



DATE: December 5, 2024  
TO: Amy J. Malm  
Mark McNabb  
FROM: Christopher Martin  
SUBJECT: Statement Regarding the Merger or Consolidation of Fraternal Insurers

**Filing Contact(s)**

**Primary Contact(s):**

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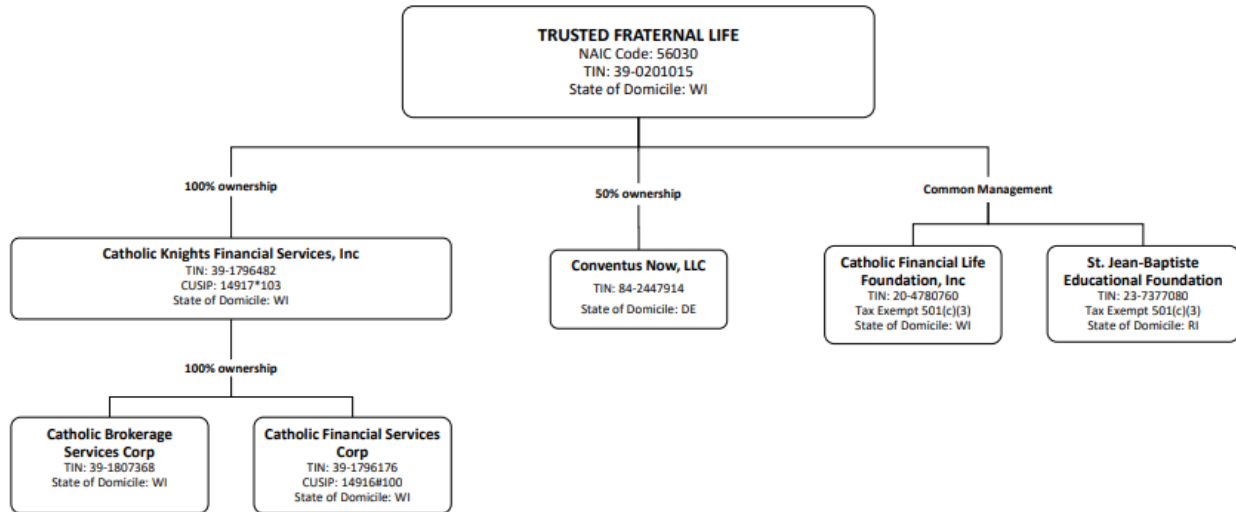
**Exhibit(s)**

<b><u>Exhibit:</u></b>	<b><u>Description:</u></b>
Ex. 1	Transmittal Letter
Ex. 2	Bylaws of Trusted Fraternal Life
Ex. 3	Articles of Incorporation of Trusted Fraternal Life
Ex. 4	Evidence of Member Notice
Ex. 5	Trusted Fraternal Life Board of Directors Resolution
Ex. 6	Catholic United Financial Board of Directors Resolution
Ex. 7	Catholic Financial Life (now Trusted Fraternal Life) Annual Statement for 2023
Ex. 8	Catholic United Financial Annual Statement for 2023
Ex. 9	Trusted Fraternal Life Three Year Financial Projections
Ex. 10	Trusted Fraternal Life Organizational Chart
Ex. 11	Trusted Fraternal Life List of Directors and Officers
Ex. 12	Agreement of Merger
Ex. 13	Proposed Capital and Initial Surplus

