



PROMISES

2022 FINANCIAL AND FRATERNAL IMPACT REPORT



DEGREE of HONOR

A division of Catholic Financial Life



PRESIDENT'S MESSAGE

Dear Member,

As children, we knew things were serious when they ended with a pinky swear—the ultimate act of our commitment to keep a promise.

When we got older, we learned that a handshake could serve as a sign of our commitment.

Older still, and our word became our bond.

Many of our most celebrated rituals—in civil society and religion—involve swearing to keep a promise.

- The President of the United States of America solemnly swears to preserve, protect and defend the Constitution.
- Witnesses pledge to tell the truth before testifying.
- Engaged couples make a special covenant during the sacrament of matrimony.

We promise to be there for our members and their families when needed most. Our promise goes beyond the insurance contract. It includes a commitment to serve God through serving others and enhance quality of life. That is our mission; that is our purpose; that is our promise!

This annual report highlights the promises we made and fulfilled in 2022—a year in which we grew stronger, protected more lives, and impacted the lives of many. By nearly every metric, 2022 was an exceptional year.

Thank you for your membership in Degree of Honor, a division of Catholic Financial Life. Thank you for being part of something greater. Our success is your success, and we promise to do our best, every day, in every way, to serve you.

God Bless,

John T. Borgen
President and CEO
(414) 278-6608
John.Borgen@CatholicFinancialLife.org

//

We promise to be there for our members and their families when needed most."



OUR PROMISE

TO SERVE GOD THROUGH SERVING OTHERS

Service is at the heart of our mission. In fact, caring for our brothers and sisters is how we live Christ's commandment to love one another. We do this through our volunteers in local communities, through Home Office sponsored events and through all of you. Your membership in Degree of Honor, a division of Catholic Financial Life, makes a multi-million dollar impact.

Giving impact

- Chapters and lodges raised nearly \$684,000 with more than \$1.7 million matched and donated
- Nearly \$1 million provided to our three charitable priorities: education, serving the poor, and helping people with special needs and their caregivers
- \$384,000 distributed in member benefits

Volunteer impact

Behind the giving impact are thousands of volunteers who do good works in our name. Through a network of 165 chapters and lodges in 22 states, or by organizing a volunteer Impact Team to support a cause you are passionate about, you are the hands and feet of Christ to one another.

- 72,896 hours volunteered with an economic value of \$2.1 million
- 1,650 local chapter and lodge events with more than 142,000 attendees
- 17 regional events with 5,650 participants



Serving others and giving generously to support parishes, schools and humanitarian-focused civic organizations is central to our identity."

—Bobby Chappo
Regional Sales Director



OUR PROMISE TO PROVIDE FINANCIAL SECURITY

For over 155 years, we have been helping to secure families' financial futures. We view our promise to be there for your loved ones as a sacred trust—and we take that responsibility seriously.

In 2022, we finished the year in the strongest position in our history. Disciplined expense management and high-quality, conservatively invested assets has led to record total adjusted capital. In short, we are positioned to weather any financial storm. Plus, our rating agency, KBRA, affirmed our A- financial strength rating with a positive outlook for the organization. Why is this so important? Because we made a promise to provide financial security to our members.

//
I am proud to serve as a Catholic Financial Life Advisor. Thank you for choosing to do business with us."

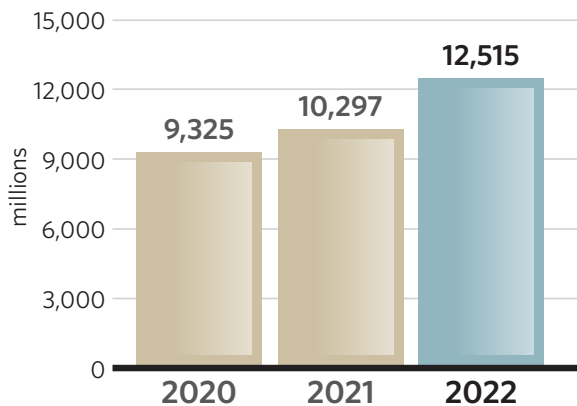
—Kristin O'Connell
Advisor

Financial impact

- \$5.5 billion of life insurance in force
- \$1.7 billion in assets
- \$12.5 million net gain from operations

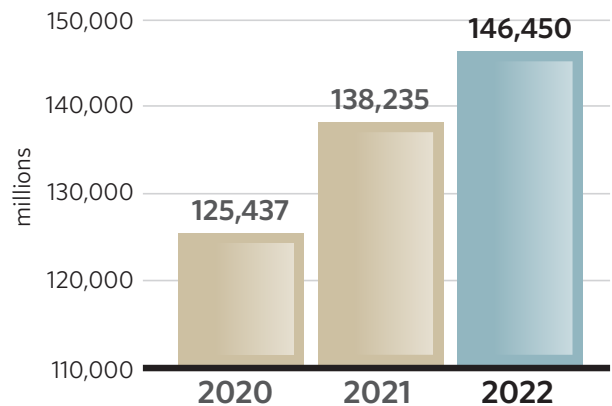
Net Gain from Operations

(000s omitted)



