

# IT MATTERS

NOW MORE THAN EVER



FAMILY MATTERS. NO MATTER WHAT.®

# BEING THERE IN A TIME OF NEED MATTERS ... NOW MORE THAN EVER.

Honoring our milestone of 130 years in 2021, against the backdrop of a pandemic, Boston Mutual Life continues to demonstrate thoughtfulness, agility and resilience, with a focus of delivering on our promises to our policyholders, producers, employees, and the communities in which we live and serve. Our financial strength and guiding principles, paired with our awareness of the need to adapt and evolve with changing market and customer needs, provided the framework to maintain momentum during a tumultuous time in the world around us. We stayed true to who we are and played to our strengths, leveraging our value proposition, target markets, and the products and services that have served us well.



## HIGHLIGHTS OF THE YEAR

- ▶ Maintained strong financial results — with financial strength rating affirmed by AM Best
- ▶ Expanded distribution footprint
- ▶ Committed to an enhanced customer experience
- ▶ Invested in our employees, supporting a culture of engagement and growth
- ▶ Dedicated to being there for our communities — living the goodness of mutuality

## TO OUR POLICYHOLDERS:

For the past 130 years, we have been providing financial security to working Americans and their families. Our work is grounded in the foundation of our guiding principles and the values that we stand for that speak to who we are, what we do, and how we do it — all woven into the support we give.



At Boston Mutual Life Insurance Company, being there in a time of need is in the essence of who we are. We understand the importance and comfort in knowing your loved ones have financial protection in place for when it matters most.

As we've seen recently, the value of life insurance is more critical than ever before. That's why we've kept our focus on where it matters most, especially during the past year:

**On our producers:** Leveraging our value proposition to provide solutions for their customers, especially in evolving markets — for employees in the workplace and for individuals — making it easy to secure financial protection.

**On our employees:** Investing in our people by creating programs and opportunities, as well as providing collaborative activities to support our company culture as we continue to grow.

**On our communities:** Knowing that the non-profits and worthy causes in the areas we live and serve need our help more than ever, making sure we continue to find ways to give back to those organizations that support our communities.

**On the future:** Aligning key areas organizationally to future-proof our company, provide a best-in-class customer experience, optimize and build on our technology platforms, and constantly innovate and look for new opportunities for growth and expansion.

**On leveraging our financial strength, mutuality, flexibility, and our mission:** Staying focused and true to who we are — amidst the challenges of the marketplace — to move forward.

**But most importantly — on our policyholders:** Providing financial peace of mind and a sense of comfort when it's needed most for the working Americans who rely on us during difficult times.

I'm proud of the hard work and persistency of our employees during the past year. Each initiative is a step forward to an enhanced customer experience for our policyholders, producers, and employees. By demonstrating thoughtfulness and resilience, being committed to all those we serve, we'll continue to leverage the success of our long-term financial strength for another 130+ years to continue to deliver on our promises.

We'll stay true to treating all of our stakeholders — policyholders, producers, employees and our communities — like family. That's been our commitment since our founding, and as part of that commitment, we will continue to embody this approach in all we do.

**It matters ... living our brand in everything we do because ... Family Matters. No Matter What. Now more than ever.**

Sincerely,

A handwritten signature in black ink, reading "Paul A. Quaranto, Jr." in a cursive script.

**PAUL A. QUARANTO, JR., MBA, LLIF**

*Chairman, Chief Executive Officer and President*

# 2021 INITIATIVE HIGHLIGHTS

## IT MATTERS ...

Taking care of others and setting the framework for a strong future — now more than ever.

### ► Investing in Technology for the Future

Our sights continued to be set on both current and future state; in supporting that approach, we balanced our efforts in system stabilization and updates. We launched an extensive, multi-year initiative to create a new policy administration system to lead to an improved customer and employee experience, increased market opportunities, and an accelerated path to future success.

### ► Leveraging Industry Partnerships to Amplify Our Strategic Plans

In 2021, we continued partnerships with key state and national trade industry associations to better understand needs of the market and have a voice at the table on issues that could impact our industry, business, and all of our stakeholders, such as the American Council of Life Insurers (ACLI), Life Insurance Association of Massachusetts (LIAM), and LIMRA. In collaboration with LIMRA, we invested in the exploration of the customer experience and insurance needs on a consumer insights survey project.

### ► Expanding Our Corporate Presence to Create New Opportunities

Through the lens of our strategic planning, we also continued the build out of a corporate office in Omaha, Nebraska, the first non-sales office outside of our headquarters in Massachusetts in our 130-year history. The new space creates a space for regional employees as well as producer meetings and other potential corporate growth opportunities in the future.

