

direction



POST-SECONDARY

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

NOW IS THE TIME TO APPLY FOR LCBA SCHOLARSHIPS!

ELEMENTARY / SECONDARY



CAMPING



A QUARTERLY PUBLICATION OF LOYAL CHRISTIAN BENEFIT ASSOCIATION

SPRING

Vol. 19 / Issue 1



Available Scholarships

Elementary/
Secondary
Scholarship **\$350**

Post-
Secondary
Scholarship **\$2500**

Camping
Scholarship **\$200**

I wish all of you a happy new year (a little late) and a very happy Easter (a little early). Here at LCBA a new year means another year of scholarship opportunities! **Our scholarship application period is open and we are accepting applications until May 1st.**

LCBA offers multiple scholarships that Benefit members and their direct descendants can apply for. We offer elementary/secondary, post-secondary, and camping scholarships. They are lottery-based so everyone has a chance to win, but there are a few ways you can earn extra entries to help better your odds.

- ✦ Every benefit member who applies for a scholarship online at 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
- ✦ Up to 5 additional lottery chances are awarded to qualified entrants based on academic performance. *(Post-Secondary only)*
- ✦ One additional entry for each full year of continuous LCBA benefit membership as an insured on either a life or annuity certificate with a limit of five additional entries. *(Post-Secondary only)*

Also we have updated our application this year. Previously you could enter multiple applicants on one application. We received some feedback that this was complicated, so we changed the application to only have one applicant per application. However, you can still apply for multiple scholarships per applicant on one application. For example, you can apply for both elementary and camping scholarships on one application to save a bit of time. If you need help or have questions you can contact our home office at 800-234-5222.

You can find the more information and an application on the back cover of this edition. You can also learn a bit more and apply online (bonus entry!) at www.lcbalife.org.

Don't forget the deadline to apply is May 1, 2019!

Thank you,

Douglas Tuttle
President & CEO

Direction

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It's Time to Apply for LCBA Scholarships!

CHECK THE BACK COVER!



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2018 Annual Financial Report



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LCBA Bylaws Update



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business hours:

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

holiday closings:

Good Friday / Easter:
Friday, April 19
Monday, April 22
Memorial Day:
Monday, May 27



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BRANCH 49 / ERIE, PA



Christmas pizza lunch with a few residents of EUMA's Liberty House.



BRANCH 49 / ERIE, PA

Branch Christmas party where Samantha from LCBA presented Cindy Hedlund with the LCBA Fraternalist of the Year Second Runner-Up award.



www.euma-erie.org/mission-programs/liberty-house

BRANCH 49 / ERIE, PA



At the monthly meeting Branch members put together 50 Valentine Gifts for Homeless Women Veterans of Erie County.



BRANCH 1425 / FORD CITY, PA



January Branch meeting, where five new members were introduced.



IN MEMORY OF SHIRLEY FIOLEK

January 19, 2019
Loyal Member of Branch 49



IN MEMORY OF DAVID MACKO

January 11, 2019
Loyal Member/Vice President of Branch LO17



BRANCH 892 / NEW PHILADELPHIA, PA



Branch Christmas party.



BRANCH 1198 / ALTOONA, PA



Branch members pose at their booth at the Holiday Boutique held in November.

BRANCH 1557 / EPHRATA, PA



January Branch meeting.



Members and guests had an ornament exchange, played games, and enjoyed lunch at the Branch December meeting & Christmas party. Gas cards were collected for Sophia Women's Center. LCBA President/CEO Doug Tuttle presented a Platinum Broom Award.



At the November Branch meeting, members learned about local senior volunteer programs.



www.sophiawomenscenter.com



Annual Memorial Mass For deceased member held at St. Paul Church Pastor and officiated by Fr. Bob Edwards. Branch members then got together for breakfast after.



Branch members presented a check for \$126 plus 543 paper products and other items, collected at the Branch's annual "Pound Party", to the Christina Center.



Branch members present gas cards they collected at the Branch Christmas party to the Sophia Women's Center.



www.gainusa.org

Branch members regularly meet to trace, cut and sew patterns for sanitary pads from donated materials to give to Gain USA who will distribute to impoverished countries.



Branch 654 gifted a "Called By Name" personalized banner, made by a local parishioner to be used at all funerals at St. Paul Church.

Want to get involved in LCBA Branch events?

Contact LCBA at 800-234-5222 or branch@lcbalife.org to find out more!



Loyal Christian Benefit Association Bylaws (Dec 4, 2018)

Article 1. Association

- a. Name and Location - The name of this society is Loyal Christian Benefit Association, (association). The principal office of the association (home office) shall be located in the County of Erie, Pennsylvania.
- b. Nature - The association is a fraternal benefit society organized, incorporated and operating solely for the benefit of its members and their beneficiaries as a not for profit organization. The association operates under a branch system, uses a representative form of government and conducts its activities in accordance with its articles of incorporation, these bylaws, the laws of Pennsylvania and the United States of America pertaining to fraternal benefit societies, and the laws of the states in which it is licensed to do business.
- c. Purposes - The purposes of this association are as follows: (1) To unite into a fraternal benefit society all persons who are eligible for membership, (2) To promote the general welfare of its members, their families and their Christian community; (3) To provide for the payment of insurance and other benefits permissible under laws governing fraternal benefit societies to its members and their beneficiaries; and (4) The enjoyment of any other rights and privileges appertaining to a fraternal benefit society.

Article 2. Membership

- a. Eligibility – All Christians are eligible for membership in the association.
- b. Classes of Membership
 - i. Benefit Members
 1. Adult Benefit Members – All individuals age sixteen or older who are eligible for membership in the association and who are covered under a benefit certificate of the association are adult benefit members of the association.
 2. Juvenile Benefit Members - All individuals who have not yet attained age sixteen who are eligible for membership in the association and who are covered under a benefit certificate of the association are juvenile benefit members of the association. Juvenile benefit members automatically become adult benefit members upon attaining age sixteen.
 - ii. Non-Benefit Members
 1. Agency Members- All individuals who are eligible for membership and are covered by an insurance policy issued by an insurer where the LCBA Agency acts as agent or agency for the policy.
 2. Associate Members - All individuals who are eligible for membership and have either paid their individual membership dues or belong to a branch which has paid its annual branch fees but are not covered under either a benefit certificate of the association or a policy issued by an insurer where the LCBA Agency acts as agent or agency are Associate members.
- c. Membership and Voting Rights – Only adult benefit members are eligible to vote in the affairs and business of the association. Membership is personal to the member and cannot be assigned or transferred. Any member under suspension is disqualified from holding office, voting for or nominating a candidate for office.
- d. Dues- The association may assess its members' dues.
- e. Branch Membership- All members in good standing are automatically assigned to a branch by the association.

