

direction



IT'S TIME TO APPLY FOR

SCHOLARSHIPS

POST-
SECONDARY

ELEMENTARY /
SECONDARY

CAMPING

BE SURE TO CHECK OUT THE
**SPECIAL FINANCIAL
SUPPLEMENT**
ON PAGE 11.

A QUARTERLY PUBLICATION OF LOYAL CHRISTIAN BENEFIT ASSOCIATION

SPRING

Vol. 20 / Issue 1

It seems that all we are hearing about right now is COVID-19. While I would like to talk about most anything else, I think it vital for you to know what all this may mean to you as it relates to LCBA and your insurance with LCBA.

First, let me assure you that LCBA is still here and is still able to meet your insurance needs.

While we could stay open under a couple of exemptions (religious organization or death-care industry provider) from Pennsylvania's shutdown mandate, we felt it best for our employees if we close the offices during this crisis. Even before the mandated shut-down, we had given employees the option of working remotely so they could better cope with children home from school, elderly parents, medical issues that put them at elevated risks, or just because they were concerned. Now, we are having everyone work from home, at least until this crisis has passed.

You should see little change from LCBA during this pandemic. Our phones are on, and we have "twinned" each employee LCBA phone to a cell phone so that they can answer your calls. Additionally, we have provided each LCBA employee a secure computer, secure chat service, and secure VPN access so they can answer your questions and service your needs. Please bear with them if it takes just a little longer or if asked if it is OK to call you back with an answer to a particular question. Transferring calls is a bit more complex right now, and they can't just turn and ask their co-worker a question.

So, on the business side, this pandemic should have no impact on what you need or get from LCBA. We continue to pay interest on annuities, pay claims, and perhaps unfortunately, collect premiums. To make things a little easier we have extended the grace period on premium payments to 90 days for the time being. If you need help, we will try to find a way to help get you through this.

As for the social side of LCBA, we are asking all branches to stop all in-person meetings and events until this crisis is past, agent face to face meetings are prohibited during the PA shutdown and in most other affected states. Many of our members are of the age where, if contracted, COVID-19 is very serious. Please be sure to practice appropriate social distancing.

While we are directing all branches to stop in-person meetings and events, we are NOT asking you or the branches to stop doing one of the things that makes LCBA and all fraternal benefit societies great. That one thing is to help assure the safety and success of other members and their communities. To many, the branch is a social lifeline. Members contacting shut-in members or members that have no family close by to make sure they are OK and have what they need. Contact and support is something that you can and should continue. Set up a phone tree to make sure that everyone is still safe and healthy. If there is no answer, do not go to check yourself, call local authorities for a wellness check. If someone that can't get out needs supplies, shop for them and leave the items on the doorstep. We can all still be fraternal, and help both our members and our communities. We merely have to do it in a new way.

Please, stay safe and stay healthy. We can get through this together - *by staying a little farther apart!*



Douglas Tuttle
President & CEO



Direction

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It's Time
to Apply
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Join a
Branch?

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business hours:

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

holiday closings:

**Memorial Day:
Monday, May 25
Independence Day:
Friday, July 3**



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BRANCH 49 / ERIE, PA



Diane Giannelli, Branch 49 President, presented 75 Valentines and gift cards to St. Joseph Bread of Life while they were hosting *Our Neighbors' Place Seasonal Shelter*, which operates on a rotating basis among several downtown Erie churches.

euma-erie.org/programs/our-neighbors-place-shelter.html

BRANCH 49 / ERIE, PA



Are you being forced to do anything you do not want to do? Have you been threatened if you try to leave? Text HELP to BE FREE 233743
1-888-373-7888
 National Human Trafficking Hotline

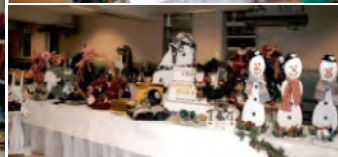


At their February meeting Branch 49 welcomed guest speaker Pat Bellingham, President of Synodical Women's Organization of Northwestern PA to speak about human trafficking in Erie County & Pennsylvania.

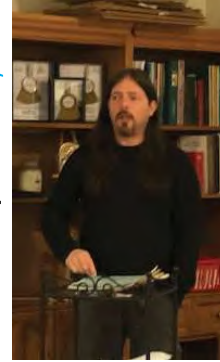
BRANCH 1198 / ALTOONA, PA



Branch 1198, pictured with Blair County Commissioner Ted Beam and Altoona Mayor Matt Pacifico, raised funds with a craft table at the Our Lady of Lourdes Holiday Boutique held each November.



BRANCH 1425 / FORD CITY, PA



February Branch meeting with guest speaker David Hipchen, Case Worker for Community Action Family Services for Veterans.



BRANCH 1425 / FORD CITY, PA



March Branch meeting with guest speaker Kathy Raslich, County Director for the Veteran's Affairs Office, located in the Armstrong County Courthouse, Kittanning, Pa.

BRANCH 1155 / ALTOONA, PA



Annual Branch Christmas Party and Dinner where a check was donated to Monsignor Michael Hohenbrink and LCBA President/CEO Doug Tuttle presented a Gold BROOM Award to the Branch!





