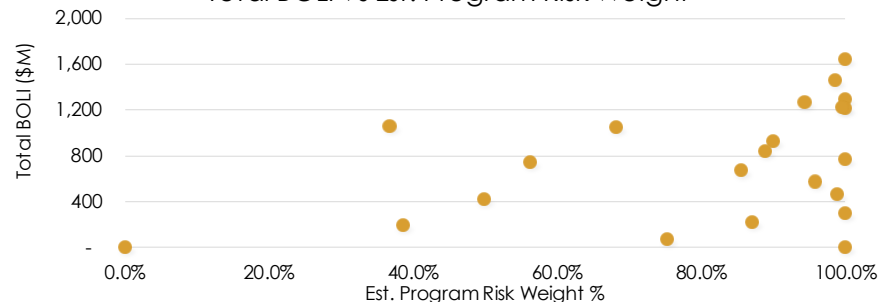
Market Analytics By Bank Size

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

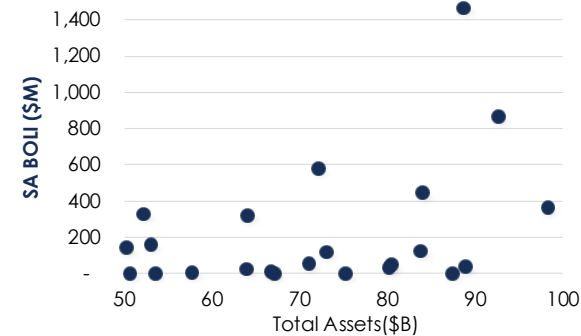
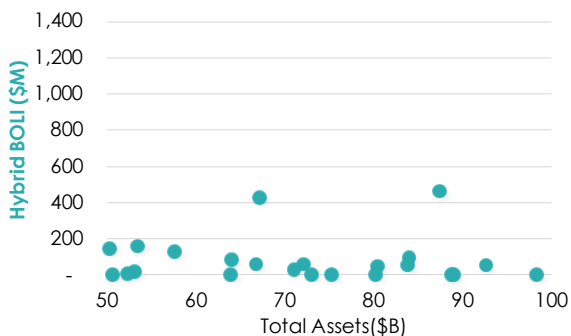
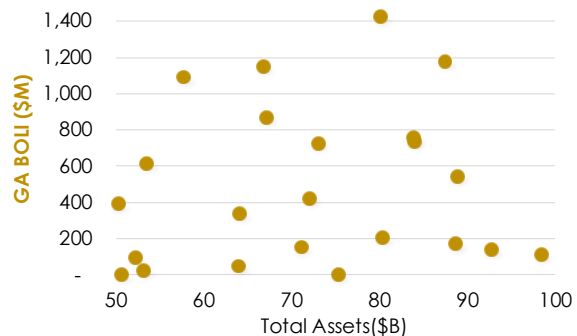
22 of 23 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	11,142	1,814	5,078	18,034	10%
Average	484	79	221	784	11%
Last Q # of Increases	2	1	-	3	
Increase Total (\$M)	49	25	-	74	
Last Q # of Decreases	2	1	1	4	
Decrease Total (\$M)	(220)	(20)	(6)	(246)	

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												
2025-Q4	2	49	1	25	3	74	0	0	4	-246	4	-246
1-Year	5	202	3	59	8	261	0	0	6	-280	6	-280
3-Year	8	1,068	7	155	15	1,223	2	-253	7	-303	9	-556
5-Year	9	1,218	16	394	25	1,613	2	-253	10	-373	12	-626
SA												
2025-Q4	0	0	0	0	0	0	0	0	1	-6	1	-6
1-Year	0	0	1	16	1	16	0	0	1	-6	1	-6
3-Year	1	800	3	74	4	874	1	-215	2	-29	3	-244
5-Year	1	800	8	229	9	1,029	1	-215	3	-58	4	-272
GA												
2025-Q4	2	49	0	0	2	49	0	0	2	-220	2	-220
1-Year	4	102	0	0	4	102	0	0	3	-238	3	-238
3-Year	5	130	1	26	6	156	1	-38	3	-238	4	-276
5-Year	6	280	5	110	11	390	1	-38	3	-238	4	-276
HYBRID												
2025-Q4	0	0	1	25	1	25	0	0	1	-20	1	-20
1-Year	1	100	2	43	3	143	0	0	2	-36	2	-36
3-Year	2	138	3	55	5	193	0	0	2	-36	2	-36
5-Year	2	138	3	55	5	193	0	0	4	-77	4	-77

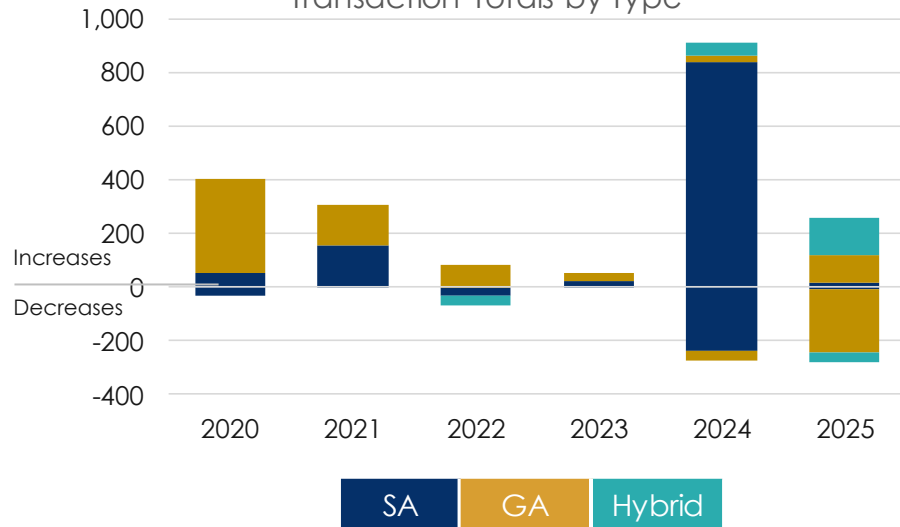
Listings of activity by institution are available upon request

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

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
2025-Q4 UMB Financial		\$36	
2025-Q4 Columbia Banking	(\$6)	\$13	
2025-Q4 Synovus		(\$195)	(\$20)
2025-Q4 Cadence		(\$25)	\$25

Recently Notable

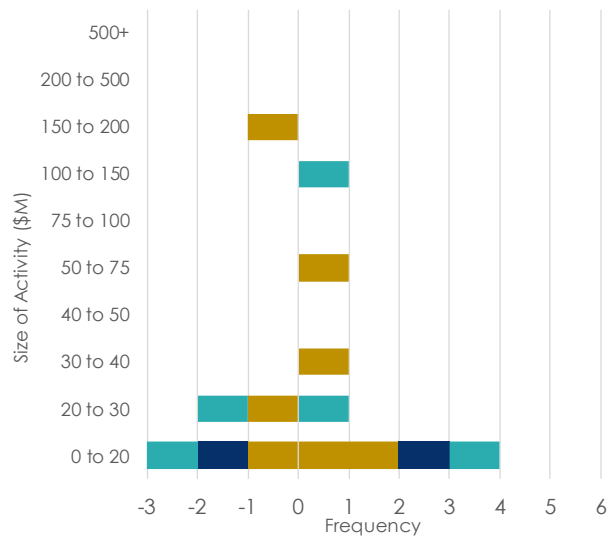
	SA	GA	HY
2025-Q2 Pinnacle Finl Partners		\$50	
2025-Q2 Synovus		(\$18)	\$18
2025-Q2 Wintrust Financial Corp	\$16		(\$16)
2025-Q1 Pinnacle Finl Partners			\$100
2024-Q4 Synovus		(\$38)	\$38
2024-Q3 Western Alliance Bcorp	\$800		
2024-Q2 Valley National	(\$23)	\$26	
2024-Q1 First Horizon	(\$215)		
2024-Q1 City National	\$36		
2023-Q4 Columbia Banking		\$28	
2023-Q4 City National	\$22		