Article 3. Board of Directors

- a. Power and Duties - The board of directors shall be the supreme governing body of the association under the laws of Pennsylvania. Except as otherwise provided by law, the articles of incorporation, or these bylaws, the board of directors shall set the principal policies and

strategies of the association, provide oversight of the management and affairs of the association and perform such other duties entrusted to it by the laws of the state of Pennsylvania or these bylaws.

- b. Number and Composition – The board shall consist of no fewer than nine but no more than fifteen elected directors. The board shall designate from time to time the total number of directors taking into consideration both the association's and the board's current and future needs. The president/chief executive officer shall be an appointed voting member of the board. Every other year, the board shall elect one of its members to be the chairperson of the board for a two year term. The chairperson of the board shall preside at all meetings of the board and perform such other duties as may be designated by the board.
- c. Qualifications – In order to be eligible for election or appointment as a director, a nominee must be an adult benefit member in good standing with the association. The board will establish qualifications for prospective directors from time to time. These qualifications shall reflect the complexity and magnitude of the business and affairs of the association. Qualifications established by the board will be published in the official publication with any request for recommendations of candidates to be nominated for director. Employees of the association, employees of affiliates or subsidiaries of the association and persons who sell or manage the sale of the association's insurance are not eligible to serve as a director. Grandparents, parents, mother or father-in-laws, spouses, children, siblings, brother or sister-in laws of directors, executive officers or any licensed sales agents of the association are not eligible to serve as a director. If a family relationship referred to in this section begins during the time that a person is serving a term as a director, the director is eligible to complete the current term but is not eligible for reelection or appointment after the expiration of the current term.
- d. Nomination of Directors

- i. Recommendations by Membership – Any adult benefit member in good standing may recommend a candidate for director (including him/herself) by sending the candidate's resume of qualifications and two (2) letters of recommendation to the secretary of the association. The person recommended must be willing to serve. Resumes and letters of recommendation must be received by the secretary of the association at its home office during the time period established by the board in order to be valid. The board will establish and publish the time period for accepting recommendations. The secretary will report the recommendations to the nominating committee.

- ii. Nominations by Board or a Committee- If a seated director wishes to be placed on the ballot for re-election he/she needs only to declare his/her intention, in writing, to the secretary of the association prior to the close of the time period for accepting recommendations.

Other candidates recommended to the nominating committee pursuant to section d.i. shall also be considered for nomination.

The nominating committee will review all submitted materials. Candidates meeting the minimum requirement to serve on the board at that time will be eligible to be nominated. To be placed on the ballot the nominee must be an adult benefit member in good standing.

If there are more than twice the number of candidates to be nominated for the number of seats open for election, the nominating committee will select the nominees who will be on the ballot based on qualifications and needs of the board at that time. The ballot will be limited to twice the number of nominees for the number of open seats.

The board or a committee will oversee the ballot assembly and the related election duties as prescribed by these bylaws and the procedures set forth by the board.

If a committee, the committee shall submit its report to the full board for review of procedural accuracy. The board shall then publish the slate of nominees.

Nominees will be positioned on the ballot alphabetically by last name with a notation on the ballot and in announcements that the nominees are listed in this manner.

- e. Staggered Terms - Each director will be elected to the board for a term of office up to four years each. The total number serving and the number to be elected shall be determined by resolution of the board, with no less than two and no more than half plus 1 being elected in any given election. Terms will be staggered and the board will determine the election cycle.

- f. Election of Directors – The verified slate of candidates for directors shall be placed before the adult benefit members for a vote. Election will be by written ballot, or such other legal methods or procedures that the board may select. Each eligible benefit member shall have one vote for each board position subject to election that year.

Cumulative voting is not permitted. Voting by proxy is not permitted. The board will select the time and process for the election to be held. An independent organization or a committee comprised of directors whose term is not expiring will count or validate the votes. The nominating committee will declare the candidates receiving the highest number of valid votes to be duly elected for the following term. All newly elected director(s) and non-returning director(s) terms will begin and end, respectively, on the second regularly scheduled board meeting of the calendar year. Directors shall hold office for the term for which they are elected, unless a director's death, resignation, removal or ineligibility to serve on the board occurs or the term of a successor begins before the end of such term. Directors may be elected for successive terms.

- g. Regular Meetings- The board shall hold regular meetings quarterly.

- h. Special Meetings - Special meetings of the board shall be held whenever called by the chairperson, the president/chief executive officer or by any two directors then in office.

- i. Place of Meetings - All meetings of the board will be held at the association's home office unless another place is designated by the chairperson.

- j. Notice- Notice of any regular or special meeting shall be mailed to each director, addressed to the director at his or her residence or usual place of business or shall be sent to him or her at such place by facsimile or by other electronic means; or be delivered personally or by telephone not later than ten days before the day on which the meeting is to be held. If mailed such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid. Unless otherwise provided by law, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors needs be specified in the notice of the meeting.

- k. Waiver of Notice – Except in the case of removal of a director from office for cause, directors may waive their right to receive notice individually, in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, and the board, by unanimous vote of the full board, may suspend the requirement to give such notice.

- l. Quorum – A majority of the directors shall constitute a quorum to transact all business of the association unless otherwise required by law, in the articles of incorporation or these bylaws.

- m. Voting- An act of a majority of directors present at a meeting at which a quorum is present shall be an act of the board, unless otherwise required by law, in the articles of incorporation, or these bylaws.

- n. Policies and Procedures of the Board – The board may adopt such policies and procedures for the conduct of its meetings and for the management of its affairs as it may deem proper, consistent with applicable law, the articles of incorporation or these bylaws.

