



Insurer Owned Life Insurance Market Update

In-Force and New Purchase Summary

Insurer owned life insurance account value in force at year end 2019 totaled \$28.0 billion up 11.7% from 2018 year-end total account value of \$25.1 billion, which was up 4.5% from 2017 year-end total account value of \$24.0 billion

Notable purchases in 2018 included Principal (\$500 million), Sammons (\$500 million), OneAmerica (\$250 million), Unum (\$100 million), and American Fidelity (\$30 million).

In 2018, four companies, with in aggregate \$350 million insurer owned life insurance account value, surrendered their policies, likely driven by the tax law change.

Notable purchases in 2019 included Sammons (\$500m), Principal (\$200m), Anthem (\$150m), Fidelity & Guaranty (\$129m), American Equity (\$100m), Westfield Group (\$100m), Kemper (\$50m), and Southern Farm Bureau Life (\$20m).

Values are estimated from statutory filing data.

Product Availability Summary

Historically, insurance companies have predominately purchased fixed crediting rate products, however in the current low rate environment new corporate owned life insurance products of this type typically deliver net after tax returns of 3.0% or less and the availability has been significantly constrained by issuing carriers.

New sales in recent years have focused on separate account corporate owned life insurance products. The investment focus is driven by a desire to minimize draw downs in the separate account which are booked through the owner's income statement. There is currently a significant amount of interest in asset classes which are accounted for on a Level III basis and have the potential to minimize volatility. This includes private equity funds and private loans. In addition, several parties are offering stable value wraps that smooth the results of the underlying fund performance.

Numerous new insurance dedicated funds have launched and are now available inside a separate account corporate owned life insurance product including private equity, private credit, and real estate strategies.

About Montshire Advisors

Montshire Advisors serves the life insurance industry with transactional oriented advice in several key areas: investment marketing and structuring, index and insurance product development, distribution development, reinsurance advisory and brokerage, and Federal Home Loan Bank advisory. Montshire Advisors can assist you in considering your specific benefits for a corporate owned life insurance program such as: contract design, alternative minimum tax and modified endowment contract tax considerations, optimization and structuring of policies, determination of eligible employees and the design of an effective communication program, and evaluating and determining optimal investment choices for your COLI program.

Montshire Advisors

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Entity Name	Capital & Surplus (\$000)		COLI Account Value (\$000)		% Capital & Surplus (\$000)	COLI AV Growth (%)		
	2019	2019	2018	2017		2019	2018	2017
New York Life	22,032	4,539	4,390	4,343	19.9%	3.4%	1.1%	6.3%
Metlife	17,449	3,264	3,070	3,049	17.6%	6.3%	0.7%	4.2%
MassMutual	18,893	2,290	2,115	2,104	11.2%	8.3%	0.5%	6.3%
Nationwide	13,289	1,508	1,390	1,401	10.5%	8.5%	-0.8%	6.3%
John Hancock	8,475	1,262	1,161	1,178	13.7%	8.7%	-1.5%	5.0%
Lincoln	7,623	1,091	1,019	1,002	13.4%	7.1%	1.7%	3.8%
Liberty Mutual	20,485	1,048	981	957	4.8%	6.7%	2.5%	6.5%
Sammons	5,392	1,032	489	-	9.1%	111.2%	NM	NM
AXA	8,307	939	863	901	10.4%	8.8%	-4.2%	2.1%
Anthem	15,946	932	760	764	4.8%	22.7%	-0.5%	NM
Principal Financial	5,414	734	503	-	9.3%	46.1%	NM	NM
Allianz Life	7,594	625	562	579	7.4%	11.3%	-3.0%	71.2%
Transamerica	9,807	542	531	522	5.4%	2.1%	1.8%	1.7%
Farmers Insurance Group	6,155	522	488	507	7.9%	7.1%	-3.8%	6.6%
National Life	2,289	507	494	423	21.6%	2.8%	16.8%	51.7%
Unum	3,644	493	481	398	13.2%	2.5%	21.1%	2.3%
Mutual of Omaha	3,192	489	419	435	13.1%	16.7%	-3.6%	10.7%
Hartford	13,419	476	440	445	3.3%	8.2%	-1.1%	3.7%
Athene	1,544	387	362	349	23.4%	6.9%	3.5%	6.9%
Great American	2,868	386	375	371	13.1%	3.0%	0.8%	4.1%
OneAmerica	1,613	362	345	91	21.4%	5.0%	278.4%	10.6%
American Equity	3,414	362	251	241	7.3%	44.3%	4.1%	2.4%
Guidewell	3,907	305	259	268	6.6%	17.5%	-3.3%	13.1%
Great-West	1,748	285	273	265	15.6%	4.6%	2.9%	4.8%
Westfield Group	2,511	243	143	160	5.7%	70.1%	-10.7%	15.2%
RGA	2,262	224	208	202	9.2%	7.8%	2.8%	4.4%
Americo Life	600	207	174	178	28.9%	18.9%	-2.5%	9.8%
CNO Financial	1,566	194	172	182	11.0%	13.0%	-5.8%	10.5%
Protective	4,919	194	191	191	3.9%	1.4%	0.1%	0.9%
Travelers	20,680	169	148	159	0.7%	14.3%	-6.9%	4.0%
Pacific Life Insurance Company	10,510	150	116	132	1.1%	29.1%	-12.1%	19.6%

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Summary includes insurance companies with more than \$100m of capital and surplus who own more than \$10m in corporate owned life insurance.



