



FAMILY MATTERS.
NO MATTER WHAT.®

PEACE OF MIND

2019 ANNUAL REPORT



Why we are dedicated to serving the needs of working Americans and their families:

- Over 40% of Americans do not have life insurance coverage*
- 3 in 10 Americans have life insurance coverage at work and only 4 in 10 have individual coverage*

People are looking for peace of mind in their time of need—this is universal across the country. Boston Mutual Life Insurance Company promises to provide that level of security—and we are dedicated to delivering on this commitment, serving the needs of working Americans and their families for over 128 years.



TO OUR POLICYHOLDERS:

Founded as a progressive life insurance company more than 128 years ago, we remain committed to serving the needs of working Americans and their families. This steadfast dedication, along with our brand—*Family Matters. No Matter What.*—provides financial peace of mind to those we serve.



DRIVING INITIATIVES FORWARD

In 2019, we focused on driving forward the initiatives in Vision 2022, our strategic, long-term plan. Our Vision 2022 roadmap outlines a clear path towards future success. We delivered on our promises to our policyholders, producers, and employees—while finding innovative ways to evolve in a thoughtful and measured manner.

Our investments in people, process, and technology—including the buildout of our newly integrated Distribution and Underwriting organization—positioned us well in our ongoing commitment to grow and better serve the workplace market. We offer practical and affordable products designed specifically for working Americans and their families—and made it even easier for them to secure peace of mind with the development of a proprietary enrollment solution—BMLEnroll. We added experienced sales talent—expanding our outreach to afford more people the opportunity to access our products and services.

Being there in your time of need is the promise that life insurance companies make to their customers, and we remain dedicated to this commitment. The affirmation by AM Best, the oldest and most authoritative insurance rating and information source, of our financial strength rating (FSR) in 2019 of “A” (Excellent), with a Stable outlook, served as validation of our ability to deliver on our promises.

We created a more robust presence in the industry and community, working hard to live the goodness of mutuality in all we do and represent the best interests of our policyholders, producers, and employees.

Thank you to our producers and our employees for treating every interaction with a personalized touch to ensure we are all providing our customers with the experience they deserve.

As a mutual insurance company, we are owned by and operated for the benefit of you—our policyholders. I am excited for our future as we continue to build on our success and move forward together—never losing sight of our mission to provide you with financial peace of mind and to deliver on our promises in your time of need.

Thank you for the confidence you have placed in us to do just that.

Sincerely,

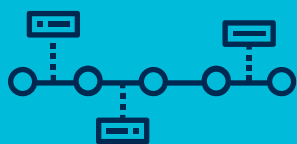
A handwritten signature in black ink that reads "Paul A. Quaranto Jr.".

PAUL A. QUARANTO, JR., MBA, LLIF

Chairman, Chief Executive Officer and President

Driving Success with a Vision

In 2012, we embarked on a journey with a vision of an “A” rating with AM Best by enhancing our organizational readiness to support profitable growth. We developed a strategic roadmap, affirmed our guiding principles, articulated our brand, and launched a One Company initiative. We stayed the course, iterating along the way, while guided by our strategic objectives—and received an upgrade to “A” in 2017. At that time, we set our sights on “A+” readiness.



Planning Ahead

BUILDING A FRAMEWORK FOR CONTINUED SUCCESS

Vision 2022, introduced in 2018, extended our strategic roadmap for the next five years to further develop our state of organizational readiness and leverage it into greater levels of sales, growth, and earnings success.



Focused on Opportunities

STAYING THE COURSE

Our focus in 2019 was to accelerate our efforts to move forward with our Vision 2022 initiatives and drive strong financial results. We remained focused on opportunities to develop our people, streamline processes, and deploy technology—always looking for opportunities for improved organizational alignment and effectiveness.