- o. Meeting by Electronic Communication – Meetings of the board may be conducted through the use of any means of communications by which all participating directors may simultaneously hear each other during the meeting or by which all communication is immediately transmitted to each participating director and each participating director is able to immediately send messages to all other participating directors. Prior to beginning such meeting, all

directors shall be informed that a meeting is being conducted at which official business may be transacted. A director participating in such meeting is deemed to be present in person at the meeting.

- p. Unanimous Consent Without Meeting - Any action required or permitted to be taken at a board of directors meeting may be taken by written action or electronic action signed by all of the directors eligible to vote on such action and shall be filed with the secretary of the corporation. A consent under this provision has the same force and effect as a vote of the board of directors taken at a meeting.

- q. Resignations, Removals and Vacancies – Any director may resign at any time by giving written notice to the chairperson. A director may be removed from office with or without cause by an affirmative vote of two-thirds of the full board at a meeting of the board called for that purpose. Any vacancy occurring in the board, including a vacancy created by an increase in the number of directors may be filled with an interim director by an affirmative vote of a majority of the directors then in office, even if there is less than a quorum. If the interim director is due to an increase in the number of directors the term of office on the board must be defined at the time of the appointment. Other interim directors will complete the remainder of the term of the director that the interim appointee is replacing. Notwithstanding, a majority of the directors at any time must have been elected by the membership and the number of elected directors may not fall below the number of votes required to amend the association's bylaws. A vacancy that will occur at a specific later date may be filled before the vacancy occurs as provided above, but the new director may not take office until the vacancy occurs.

- r. Committees – The board by resolution which has been adopted by a majority of the full board may designate governance, audit and one or more additional committees of directors. Each committee shall consist of three or four directors who serve by appointment of the board. Each committee shall have such authority as delegated to it by the board. A majority of the members of each committee of directors shall constitute a quorum for the transaction of all committee business. Vacancies occurring on committees of directors shall be filled by the board as soon as possible.

Article 4. Officers of the Association

- a. Executive Officers – The executive officers of the association include the chairperson of the board, the president/chief executive officer, the secretary and the treasurer.

- b. President/Chief Executive Officer - The president/chief executive officer must be an adult benefit member. The president/chief executive officer is appointed by an affirmative vote of two thirds of the board and serves at the pleasure of the board. The president/ chief executive officer shall be a voting member of the board.

- c. Officer Appointment – All officers must be adult benefit members of the association. All officers, except for the chairperson of the board, shall be appointed by the president/chief executive officer.

- d. Powers and Duties of Officers – The president/chief executive officer is responsible only to the board and ultimately to the general membership through the elected board members. Subject to the control and direction of the board and except for any activities and operations designated by the board to be under the supervision and control of the chairperson of the board, all activities and operations of the association shall be under the president/chief executive officer's supervision and control. All other officers and employees of the association shall be under the supervision and direction of the president/chief executive officer.

- e. Compensation – A committee shall present a schedule of reasonable compensation for the directors and president/chief executive officer to the board of directors for approval. The president/chief executive officer shall establish reasonable compensation for the officers under his or her supervision and control.

- f. Vacancy of President/Chief Executive Officer - A vacancy in the office of the president/chief executive officer by reason of death, resignation, removal, disqualification, or any other cause shall be filled by an affirmative vote of two-thirds of the board. The president/chief executive officer may be removed from office for cause by an affirmative vote of two-thirds of the full board at a meeting of the board called for that purpose.

Article 5. Branches

- a. Volunteer Activities - The association will carry out its mission as a fraternal benefit society through benefit and non-benefit members organized in branches. Branches shall be created and maintained to foster voluntary activity for aiding such lawful social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic or religious endeavors as the branch determines in accord with the policies of the board; and to provide members with the opportunity to take part in benevolent and charitable activities of the association.
- b. Branch Functions - Each branch shall elect officers, hold meetings and carry on its business in accordance with the association's branch rules and regulations.
- c. Branch Meetings - Each branch will meet at least four times a year or at least as frequently as may otherwise be required by law.
- d. Articles of Incorporation and Bylaws - All branches shall accept the association's articles of incorporation and bylaws as prepared by the board.
- e. Authority to Change Certificates - No officer or member of a branch shall have any authority or power to waive, add to, or amend any certificate, bylaw or provision in any certificate between the association and a member or any other person.
- f. Branch Supervision - All branches will be under the control and supervision of the board. Whenever any controversy shall arise in any branch between its officers and members or on any other matter affecting or touching the administration of the branch, if the difficulty cannot be settled by the branch or the association's officers, it shall be referred to the board and the board's decision in the matter shall be final.
- g. Branch Merger and Consolidation - Whenever the board deems it in the best interests of the association or of the branch members, it may merge or consolidate two or more branches.

Article 6. Benefit Certificates

- a. Fraternal Contract
 - i. Contract Form - The application, certificate of insurance, including any attached riders or endorsements, evidence of insurability signed by the applicant (if any) and the amended and restated articles of incorporation and bylaws, shall collectively constitute the agreement or contract between the benefit member, the certificate owner and the association. All members, certificate owners, and beneficiaries shall be held to consent to and shall be bound by any subsequent changes in the articles of incorporation and bylaws.
 - ii. Certificate vs. Membership Rights - Privileges of certificate ownership shall not extend to membership rights, which are personal to the member, such as the right to vote, to hold office in the association, and to exercise all other privileges of membership in the association, which are not related to the control of the insurance certificate between the association and the certificate owner.
 - iii. Benefit Certificate Issuance - Upon being admitted to benefit membership, each benefit member shall be issued either a benefit certificate by the association or an insurance policy issued by an insurer for whom the association acts as either agent or agency. The association may issue benefit certificates on the lives of juveniles.
 - iv. Missing Member - No length of time or duration of absence or disappearance of a member shall entitle the beneficiaries or heirs to receive the payment of the benefit without actual proof of the death of the member, provided however, that said benefit shall be payable upon receipt by the association of a formal decree issued by a court of competent jurisdiction declaring the member to be dead.
 - v. Deceased Beneficiary - If the beneficiary designated in a certificate dies prior to the member's death, or if the beneficiary designation is void for any reason, the amount payable to such deceased beneficiary shall be payable in equal shares to the surviving beneficiaries designated by name in the certificate. Unless otherwise required by applicable state law, if no designated beneficiary survives the member, the amount payable on account of member's death shall be paid to the persons of one class and in the order mentioned in the following classes:

- Member's spouse.
- Member's children, natural or by legal adoption.
- Member's mother and father, natural or by legal adoption.
- Member's grandchildren.
- Member's sisters and brothers.
- Personal representative or estate of the deceased member.

