

Appendix K - Delegate meeting presentation



# Agenda

- **Welcome: Don Krall**
- **Overview: Craig Van Dyke**
  - Where We've Been
  - Where We Are Today
  - Why Proposing Merger
  - Next Steps
- **Q & A**
  - Don Krall
  - Board of Directors
  - Craig Van Dyke
  - Dan Shinnick

# Why We Exist



# Where We've Been

**1854:** Began as a Czechoslovak Benevolent Society (CSPS)

**1897:** Broke away from CSPS and Started Zapadni Ceska Bratraska Jednota (ZCBJ)

**1899:** First Czech Fraternal to allow women and children

**1922:** Allowed non-Czechs and Slovaks, through marriage

**1922:** Allowed first English-speaking lodges

**Late 1920's:** Merged with CSDPJ; this increase in size helped to save the lodges

**1971:** Changed name to Western Fraternal Life

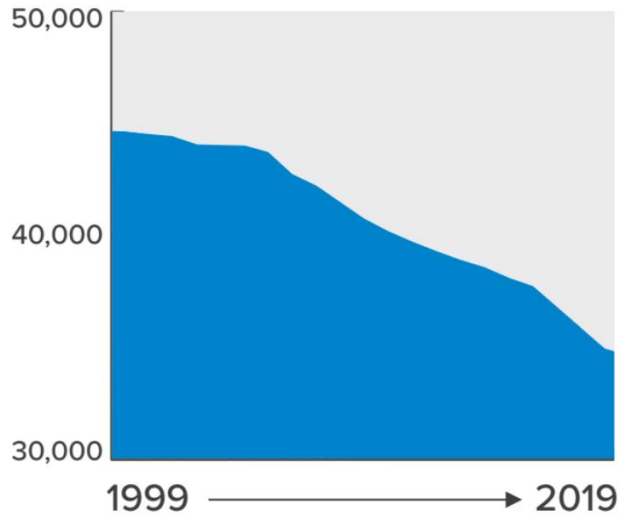
**Adapted and Evolved  
to Fulfill the Promise to Our Members**

# Where We Are Today

While Financially Sound...  
The 2% Problem



## WFLA Membership Loss

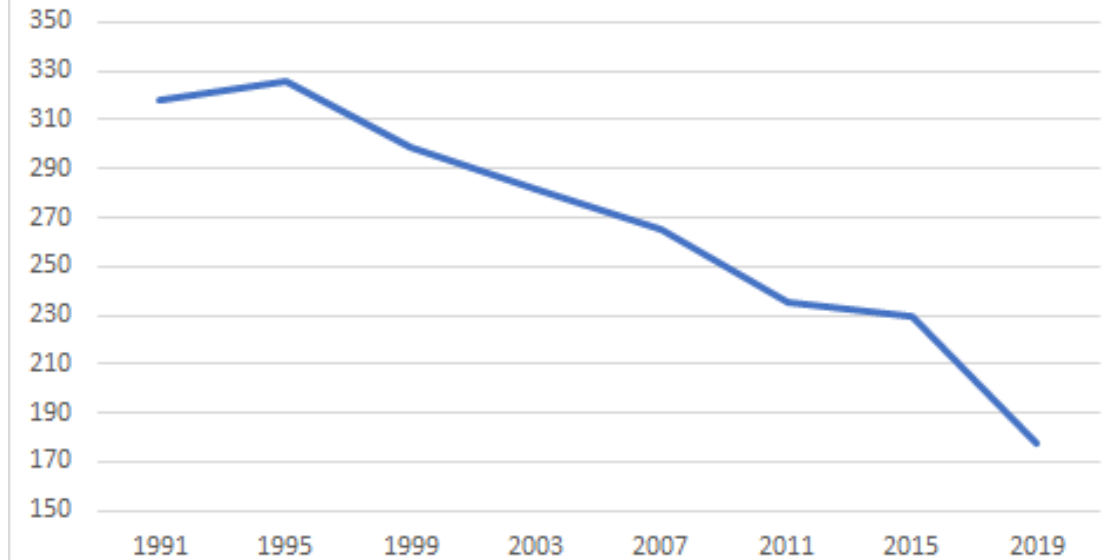


## WFLA's Net Gain/Loss

|      |             |
|------|-------------|
| 2015 | \$1,175,752 |
| 2016 | \$106,164   |
| 2017 | \$340,662   |
| 2018 | -\$409,787  |
| 2019 | -\$402,376  |

# Where We Are Today

## National Convention: Number of Delegates



# Where We Are Today

The world is changing – small size makes it hard to compete

We **HAVE** to change to  
be competitive  
relevant



**fulfill our promise to our Members**

- New/Improved distribution
- New product differentiation
- Increase marketing
- Investment in technology

# Options Considered

## OPTION

## CONCLUSION

### ➤ **Status Quo**

- ✓ Not sustainable over the long-term
  - Downward trend continuing

### ➤ **Increase investment**

- Technology
- Marketing
- Product Differentiation
- Distribution Channels

- ✓ Not fiscally possible
  - Need too much too quickly
  - Profits not enough to cover

