

PEACE OF MIND

2019 ANNUAL REPORT



Why we are dedicated to serving the needs of working Americans and their families:

- Over 40% of Americans do not have life insurance coverage*
- 3 in 10 Americans have life insurance coverage at work and only 4 in 10 have individual coverage*

People are looking for peace of mind in their time of need—this is universal across the country. Life Insurance Company of Boston & New York promises to provide that level of security—and we are dedicated to delivering on this commitment, serving the needs of working Americans and their families.



TO OUR POLICYHOLDERS:

Life Insurance Company of Boston & New York remains committed to serving the needs of working Americans and their families. This steadfast dedication, along with our brand—*Family Matters. No Matter What.*—provides financial peace of mind to those we serve.



DRIVING INITIATIVES FORWARD

In 2019, we focused on driving forward the initiatives in Vision 2022, our strategic, long-term plan. Our Vision 2022 roadmap outlines a clear path towards future success. We delivered on our promises to our policyholders and producers, while finding innovative ways to evolve in a thoughtful and measured manner.

Our investments in our organization—including the buildout of our newly integrated Distribution and Underwriting area—positioned us well in our ongoing commitment to grow and better serve the workplace market. We offer practical and affordable products designed specifically for working Americans and their families, and make it easy for them to secure peace of mind with enrollment and billing options. We added experienced sales talent—expanding our outreach to afford more people the opportunity to access our products and services.

Being there in your time of need is the promise that life insurance companies make to their customers, and we remain dedicated to this commitment. The affirmation by AM Best, the oldest and most authoritative insurance rating and information source, of our financial strength rating (FSR) in 2019 of “A” (Excellent), with a Stable outlook, served as validation of our ability to deliver on our promises.

We created a more robust presence in the industry, working hard to live the goodness of our brand in all we do and represent the best interests of our policyholders and producers.

Thank you to our producers for treating every interaction with a personalized touch to ensure we are all providing our customers with the experience they deserve.

In closing, Life Insurance Company of Boston & New York is operated for the benefit of you—our policyholders. I am excited for our future as we build on our success and move forward together—never losing sight of our mission to provide you with financial peace of mind and to deliver on our promises in your time of need.

Thank you for the confidence you have placed in us to do just that.

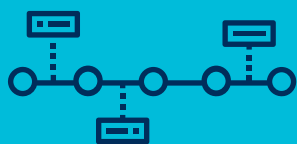
Sincerely,

A handwritten signature in black ink that reads "Paul A. Quaranto Jr." in a cursive script.

PAUL A. QUARANTO, JR., MBA, LLIF
Chairman and President

Driving Success with a Vision

In 2012, we embarked on a journey with a vision of an “A” rating with AM Best by enhancing our organizational readiness to support profitable growth. We developed a strategic roadmap, affirmed our guiding principles, articulated our brand, and launched a One Company initiative. We stayed the course, iterating along the way, while guided by our strategic objectives—and received an upgrade to “A” in 2017. At that time, we set our sights on “A+” readiness.



Planning Ahead

BUILDING A FRAMEWORK FOR CONTINUED SUCCESS

Vision 2022, introduced in 2018, extended our strategic roadmap for the next five years to further develop our state of organizational readiness and leverage it into greater levels of sales, growth, and earnings success.



Focused on Opportunities

STAYING THE COURSE

Our focus in 2019 was to accelerate our efforts to move forward with our Vision 2022 initiatives and drive strong financial results. We remained focused on opportunities to streamline processes and deploy technology—always looking for opportunities for improved organizational alignment and effectiveness.



Leveraging Organizational Readiness into Financial Results

THE IMPACT OF LONG-TERM PLANNING

The impact of focusing on who we are and what we do best is what makes us different and what makes us better in the markets we serve. Our vision to leverage our organizational readiness into sustainable, profitable growth will benefit our policyholders and all of our stakeholders, enhancing our ability to provide financial peace of mind and deliver on our promises.



WHAT WE STAND FOR

Life Insurance Company of Boston & New York is FOR being a progressive life insurance company dedicated to offering financial peace of mind for working Americans and their families.