Leveraging Organizational Readiness into Financial Results

THE IMPACT OF LONG-TERM PLANNING

The impact of focusing on who we are and what we do best is what makes us different and what makes us better in the markets we serve. Our vision to leverage our organizational readiness into sustainable, profitable growth will benefit our policyholders and all of our stakeholders, enhancing our ability to provide financial peace of mind and deliver on our promises.



WHAT WE STAND FOR

Boston Mutual is FOR being a progressive life insurance company dedicated to offering financial peace of mind for working Americans and their families.



Aligning Our Organization and Talent to Achieve Objectives

In 2019, we continued to focus on organizational readiness—identifying new ways to best position the company to deliver on our promises.

STRATEGIC ALIGNMENT FOR SALES SUCCESS

Supporting our drive for profitable growth, we combined our Distribution and Underwriting departments into one integrated Strategic Business Center (SBC). The result is a fully aligned organization with clearly defined roles, responsibilities, and processes that support scalable and sustainable sales success as we move forward.

We also welcomed experienced talent to our sales team—expanding our distribution footprint and enhancing our ability to drive sales results.

A HOLISTIC APPROACH TO RISK MANAGEMENT

To operationalize an enterprise risk management (ERM) discipline and practice across the company, we introduced a new ERM department. In addition, the integration of the Internal Audit department within the new ERM department supported our focus on organizational effectiveness. With a more robust ERM team, we can better support a more holistic ERM strategy.

INVESTING IN OUR PEOPLE

We continued to move forward our Human Resources (HR) department buildout. We integrated Compensation into the HR department to align performance and compensation practices. Recognizing the need to attract and retain talent at all levels of the organization, HR developed and launched an updated recruiting, selection, and onboarding process.

Our investment in employees continues with BML University, a robust learning organization structure that has accelerated personal and professional growth opportunities for our employees. One key initiative helped all employees discover their strengths and provided opportunities for teams to leverage and complement our employees' skill sets. These activities have created a framework to expand our various performance acceleration, engagement, and talent development initiatives.

SUPPORTING GROWTH WITH INVESTMENTS IN OUR PEOPLE

**Positioning Our Organization
for Continued Commitment to
Delivering on Our Promises**



WHAT WE STAND FOR

Boston Mutual is FOR providing practical and affordable products designed for working Americans and their families—and FOR providing a personalized customer experience for our policyholders and producers.



Innovating Every Day

We remain committed to who we are. Building on our founding as a progressive life insurance company 128 years ago, we continue to adapt our business practices to keep pace in the markets we serve. In 2019, we announced impactful new initiatives to support our progress. In a strategic move to expand our operational footprint, we introduced two initiatives that will lay the foundation for a Midwest presence for Boston Mutual Life. With opportunities to enhance organizational effectiveness and create a future growth framework, we anticipate these new initiatives will have a significant impact on our success and will help improve the overall outcome of future strategic projects.

EXPANDING RESOURCES TO SUPPORT SUCCESS

In early 2019, we introduced an outsourced pilot Strategic Project Management Office (SPMO) to oversee a new process for strategic project proposal development through execution. The SPMO tapped into the strengths and knowledge of our employees while providing their expertise in project management to more fully capitalize on strategic projects. Following their success with initial projects they supported, we recognized an opportunity to embed a project management discipline within our organization and take our project management practice to the next level. As a result, we introduced a new insourced SPMO department in late 2019.

CREATING FUTURE GROWTH OPPORTUNITIES

At the same time, we announced the launch of the new Boston Mutual Life Innovation Lab—an additional strategy to

help drive results. Designed as a transformation office, its structure provides a space outside of our current production environment to work on future-state process and technology projects.

MAKING IT EASIER TO SECURE FINANCIAL PEACE OF MIND

In preparation for industry-wide regulatory life insurance rate table changes required to be effective in 2020, we coordinated with the SPMO on implementing product, application, and marketing updates. Leveraging the timing of these changes, and to continue to evolve to meet market needs, we announced transformative enhancements to our proprietary enrollment platform, BMLEnroll. This significant update allows us to increase opportunities and efficiencies for our producers and policyholders, and aligns with the build out of our Distribution and Underwriting department to support scalable and sustainable sales growth.



