



FAMILY MATTERS.  
NO MATTER WHAT.®



2020 ANNUAL REPORT

A COMMITMENT TO  
OUR FUTURE

# PIVOTING FOR THESE UNPRECEDENTED TIMES TO TAKE CONTROL OF OUR FUTURE

As we have done over the course of our company's history, even with similar events in our country's past to those experienced in 2020, we remain committed and focused on delivering on our promises to those who rely on us.

Our team continues to work together to do everything we can to take care of our policyholders, producers, communities around us and each other.



**Delivered solid operating results and grew an already strong balance sheet**, positioning us well operationally, financially and strategically as we head into 2021



Boston Mutual's CEO, Paul A. Quaranto, Jr., signed the **CEO Action for Diversity & Inclusion pledge**, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace



**Boston Mutual donated to over 120 different charitable organizations** with 20 contributions dedicated to supporting coronavirus relief efforts through the Making An Impact program



AM Best affirmed Boston Mutual's **financial strength rating of A (Excellent)**, with a Stable Outlook





## TO OUR POLICYHOLDERS:

Throughout 2020, our guiding principles and foundation, along with an inherent flexibility to pivot with market and customer needs, provided a firm framework for an ever-changing environment in the world around us. At the core of who we are and what we do is to provide peace of mind for those we serve, and that is unwavering.



### WE REMAIN COMMITTED AND FOCUSED

Against the backdrop of unprecedented times, we remain focused and committed to our guiding principles, values and long-term strategic plans. We moved forward on a number of initiatives and planned activities, including completing the build out of our Strategic Project Management Office (SPMO), new Innovation Lab, and acquiring information technology expertise to help drive our technology plans, while expanding our leadership team—all to enable us to maintain our progress while not losing sight of what we stand for.

For our policyholders, our business operations continued with minimal interruption due to the coronavirus, and we closely monitored and followed the various state regulations in order to meet the needs of all of our customers. We continued to offer a range of solutions for our producer partners, implemented a number of initiatives for the safety, health, and benefit of our employees and introduced new platforms and frameworks to continue to evolve our organization with the changing world around us. In our communities, we continued to engage in critical conversations at the federal, state, and local levels, and participated in virtual opportunities to support worthy causes.

As we ease into the next normal, seeing that the pandemic will last longer than initially anticipated, we view our long-term plans through the lens of a different environment than when originally designed, building new adaptations into our strategic roadmap going forward. Our aim is to maintain the core of our strategic trajectory and discipline while continuing to be nimble to support potentially changing needs—while keeping our sight forward on future growth and success.

It is with our efforts and hard work that we will continue to build on our success and move ahead together each year with a future-forward focus, never losing sight of our mission to provide peace of mind to you, our policyholders, as well as our producers, communities—and each other.

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*

## INITIATIVE HIGHLIGHTS FROM

# 2020

Building on our solid foundation, we added new frameworks to reinforce our future growth and success. With these initiatives, we strengthen our commitment to our future.



### Launch and Expansion of Strategic Project Management Office and Innovation Lab

The launch of these two teams brings strong project management experience and creative perspectives in partnership with business teams on current and future-state projects to drive key innovative projects and growth opportunities.



### Acquisition of IT Operations

We acquired the Information Technology (IT) Outsourcing Service from our long-term partner Onyx Data Solutions. The acquisition increased jobs within the organization by 10% and facilitated a turnkey insourcing of IT operations and readiness to support sustainable, profitable growth—allowing us to create an even better customer experience.



### Leveraging Expanded Leadership

Strong leadership teams are key to our path to success. Boston Mutual expanded the Executive and Senior Leadership Teams to reflect the changing needs of the market and added two positions to the Executive Team: Vice President of Market Strategies, as well as Vice President—Human Resource and Chief Diversity, Equity and Inclusion (DEI) Officer.

## A COMMITMENT TO

# OUR FUTURE

Our commitment starts with the effective management of current state operations to support the attainment of our short-term goals, while looking ahead to build a better foundation of growth in the years ahead.

# FINANCIAL STRENGTH

## THROUGH A TURBULENT MARKET

Boston Mutual continued delivering solid financials and operating performance in 2020. Looking towards the present and the future, we will stay disciplined and focused on our long-term strategic plans.