If the association receives no claim from a qualified person within one year and eleven months from the date that the association establishes, from its records, that funds become due and payable or if the proper claimant cannot be located within the one year and eleven month time period, the funds will be paid to the association to be applied to its fraternal/charitable purposes.

- vi. Minor Beneficiary - If the beneficiary is not of legal age, the association may, at its discretion, pay all or part of the benefit directly to the juvenile, if the association is supplied with proof that securing of the appointment of a legal guardian for the juvenile would work a financial hardship on the juvenile.
 - vii. Contingent Owner - If the insured is not the certificate owner and the owner of the certificate dies prior to the insured's death, absent anything to the contrary in the certificate, the insured shall become the owner of the certificate upon the certificate owner's death.
- If under a certificate's default contingent ownership provisions, the certificate owner's estate is to become owner of the certificate and no probate or small estate proceeding is opened for the certificate owner within nine months of the certificate owner's death, the insured shall become the owner of the certificate.
- viii. Missing Claimant - If the association receives no claim from a qualified person within one year and 11 months from the date that the association establishes, from its records, that funds become due and payable under the terms of a certificate or if the proper claimant cannot be located within the one year and 11 month time period, the funds will be paid to the association to be applied to its fraternal/charitable purposes.

- b. Retained Insurance Coverage - Notwithstanding any other provisions which may be contained in these bylaws, any benefit member of this association who is suspended or expelled for any cause except non payment of premiums, if applicable, or within the contestability period for material misrepresentations in the application for benefit membership, shall have the privilege of maintaining the benefit certificate in force by continuing the payment of the required premiums.
- c. Maintenance of Solvency - If the association's reserves should become impaired; the board may require that there shall be paid by each benefit member to the association the amount of the member's equitable proportion of such deficiency as determined by the board. If the payment is not made in full, it shall stand as indebtedness against the insurance certificate and draw interest at the rate of five percent per annum, provided, however, that there shall be no personal liability for such extra payment except against the equity or reserve of the certificate.
- d. Taxation - If any jurisdiction requires the association to pay a tax, license fee or other charge based on dues or premiums paid by any certificate owner, the board is authorized to add to the dues and premiums otherwise payable under these bylaws or the insurance certificates by such owner such portion of the total tax, license fee or other charge as the association is required to pay on account of the dues or premiums paid by the owner. All subsequent payments required to be made by such owners are declared to be the regular dues and premiums increased by the additional amounts. In lieu of increasing the regular payments, the board may direct that the additional amounts shall be charged as liens against the benefit certificates with interest charged at the same rate as charged on premium loans or that the additional amounts shall be deducted from any dividends otherwise due the owners. The board's determination of any amounts under this paragraph shall be final and conclusive.

Article 7. Indemnification of Employees, Officers and Directors - The association, to the extent permitted by law, shall indemnify and hold harmless each employee, officer or director serving the association or any other corporation, partnership, joint venture, trust, task force, committee or other entity that the employee, officer or director serves as

an officer, director, employee or agent at the direction of the association. The association will maintain insurance on its directors, officers and employees against liability for acts or omissions in the performance of their duties as determined by resolutions of the board.

Article 8. Fidelity Bonds for Officers and Employees - The association shall maintain fidelity bonds on the officers and employees as determined by resolution of the board.

Article 9. Official Publication - The official publication of the association shall be published at least annually. Any notice, report or statement required by law, including notice of election, the annual report and amendments to these bylaws or the articles of incorporation, may be published in the official publication. The official publication will be provided to the households of all members of the association.

Article 10. Dispute Resolution

- a. Purpose – The purpose of this article is to prescribe the exclusive means to resolve grievances, complaints or disputes between members, insureds, certificate owners or beneficiaries and the association or its directors, officers, agents and employees. Procedures set forth in this article are meant to provide prompt, fair and efficient opportunities for dispute resolution, consistent with the fraternal nature of the association, without the delay and expense of formal legal proceedings.
- b. Scope – This article applies to all past, current and future benefit certificates, members, insureds, certificate owners, beneficiaries and the association. It applies to all claims, actions, disputes and grievances of any kind or nature whatsoever. It includes, but is not limited to, claims based on breach of benefit certificate, as well as claims based on fraud, misrepresentation, violation of statute, discrimination, denial of civil rights, conspiracy, defamation and infliction of distress, against the association or its directors, officers, agents or employees. To the extent permitted by applicable law, this article applies to all claims, actions, disputes and grievances brought by the association against members, insureds, certificate owners, or beneficiaries. In the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to this article, this article shall remain in full force and effect as to any remaining parties or claims involved in such dispute. The article does not apply to any claims or disputes related to interpleader actions to determine the proper owner, beneficiary or payee.
- c. Procedures – No lawsuits or any other actions may be brought for any claims or disputes covered by this article. The following are the procedures for presenting and resolving disputes.
 - i. Appeal- Appeal of the dispute to a designated reviewer within the association as appropriate to the dispute.
 - ii. Mediation - If the appeal process does not result in a mutually satisfactory resolution, either party has the right to have the matter mediated in accordance with the applicable mediation rules of the American Arbitration Association (or the rules of another neutral organization as agreed upon by the parties). The mediation shall be administered by a neutral organization agreed upon by the parties.
 - iii. Arbitration – If mediation does not result in a mutually satisfactory resolution, the matter will be resolved by binding arbitration in accordance with the applicable arbitration rules as prescribed by the American Arbitration Association (or the rules of another neutral organization mutually agreed upon) as applicable to the type of matter in dispute. The arbitration shall be administered by a neutral organization agreed upon by the parties. The decision of the arbitrator shall be final and binding, subject only to the right to appeal such decision as provided in the arbitration rules and applicable law. The member, insured, certificate owner or beneficiary shall have the right to be represented by legal counsel of his or her choosing at any time at his or her own expense (unless, as provided below, he or she

is awarded attorneys fees). If an issue in dispute is subject to law that prohibits parties from agreeing to submit future disputes to binding arbitration, arbitration results shall be non-binding, unless the parties agree to binding arbitration after the claim or dispute has arisen. The association will take reasonable measures to assure that the dispute resolution process proceeds promptly.

