

The case for investing in life insurance

BANKING ON LIFE INSURANCE

The following table represents banks' most recent Tier 1 capital holdings of life insurance/cash surrender value (CSV) as of March 31, 2008, and 2009 (as a percentage of banks' total Tier 1 capital). The far right column represents the total amount each bank has invested in its premises, fixed assets, and other real estate. Many banks have more invested in life insurance than they do in all of their hard assets combined. The life insurance proceeds (death benefit) to the bank at the employee's death are about five times the cash surrender value.

Bank	Total Tier 1 Capital 3/31/2009 \$\$/Billions	Holdings Life Ins/CSV 3/31/2008 \$\$/Billions	Holdings Life Ins/CSV 3/31/2009 \$\$/Billions	Life Ins. as a % of Bank Tier 1	Bank premises fixed assets & real estate \$\$/Billions % of Tier 1
Bank of America	\$137.20	\$16.74	\$18.00	13.12	\$13.79 (10.05%)
JPMorgan	\$112.44	\$7.53	\$11.07	9.85	\$9.99 (8.88%)
Wells Fargo	\$81.03	\$5.53	\$18.17	22.42	\$11.00 (13.58%)
U.S. Bancorp	\$15.63	\$4.66	\$4.83	30.90	\$2.80 (17.91%)
BNY Mellon	\$13.33	\$2.66	\$2.72	20.40	\$1.47 (11.03%)
KeyBank	\$7.81	\$2.70	\$2.79	35.70	\$2.88 (36.88%)

CHART SOURCE: FDIC