

# direction



A quarterly publication of Loyal Christian Benefit Association

Vol. 18 | Issue 1

# SCHOLARSHIPS



ELEMENTARY



SECONDARY

Could your children, grandchildren, or great-grandchildren use money to attend school or a summer camp?

**The deadline to apply is May 1<sup>st</sup>!**



POST-SECONDARY



CAMPING

## PRESIDENT'S MESSAGE



**Spring is in the air!** With spring upon us, there are many things to do and look forward to. The Easter holiday, spring cleaning, getting the gardens ready and planning a summer vacation are just some of the things to keep us busy. Even though you are busy, I hope you make some time to save some money by entering your great-grandchildren, grandchildren or children in one or more of the various scholarship programs we offer.

LCBA offers multiple scholarships that every benefit member and their direct descendants can apply for! We have programs for virtually everyone. College/post-secondary, secondary, elementary and camping scholarships are available. We also provide the Road Scholar programs ([www.roadscholar.org](http://www.roadscholar.org)) dedicated to lifelong experiential learning for our age 55+ benefit members.

### New for 2018:

- ▶ **Every benefit member who applies for a scholarship online at [www.lcbalife.org](http://www.lcbalife.org) will receive one additional entry**
- ▶ **Each applicant will get an additional entry for every current benefit member (parent, grandparent, great-grandparent) with an active LCBA certificate listed on the application**
- ▶ **The Elementary/Secondary Scholarship was raised from \$200 to \$350!**

We really have something for just about everyone, so be sure to apply not only for yourself but for your eligible family members. Check out the options in this edition and remember, our scholarships are lottery based so everyone has a chance to win! Deadline to apply is May 1, 2018.

One other thing you may wish to consider is running for our Board of Directors. Later this year we will be making the call for nominations. If you think you have knowledge and skills that could benefit your fellow members please consider serving on the board. LCBA's board meets in person, typically at the Home Office, four times per year. Between meetings management provides periodic updates to keep board members informed. We are always looking for people willing and able to serve so please think about it and look for the call in the next *Direction* magazine!

Thank you,

A handwritten signature in black ink, appearing to be 'D Tuttle', with a long horizontal line extending to the right.

Douglas Tuttle  
*President & CEO*

### Stay informed & win a gift card!

Don't miss another scholarship application deadline or other LCBA function in your area. Send us an email to [kingm@lcbalife.org](mailto:kingm@lcbalife.org) with the subject "My Email" and include your Name, Address, and Phone Number. Once per quarter we will draw one submitted email address to win a **\$25 Visa Gift Card**. We will only notify you of matters of importance to you as an LCBA member.

## Direction

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## LCBA Scholarships

Have a child, grandchild, or great-grandchild? Are they going to camp this summer, attending a Christian school next year or working on their college degree? As a benefit member of LCBA you are offered many scholarship options!



## Member Spotlight

After making dreams come true for so many kids, Carol Stark got a dream of her own granted.



## The Benefits of Single Premium Whole Life Insurance Plans

Looking for an insurance plan that will give you the most for your money?

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14. Orthodox Division

3. Branch Events

13. Meeting Minutes



### business hours:

Monday - Friday: 8:00 a.m. - 4:15 p.m.

#### Memorial Day through Labor Day

Monday - Thursday: 8:00 a.m. - 4:15 p.m.

Friday: 8:00 a.m. - Noon



### holiday closings:

#### Good Friday:

Friday, March 30

#### Memorial Day:

Monday, May 28

#### Monday after Easter:

Monday, April 2



### check us out on:



Facebook  
[lcbalife](https://www.facebook.com/lcbalife)



LinkedIn  
[lcbalife](https://www.linkedin.com/company/lcbalife)



Twitter  
[@LCBAlife](https://twitter.com/LCBAlife)



Google+  
[+LCBAErie](https://plus.google.com/+LCBAErie)

# BRANCH EVENTS

December  
2017



**BRANCH  
1557**  
EPHRATA, PA

Several members volunteered at Tabor Community Services, helping to prepare mailings.

[www.tabornet.org](http://www.tabornet.org)

February  
2018



February  
2018



**BRANCH  
1557**  
EPHRATA, PA

Volunteers peeled potatoes and made stuffing to help the church prepare their free community Christmas Meal.



**BRANCH  
1557**  
EPHRATA, PA

February's Branch meeting featured speakers from Hospice Pathways Center for Grief & Loss, a support program for children who have lost someone. A quilt that was made at one of the camps for kids was displayed.

[www.hospiceandcommunitycare.org/about-pathways/](http://www.hospiceandcommunitycare.org/about-pathways/)



**BRANCH  
1557**  
EPHRATA, PA



Christmas was a joyful gathering of 24 members that played Christmas Bingo while enjoying ice cream. Oldest Branch member Anna Rose Schannauer surprised us with her Christmas outfit and offered a prayer for the children of the world.



**BRANCH  
49**  
ERIE, PA

At their January meeting Branch members prepared Valentine gifts for homeless veterans living at Liberty House in Erie. The gifts included personal items such as toothpaste, shaving essentials, etc., candy and a valentine.

[www.euma-erie.org/mission-programs/liberty-house/](http://www.euma-erie.org/mission-programs/liberty-house/)



**BRANCH  
49**  
ERIE, PA

Neighborhood children and their families joined LCBA Branch 49 for their annual Christmas Party. Each child received a gift, Christmas cookies and lunch.

