



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS
REGULATION
DIVISION OF INSURANCE

REPORT OF EXAMINATION OF
THE SAVINGS BANK MUTUAL LIFE INSURANCE COMPANY OF
MASSACHUSETTS

Woburn, Massachusetts

As of December 31, 2018

NAIC GROUP CODE 4553

NAIC COMPANY CODE 70435

EMPLOYERS ID NO. 04-3117253

**THE SAVINGS BANK MUTAL LIFE INSURANCE COMPANY OF
MASSACHUSETTS**

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COMMONWEALTH OF MASSACHUSETTS
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June 5, 2020

Honorable Gary D. Anderson
Commissioner of Insurance
Commonwealth of Massachusetts
Division of Insurance
1000 Washington Street, Suite 810
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Honorable Commissioner:

Pursuant to your instructions and in accordance with Massachusetts General Laws, Chapter 175, Section 4, an examination has been made of the financial condition and affairs of

**THE SAVINGS BANK MUTUAL LIFE INSURANCE COMPANY OF
MASSACHUSETTS**

at its home office located at One Linscott Road, Woburn, Massachusetts, 01801. The following report thereon is respectfully submitted.

SCOPE OF EXAMINATION

The Savings Bank Mutual Life Insurance Company of Massachusetts, (“SBLI” or “Company”) was last examined as of December 31, 20013 by the Massachusetts Division of Insurance (“Division”). The current examination was also conducted by the Division and covers the five-year period from January 1, 2014 through December 31, 2018, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The current examination was conducted in accordance with standards and procedures established by the National Association of Insurance Commissioners (“NAIC”) Financial Condition (E) Committee and prescribed by the current NAIC *Financial Condition Examiners Handbook*, the examination standards of the Division and with Massachusetts General Laws. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify current and prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact, as mentioned in the Massachusetts General Laws, Chapter 175, Section 4, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

The Company is audited annually by PricewaterhouseCoopers LLP, an independent certified public accounting firm. The firm expressed unqualified opinions on the Company’s financial statements for the calendar years 2014 through 2018. A review and use of the Certified Public Accountants’ work papers were made to the extent deemed appropriate and effective. An independent actuarial consulting firm, Ernst & Young LLP (“E&Y”) was retained by the Division to evaluate the adequacy of the Company’s statutory reserves as of December 31, 2018. In addition to E&Y, the Division retained Risk and Regulatory Consulting, LLC (“RRC”) to review the adequacy and effectiveness of the IT systems controls and determine the level of reliance to be placed on the information generated by the data processing systems.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings noted during the previous examination and for the current examination period.

COMPANY HISTORY

General

The Company was organized and incorporated on March 31, 1991, and commenced business on January 1, 1992 under the laws of the Commonwealth of Massachusetts as a stock company titled "The Savings Bank Life Insurance Company of Massachusetts". The Company was created by Chapter 499 of the Acts of 1990 to convert the 53 life insurance departments of savings and insurance banks into a single domestic stock life insurance company subject to the provisions of Massachusetts General Law ("M.G.L.") Chapter 175 in all respects, except as specifically provided in Chapter 178A. In satisfaction of statute, the Company assumed all policies and contracts of the 53 life insurance departments of savings and insurance banks in effect on the date of conversion.

In accordance with Chapter 178A, two classes of stock were issued and authorized, 49 shares of Class A (voting) and 450,069 shares of Class B (non-voting), to eligible banks as of the close of business on December 31, 1991. Shares of Class B stock were allocated to the banks based on the amount of surplus of the individual life insurance departments in relation to the total surplus of all such departments at the date of conversion. Banks eligible to hold shares in the Company may not hold more than one share of Class A stock. There was a restriction on a bank's disposal of the Company's capital stock, which must be offered for purchase to the Company before being disposed of.