Aligning Our Organization to Achieve Objectives

In 2019, we continued to focus on organizational readiness—identifying new ways to best position the company to deliver on our promises.



Strategic Business Center

IMPLEMENTING CHANGES FOR SALES SUCCESS

Supporting our drive for profitable growth, we combined Distribution and Underwriting into one integrated Strategic Business Center (SBC), and welcomed experienced sales talent to drive scalable and sustainable sales success as we move forward.



Enterprise Risk Management

A HOLISTIC APPROACH TO RISK MANAGEMENT

In addition, we operationalized an enterprise risk management (ERM) discipline and practice across the company to embed a more holistic ERM strategy across our initiatives.

SUPPORTING GROWTH
WITH INVESTMENTS
IN OUR RESOURCES

**Positioning Our Organization
for Continued Commitment to
Delivering on Our Promises**



WHAT WE STAND FOR

Life Insurance Company of Boston & New York is FOR providing practical and affordable products designed for working Americans and their families—and FOR providing a personalized customer experience for our policyholders and producers.



Innovating Every Day

We remain committed to who we are. We continue to adapt our business practices to keep pace in the markets we serve. In 2019, we announced impactful new initiatives to support our progress. The introduction of two new strategic opportunities will enhance our organizational effectiveness and create a future growth framework. We anticipate these new initiatives will have a significant impact on our success and will help improve the overall outcome of future strategic projects.

SUPPORTING SUCCESS

In early 2019, we introduced an outsourced pilot Strategic Project Management Office (SPMO) to oversee a new process for strategic project proposal development through execution. The SPMO provided their expertise in project management to more fully capitalize on strategic projects.

Following their success with initial projects they supported, we recognized an opportunity to embed a project management discipline within our organization and take our project management practice to the next level. As a result, we introduced an insourced SPMO in late 2019.

CREATING FUTURE GROWTH OPPORTUNITIES

At the same time, we announced the launch of a new Innovation Lab—an additional strategy to help drive results. Designed as a transformation office, its structure provides a space outside of our current production environment to work on future-state process and technology projects.



CREATING NEW OPPORTUNITIES WITH NEW STRATEGIC RESOURCES



QUICKLY IMPLEMENT BEST PRACTICES THROUGH NEW PROJECT DEVELOPMENT STRUCTURES



SUPPORTING OUR COMMITMENT TO DELIVERING ON OUR PROMISES WITH FUTURE-STATE PLANNING



WHAT WE STAND FOR

Life Insurance Company of Boston & New York is FOR making it easy to secure a level of financial protection with a portfolio of products—beginning with life insurance—via enrollment and billing options at the workplace.

Enhancing Our Industry Presence

With the good work our industry does on important societal issues and as a life insurance company, it is important that we remain involved in the conversations that relate to our stakeholders and our business. We are passionate about remaining active in our industry to represent the best interests of our policyholders and producers. In 2019, we continued to be vocal on key topics and gained recognition for the people we serve. Moving forward, we will continue to strengthen relationships across the industry, and will appropriately engage with all of those audiences.

EVOLVING WITH OUR INDUSTRY ENGAGEMENT

In 2019, we continued to build out our presence as part of an industry that is helping the greater good. We've identified organization involvement and relationships within a holistic framework that align with our brand and industry, such as the American Council of Life Insurers (ACLI) and Life Insurance Council of New York (LICONY). As a result, we've been able to actively engage with these important industry groups.

With our ongoing external affairs activities, we ensured we had a seat at the table, speaking about current items affecting our industry, as well as potential impacts of legislation to our policyholders.

In addition, we leveraged the power of the industry by maintaining a strong presence with the ACLI with ongoing engagement in their coordinated activities, along with holding a Forum 500 and Board presence.

DOING WHAT'S RIGHT
FOR THOSE WE SERVE

Through our external affairs activities, in 2019 we continued to make a difference in the communities we support.

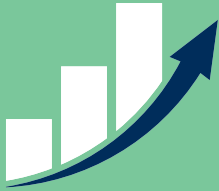


WHAT WE STAND FOR

Life Insurance Company of Boston & New York is FOR acting in the best interests of its policyholders, producers, and communities in which we serve—representing the goodness of our brand in all we do.