[BethanyOutreachCenter.org](http://BethanyOutreachCenter.org)

# BRANCH EVENTS



February 20



March 16



**BRANCH  
1557**  
EPHRATA, PA

Branch 1557 volunteering by cutting out pads from towels for Gain USA to make pads to donate to impoverished countries.

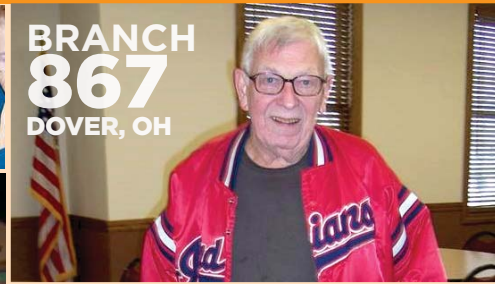


**BRANCH  
892**  
NEW PHILADELPHIA, OH

Branch members visited with Santa at the St. Joseph Seniors Christmas Party.



**BRANCH  
867**  
DOVER, OH



Branch 867 collected over 50 pairs of glasses and 9 hearing aids throughout the month of January. Mr. Jim Gibbs from the Lions Club came to the February meeting to pick them up.



**BRANCH  
892**  
NEW PHILADELPHIA, OH

LCBA President & CEO Doug Tuttle awards Andrea Fox the Fraternalist of the Year 2nd Runner-Up certificate.



**BRANCH  
49**  
ERIE, PA

Branch 49 Christmas Party



On November 4th, Branch 1198 held their annual Holiday Boutique where they sold crafts and raffled off a handmade quilt.



**BRANCH  
1198**  
ALTOONA, PA

# BRANCH EVENTS



**BRANCH 654**  
SALEM, OH

Installed at a recent Branch meeting, newly-elected officers of Salem LCBA Branch 654 are (from left) Jessie Miller, trustee; Dotti Miller, Vice President; Rose Bedell, President; Joyce Kowalczyk. Continuing in office are: Mimi Johnson, secretary; Barb Dumovic; treasurer and trustees: Betty Dangelo, Joan Cole; and Ruth Huggins.



Salem LCBA Branch 654 at St. Paul Catholic Church collected stuffed animals for residents at Auburn Skilled Nursing in memory and in honor of Frances Ziegler.

Francy, who served as president of the Salem LCBA for nearly 35 years, was a patient at Auburn after being diagnosed with inoperable Glioblastoma. She passed to eternal life in heaven with her Creator on Sept. 16, 2017.



**BRANCH 1425**  
FORD CITY, PA



Branch 1425's January meeting featured Federal speaker Carol Blondeaux, Supervisor of Customer Service, USPS. She spoke about the history of the postal service dating back to the days of Benjamin Franklin and provided a local history of the Ford City Post Office built in the 30s, accompanied by photos of the building construction.



**BRANCH 654**  
SALEM, OH

Branch Christmas party and December meeting.



**BRANCH 1425**  
FORD CITY, PA



Branch 1425 Christmas party.



**BRANCH 1425**  
FORD CITY, PA

President & CEO Doug Tuttle and Branch 1425 President Deb Ceraso present Marcia Orton with the Fraternalist of the Year Award.

## Upcoming Branch Events and Dates

### APRIL 19, 2018

Branch 49 (Erie, PA) – **Monthly Meeting** | 6:00-8:00 PM  
Luther Memorial, 225 West 10th St.,  
Erie, PA 16501

### APRIL 21 & 22, 2018

Branch 1155 (Findlay, OH) - **Dishcloth & Bake Sale** | 9:30 AM- 12:30 PM  
St. Michael the Archangel Church,  
750 Bright Rd., Findlay, OH

### APRIL 27, 2018

Branch 654 (Salem, OH) - **Sip & Paint**  
6:30 AM- 8:30 PM  
St. Paul Gym, 935 E. State St., Salem, OH

### APRIL 29, 2018

Branch 1425 (Ford City, PA) - **Spring Smorgasbord** | 11:30 AM- 1:00 PM  
Divine Redeemer School Cafeteria, Fourth  
Ave., Ford City, PA

### MAY 1, 2018

**SCHOLARSHIP APPLICATIONS ARE DUE**

### MAY 17, 2018

Branch 49 (Erie, PA) – **Monthly Meeting** | 6:00-8:00 PM  
Luther Memorial, 225 West 10th St.,  
Erie, PA 16501

### JUNE 5, 2018

Branch 1155 (Findlay, OH) -  
**Monthly Meeting** | 7:00-8:30 PM  
2636 Hollybrook Dr., Findlay, OH



President & CEO, Doug Tuttle,  
presents a Platinum BROOM  
Award to Deb Ceraso,  
President of Branch 1425.

## The Benefits of Single Premium Whole Life Insurance Plans

Looking for an insurance plan that will give you the most for your money? Have you considered a single premium whole life insurance policy? A single premium life insurance plan is when a lump sum of money is paid into a policy, which in return will get you an increased death benefit larger than the sum of money paid into the policy. Many times when a person has a lump sum of money, they automatically think to put it into an annuity product, in which the death benefit is only as large as the amount of money contributed. Annuities have the potential for a great deal of growth, but the growth accumulates slowly over time, whereas with a single premium whole life policy, the death benefit is guaranteed from day one until your time of passing, at which time the funds will be distributed to your designated beneficiaries’.

There are several benefits to purchasing a paid-up single premium whole life policy. One such benefit is that since the policy is fully funded, the cash invested builds and grows tax-deferred. This tax-deferred growth, otherwise known as cash value, can either be withdrawn or have a loan taken out for emergencies that can come up unexpectedly.\* Lastly, and possibly the most important benefit, is that the guaranteed death benefit, in addition to any growth, is distributed to the designated beneficiaries’.