- d. Costs – The administrative costs for the mediation and/or arbitration (including fees and expenses of mediators or arbitrators, filing fees, reasonable and necessary court reporting fees) shall be paid by the association. Provided, however, unless awarded otherwise below, each party shall bear its own attorney's fees, expert fees and discovery costs.
- e. Restriction of Joinder of Disputes – The procedures of this article are designed to afford individual members, insureds, certificate owners, beneficiaries and the association a prompt, fair and efficient means of resolving individual dispute. Accordingly, no dispute may be brought forward in a representative group or on behalf of or against any "class" of persons. The disputes of multiple members, insureds, certificate owners or beneficiaries (other than immediate family) may not be joined together for purposes of these procedures without the express written consent of both (i) all members, insureds, certificate owners and beneficiaries affected, and (ii) the association. The restriction on joinder of disputes contained in this paragraph is a condition upon which the agreement to arbitrate contained in this article depends.

Thus, should a court or arbitrator of competent jurisdiction deem the restriction on joinder of disputes contained in this paragraph unenforceable or otherwise void, there shall be no agreement to arbitrate.

- f. Remedies – This paragraph applies to any claim or dispute resolved through binding arbitration as provided above, and it applies to any action in a court of law in the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to binding arbitration. Except as expressly limited in this paragraph, the parties to a dispute may be awarded any and all damages or other relief allowed for the claim in dispute by applicable federal or state law, including attorney's fees, and expenses if such attorney's fees and expenses are deemed appropriate under applicable law. Exemplary or punitive damages may be awarded for claims arising under applicable federal or state statute(s) to the extent permitted under the applicable statute(s) or, for claims arising under the common law, exemplary or punitive damages may be awarded but may not exceed three times the amount of compensatory damage. In the event that any court or arbitrator of competent jurisdiction deems the foregoing limitation on common law exemplary or punitive damages to be unenforceable or otherwise void under applicable law, the remaining portions of this article shall remain in full force and effect.

Article 11. Fiscal Year – The association's fiscal year shall be the calendar year.

Article 12. Amendment of Bylaws & Articles of Incorporation- These bylaws may be repealed or amended in whole or in part at any regular meeting of the board or any special meeting called for that purpose. The number of votes required to repeal or amend these bylaws shall be two-thirds of the full board. The association's articles of incorporation may be repealed or amended in whole or in part by referendum of a majority vote of the voting membership. The Pennsylvania Insurance Commissioner must approve of the change to the articles of incorporation before it becomes effective.

Article 13. Severability - If any provision of these bylaws or the application of such provision to any circumstances is determined to be invalid, the remainder of these bylaws or the application of the provision to other circumstances shall not be affected.

Article 14. Effective Date of Bylaws Amendment will be upon approval of the Pennsylvania Insurance Department.



Rebecca M. Black
Secretary; VP-Administration

LCBA Board - 2018 Fall Board Meeting

September 28, 2018 | National Headquarters

Present Were:

Chair of the Board – Karen Balaban
 President/CEO – Douglas Tuttle

Directors of the Board:

Pat DiCesare Matthew Dupee Paul Kenny
 Karen LeVert Robert Muth

Guests:

VP Operations - Alex Miller
 VP Finance/Treasurer- Ross Aresco
 VP Sales - Walter Losee

Excused: VP Administration/Secretary - Rebecca Black

Friday, September 28, 2018

LCBA Board Meeting

Chair of Board Karen Balaban called the Board Meeting to order.

Introduction and Oath of Office:

Director Michael Courtad

Michael Courtad was sworn in as new LCBA Board Member by Chair of the Board Karen Balaban.

Discussion with AB&A

Douglas Brown from Allen Bailey & Associates, Mr. Doug Tuttle and Mr. Ross Aresco spoke about the review of Q2 Projection Variance & Re-calibration.

Barb Waclawek – Resolution

Chair of the Board Karen Balaban gave recognition to Barb Waclawek whom recently retired after completing outstanding service to LCBA as a member of the Board since 1996.

A motion to accept Barb Waclawek's resolution was made and carried unanimously.

Approval of Minutes

A motion to approve the 2018 Summer Board minutes was made and carried unanimously.

A motion to approve the 08/20/18 Electronic Vote Minutes was made and carried unanimously.

Finance Report

Mr. Ross Aresco spoke about 2018 Q2 Balance and Operation Sheet Highlights and 2018 Q2 Year-Over-Year analysis, Reinsurance Analysis and baseline assumptions.

Mr. Aresco also discussed 08/31/18 YTD paid premiums, benefit expenses and expense analysis. He also spoke about LCBA's investment portfolio holdings and the financial markets.

Sales Update

Mr. Walter Losee spoke about Preneed results as of 09/18/18, Preneed erosion and projections as well as CFP and Preneed distribution.

CFP Update

Mr. Tuttle spoke about the current status of CFP.

Medicare Supplement Update

Mr. Tuttle spoke about the Medicare Supplement projection summary from the Medicare Supplement Annual Summit.

Fraternal and Marketing

Mr. Losee gave an update on Bereavement Benefits, Medicare Supplement Pay it Forward Donation and Fraternalist of the Year winners.

Mr. Losee also gave an update on the website and live chat engine.

Administration Update

Mr. Tuttle spoke about death claims processed 08/01/2018-08/30/2018 and year-to-date death claims processed as well.

Operations Update

Mr. Alex Miller gave an IT update and spoke about the emergency generator installation and the future.

