

2023 ANNUAL REPORT

THE GOODNESS OF MUTUALITY



FAMILY MATTERS. NO MATTER WHAT.®

A LETTER FROM OUR CEO



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.

2023 was another excellent year for Boston Mutual Life Insurance Company. Our transformational efforts resulted in robust sales growth while we strive to provide the best possible service to our policyholders, producers, employees, and communities.

We navigated an evolving job environment, economic volatility, and a shifting regulatory landscape. But through it all, we stayed the course and even gained traction thanks to a steadfast focus on our long-term strategic plan. At its core: a scalable, sustainable foundation for profitable growth that always keeps our customers top of mind.

This year we continued to leverage change and innovation to plan for the future, along with discipline and accountability, while remaining focused on being there for those we serve today. These efforts included ongoing work towards updating our systems, expanding our sales reach, a thoughtful reorganization aligning complementary functions, deepening our talent pool, increased training, and collaboration—all of which position us for a bright future ahead.

What's clear to me—now more than ever—is that we are stronger together. Taking care of our stakeholders remains the cornerstone of who we are, what we do, and how we do it. The heart of our work is serving working Americans at the time they need it most.

So, we're going to keep up the good work. We're going to keep building on the successes of the past year, and not shy away from innovation and striving for better ways of doing business. We're going to continue delivering on our promises, and above all, maintain that goodness of mutuality in all we do.

Sincerely,

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

PAUL A. QUARANTO, JR., MBA, LLIF

Chairman, Chief Executive Officer and President



COMPANY HIGHLIGHTS

VISION 2025 PROGRESS

We continued to align people, process, and technology, with a focus on elevating those elements in a thoughtful way through our strategic roadmap.

A Vision Guided by the Importance of Mutuality

At Boston Mutual Life Insurance Company, our overarching purpose is to provide working Americans with affordable life insurance. Guided by a dedication to the goodness of mutuality, in 2023 we focused on enhancing the customer journey, expanding our sales footprint, and strengthening our support for our employees. Our efforts were underscored by the ongoing commitment to providing financial peace of mind to our policyholders, producers, employees, and our communities.

Our work is bolstered by a strategic roadmap that weaves in our principles to build out a sustainable, measured approach for our future-focused journey. In 2023, we achieved incremental milestones in support of our mission to be the carrier of choice in the markets we serve, easy to do business with, and a great place to work.

To continue to serve our customers of today and reach our customers of tomorrow, we have remained flexible, adaptive, and nimble in the ways we reach our stakeholders. The approaches we have leveraged to meet our policyholders' needs continue to evolve, but we remain grounded in our purpose and commitment to delivering on our promises.

2023 FINANCIAL HIGHLIGHTS

Our solid financial performance stems from our work aligning our strategy, operations, and financials to capitalize on opportunities to meet our operational objectives.



PAID OUT \$125 MILLION IN BENEFITS

Providing support in time of need



FULFILLING THE PROMISES TO OUR CUSTOMERS

In spite of unprecedented challenges



EXCELLENT BALANCE SHEET

With low-risk and high-quality assets and liabilities



FINANCIAL STRENGTH WITH AN “A” RATING

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

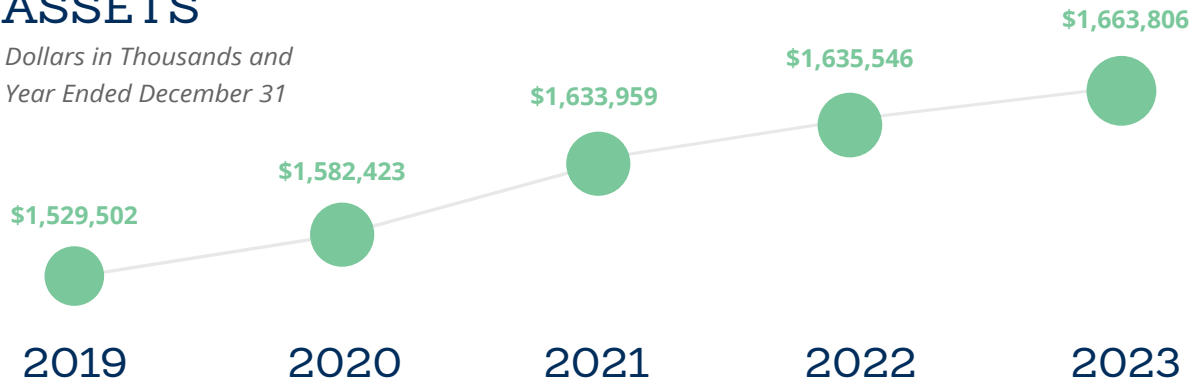


VERY STRONG SURPLUS POSITION

Risk Based Capital 646%

ASSETS


*Dollars in Thousands and
Year Ended December 31*



Our balance sheet remains very strong.