\* Rules, penalties, charges, etc. for withdrawals or loans vary depending on the insurance company \*\* Quotes are examples, rates vary depending on the insurance company

# AGENCY

The logo for LCB Agency INC. It features the letters 'LCB' in a stylized font with a green leaf-like shape above the 'B'. To the right of 'LCB' is the word 'Agency' in a serif font, and 'INC' in a smaller sans-serif font below it. The entire logo is set against a white background with a green patterned border above it.

income-tax free, unlike with annuity contracts all growth has to be claimed as income.

So how exactly does a single premium whole life insurance plan work? The name of the plan says it all, it is a one-time premium payment that purchases you a completely paid up plan. There are



**Bridget Testrake**  
Insurance  
Strategist

several deciding factors as to how an insurance company calculates the guaranteed death benefit. The main deciding factor for the company is age; the younger you are when applying, the greater the benefit. That is because, being younger, you have a longer remaining life expectancy, which allows the premium more time to grow before being paid-out. For example, a 30 year old non-smoking female can get \$50,000 of coverage for a one-time premium payment of \$8,500, whereas a 60 year old non-smoking male can get \$50,000 of coverage for \$22,000.\*\*

If you are interested in whole life insurance, don't want to have to have the hassle of paying premiums for the rest of your life, and want that guaranteed benefit for your family, then a single premium life insurance plan may be best for you. If you have questions, or are interested in learning more about this product, please call us at 1-800-234-5222 to speak to a licensed agent for more information.

# MEMBER Spotlight

**Carol Stark**

*Ephrata, PA*  
Branch 1557

**By Marylouise Sholly**

Photo by Dick Wanner

After making dreams come true for so many kids, Carol Stark got a dream of her own granted last night.

Carol Stark has been donating her time and talents to help children in need for most of her life, working with non-profit organizations like "For Our Kids," the Ephrata Lions Club, and helping kids in local schools.

The Akron woman has held more spaghetti dinners, catered more events, decorated more floats, sold more flowers, and worked on more fundraisers than most other folks do in a lifetime.

But she was concerned that, at 73, she wouldn't have the energy to carry on these activities forever.

Tuesday night on the football field at Cocalico High School, in front of hundreds of grateful people, Stark was surprised with a huge televised "thank you" party in honor of her unselfish work through the years. The event included other big surprises for Stark, but they won't be revealed to the public until the episode airs in February.

"This is overwhelming," Stark said. "At 73, I don't know how long I can continue (doing charity work)...I always had a dream that maybe the summer school would continue, so this makes me very happy."

Over the years, Stark has raised a significant amount of money to pay for kids to be able to go to summer school

to help them get ahead in life.

Stark will be the featured home-town celebrity in an upcoming episode of Mike Rowe's "Returning The Favor," a national TV and Facebook show that focuses on everyday people doing extraordinary things.

Married to John Stark, the couple have eight children and 24 grandchildren. The entire family had gathered to add to the surprise, a few coming from other states.

Tuesday night's celebration was a surprise of massive proportions, with a nationally known celebrity, a TV crew, cheerleaders, pep squad and pep band, and hundreds of well-wishers, all converging on the Cocalico athletic field.

Folks who turned out for the chilly evening celebration were given hot chocolate to warm up as they waited for Carol to appear.

The TV camera crew gave directions to the crowd of well-wishers, who became "extras" in Stark's featured episode.

Directors advised the crowd where to stand or which way to move for maximum exposure as a long boom with attached camera scanned the crowd.

TV celebrity Rowe spoke to the crowd before going to get Carol at her home.

"We're here to honor Carol Stark," Rowe said, to a deafening round of applause. "We're also shooting a little TV show to honor one woman who has given of her

time and talent for as long as anyone can remember."

Rowe was so impressed, he said, when Carol baked a batch of Pennsylvania Dutch chocolate whoopie pies for him, after he mentioned how much he liked them.

"She doesn't even know me, and yet she did that for me," Rowe said.

"Returning The Favor" is the number one program on Facebook, Rowe said.

At the highlight of the evening, when Rowe surprised Stark with a special honor, confetti guns boomed out their paper ammunition, covering the track around the field — and many of the guests — with pastel-covered confetti that fell thick as snow as the crowd cheered their approval.

"We look for people like you (for the show), people who do what most folks won't or don't want to do," Rowe said to Stark. "So we invited the community."

Folks were happy to share their memories[*sic*] of Stark's work and character.

"I'm here to honor Carol for her kind heart; she is a good-hearted, kind person," said Sandi Davidson of Denver.

"Let me tell you about Carol...one Thanksgiving, a girl living in a motel with her kids called Carol and said 'I understand you have some turkeys, could we have one?' and Carol asked



her how she was going to cook it in a motel. "The girl said she'd cut it up and put pieces in a toaster oven," Davidson said. "So Carol said, 'look, I'll roast it for you ' and then she also brought them pie, gravy, a whole dinner...that's Carol; that's your person in a nutshell."

The biggest tributes came from some of the people Carol has helped.

"Mrs. Stark, I love you," said Tyler (last name not available). "Everything here is all the stuff you deserve. You've touched the lives of so many people."

Robin, a young woman, said she met Stark back in 1988, at a critical time in her life.

"She took me under her wing," Robin said. "She took me to work, she showed me how to save money, she babysat my kids. There are not enough words in the world to describe this woman."

Linda Kromer of Ephrata said she's known Carol for many years.

