

Appendix D - WFL and NMB Due Diligence Checklist

DUE DILIGENCE CHECKLIST

File #	Task	Deadline
01	Social security death master record	7/31/19
02	Annual Statements - Last 5 years	7/31/19
03	Articles and Bylaws	7/31/19
04	Audit Report (Strohm Ballweg)- Last 5 years	7/31/19
05	Board Minutes (5 Years)	7/31/19
06	Capital and expense budget for 2019 & 2020	7/31/19
07	Management Report to the NAIC-due March 15-last five years	7/31/19
08	Policy records (Format, electronic or paper)	7/31/19
09	State Insurance Department exams (Last 2 exams)	7/31/19
10	Reserve adequacy testing & cash flow testing summary report-along with underlying assumptions for the last three years	8/31/19
11	CGAD reports/draft	8/31/19
12	ERM analysis and reports	8/31/19
13	Impact and plan for RBC changes	8/31/19
14	Minimum guarantees (Products and magnitude)	8/31/19
15	RBC Calculation	8/31/19
16	Unfunded or underfunded liabilities	8/31/19
17	Investment - Contract with Asset Management	8/31/19
18	Legal - Any law suits pending	8/31/19
19	OTTI Guidelines and recent write-downs	8/31/19
20	Schedule of all investments	8/31/19
21	Asset assessment	8/31/19
22	Vendor Listing (phones, servers, copiers, inspection reports, lab work)	8/31/19
23	Benefit Programs - Active and Retirees	9/30/19
24	Director fees and benefits	9/30/19
25	Listing of all employees and reporting structure and compensation	9/30/19
26	Pension Plan Termination- Last 7 years	9/30/19
27	OPEB Calculations - For Active and Retirees Benefit Plans	9/30/19
28	Customer & employee complaint files for 5 years	9/30/19
29	Data security and privacy (Breaches, information protection and cyber security policies, standards and procedures, Insurance, etc.)	9/30/19
30	IT Software Licensing/Maintenance Agreements	9/30/19
31	Correspondence with IRS, DOL, and PBGC for 7 years	9/30/19
32	Regulatory or administrative proceedings	9/30/19
33	Outstanding Claims (as of 9/30/2019)	10/31/19
34	Environmental property assessment	10/31/19
35	5500 Report - Last 2 years	10/31/19
36	Biographical Data - Bd of Dir., Execs	10/31/19
37	Conflict of Interest	10/31/19
38	Consulting Agreements	10/31/19
39	Form 990 - Last 2 years	10/31/19
40	Investment Guidelines	10/31/19
41	Leases with more than \$10k of exposure	10/31/19
42	Liability Insurance	10/31/19
43	Organizational Chart (e.g. holding company chart)	10/31/19
44	Licensing agreements (Administrative system/contracts)	10/31/19
45	Allocation of funds to lodges rules, guidelines, grants	11/30/19
46	Charitable Giving (List of routine donations for last 2 years)	11/30/19
47	Foundations	11/30/19
48	Fraternal Activities Report to the OCI	11/30/19
49	Agent (Career) Benefit programs	11/30/19
50	Agent commission schedules for all plans-sample agent contracts	11/30/19
51	Agent Compensation and bonus programs	11/30/19
52	Agent Contracts	11/30/19
53	Agents by State - Demographic Information	11/30/19

54	Corporate Agencies	11/30/19
55	Business Organizational Chart	12/31/19
56	Employee Handbook includes Employee Benefits for HO & Agents	12/31/19
57	Profit Sharing / Incentive Plan and Exec. Incentive Plan	12/31/19
58	Unemployment/Workers Compensation	12/31/19
59	Breakdown of sales by Product	12/31/19
60	Dividend Formula and History	12/31/19
61	Lapse Rates	12/31/19
62	Pricing/ Assumptions	12/31/19
63	Product information (sample policy forms, sales material, sample illustrations)	12/31/19
64	Underwriting and reinsurance guidelines and retention limits	12/31/19
65	Chapter Locations	1/31/20
66	Demographics of lodges by state	1/31/20
67	Demographics of members by state	1/31/20
68	Fraternal - Volunteer Activities 2018 & 2019	1/31/20
69	Fraternal benefits offered	1/31/20
70	Early retirement or severance package guidelines used in the past	1/31/20
71	Business Plan - Strategic Initiatives (3 years)	1/31/20
72	Marketing Programs	1/31/20
73	Miscellaneous Financial Reporting	1/31/20
74	Taxes	1/31/20
75	Covenants not to compete	10/31/19
76	IRS Letter of Determination	11/30/19