

A Message from the President

Dear Chapter Leaders,

Al Lorge and I had the pleasure of participating in the fraternal training session on Saturday, March 16 in Wausau, Wis., and sharing our 2012 financial results with the group. The Wausau session was well attended and Joe Gadbois and Sally Krochalk did a wonderful job with the training.

Sally shared a note she received after the meeting in which **Karen Janz of Wisconsin Rapids, stated, "The workshop was the best I've been to."** I hope that all of you who have attended one of the many training sessions also found them worthwhile!

Our Society is strong and rebounding well after the most challenging financial crisis our country has faced in many generations.

As one of our fraternal leaders you are receiving this special newsletter giving financial highlights from 2012 which will also be included as usual in the summer issue of our Member Magazine:

- In 2012 our Net Operating Gain was \$7.6 million and we added \$2.9 million to surplus.
- Our total assets are a record nearly \$1.3 billion.
- As planned and in line with industry trends, our annuity sales declined in 2012.
- Catholic Financial Life has no debt!

As you know, the insurance industry is highly regulated and we file an annual report with the Wisconsin Office of the Insurance Commissioner. You may recall that at our Triennial Convention the Commissioner shared positive remarks about our Society and our state exams have been positive. Further, Ernst and Young, one of the four largest public accounting firms continues to provide an independent audit of our financial statements.

Our Society is ready to meet challenges.

Like many fraternal societies we are not without challenges. At a recent meeting of fraternal societies it was pointed out that all of us need to grow our membership. The graph on the next page shows that while we have been rebounding in adding new financial members, we need to do more. Al Lorge and I commented about this during our presentation at the convention.

One way we can grow is to encourage family and friends to join the Society. Through Our **Member-to-Member** Campaign we provide incentives to you to recommend others to become new financial members. We need each and every existing household to make a concerted effort to have all members of their families join our Society. Our goal of creating more and more 100% member households can become a reality. You will be hearing much more in the coming weeks and months about our efforts to add more financial members. **This issue will be one of our main discussion topics at our regional gatherings next year.**



Phil Hein from Stratford, Wis., with Bill O'Toole.

Key Metrics		
	2011	2012
Net Operating Gain (excluding one-time items)	\$7.3m	\$7.6m
Increase in Surplus	\$1.8m	\$2.9m
Persistency Ratio	96%	96%
Percent of Revenue Returned to Members	80%	81%
Annual Pay Life Sales	\$1.75m	\$1.77m
Single Pay Life Sales	\$4.0m	\$6.8m
Annuity Deposits	\$60m	\$45m
New Members	2,647	2,625

Regional Gatherings are a great opportunity for us to hear from you.

Frank, open and transparent discussions are a hallmark of our regional gatherings. They are an excellent way for you to provide management and the Board of Directors with valuable feedback on important issues affecting our Society. Over the next few months the Fraternal Leaders Advisory Group (FLAG), in concert with management will develop topics for the 2014 regional gatherings of interest to you and all our fraternal leaders.

Independent reviews provide transparency.

As you know, management is very committed to independent assessments of our Society and the Board has received these business reviews from Milliman in both 2011 and 2012. The purpose of all these reviews is to make certain that the Board and your management team are doing their very best to keep our Society strong and fulfilling our mission.

We have many options when it comes to independent reviews and/or rating agencies. I have always been an advocate for an independent rating. In fact, in 2003 then Catholic Knights President Steininger dropped the AM Best rating. As a board member I voted against doing so at that time. After becoming President of Catholic Knights in 2007, I worked to bring back an AM Best rating which we accomplished in late 2008.

The 2010 merger agreement, approved by 95 percent of delegates, included a provision requiring the Board to have an independent evaluation of the Society by a qualified insurance industry expert such as Milliman or AM Best. The Board selected Milliman, one of the largest actuarial firms in the country, to conduct a business review to be given directly to the Board of Directors.