At the close of business on December 31, 1991, the collective surplus of the 53 life insurance departments of savings and insurance banks was determined to be \$98.7 million. Chapter 178A required the Company to distribute to individual policyholders with policies in effect at the date of conversion an amount equal to the surplus it assumed on the effective date of conversion from the Savings Bank Life Insurance System. The distribution of the initial surplus was to be paid as additional annual dividends to eligible policyholders over a period of not less than eight nor more than twelve years with an additional payment of interest in the thirteenth year in accordance with the schedule in the Plan of Assumption prepared by the Company and filed with the Commissioner of Insurance. In accordance with the Plan of Assumption, the legislated method of the additional dividend distribution was intended to provide about 60% of the previously accumulated surplus to policyholders and about 40% of the previously accumulated surplus to shareholders. The distribution of additional annual dividends and interest was completed in 2005.

In 2007, the Company established a wholly-owned subsidiary, SBLI Re, Inc. ("SBLI Re"). SBLI Re was domiciled in the state of Arizona and held a certificate of authority as a special purpose financial captive insurer. The Company purchased 250,000 shares of SBLI Re common stock at \$1.00 per share par value and contributed \$40.75 million of additional paid-in capital. SBLI Re was incorporated in August 2007 and commenced business December 28, 2007. SBLI Re was reorganized in February 2010 to become SBLI Re, LLC an Arizona limited liability company. During 2015, SBLI Re redomesticated to the state of Vermont.

The Savings Bank Mutual Life Insurance Company of Massachusetts

Effective November 2010, SBLI adopted Restated Articles of Organization pursuant under M.G.L. Chapter 155, Section 50B. This allowed the Company to issue policies with sex-distinct premium rates as opposed to the same premium rates for both men and women (“unisex rates”) which was required under M.G.L. Chapter 178A giving the Company a competitive disadvantage. The Company began issuing policies with sex-distinct rates as of December 1, 2010.

In 2011, the Company established a wholly-owned subsidiary, SBLI VT Re, LLC (“SBLI VT Re”). SBLI VT Re is domiciled in Vermont and defined as a special purpose financial insurer. The Company contributed paid-in capital of \$154.5 million for both 2017 and 2018.

Effective July 26, 2017, SBLI successfully completed its conversion from a privately held stock insurance company owned by 30 shareholder banks to a mutual company owned by its policyholders. The Company changed its name to The Savings Bank Mutual Life Insurance Company of Massachusetts. The conversion was facilitated by the issuance of \$57.3 million in surplus notes by SBLI, the proceeds of which were used to pay the shareholder banks \$57.3 million for all of their outstanding shares of SBLI stock.

Dividends to Stockholders

Prior to the mutual conversion in 2017 the Company declared and paid the following ordinary dividends to stockholders during the examination period:

2017	\$ 1,840,121
2016	1,840,121
2015	1,840,121
2014	1,840,121

MANAGEMENT AND CONTROL

Annual Meeting

In accordance with the bylaws, the Annual Meeting of the Company is held on the first Friday of June or at such other date as shall be determined by the Board of Directors. The members present, in person or by proxy, at meetings of the Company shall constitute a quorum.

Board of Directors

The bylaws provide that the business and affairs of the Company shall be managed by the Board of Directors except as otherwise provided by Statute. The Board of Directors shall consist of not fewer than seven or more than fifteen directors. All directors shall be elected by the members of the Company at the annual meeting and the directors shall be divided into three classes, with each class to consist of approximately one-third of the number of directors. The term of one class of directors shall expire each year.

The Savings Bank Mutual Life Insurance Company of Massachusetts

The bylaws do not specify the number of meetings to be held during the year. The minutes of the Board of Directors meetings indicated that meetings were held at a minimum of six times per year per year during the examination period. At any meeting of the Board of Directors, a majority of the directors then in office shall constitute a quorum, provided that a majority of the directors constituting said quorum are independent directors. The minutes indicated that a quorum was obtained at all meetings of the Board of Directors held during the examination period.