Frequency of BOLI Transaction Sizes

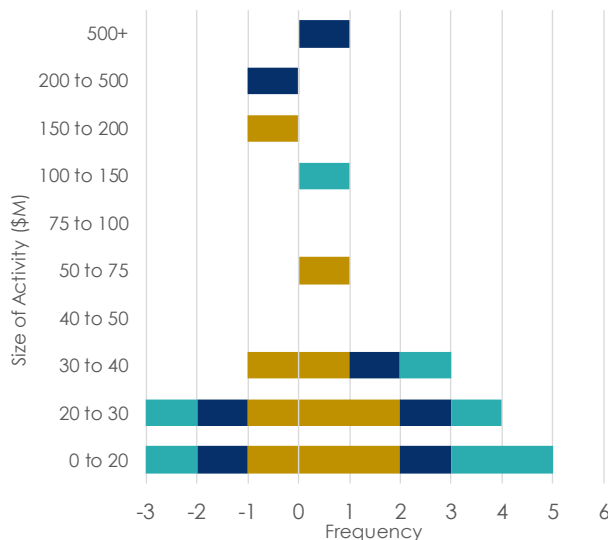
Banks with \$50B to \$100B in Total Assets

- Recent purchases have been mostly under 50 million with a few outliers

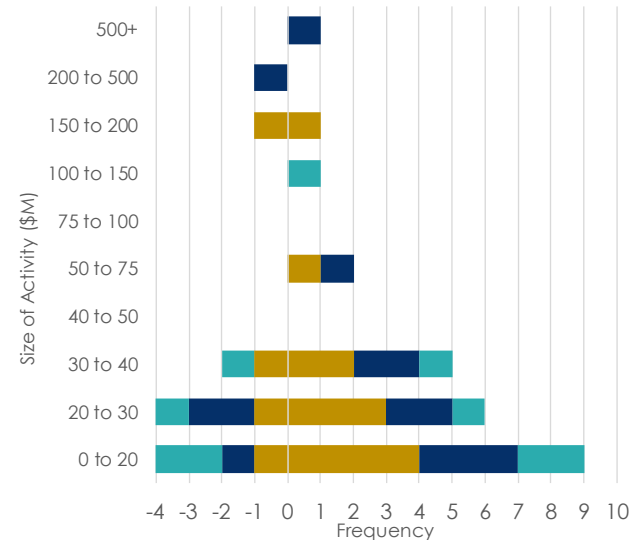
1-Year



3-Year

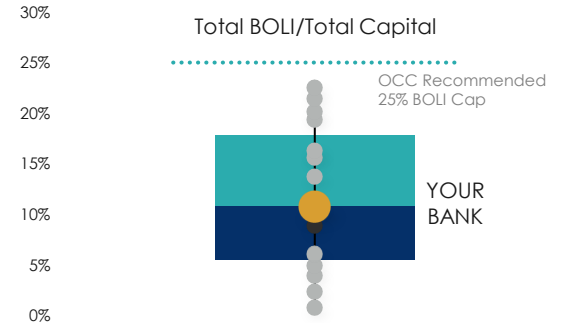
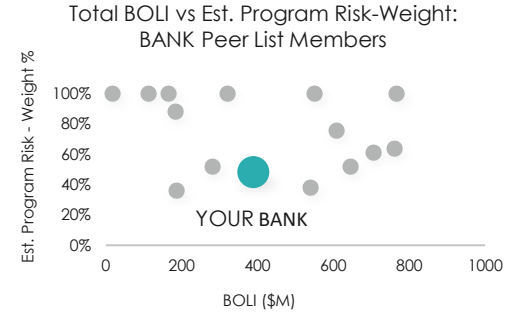
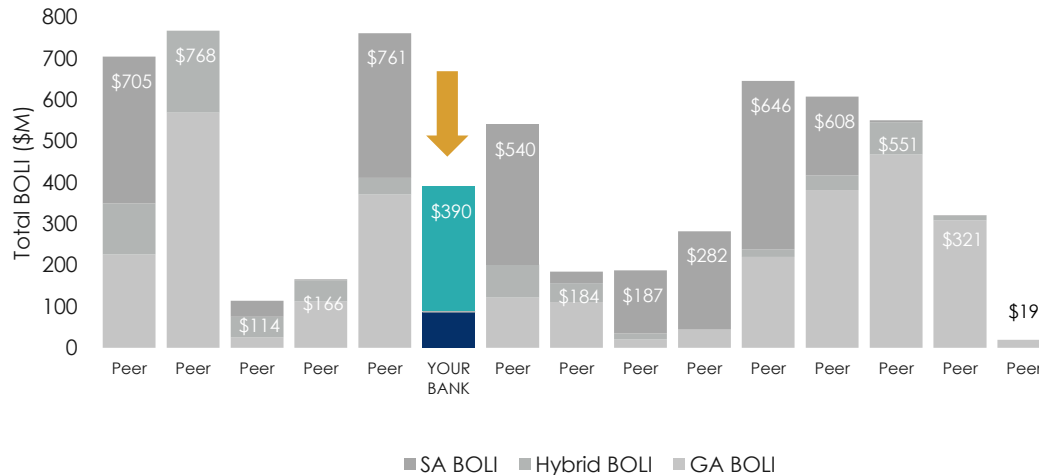


5-Year



CUSTOM PEER BANK REPORTS

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



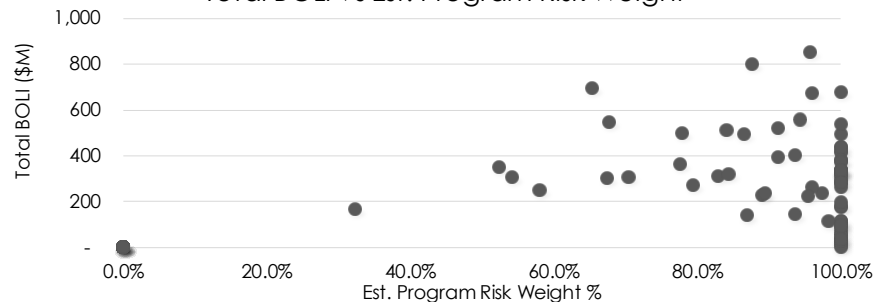
Market Analytics By Bank Size

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

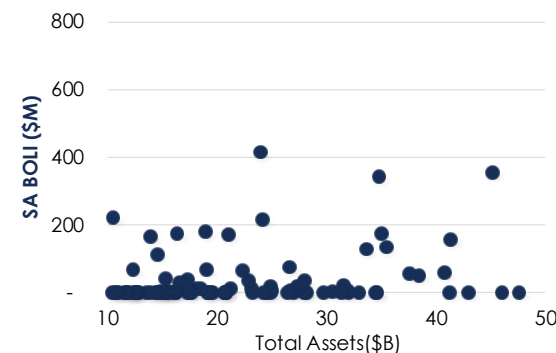
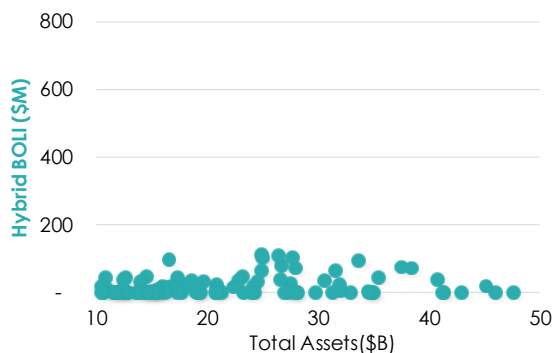
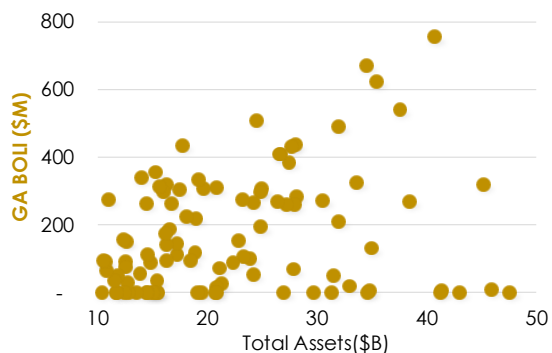
78 of 100 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	17,115	1,951	3,745	22,810	9%
Average	171	20	37	228	94%
Last Q # of Increases	3	1	1	5	
Increase Total (\$M)	33	30	6	68	
Last Q # of Decreases	2	2	-	4	
Decrease Total (\$M)	(32)	(27)	-	(59)	

