



DATE: May 30, 2024
TO: Amy J. Malm
Mark McNabb
FROM: Christopher Martin
SUBJECT: Statement Regarding the Merger or Consolidation of Fraternal Insurer

Filing Contact(s)

Primary Contact(s):

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Exhibit(s)

Exhibit:

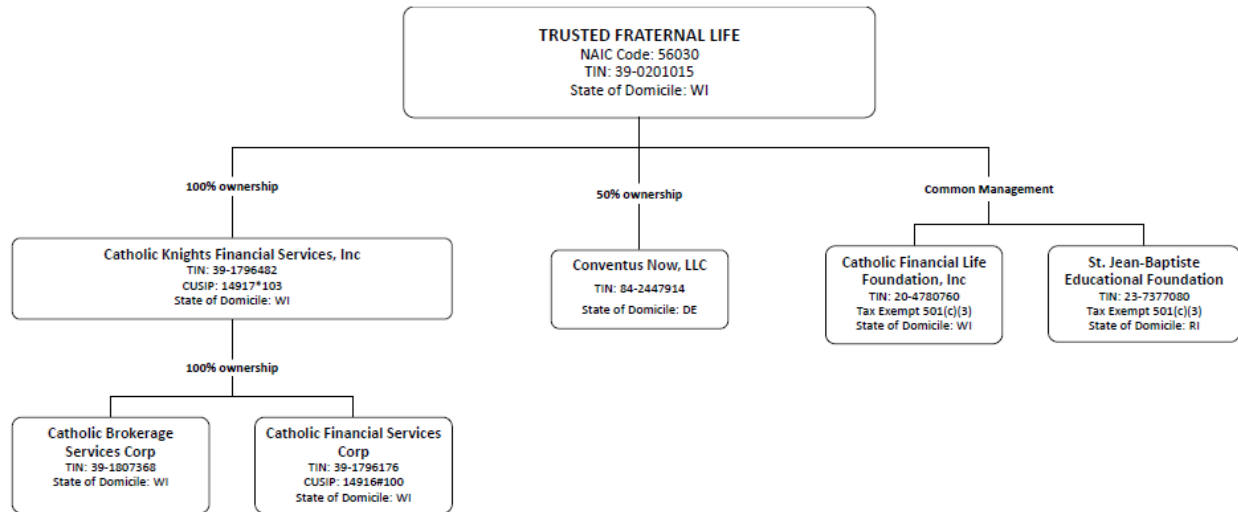
Description:

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	Woman's Life Board of Directors Resolution
Ex. 7	Catholic Financial Life (now Trusted Fraternal Life) Annual Statement for 2023
Ex. 7	Woman's Life 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

Executive Summary

On May 5, 2024, Trusted Fraternal Life (TFL, the "Applicant"), submitted a filing, in the matter of the merger of Woman's Life Insurance Society (WLIS) with and into Trusted Fraternal Life. As a result of the merger between TFL and WLIS, WLIS will be merged into TFL, with TFL being the surviving company. The acquisition of control will occur as outlined in the merger agreement dated April 15, 2024.

Organizational Chart Before and After Proposed Transaction:



Identity and Background of the Non Domestic Fraternal(s)

Identity of the Non Domestic Fraternal(s):

Woman’s Life Insurance Society
1338 Military St.
Port Huron, MI 48061

Background of the Non Domestic Fraternal(s):

Woman’s Life Insurance Society
WLIS is a Michigan domestic fraternal insurance company and was incorporated on 1/1/1897. 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
Jeffrey Pedretti	Director	12/31/27
William Stone	Director	12/31/27

Note: There is one open director position, and after the merger, a director from WLIS will be appointed to the position. 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, WLIS will be merged into TFL, with TFL being the surviving entity. All members of WLIS will become members of TFL and all chapters of WLIS will become subordinate chapters of TFL. TFL will retain the WLIS brand. The TFL board of directors will select one of the WLIS directors to serve on the surviving entity board. The other current directors of WLIS will be appointed to the Woman's Life 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 Port Huron, MI location will be maintained until at least December 31, 2027. The effective date of the merger is expected to be July 1, 2024.

Financial Highlights

Highlighted Financial Data of TFL:

Financial Highlights	Annual Statement 2023
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 WLIS:

Financial Highlights	Annual Statement 2023
Total Assets	197,733,255
Total Liabilities	185,203,198
Total Net Assets	12,530,057
Total Revenue	23,744,435
Net Income	(1,310,752)
Net Cash from Operations	(5,243,061)

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 file a certificate that the contract has been approved by the nondomestic fraternal insurer's domestic regulator.

Recommendation

The merger of Woman's Life Insurance Society 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.