



Real People.
Real Communities.
REAL IMPACT.



2021 Financial and Fraternal Report
Informe Financiero Y Fraternal 2021



DEGREE of HONOR
A division of Catholic Financial Life



Message from our President and CEO



President and CEO, John Borgen

Dear Fellow Members,

I am pleased to present you with the 2021 Financial and Fraternal Report. The excellent financial results combined with significant charitable impact are evidence of our nature as your trusted, faith-based, values-driven, financial security partner.

Disciplined, conservative financial management continues to serve us well. Net Gain from Operations of \$10.3 million propelled us to a record \$124 million of Surplus and \$138 million of Total Adjusted Capital. This ensures we can weather any financial storm and fulfill our promises to you, our member-owners.

In 2021, the Wisconsin Office of the Commissioner of Insurance completed their comprehensive five-year exam. It was the cleanest exam in modern history. In addition, our rating agency, KBRA, affirmed our A- financial strength rating and increased their outlook for the Society from neutral to positive.

For the 154th year in a row, we were there for your families when you need us most, paying \$59.2 million in death benefits and returning \$27.9 million to you in the form of interest and dividends.

In addition, we fulfilled our charitable mission by donating nearly \$2 million to your parishes, schools and local community causes. And, through the volunteer efforts of your local chapters and impact teams throughout the country, more than 58,000 hours of service were donated in the name of Catholic Financial Life.

Thank you for your membership in Degree of Honor. Our success is your success. Our strength is your strength. Our charitable impact is made by you and through you. Thank you for being part of something greater – real people, in real communities, making a real impact.

God Bless,

John T. Borgen
President and CEO

The production and distribution of this annual report was delayed due to unforeseen circumstances. We apologize for the inconvenience.



Mensaje de nuestro Presidente y Director Ejecutivo

Estimados Miembros,

Me complace presentarles el Informe Financiero y Fraternal del 2021. Los excelentes resultados financieros combinados con un impacto caritativo significativo son evidencia de nuestra naturaleza como tu socio de seguridad financiera confiable, basado en la fe, e impulsado por valores.

El manejo financiero disciplinado y conservador continúa sirviéndonos bien. La ganancia neta de las operaciones de \$10.3 millones nos impulsó a un récord de \$124 millones de superávit y un total de \$138 millones de capital ajustado. Esto garantiza que podamos superar cualquier tormenta financiera y cumplir nuestras promesas a ustedes, nuestros miembros propietarios.

En 2021, la Oficina del Comisionado de Seguros de Wisconsin completó su examen integral de cinco años. Fue el examen más limpio de la historia moderna. Además, nuestra agencia calificadora, KBRA, afirmó nuestra calificación de solidez financiera A- y aumentó su perspectiva para la Sociedad de neutral a positiva.

Por 154.º año consecutivo, estuvimos ahí para sus familias cuando más nos necesitaron, pagando \$59.2 millones en beneficios por fallecimiento y devolviéndoles \$27.9 millones en intereses y dividendos.

Además, cumplimos nuestra misión caritativa al donar casi \$2 millones a sus parroquias, escuelas y causas comunitarias locales. Y, a través de los esfuerzos voluntarios de sus capítulos locales y equipos de impacto en todo el país, se donaron más de 58,000 horas de servicio en nombre de Catholic Financial Life.

Gracias por tu membresía en Degree of Honor. Nuestro éxito es tu éxito. Nuestra fuerza es tu fuerza. Nuestro impacto caritativo esta hecho por ti y a través de ti. Gracias por ser parte de algo más grande: personas reales, en comunidades reales, haciendo un impacto real.

Dios te bendiga,

John T. Borgen
Presidente y Director Ejecutivo

La producción y distribución de este informe anual se retrasó debido a circunstancias imprevistas. Pedimos disculpas por las molestias.



MEASURES OF FINANCIAL STRENGTH

(In thousands)	2020	2021
Surplus Superváit	\$114,128	\$123,986
Total Adjusted Capital (TAC) Capital total ajustado	\$125,438	\$138,236
Net Gain from Operations Ganancia neta de operaciones	\$9,325	\$10,295
Risk Based Capital (RBC) Ratio* Índice de capital basado en riesgo	1099%	1081%

*2021 reflects NAIC bond classification rating adjustment that affected all insurers.

2021 Financial Report

By every measure, despite challenging global and economic conditions, Catholic Financial Life continues to make good on our promises to you and your loved ones. Our commitment to a fiscally conservative approach ensures we remain a financially strong and trusted partner for generations to come. The financial statements and indicators below highlight those strengths.

- Kroll Bond Rating Agency (KBRA) affirmed the organization's A- financial strength rating and upgraded us to a positive outlook.
- More than 88 percent of the Society's assets are invested in high-quality, investment grade bonds professionally managed by Wellington.
- Surplus increased by nearly nine percent to a record \$124 million.