At December 31, 2018 the Board of Directors was comprised of ten (10) directors, which is in compliance with the Company bylaws.

Directors duly elected and serving at December 31, 2018, with business affiliations, follow:

<u>Director</u>	<u>Business Affiliation</u>
Gerald T. Mulligan, Chairman of Board	Chairman of the Board SBLI
Julianne M. Bowler	Vice President of Regulatory Affairs, Atlantic Charter Insurance Company
Kevin G. Champagne	Former Director Sovereign Bank
Martin F. Connors, Jr.	President and Chief Executive Officer Rollstone Bank and Trust
Greta R. Cusworth	Retired
John F. Heaps, Jr.	President and Chief Executive Officer Florence Savings Bank
William J. McCool, Jr.	Senior Vice President Citizens Financial Group
James A. Morgan	President and Chief Executive Officer SBLI
Peter J. Segerstrom	President and Chief Executive Officer Winchester Savings Bank
Steven H. Wright	Executive Partner Holland & Knight, LLP

Committees of the Board

The Board of Directors may elect from its own members committees and confer upon them such powers as it may determine and as not inconsistent with law or the bylaws. At December 31, 2018, SBLI had four committees of the Board of Directors with the following members:

The Savings Bank Mutual Life Insurance Company of Massachusetts

Audit Committee

Martin F. Connors, Jr. – Chairman
Julianne M. Bowler
John F. Heaps, Jr.
William J. McCool, Jr.
Peter J. Segerstrom

Investment Committee

Peter J. Segerstrom – Chairman
Martin F. Connors, Jr.
William J. McCool, Jr.
Gerald T. Mulligan
Steven H. Wright

Governance and Nominating
Committee

Gerald T. Mulligan – Chairman
Julianne M. Bowler
Kevin G. Champagne
Greta R. Cusworth
John F. Heaps, Jr.

Compensation Committee

Kevin G. Champagne – Chairman
Greta R. Cusworth
John F. Heaps, Jr.
Gerald T. Mulligan
Steven H. Wright

Officers

The bylaws of the Company provide that the officers of the Company shall be a chairman of the board, a president, a treasurer, a secretary, and such other officers, as the Board of Directors may determine. Pursuant to the bylaws, the Board of Directors elects the officers of the Company at its first meeting after each annual meeting of the Company. Vacancies among the officers may be filled and new offices created and filled by the Board of Directors.

The elected officers and their respective titles at December 31, 2018 follow:

<u>Name</u>	<u>Title</u>
Gerald T. Mulligan	Chairman of the Board
James A. Morgan	President and Chief Executive Officer
John E. Brabazon	Senior Vice President – Chief Financial Officer and Treasurer
Matthew C. Regan, III	Senior Vice President – General Counsel and Corporate Clerk
Denis J. Clifford	Senior Vice President – Chief Distribution Officer
Rose G. Conneely	Senior Vice President – Operations
David B. Ethrenthal	Senior Vice President – Marketing and Strategic Development
Paul M. Fergus, MD	Senior Vice President – Medical Director
Steven F. Morse	Senior Vice President – Chief Information Officer
Jennifer H. Muldoon	Senior Vice President – Human Resources
Gene J. Pasquale	Senior Vice President – Chief Investment Officer
Dexter H. Murray, Jr.	Vice President – Controller