Total Adjusted Capital

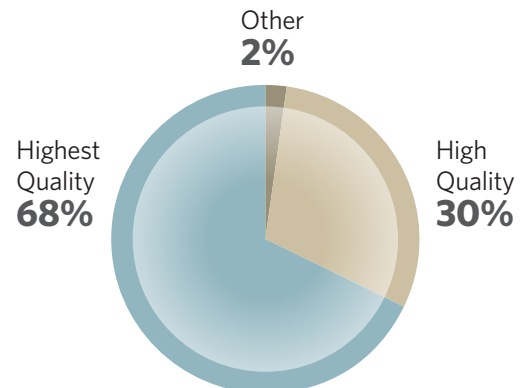
(000s omitted)



Bond Portfolio Composition

as of 12/31/2022

91% of our portfolio is held in long-term, fixed income securities. 98% of that is invested in high-quality bonds carrying the top two ratings from the National Association of Insurance Commissioners.



2022 FINANCIAL STATEMENTS

Statement of Financial Position (000s omitted)

For the Year Ended December 31, 2022

Assets

Bonds	\$ 1,534,910
Preferred & Common Stock	26,919
Short-Term Investments and Cash	18,863
Real Estate Mortgages & Home Office Building	48,328
Policy Loans	23,549
Other Assets	35,585
Total Assets	\$1,688,154

Liabilities

Policy Reserves	\$1,446,972
Interest Maintenance Reserve	6,612
Liability for Deposit-Type Contracts & Dividends Payable	66,480
Other Liabilities	21,640
Total Liabilities	\$1,541,704

Surplus	\$ 133,772
Asset Valuation & Other Reserves	12,678
Total Adjusted Capital	\$ 146,450

Total Liabilities and Adjusted Capital	\$1,688,154
---	--------------------

Statement of Operations (000s omitted)

For the Year Ended December 31, 2022

Revenues

Premium	\$ 56,585
Investment	70,867
Other	1,645
Total Revenues	\$129,097

Benefits and Expenses

Insurance Costs	\$ 69,305
Direct Sales Costs	4,784
Fraternal Benefits and Expenses	2,290
Operating Expenses	13,654
Total Benefits and Expenses	\$ 90,033

Gain from Operations before Dividends and Interest	\$ 39,064
Dividends and Interest	26,549
Net Gain from Operations	\$ 12,515

Net Realized Capital Losses	(3,597)
Net Income	\$ 8,918



//
Our members are
much more than
customers or clients;
they're family."

—Toni Reyes
Senior Member
Services Representative

OUR PROMISE

TO ENHANCE MEMBERS' LIVES

Lives are made better by what we do. Life insurance protects the financial future of your family in case of an unexpected death. Retirement annuities help ensure you won't outlive your money. Our products provide you with the peace of mind that comes from doing business with a trusted partner. You know that the answer to one of life's most fundamental questions, "Will my family be OK if ..." is an emphatic, "Yes!"

Member impact

Lives protected

2,827 new lives insured and \$220 million of death benefit issued

Lives enhanced

\$25 million of interest and \$1.5 million of dividends paid to members

Lives impacted

\$38.3 million of life insurance death benefit paid and \$22 million of annuity death benefit paid to members' families

2022 YEAR IN REVIEW

155 YEARS AS A FRATERNAL BENEFIT SOCIETY



LIVES PROTECTED
2,827 new lives insured
\$220 MIL death benefit issued



LIVES ENHANCED
\$25 MIL interest paid to members
\$1.5 MIL dividends paid to members



LIVES IMPACTED
\$38.3 MIL life insurance death benefit paid
\$22 MIL annuity benefit paid



MEMBERSHIP
121,432 members strong

RATING

A- with a positive outlook
 CFL's financial strength rating



\$1.7 billion in assets
 8th largest fraternal benefit society
 Based on net admitted assets as of June 30, 2022



nearly
\$75,000 raised and matched in support of the special needs program



72,896 volunteer hours with an economic value of **\$2.1 million**



\$5.5 billion in force life insurance



1,650 chapter/lodge events with more than **142,000** attendees



\$384,000 member benefits distributed including nearly **\$184,000** in school scholarships



DEGREE of HONOR

A division of Catholic Financial Life

1100 West Wells Street
Milwaukee, WI 53233

Non-Profit Org.
U.S Postage
PAID
Ripon, WI
Permit No. 100

Contact us to learn
more about a
4.25%
increased annuity
interest rate for
new money!



Now more than ever, safety and guarantees are important to financial success.

If you're interested in learning more about taking advantage of this 4.25% interest rate exclusively for new money, please contact our Insurance Solutions team at (800) 965-2547.

We look forward to serving you!

Contact our Insurance Solutions team at (800) 965-2547.



15-0085-07/23 Catholic Financial Life is headquartered in Milwaukee, WI. Products and services are not available in all states. Interest is determined by the receipt date and compounds monthly over the specified term. Rates are subject to change without notice. Benefits may be taxable. The declared interest rate is guaranteed for the first five contract years and is separate from the guaranteed minimum rate of 2.5%. This is available for new Single Premium Deferred Annuities with a minimum \$10,000 deposit. Withdrawals prior to age 59½ may be subject to IRS penalties.