



DATE: June 18, 2025

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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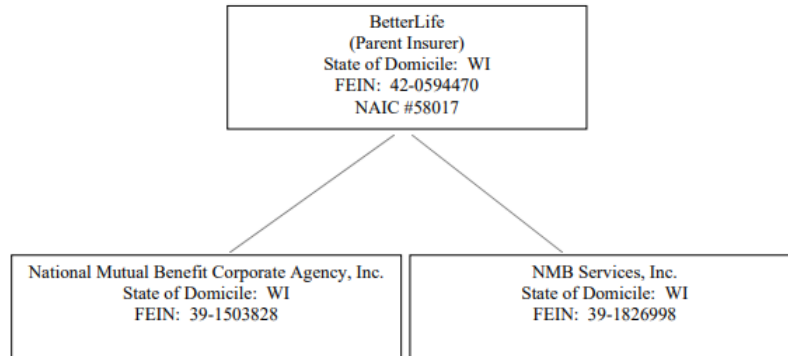
Exhibit(s)

<u>Exhibit:</u>	<u>Description:</u>
Ex. 1	Transmittal Letter
Ex. 2	Bylaws of BetterLife
Ex. 3	Articles of Incorporation of BetterLife
Ex. 4	Evidence of Member Notice
Ex. 5	BetterLife and CSA Board of Directors Resolutions
Ex. 6	BetterLife Annual Statement for 2024
Ex. 7	CSA Fraternal Life Annual Statement for 2024
Ex. 8	BetterLife Financial Projections
Ex. 9	BetterLife Organizational Chart
Ex. 10	BetterLife List of Directors and Officers
Ex. 11	Agreement of Merger
Ex. 12	Proposed Capital and Initial Surplus

Executive Summary

On June 4, 2025, Todd Martin, external legal counsel, submitted a filing on behalf of BetterLife (the "Applicant"), in the matter of the merger of CSA Fraternal Life (CSA) with and into BetterLife. As a result of the merger between BetterLife and CSA, CSA will be merged with and into BetterLife, with BetterLife being the surviving company. The transaction will occur as outlined in the merger agreement and the expected effective date is October 1, 2025.

Organizational Chart Before and After Proposed Transaction:



Identity and Background of the Non Domestic Fraternal(s)

Identity of the Non Domestic Fraternal(s):

CSA Fraternal Life
2050 Finley Rd Ste 70
Lombard, IL 60148

Background of the Non Domestic Fraternal(s):

CSA Fraternal Life
CSA is an Illinois domestic fraternal insurance company and was incorporated on 03/01/1854. The company is licensed to write Disability Insurance and Life Insurance and Annuity business in Wisconsin.

Identity and Background of the Applicant(s)

Identity of the Applicant(s):

BetterLife
6522 Grand Teton Plaza
Madison, WI 53718

Background of the Applicant(s):

BetterLife
BetterLife is a Wisconsin domestic fraternal insurance company and was incorporated on 01/01/1897. The company is licensed to write Disability Insurance and Life Insurance and Annuity business in Wisconsin.

Executive Officers and Directors of BetterLife

<u>Name</u>	<u>Title</u>	<u>Term</u>
Daniel Biank	Director	12/31/26
Bradley Bodell	Director	12/31/26
Mary Bradley	Director	12/31/26
Russell Denk	Director	12/31/26
Maria Ferrante-Schepis	Lead Director	12/31/26
Michael Hosek	Director	12/31/28
Duane Jirik	Director	12/31/28
Terry Placek	Director	12/31/28

Daniel Shinnick	Director	12/31/28
Christopher Campbell	CEO, Board Chair	
Kaye DeMartino	VP, Talent	
Jenna Dunker	SVP, Strategic Initiatives & Corp. Secretary	
John Kielczewski	SVP, Fraternal Development	
Derek Metcalf	Chief Financial Officer	
Matthew Mikulcik	Chief Operating Officer	
Dudley Simmons	Chief Distribution Officer	
Angel Thomas	SVP, Member Experience	

Note: Terry Placek and John Kielczewski are from CSA and would assume the roles about after the close of the proposed merger.

Nature, Source, and Consideration

As an effect of the merger as described in the merger agreement, CSA will be merged with and into BetterLife, with BetterLife being the surviving entity. All members of CSA will become members of BetterLife and all CSA Lodges will become subordinate Chapters of BetterLife. The BetterLife board of directors will select One of the CSA directors to serve on the surviving entity board. The other current directors of CSA will be appointed to the BetterLife Member Advisory Board and will serve through calendar year 2026. All BetterLife officers prior to the merger will continue to serve after the merger. The home office location will remain in Madison, WI. The effective date of the merger is expected to be October 1, 2025.

Financial Highlights

Highlighted Financial Data of BetterLife:

	Annual Statement
Financial Highlights	2024
Total Assets	586,620,276
Total Liabilities	526,401,595
Total Net Assets	60,218,681
Total Revenue	61,633,447
Net Income	(981,465)
Net Cash from Operations	(17,721,920)

Highlighted Financial Data of CSA:

	Annual Statement
Financial Highlights	2024
Total Assets	94,642,622
Total Liabilities	93,582,266
Total Net Assets	1,060,356
Total Revenue	16,575,080
Net Income	(1,398,404)
Net Cash from Operations	(1,914,201)

Financial Projections of the Domestic Insurer(s):

BetterLife

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. Section 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 Fraternals:

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 Fraternals

614.73(5) Where a nondomestic fraternal is a party to the proposed contract, the parties shall follow the procedure for domestic fraternals 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 file a certificate that the contract has been approved by the nondomestic fraternal insurer's domestic regulator.

Recommendation

The merger of CSA Fraternal Life with and into BetterLife 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.