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												
2025-Q4	0	0	5	68	5	68	0	0	4	-59	4	-59
1-Year	6	537	17	567	23	1,104	4	-116	9	-385	13	-500
3-Year	14	1,071	56	1,920	70	2,991	18	-678	44	-1,622	62	-2,300
5-Year	52	3,355	86	3,305	138	6,659	19	-722	51	-1,740	70	-2,462
SA												
2025-Q4	0	0	1	6	1	6	0	0	0	0	0	0
1-Year	2	240	3	36	5	276	0	0	0	0	0	0
3-Year	4	433	16	714	20	1,147	2	-37	4	-96	6	-133
5-Year	4	433	17	738	21	1,171	3	-81	5	-126	8	-207
GA												
2025-Q4	0	0	3	33	3	33	0	0	2	-32	2	-32
1-Year	3	295	12	436	15	731	2	-96	4	-114	6	-211
3-Year	8	625	31	937	39	1,562	10	-545	24	-973	34	-1,518
5-Year	45	2,809	59	2,272	104	5,081	10	-545	25	-988	35	-1,533
HYBRID												
2025-Q4	0	0	1	30	1	30	0	0	2	-27	2	-27
1-Year	1	2	2	95	3	97	2	-19	5	-270	7	-290
3-Year	2	13	9	269	11	282	6	-96	16	-553	22	-649
5-Year	3	113	10	294	13	408	6	-96	21	-627	27	-723

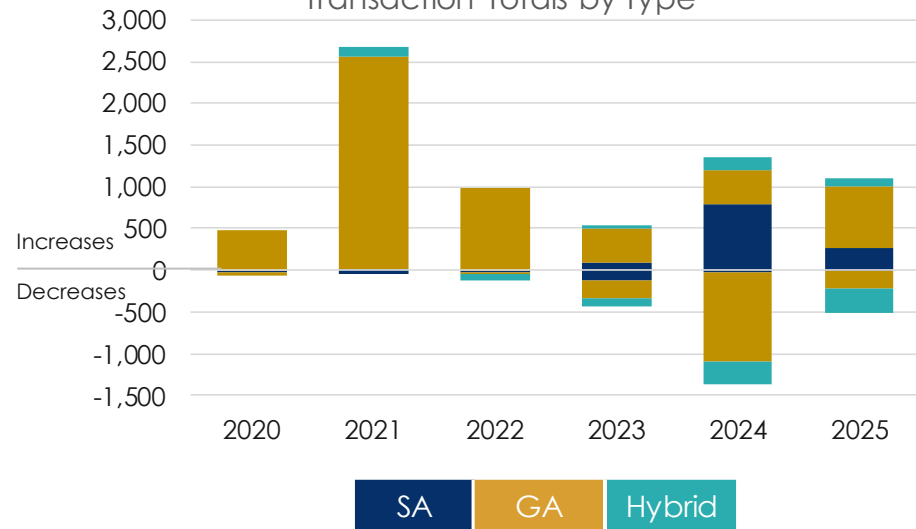
Listings of activity by institution are available upon request

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

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
2025-Q4	City National Bank of Florida		\$24	(\$24)
2025-Q4	Bancfirst		\$6	
2025-Q4	Dollar Mutual Bcorp		(\$30)	\$30
2025-Q4	W T B Financial		\$3	
2025-Q4	Eagle Bcorp	\$6	(\$3)	(\$3)
Recently Notable		SA	GA	HY
2025-Q3	Servisfirst Bancshares		\$125	
2025-Q3	Dollar Mutual Bcorp		\$30	
2025-Q2	City National Bank of Florida		\$215	(\$215)
2025-Q2	Spend Life Wisely Co		\$65	
2025-Q2	First Hawaiian	\$40	(\$40)	
2025-Q1	Eagle Bcorp Inc	\$200		
2025-Q1	DIME Community Bancshares		\$97	(\$6)
2025-Q1	City National Bank of Florida		(\$65)	\$65
2024-Q4	Banc of California	\$218	(\$200)	(\$20)
2024-Q4	Axos Financial Inc		\$100	
2024-Q3	City National Bank of Florida		(\$110)	(\$54)

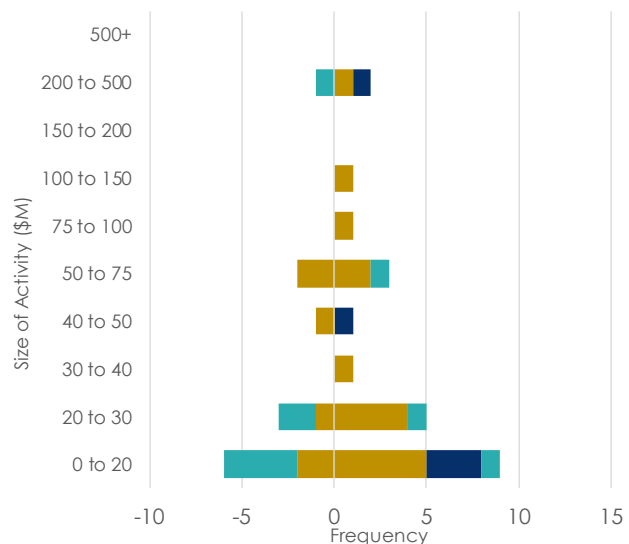
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings

Frequency of BOLI Transaction Sizes

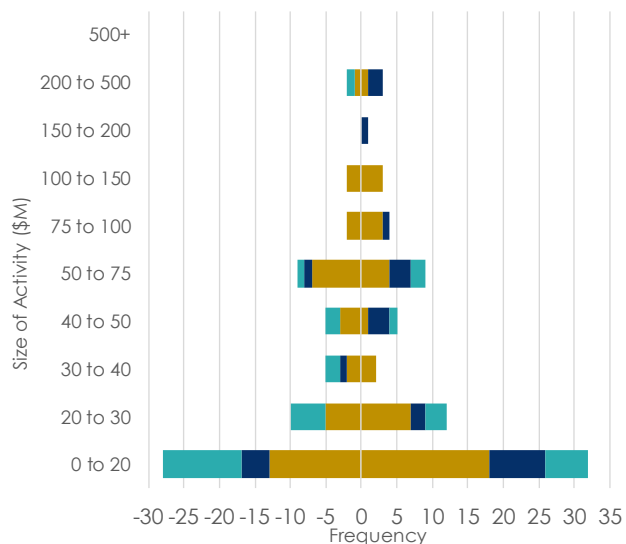
Banks with \$10B to \$50B in Total Assets

- 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)

