



COMMUNITY IS LIFE



WHO WE ARE



Boston Mutual Life Insurance Company is a national insurance carrier providing flexible insurance products for working Americans in the private and public sectors from coast to coast. At Boston Mutual, we offer a range of insurance coverage options for both individuals and employers, with a product portfolio that includes life, accident, critical illness, and disability insurance coverage. Founded in 1891, we are headquartered in Canton, Massachusetts, and are proud of our long history of financial strength and stability.





To Our Policyholders:

In all areas of our lives, community plays a key role in providing us with support, guidance, comfort, and inspiration. Boston Mutual Life Insurance Company is a community itself, and we collaborate every day to advance the interests of our policyholders, producers, and employees—as well as the communities we live in and the industry we serve.

A VISION FOR THE FUTURE

Our commitment to who we are and those we serve continues to provide strategic guidance for our company. In 2018, we introduced Vision 2022, a five-year roadmap for sustainable, profitable growth that will lead to even greater levels of financial success, organizational readiness, and a more robust presence as a mutual life insurance company.

Our progress to date with our strategic roadmap has not gone unnoticed. A.M. Best, the oldest and most authoritative insurance rating and information source, affirmed our financial strength rating (FSR) of “A” (Excellent), with a Stable outlook. This underscores our long-term commitment since our founding in 1891 to the communities that rely on us.

ALIGNING FOR CONTINUED SUCCESS

In 2018, our focus was on people, process, technology, and organizational structure to best support those efforts. We introduced an enhanced leadership structure, including a new executive team and expanded senior leadership team, which better aligned our company with our strategic objectives.

To continue our ongoing efforts to enhance the customer experience and support profitable growth, we integrated the Distribution and Underwriting teams into a new, market-focused department with a strong concentration on the initial engagement and onboarding of new customers. We created an Enterprise Risk Management (ERM) department to better operationalize our ERM strategy and discipline as a company.

We added experienced talent in a number of areas, including a new Chief Compliance Officer and Vice President of Underwriting, while also growing our Workplace Solutions Sales team.

LEARNING TO GROW TOGETHER

For all members of the Boston Mutual family, whether a new or long-term employee, professional growth and development opportunities are a critical component of our collective success.

Throughout the year, we built on the learning organization foundation we began implementing in 2017. We focused on creating a stronger path for talent acquisition, a comprehensive employee onboarding experience, and strengthening the employee journey. We graduated our first EXCELerate class in 2018, our initial learning organization initiative, and introduced an innovative job rotation program.

FOR THE GREATER GOOD

As a mutual life insurance company, our greater impact relies not just on the good work we do within our home office but outside our building as well.

.....
Throughout the year, we deepened our connections with community and industry partners to enhance our commitment to those who count on us.
.....

Through broadening our engagement with industry organizations, we’ve been active at the federal, state, and local levels, including identifying new opportunities to be part of the conversations on topics that impact our producers and policyholders. It’s important to be aware of the critical issues going on across the country and collectively work together with our external partners to protect the families we serve.

GIVING BACK TO MAKE AN IMPACT

Caring for others is one of the passions we all share at Boston Mutual. Through our corporate citizenship program, “Making An Impact,” our employees give back to those in need through volunteering, donations, and raising awareness with causes that tie into our focus areas of community, education, and family.

Since launching the program in early 2018, we’ve seen tremendous growth in both the numbers of community initiatives we’ve supported and in employee participation.

STAYING FOCUSED ON MOVING FORWARD

2018 was another very good financial year. Overall Boston Mutual sales were approximately \$38 million—one of our top sales years. Remaining committed to our promises, we paid out over \$125 million in benefits. It was our fifteenth consecutive year of strong pre-tax gain from operations and we continued to have an excellent balance sheet with low-risk, high-quality assets and liabilities. Our Life Insurance Company of Boston & New York subsidiary also had a very good financial year.

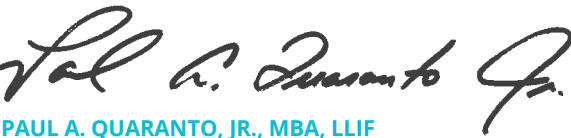
OUR COMMUNITY IS OUR FUTURE

I am proud of Boston Mutual and the strides we’re making. We’ll continue to evolve and seek out thoughtful ways to improve our service to policyholders, support for producers and employees, and commitment to all of our communities—while still operating as a company dedicated to working Americans and the markets we’ve served for the past 127 years.