### ➤ **Shared Services**



- ✓ No suitable, long-term partners

### ➤ **Merger**



- ✓ Best option
  - Similar values
  - Complimentary strengths





# Proposed Merger with National Mutual Benefit - Stronger Together

34,900    
65,000+  
MEMBERS

18    
LICENSED IN  
20 STATES

\$1.1 Billion    
\$2 BILLION  
LIFE INSURANCE  
IN FORCE

\$304 Million    
\$650 MILLION  
IN ASSETS



\$2+ MILLION  
TO INVEST IN  
SALES, MARKETING  
& FRATERNAL

*Moving Forward, Together.*

  
WESTERN  
FRATERNAL LIFE  
Enriching Today, Insuring Tomorrow

+

  
NATIONAL  
MUTUAL  
BENEFIT  
A Fraternal Life Insurance Society



# Shared Values



*Moving Forward, Together.*



# Propose Merger with National Mutual Benefit - Protect Our Fraternal Mission

- Expanding our fraternal programs
- Supporting Czech and Slovak Culture
- Keep current lodges and branches
- Continue regular member meetings



*Moving Forward, Together.*



# Fraternal Advisory Board

## ➤ Membership:

- 7 WFL Members aligned with Districts
- 7 NMB members selected by the NMB Board

## ➤ Regular Meetings:

- Advisory Board to provide advice and assistance to lodges and fraternal activities
- Regular meetings with fraternal home office staff to provide input

## ➤ Provide Recommendations: to the Board on fraternal & member matters

## ➤ Annual Meetings: with Board to provide input

## ➤ Annual Report to Board: regarding fraternal, chapter & member matters

*Moving Forward, Together.*

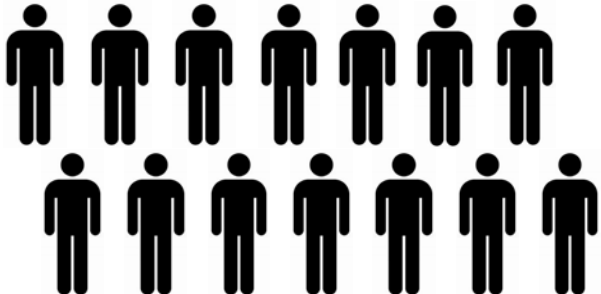


# Fraternal Advisory Board

Board of Directors

Pre-Convention Committee

Current



Board of Directors

Fraternal Advisory Board

NewCo



Western  
All districts  
represented



NMB



*Moving Forward, Together.*

# Consolidating to Madison, WI Office

- NMB implemented an advanced policy administration system
- WI is a fraternal friendly state; multiple fraternal domiciled there, vs Western only fraternal in Iowa
- 40% of members reside in Wisconsin

*Moving Forward, Together.*



# Why Proposing Merger with NMB

- Help more people
- Do more good
- Money to invest in growth

## **Most importantly**

Position us to fulfill our promise to our members and their beneficiaries

*Moving Forward, Together.*



# KEY DATES FOR DELEGATES

1



**FEBRUARY 24**  
**PUBLIC ANNOUNCEMENT**

WFLA & NMB's plan to consolidate is announced to employees, members, agents and the general public.

3



**APRIL 25 – MAY 26**  
**DELEGATES VOTE**

**We need you to vote "YES"!**  
WFLA delegates will vote to pass the merger between WFLA & NMB. Additional details on voting will be sent prior to April 25.

2



**MARCH – APRIL**  
**WFLA DELEGATE MEETINGS**

WFLA President & CEO Craig Van Dyke visits several states to answer questions and discuss the consolidation.

4



**WEEK OF MAY 25**  
**RESULTS ANNOUNCED!**

The results of the delegate vote will be announced to employees, members, agents and the general public.

*Moving Forward, Together.*







APRIL – MAY

## DELEGATES VOTE

We need you to vote “YES”!

WFLA delegates will vote to pass the merger between WFLA & NMB. Additional details on voting will be sent



Paper Voting



Phone Voting



Online Voting



## Your vote matters!

The consolidation will only be approved if we achieve a 2/3 “YES” vote from the voting WFLA delegates. Your “YES” vote will help shape the future of the organization and ensure our long-term success.

*Moving Forward, Together.*



# If No Vote: Future Options

## OPTION

## CONCLUSION

### ➤ Status Quo

- ✓ Not sustainable over the long-term
  - Downward trend continuing

### ➤ Increase investment

- Technology
- Marketing
- Product Differentiation
- Distribution Channels

- ✓ Not fiscally possible
  - Need too much too quickly
  - Profits not enough to cover

### ➤ Shared Services

- ✓ No suitable, long-term partners

### ➤ Merger

**Severely limits our list of potential merger candidates**

- ✓ Best option
  - Similar values
  - Complimentary strengths

“Let us make an effort  
to conscientiously and industriously  
correct these old ideas  
and we must find means to do that,  
not only for  
those who are members now,  
but who will  
become members later.”

~ Jan Rosicky, Western Fraternal Life,  
Founder ~ 1920's

***Moving Forward, Together.***