Informe Financiero 2021

En todos los aspectos, a pesar de las desafiantes condiciones económicas y globales, Catholic Financial Life continúa cumpliendo nuestras promesas a ti y a tus seres queridos. Nuestro compromiso a una estrategia fiscalmente conservadora garantiza que sigamos siendo un socio confiable y financieramente sólido para las futuras generaciones. Los estados financieros e indicadores a continuación destacan esas fortalezas.

- Kroll Bond Rating Agency (KBRA) afirmó la calificación de solidez financiera A- de la organización y la actualizó a una perspectiva positiva.
- Más del 88 por ciento de los activos de la Sociedad están invertidos en bonos de grado de inversión de alta calidad gestionado profesionalmente por Wellington.
- El superávit aumentó por casi un nueve por ciento a un récord de \$124 millones.

Financial strength ensures we will fulfill our promise – to be there for you when you need us most. Protecting your financial future and providing benefits to your families is central to our purpose. Behind these financial results are real people whose lives are protected, impacted and enhanced because of membership in Catholic Financial Life.

Lives Protected

Lives insured: 3,233

Death benefit issued: \$275 million

Lives Impacted

Life insurance death benefit paid: \$40.58 million

Annuity death benefit paid: \$18.62 million

Lives Enhanced

Interest paid to members: \$26.34 million

Dividends paid to members: \$1.66 million

La solidez financiera garantiza que cumpliremos nuestra promesa – estar a tu disposición cuando más nos necesites. Proteger tu futuro financiero y brindar beneficios a tu familia es fundamental para nuestro propósito. Detrás de estos resultados financieros hay personas reales cuyas vidas están protegidas, impactadas y mejoradas debido a la membresía en Catholic Financial Life.

Vidas Protegidas

Vidas aseguradas: 3,233

Beneficio por fallecimiento emitido: \$275 millones

Vidas Impactadas

Beneficio por fallecimiento del seguro de vida pagado: \$40.58 millones

Beneficio anual por fallecimiento pagado: \$18.62 millones

Vidas Mejoradas

Intereses pagados a los miembros: \$26,34 millones

Dividendos pagados a los miembros: \$1,66 millones

Statement of Financial Position

As of December 31, 2021

Estado de posición financiera

Al 31 de diciembre

	(In thousands)
ASSETS	
Bonds	\$ 1,562,543
Mortgage Loans	33,186
Policy Loans	24,677
Preferred Stocks	-
Common Stocks	20,063
Other Long-Term Investments	17,278
Cash and Short-Term Investments	13,225
Total Cash and Investments	\$ 1,670,972
Home Office, at Cost Net of Depreciation	\$ 5,228
Investment Income Due and Accrued	17,383
Other Assets	3,192
Total Assets	\$ 1,696,775
LIABILITIES	
Policy Reserves	\$ 1,460,337
Interest Maintenance Reserve	8,579
Premiums Received in Advance and on Deposit	12,565
Funds on Deposit	68,233
Other Liabilities	8,825
Total Liabilities and Reserves	\$ 1,558,539
Surplus	\$ 123,986
Asset Valuation and Other Reserves	14,250
Total Adjusted Capital (TAC)	\$ 138,236
Total Liabilities and Surplus	\$ 1,696,775

Statement of Operations

As of December 31, 2021

Estado de operaciones

Al 31 de diciembre

	(In thousands)
REVENUES	
Life Insurance Premiums	\$ 36,286
Annuity Deposits	23,393
Other Premiums and Deposits	1,676
Total Premiums Earned	\$ 61,355
Investment Revenue	72,026
Other Revenues	1,538
Total Revenues	\$ 134,919
BENEFITS AND EXPENSES	
Insurance and Surrenders Paid	\$104,979
Additions of Reserves	(28,097)
Field Sales Support Costs	4,748
Fraternal Benefits and Expenses	2,485
Operating Expenses	12,640
Total Benefits and Expenses	\$ 96,755
Gain from Operations before Dividends and Interest	\$ 38,164
Dividends and Interest	27,869
Net Gain from Operations	10,295
Net Realized Capital Gains	891
Net Income	\$ 11,186



2021 Fraternal Report

“Serving God through serving others” is something we have been doing for more than 150 years! How many financial services organizations can say that? How many can back that up with millions of dollars raised and donated, and hundreds of thousands of hours volunteered by its members?

As a member, you make all of this possible. Thank you for the continued positive impact you make in your communities and your dedication to our mission.

Informe Fraternal 2021

“Servir a Dios por medio del servicio a otros”, algo que hemos hecho por más de 150 años! ¿Cuántas organizaciones de servicios financieros pueden decir lo mismo? ¿Cuántas pueden respaldarlo con millones de dólares recaudados y donados, y con cientos de miles de horas de trabajo voluntario aportado por sus miembros?

Como miembro, usted hace que todo esto sea posible. Gracias por el impacto positivo continuo que tienen en sus comunidades y su dedicación a nuestra misión.



