



MICHAEL WHITE ASSOCIATES  
BANK INSURANCE CONSULTANTS



P R E S S R E L E A S E

## Michael White Associates Announces Bank-Owned Life Insurance (BOLI) Report to Meet New Compliance Requirements of Banking Regulators

*First-of-its-kind peer analysis of BOLI holdings addresses capital concentration, liquidity and reputation risks, and “outlier” status.*

**FOR IMMEDIATE RELEASE** – Radnor, PA, June 28, 2005 – In response to new regulatory guidelines requiring banks to have an ongoing system of risk assessment, management, monitoring, and internal control processes for their bank-owned life insurance (BOLI) holdings, Michael White Associates, LLC (MWA) today announced the release of its newest compliance tool and reporting service.

The *MWA BOLI Capital Concentration Report*<sup>™</sup> fulfills the specific regulatory requirement prescribed in the December 7, 2004, *Interagency Statement on the Purchase and Risk Management of Life Insurance* that a banking institution’s annual post-purchase risk assessment include 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.”

According to the Federal Reserve, OCC and FDIC, it is generally not prudent for an institution to hold BOLI assets with an aggregate cash surrender value (CSV) that exceeds 25 percent of the institution’s capital. The *MWA BOLI Capital Concentration Report* not only calculates the concentration of CSV-assets relative to a bank’s capital, it also performs the required peer analysis. Customers receive two pages of analyses and findings that reduce a considerable amount of information into an easy-to-digest format. The first page compares by rank, percentile, deviation from the mean, and difference from the mean in standard deviation units the particular institution’s BOLI assets to those of all banks with BOLI nationally, in its asset-peer group, and in its charter class. A second page describes findings of the analyses and alerts banks if their results might cause regulators to consider them an “outlier.”

Michael White, President of MWA, said, “The *MWA BOLI Capital Concentration Report* truly meets the needs of bankers who, in the absence of this report, would have to spend considerable time, energy and money attempting to determine whether or not regulators would classify their BOLI program as an ‘outlier.’ Using data from thousands of banks and bank holding companies, the *MWA BOLI Capital Concentration Report* quickly, easily and inexpensively provides bankers with the reliable industry performance measurements they need to accurately evaluate their concentration in BOLI assets. In measuring the degree of concentration of assets in BOLI holdings, the report helps bankers, BOLI consultants and BOLI administrators measure the institution’s general liquidity relative to its illiquid BOLI holdings and determine the degree to which its capital and earnings may be subject to risk.”

Customized *MWA BOLI Capital Concentration Reports* can be ordered at MWA’s website, <http://www.bankinsurance.com/mwa/publications/boli>, or by calling 610-254-0440.

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## **About MWA's *BOLI Capital Concentration Report*<sup>™</sup>**

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The *MWA BOLI Capital Concentration Report* is a peer analysis report that measures and compares a particular bank or bank holding company's BOLI assets to its capital by rank, percentile rating, deviation from the mean, and difference from the mean in standard deviation units to assess whether that institution's BOLI program is "an outlier" nationally, in its asset-peer group, and in its charter class.

The customized *MWA BOLI Capital Concentration Report* is the latest in a series of evaluative reporting tools including the *MWA Fee Income Ratings Report*<sup>™</sup>, *Michael White's Bank Insurance and Investment Fee Income Report*<sup>™</sup> (*Bank-FIR*<sup>™</sup>), and its companion report on bank holding companies (the *BHC-FIR*<sup>™</sup>).

The *MWA Fee Income Ratings Report* compares, ranks and rates a banking institution's performance in insurance, investment, mutual fund and annuity, or fiduciary-related fee income against the performance of other financial institutions in the nation, its asset-peer group, region and state.

*Michael White's Bank Insurance and Investment Fee Income Reports* analyzes the banking industry's performance, ranking the nation's top 100 banks and bank holding companies in insurance, investment, and mutual fund and annuity fee income and the top 50 banks for each of eight asset-size classes and six regions. Leaders in the ratios of insurance and investment fee income to noninterest income are ranked by the top 50 nationally and the top 25 by each asset class.

The *MWA BOLI Capital Concentration Report*<sup>™</sup>, *Fee Income Ratings Report*<sup>™</sup>, and the *Bank-FIR*<sup>™</sup> and *BHC-FIR*<sup>™</sup> may be purchased online at [www.BankInsurance.com](http://www.BankInsurance.com) or by check and mail.

## **About Michael White Associates (MWA)**

Michael White Associates, LLC (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and online at <http://www.bankinsurance.com/>.

## **About the *Interagency Statement on the Purchase and Risk Management of Life Insurance***

To review the December 7, 2004, *Interagency Statement on the Purchase and Risk Management of Life Insurance* issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation and Office of Thrift Supervision, visit <http://www.bankinsurance.com/mwa/publications/boli/Interagency-Statement-on-Purchase-and-Risk-Management-of-Life-Insurance.pdf>.

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### **For additional information contact:**

Hilary Dash

Michael White Associates, LLC  
823 King of Prussia Road  
Radnor, PA 19087

Phone: (610) 254-0440

Fax: (610) 254-5044

Email: [HDash@BankInsurance.com](mailto:HDash@BankInsurance.com)