Committee Reports

Nominating

The Nominating Committee reviewed 5 potential candidates for the upcoming election. Karen Balaban, Pat DiCesare, Anne Sweigart and Paul Kenny are current board members seeking reelection. Adrienne Nescott Hirsch is a newly submitted candidate. All candidates were recommended for approval by the Board to be on the nominating slip for December.

The Nominating Committee also spoke about the suggested changes for the Election of Chair of the Board policy. Suggested changes were opened for discussion.

A motion was made to accept the proposal of the nominating committee for the election of the chair process and procedure adopted.-Passed unanimously

Governance

Policies and Procedures

Board of Director Policy and Procedure Process- Mr. Dupee stated there are no proposed changes for the Board of Director Policy and Procedure Process.

Enforcing of Standards of Conduct for LCBA Board Members

- Mr. Dupee stated there are no proposed changes for the Enforcing of Standards of Conduct for LCBA Board Members policy.

Standards of Conduct for LCBA Board Meetings

- Mr. Dupee stated there are no proposed changes for the Standards of Conduct for LCBA Board Meetings policy.



Karen Balaban, Esq
 Harrisburg, PA
 Chair of the Board of Directors



Michael Courtad
 Pittsburgh, PA



Pat DiCesare
 Burnt Hills, NY
 Port St. Lucie, FL



Matthew K. Dupee
 Nazareth, PA



Paul Kenny
 Erie, PA



Karen LeVert
 Durham, NC

Bylaw Change - Mr. Dupee, Chair of the Committee, moved proposed bylaw change which changed the announcement of the winners of the election for Board Directions from Governance Chair to Nominating Chair. -Passed unanimously.

Motion to Adjourn

The Board did not adjourn before the Exec Session, they merely recessed. They were called back to order and accepted a motion.

Motion to increase the compensation of the Chair of the Board from its current rate by \$300/quarter to reflect the recently approved Board member compensation increase, effective with the current meeting.

Chair of the Board declared the meeting adjourned.

Audit/Finance

A motion to accept the investment purchases and sales from 05/01/18 through 08/31/18.-Passed unanimously.

A Note FROM THE BOARD

WHY BUY LIFE INSURANCE FROM LCBA?

First of all-everybody NEEDS life insurance for a variety of reasons. So, whether you buy it from LCBA or another company, please talk to an experienced agent to review your specific goals and needs.

Second, all life insurance companies operate and generate profit in basically the same manner. An expert in statistics (called an ACTUARY) provides information regarding the probable death rate of a large group of people (mortality table). Then the company forecasts a reasonable rate of return on their investments from the premium received from policyholders. This combined information is mathematically computed to develop the premium rates required to produce a profit after operating expenses.

Third, what distinguishes one company from another is how they treat their profit. Some disburse their profit to stockholders and some disburse it to policyholders. That's pretty much it!

A FRATERNAL insurance company, like LCBA doesn't have stockholders.

We are owned by policyholders like you, so our profit is returned to you and your community. In fact, LCBA, as a faith-based company, has been established to return our proceeds to you by funding charitable organizations and community service efforts that share your values. So then, we unite policyholders with common values by making a positive impact on their communities through direct contributions, or organizing volunteer projects through our member branches to provide a helping hand to those who need it most.

If you're looking to save for your children's college tuition, help fund a comfortable retirement, take care of your family after a breadwinner's death, and have a genuine interest in improving the lives of others, you should call LCBA. We have more than 125 years of working together with our policyholders.



Thanks,
Pat DiCesare
LCBA Member, Board of Directors-LCBA

HOME OFFICE / CHRISTMAS PARTY



LCBA spent our annual Christmas party starting with lunch together while singing a few Christmas tunes, followed by some friendly competition in the arcade and on the bowling lanes.



Robert Muth
Conneaut Lake, PA

Richard Suchan
Buffalo, NY

Anne Sweigart
Bluffton, OH

Douglas Tuttle
Erie, PA
President/CEO

HOME OFFICE



Statement of Financial Position

December 31, 2018 & 2017

Assets	2018	2017
Bonds	\$184,613,111	\$181,846,213
Common & preferred stock	-	-
Real estate	1,589,224	1,566,430
Certificate loans	1,089,476	1,111,277
Cash & cash equivalents	1,817,611	2,280,238
EDP equipment	16,996	23,166
Income due & accrued	2,519,117	2,437,130
Total Assets	\$191,645,535	\$189,264,454

Liabilities & Surplus	2018	2017
Certificate reserves	\$175,296,243	\$173,954,293
Deposit-type contracts	6,888,374	6,452,197
Certificate claims	1,447,459	699,034
Provision for dividends	764,479	744,966
Advance premiums	549,438	461,471
Investment reserves	1,317,048	1,541,346
Accrued general expenses	257,241	265,086
Other liabilities	1,471,943	789,694
Unassigned funds	3,653,310	4,356,367
Total Liabilities & Surplus	\$191,645,535	\$189,264,454