"She does great work with kids," Kromer said. "She helps kids get their GED, she helps them with summer school, and she helps homeless kids, and she has had so many spaghetti dinners for fund raisers."

Tim and Carolyn Wahl of Denver are fans of Rowe's "Returning the Favor" show because it's something positive to watch, they said.

"His show is about giving back and it's well-put together," Tim Wahl said. "So

many reality shows are (lowlife), but this shows the better part of humanity."

Having a local person on the show is icing on the cake.

"We've enjoyed reading about what she's done and she well deserves the

## Carol Stark & LCBA

- + Very active in Branch 1557.
- + Works with local at-risk youths growing flowers and making crafts that the Branch then sells at fundraisers.
- + Has been nominated for LCBA's Fraternalist of the Year by her Branch.

recognition," Carolyn Wahl said of Stark. "It's good to see something like (Rowe's program) being produced, too, because it's quality TV for a change."

Jill ShoberHilt of Ephrata said their children grew up together.

ShoberHilt said Stark has always been working, always raising money for kids, and catering was one of the many ways in which she supported a number of non-profit agencies.

"She catered a dinner for my grandparents one time; she catered dinners for years," ShoberHilt said.

"She used all that money to help others. Carol is a unique person and she deserves this honor."

Ginny Dissinger of New Holland started the non-profit New Holland Farmers Market, and Carol was a vendor there, selling flowers to raise money for her causes.

"The money wasn't for her; she raised money for organizations that helped children," Dissinger said.

One of Sara Givler's daughters married one of Carol's sons, so they are family, Givler said.

"I've always known Carol, before our children married, and she has such generosity of spirit," Givler said. "She works like crazy for those kids. She works nonstop and it's all for the kids — spaghetti dinners, parade floats, anything — she is so busy and I say 'shouldn't you slow down?' but she never sees that."

Upon the unveiling of the special surprise the show planned for Stark, Givler was ecstatic.

"It is a marvelous tribute!" Givler said. "I can't wait to see her reaction."

The episode of "Returning the Favor" filmed on Tuesday night will be aired online at [facebook.com/ReturningTheFavor](https://facebook.com/ReturningTheFavor). The Ephrata Review will print more specific details when they become available.

**Carol Stark's episode of *Returning the Favor* is live on Facebook. You can also watch it at [www.lcbalife.org](http://www.lcbalife.org)**

*Article and photographs reprinted with permission from the 11/29/17 edition of The Ephrata Review.*

## ANNOUNCEMENTS! We love hearing from our members!

Want to share the good works of a fellow LCBA member? A family accomplishment? Maybe just something you are proud of and want to share?

Send content via email with subject line "Direction Content" to [direction@lcbalife.org](mailto:direction@lcbalife.org) or by mail to Direction Content, PO Box 13005, Erie, PA 16514.

Note: Submission of material or suggestions does not guarantee publication.



Branch 892 (New Philadelphia, OH) members Barb Young and her daughter, Melanie Fitzgerald, attended "Late Night Catechism" at the Performing Arts Center with her granddaughters, Ryan, Ryley, and Raegan Fitzgerald.



Mail completed application to:  
 ATTN: Scholarships  
 LCBA  
 PO Box 13005  
 Erie, PA 16514-1305

Email to:  
 outreach@lcbalife.org

# Scholarship Application

**HOME OFFICE USE ONLY** Name ID \_\_\_\_\_

**! Please include an email address for confirmation that we have received your application.**

|  |      |                    |       |       |
|--|------|--------------------|-------|-------|
| <b>INSURED INFORMATION</b>                         |      | LCBA Certificate # | Email |       |
| Insured Name (if other than applicant)             |      | FIRST              | LAST  | Phone |
| Address  | City |                    | State | Zip   |
| List additional benefit member(s) certificate #'s: |      |                    |       |       |

|  |                         |                 |                                  |       |
|--|-------------------------|-----------------|----------------------------------|-------|
| <b>STUDENT / CAMPER 1</b>  |                         | Name            | FIRST                            | LAST  |
| Date of Birth  | Relationship to Insured |                 |                                  |       |
| Parent/Guardian Name   |                         | FIRST           | LAST                             | Phone |
| Select scholarship(s) applying for:  |                         |                 |                                  |       |
| <input type="checkbox"/> ELEMENTARY/SECONDARY or <input type="checkbox"/> POST-SECONDARY |                         |                 | <input type="checkbox"/> CAMPING |       |
| <b>SCHOOL INFORMATION</b>  |                         | Enrollment Date |                                  |       |
| Name of Institution  |                         |                 |                                  |       |
| Address  |                         |                 |                                  |       |
| City   | State                   | Zip             |                                  |       |
| Contact Name   |                         |                 |                                  |       |
| Phone  | Tuition                 |                 |                                  |       |
| <b>CAMP INFORMATION</b>  |                         | Date Attending  |                                  |       |
| Camp Name  |                         |                 |                                  |       |
| Address  |                         |                 |                                  |       |
| City   | State                   | Zip             |                                  |       |
| Contact Name   |                         |                 |                                  |       |
| Phone  | Cost                    |                 |                                  |       |

