

THE PEOPLE

BEHIND YOU

Our 125th anniversary year gave us much to celebrate and be thankful for. Most of all, we're thankful for you, our policyholders, and the people who stand behind you — our producers and employees.

Since 1891, our belief in treating every individual or organization with the same respect you'd show your own family has been the engine of our growth. It's led to powerful bonds of trust and loyalty through generations; qualities we treasure in all relationships.

We take the "mutual" in Boston Mutual very seriously. The security of every family we support is a shared responsibility—a team effort including our producers and employees.

“ A key part of our legacy as a mutually owned and operated company is connecting with the communities that have supported the Boston Mutual family.”

WORKING TOGETHER

In 2016, we continued our investment in resources to build a stronger foundation for growth and success. We adapted to changing market and customer needs with increased distribution, new product offerings, streamlined customer service operations, and further promoted our branding initiatives to increase our market presence. We proudly welcomed new employees to help drive these efforts including our new Chief Underwriting and Product Officer—the result of consolidating our underwriting and product development teams to be more collaborative and efficient.

Our Workplace Solutions division continued to evolve with the market. More opportunities were created with new regional sales management, sales team restructuring, our single platform approach to selling and servicing the workplace product line, and the introduction of a new Group Accident product. As a result, sales were up in 2016 and the division is on track for a very strong 2017.

It was also a good year for the General Agencies department, which serves the individual market. With a deeper focus on Boston Mutual's proprietary products, sales were boosted significantly over the previous year.

Technology continued to be a priority in 2016, supported by our ongoing strategy of partnering with Onyx Data Solutions to modernize our technology capabilities and stay ahead of rapidly changing market needs. As a result, we are positioned for accelerated sales and service levels to further enhance the customer experience.

COLLECTIVE SUCCESS

It was a good year financially as we continued on a positive growth path. We proudly stood behind the families we support, paying out over \$115 million in policy benefits. It was our 13th consecutive year of strong earnings, and we can once again report a very strong balance sheet with high quality assets, low risk liabilities, and very good surplus growth. Our sound risk management and investment strategies continue to support our success.

Life Insurance Company of Boston & New York, our New York subsidiary, also had a good year. Sales were well above the previous year; it was another year of solid earnings, and our balance sheet and surplus remain strong.

THE PEOPLE BEHIND US. THE OPPORTUNITIES AHEAD.

2016 was a very meaningful year for us in ways that transcended financial results. It was a year to reflect on the legacy of those who have been part of Boston Mutual over the past 125 years. It was a year to celebrate our history while appreciating all those who are creating the future of Boston Mutual today.

We are very appreciative that so many employees participated in our charitable initiatives over the past year to give back to those communities that have always stood behind us.

“ Now we turn our attention to 2017 and beyond. With the trust, the commitment, and the expertise of the people behind us, we're confident we will continue growing, adapting, innovating, and prospering for our policyholders, producers, and employees.”

To our producers and employees, I am deeply grateful for all your hard work and inspired by your dedication and teamwork. And to our policyholders, I am excited by the prospects ahead.

Sincerely,



Paul A. Quaranto, Jr., MBA, LLIF

Chairman, Chief Executive Officer and President