Summary of Operations

Years ended December 31, 2018 & 2017

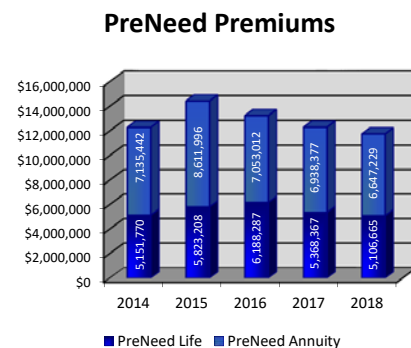
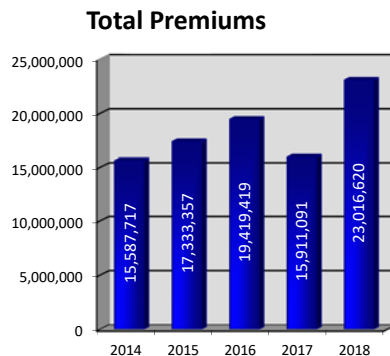
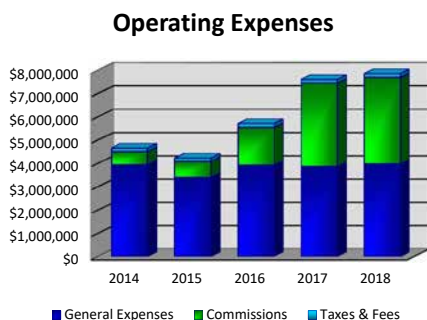
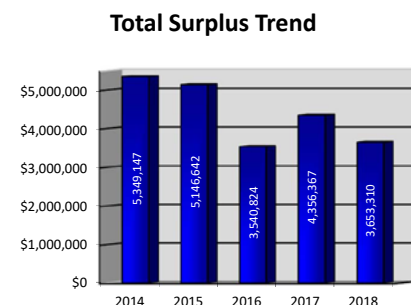
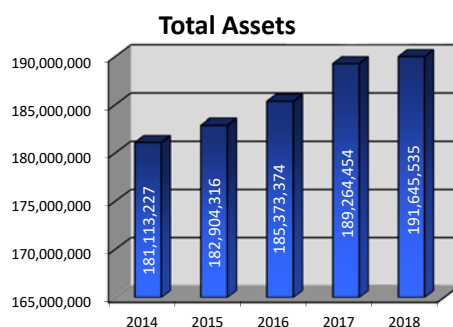
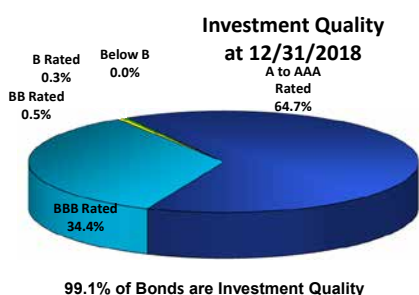
Income	2018	2017
Life insurance premiums	\$12,828,401	\$7,641,675
Annuity premiums	10,013,676	8,125,584
Accident & health premiums	174,543	143,833
Net investment income	8,371,707	8,388,906
Other income	4,113,296	6,997,862
Total Income	\$35,501,623	\$31,297,860

Member Benefits	2018	2017
Death benefits	6,243,727	5,269,590
Life & annuity benefits	19,988,706	13,150,064
Reserve changes	1,341,950	3,469,795
Total Member Benefits	\$27,574,383	\$21,889,449

Operating Expenses	2018	2017
Commissions	3,713,830	3,583,986
General expenses	3,978,542	3,866,944
Taxes & other	246,313	231,349
Total Operating Expenses	7,938,685	7,682,279

Total Benefits & Expenses	2018	2017
	\$35,513,068	\$29,571,728

Net Gain from Operations	2018	2017
	(11,445)	1,726,132
Investment capital loss	-	(66,518)
Dividends incurred	(762,136)	(742,705)
Net Income	(773,581)	916,909
Other Changes in Surplus	70,524	(101,366)
Net Change in Surplus	\$(703,057)	\$815,543



Financial Highlights

- LCBA's continued expansion coupled with the scheduled reduction in surplus relief (basically repaying our modified coinsurance reinsurance treaty) led to a decrease in surplus of \$703K in 2018. Approximately \$500K of the reduction pertains to the reinsurance treaty, which LCBA plans to offset going-forward using gains as profits from sales continue to develop. The rest is due to the cost of growing the business. Generally, each new sale costs more than it brings in in the first year. As premiums are paid over time on a policy, LCBA starts to recognize profits to make up for the costs in the first year.
- LCBA's Risk-Based Capital ratio decreased in 2018; however, nearly all of the decrease was the result of federal tax changes from the Tax Cuts and Jobs Act of 2017. LCBA's ratio fell to 310% from 376% the prior year; however, the change in the calculation itself resulted in 61 of the 66 point drop.
- Overall portfolio investment quality is high with an average rating of "A" and 99% of bonds are investment grade. As anticipated, reinvestment rates remained low in 2018, leading to a slight reduction in book yield.
- Efforts to expand LCBA's PreNeed and other life insurance markets are underway with plans to expand into new states in 2019.
- General expenses increased 3% in 2018 due to additional spending on Medicare Supplement, which is reflected in the expense line on the annual statement, yet Medicare Supplement expenses are 95% reimbursed by LCBA's coinsurer for that line of business within the Other Income line in these summarized financial statements. Net of Medicare Supplement expenses, LCBA's budgeted general expenses were planned to increase 1% in 2018 in accordance with LCBA's growth strategy and ended up 4% under budget due to a combination of some projects being rescheduled and others being modified due to strategic shifts. In 2017, expenses net of Medicare Supplement ended the year under budget by 3% due to realized savings and changes in focus during the year. Overall, expenses remain well-controlled as LCBA continues to grow.



Want to Save a Tree?

Prefer to Read on your Tablet?

More and more people are reading their newspapers and magazines online, which is good news for trees, but what does that mean to you? We are always looking for ways to keep our members informed, save money and help the environment. One of the ways we can do this is by offering our members the opportunity to read the Direction magazine online.

If you would like to sign up please email direction@lcbalife.org.

Want to brag about a fellow LCBA member?

Have a new baby, a wedding announcement, or another family event you're proud to share?

If you have a story suggestion or announcement send via email with the subject line "Direction Content" to 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.





Holy Pascha: "O Death, Where is Your Sting?"

by Father John Matusiak

Father John Matusiak is a long-time LCBA member, Pastor Emeritus of Saint Joseph Orthodox Christian Church, Wheaton, Illinois, and Senior Editor of the Orthodox Church in America's web site -- oca.org

On Sunday, April 28, 2019, Orthodox Christians around the world will celebrate Holy Pascha-- the "Feast of Feasts" marking the Resurrection of our Lord, God and Savior Jesus Christ. One week earlier, Christians of the western traditions will celebrate the same pillar of the faith on Easter.

On Holy Pascha, Orthodox Christians traditionally greet one another by saying, "Christ is risen," to which the one being greeted responds, "Indeed, He is risen!" Another unique feature of the liturgical celebration of Holy Pascha is the reading of the Catechetical Homily of Saint John Chrysostom, the fourth century Archbishop of Constantinople, who is widely remembered as the "Golden-Mouthed" because of his exceptional gifts as a preacher, orator and theologian. So poignant is his Paschal Homily that clergy customarily do not preach original sermons on this feast, but instead proclaim the words Saint John preached some 1600 years ago.