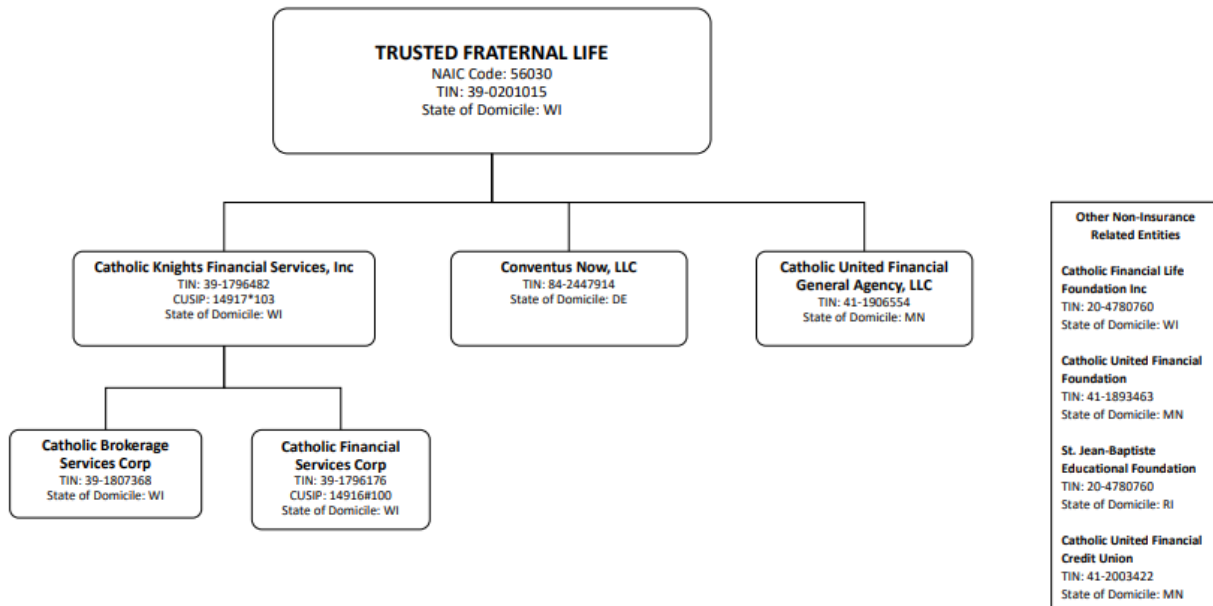
**Executive Summary**

On October 31, 2024, Trusted Fraternal Life (TFL, the “Applicant”), submitted a filing, in the matter of the merger of Catholic United Financial (CUF) with and into Trusted Fraternal Life. As a result of the merger between TFL and CUF, CUF will be merged into TFL, with TFL being the surviving company. TFL is licensed in 49 states, which excludes New York. CUF is licensed in MN, WI, IA, ND, and SD. As TFL already has licenses for all CUF states, there will be no license gap states as an effect of the merger. The acquisition of control will occur as outlined in the merger agreement and the expected effective date is January 1, 2025.

**Organizational Chart Before Proposed Transaction:**



**Organizational Chart After Proposed Transaction:**



**Identity and Background of the Non Domestic Fraternal(s)**

**Identity of the Non Domestic Fraternal(s):**

**Catholic United Financial**  
 3499 Lexington Ave N  
 Arden Hills, MN 55126

**Background of the Non Domestic Fraternal(s):**

**Catholic United Financial**

CUF is a Minnesota domestic fraternal insurance company and was incorporated on 04/27/1892. The company is licensed to write Disability Insurance and Life Insurance and Annuity business.

**Identity and Background of the Applicant(s)**

**Identity of the Applicant(s):**

**Trusted Financial Life**

1100 W Wells St.  
Milwaukee, WI 53233

**Background of the Applicant(s):**

**Trusted Financial Life**

TFL, formerly named Catholic Financial Life, is a Wisconsin domestic fraternal insurance company and was incorporated on 10/31/1885. The company is licensed to write Disability Insurance and Life Insurance and Annuity business.

**Executive Officers and Directors of TFL**

<u>Name</u>	<u>Title</u>	<u>Term</u>
Allan Lorge	Director, Board Chair	12/31/24
Sandra Dempsey	Director	12/31/27
Michael Giffhorn	Director	12/31/27
Coral Grout	Director	12/31/27
Joseph Kopinski	Director	12/31/27
Lisa Mick	Director	12/31/24
Kari Niedfeldt-Thomas	Director	12/31/27
Susan Obermiller	Director	12/31/24
William O'Toole	Director	12/31/27
Jeffrey Tilley	Director	12/31/27
Open Position	Director	12/31/27
Open Position	Director	12/31/27
Jeffrey Pedretti	Director	12/31/27
William Stone	Director	12/31/27

Note: There are two open director positions, and after the merger, two directors from CUF will be appointed to the positions. Jeffrey Pedretti and William Stone were elected for the 2025-2027 term but are not yet serving.