2019 Financials



OVER \$170 MILLION
IN ASSETS



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



SURPLUS HAS
MORE THAN DOUBLED
IN THE LAST 8 YEARS



INCOME STATEMENT

DOLLARS IN THOUSANDS

Year Ended December 31

	2019	2018
Premium income	\$24,304	\$23,525
Net investment income	7,202	6,684
Other income	1,341	1,433
TOTAL INCOME	32,847	31,642
POLICYHOLDER BENEFITS AND EXPENSES		
Life insurance benefits	2,855	3,563
Accident & health benefits	2,887	2,973
Other policy benefits	4,924	4,835
Increase in reserves	8,736	7,670
Commissions	4,201	4,140
General expenses	4,878	4,318
Taxes other than federal income taxes	764	771
TOTAL BENEFITS & EXPENSES	29,245	28,270
GAIN FROM OPERATIONS	\$3,602	\$3,372
Federal income tax expense	1,047	773
NET GAIN FROM OPERATIONS	\$2,555	\$2,599

LIABILITIES AND SURPLUS

DOLLARS IN THOUSANDS

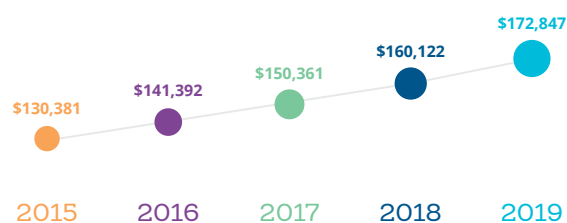
Year Ended December 31

	2019	2018
Policy reserves	\$128,816	\$120,259
Policy & contract claims	875	1,130
Other liabilities	3,247	3,330
Interest maintenance reserve (IMR)	2,161	2,188
Asset valuation reserve (AVR)	2,130	896
TOTAL LIABILITIES	137,229	127,803
SURPLUS	35,618	32,319
TOTAL LIABILITIES & SURPLUS	\$172,847	\$160,122

ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31



ASSETS

DOLLARS IN THOUSANDS

Year Ended December 31

	2019	2018
Bonds	\$113,267	\$108,125
Preferred stocks	0	0
Common stocks	8,760	6,916
Policy loans	32,039	30,353
Cash & short term securities	7,516	4,386
Premiums deferred and uncollected	6,672	6,008
Other assets	4,593	4,334
TOTAL ASSETS	\$172,847	\$160,122

A MESSAGE FROM LEADERSHIP

Overall, Life Insurance Company of Boston & New York had a good financial year. We continued to have an excellent balance sheet with low-risk, high-quality assets and liabilities. We had another year of strong pre-tax gain from operations at 6.8% over the previous year. With a history of financial strength, we're committed to acting in the best interests of all of our stakeholders.

PAUL A. QUARANTO, JR., MBA, LLIF
Chairman and President



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
 Controller & Treasurer

James E. Jacobsen
 Executive Vice President –
 Distribution & Underwriting

Clifford A. Lange, CLU, FSA, LLIF
 Executive Vice President - Chief Financial
 Officer, Chief Actuary, Secondary Intelligence/
 Information Officer

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 &
 Primary Intelligence/Information Officer

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

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

Committed to Providing Peace of Mind

We are confident that Vision 2022 represents our roadmap for continued success. We know who we are, what we do well, what makes us different, and what makes us better in the markets we serve.

The progress we have made to date and the continued investments to develop and align our processes, as well as deploying innovative technology tools, not only validates the plan, but also generates much optimism for the future.

Above all, we remain committed in our dedication to provide peace of mind and deliver on our promises for our policyholders and producers.



AT LIFE INSURANCE COMPANY OF BOSTON & NEW YORK—
FAMILY MATTERS. NO MATTER WHAT.®

At Life Insurance Company of Boston & New York,
we are dedicated to acting in the best interests
of our policyholders, producers, and the
communities in which we serve—representing
the goodness of mutuality in all we do.



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

www.lifeofboston.com

For the latest AM Best rating, access www.ambest.com