DESPITE THE MANY  
CHALLENGES OF 2020

## PROFITABLE GROWTH

PAID OUT IN BENEFITS

## \$135 MILLION

LOW-RISK AND HIGH-QUALITY  
ASSETS AND LIABILITIES

## EXCELLENT BALANCE SHEET

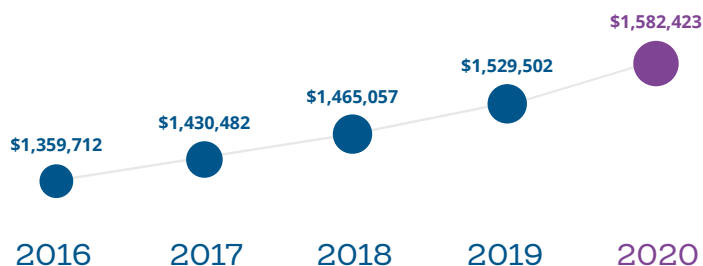
IN THE LAST NINE YEARS

## SURPLUS MORE THAN DOUBLED

*Click the button below for more*

### ASSETS

*Dollars in Thousands and  
Year Ended December 31*



TAKE A CLOSER LOOK  
AT THE 2020 FINANCIALS



# NAVIGATING

## THE CHANGING ENVIRONMENT

As the coronavirus pandemic began to spread, we closely monitored the initial impact on our industry, the markets we serve, and various state guidelines.

We quickly adjusted business operations to ensure our ability to continue to support our clients' needs while also maintaining the safety of our employees.

Our guiding principles remained a solid foundation of support—one company, working together, living the Boston Mutual brand, and being proud of who we are: a family of policyholders, producers, and employees.

## A COMMITMENT TO OUR FUTURE

Navigating the uncertain times that have come up during this global pandemic, we continue to provide ongoing communication support to our policyholders, producers, and employees.







## REMAINING FOCUSED ON PROVIDING **PEACE OF MIND** IN UNCERTAIN TIMES

In August, we honored our 129<sup>th</sup> anniversary, recognizing our founding as a progressive life insurance company in 1891, and we have not wavered from the core values our founders instituted over a century ago. Boston Mutual was built on a strong foundation, and we have weathered storms before.

In our steadfast commitment to providing peace of mind for our stakeholders, we entered the pandemic well positioned to be there in their time of need. We are financially strong enough to deliver on our promises with balance sheet strength, a strong surplus position, and rigorous financial stress testing to ensure our ability to meet our financial commitments in the event of situations like the pandemic. While events of 2020 affected our industry beyond what was originally anticipated, we have maintained our strong balance sheet position and good overall operating performance.

## A COMMITMENT TO **OUR FUTURE**

Even in uncertain times, we remained committed to acting in the best interests of all of those who rely on us and with the confidence that we have the operational and financial capacity to do so.







## CONNECTING WITH OUR COMMUNITIES IN NEW WAYS

While in-person activities may have been limited in 2020, we continued to hold virtual conversations with select industry stakeholders to discuss key issues, including the potential impact of the pandemic. We also explored opportunities to support worthy causes through virtual participation—as our regular charitable activities, such as volunteering, were tabled.

Boston Mutual was announced as a top corporate charitable contributor by a leading Massachusetts business publication for the second year in a row, which speaks to the commitment of our employees and our company to the communities we serve. Within the Making An Impact program, we continued to focus our charitable efforts on three pillars that align with our core mission—Community & Family, Education, and Environment—to coordinate activities throughout the year to give back safely to various worthy causes and organizations.

## A COMMITMENT TO OUR FUTURE

Charitable giving maintained pace with planned levels with the Making An Impact program donating to over 120 different organizations to provide support during the coronavirus pandemic.





3-4 Boys

3-4 Boys

3-4 Girls

MAKING AN  
**IMPACT**  
Boston Mutual Life

...as  
...child?







## LIVING THE BRAND

# FAMILY DOES MATTER

“Family Matters. No Matter What.” We continue to live that core belief through a changing world as we head into the next normal. Throughout 2020, Boston Mutual provided peace of mind to our employees. A variety of employee engagement opportunities were offered, ranging from virtual team meetings and coffee hours to remote activities that were shared with colleagues.

In 2020, we implemented a Diversity, Equity and Inclusion (DEI) program to emphasize our commitment to inclusivity. Within the program, the Executive Leadership Team hosted an interactive forum where teams discussed our commitment to view differences as strengths and to create a workplace environment where all are welcome and encouraged to succeed.

We are also committed to being a learning organization, which seeks to create its own future by becoming an agile, diverse, strengths-based organization. We facilitate learning, knowledge sharing, and risk-taking with new ideas, and look to opportunities for team members to contribute and play to their diverse strengths daily.