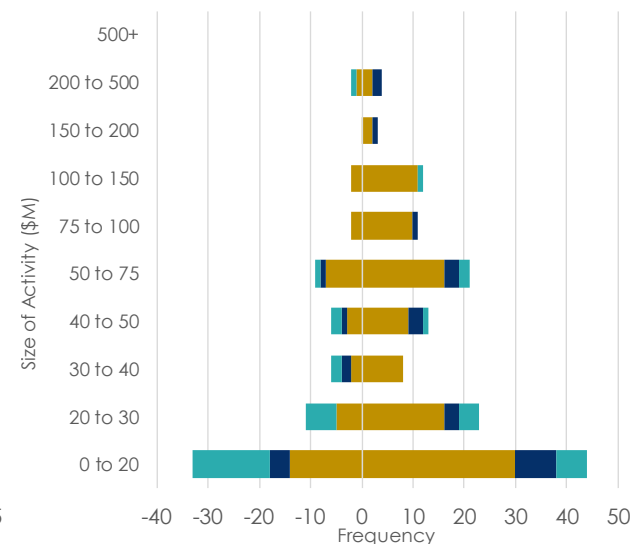
1-Year



3-Year



5-Year



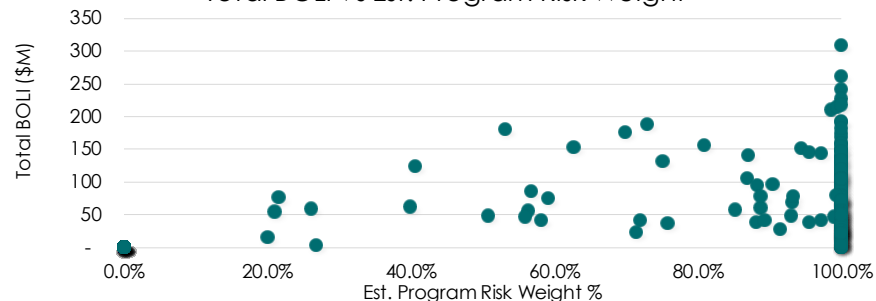
Market Analytics By Bank Size

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

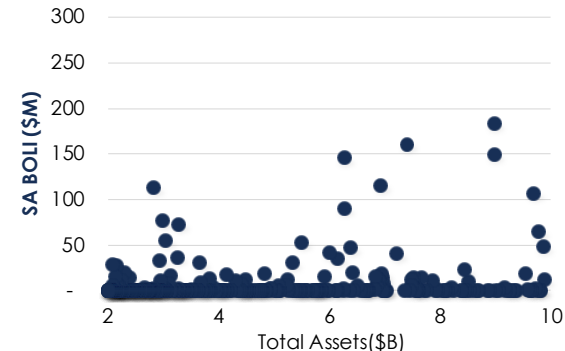
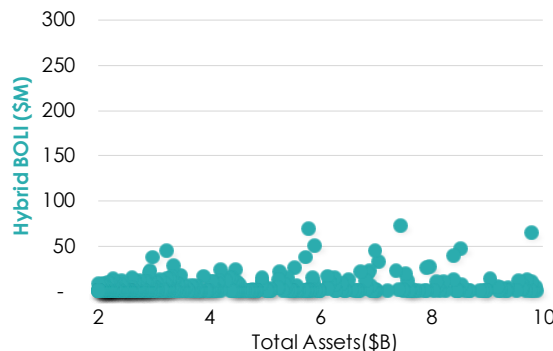
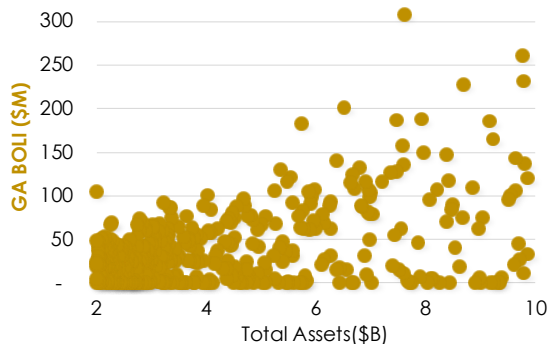
372 of 450 banks own BOLI

	GA (\$M)	Hybrid (\$M)	SA (\$M)	Total BOLI (\$M)	BOLI / Capital
Total	15,381	1,773	2,136	19,290	10%
Average	45	5	6	56	10%
Last Q # of Increases	15	2	4	21	
Increase Total (\$M)	150	14	31	195	
Last Q # of Decreases	6	1	-	7	
Decrease Total (\$M)	(63)	(4)	-	(67)	

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												
2025-Q4	4	29	17	165	21	195	0	0	7	-67	7	-67
1-Year	16	245	32	389	48	634	5	-167	16	-189	21	-356
3-Year	27	551	81	1,345	108	1,896	17	-581	41	-699	58	-1,280
5-Year	81	1,658	152	2,760	233	4,418	20	-617	53	-966	73	-1,582
SA												
2025-Q4	0	0	4	31	4	31	0	0	0	0	0	0
1-Year	2	74	11	121	13	195	1	-25	0	0	1	-25
3-Year	6	214	23	349	29	563	2	-44	5	-77	7	-122
5-Year	8	249	28	526	36	774	3	-55	11	-229	14	-284
GA												
2025-Q4	4	29	11	121	15	150	0	0	6	-63	6	-63
1-Year	13	158	18	248	31	406	2	-121	11	-116	13	-237
3-Year	20	325	53	934	73	1,259	11	-457	23	-394	34	-850
5-Year	71	1,382	114	2,104	185	3,486	12	-471	27	-457	39	-928
HYBRID												
2025-Q4	0	0	2	14	2	14	0	0	1	-4	1	-4
1-Year	1	13	3	20	4	33	2	-21	5	-72	7	-93
3-Year	1	13	5	61	6	74	4	-80	13	-228	17	-308
5-Year	2	28	10	130	12	158	5	-90	15	-280	20	-370

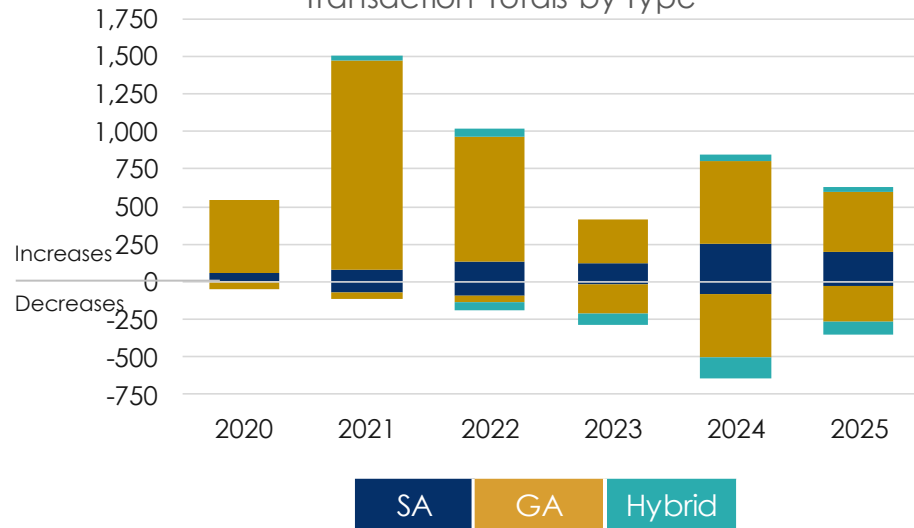
Listings of activity by institution are available upon request

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

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
2025-Q4	Pathward Financial		(\$32)	
2025-Q4	Burke & Herbert		\$28	
2025-Q4	H Bcorp		\$20	
2025-Q4	Farmers&Merchants		\$18	
2025-Q4	Watford City Bancshares		\$16	
2025-Q4	Farmers Bank & Trust Company	\$16		
2025-Q4	Bank of Tennessee		\$15	
2025-Q4	Broadway Bancshares	\$9	(\$9)	
2025-Q4	MVB Financial		(\$8)	\$8
Recently Notable		SA	GA	HY
2025-Q3	Midwest BankCentre	\$21	(\$11)	(\$10)
2025-Q3	MVB Financial Corp		\$13	(\$6)
2025-Q2	Financial Institutions Inc (NY)		(\$73)	
2025-Q2	NB Bcorp		(\$48)	
2025-Q2	Flushing Financial Corp		\$43	(\$43)
2025-Q1	Financial Institutions Inc	\$73		

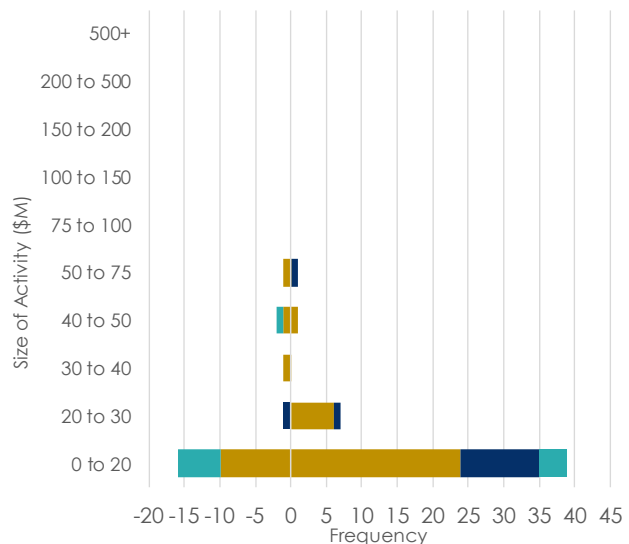
Data Sources: FFIEC Call Report Data, SEC 10-Q Filings, SEC 10-K Filings

Frequency of BOLI Transaction Sizes

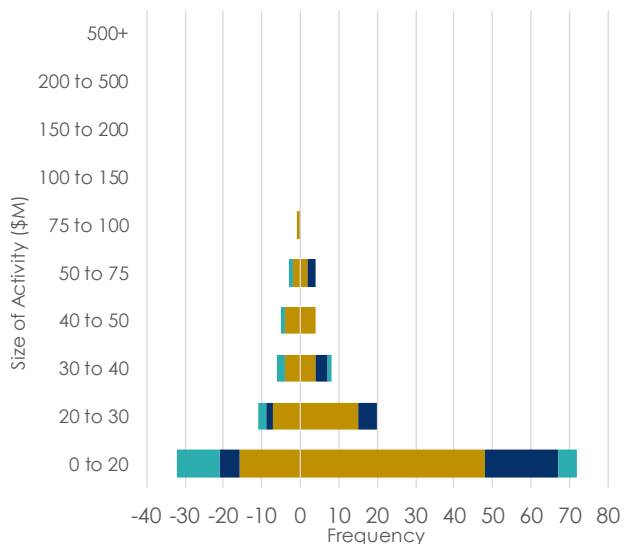
Banks with \$2B to \$10B in Total Assets