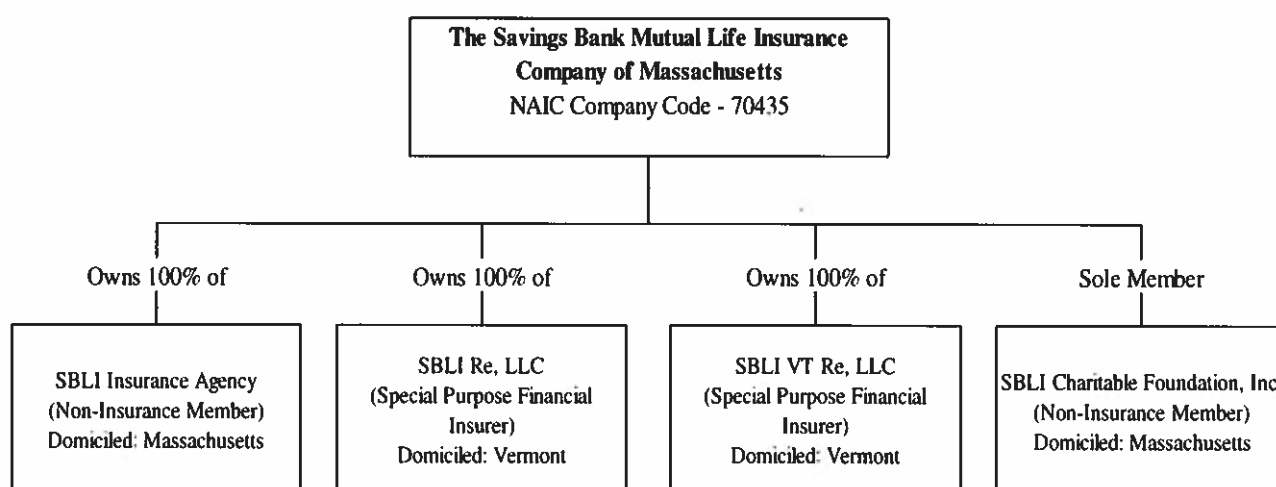
The Savings Bank Mutual Life Insurance Company of Massachusetts

Holding Company

Per Form B, as filed with the Massachusetts Division of Insurance, the Company is a member of a holding company system and is subject to the registration requirements of M.G.L. Chapter 175, Section 206C and regulation 211 CMR 7.00. The Company is the “ultimate controlling person” for four entities.

Organization Chart

At December 31, 2018, the following Companies were part of the following organizational structure:



Transactions and Agreements with Subsidiaries and Affiliates

In 2018 the Company formed the SBLI Charitable Foundation, Inc. (“Foundation”). The Board of Directors approve an annual contribution to the Foundation who then distribute donations to charitable organizations.

SBLI Insurance Agency, Inc., the Company’s wholly-owned insurance agency, has an exclusive agreement with the Plymouth Rock Assurance Corporation to sell discounted group automobile and homeowners insurance to the Company’s policyholders.

The Company has Service Agreements with SBLI Re, LLC and SBLI VT Re, LLC which provide that the Company provide various services to their subsidiaries including financial reporting, claims management, and actuarial services.

The Company and its subsidiaries SBLI Re, LLC and SBLI VT Re, LLC have entered into separate tax sharing agreements which allocate consolidated income tax expense to SBLI Re, LLC and SBLI VT Re, LLC as if SBLI Re, LLC and SBLI VT Re, LLC had filed separate federal income

tax returns. In addition, these agreements allocate to the Company the tax benefits of SBLI Re, LLC and SBLI VT Re, LLC's current net operating losses used in the consolidated federal income tax return. The Company is obligated to repay such tax benefit to the extent SBLI Re, LLC and SBLI VT Re, LLC are able to recognize such net operating loss carryover deduction on a stand-alone basis.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2018 the Company was licensed to write business in forty nine states and the District of Columbia, New York is the only state the Company is not licensed in. The Company offers a variety of ordinary life insurance and annuity products with the principle product being its guaranteed level-term life insurance product. The Company's products are offered through banks, in-house (captive) sales agents, and a network of independent agents and brokers.