CREATING NEW
OPPORTUNITIES WITH NEW
STRATEGIC RESOURCES



QUICKLY IMPLEMENT BEST
PRACTICES THROUGH NEW
PROJECT DEVELOPMENT
STRUCTURES



SUPPORTING OUR
COMMITMENT TO
ENROLLMENT OPTIONS
AT THE WORKPLACE



WHAT WE STAND FOR

Boston Mutual is FOR making it easy to secure a level of financial protection with a portfolio of products—beginning with life insurance—via enrollment and billing options at the workplace.

Enhancing Our Community and Industry Presence

With the good work our industry does on important societal issues and as a mutual life insurance company, it is important that we remain involved in the conversations that relate to our stakeholders and our business. In 2019, we were vocal on key topics and gained recognition for the people we serve. We will continue to strengthen relationships across the industry and in the many communities we support.

EVOLVING WITH OUR INDUSTRY ENGAGEMENT

In 2019, we continued to build out our presence as part of an industry that is helping the greater good. We have identified organization involvement and relationships within a holistic framework that align with our brand and industry, such as the American Council of Life Insurers (ACLI), and Life Insurance Association of Massachusetts (LIAM). As a result, we have been able to engage with these important industry groups.

With our ongoing external affairs activities, we ensured we had a seat at the table at the local, state, and federal levels. We hosted dignitaries at our office and participated in meetings at their offices throughout the year. As part of the discussions with key legislators, we spoke about current items affecting our industry, as well as potential impacts of legislation to their constituents and our policyholders.

In addition, we leveraged the power of the industry by maintaining a strong presence with the ACLI with ongoing engagement in their coordinated activities, along with holding a Forum 500 and Board presence.

SERVING AS A GOOD CORPORATE CITIZEN

Our corporate citizenship program, Making An Impact, was successfully launched in early 2018, and we continued to enhance the program. In 2019, we provided opportunities for employees and the company overall to make a greater impact in the communities we serve. Giving back is an important part of who we are, and the diverse offerings involved in the program strongly support that position.

We increased the variety of activities offered to employees, and in 2019 we continued to see a rise in participation throughout the program along with increased volunteer time, as well as matching donation requests. We expanded the program's reach by contributing to new organizations and developing new opportunities with key program partners. Our efforts were recognized in September 2019 when we were announced as one of the top charitable companies in the state by a leading business publication. In addition, we were named the 2019 Outstanding Business of the Year to recognize our commitment to the community by the business and industry development organization in Canton, Massachusetts (where our home office is based).

DOING WHAT'S RIGHT FOR OUR COMMUNITIES

Through our charitable and external affairs activities, in 2019 we continued to make a difference in the communities in which we live, work, and serve.



WHAT WE STAND FOR

Boston Mutual is FOR acting in the best interests of its policyholders, producers, employees and communities in which we live and serve—representing the goodness of mutuality in all we do.



2019 Financials



16 CONSECUTIVE YEARS
OF STRONG EARNINGS



PAID OUT \$141 MILLION
IN BENEFITS



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



1.3 MILLION+ POLICIES AND
CERTIFICATES IN-FORCE



SURPLUS HAS MORE THAN
DOUBLED IN THE LAST 9 YEARS



INCOME STATEMENT

DOLLARS IN THOUSANDS

Year Ended December 31

	2019	2018
Premium income	\$200,930	\$202,301
Net investment income	59,639	57,812
Other income	11,247	14,409
TOTAL INCOME	271,816	274,522
POLICYHOLDER BENEFITS AND EXPENSES		
Life insurance benefits	70,997	69,745
Accident & health benefits	15,239	17,102
Other policy benefits	42,704	38,745
Increase in reserves	25,676	36,667
Commissions	38,592	42,245
General expenses	49,096	44,521
Taxes other than federal income taxes	8,097	7,962
Dividends to policyholders	1,536	1,635
TOTAL BENEFITS & EXPENSES	251,937	258,622
GAIN FROM OPERATIONS	\$19,879	\$15,900

ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31

	2019	2018
Bonds	\$873,935	\$851,243
Preferred stocks	0	0
Common stocks	121,483	100,460
Mortgage loans	200,086	192,887
Real estate	15,945	14,892
Policy loans	166,730	163,873
Cash & short term securities	8,279	4,762
Premiums deferred and uncollected	50,994	47,565
Other assets	92,050	89,375
TOTAL ASSETS	\$1,529,502	\$1,465,057

LIABILITIES AND SURPLUS

DOLLARS IN THOUSANDS

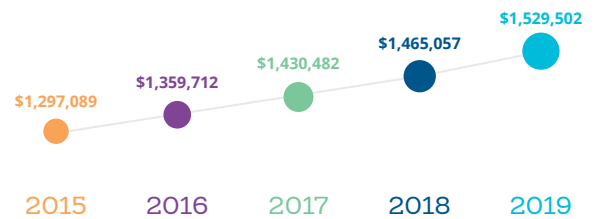
Year Ended December 31

	2019	2018
Policy reserves	\$1,147,767	\$1,120,132
Policy & contract claims	16,362	17,636
Deposit-type contracts	16,512	16,369
Other policyholder funds	2,603	2,596
Other liabilities	59,999	61,154
Interest maintenance reserve (IMR)	17,135	17,600
Asset valuation reserve (AVR)	23,224	10,486
TOTAL LIABILITIES	1,283,602	1,245,973
SURPLUS	245,900	219,084
TOTAL LIABILITIES & SURPLUS	\$1,529,502	\$1,465,057

ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31



A MESSAGE FROM LEADERSHIP

Overall, Boston Mutual Life had another good financial year, paying out over \$128 million in benefits as we remain dedicated to delivering on our promises. It was our sixteenth 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. With more than 1.3 million policies and certificates in-force, and a long history of financial strength, we're committed to acting in the best interests of all of our stakeholders. Our New York subsidiary, Life Insurance Company of Boston & New York, had a similarly good financial year.

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



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

Thomas M. Joyce, Jr., Esq.

President
Joyce and Joyce

Austin T. Lydon

Partner (*Retired*)
Deloitte & Touche

Catharine W. O'Rourke

Associate Director of Development (*Retired*)
The Children's Aid Society

Paul E. Petry, FSA, CLU

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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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Chairman, Chief Executive Officer & President

Nicholas K. Barishian, LLIF

Vice President – Enterprise Risk Management

David B. Cirulis, RHU

Regional Sales Vice President

Peter S. Connolly, MD

Medical Director

Christine T. Coughlin, CPA, LLIF, MST

Vice President – HR and Chief Diversity,
Equity & Inclusion Officer

Robert R. Dignazio

Vice President – Underwriting

Robert F. Duggan

2nd Vice President & Actuary

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

Marie L. Loughran

Vice President – Sales Operations

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

Committed to Providing Peace of Mind

We are confident that Vision 2022 represents our roadmap for continued success. We know who we are, what we do well, what makes us different and what makes us better in the markets we serve.

The progress we have made to date and the continued investments to develop our people, align our organization and processes, as well as deploying innovative technology tools not only validates the plan, but also generates much optimism for the future.

Above all, we remain committed in our dedication to provide peace of mind and deliver on our promises for all of our stakeholders—policyholders, producers, employees, and the communities in which we live and work.



AT BOSTON MUTUAL LIFE INSURANCE COMPANY—
FAMILY MATTERS. NO MATTER WHAT.®

At Boston Mutual Life, we are dedicated to acting in the best interests of all of our stakeholders—policyholders, producers, employees, and the communities in which we live and serve—representing the goodness of mutuality in all we do.



FAMILY MATTERS. NO MATTER WHAT.®

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