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

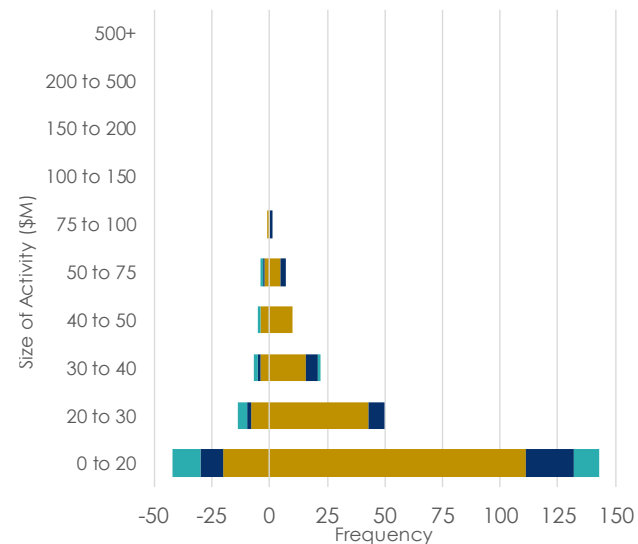
1-Year



3-Year



5-Year



BOLI Industry Allocations & Analytics

MBSA BOLI Industry Allocations Study

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

Gathered SA BOLI AUM data is categorized into portfolio types

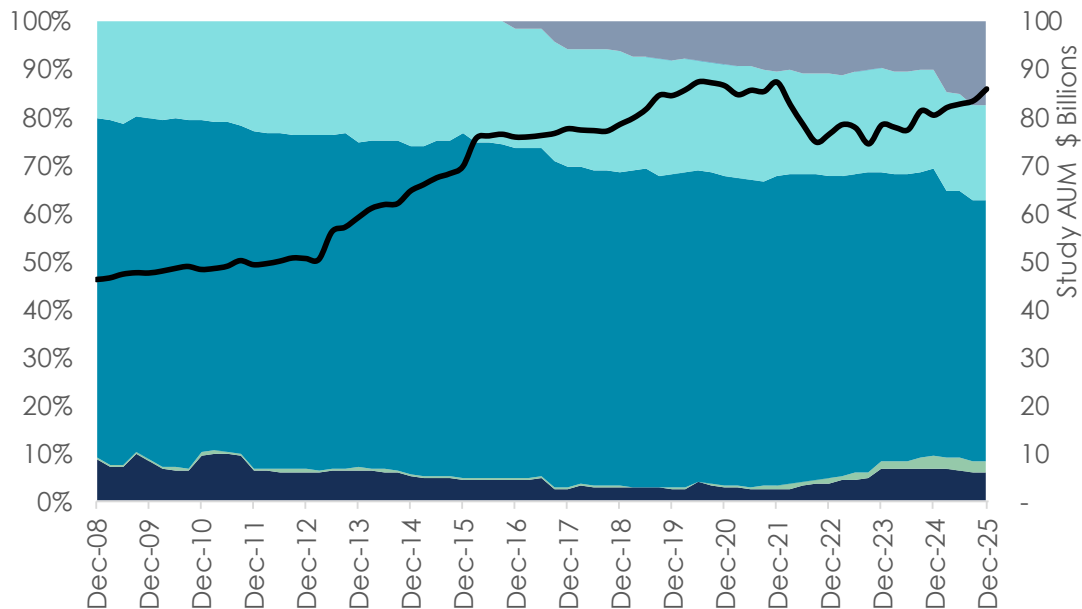
- Multi-Sector / Capital Efficient / Target RW / “Dynamic”
- Core Fixed Income
(includes immaterial dedicated high yield and credit portfolios)
- MBS / Securitized (ABS / CMBS)
- CLO / Bank Loan
- Short Duration / Government

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

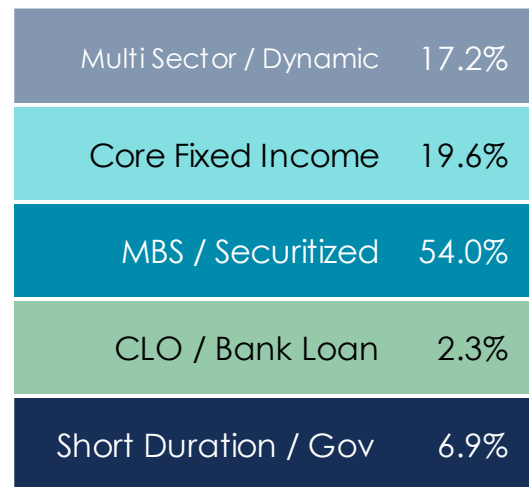
Currently comprises \$86 billion – a massive share of the industry