# PAID OUT \$140 MILLION IN BENEFITS

Continuing to provide support in time of need, especially during the ongoing pandemic

# PROFITABLE RESULTS

In spite of unprecedented challenges

# EXCELLENT BALANCE SHEET

With low-risk and high-quality assets and liabilities

# FINANCIAL STRENGTH RATING OF “A”

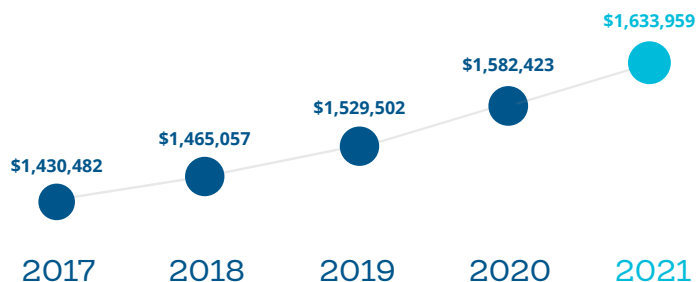
Affirmed by AM Best for the fourth consecutive year, with a stable outlook

# SURPLUS HAS MORE THAN DOUBLED

In the last 10 years to over \$284 million by year-end\*

## ASSETS

*Dollars in Thousands and Year Ended December 31*





# BUILDING ON OUR FOUNDATION

## TO EVOLVE WITH MARKET NEEDS

Our Workplace Solutions distribution channel remains the key driver of sales success and plays to our strengths in our target markets, especially in those workplace markets where analysis of sales and market data demonstrate opportunity. Despite the challenges of the impact of the pandemic on reaching employees in their physical workplaces, we kept our focus on ways to continue to offer solutions and deliver on our promises to working Americans.

In 2021, we strategically expanded our distribution footprint as part of our commitment to growth, innovation, and diversification. We introduced a new Market Strategies area early in the year, which evolved into a new sales department, One Company Solutions Strategic Business Center. The new department is built on a customer-focused foundation to reestablish a strong presence in the New England markets. It enables us to capitalize on our market opportunities to develop our business with these three areas: Workplace Solutions, Small Business Solutions, and Individual Solutions. A new Small Business Solutions pilot program was part of the rollout, which offered small businesses a turnkey portfolio of options to help meet their and their employees' needs through partnerships with key strategic enrollment firms, along with the launch of an Individual Solutions pilot program to target customers in specific urban communities through a new distribution channel. The pilot programs provided additional solutions for select target markets and helped address societal needs as a result of the pandemic. The initiatives, combined with the reach of our Workplace Solutions area and a focus on leveraging our value propositions and affordable products, all proved to be a good strategic move in the midst of fluctuating markets.





## IT MATTERS ...

Offering insurance solutions for working Americans and their families — because that's who Boston Mutual Life is.



# TAKING STEPS FORWARD

## TOWARDS AN ENHANCED CUSTOMER EXPERIENCE

Future-proofing our organization was an important part of our 2021 initiatives, with a focus on setting the framework for the customer experience in the years to come. As part of our progress on enhancing our state of organizational readiness, we integrated departments to better deploy people to the customer and technology to the process for a more seamless customer experience. We started with the integration of our Innovation, Projects, and Technology areas into a single, more holistic department, which then aligned with our Operations area to form a new customer journey-centric division. This led to the establishment of a newly integrated department to elevate our efforts and our ability to meet business and customer needs: Customer Experience, Innovation, Projects and Technology Strategic Business Center.

The alignment represented the collective focus on innovative process and technology solutions, project management discipline, and technology needs of our current state and long-term strategic objectives. These activities in 2021 support our ongoing efforts to provide a personalized, enhanced customer experience for all those we serve.





## IT MATTERS ...

Providing an enhanced customer experience  
for those who need us most.



# INVESTING IN OUR EMPLOYEES

## TO ELEVATE OUR LEARNING ORGANIZATION

As we continued to be thoughtful and measured, keeping safety top of mind in 2021 was a priority. We shifted gears with the changing times by pivoting from our business continuity plan to the New BML Workplace, a more proactive approach to what the future of our offices will look like based on our long-term plans.

Our commitment to being a learning organization has grown during these unprecedented times. Understanding that an ongoing investment in our employees and providing them with development opportunities matter when fostering workplace culture — even more so in a mostly remote environment. With our focus on creating an environment for engagement and growth, we introduced the BML 365 Performance Acceleration Platform. This model was designed to capture key engagement motivators, foster feedback loops, and encourage shared understanding of work expectations and goals. With this new approach, we are able to encourage more candid conversations, support dialogue and idea exchange, identify learning opportunities, and promote the discussion of performance contribution at regular intervals throughout the year.





## IT MATTERS ...

Offering an engaging company culture, professional development opportunities, and competitive compensation package to attract and retain talent.





# HONORING 130 YEARS

## BY RECOGNIZING OUR LONG-STANDING FOCUS ON MUTUALITY

In 2021, the pandemic continued to impact charitable causes across the country — both in increasing needs as well as limited fundraising and volunteer activities. As a mutual life insurance company, living our mutuality by being there in a time of need for the communities we serve is important to Boston Mutual Life.

