

WHY OUTSOURCE

BOLI REPORTING & COMPLIANCE

CAVEAT EMPTOR

OCC 2004-56: "An institution should be aware that the vendor's financial benefit from the sale of insurance may provide the vendor with an incentive to emphasize the benefits of a BOLI purchase to the institution without a commensurate explanation of the associated risks. Therefore, reliance solely upon pre-packaged, vendor-supplied compliance information does not demonstrate prudence with respect to the purchase of insurance. An institution should not delegate its selection of product design features to its vendors. An institution that is unable to demonstrate a thorough understanding of BOLI products it has purchased and the associated risks may be subject to supervisory action."

OCC 2004-56: "A sound pre-purchase analysis, meaningful ongoing monitoring program, reliable accounting process and accurate assessment of risk-based capital requirements are all components of the type of risk management process the agencies expect institutions to employ."

INDEPENDENTLY OWNED AND OPERATED

The Pangburn Group (Pangburn) is a privately owned, fee-for-service provider and does not participate, directly or indirectly, in the sale of life insurance products, annuities, mutual funds, or other financial products.

PROVEN TRACK RECORD

Pangburn services more than 25% of all banks in the U.S. currently holding BOLI.

STABILITY

Pangburn is under 2nd generation management and has comprehensive business continuation and disaster recovery plans.

AUDITED CONTROLS

Pangburn successfully completes an annual SSAE 18 (SOC 1) Type 2 audit.

PROPRIETARY SOFTWARE

Pangburn system software is developed in-house and is owned 100% by Pangburn, making us independent from all commercial providers:

- Single platform for all recordkeeping systems
- Automated carrier, mutual fund, and contribution data feeds
- Commitment to ongoing investment in technical infrastructure

RELATIONS WITH REGULATORS

Pangburn meets with federal regulators on a regular basis to stay abreast of regulatory developments and to provide input where applicable.

NO CONFLICTS OF INTEREST

Pangburn complements, rather than competes with, the services provided by insurance carriers and/or financial product vendors.

ADVANTAGES OF UNBUNDLED SERVICES

- Provides 'best-in-class' services
- Concentration results in increased market knowledge and capability
- Offers clients diversified business risk versus single provider models
- Deeper domain expertise results in higher quality service
- Complete fee transparency
- Rapid response to the market and regulatory compliance needs
- Flexibility to develop services tailored to a particular client

COMPETITIVE FEES

Pangburn has a long history of reasonable and stable fees.

