

## Bank-Owned Life Insurance (“BOLI”) Comprehensive Services & Administration

BOLI Strategic Partners has teamed up with The Pangburn Group to provide the expertise and servicing resources to support our clients’ Bank-Owned Life Insurance (“BOLI”) programs. As an independently managed and nationally recognized vendor of BOLI, we work with the majority of major insurance carriers that distribute BOLI products.

### SUPPORT FROM OUR TEAM OF BOLI SPECIALISTS AT THE PANGBURN GROUP

BOLI Strategic Partners works closely with the professionals at The Pangburn Group, a comprehensive third party administrator specializing in accounting, finance, life insurance, product design/management, administrative support systems and servicing. Peter Dinardi, one of the founding principals of BOLI Strategic Partners is a former banking executive and CFO<sup>1</sup>, and is available to our clients and their accountants, outside counsel or examiners if questions arise concerning the BOLI program. Our servicing commitment is for timely and comprehensive responses and solutions whether by phone, email or onsite visits.

### PRE-PURCHASE DUE DILIGENCE

At the beginning of a BOLI purchase, BOLI Strategic Partners will conduct a comprehensive pre-purchase analysis. The overall analysis will address the nine major actions recommended by the Interagency Statement on the Purchase and Risk Management of Life Insurance, OCC Bulletin 2004-56<sup>2</sup>. With the completion of the analysis, BOLI Strategic Partners will document the implementation of the BOLI

purchase and, if applicable, nonqualified benefit plans in a comprehensive report (due-diligence binder). This report will document the steps taken during the implementation of BOLI and applicable nonqualified benefit plan (s).

### COMPREHENSIVE ACCOUNTING SUPPORT & CASH VALUE REPORTING

Following implementation of your BOLI policies and any applicable nonqualified benefit plans, BOLI Strategic Partners will review accounting options for the BOLI programs and review it with your accountants. Monthly reports will be provided by The Pangburn Group to support the accounting entries and for the cash surrender value of the BOLI policies.

### QUARTERLY MONITORING OF CREDIT QUALITY

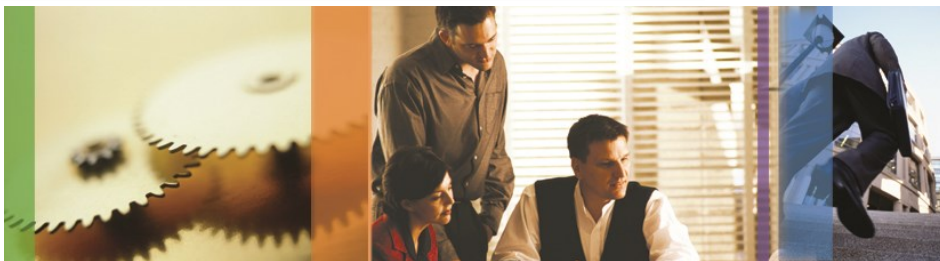
Together with the Pangburn Group, BOLI Strategic Partners completes an informal review of the insurance carriers’ financial reports, credit ratings and published announcements about the carriers. If there are any changes or updates that may impact the bank’s BOLI program, BOLI Strategic Partners reviews the information with management and discusses any actions to be taken.

### SOCIAL SECURITY SWEEPS

BOLI Strategic Partners also helps you keep track of your policies. The Pangburn Group runs a continuous “Social Security sweep” comparing the Social Security numbers of all insureds to databases from the Federal government and all 50 States. If a death has been reported of an insured, BOLI Strategic Partners will notify the bank to help process the life insurance claim.

*(continued)*





## ANNUAL POST-PURCHASE RISK ASSESSMENT

OCC Bulletin 2004-56 recommends that management review the performance of a bank's BOLI with its board of directors at least annually. The regulatory guidance recommends the various tests that should be addressed in management's risk review. Annually, BOLI Strategic Partners provides a "Post-Purchase Risk Assessment" of a bank's BOLI program on behalf of management. This report is a thorough review of the BOLI risks as detailed in the regulatory guidance. As part of the review, BOLI Strategic Partners is also available to review the report with key bank executives and the board of directors.

## CONSULTATION

BOLI Strategic Partners will also help you through all service-related issues including but not limited to death claims, bank contact changes, owner

and beneficiary changes, standard confirmation and cash value requests and bank name changes. In addition, the team at BOLI Strategic Partners is available for consultation on any issues related to BOLI and bank executive plans.

## ABOUT BOLI STRATEGIC PARTNERS

In early 2013, the BOLI business of NYLEX Benefits was transitioned to BOLI Strategic Partners. We focus on developing cost-effective practical solutions for community banks throughout the country.

Our services are designed to assist clients at all stages in the adoption and operation of their Bank-Owned Life Insurance programs and include:

- Initial assessment
- Plan design
- Funding
- Plan implementation
- Ongoing administration coordination with the Pangburn Group

BOLI Strategic Partners utilizes internal resources of New York Life through the Nautilus Group and Advanced Markets Network and also works closely with independent third parties in the following professional disciplines: all dedicated to supporting our clients' programs, processes, systems and services:

- Accountants
- Actuaries
- Attorneys
- Benefit specialists
- Insurance specialists

We take great care to assure that client programs are practical and that they are designed to achieve our clients' strategic and operational goals.

**For more information, call us at (800) 584-9114 or visit [www.bolistrategicpartners.com](http://www.bolistrategicpartners.com)**

<sup>1</sup> Peter L. Dinardi, CPA, MBA, one of the founding principals of BOLI Strategic Partners is the former Chief Financial Officer and Director of BOLI Operations for NYL Executive Benefits LLC (NYLEX Benefits). Additionally, Mr. Dinardi was formerly the Executive Vice President and Chief Financial Officer of River Bank America, an FDIC insured and New York State chartered savings bank.

**Neither BOLI Strategic Partners, Jeff Marsh, Peter Dinardi, New York Life Insurance Company nor its affiliates provides tax, legal or accounting advice. Please consult your own tax, legal or accounting professional before making any decisions. BOLI Strategic Partners is not owned or operated by New York Life Insurance Company, NYLIFE Securities LLC or their affiliates.**

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