To our policyholders—thank you for being part of the Boston Mutual community. We’re here to ensure you have the support and help you deserve when it counts the most.

To our producers and employees—thank you for your commitment to consistently going above and beyond for all those we serve, and thank you for your hard work that contributed to our success in 2018.

Sincerely,


PAUL A. QUARANTO, JR., MBA, LLIF
Chairman, Chief Executive Officer and President

PART OF THE GREATER GOOD

The life insurance industry may be seen simply as a business sector that sends out a check when a claim is filed. But there's so much more to the greater good that we as life insurance companies do.

Our industry is woven into the economic fabric of the country in many ways. It's been around for more than 200 years, and since the beginning, the main focus has been to provide families with the protection they need.

Every company has their own approach. As a mutual company, Boston Mutual is owned by and operated for the benefit of our policyholders. That means we answer to our customers—working Americans across the U.S.—not stockholders. It's more about supporting Main Street than Wall Street.

Some of our industry's impact is seen as a direct result of what we do every day—such as how much we pay out to families across the country. But our collective impact is felt in other areas, too. For instance, life insurance company investments make our industry one of the largest sources of investment capital in the U.S. It's just one of the ways we provide a strong financial foundation for our country.

There's great value in being a part of an industry doing the right thing for our customers while also being a part of the greater good, collectively helping all communities across the country. This is why we do what we do.

90 MILLION

AMERICAN FAMILIES RELY ON OUR INDUSTRY'S PRODUCTS FOR FINANCIAL SECURITY*

\$1.7 BILLION

PAID OUT EVERY DAY TO FAMILIES AND BUSINESSES BY LIFE INSURERS*

\$6.4 TRILLION

INVESTED IN THE U.S. ECONOMY BY THE LIFE INSURANCE INDUSTRY*

2.6 MILLION

JOBS GENERATED BY THE LIFE INSURANCE INDUSTRY*



“ACLI is proud to be part of the Boston Mutual community and proud to tell the story of Boston Mutual’s outstanding work with the communities that they serve.”

SUSAN K. NEELY

President and CEO, American Council of Life Insurers (ACLI)

*Industry statistics source: American Council of Life Insurers, “Life Insurers Across America,” 2018, www.acli.com

COMMUNITY IS LIFE



Our support for those in need goes beyond our policyholders. Our name may come from the city we were founded in—but our communal reach is coast to coast.

We make an impact in our communities not just with the financial security we offer in our policies, but also in all the good we do throughout the year. As a mutual life insurance company, it's a key part of who we are.

In addition, we expanded upon our ability to be involved in the key issues that impact our industry and our constituents through our external affairs initiatives. By having a voice in those critical discussions at the local, state, and federal levels, we're able to deepen the support we provide to all the communities we touch.



POLICYHOLDERS

Since our company's founding in 1891, we've remained true to who we are and who we serve. We know every policy is a promise we make to our policyholders to be there in their time of need, and it's a commitment we take seriously. Our products provide financial security, and it's in the core of who we are to provide that for working Americans. We know our policyholders have a range of needs, and we're here to deliver solutions that fit their lives—whether it's workplace or individual insurance offerings. As we continue to grow and evolve, our approach may shift, but not our unwavering dedication to the policyholders that rely on us.

“In my time of need, Boston Mutual was there for me. They were very considerate, answered my questions, and treated me like family.”

FELICIA J.

Policyholder for 18 years



“Boston Mutual has been a partner with Winston Benefits for over 30 years—like family. Offering products we can distribute to our clients is an important part of what they do every day.”

CURRY BRADLEY

*Chief Marketing Officer and Executive Vice President
Winston Benefits, Inc.*



PRODUCERS

Success is not due to the results of one person, but many. At Boston Mutual, we work closely with our producer partners to drive our collective accomplishments. We value our producers and their dedication in joining with us to elevate the customer experience for our policyholders. We make sure we provide exceptional service for this national network of agents, brokers, enrollment firms, and more, too—supporting them with the resources they need to follow through on their commitments.