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	2019	2019	2018	2017		2019	2018	2017
	Fidelity & Guaranty Life Insurance Co	1,618	129	-		-	0.0%	NM
Kemper Insurance	420	117	59	56	14.1%	97.5%	6.4%	4.8%
FM Global	13,708	116	109	103	0.8%	6.2%	6.6%	0.5%
RiverSource	2,823	116	114	112	4.0%	1.4%	1.3%	1.4%
Highmark Health	4,879	109	91	97	1.9%	20.1%	-6.9%	12.9%
Allstate	4,296	106	100	96	2.3%	5.4%	3.8%	4.3%
Ameritas	1,693	71	69	68	4.1%	2.6%	1.6%	1.9%
Alfa Mutual	1,237	69	73	82	5.9%	-4.7%	-11.1%	-7.1%
American Fidelity	578	69	66	35	11.5%	4.3%	90.8%	2.7%
Farm Bureau Life	444	68	66	64	14.9%	2.4%	2.4%	2.5%
ProAssurance	916	66	64	62	7.0%	3.3%	3.1%	3.3%
Southern Farm Bureau Life	2,722	64	42	42	1.5%	51.3%	1.3%	3.4%
Tennessee Farmers Life	480	61	60	60	12.5%	2.5%	-0.3%	13.0%
West Bend Mutual	1,231	60	58	55	4.7%	3.1%	5.2%	5.3%
Globe Life	1,338	58	50	49	3.8%	16.0%	2.7%	10.2%
Security Benefit	2,567	58	52	52	2.0%	12.4%	-0.9%	12.9%
Boston Mutual	246	50	47	43	18.9%	7.5%	8.8%	10.0%
Mutual of Enumclaw	354	49	41	43	11.5%	21.0%	-6.5%	16.4%
Hawaii Medical Service Association	657	46	39	41	6.0%	18.1%	-4.7%	14.0%
Texas Farm Bureau	976	44	42	41	4.3%	5.0%	2.3%	3.4%
Encova	1,658	43	38	44	2.3%	14.8%	-13.9%	25.5%
Penn Mutual	1,999	42	41	40	2.0%	2.5%	2.7%	2.9%
Blue Cross Blue Shield of Arizona	1,680	40	39	37	2.3%	2.4%	7.0%	74.2%
Toa Reinsurance Co. of America	607	40	39	38	6.4%	2.2%	2.4%	2.5%
Safeway Financial Holding Company	354	37	34	32	9.6%	7.3%	7.7%	8.3%
Sentry	5,862	35	35	27	0.6%	-0.5%	30.0%	291.2%
Blue Cross and Blue Shield of South Carolina	3,413	33	32	31	0.9%	3.6%	3.7%	4.1%
NY Central Mutual Fire Ins Co.	607	32	30	29	5.0%	5.4%	5.1%	6.0%
Greater New York Mutual Ins Co	556	29	24	24	4.3%	22.1%	-1.4%	14.4%
Farmers Mutual Ins Co. of NE	401	29	27	24	6.8%	4.4%	12.2%	10.7%
Andover Companies	1,801	27	24	25	1.3%	14.2%	-5.8%	5.0%



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	2019	2019	2018	2017	2019	2019	2018	2017
	Dryden Mutual Insurance Co.	175	23	19	18	10.7%	21.1%	2.6%
American Enterprise Mutual	579	23	19	21	3.2%	21.5%	-12.3%	17.4%
Employers Mutual	1,575	21	20	18	1.2%	7.7%	8.3%	8.9%
Church Mutual Insurance Co.	699	21	20	21	2.9%	2.7%	-1.4%	4.8%
Ohio Mutual Insurance Group	280	19	16	16	5.7%	17.8%	-2.6%	7.4%
Vermont Mutual Insurance Co.	584	17	13	12	2.2%	30.3%	5.5%	23.5%
Centene / Superior Health Plan	9,634	17	16	17	0.2%	2.8%	-5.0%	2.9%
Western & Southern	5,308	17	15	15	0.3%	12.2%	-2.9%	8.6%
Preferred Mutual Insurance Co.	225	16	15	14	6.6%	7.7%	2.4%	5.4%
IMT Mutual	163	16	15	15	9.2%	5.3%	3.0%	6.5%
VOYA	4,422	16	13	14	0.3%	17.1%	-3.9%	0.8%
Illinois Mutual Life Insurance Company	255	15	14	13	5.6%	7.2%	8.2%	7.8%
Sterling Insurance Company	156	15	15	13	9.5%	1.2%	11.3%	7.5%
Western National Mutual	626	15	12	13	2.0%	20.4%	-3.2%	16.1%
North Star Mutual	564	14	13	13	2.3%	2.6%	2.2%	2.2%
Selective	1,932	13	16	16	0.8%	-20.4%	0.0%	8.7%
Georgia Farm Bureau	310	11	11	10	3.4%	2.9%	2.8%	3.3%
FFVA Mutual	176	11	8	9	4.6%	29.6%	-4.7%	0.0%
ICW	1,265	10	9	10	0.7%	18.6%	-14.9%	13.5%
Ohio National	1,006	9	11	11	1.0%	-10.6%	-1.6%	-0.5%
Blue Cross and Blue Shield of North Carolina	3,851	9	9	12	0.2%	2.8%	-26.6%	10.1%
Delaware Life	1,583	-	-	75	0.0%	NM	NM	-17.4%
Equitrust Life	1,186	-	-	172	0.0%	NM	NM	-6.5%
Guggenheim Life Group	714	-	-	72	0.0%	NM	NM	3.1%
Calton Holdings	914	-	-	26	0.0%	NM	NM	2.3%
TOTAL	349,871	27,996	25,072	23,995	7.2%	11.7%	4.5%	10.6%