



2017

Annual Report



**NATIONAL
MUTUAL
BENEFIT**

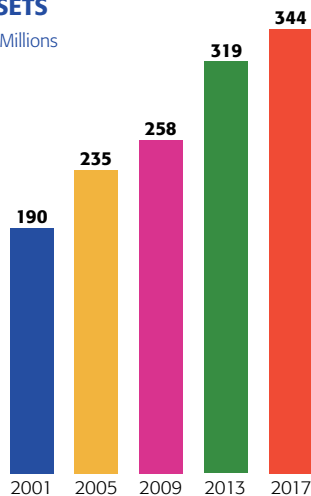
A Fraternal Life Insurance Society

2017 Annual Report

Financial Highlights

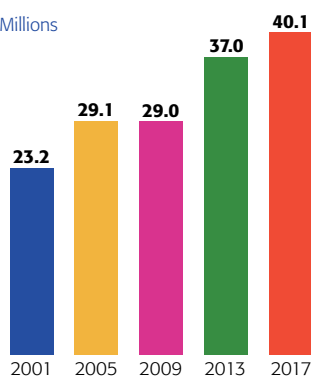
ASSETS

\$ in Millions



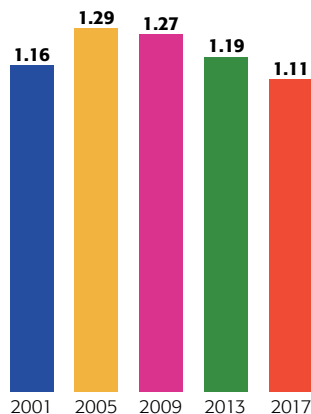
SURPLUS AND SPECIAL RESERVES

\$ in Millions



LIFE INSURANCE IN FORCE

\$ in Billions



Statement of Financial Position

ASSETS

12/31/17

12/31/16

Bonds	\$309,769,131	\$299,180,050
Mortgage loans	4,635,446	9,771,860
Real estate	739,028	719,208
Policy loans	3,724,172	3,816,012
Common stock	12,061,693	11,976,863
Cash and short term investments	5,984,724	5,715,749
Other invested assets	1,679,905	1,661,718
Investment income due and accrued	4,241,835	4,243,668
Data processing equipment	71,485	23,768
Premiums and reinsurance due and accrued	733,993	824,184

Total assets

\$343,641,412

\$337,933,080

LIABILITIES AND SURPLUS

Future benefit reserves	\$280,033,472	\$275,209,576
Policy claim reserves	1,922,930	745,069
Premiums received in advance	16,070	14,453
Deposit contracts	10,802,661	11,588,004
Dividends allocated for following year	442,365	436,261
Other liabilities	9,811,583	8,962,226
Taxes and general expenses due	560,938	569,920
Special reserves	4,688,329	4,576,137
Surplus	35,363,064	35,831,434
Total liabilities and unassigned funds	\$343,641,412	\$337,933,080

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Statement of Operations

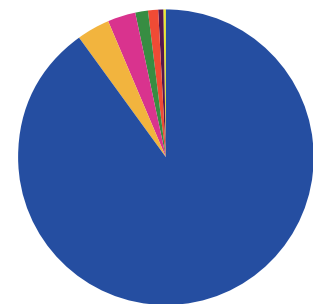
INCOME	2017	2016
Life and health premium	\$10,269,168	\$10,197,157
Annuity premium	8,450,867	9,103,962
Investment income	15,755,582	15,819,415
Miscellaneous income	<u>825,840</u>	<u>433,549</u>
Total income	\$35,301,457	\$35,554,083
MEMBER BENEFITS		
Death benefits	\$ 5,932,385	\$ 5,705,853
Life and annuity benefits	15,963,254	15,073,784
Health and accident benefits	87,179	137,987
Direct fraternal benefits to members	1,126,488	1,054,454
Future benefit reserve increases	4,823,896	5,137,623
OPERATING EXPENSES		
Commissions	\$ 715,225	\$ 715,275
Operating expenses	<u>7,534,727</u>	<u>6,554,394</u>
Total benefits and expenses	\$36,183,154	\$34,379,370
Net gain from operations	(\$881,697)	\$1,174,713
Dividends to members	<u>426,844</u>	<u>430,319</u>
Net gain after dividends	(\$1,308,541)	744,394
Capital gains (losses)	<u>961,462</u>	<u>359,404</u>
Net income (loss)	(\$347,079)	\$1,103,798

Investment Report

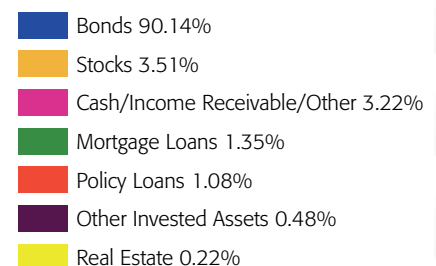
National Mutual Benefit's investment portfolio consists of a diversified mix of bonds including government, high grade corporate, and taxable municipal bonds, in addition to well-secured real estate mortgages and a small portfolio of equity products. Mortgages consist of first liens on small commercial properties, and in order to provide a strong, secure investment portfolio, only mortgages with a maximum 75 percent loan-to-value ratio have been made by the Society.

As of December 31, 2017, the bond and mortgage portfolio totaled \$309,769,131 and \$4,635,446 respectively. Nearly all (99.0%) of our bond portfolio (\$306.8 million) is within the top two highest rating classes, according to the latest NAIC valuation. We do not purchase non-investment grade bonds. The Society owned \$12,061,693 in stocks as of year-end 2017.

OUR INVESTMENT PORTFOLIO



Total Assets: \$343,641,412



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MEMBERSHIP

number of members

33,500 

AVERAGE AGE OF
MEMBERS

53

states with members



MEMBERS UNDER 18

4,177



BENEFITS & SCHOLARSHIPS

\$95,286

paid in member benefits



scholarship dollars

NATIONAL \$32,000

LOCAL \$9,185

TOTAL \$41,185

SCHOLARSHIPS AWARDED

50 *30 national & 20 local*



PATRIOTIC



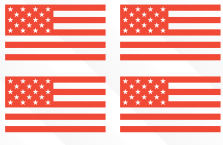
9 *veteran and active duty activities*

VOLUNTEER
HOURS

1,218



flags donated

1,381 

28 

PATRIOTIC EVENTS

\$5,757

raised for veterans

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FUNDRAISING & VOLUNTEER IMPACT

67,396
TOTAL VOLUNTEER HOURS



raised by branches
\$250,682

families benefitting from fundraisers

\$57,609 MATCHED BY HOME OFFICE

38

raised for families

\$268,704

\$39,587 *raised for* **15** *community groups*

SERVING COMMUNITIES

COMMUNITY
BENEFIT GRANTS
\$40,475

28 *youth events*

HELPING SENIORS
2,735 hours
40 EVENTS



595 **HOT MEALS SERVED**

54 *adopted families*

hours devoted to cleanup **589**

27 *food pantry partners*

BLANKETS
DONATED **83**

EVENTS TARGETING
HOMELESSNESS
11

fundraiser walks
partnered with **5**