**Nature, Source, and Consideration**

As an effect of the merger as described in the merger agreement, CUF will be merged into TFL, with TFL being the surviving entity. All members of CUF will become members of TFL and all Councils and Parish Volunteer Teams of CUF will become subordinate chapters of TFL. The TFL board of directors will select two of the CUF directors to serve on the surviving entity board. The other current directors of CUF will be appointed to the Catholic United Financial Brand Advisory Board. All TFL officers prior to the merger will continue to serve after the merger. The home office location will remain in Milwaukee, WI and the CUF

Minnesota location will be maintained until at least December 31, 2027. The effective date of the merger is expected to be January 1, 2025.

## **Financial Highlights**

### **Highlighted Financial Data of TFL:**

<b>Financial Highlights</b>	<b>Annual Statement 2023</b>
Total Assets	1,731,339,775
Total Liabilities	1,592,976,408
Total Net Assets	138,363,367
Total Revenue	157,238,817
Net Income	10,080,314
Net Cash from Operations	(3,192,683)

### **Highlighted Financial Data of CUF:**

<b>Financial Highlights</b>	<b>Annual Statement 2023</b>
Total Assets	999,290,771
Total Liabilities	974,988,443
Total Net Assets	24,302,329
Total Revenue	71,620,644
Net Income	(444,709)
Net Cash from Operations	(9,382,156)

### **Financial Projections of the Domestic Insurer(s):**

#### **TFL**

The financial projections of the Domestic Insurer(s) are confidential. OCI reviews these projections as part of the review process.

## **614.73 Standard**

Wisconsin Statute s. 614.73(3) lists three requirements and s. 614.73(4) creates a three-part test for the Commissioner to use when evaluating the merger or acquisition of a fraternal insurance company. s. 614.73(5) provides the additional requirements for the involvement of a nondomestic fraternal in the merger. They read, in relevant parts:

#### **Procedure for Domestic Fraternal:**

614.73(3)(a) At least 60 days prior to the proposed action submit the text of the proposed contract to its members in the manner provided by s. 614.29(4);

614.73(3)(b) Approve the proposed consolidation or merger by a two-thirds vote; and

614.73(3)(c) File with the commissioner a certified copy of the written contract containing in full the terms and conditions of the consolidation or merger, a sworn statement by the president and secretary or corresponding officers of each fraternal showing the financial condition of each on a date to be fixed by the commissioner but no earlier than the December 31 of the year preceding the proposed contract, and evidence of compliance with pars. (a) and (b).

#### **Issuance of Certificate by Commissioner**

- 614.73(4)(a) The contract conforms to the provisions of this chapter;
- 614.73(4)(b) The parties to the proposed contract have complied with the provisions of sub. (3); and
- 614.73(4)(c) The proposed contract is just and equitable to the members of each fraternal.

#### **Procedure for Nondomestic Fraternal**

614.73(5) Where a nondomestic fraternal is a party to the proposed contract, the parties shall follow the procedure for domestic fraternal under subs. (3) and (4), but the commissioner may not issue a certificate of compliance until the parties file a certificate that the proposed contract has been approved in the manner provided by the laws of the jurisdiction under which the fraternal is incorporated, or, if such laws contain no procedure for approval, that the proposed contract has been approved by the commissioner of insurance for that jurisdiction.

#### **These requirements are analyzed below.**

- s. 614.73(3)(a):** The company provided documentation showing that they provided the text of the proposed contract to its members in the manner provided by s. 614.29(4) at least 60 days prior to the proposed action
- s. 614.73(3)(b):** The company provided documentation that the merger was approved by a two-thirds vote.
- s. 614.73(3)(c):** The proposed contract appears to be just and equitable to the members of each fraternal.
- s. 614.73(4)(a):** The contract conforms to the provisions of ch 614, Wis. Stat.
- s. 614.73(4)(b):** The parties of the proposed contract have complied with the provisions of sub. (3).
- s. 614.73(4)(c):** As noted above, the proposed contract appears to be just and equitable to the members of each fraternal.
- s. 614.73(5):** OCI will not issue a certificate of compliance until the parties files a certificate that the contract has been approved by the nondomestic fraternal insurer's domestic regulator.

<b>Recommendation</b>
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The merger of Catholic United Financial with and into Trusted Fraternal Life should be approved on the basis that there are no statutory grounds for denial pursuant to s 614.73 Wis. Stat. after review of the information provided and summarized above.