SA BOLI Industry Allocations

SA BOLI Allocations Over Time



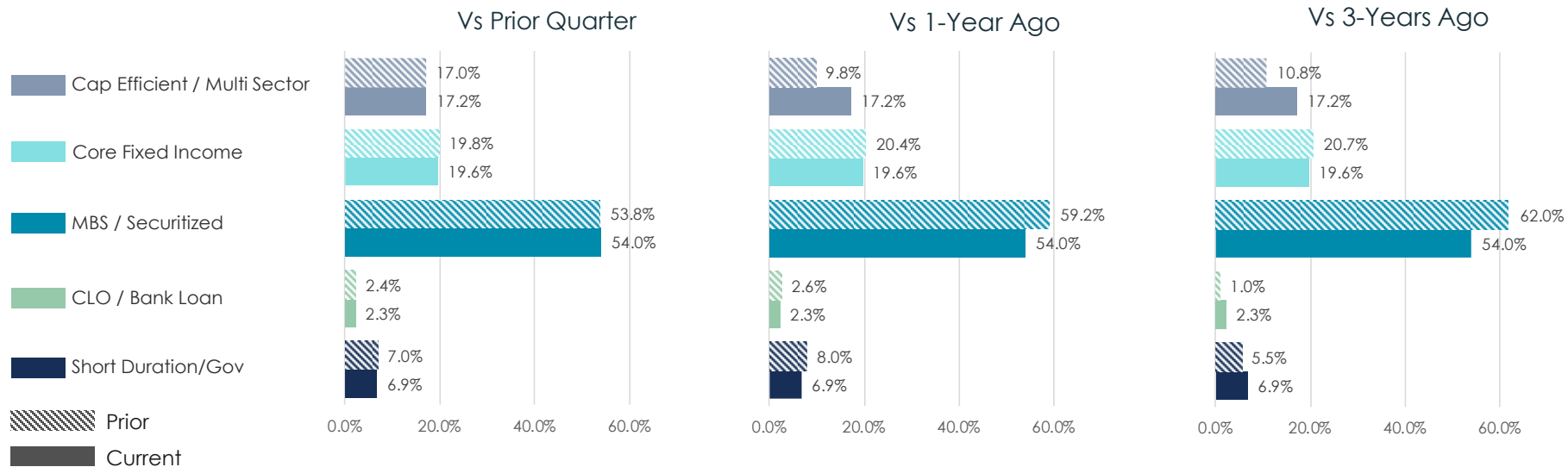
2025-Q4 Weights



— 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



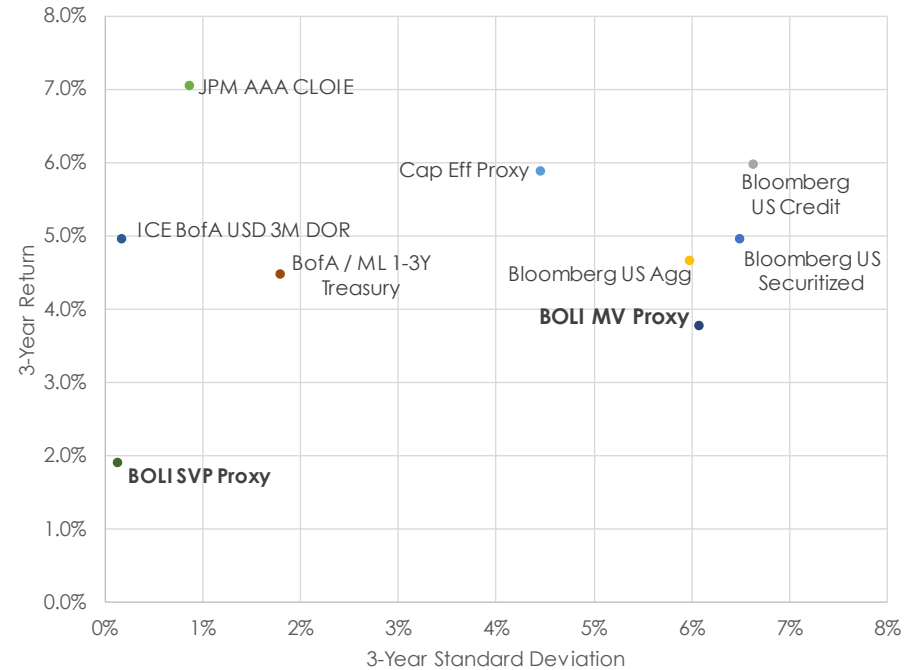
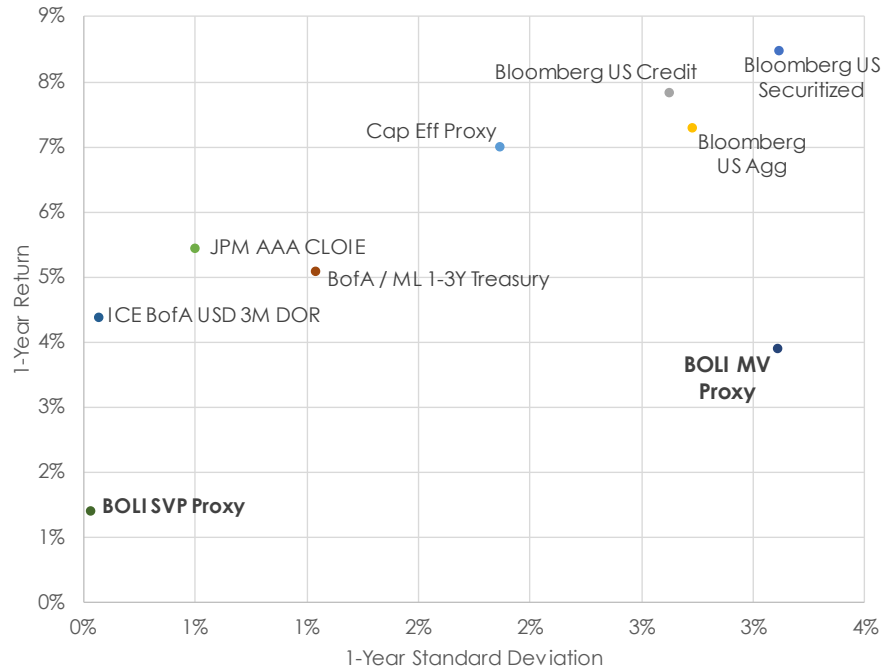
Investment Performance Proxy

Using common benchmarks for the categories, a proxy for the industry's SA Q4 MV performance is estimated at 1.46%

	Benchmark	Quarter	1-Year	3-Year	5-Year	Weights
Cap Efficient / Multi Sector	[Proxied by a sector blend]	1.36%	7.00%	5.72%	1.75%	17.19%
Core Fixed Income	<i>Bloomberg US Agg</i>	1.10%	7.30%	4.66%	-0.36%	19.60%
MBS / Securitized	<i>Bloomberg US Securitized</i>	1.68%	8.49%	4.97%	0.22%	54.03%
CLO / Bank Loan	<i>CLOE Index</i>	1.22%	5.45%	7.05%	4.69%	2.32%
Short Duration / Gov	<i>ICE BofA USD 3M DOR</i>	1.03%	4.38%	4.96%	3.24%	6.86%
Industry Proxy MV Performance using rolling weights:		1.46%	7.71%	5.03%	0.45%	
Industry Proxy Stable Value Performance:		0.77%	2.94%	2.42%	2.25%	

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

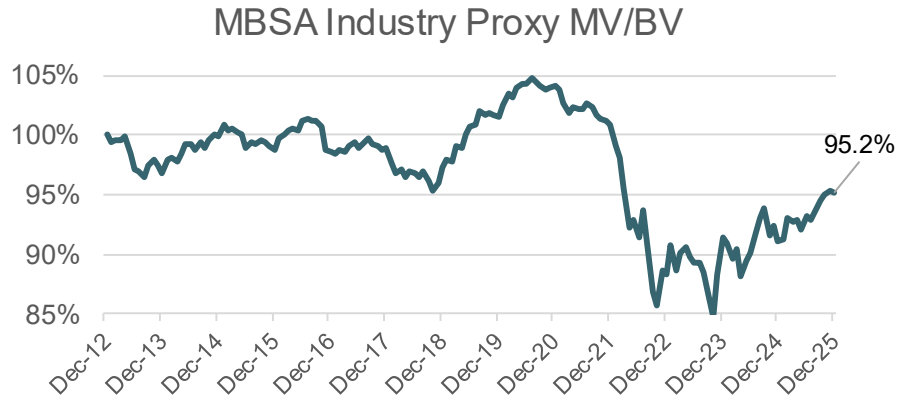


Data as of 2025-Q4

Industry MV/BV Ratio Developments

Markets had a positive Q4, with solid months in October and November ending with a slight dip in December. Overall, ratios increased ~0.64% from Q3 to Q4.

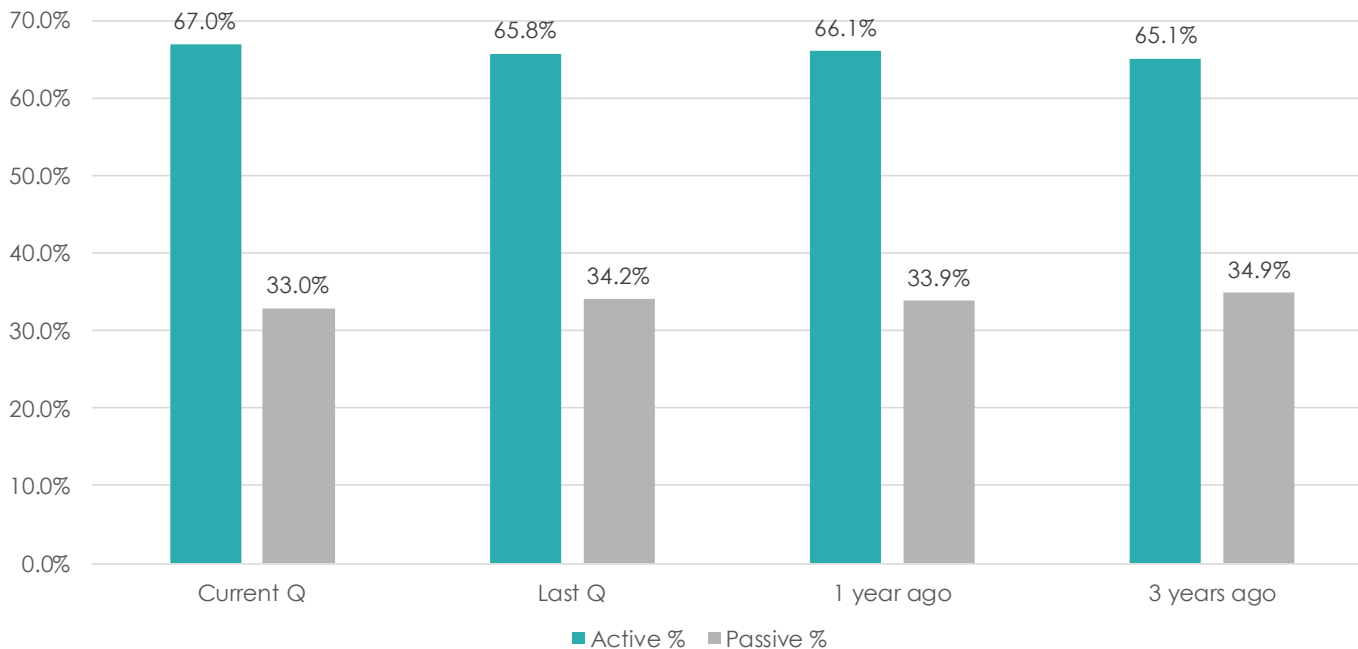
- Using our proxy MV and BV performance monitoring from the prior page, we calculate a proxy overall MV/BV ratio for the industry



- Compared against aggregate carrier data, the proxy matches well.

