



2018

.....

ANNUAL REPORT

.....





To Our Policyholders:

In all areas of our lives, community plays a key role in providing us with support, guidance, comfort, and inspiration. Life Insurance Company of Boston & New York is a community itself, and we collaborate every day to advance the interests of our policyholders and producers—as well as the communities we live in and industry we serve.

A VISION FOR THE FUTURE

Our commitment to who we are and those we serve continues to provide strategic guidance for our company. In 2018, we introduced Vision 2022, a five-year roadmap for sustainable, profitable growth that will lead to even greater levels of financial success.

Our progress to date with our strategic roadmap has not gone unnoticed. A.M. Best, the oldest and most authoritative insurance rating and information source, affirmed our financial strength rating (FSR) of “A” (Excellent), with a Stable outlook. This underscores our long-term commitment since our founding to the communities that rely on us.

ALIGNING FOR CONTINUED SUCCESS

To continue our ongoing efforts to enhance the customer experience and support profitable growth, we integrated Distribution and Underwriting with a strong, market-focused concentration on the initial engagement and onboarding of new customers.

We also directed our Enterprise Risk Management (ERM) efforts on operationalizing a more holistic risk strategy and discipline across the company.

FOR THE GREATER GOOD

Our greater impact goes beyond the good work we do through the policies we issue.

.....
Throughout the year, we deepened our connections with community and industry partners to enhance our commitment to those who count on us.
.....

Through broadening our engagement with industry organizations, we've been active in identifying new opportunities to be part of the conversations on topics that impact our producers and policyholders. It's important to be aware of the critical issues going on across the country and collectively work together with our external partners to protect the families we serve.

STAYING FOCUSED ON MOVING FORWARD

2018 was another very good financial year. Overall Life Insurance Company of Boston & New York sales were approximately \$2.8 million. Our pre-tax gain before operations was 40% over last year at \$3.4 million, and we continued to have an excellent balance sheet with low-risk, high-quality assets and liabilities.

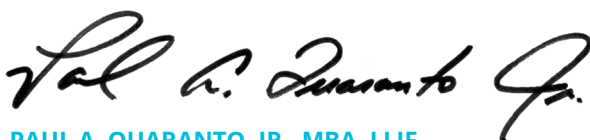
OUR COMMUNITY IS OUR FUTURE

I am proud of Life Insurance Company of Boston & New York and the strides we're making. We'll continue to evolve and seek out thoughtful ways to improve our service to policyholders, support for producers, and commitment to all of our communities—while still operating as a company dedicated to working Americans and the markets we've served since the beginning.

To our policyholders—thank you for being part of our community. We're here to ensure you have the support and help you deserve when it counts the most.

To our producers—thank you for your commitment to consistently going above and beyond for all those we serve, and thank you for your hard work that contributed to our success in 2018.

Sincerely,



PAUL A. QUARANTO, JR., MBA, LLIF

Chairman and President

2018 FINANCIALS



We're grateful to all of those who contributed to the year's success. Part of what makes our results possible is Life Insurance Company of Boston & New York's long-term financial strength. We've remained dedicated to providing a firm foundation for all those who rely on us.

OVER
\$160 MILLION
IN ASSETS



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



SURPLUS HAS MORE THAN
DOUBLED
IN THE PAST **7** YEARS



INCOME STATEMENT

DOLLARS IN THOUSANDS

Year Ended December 31

	2018	2017
Premium income	\$23,525	\$22,618
Net investment income	6,684	6,203
Other income	1,433	1,546
TOTAL INCOME	31,642	30,367
POLICYHOLDER BENEFITS AND EXPENSES		
Life insurance benefits	3,563	3,299
Accident & health benefits	2,973	3,274
Other policy benefits	4,835	5,002
Increase in reserves	7,670	6,880
Commissions	4,140	4,242
General expenses	4,318	4,380
Taxes other than federal income taxes	771	882
TOTAL BENEFITS & EXPENSES	28,270	27,959
GAIN FROM OPERATIONS	3,372	2,408
Federal Income Tax Expense	773	899
NET GAIN FROM OPERATIONS	\$2,559	\$1,509

ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31

	2018	2017
Bonds	\$108,125	\$103,662
Preferred stocks	0	0
Common stocks	6,916	3,718
Policy loans	30,353	28,944
Cash & short term securities	4,386	4,109
Premiums deferred and uncollected	6,008	5,202
Other assets	4,334	4,726
TOTAL ASSETS	\$160,122	\$150,361

LIABILITIES AND SURPLUS

DOLLARS IN THOUSANDS

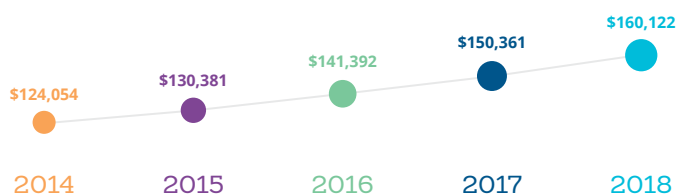
Year Ended December 31

	2018	2017
Policy reserves	\$120,259	\$112,589
Policy & contract claims	1,130	1,246
Other liabilities	3,330	3,141
Interest maintenance reserve (IMR)	2,188	2,230
Asset valuation reserve (AVR)	896	1,035
TOTAL LIABILITIES	127,803	120,241
SURPLUS	32,319	30,120
TOTAL LIABILITIES & SURPLUS	\$160,122	\$150,361

ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31



PART OF THE GREATER GOOD

The life insurance industry may be seen simply as a business sector that sends out a check when a claim is filed. But there's so much more to the greater good that we as life insurance companies do.

Our industry is woven into the economic fabric of the country in many ways. It's been around for more than 200 years, and since the beginning, the main focus has been to provide families with the protection they need. Every company has their own approach. At Life Insurance Company of Boston & New York, we make sure we're there for our customers.

Some of our industry's impact is seen as a direct result of what we do every day—such as how much we pay out to families. But our collective impact is felt in other areas, too. For instance, life insurance company investments make our industry one of the largest sources of investment capital in the U.S. It's just one of the ways we all provide a strong financial foundation for our country.

There's great value in being a part of an industry doing the right thing for our customers while also being a part of the greater good, collectively helping all communities across the country. This is why we do what we do.

90 MILLION

AMERICAN FAMILIES RELY ON OUR INDUSTRY'S PRODUCTS FOR FINANCIAL SECURITY*

\$1.7 BILLION

PAID OUT EVERY DAY TO FAMILIES AND BUSINESSES BY LIFE INSURERS*

\$6.4 TRILLION

INVESTED IN THE U.S. ECONOMY BY THE LIFE INSURANCE INDUSTRY*

2.6 MILLION

JOBS GENERATED BY THE LIFE INSURANCE INDUSTRY*



“ACLI and its member companies do great work on behalf of people, families, and communities across America. We're there when people need us the most, and that's the way we make our communities better.”

SUSAN K. NEELY

President and CEO, American Council of Life Insurers (ACLI)



..... BOARD OF DIRECTORS

Paul A. Quaranto, Jr., MBA, LLIF
 Chairman, Chief Executive Officer & President
 Boston Mutual Life Insurance Company