**⚠ DON'T FORGET TO INCLUDE YOUR PHOTO!**

|  |                         |                 |                                  |       |
|--|-------------------------|-----------------|----------------------------------|-------|
| <b>STUDENT / CAMPER 2</b>  |                         | Name            | FIRST                            | LAST  |
| Date of Birth  | Relationship to Insured |                 |                                  |       |
| Parent/Guardian Name   |                         | FIRST           | LAST                             | Phone |
| Select scholarship(s) applying for:  |                         |                 |                                  |       |
| <input type="checkbox"/> ELEMENTARY/SECONDARY or <input type="checkbox"/> POST-SECONDARY |                         |                 | <input type="checkbox"/> CAMPING |       |
| <b>SCHOOL INFORMATION</b>  |                         | Enrollment Date |                                  |       |
| Name of Institution  |                         |                 |                                  |       |
| Address  |                         |                 |                                  |       |
| City   | State                   | Zip             |                                  |       |
| Contact Name   |                         |                 |                                  |       |
| Phone  | Tuition                 |                 |                                  |       |
| <b>CAMP INFORMATION</b>  |                         | Date Attending  |                                  |       |
| Camp Name  |                         |                 |                                  |       |
| Address  |                         |                 |                                  |       |
| City   | State                   | Zip             |                                  |       |
| Contact Name   |                         |                 |                                  |       |
| Phone  | Cost                    |                 |                                  |       |

**⚠ For POST-SECONDARY SCHOLARSHIPS, please send official transcripts in a sealed envelope from your school to: LCBA, Attn: Scholarships, PO Box 13005, Erie, PA 16514 or if your school uses an online system please have the link emailed directly to [scholarships@lcbalife.org](mailto:scholarships@lcbalife.org).**

If my child/grandchild is a winner, I give permission to LCBA to use his/her name and/or images to promote LCBA and its scholarship programs. (See LCBA's privacy policy online for complete details.)

\_\_\_\_\_  
 Parent/Guardian Signature

\_\_\_\_\_  
 Date

APP18SCH

# It's Scholarship Time Again!

Have a child, grandchild, or great-grandchild?  
Are they going to camp this summer,  
attending a Christian school next year or  
working on their college degree?

Did you know that you can help with the cost just by being a member of LCBA? LCBA offers Scholarship Benefits to help its members and their extended families subsidize the ever growing costs of education. Every year LCBA gives away over \$20,000 through its scholarship programs.

## NEW THIS YEAR! EARN EXTRA ENTRIES!

- + One additional entry for applying online!
- + Each applicant will get an additional entry for every current benefit member (parent, grandparent, great-grandparent) with an active LCBA certificate listed on the application.

Wouldn't that be a great thing as a grandparent to call your grandchild to tell them you entered them into LCBA's Scholarship contest and they won \$2,500 towards their college tuition? Or as a parent not having to worry about whether or not you can afford to send them to camp this summer?

**A full description, eligibility requirements and application forms can be found at [www.lcbalife.org/pages/benefits](http://www.lcbalife.org/pages/benefits).**

**If you have any questions please contact LCBA at 1-800-234-5222. But hurry, applications are due to the Home Office by May 1, 2018.**

*"We truly feel a Catholic education is important in our children's lives. The sacrifices that we make in order to send them to a Catholic school teach us what God has given us. Thank you LCBA for helping us make this dream of ours a reality. This scholarship money will help us encourage our children to continue to grow closer to God, while also receiving an incredible education."*

**Bruce and Julie M. (Warren, MI)**

APPLY ONLINE AT  
[WWW.LCBALIFE.ORG](http://WWW.LCBALIFE.ORG)



### Camping Scholarship

LCBA will award ten \$200 camping scholarships each year via a lottery to children (ages 5 to 16) to attend a camp of their choice. Camps may be recreational, nature, sports or special interest oriented.



### Elementary/Secondary Scholarship

Twenty scholarships of \$350 are awarded each year via a lottery. Student applicants may attend any accredited Christian elementary or secondary school in the United States and must be entering kindergarten to 12th grade.



### Post-Secondary Scholarship

This program provides for a maximum of five \$2,500 one-year scholarships for students attending or entering an accredited degree or certificate granting institution and working towards their first degree/certificate. The scholarship may be used to cover any post-secondary education expense.

# 2017 ANNUAL FINANCIAL REPORT

## Statement of Financial Position

December 31, 2017 & 2016

| Assets                   | 2017                 | 2016                 |
|--------------------------|----------------------|----------------------|
| Bonds                    | \$181,846,213        | \$179,117,935        |
| Common & Preferred stock | -                    | -                    |
| Real estate              | 1,566,430            | 1,578,081            |
| Certificate loans        | 1,111,277            | 1,058,189            |
| Cash & cash equivalents  | 942,942              | 849,844              |
| Short term investments   | 1,337,296            | 530,782              |
| EDP equipment            | 23,166               | 22,100               |
| Income due & accrued     | 2,437,130            | 2,216,443            |
| <b>Total Assets</b>      | <b>\$189,264,454</b> | <b>\$185,373,374</b> |

## Liabilities & Surplus

|  |                      |                      |
|--|----------------------|----------------------|
| Certificate reserves                   | \$173,954,293        | \$170,484,498        |
| Deposit-type contracts                 | 6,452,197            | 6,576,470            |
| Certificate claims                     | 699,034              | 727,606              |
| Provision for dividends                | 744,966              | 787,948              |
| Advance premiums                       | 461,471              | 484,041              |
| Investment reserves                    | 1,541,346            | 1,848,595            |
| Accrued general expenses               | 265,086              | 231,664              |
| Other liabilities                      | 789,694              | 691,728              |
| Unassigned funds                       | 4,356,367            | 3,540,824            |
| <b>Total Liabilities &amp; Surplus</b> | <b>\$189,264,454</b> | <b>\$185,373,374</b> |

