

# Administration Services

*“When making a decision about vendors, an institution should consider its own knowledge of insurance risks, the vendor’s qualifications, and the amount of resources the institution is willing to spend to administer and service the BOLI. Depending on the role of the vendor, the vendor’s services can be extensive and may be critical to successful implementation and operation of a BOLI plan, particularly for the more complex separate account products.”*

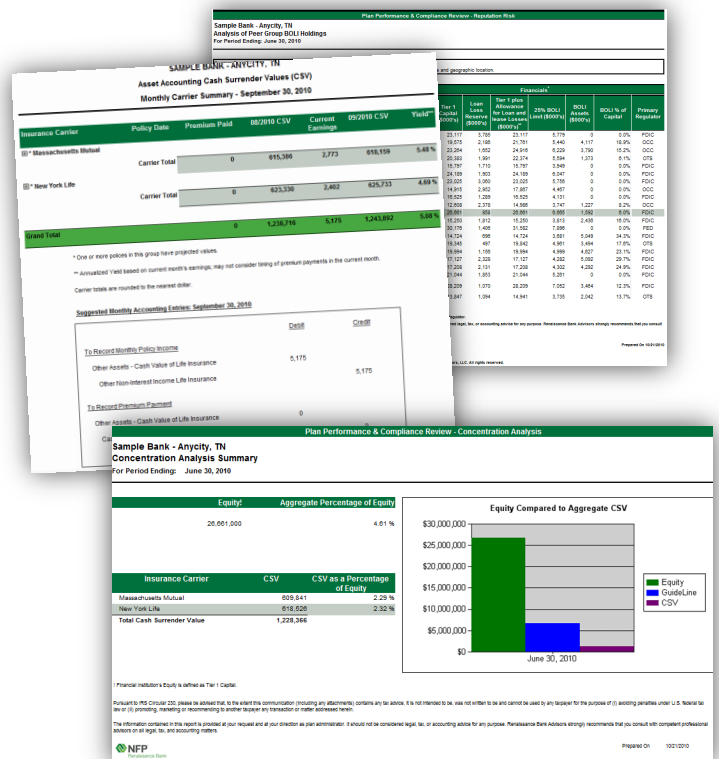
Renaissance Bank Advisors (RBA) is an independent distributor and administrator of Bank Owned Life Insurance (BOLI). Currently, we administer in excess of 40,000 BOLI policies for 600 plus banks in 48 states. Those banks range in size from a Top 5 bank to numerous regional and smaller community banks. There are 47 professional employees dedicated to this business unit. In addition, we are pleased to report that we have implemented some of the tightest information security controls available in the industry including ISO 27002 and the renewal of our SAS 70 Type II certification.

- Our principals and senior consultants have been working with insurance companies and financial products for over 20 years.
- We are one of the national BOLI vendors in a limited distribution channel with access to major insurance companies’ policies.
- Insurance companies continue to annually appoint Renaissance Bank Advisors to place their products. These appointments are due to our experience and ability to provide administrative services and regulatory support for these programs on an ongoing basis.

## Client Plan Administration Delivery System (CPADS)

CPADS offers bankers a platform for resolving today’s key BOLI and benefit plan administration issues through timely and accurate delivery of information. CPADS’ web-based reports include important data needed for Bank reporting, as well as the data needed to accommodate state and federal regulatory requirements. It offers 24/7 access on demand and you receive **actual** values provided directly from the carrier within 3 to 5 business days of every month.

CPADS automates the gathering, manipulation and distribution of all key benefit and policy data to resolve the bank’s most challenging administrative issue: getting timely and accurate plan information. It is a robust package which includes: asset accounting, benefit liability accounting, compliance updates, participation statements, and other tax and accounting support.



**Plan Performance & Compliance Review - Reputation Risk**  
Sample Bank - Anycity, TN  
Analysis of Peer Group BOLI Holdings  
For Period Ending: June 30, 2010

**Asset Accounting Cash Surrender Values (CSV)**  
Monthly Carrier Summary - September 30, 2010

Insurance Carrier	Policy Date	Premium Paid	05/2010 CSV	Current Earnings	05/2010 CSV	Yield*
01 - Massachusetts Mutual			0	615,386	616,159	5.48%
Carrier Total			0	615,386	616,159	5.48%
02 - New York Life			0	625,330	625,733	4.69%
Carrier Total			0	625,330	625,733	4.69%
<b>Total Total</b>				<b>1,240,716</b>	<b>1,241,892</b>	<b>5.04%</b>

**Plan Performance & Compliance Review - Concentration Analysis**  
Sample Bank - Anycity, TN  
Concentration Analysis Summary  
For Period Ending: June 30, 2010

Equity	Aggregate Percentage of Equity
20,001,000	4.61%

**Equity Compared to Aggregate CSV**

Insurance Carrier	CSV	CSV as a Percentage of Equity
Massachusetts Mutual	616,159	2.29%
New York Life	625,733	2.92%
<b>Total Cash Surrender Value</b>	<b>1,241,892</b>	

**Equity Compared to Aggregate CSV** (Bar Chart): Shows Equity (green), CashLine (blue), and CSV (purple) for June 30, 2010. Equity is approximately \$20M, CashLine is approximately \$10M, and CSV is approximately \$1.2M.

## Pre-Purchase (Implementation Services)

- Educate the company's decision makers on all aspects pertaining to a BOLI transaction
- Review, advise and negotiate on the company's behalf with carrier(s) to obtain a satisfactory contract
- Review/process census of proposed insured employees to determine appropriate eligibility, appropriate level of net amount of insurance coverage on each insured, final and appropriate funding levels
- Suggest or refer to appropriate legal counsel for insurable interest review
- Finalize census and submit to carrier to obtain guaranteed issue parameters if applicable
- Prepare enrollment materials and forms and conduct enrollment meetings, if needed
- Finalize the financial aspects of the plan once the underwriting process is completed
- Review all of the procedures necessary to administer the plan
- Calculate the projected impact on company earnings associated with the BOLI
- Prepare initial premium invoices and wiring instructions for transaction with Carrier

## Pre-Purchase (Compliance and Plan Services)

- Provide, in draft form, either Endorsement Split Dollar or Death Benefit Only plan documents for employee benefit associated with BOLI program for review by your outside counsel (if applicable)
- Prepare communication documents for employee benefit program
- Prepare and assist in delivery of notification to the Department of Labor if required for employee benefit plan

### Post Purchase

- Monthly Asset Accounting by policy, Carrier, and Issue Date
- End of Year Accounting with projections for the following year
- Quarterly Compliance Manual Updates
- Insurance Company Financial and Rating Information
- Separate Account and Risk Weight Reporting
- Monthly Retirement Benefit Accounting
- Split Dollar Benefit Accounting
- Participant Statements
- Tax Reporting
- All information needed for annual board report
- Periodic BOLI Portfolio Assessment <sup>SM</sup>

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*Securities and Investment Advisory Services offered through NFP Securities, Inc., a Broker/Dealer, Member FINRA/SIPC and Federally Registered Investment Advisor.*

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