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Nearly **\$60,500** was raised and matched in support of the Special Needs Chapter Program. This brings the program total to more than **\$194,000** in its first three years!

Catholic Financial Life raised, matched or donated nearly **\$90,000** and volunteered close to **10,000 hours in 2021** to serve the needs of the poor, in partnership with the Society of St. Vincent de Paul. This brings the total dollars raised, matched or donated in support of our common cause to more than **\$1.73 million** since 2008!

*Recaudamos y duplicamos casi **\$60,500** para apoyar al Programa de Necesidades Especiales en las Cuadrillas. Con esto, el programa llega a más de **\$194,000** en sus primeros tres años.*

*Catholic Financial Life recaudó, duplicó o donó casi **\$90,000** y brindó cerca de **10,000 horas de trabajo voluntario en el 2021** para satisfacer las necesidades de los pobres, en colaboración con la Sociedad de San Vicente de Paul. ¡Esto lleva al total de **\$1.73 millones** dólares recaudados, igualados o donados, en apoyo de nuestra causa común desde el inicio!*



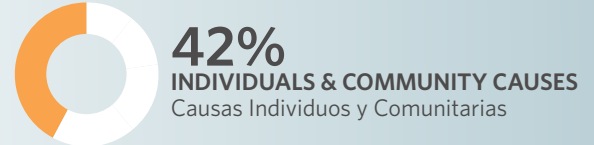
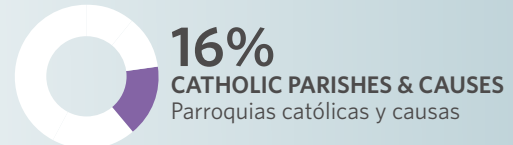
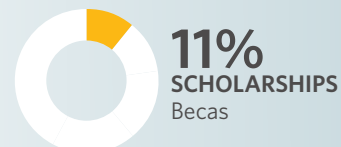
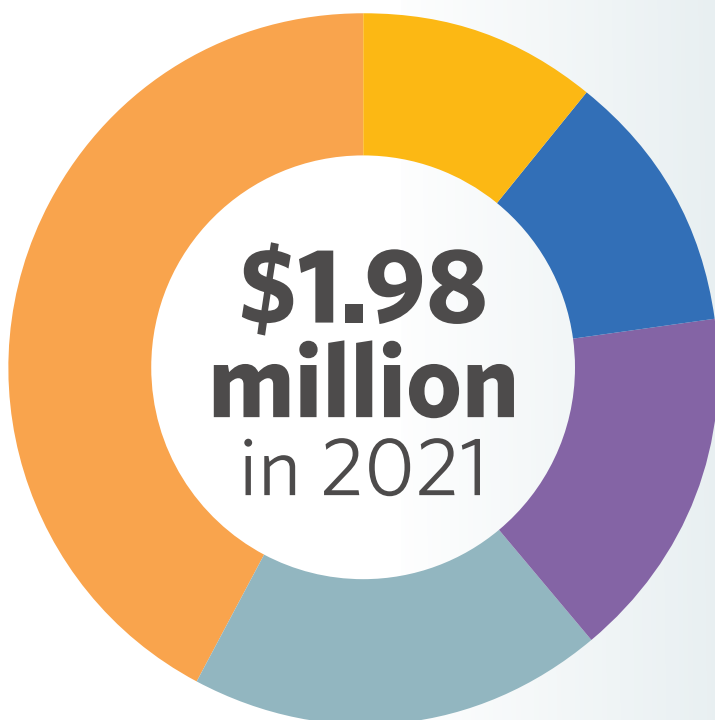
DISTRIBUTED MORE THAN
\$430,500
IN MEMBER BENEFITS

AWARDED MORE THAN \$223,500
IN GRADE SCHOOL, HIGH SCHOOL AND COLLEGE SCHOLARSHIPS

DONATED MORE THAN 58,200
VOLUNTEER HOURS THAT HAD AN ECONOMIC VALUE OF NEARLY \$1.7 MILLION

Our Commitment to Communities

Nuestro compromiso con las comunidades





DEGREE *of* HONOR

A division of Catholic Financial Life

1100 West Wells Street
Milwaukee, WI 53233



Refer A Friend, Get A Reward!

As a member, you made the right choice choosing a financially strong organization to protect your financial future. Now you can help your family and friends experience the same peace of mind. Introduce us to your family and friends through our Referral Program and for your efforts, we will send you a token of our appreciation.¹ It's that simple!

You will have the option to choose between a \$25 voucher to be used toward an upcoming Catholic Financial Life member event or a \$20 Visa e-gift card. In addition, you will be entered into a quarterly drawing for a \$100 e-gift card the month your referral(s) are submitted.

¹ Only current Catholic Financial Life members are eligible. Awards vary by state.

Visit cfl.org/referral to submit your referrals today!