## Summary of Operations

Years ended December 31, 2017 & 2016

| Income                     | 2017                | 2016                |
|----------------------------|---------------------|---------------------|
| Life insurance premiums    | \$7,641,675         | \$11,103,436        |
| Annuity premiums           | 8,125,584           | 8,255,358           |
| Accident & Health premiums | 143,833             | 60,625              |
| Net investment income      | 8,388,906           | 8,438,045           |
| Other income               | 6,997,862           | 683,770             |
| <b>Total Income</b>        | <b>\$31,297,860</b> | <b>\$28,541,234</b> |

## Member Benefits

|                              |                     |                     |
|------------------------------|---------------------|---------------------|
| Death benefits               | 5,269,590           | 5,375,078           |
| Life & annuity benefits      | 13,150,064          | 13,732,366          |
| Reserve changes              | 3,469,795           | 3,671,717           |
| <b>Total Member Benefits</b> | <b>\$21,889,449</b> | <b>\$22,779,161</b> |

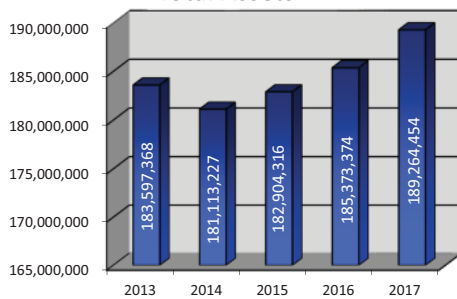
## Operating Expenses

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Commissions                     | 3,583,986        | 1,616,128        |
| General expenses                | 3,866,944        | 3,925,200        |
| Taxes & Other                   | 231,349          | 174,879          |
| <b>Total Operating Expenses</b> | <b>7,682,279</b> | <b>5,716,207</b> |

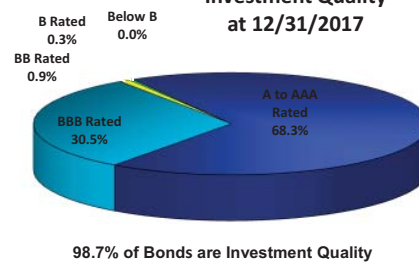
## Total Benefits & Expenses

|                                      |                     |                      |
|--------------------------------------|---------------------|----------------------|
| <b>Total Benefits &amp; Expenses</b> | <b>\$29,571,728</b> | <b>\$28,495,368</b>  |
| <b>Net Gain from Operations</b>      | <b>1,726,132</b>    | <b>45,866</b>        |
| Investment capital gain (loss)       | (66,518)            | (8,087)              |
| Dividends incurred                   | (742,705)           | (787,622)            |
| <b>Net Income</b>                    | <b>916,909</b>      | <b>(749,843)</b>     |
| <b>Other Changes in Surplus</b>      | <b>(101,366)</b>    | <b>(855,975)</b>     |
| <b>Net Change in Surplus</b>         | <b>\$815,543</b>    | <b>\$(1,605,818)</b> |

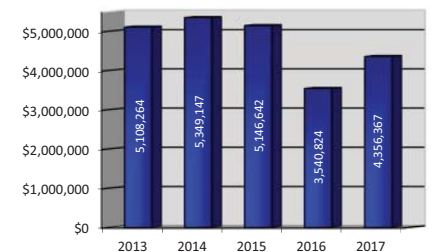
### Total Assets



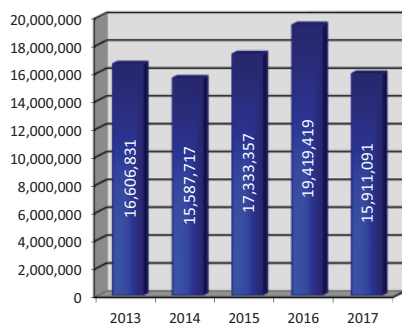
### Investment Quality at 12/31/2017



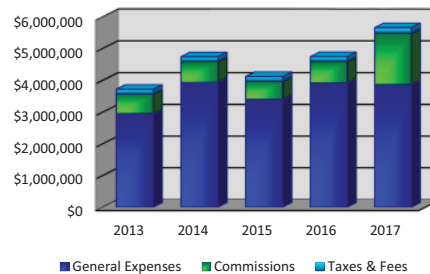
### Total Surplus Trend



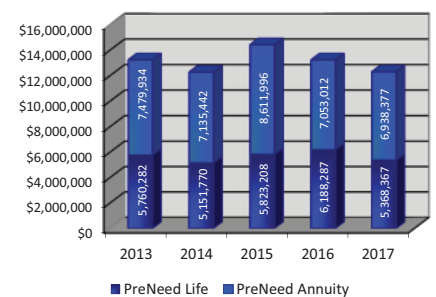
### Total Premiums



### Operating Expenses



### PreNeed Premiums



## Financial Highlights

- \* LCBA's risk-based capital ratio improved to 376% at December 31, 2017 from 324% at December 31, 2016. This increase is attributed to the growth in surplus experienced in 2017, as LCBA's risk-based capital remained consistent with the prior year, dropping by just under one percent.
- \* In the PreNeed market, management continues to work on improvements and made changes to the distribution and service model at the end of the year in order to spur future growth. Medicare Supplement premiums have shown consecutive years of significant growth, but remain a small percentage of overall net premiums. See article by VP-Finance/Treasurer, Ross Aresco, for further premium discussion pertaining to LCBA's new life line of business.
- \* The quality of LCBA's investment portfolio remains high with an average rating of "A" and over 98% of bonds at investment grade. As anticipated, reinvestment rates remained low in 2017, leading to a slight reduction in book yield. Early in the year, LCBA took advantage of improved market conditions to sell all of its non-agency, mortgage-backed securities to further reduce risk in its portfolio.
- \* Commission expense increased significantly in 2017 on the heels of strong sales growth of the new life product line, to \$3.6 million from \$1.6 million in 2016, or an increase of 122%. This follows a \$950 thousand, 85% increase in 2016.
- \* General Expenses decreased 1.7% in 2017 and ended the year under budget. Expenses were up 15% in 2016 due primarily to the costs associated with the new product line, which began development in the first quarter of the year. Additionally, in 2016, LCBA completed its five year Pennsylvania state insurance department examination in 2016, which cost the Association approximately \$230,000 and resulted in a clean examination report.