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

COLI Litigation – TVPX ARS Inc. vs. Genworth Life (Feb)

- We recently identified litigation concerning a dispute on the calculation and implementation of cost of insurance (COI) charges. In March 2025 TVPX ARS Inc. (as securities intermediary for Consolidated Wealth Management, LLC) filed a class action suit against Genworth Life and Annuity Insurance Company in the US District Court for the Eastern District of Virginia. The case concerns flexible-premium universal life insurance policies issued by Genworth (or its predecessor).
- In the initial complaint, plaintiffs argue that Genworth policyholders have been forced to pay improperly inflated monthly COI charges after September 19, 2013. Plaintiffs argue that COI charges in question were not determined according to Genworth's expectations of future mortality, as is required by the policy language.
- Plaintiffs assert that Genworth completes an annual review of mortality assumptions, pointing to a Genworth annual report which states "We complete our annual review of assumptions in our life insurance business during the fourth quarter." As such, Plaintiffs contend that if the annual review shows mortality rates are projected to decline, the monthly COI rates should be reduced. Policy language defines the Cost of Insurance Rate as follows (emphasis added):
 - ❖ The monthly rate is based on the insured's sex, attained age, policy duration and risk class. **The rates are determined by [Genworth] according to expectations of future mortality.** We can change rates from time to time, but they will never be more than the maximum rates show in the Table of Guaranteed Maximum Insurance Rates. A change in rates will apply to all persons of the same age, sex and risk class and whose policies have been in effect for the same length of time.
- Plaintiffs argue that Genworth failed to adjust COI rates in the face of improving mortality expectations and that Genworth has continued to determine and impose COI charges in excess of what is contractually permitted

Continued...

Noteworthy Judicial Developments

COLI Litigation – TVPX ARS Inc. vs. Genworth Life (Feb) Continued

- In support of a motion to dismiss the complaint, Genworth argued that the monthly deduction assessed against cash value includes a COI charge that is calculated under a formula which includes several inputs, including a “cost of insurance rate.” Defendants argue that the cost of insurance rate is based on multiple factors and that while Genworth has the ability to change rates “from time to time” as stated in the policy language, the policy imposes no obligation to Genworth to change the rates at any specific interval.
- Defendants also argue that the COI rate for each year of an insured’s life appears in a rate table, and the rate increases each year as the insured ages. Additionally, Genworth argues that it specifically has not redetermined the COI rates that apply to the policies in question since 1995.
- The US District Court denied defendant’s motion to dismiss and allowed the case to proceed.
- On February 13 plaintiffs filed a motion for class certification, defining the “COI Overcharge Class” as “all owners of universal life (including variable universal life) insurance policies issued or insured by Genworth Life and Annuity Insurance Company, or its predecessors, that provide the cost of insurance rates are determined according to expectations of future mortality, and that were charged for the cost of insurance on or after the start of the Class Period.” Plaintiffs argue that the COI Overcharge Class has been overcharged by Genworth by roughly \$35.8 million through December 2024.
- Also on February 13, defendants filed a motion for summary judgment, again arguing that COI charges have been assessed appropriately under the policy language and that while Genworth has the option to change COI rates from time to time, it is under no obligation to do so at specific times.
- Both motions remain open with the US District Court. Per the amended pretrial order, the case remains scheduled for jury trial beginning April 20.

Docket: *TVPX ARS Inc. vs. Genworth Life and Annuity Insurance Company*, Case No. 3:25cv184

Noteworthy Tax Developments

[No Tax-Related Items Covered This Quarter]

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

Noteworthy Accounting Developments

[No Accounting-Related Items Covered This Quarter]

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

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LEGISLATIVE, REGULATORY, JUDICIAL,
AND ACCOUNTING DEVELOPMENTS



Noteworthy Regulatory Developments

Basel III Endgame – Update (Dec)

- As covered in a [previous LRA Update](#), there has been reporting that the federal banking regulators are planning to revisit the previously proposed capital rules referred to as Basel III Endgame. The re-proposal is expected to include lower aggregate capital increases compared to the original proposal.
- The banking industry has largely been in favor of a re-proposal of Basel III Endgame. On December 11, the House Financial Services Subcommittee on Financial Institutions [held a hearing](#) titled “Right-Sizing the U.S. Capital Framework: A Return to Tailoring, Economic Growth, and Competitiveness.” The stated purpose of the hearing was to “outline the U.S. bank capital framework, assess how regulatory capital requirements affect financial institutions of various sizes, and advocate for a more transparent and risk-aligned capital regime.”
- In his opening remarks, Subcommittee Chair Andy Barr (R-KY) stated that “the Biden Administration’s initial Basel III Endgame proposal was deeply flawed and received bipartisan criticism. It threatened to elevate capital burdens so far above international norms that entire categories of banking business lines, from residential mortgages to market-making, could have migrated to offshore institutions. Fortunately, the bipartisan message was clear: the Basel III Endgame must be re-proposed. And that re-proposal is not just an opportunity, but a responsibility to get this right.”
- Subcommittee members expressed support for a re-proposal of Basel III Endgame. Representative Roger Williams (R-TX) stated that “the previous Basel III endgame proposal would have pushed capital standards well beyond what a strong and stable banking system requires.” Witnesses also provided testimony in support of re-proposed Basel III Endgame. Amanda Eversole (President and CEO, Financial Services Forum) testified that “regulators should expeditiously move ahead with [Basel III Endgame] in a manner that is consistent with the global regulatory agreement and does not seek to artificially raise capital requirements for large banks.”
- Continued...

Noteworthy Regulatory Developments

Basel III Endgame – Update (Dec) Continued

- Separately, Republican members of the House Committee on Financial Services sent a [letter](#) to the FRB, FDIC, and OCC on December 19 expressing their views on the expected re-proposal of Basel III Endgame (emphasis added):
 - ❖ First and foremost, we want to emphasize the real-world impacts that this [Basel III Endgame] proposal will have on individuals, businesses, and the entire U.S. economy. **If inappropriately calibrated, excessive levels of required regulatory capital** and the associated need for banks to direct available capital to the most productive risk-adjusted uses **will likely lead to** increased mortgage costs for homeowners, less business investment, tighter margins for farmers with associated increases in the cost of food, and **overall lower economic growth and reduced economic wellbeing**. The bank regulatory capital framework does not exist in a vacuum—it has spillover effects on the wider economy and everyone within it. A safe and sound banking system is a key pillar of the economy, but we must not forget that the point of prudential regulation is to maintain its safety and soundness so that the banking system can continue to be a powerful engine of economic progress. Regulation for the sake of regulation is not effective or prudent.
[...]
 - ❖ The proposal must also account for the already existing framework of bank regulatory capital in the U.S. Given the work on the bank regulatory capital structure that your agencies have already undertaken, **it is imperative that the proposal be rationally fitted to integrate with existing bank capital regulations in a manner that does not result in overlapping and duplicative requirements. Failure to do so would likely result in unnecessarily high capital requirements with the downstream effect of reduced credit availability to broad swathes of the U.S. economy.** To avoid this outcome, we ask you and your agencies to continue to view the bank regulatory capital framework in a comprehensive manner that does not double-count risks in one part of the framework that have already been accounted for by another.

Continued...

Noteworthy Regulatory Developments

Basel III Endgame – Update (Feb)

- Federal regulators continue to indicate that work is being done to revisit the previously proposed capital rules known as Basel III Endgame. FRB Vice Chair for Supervision Michelle Bowman recently gave remarks at an Exchequer Club event discussing the timeline for re-proposed capital rules. Bowman stated that “I’ve said for a number of months now that we will be aiming to introduce that proposal before the end of the first quarter. I think we’re still working on that time frame.”
- Vice Chair Bowman also [gave testimony](#) before the Senate Committee on Banking, Housing, and Urban Affairs on February 26. Bowman spoke on the Federal Reserve’s regulatory agenda as it applies to large banks: “We are also modernizing and simplifying the Federal Reserve’s regulation of large banks. The Board is considering modifications to each of the four pillars of our regulatory capital framework for large banks: stress testing, the supplementary leverage ratio, the Basel III framework, and the G-SIB surcharge.” On the topic of Basel III, Bowman advised that “[f]inalizing Basel III reduces uncertainty and provides clarity on capital requirements, enabling banks to make better-informed business and investment decisions.”