During the financial examination of the Company, the Division's Market Conduct Department initiated a comprehensive market conduct examination of the Company for the period January 1, 2018 through December 31, 2018. The market conduct examination was called pursuant to authority in M.G.L. Chapter 175, Section 4. The market conduct examination was conducted at the direction of, and under the overall management and control of, the market conduct examination staff of the Division. Representatives from the firm of Rudmose and Noller Advisors, LLC were engaged to complete certain agreed upon procedures which were developed using the guidance and standards of the NAIC Market Regulation Handbook, the market conduct examination standards of the Division, and the Commonwealth of Massachusetts insurance laws, regulations and bulletins. The business areas that were reviewed under this comprehensive market conduct examination are Company Operations/Management; Complaint Handling; Marketing and Sales; Producer Licensing; Policyholder Services; Underwriting and Rating and Claims. Each business area reviewed includes the identification and evaluation of the insurer's internal controls.

Dividends to Policyholders

The Company annually determines the amount of divisible surplus available as dividends to eligible policyholders. Surplus, in excess of what the Company's Board of Directors determines to be necessary to meet its future policy and operating obligations, is distributed annually in the form of dividends on the Company's participating policies, subject to statutory mandates. Policyholder dividends for the examination period were as follows:

<u>Year</u>	<u>Dividends to Policyholders</u>
2018	\$ 38,207,066
2017	38,337,869
2016	39,172,693
2015	40,349,103
2014	40,114,545

REINSURANCE

Ceded Reinsurance

The Company has several ceded reinsurance treaties in effect mainly covering risks on individual term life insurance. On ordinary life policies, the Company retains a maximum coverage per individual life of \$500,000. Reinsurance is provided on coinsurance and yearly renewable term bases.

In 2014, to mitigate the impact of Regulation XXX reserve requirements, SBLI completed a life insurance securitization with SBLI VT Re, LLC. SBLI ceded all level term business issued from January 1, 2001 to December 31, 2004 and issued from September 1, 2007 to December 31, 2014. SBLI VT Re, LLC issued a surplus note to NHLi VT Holdings, LLC which purchased the surplus note in exchange for a rated NAIC bond.

During 2015, the Company completed a reinsurance transaction that ceded all of the level term policies issued from January 1, 2015 to December 31, 2017 to SBLI Re. This agreement was subsequently extended to include policies through December 31, 2019. SBLI Re issued a surplus note of \$15.5 million to NHLi RNB2 Holdings, LLC which purchased the surplus note in exchange for a rated NAIC bond.

The Company also has catastrophic reinsurance with Zurich American Insurance Company and Sirius International Insurance Corporation. If SBLI incurs a multiple life loss (more than two lives) due to a single incident, then the reinsurer will reimburse losses in excess of \$1,000,000, to a maximum claim limit of \$20,000,000.

All treaties are with authorized reinsurers.

Assumed Reinsurance

The Company does not assume any risk beyond its own insurance policies.

FINANCIAL STATEMENTS

The following financial exhibits are based on the statutory financial statements prepared by management and filed by the Company with the Division and present the financial condition of the Company for the period ending December 31, 2018. The financial statements are the responsibility of Company management. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

Statement of Assets, Liabilities, Surplus and Other Funds as of December 31, 2018

Summary of Operations for the year ended December 31, 2018

Reconciliation of Capital and Surplus for the Five-Year Period ended December 31, 2018

The Savings Bank Mutual Life Insurance Company of Massachusetts
Statement of Assets, Liabilities, Surplus and Other Funds
As of December 31, 2018

Assets	Per Annual Statement
Bonds	\$ 2,687,330,407
Preferred stocks	32,878,925
Common stocks	1,804,400
Real estate occupied by the company	10,745,653
Cash and short-term investments	(224,293)
Contract Loans	69,504,764
Other invested assets	61,936,518
Subtotals, cash and invested assets	2,863,976,374
Investment income due and accrued	30,950,425
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	13,391,429
Deferred premiums, agents' balances and installments booked but deferred and not yet due	103,150,035
Amounts recoverable from reinsurers	21,137,550
Other amounts receivable under reinsurance contracts	7,695,073
Net deferred tax asset	20,793,806
Electronic data processing equipment	8
Aggregate write-ins for other than invested assets	5,447,245
 Total Assets	 <u>\$ 3,066,541,946</u>