EMPLOYEES

At Boston Mutual, helping others and delivering on our customer service promises is a key part of who we are and what we do. We live this philosophy in our interactions with each other every day as well. We firmly believe in the unwavering bonds of mutual support that make our organization strong, and we collaborate across departments to be there for those who rely on us. Only by working together, as one company with one purpose, will we be able to support all our different communities. Competitive products and rates alone do not tell our entire story. That's because our story is one about people—people who are making a difference for the greater good.





COMMUNITY

The mission of Making An Impact, our corporate citizenship program, is to support the giving of our talents and resources to those that foster our core belief in community, education, and family. We're passionate about our generous spirit and are constantly finding ways big and small to pay it forward to each other and the communities in which we live and work. Participating in these activities enriches not only the lives of those we touch, but also our own.

MAKING AN IMPACT



Focusing on the three pillars of our corporate citizenship program—Community, Education, and Family—we collaborate on activities throughout the year to give back to those in need.

COMMUNITY

Whether it's the town in our headquarters' backyard, or a city on the other side of the country, helping organizations that make the lives of residents better resonates strongly with who we are as a company. In 2018, we contributed to a variety of community-related causes. We donated more than 1,000 pounds of supplies to a food pantry and made blankets to keep residents warm at a shelter. Whether sponsoring a little league team, contributing to a regional theater group, or raising funds for disaster relief, we were there.

EDUCATION

It's easy to take education for granted and forget that there are many across the country who don't have access to the basic essentials they need to learn. It's why we partnered with organizations such as the Salvation Army to assemble backpacks with school supplies for students. And it's why, for more than 20 years, we've served as volunteer teachers for local elementary schools through Junior Achievement. We've supported school robotics programs and honored the local math team's success for the 40th year in a row. Looking to the future, we mentored students through the BUILD program to help them develop the skills they need to be successful professionals.

FAMILY

Family is at the heart of our country and the core of our company. In 2018, we volunteered our time with groups such as My Brother's Keeper to give back to families in need. We collected gifts for children in need across the state, and partnered with United Way to help a range of worthy causes. We supported efforts that impact families across the nation, such as knitting and crocheting hats for the American Heart Association to raise awareness for cardiovascular diseases, and participated in a Making Strides walk to join the American Cancer Society in the fight against breast cancer.



2018 FINANCIALS



We're grateful to all of those who contributed to the year's success. Part of what makes our results possible is Boston Mutual's long-term financial strength. We've remained dedicated to providing a firm foundation for all those who rely on us.

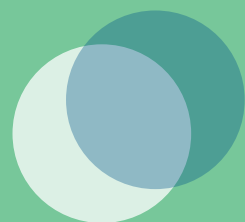
15 CONSECUTIVE
YEARS
OF STRONG EARNINGS



EXCELLENT BALANCE SHEET WITH
LOW-RISK AND
HIGH-QUALITY
ASSETS AND LIABILITIES



SURPLUS HAS MORE THAN
DOUBLED
IN THE PAST 9 YEARS



INCOME STATEMENT

DOLLARS IN THOUSANDS

Year Ended December 31

	2018	2017
Premium income	\$202,301	\$196,665
Net investment income	57,812	63,166
Other income	14,409	14,369
TOTAL INCOME	274,522	274,200
POLICYHOLDER BENEFITS AND EXPENSES		
Life insurance benefits	69,745	68,194
Accident & health benefits	17,102	18,402
Other policy benefits	38,745	36,397
Increase in reserves	36,667	33,935
Commissions	42,245	40,752
General expenses	44,521	48,966
Taxes other than federal income taxes	7,962	7,851
Dividends to policyholders	1,635	1,443
TOTAL BENEFITS & EXPENSES	258,622	255,940
GAIN FROM OPERATIONS	\$15,900	\$18,260

ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31

	2018	2017
Bonds	\$851,243	\$829,440
Preferred stocks	0	0
Common stocks	100,460	73,317
Mortgage loans	192,887	192,121
Real estate	14,892	10,385
Policy loans	163,873	160,161
Cash & short term securities	4,762	29,649
Premiums deferred and uncollected	47,565	47,191
Other assets	89,375	88,218
TOTAL ASSETS	\$1,465,057	\$1,430,482