## A COMMITMENT TO OUR FUTURE

By working together during these challenging times, we continue to deliver on the promises we make to our customers—to provide financial peace of mind for working Americans and their families.





# PLANNING FOR THE FUTURE LOOKING AHEAD TO 2021 AND BEYOND

Looking ahead to 2021 and beyond, our focus will be on managing the current state as efficiently as possible to achieve our sales, service, and financial goals—capitalizing on the sales and service experience that has allowed us to deliver on our promises for 129 years. While the current state has served us well, we will continue to look to the future and fully commit our resources to building the foundation for future success.







## BOARD OF DIRECTORS

**Paul A. Quaranto, Jr., MBA, LLIF**

Chairman, Chief Executive Officer & President

**John J. Cook, Jr.**

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

**Sherry L. Martin**

Chief Operating Officer (*Retired*)  
Farm Bureau Life Insurance Company

**Catharine W. O'Rourke**

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

**Paul E. Petry, FSA, CLU**

Chairman (*Retired*)  
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



GET TO KNOW MORE ABOUT  
EACH BOARD MEMBER

## OFFICERS

**Paul A. Quaranto, Jr., MBA, LLIF**

Chairman, Chief Executive Officer & President

**Peter S. Connolly, MD**

Medical Director

**Christine T. Coughlin, CPA, LLIF, MST**

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

**Stephen G. Evans, FLMI**

2<sup>nd</sup> Vice President & Auditor

**Susan J. Gardner, CPA, LLIF**

Vice President – Controller & Treasurer

**Jennifer L. Helms, MBA, ACS, ALMI**

Vice President – Strategic Project  
Management Office & Innovation Lab, &  
IT Operations (*Interim*)

**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**

2<sup>nd</sup> Vice President & Appointed Actuary

**Joshua J. Police, MBA**

Vice President - Market Strategies

**Joseph W. Sullivan, Esq.**

Executive Vice President – Chief Risk Officer

**Mary T. Tillson, ALHC, FLMI, MHP**

Executive Vice President – Operations

**Grant D. Ward, Esq.**

General Counsel & Secretary, Executive  
Vice President – Legal, Compliance &  
General Services



A CLOSER LOOK AT 2020

# FINANCIALS

## INCOME STATEMENT

DOLLARS IN THOUSANDS

*Year Ended December 31*

	2020	2019
Premium income	\$201,458	\$200,930
Net investment income	60,180	59,639
Other income	7,508	11,247
TOTAL INCOME	269,146	271,816
<b>POLICYHOLDER BENEFITS AND EXPENSES</b>		
Life insurance benefits	84,676	70,997
Accident & health benefits	14,556	15,239
Other policy benefits	35,319	42,704
Increase in reserves	35,962	25,676
Commissions	32,682	38,592
General expenses	48,447	49,096
Taxes other than federal income taxes	7,277	8,097
Dividends to policyholders	1,673	1,536
TOTAL BENEFITS & EXPENSES	260,592	251,937
<b>GAIN FROM OPERATIONS</b>	<b>\$8,554</b>	<b>\$19,879</b>

Boston Mutual continued delivering solid financials and operating performance in 2020. Looking towards the present and the future, we will stay disciplined and focused on our long-term strategic plans.

## ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31

	2020	2019
Bonds	\$894,810	\$873,935
Preferred stocks	0	0
Common stocks	135,386	121,483
Mortgage loans	197,290	200,086
Real estate	15,229	15,945
Policy loans	170,147	166,730
Cash & short term securities	21,491	8,279
Premiums deferred and uncollected	54,252	50,994
Other assets	93,818	92,050
<b>TOTAL ASSETS</b>	<b>\$1,582,423</b>	<b>\$1,529,502</b>

## LIABILITIES AND SURPLUS

DOLLARS IN THOUSANDS

Year Ended December 31

	2020	2019
Policy reserves	\$1,184,719	\$1,147,767
Policy & contract claims	22,001	16,362
Deposit-type contracts	16,914	16,512
Other policyholder funds	2,631	2,603
Other liabilities	61,918	59,999
Interest maintenance reserve (IMR)	16,751	17,135
Asset valuation reserve (AVR)	21,299	23,224
<b>TOTAL LIABILITIES</b>	<b>1,326,233</b>	<b>1,283,602</b>
<b>SURPLUS</b>	<b>256,190</b>	<b>245,900</b>
<b>TOTAL LIABILITIES &amp; SURPLUS</b>	<b>\$1,582,423</b>	<b>\$1,529,502</b>





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.

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 /bostonmutuallifeins

 /company/boston-mutual-life-insurance

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