The Savings Bank Mutual Life Insurance Company of Massachusetts
Statement of Assets, Liabilities, Surplus and Other Funds (Continued)
As of December 31, 2018

Liabilities	Per Annual Statement
Aggregate reserve for life contracts	\$ 1,967,726,760
Aggregate reserve for accident and health contracts	439
Liability for deposit-type contracts	192,255,940
Life (contract claims)	20,675,850
Policyholders' dividends	420,165
Dividends apportioned for payment	38,698,598
Premiums and annuity considerations for life and accident and health contracts received in advance	74,281
Other amounts payable on reinsurance	9,928,819
Interest maintenance reserve	1,806,511
Commissions to agents or accrued-life and annuity contracts	265,008
General expenses due or accrued	3,954,666
Taxes, licenses and fees due or accrued	3,660,593
Unearned investment income	1,593,677
Amounts withheld or retained by company as agent or trustee	4,247,608
Remittances and items not allocated	9,789,950
Liability for benefits for employees and agents	3,918,081
Asset Valuation Reserve	22,210,809
Payable to parent, subsidiaries and affiliates	20,880,781
Funds held under coinsurance	562,555,720
Aggregate write-ins for liabilities	78,524
Total Liabilities	2,864,742,779
 Surplus notes	 57,320,000
Unassigned funds (surplus)	144,479,168
 Total Surplus	 201,799,168
 Total Liabilities and Surplus	 \$ 3,066,541,946

The Savings Bank Mutual Life Insurance Company of Massachusetts
Summary of Operations
For the Year Ended December 31, 2018

	Per Annual Statement
Premiums and annuity considerations for	
life and accident and health contracts	\$ 128,144,483
Considerations for supplementary contracts with life contingencies	1,235,312
Net Investment Income	105,240,079
Amortization of Interest Maintenance Reserve	693,760
Commissions and expense allowance on reinsurance ceded	70,952,231
Aggregate write-ins for miscellaneous income	1,080,323
Totals	307,346,188
Death benefits	78,399,518
Matured endowments	285,406
Annuity benefits	12,486,309
Disability benefits and benefits under accident and health contracts	454,970
Surrender benefits and withdrawals for life contracts	59,829,564
Interest and adjustments on contract or deposit-type contracts	8,181,178
Payments on supplementary contracts with life contingencies	1,974,185
Increase in aggregate reserves for life and accident and health contracts	(6,888,825)
Totals	154,722,305
Commissions on premiums, annuity considerations and deposit-type contracts (direct business only)	16,035,275
General insurance expenses	48,036,305
Insurance taxes, licenses and fees, excluding federal income taxes	9,062,322
Increase in loading on deferred and uncollected premiums	(703,701)
Aggregate write-ins for deductions	1,939,734
Totals	229,092,240
Net gain from operations before dividends to policyholders and federal income taxes	78,253,948
Dividends to policyholders	38,207,066
Net gain from operations after dividends to policyholders and before federal income taxes	40,046,882
Federal and foreign income taxes incurred	0
Net gain from operations after dividends to policyholders and federal income taxes	40,046,882
Net realized capital gains less capital gains tax (\$0)	(971,961)
Net Income	\$ 39,074,921

The Savings Bank Mutual Life Insurance Company of Massachusetts
Reconciliation of Capital and Surplus
For the Five Year Period Ended December 31, 2018