Noteworthy Regulatory Developments

Basel III Endgame – Regulators Release Proposed Regulatory Capital Rules (March ad-hoc update)

- As has been well reported, federal banking regulators have long been considering a re-proposal of the previously released regulatory capital rules known as Basel III Endgame. On March 19 the [FDIC, Federal Reserve Board](#), and the [OCC](#) jointly announced the release of three separate regulatory capital rule proposals concerning the following:
 - ❖ Basel III Regulatory Capital Framework ([Regulatory Capital Rule: Category I and II Banking Organizations, Banking Organizations with Significant Trading Activity, and Optional Adoption for Other Banking Organizations](#));
 - ❖ Standardized Approach for Risk-weighted Assets ([Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-weighted Assets](#)); and
 - ❖ GSIB Surcharge ([Regulatory Capital Rule: Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies; Systemic Risk Report \(FR Y-15\)](#)).
- As described in a [memo](#) released by the FRB, the Basel III proposal “would revise the risk-based capital requirements that apply to the largest, most internationally active firms” by instituting a single set of risk-based capital calculations and by better aligning the minimum requirements with risk. Additionally, the Standardized Approach proposal “would revise the U.S. standardized approach [...] to better align capital requirements with the risk of traditional lending activities.”
- Regulators are inviting comments on each proposal. Comments must be submitted by June 18.
- MB Schoen will review the proposals in depth to determine the impact on the risk-weighting process for BOLI assets.

Noteworthy Regulatory Developments

LISCC Program Operating Manual Published by FRB (Dec)

- On December 18 the Federal Reserve Board [announced its publication](#) of the Large Institution Supervision Coordinating Committee (LISCC) [operating manual](#). The stated purpose of the manual is to formally set “expectations and standards for Large Institution Supervision Coordinating Committee (LISCC) Program supervisory examination activities.”
- The manual defines the LISCC Program, noting the inclusion of five various portfolio programs: Capital, Governance and Controls, Liquidity, Recovery and Resolution, and Monitoring and Analysis. While the manual does not specially cover oversight of BOLI, these various portfolio programs can also apply to management of BOLI programs.
- The manual also covers the Supervisory Program Cycle and Execution in depth, with phases including preparation, execution, conclusion, and follow-up/remediation. Additionally, the manual spells out various oversight metrics and controls, including quality control, quality assurance, and information security.
- This is the first of several manuals expected to be published by the FRB in the coming months. Additionally, the FRB expects to release an updated version of this manual that will reflect the statement of [supervisory operating principles](#) released in November, as well as to reflect the name change of the program from LISCC to GSIB.

Noteworthy Legislative Developments

Florida Bill to Restrict Employer-Owned Life Insurance (Nov/Dec)

- On October 27 a Florida Assemblymember, Peggy Gossett-Seidman (R), filed [House Bill 261](#), titled *Restrictions on Employer-Owned Life Insurance*. As drafted, this legislation is averse to BOLI/COLI in the state of Florida.
- Among others, the bill includes the following restrictions:
 - ❖ An employer would need to provide written notice of a policy to the insured's spouse, next of kin, or estate representative within 30 days after issuance;
 - ❖ An employer could maintain no more than 5 policies at one time without prior approval of the Florida Office of Insurance Regulation;
 - ❖ The death benefit must not exceed 5 times the key person's average annual compensation (from the preceding three-year period);
 - ❖ Upon termination of employment, the employer must either cancel the policy or transfer ownership to the key person;
 - ❖ An employee's consent would be revocable;
 - ❖ Any death benefit paid to an employer would be subject to corporate income tax under Florida law; and
 - ❖ The provisions of the bill are drafted to largely apply retroactively to existing policies.
- In discussions with insurers, we have not yet learned any background information on why this legislation has been proposed. It is not expected that this bill will receive any serious consideration.
- Further, it is worth noting that Florida was one of the last states to enact an explicit life insurance insurable interest statute (Fla. Stat. § 627.404 – effective July 1, 2008). Florida's insurable interest statute explicitly acknowledges a business entity's insurable interest in its owners, directors, officers, managers and key employees. Florida law already requires affirmative written consent of the insured and expressly states that a business entity may not retaliate or take adverse action against any person that does not consent to be insured. The state law, coupled with IRC 101(j) eligibility, notice and consent requirements, seems to adequately protect against any potential abuses.
- In December, a substantially similar bill was also introduced in the Florida Senate by Senator Jonathan Martin (R). While both versions of the bill have been referred to committee, industry opinion is that the legislation is unlikely to gain significant consideration.

Other Noteworthy Developments

Basel Committee Publishes Consolidated Guidelines and Sound Practices (Feb)

- On February 26 the Basel Committee on Banking Supervision (BCBS) implemented a [new section of its website](#) that consolidates the committee's guidelines and sound practices. As stated in the [press release](#), the intention is “to improve the accessibility of the Committee's outputs in a user-friendly format.” The consolidated guidelines and sound practices are broken down into 13 modules, including supervision and corrective actions, corporate governance, risk management, capital adequacy, and operational risk and resilience.
- As defined by the BCSC, guidelines are intended to “elaborate on the standards in areas where they are considered desirable for the prudential regulation and supervision of banks” and “generally supplement BCBS standards by providing additional guidance for purpose of their implementation,” while sound practices are defined to “describe actual observed practices, with the goal of promoting common understanding and improving supervisory or banking practices.
- The committee plans to finalize the consolidated guidelines and sound practices in the second half of 2026 and is accepting comments on the following three items until June 26:
 - ❖ Does the framework effectively remove outdated, superseded and duplicative materials?
 - ❖ Does the proposed reorganization and redrafting achieve the objective of improving clarity and readability without introducing new expectations?
 - ❖ Are there particular topics the Committee should review more substantively, or areas where further guidance is warranted?

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

Insurance Carriers Rated AA

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

Insurance Carriers Rated AA-

- John Hancock Life Insurance Company (USA)
- Metropolitan Life Insurance Company
- Metropolitan Tower Life Insurance Company
- 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
- 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

- Brighthouse Life Insurance Company
- Connecticut General Life Insurance Company
- Jackson National Life Insurance Company
- Symetra 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)
- Zurich American 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 16, 2026

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

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
- Security Life of Denver Insurance Company
- U.S. Life Insurance Company in The City of NY

Insurance Carriers Rated A

- Augustar Life Insurance Company
- Jackson National Life Insurance Company

Insurance Carriers Rated A-

- Brighthouse Life Insurance Company
- Delaware Life 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+)
- West Coast Life Insurance Company (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 16, 2026

Current Moody's Financial Strength Ratings

Insurance Carriers Rated Aaa

- None

Insurance Carriers Rated Aa1

- Guardian Life Insurance Company of America
- New York Life Insurance and Annuity Corporation
- New York Life Insurance Company
- Northwestern Mutual Life Insurance Company
- 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
- John Hancock Life Insurance Company (USA)
- 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
- 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

Insurance Carriers Rated A2

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

Insurance Carriers Rated A3

- Brighthouse Life Insurance Company
- Jackson National Life Insurance Company

Insurance Carriers Rated Baa1

- 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)
- West Coast Life Insurance Company (A1)
- 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 16, 2026

Ratings or Outlook Revisions

American International Group, Inc.

- Rating **upgraded** from A- to A by Fitch; Fitch cited AIG's assessment of capitalization, financial performance, and earnings as reasoning for the upgrade (Dec)

Talcott Resolution Life Insurance Company

- Outlook changed from stable to **positive** by S&P; S&P cited Talcott's execution of its growth strategy in the reinsurance market, operating performance and capital strength as reasoning for the outlook change (Jan)

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Industry Developments

Aquarian Capital Acquires Brighthouse Life (Nov)

- On November 6, Aquarian Capital [announced an agreement](#) to acquire Brighthouse Financial. The transaction values the Brighthouse business at \$4.1 billion and is expected to close in 2026, subject to closing conditions.
- Aquarian Capital is the parent company of Somerset Re. Somerset Re reinsured the Delaware Life BOLI COLI block earlier in 2025.

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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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