

Do you know if your bank's BOLI holdings comply with this new regulatory guideline?

Bank management must “review the performance of the institution’s insurance assets ... at least annually,” including a “peer analysis of BOLI holdings ... [to] compare its BOLI holdings relative to capital to the holdings of its peers to assess whether it is an outlier.”

— INTERAGENCY STATEMENT ON THE PURCHASE AND RISK MANAGEMENT OF LIFE INSURANCE
OFFICE OF THE COMPTROLLER OF THE CURRENCY
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FEDERAL DEPOSIT INSURANCE CORPORATION
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The BOLI Capital Concentration Report tells you.



Compares and ranks your bank's BOLI holdings in cash surrender value (CSV) to those of other banks with BOLI nationally, in its asset-peer group, and in its charter class.

Measures BOLI holdings — as a percent of Tier 1 capital and as a percent of the sum of Tier 1 capital and the allowance for loan and lease losses — so the bank may determine whether regulatory and internal capital concentration guidelines limiting the aggregate CSV of BOLI policies from all insurance companies are being met.

Calculates your bank's peer-group mean, median, and standard deviation, the bank's rank, percentile, deviation from the mean, and difference from the mean in standard deviation units to: (1) measure the degree of concentration of the bank's BOLI assets, (2) perform a peer analysis of BOLI holdings relative to capital, and (3) assess whether the bank is “an outlier.”

Generates a statement of findings regarding your bank's BOLI holdings relative to capital compared to the holdings of its peers.