	2018	2017	2016	2015	2014
Capital and surplus, December 31, prior year	\$ 202,472,521	\$ 225,567,966	\$ 223,907,817	\$ 256,750,565	\$ 213,599,312
Net income / (loss)	39,074,921	46,760,905	26,573,317	11,662,639	12,868,472
Change in net unrealized capital gains or (losses)	(31,464,593)	(59,351,646)	(23,268,840)	(32,349,341)	40,338,062
Change in net deferred income tax	26,549,705	(11,729,175)	18,824,598	(1,314,441)	10,065,042
Change in nonadmitted assets	(21,884,991)	11,038,362	(7,998,017)	(8,089,101)	(17,082,471)
Change asset valuation reserve	4,385,182	1,681,093	(5,830,788)	480,070	(1,197,731)
Change in treasury stock		261,568			
Change in surplus notes		57,320,000			
Capital changes: Paid in		(2,700,708)			
Surplus adjustment: Paid in		(36,773,116)			
Dividends to stockholders		(1,840,121)	(1,840,121)	(1,840,121)	(1,840,121)
Aggregate write-ins for gains and (losses) in surplus	(17,383,577)	(27,762,607)	(4,800,000)	(1,392,452)	
Net change in capital and surplus for the year	(723,353)	(23,095,445)	1,660,149	(32,842,747)	43,151,253
Capital and surplus, December 31, current year	<u>\$ 201,749,168</u>	<u>\$ 202,472,521</u>	<u>\$ 225,567,966</u>	<u>\$ 223,907,817</u>	<u>\$ 256,750,565</u>

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There have been no changes made to the financial statements as a result of the examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1: Actuarial Items, Reserves and Liabilities:

The consulting actuaries from E&Y reviewed the Company's policy reserves for all life and annuity policies. E&Y found the Company to be in compliance with Massachusetts' regulations with respect to methodology and valuation assumptions. This finding was supported by E&Y's review of methodologies and assumptions as well as through the recalculation of reserves for sample policies.

The traditional life portfolio represents both participating and non-participating life policies that were issued over the last eighty years and spans multiple CSO mortality tables, valuation interest rates and valuation methods. The term life insurance reserves include primarily level term coverage along with some yearly renewable term. As required by statute, the Company uses XXX reserve methodology applied to issues after 2001. In addition to reserve recalculations, E&Y reviewed audit reports of the Company's independent auditors and discussed with Company actuaries how the reserve system is maintained. Based on these procedures, E&Y concludes that the reserves meet statutory minimums.

The consulting actuaries from E&Y reviewed the reserves for Individual Deferred Annuities. The deferred annuity block is comprised of contracts with cash settlement options with future interest rate guarantees that range up to 5%. All contracts are funded through the general account and feature limited surrender charge periods. The currently marketed product has varying interest rate guarantee periods and includes a market value adjustment.

E&Y obtained information from the Company demonstrating its approach to calculating deferred premium assets associated with its mean method of reserving. Based on the analysis provided by the Company it was determined that the Company is using the method preferred by the Division which is having a limitation on the deferred premium asset so as to not exceed the premium reflected within the mean reserve.

SUBSEQUENT EVENTS

In March 2020 the World Health Organization declared Coronavirus disease (COVID-19) a pandemic. As of the date of this report, there was significant uncertainty on the effect that the pandemic would have on the insurance industry, economy, and society at large. Any impact to the Company will take time to assess and will be specific to the class and mix of business they underwrite. The Division will continue to monitor how the pandemic might impact the Company.

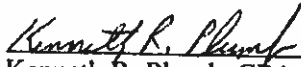
SUMMARY OF RECOMMENDATIONS

There were no significant recommendations noted by the examination team for improvements in process, activities and/or controls that should be noted in this report.

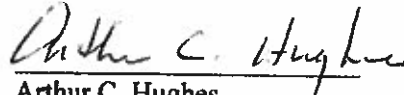
SIGNATURE PAGE

Acknowledgement is made of the cooperation and courtesies extended by the officers and employees of the Company to all the examiners during the course of the examination.

The assistance rendered by RRC and E&Y who participated in this examination is hereby acknowledged.



Kenneth R. Plumb, CPA, CFE
Supervising Examiner
Commonwealth of Massachusetts
Division of Insurance



Arthur C. Hughes
Examiner-In-Charge
Commonwealth of Massachusetts
Division of Insurance