**TAKE A CLOSER LOOK
AT 2023 FINANCIALS
ON PAGE 18**



Our efforts from the year have yielded strong results, and we will continue to explore different ways to reach our target audiences.



DISTRIBUTION

TAPPING NEW MARKETS & OPPORTUNITIES TO FUEL SALES SUCCESS

In 2023, we celebrated staff growth and success in leveraging data to assist the sales team in supporting producer and policyholder needs. As a result, we saw an increase in sales results over the previous year.

Our Distribution department worked tirelessly to increase our visibility in the markets we serve. We realigned our structure and added sales representatives, while enhancing sales channel programs in regions where we are actively building a larger presence. We enhanced our direct-to-consumer platform for a more diversified footprint through our Individual Solutions pilot, with an initial focus on target markets in Massachusetts. We also launched marketing and lead generation initiatives to attract potential customers. Our Small Business Offer program continued to deliver a product and service offering designed to meet the insurance needs of small businesses—a need we identified coming out of the pandemic that remains present.

By combining our affordable life insurance product portfolio with top talent in target regions, we can offer potential customers in those areas products that meet their needs. By remaining true to who we are and what we do, we are well positioned for continued growth and success.



CUSTOMER EXPERIENCE

CUSTOMER CENTRICITY AT THE HEART OF STRATEGIC INITIATIVES


By deploying innovation, change management, and project management across the organization, our Customer Experience teams played a meaningful role in our success in 2023. Our primary focus continues to be supporting the customer service of today while simultaneously building out the customer experience of tomorrow.

We executed transformational changes that reinforced our commitment to being a strengths-based learning organization and supported our journey from a customer service model to a customer care model. We reorganized and renamed teams within Customer Experience to better align with the customer journey while providing employees with enhanced tools to help them succeed in their roles. We expanded training, built out the onboarding experience, and reinforced processes and documentation to ensure our employees are well equipped to best support our customers.

Our project to replace our legacy systems with a more streamlined platform gained momentum in 2023. Our collaborative work across departments yielded strong payoffs, and as a result, we met significant milestones for the system replacement program and remained on track for a future launch.



By realigning teams and streamlining processes, we increased efficiencies to better serve our customers today and paved the way for an enhanced customer experience in the future.



We are developing a stable infrastructure that allows us to attract and retain talent, support employees' career growth, and ensure an equitable compensation framework.



HUMAN RESOURCES

A HOLISTIC APPROACH TO EMPLOYEE GROWTH & DEVELOPMENT

Investing in our people remained a top priority in 2023. With a shift to increased days in the office, we expanded and enhanced benefit offerings to support this transition for our employees in our corporate offices.

As our employee base continued to evolve, we offered a wider range of benefits to meet a variety of needs. In 2023, we built out our robust benefits and wellness programs, which included providing employees support outside of traditional health programs. We expanded our Human Resources organization to drive our efforts forward in a sustainable manner. We organized employee listening sessions, enhanced our new employee orientation program, and provided an array of educational and development activities as part of our efforts to create a more engaging employee experience.

Our investment in our employees includes a commitment to providing a firm foundation for building out their career paths. In addition, as part of our long-term planning, we partnered with a reputable third-party organization to ensure our job architecture framework supports an equitable workplace, employee growth, and development opportunities.




MAKING AN IMPACT

ENGAGING WITH OUR COMMUNITIES TO LIVE OUR MUTUALITY

Mutuality is central to who we are and the “why” behind what we do. At Boston Mutual Life, it means showing up in a time of need by supporting the communities where our stakeholders live and work—including our policyholders, producers, and employees.

