

Narrative

MEMBERS Life Insurance Company

History and Objectives of the Company

Credit unions started becoming part of the national fabric early in the 20th century. By 1934, credit unions had spread so fast that credit unions leaders recognized the need for a national supporting organization. At a meeting at Estes Park, Colorado, the Credit Union National Association (CUNA) was formed as a confederation of state credit union leagues.

In the same year, Congress passed a federal credit union act, which permitted credit unions to be organized anywhere in the United States. The passage of this landmark legislation created a choice for credit unions. They could incorporate under either state or federal law. This system of dual chartering persists to the present day.

Almost immediately after its organization, CUNA recognized a need for credit-union-oriented insurance and financial services. As a result, in 1935, CUNA formed the CUNA Mutual Insurance Society (CUNA Mutual) to offer loan protection and other insurance products designed to satisfy loan obligations of deceased or disabled credit union members (policyholders) so as not to burden the members or their survivors.

Today, CUNA Mutual and its subsidiaries and affiliates (CUNA Mutual Group) continue to be a leader in providing financial services to credit unions and their members worldwide. CUNA Mutual supports approximately 8000 credit union policyholders and over 120,000 individual policyholders by offering lending protection, financial, employee and member products through multiple delivery channels. CUNA Mutual is owned by its policyholders and operates to serve their best interests.

In 2005, the CUNA Mutual Group held assets of \$14.57 billion with revenues of \$2.64 billion.

Organization

CUNA Mutual's mission is to create financial security for both credit unions and the members of credit unions. To do this, CUNA Mutual offers a broad array of insurance, investment, and administrative solutions through strategic relationships and multiple service channels. They also provide major support functions to the credit union industry by assisting and supporting credit unions.

CUNA Mutual is a mutual life insurance company. CUNA Mutual serves as the parent organization (or permanent affiliate, in the case of CUNA Mutual Life Insurance Company (CMLIC), an Iowa insurer) of the companies that form CUNA Mutual Group. CUNA Mutual is a direct writer of credit life and disability, loan protection, life savings, pension products, direct response-sold life and health insurance and group life and disability. The majority of CUNA Mutual's revenues are generated in the United States, but it also generates significant revenue through its international operations in Canada and elsewhere.

CMLIC entered into an affiliation with CUNA Mutual in 1990. While CMLIC and CUNA Mutual do not currently share common ownership, they do share common senior management and boards of directors, are integrated administratively, and participate in each other's operations and financial performance through reinsurance and other agreements.

CUMIS Insurance Society, Inc. is a Wisconsin-domiciled stock property and casualty company created in 1960 and owned 100% by CUNA Mutual Investment Corporation (CMIC), a holding company owned 100% by CUNA Mutual. The company focuses on writing property and casualty business.

MEMBERS Life Insurance Company, likewise owned 100% by CUNA Mutual via CMIC, is a life insurer that acts primarily as a reinsurer in support of the permanent affiliation with CMLIC.