## Insurance for Insurers: New Business Strain and the Risks and Rewards of Reinsurance

By: Ross W. Aresco, LCBA VP-Finance & Treasurer



While I typically only provide bullet point commentary to accompany the annual financial report in the Spring issue of *Direction Magazine*, for a couple reasons I felt it was a better idea this time around to write an article. First off, I haven't written an article in the *Direction* magazine for quite some time and really enjoy doing so! While my last article was on the fun topic of spending time with my kids on Father's Day, this time we're going to get into the numbers a bit. This brings me to the second reason for writing an article: we had a heck of a year in 2017 and we did something that we haven't done in years, which is to sign a new reinsurance treaty (treaty is insurance parlance for "contract"). Even more significant is that we signed a reinsurance treaty that had a big impact on how LCBA's financials look when compared to the prior year.

The first thing that is important to understand, and the reason why we pursued a new reinsurance treaty, is the concept of new business "strain", as it pertains to life insurance sales. In a typical life insurance sale, in the first year of the policy, income earned via premiums is outweighed by the expenses, causing a loss in the first year. These expenses include commissions paid to the agent involved with selling the policy, costs of selling and issuing the policy, and the establishment of a reserve for the policy's death benefit. These expenses in excess of the income creates a financial burden for the insurer that is called strain, and an average strain for a traditional life insurance policy sale is approximately 140% of premiums received. In other words, the insurer is essentially investing its surplus in the year of the sale in order for that policy to bring in profits over the rest of its life.

New business strain is a normal part of an insurer's business, and is something that is taken into account when deciding what products to develop and sell, and how much of a particular product the company should sell in a given year. In 2016, the first year of sales on LCBA's newest life insurance product line, the strain incurred on that business is what led to the significant loss to surplus that was recognized that year. However, LCBA President & CEO, Douglas Tuttle, said it best in one of his *Direction* articles last year, "however counterintuitive, these losses are actually a great thing for LCBA." Those losses meant that we were selling a high volume of policies, policies that will bring future premium income and surplus to LCBA, and it also meant that LCBA would have many new members to whom we can provide fraternal benefits.

An insurer has two primary ways to deal with new business strain. The first and most straightforward way is to simply absorb the strain-related losses and wait for the profits on the product line to eventually outweigh the new business losses. The second, more complicated way to manage strain is to reduce the amount of strain a company experiences through the use of reinsurance. Simply put, reinsurance is insurance purchased

(Continued on next page.)

by an insurance company. A company can pay premiums to a reinsurer to guard against large, unforeseen (or expected) claims, to diversify risk, and, in LCBA's case, to ease new business strain.

As premiums from the new product line continued to grow, from \$4 million in 2016 to nearly \$8 million by the end of 2017, LCBA decided to alleviate the new business strain from these products by signing a new reinsurance treaty. This treaty resulted in nearly \$1.7 million of new business strain relief at December 31, 2017. This strain relief will last for up to five years, which is past the point that management estimates profits on the line of business will greatly outweigh the strain-related losses.

The accounting for this treaty is complex, but, in a nutshell, it resulted in premiums on the new product line being "ceded", or transferred, to the reinsurer. Nearly \$7 million of premiums for the new product line were ceded in 2017. This means that they are not reflected in LCBA's annual statement as they would normally be, and is why Life Premium Income in LCBA's Annual Statement is down 31% from the prior year. However, reinsurance aside, life premium volume is actually up by 32% from 2016. Other income and expense line items are affected by the accounting for the treaty, including other income, claims, reserve increases, and other expenses. Putting the accounting aside, the net effect is that LCBA management and its Board of Directors took appropriate measures in 2017 to manage LCBA's new business strain, grow responsibly, and help position LCBA for continued success.

You can expect to continue hearing about reinsurance from me and others at LCBA as this product line continues to grow and as LCBA continues growing and expanding in other areas. Growth is something that we have been striving to accomplish for many years and, while growth needs to be managed carefully, it is essential for LCBA to remain successful and relevant in this ever-changing world.

# CONDENSED BOARD MEETING MINUTES

## LCBA Board



**Robert Muth**  
Conneaut Lake, PA  
*Chair of the Board of Directors*



**Karen Balaban, Esq**  
Harrisburg, PA  
*Nominating Committee*



**Pat DiCesare**  
Burnt Hills, NY  
Port St. Lucie, FL  
*Audit/Finance Committee Chair*



**Matthew K. Dupee**  
Nazareth, PA  
*Governance Committee Chair*



**Paul Kenny**  
Erie, PA



**Karen LeVert**  
Durham, NC  
*Governance Committee*



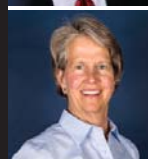
**Richard Suchan**  
Buffalo, NY  
*Audit/Finance Committee*