Through our corporate citizenship program, Making An Impact, we exemplify the mutuality that is at the core of Boston Mutual Life. Since the program’s founding in 2017, we have donated \$1.25 million to over 600 non-profit organizations. In 2023, we were recognized for the fifth consecutive year by a leading regional business publication in Boston on their list of top charitable companies in Massachusetts. Employee engagement continued to remain steady with our volunteer activities. Our Distribution sales team leveraged the program to strengthen relationships with producers, increasing opportunities to deepen involvement with non-profits in their regions.

Our engagement extends to fostering strong relationships with our industry partners. In 2023, our CEO, Paul A. Quaranto, Jr., was appointed Chair of the Board of Directors for the American Council of Life Insurers, a key industry trade organization. Through this partnership, we increased opportunities to collaborate with other carriers to share the message of all the good our industry does for those we serve.



**In 2023, we supported
165 non-profit
organizations, including
92 charitable causes in
Massachusetts and
15 from Nebraska.**



REMAINING TRUE TO OUR VALUES AMID CHANGE

As we progress on our transformation journey, we have remained true to who we are, what we do, and who we do it for, while delivering on our promises. We remain steadfast in our dedication to our core principles while welcoming iterative change and evolution to continue the traction we have gained.

At the center of our strategic initiatives remains the focus on doing what is in the best interest of our stakeholders and living the goodness of our mutuality. We will maintain that focus as we continue to propel forward, building on momentum into 2024 and beyond.



BOARD OF DIRECTORS

BOARD OF DIRECTORS

Paul A. Quaranto, Jr., MBA, LLIF
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Seaward Management

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Partner (*Retired*)
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Law Office of Henry T. Goldman

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Museum Director (*Retired*)
Isabella Stewart Gardner Museum

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President
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The Children's Aid Society

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Boston Mutual Life Insurance Company

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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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2nd Vice President & Auditor

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Vice President – Customer Experience, Service & Quality and
Enterprise Project Management Office

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Executive Vice President, Chief Financial Officer & Chief Actuary

Marie L. Loughran
Vice President – Customer Experience Client Onboarding and
Management

David C. Martin
Vice President & Chief Information Officer

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

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

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Executive Vice President – Distribution & Business Development

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

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

Eric Terwilliger
Vice President – Employee Experience & Engagement

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

2023 FINANCIAL DETAILS

Our balance sheet
remains very strong.

INCOME STATEMENT

DOLLARS IN THOUSANDS

Year Ended December 31

	2023	2022
Premium income	\$181,250	\$181,079
Net investment income	77,097	61,584
Other income	4,722	4,773
TOTAL INCOME	263,069	247,436
POLICYHOLDER BENEFITS AND EXPENSES		
Life insurance benefits	74,153	82,753
Accident & health benefits	10,749	11,725
Other policy benefits	45,605	39,783
Increase in reserves	19,772	26,664
Commissions	27,371	26,695
General expenses	70,237	61,162
Taxes other than federal income taxes	7,542	6,423
Dividends to policyholders	1,965	1,852
TOTAL BENEFITS & EXPENSES	257,394	257,057
GAIN (LOSS) FROM OPERATIONS	\$5,675	(\$9,621)

ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31

	2023	2022
Bonds	\$956,052	\$948,918
Preferred stocks	0	0
Common stocks	135,874	128,643
Mortgage loans	210,585	197,573
Real estate	14,646	15,453
Policy loans	175,729	174,684
Cash & short term securities	18,063	19,204
Premiums deferred and uncollected	48,425	50,320
Other assets	104,432	100,751
TOTAL ASSETS	\$1,663,806	\$1,635,546

LIABILITIES AND SURPLUS

DOLLARS IN THOUSANDS

Year Ended December 31

	2023	2022
Policy reserves	\$1,257,423	\$1,237,860
Policy & contract claims	21,760	24,429
Deposit-type contracts	17,224	17,209
Other policyholder funds	2,763	2,584
Other liabilities	58,159	57,342
Interest maintenance reserve (IMR)	13,359	14,935
Asset valuation reserve	27,908	12,382
TOTAL LIABILITIES	1,398,596	1,366,741
SURPLUS	265,210	268,805
TOTAL LIABILITIES & SURPLUS	\$1,663,806	\$1,635,546

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 or contact your Boston Mutual Life representative. Follow the company on Facebook, LinkedIn, and Instagram.



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.