While in-person events in 2021 weren't possible as in pre-pandemic times, our commitment to those in need did not waver. Our corporate citizenship program, Making An Impact, continued to support worthy causes. We continued to make monetary donations and provide other forms of assistance that aligned with our company policies and local guidelines.

As a result, through Making An Impact, in 2021 Boston Mutual Life donated to 94 charitable causes across 13 states and saw a 60% increase in total employee donations and a 33% increase in employee participation over 2020 in our matching gifts program for our employees. This as a whole reinforced our commitment to being there for others. In 2021, we were honored with our third Corporate Citizenship Award, a recognition of the top corporate charitable contributors in Massachusetts by a leading business publication in the region.





## IT MATTERS ...

Representing the “goodness” of mutuality and reinforcing the importance of giving back to our surrounding communities.



# REMAINING FOCUSED ON THE FUTURE AS WE LOOK AHEAD

With our sights set on 2022 and beyond, we'll remain focused on opportunities to enhance the customer experience for our policyholders, producers, and each other. As we continue to invest in technology that aligns with our long-term strategic plans we will be well positioned to continue to be there for those who rely on us in a time of need. In our commitment to what lies ahead for our company and all those we serve, as well as the communities in which we live and work, we will remain focused on leveraging the success and framework of the past 130 years with our strategic future-focus to continue delivering on our promises.



## IT MATTERS ...

Providing peace of mind to our customers  
in a time of need, now more than ever.





## 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**  
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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

**Christine T. Coughlin, CPA, LLIF, MST**  
Executive Vice President – HR and Chief  
Diversity, Equity & Inclusion Officer

**Stephen G. Evans, FLMI**  
2<sup>nd</sup> Vice President & Auditor

**Jennifer L. Helms, MBA, ACS, ALMI**  
Executive Vice President – Customer  
Experience, Innovation, Projects & Technology

**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**  
Executive Vice President – Business  
Development & One Company Solutions

**Peter T. Sullivan, CMA**  
Vice President – Finance, Controller  
& Treasurer

**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 2021

# FINANCIALS

## IT MATTERS ...

Maintaining our firm operating performance to ensure we will be there for our customers not just now, but for years to come.

### INCOME STATEMENT

DOLLARS IN THOUSANDS

*Year Ended December 31*

	2021	2020
Premium income	\$189,163	\$201,458
Net investment income	71,369	60,180
Other income	4,854	7,508
TOTAL INCOME	265,386	269,146
<b>POLICYHOLDER BENEFITS AND EXPENSES</b>		
Life insurance benefits	89,919	84,676
Accident & health benefits	11,415	14,556
Other policy benefits	39,761	35,319
Increase in reserves	25,671	35,962
Commissions	26,605	32,682
General expenses	51,107	48,447
Taxes other than federal income taxes	8,233	7,277
Dividends to policyholders	1,929	1,673
TOTAL BENEFITS & EXPENSES	254,640	260,592
<b>GAIN FROM OPERATIONS</b>	<b>\$10,746</b>	<b>\$8,554</b>



## ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31

	2021	2020
Bonds	\$932,507	\$894,810
Preferred stocks	0	0
Common stocks	151,045	135,386
Mortgage loans	198,268	197,290
Real estate	15,816	15,229
Policy loans	171,215	170,147
Cash & short term securities	17,302	21,491
Premiums deferred and uncollected	50,172	54,252
Other assets	97,634	93,818
<b>TOTAL ASSETS</b>	<b>\$1,633,959</b>	<b>\$1,582,423</b>

## LIABILITIES AND SURPLUS

DOLLARS IN THOUSANDS

Year Ended December 31

	2021	2020
Policy reserves	\$1,210,553	\$1,184,719
Policy & contract claims	23,799	22,001
Deposit-type contracts	16,980	16,914
Other policyholder funds	2,693	2,631
Other liabilities	54,231	61,918
Interest maintenance reserve (IMR)	15,734	16,751
Asset valuation reserve (AVR)	25,815	21,299
<b>TOTAL LIABILITIES</b>	<b>1,349,805</b>	<b>1,326,233</b>
<b>SURPLUS</b>	<b>284,154</b>	<b>256,190</b>
<b>TOTAL LIABILITIES &amp; SURPLUS</b>	<b>\$1,633,959</b>	<b>\$1,582,423</b>



FAMILY MATTERS. NO MATTER WHAT.®

## ABOUT BOSTON MUTUAL LIFE INSURANCE COMPANY

Founded as a progressive life insurance company in 1891, Boston Mutual Life Insurance Company is a national carrier that provides insurance solutions designed for working Americans and their families, as well as enrollment and billing options at the workplace. With offices based in Canton, Massachusetts, and Omaha, Nebraska, as a mutual company, Boston Mutual Life is dedicated to acting in the best interests of its policyholders, producers, employees, and its communities.

For more information, please visit [www.bostonmutual.com](http://www.bostonmutual.com)  
or contact your Boston Mutual Life representative.

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