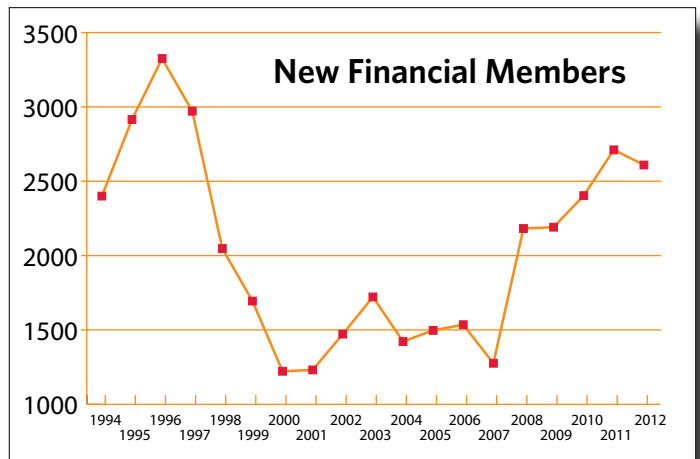
At our 2014 regional meetings we will hold discussions with you on what type of independent review is most meaningful for our Society. While recent history has taught us to be careful about assigning too much importance to public ratings, I remain open to learning from you any thoughts and ideas you may have on this topic.

I look forward to the next meeting of the Fraternal Leaders Advisory Group and our discussion on these and other important issues for our Society.

To you and yours, a Blessed Easter Season.



P.S. If I can be of service to you, please feel free to e-mail or call me.
bill.otoole@catholicfinanciallife.org • 800-927-2547



Our nation still suffers from the aftermath of our financial crisis and Great Recession.

Many family members, friends, and neighbors remain unemployed. Please join me in keeping them in our prayers.

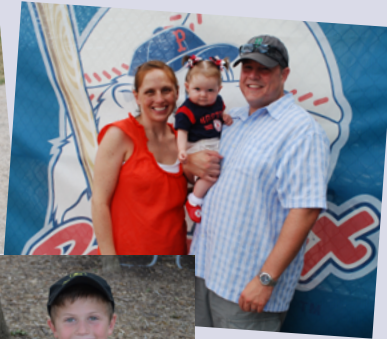
Scenes from Fraternal Workshops 2013

In an effort to provide hands-on training on the new fraternal data system and the activity-based funding program, on-site fraternal workshops were held for chapters in Arkansas, Iowa, Illinois, Minnesota, Missouri, Wisconsin, and the six New England states. In addition, an electronic webinar was presented to those who could not attend in person. A total of 21 workshops were sponsored by the Society. Here are samples of some of the action.



Great Member Events For You and Your Family!

May 3	Milwaukee Brewers Baseball Game
June 29	Wisconsin Timber Rattlers Baseball Game
July 14	Madison Mallards Baseball Game
July 19-21	Catholic Financial Life Family Camp Out
July 20	Portland Seadogs Baseball Game
July 29	New England Regional Golf Tournament
July 31	Day at the Milwaukee County Zoo



August 8	Bay Beach Amusement Park
August 11	Wisconsin State Fair
August 18	Paw Sox Baseball Game
September 8	New England Pilgrimage
September 30	Catholic Financial Life Foundation Golf Outing

Contact the Fraternal Staff:

John Borgen (ext. 6608)
john.borgen@catholicfinanciallife.org

Joe Gadbois (ext. 6601)
joe.gadbois@catholicfinanciallife.org

Sally Krochalk (ext. 6604)
sally.krochalk@catholicfinanciallife.org

Penny Boehm (ext. 6005)
penny.boehm@catholicfinanciallife.org

Corinne Kozeniecki (ext. 6571)
corinne.kozeniecki@catholicfinanciallife.org

New England Fraternal Office

Louise Boulanger (401-235-1340)
louise.boulanger@catholicfinanciallife.org

Christina O'Hare (401-235-1334)
christina.ohare@catholicfinanciallife.org



**Catholic
Financial Life®**

1100 West Wells Street
Milwaukee, WI 53233
(800) 927-2547 | (414) 273-6266

catholicfinanciallife.org