**Anne Sweigart**  
Bluffton, OH  
*Governance Committee*



**Douglas Tuttle**  
Erie, PA  
*President/CEO*



**Barb Waclawek**  
Buffalo, NY  
*Nominating Committee Chair*

## LCBA Board - 2017 Fall Board Meeting September 8, 2017 Sheraton in Chandler, AZ

*(The fall board meeting was held while the LCBA Board was attending the 2017 AFA Annual Meeting in Arizona to avoid extra travel time and expense.)*

### Present Were:

President/CEO – Douglas Tuttle

### Directors of the Board:

Anne Sweigart      Barb Waclawek  
Karen Balaban      Karen LeVert  
Matthew Dupee      Pat DiCesare  
Paul Kenny      Richard Suchan

### Guests:

VP Finance/Treasurer - Ross Aresco  
VP Sales - Walter Losee  
VP Administration/Secretary - Rebecca Black  
VP Membership & Marketing - Michele King

### Not Present Were:

Chair of the Board of Directors - Robert Muth  
VP Operations - Alex Miller

## Friday, September 8, 2017 LCBA Board Meeting

Mr. Dupee called the Board Meeting to order.

### Approval of Minutes

A motion to approve the minutes was made and carried unanimously.

### Financial

Ross Aresco spoke about LCBA's second quarter financials, and the impact of the new reinsurance treaty with Canada Life on the financials and LCBA as a whole.

Mr. Aresco also discussed 7/31/17 YTD expenses, 8/31/17 YTD paid premiums and benefit expenses.

### Fraternal and Marketing

Michele King gave an update on the Bereavement Benefits, Medicare Supplement Pay it Forward, the 2018

Trip, American Hearing Benefits, Fraternalist of the Year and the BROOM Award.

Ms. King also gave an update on the LCBA website and social media.

### Sales

Walter Losee spoke about CFP sales and PreNeed Sales Year-to-Date, submitted as of 8/15/2017.

Mr. Losee also gave an update on PreNeed changes and opportunities, Regional Managers and CFP.

### Medicare Supplement

Douglas Tuttle gave an update on the Medicare Supplement line of business.

### Admin & Operations

Rebecca Black gave an update on the Robotic Process Automation project that is in progress.

Ms. Black also gave an update on the Outreach Support Team.

### Governance

#### Self Evaluations

Evaluation to be completed by November 1st.

#### Policy and Procedures

Mr. Dupee presented the Board Travel and Expense

Reimbursement Policy to the board as created by the Governance Committee.

Discussion ensued and changes were made.

Passed unanimously.

Mr. Dupee stated there are no recommended changes for the Individual Director Self-Evaluation Form, Individual Director Self-Evaluation Policy, Board Committee and Director Communications, IRS Form 990, Keystones of Corporate Governance, and Disclosure of Financial Reports and Governance Documents.

### Nominations

The committee had nothing to add as there are no elections this year.

### Audit/Finance

A motion to accept the investment purchases and sales from 05/26/17 through 08/31/17.

Ms. Balaban abstained from voting.

The remaining board members unanimously passed the motion.

### Motion to Adjourn

A motion to adjourn the Fall Board meeting was made and carried unanimously.

## Orthodox Members Call for Content!

We are looking for content submission from our Orthodox members. Please contact us if you are interested in writing an article, highlighting an event/achievement or any other content that would be relevant to our Orthodox members.

Send content via email with the subject line "Orthodox" to [direction@lcbalife.org](mailto:direction@lcbalife.org) or by mail to Orthodox, PO Box 13005, Erie, PA 16514.

*Note: Submission of material or suggestions does not guarantee publication.*



## Employee Certifications



**Michele King**

VP - Membership & Marketing

LOMA, Associate, Life Management Institute



**Jill Otto**

Accounting Clerk

FLMI Level 1: Insurance Fundamentals



**Bonnie Long**

Compensation Specialist

FLMI Level 1: Insurance Fundamentals

## WE NEED YOU!

Do you have someone in mind for our Board of Directors?

Look for the official call for nominations in the summer issue of *Direction!*





PO Box 13005  
Erie, PA 16514-1305

# NEW THIS YEAR for LCBA Scholarships!

## BONUS ENTRIES!

+1

Every member who applies for a scholarship online at [www.lcbalife.org](http://www.lcbalife.org) will receive one additional entry.

+1

Each applicant will get an additional entry for any current benefit member (parent, grandparent, great-grandparent) with an active LCBA certificate listed on the application.

▶ The Elementary/Secondary Scholarship has been increased to **\$350!** ◀

THE SCHOLARSHIP DEADLINE IS MAY 1ST! CHECK PAGES 9 & 10 FOR MORE INFO!



Camping Scholarship



Elementary/Secondary Scholarship

NOW \$350!




Post-Secondary Scholarship

## Healthy Hearing Starts Here

American Hearing Benefits offers you and your family:

- **Discounts\*** on today's latest technology, including *rechargeable* hearing aid and tinnitus product options
- **FREE** annual hearing consultations
- Access to a nationwide **network of 3,000+ hearing locations**
- **FREE** one-year supply of batteries (*40 cells per hearing aid purchased*)
- One year of **FREE office visits** (*limit of 6*)
- **60-day trial period\*\***
- **Free Deluxe Warranty Plan**, including loss and damage\*\*
- **Financing plans** available (*subject to credit approval*)

\*Patient benefits may vary by contract type. \*\*Professional service fees may apply.



To take advantage of your benefits call **1.888.694.3721** or visit [www.lcbalife.org](http://www.lcbalife.org) to learn more.

Mention Activation Code: **HEAR**



**American**<sup>™</sup>  
HEARING BENEFITS

A Starkey Hearing Technologies Program