His homily "says it all" not only with regard to the Resurrection-- that central event in God's plan for the salvation of the world-- but likewise with regard to the heart and very essence of our faith. As Saint Paul writes, "if Christ is not risen, then our preaching is in vain, and your faith is also in vain [1 Corinthians 15:14]. And it is around Christ's Resurrection that everything in Christian life revolves, and from which everything flows.

At this most solemn time of the year, let us contemplate Saint John Chrysostom's most inspired words and embrace them as we await His Kingdom, yet to be fully revealed but already fully present in the life of His People, the Church.

The Catechetical Homily of Saint John Chrysostom for Holy Pascha

If any man be devout and love God, let him enjoy this fair and radiant triumphal feast. If any man be a wise servant, let him rejoicing enter into the joy of his Lord. If any have labored long in fasting, let him now receive his recompense. If any have wrought from the first hour, let him today receive his just reward. If any have come at the third hour, let him with thankfulness keep the feast. If any have arrived at the sixth hour, let him have no misgivings; because he shall in nowise be deprived thereof. If any have delayed until the ninth hour, let him draw near, fearing nothing. If any have tarried even until the eleventh hour, let him, also, be not alarmed at his tardiness; for the Lord, who is jealous of his honor, will accept the last even as the first; he gives rest unto him who comes at the eleventh hour, even as unto him who has wrought from the first hour.

And he shows mercy upon the last, and cares for the first; and to the

one he gives, and upon the other he bestows gifts. And he both accepts the deeds, and welcomes the intention, and honors the acts and praises the offering. Wherefore, enter you all into the joy of your Lord; and receive your reward, both the first, and likewise the second. You rich and poor together, hold high festival. You sober and you heedless, honor the day. Rejoice today, both you who have fasted and you who have disregarded the fast. The table is full-laden; feast ye all sumptuously. The calf is fatted; let no one go hungry away.

Enjoy ye all the feast of faith: Receive ye all the riches of loving-kindness. Let no one bewail his poverty, for the universal kingdom has been revealed. Let no one weep for his iniquities, for pardon has shown forth from the grave. Let no one fear death, for the Savior's death has set us free. He that was held prisoner of it has annihilated it. By descending into Hell, He made Hell captive. He

embittered it when it tasted of His flesh. And Isaiah, foretelling this, did cry: Hell, said he, was embittered, when it encountered Thee in the lower regions. It was embittered, for it was abolished. It was embittered, for it was mocked. It was embittered, for it was slain. It was embittered, for it was overthrown. It was embittered, for it was fettered in chains. It took a body, and met God face to face. It took earth, and encountered Heaven. It took that which was seen, and fell upon the unseen.

O Death, where is your sting? O Hell, where is your victory? Christ is risen, and you are overthrown. Christ is risen, and the demons are fallen. Christ is risen, and the angels rejoice. Christ is risen, and life reigns. Christ is risen, and not one dead remains in the grave. For Christ, being risen from the dead, is become the first fruits of those who have fallen asleep. To Him be glory and dominion unto ages of ages. Amen.

Scholarship Application

► Only **ONE** application per recipient will be accepted. ◀



SCHOLARSHIP DEADLINE: May 1st

All entries must be postmarked by **May 1st** and received by **May 8th**. Allow enough time for mailing.

SCHOLARSHIP RECIPIENT Please include an email address for confirmation that we have received your application.

Name	FIRST	LAST			Sex	<input type="checkbox"/> M	<input type="checkbox"/> F
Phone	Email			DOB			
Address	City			State	Zip		
Is the recipient an insured on an LCBA certificate?		<input type="checkbox"/> NO	<input type="checkbox"/> YES	If yes, certificate #:			

ENTRIES FOR LCBA BENEFIT MEMBERS - List certificate numbers for parents/guardians, grandparents, and great-grandparents

Certificate #	Name	Relation to Recipient

PARENT / GUARDIAN (If scholarship recipient is under 18)

Name	FIRST	LAST		
Phone	Email			
Address	City	State	Zip	

SCHOOL / CAMP INFORMATION - Select scholarship(s) applying for. (You may apply for more than one on this application)

<input type="checkbox"/> ELEMENTARY / SECONDARY	<input type="checkbox"/> POST-SECONDARY		
Name of Institution	Enrollment Date		
Address	City	State	Zip
Contact Name	Phone	Tuition	
<input type="checkbox"/> CAMPING			
Name of Camp	Date Attending		
Address	City	State	Zip
Contact Name	Phone	Cost	

Send completed application and/or transcripts to:

Email: scholarships@lcbalife.org
Subject: Scholarships

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

For POST-SECONDARY SCHOLARSHIPS, you must send your official transcripts in a sealed envelope from your school to LCBA (address at left) or you will not be eligible to win. If your school uses an online system please have the link emailed directly to scholarships@lcbalife.org.

⚠ DON'T FORGET TO INCLUDE YOUR PHOTO! ⚠

I give permission to LCBA to use recipient's name and/or images to promote LCBA and its scholarship programs. If recipient is under 18, a parent/guardian signature is required. (See LCBA's privacy policy online for complete details.)

 Recipient or Parent/Guardian Signature

 Date

APP19SCH



PO Box 13005
Erie, PA 16514-1305



Scholarships: Apply Now!

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

Now that we've got your attention, LCBA Benefit members have the opportunity to apply for scholarships for THEMSELVES and THEIR CHILDREN, GRANDCHILDREN and GREAT-GRANDCHILDREN! LCBA offers Scholarship Benefits to help its members and their extended families subsidize the costs of education. Every year LCBA gives away over \$20,000 through its scholarship programs.

A full description, eligibility requirements, and application forms can be found at www.lcbalife.org under the "Member Benefits" menu tab. If you have any questions please contact LCBA at **800-234-5222**. But hurry, applications are due to the Home Office by **May 1, 2019**.

Post-Secondary Scholarship **\$2500**

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.

Elementary/ Secondary Scholarship **\$350**

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.

Camping Scholarship **\$200**

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

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.**

**APPLY ONLINE AT
WWW.LCBALIFE.ORG
OR USE THE APPLICATION
ON PAGE 14.**