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

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

..... OFFICERS

Paul A. Quaranto, Jr., MBA, LLIF
 Chairman & President

Peter S. Connolly, MD
 Medical Director

Stephen G. Evans, FLMI
 Auditor

Susan J. Gardner, CPA, LLIF
 Vice President – Controller & Treasurer

Nora E. Hoffman
 Assistant Treasurer

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

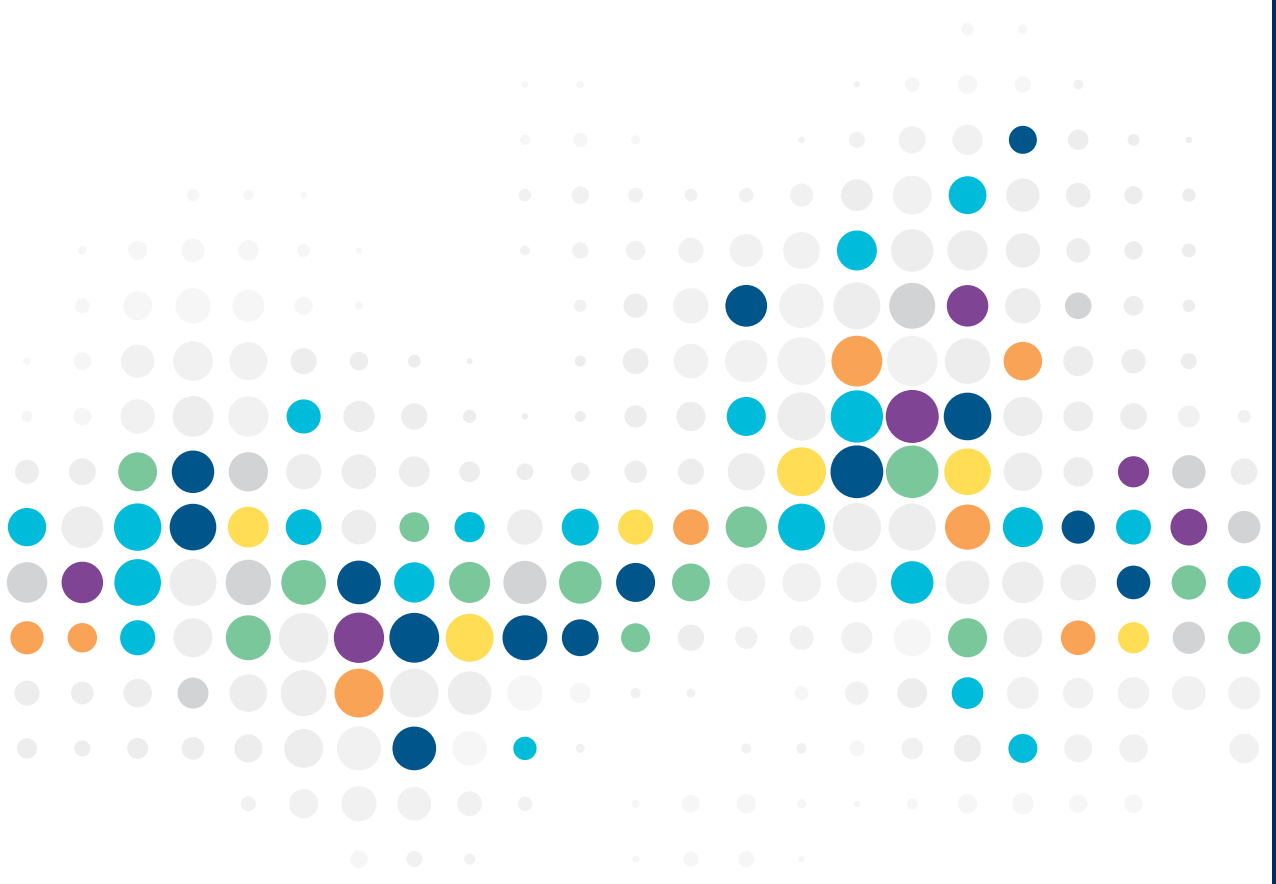
Paul S. Painchaud, ASA, MAAA
 Appointed Actuary

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

Mary T. Tillson, ALCH, FLMI, MHP
 Executive Vice President – Operations

Grant D. Ward, Esq.
 General Counsel & Secretary, EVP – Legal,
 Compliance, & Human Resources

Christine S. Williams, MBA, ACS
 2nd Vice President – Chief Compliance,
 Privacy & Anti-Money Laundering Officer



4300 Camp Road, PO Box 331, Athol Springs, NY 14010 • 800-645-2317

www.lifeofboston.com

For the latest A.M. Best rating, access www.ambest.com