LIABILITIES AND SURPLUS

DOLLARS IN THOUSANDS

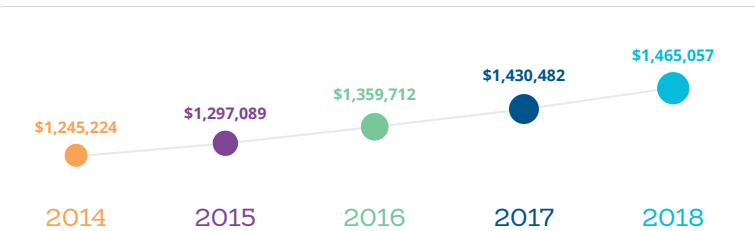
Year Ended December 31

	2018	2017
Policy reserves	\$1,120,132	\$1,086,363
Policy & contract claims	17,636	19,645
Deposit-type contracts	16,369	16,509
Other policyholder funds	2,596	3,734
Other liabilities	61,154	63,936
Interest maintenance reserve (IMR)	17,600	17,782
Asset valuation reserve (AVR)	10,486	13,146
TOTAL LIABILITIES	1,245,973	1,221,115
SURPLUS	219,084	209,367
TOTAL LIABILITIES & SURPLUS	\$1,465,057	\$1,430,482

ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31





..... BOARD OF DIRECTORS

Paul A. Quaranto, Jr., MBA, LLIF
Chairman, Chief Executive Officer & President

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Managing Director (*Retired*)
Seaward Management

John M. Cornish, Esq.
Partner (*Retired*)
Choate, Hall & Stewart, LLP

Henry T. Goldman, Esq.
Principal
Law Office of Henry T. Goldman

Aurilee A. Hawley
Museum Director (*Retired*)
Isabella Stewart Gardner Museum

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President
Joyce and Joyce

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Deloitte & Touche

Catharine W. O'Rourke
Associate Director of Development (*Retired*)
The Children's Aid Society

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Boston Mutual Life Insurance Company

Timothy L. Porter, Esq.
Chief Client Relationship Counsel (*Retired*)
Proskauer Rose, LLP

Richard P. Quincy
President
Quincy & Company

Laurie M. Shahon
President
Wilton Capital Group

..... OFFICERS

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David B. Cirulis, RHU
Regional Sales Vice President

Peter S. Connolly, MD
Medical Director

Christine T. Coughlin, CPA, LLIF, MST
Vice President – HR Business Partner

Robert R. Dignazio
Vice President – Underwriting

Stephen G. Evans, FLMI
2nd Vice President & Auditor

Susan J. Gardner, CPA, LLIF
Vice President – Controller & Treasurer

James E. Jacobsen
Executive Vice President – Distribution & Underwriting

Clifford A. Lange, CLU, FSA, LLIF
Executive Vice President – Chief Financial Officer & Chief Actuary

David C. Mitchell, CLU, MSI
Executive Vice President – External Affairs & Corporate Communications

Paul S. Painchaud, ASA, MAAA
2nd Vice President & Appointed Actuary

Joshua J. Police, MBA
Regional Sales Vice President

Joseph W. Sullivan, Esq.
Executive Vice President – Chief Risk Officer

Mary T. Tillson, ALHC, FLMI, MHP
Executive Vice President – Operations

William J. Wahl
Vice President – Commercial Mortgage Loans

Grant D. Ward, Esq.
General Counsel & Secretary, Executive Vice President – Legal, Compliance & Human Resources

Christine S. Williams, MBA, ACS
2nd Vice President – Chief Compliance, Privacy, and Anti-Money Laundering Officer



MOVING FORWARD



They say it takes a village to make success happen, and we know it's true because it's how we operate every day. With the collaboration of our employees, and the dedication of our producer partners, we can continue to offer support, comfort, and financial security to our policyholders in their time of need.

The impact we make goes beyond the financial protection we provide—it's in the good we do for the communities both inside and outside our office and it's in the difference we make across the nation as part of the life insurance industry.

We know that the future may be uncertain at times, but with a focus on our commitment to all those who depend on us, we'll continue to be there for our communities.





FAMILY MATTERS.
NO MATTER WHAT.®

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 /bostonmutuallifeins

 /company/boston-mutual-life-insurance

To see more highlights from our year and to learn more about
Boston Mutual, please visit www.bostonmutual.com
For the latest A.M. Best rating, access www.ambest.com