Branch 654 participated in the St. Paul Church's Winter Fest on December 14th. Members helped serve a hot sandwich luncheon, held a 50/50, gift basket, and Nativity display raffles. All proceeds from the luncheon and raffles went to support the Branch's charitable endeavors.



"Dine to Make a Difference" was the theme of a recent Bob Evans Community Fundraiser held by Branch 654. Shift Manager Corey Buckius, presents a check for \$278 (15% of the day's sales) to Branch President Rose Bedell.



Branch 654 made donations of \$1500 toward a new lighting system and \$518 for a new ice making machine both for the Saint Paul Catholic School gymnasium.



Branch President Rose Bedell congratulates the new Branch secretary Kris Egli. All other officers were reelected.



Branch 654, who are also members of St. Paul Catholic Church's Soup Ministry, made and sold nearly 60 quarts of soup at the church's recent Winter Fest. Proceeds from the soup sale were used to purchase gifts for two families in need.



Branch 654 presented gas gift cards and monetary donations totaling \$235 to Carrie Pennington, Executive Director of Sophia Women's Center. The center helps women who face unplanned pregnancies transform their fear into confidence with life-affirming options.



Rose Bedell, Salem Branch 654 President and member of St. Paul Catholic Church's Life Ministry, looks over some of the homemade baked goods which Life Ministry sold at St. Paul Winter Fest.



BRANCH 867 / DOVER, OH



At their February Branch meeting, guest speaker Huck Heart talked about his experiences as a recovering addict.

BRANCH 867 / DOVER, OH



Dress A Girl with Hope

The March Branch meeting featured guest speakers Councilman at Large Don Mauer and Ward 1 Councilman Greg Bair who talked about how the city business is conducted. Also discussed was making dresses for *Dress a Girl with Hope*, a non-profit that provides dresses to girls around the world.

facebook.com/Dress-A-Girl-with-Hope-327556371081979

BRANCH 1557 / EPHRATA, PA



Three members of Branch 1557 volunteered to stuff envelopes at Tabor Community Services.

www.tabornet.org

BRANCH 892 / NEW PHILADELPHIA, OH



Branch 892 members at the Catholic Senior Christmas Party

BRANCH 892 / NEW PHILADELPHIA, OH



Branch 892 ran a collection of baby items, including clothing, blankets as well as personal care items, and diapers as well as cash donations. Mary Leeper matched all cash donations in honor of her mother, Margaret Scolati who always held LCBA close to her heart.

BRANCH 892 / NEW PHILADELPHIA, OH



Branch members attended a Memorial Mass in March at Sacred Heart Church.

BRANCH 1557 / EPHRATA, PA



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

Branching Out *in 2020*

Over the past year I had the pleasure of visiting more Branches in 2019 than I did in any other year with LCBA.



Matthew J. Barr, LUTCF
VP of Sales

These visits are eye-opening and I always enjoy meeting so many new people all at once. It's incredible to me, seeing how each branch chooses to run in their own unique way. The fundraisers you do throughout the year change from branch to branch and the ideas are always evolving into new and better events. These branches are the foundational support LCBA was built upon. We don't get to designate ourselves as a fraternal benefit society without them which means our active branches are quite literally the lifeblood to LCBA! This year I'm going to be reaching out to more branches and doing my best to attend some fundraisers as well. I want to see what works with each branch and where struggles are located. I'm interested to learn more about your specific branch because without your participation and community driven efforts, LCBA becomes just another insurance company.

With that being said, I also plan to look into recruiting members to open new branches. If you are one of our funeral directors, insurance agents or even a policyholder who is interested in what LCBA can do for your community... This message is for you!

Starting a branch in your local community is easy. You can decide what events you wish to hold and what kind of causes you choose to support. LCBA's home office can help with the marketing efforts and recruitment and if you need ideas on what type of events to run, we've got oodles of experience in this category. These branch activities are great ways to interact and make a difference in your local community while at the same time putting money back into your town. That's right, real MONEY. One of the best parts of running a branch is that the funds you raise (up to \$2000 annually) can be matched by LCBA. We also have our BROOM Award which qualifies your branch for even more money to help with your events.

If you would like to learn more about how to start a branch or just have some basic questions, please be sure to reach out to myself or Samantha Mizikowski (800-234-5222 xt.234) and we'll be happy to walk you through the details of starting a branch. Want to join an existing Branch? Reference the list of active Branches to the right.

Making a difference in your local community and giving back to organizations that matter to you is what LCBA was founded on and we would love to help set you up with a successful branch of your own!

Let's look at the facts. Starting a branch with LCBA means you get to:

- A. Found a branch that holds regular meetings and fundraisers to help with the causes/organizations you wish to follow.
- B. Meet, network and recruit new members in your local community.
- C. Raise funds for those organizations.
- D. Receive real money for your branch from LCBA for your local community efforts!

CURRENT BRANCHES

Branch	City	State	Zip
49	Erie	PA	16502
654	Salem	OH	44460
867	Dover	OH	44622
892	New Philadelphia	OH	44663
909	Leetonia	OH	44431
1155	Findlay	OH	45840
1198	Altoona	PA	16601
1290	Altoona	PA	16601
1415	Toledo	OH	43605
1425	Ford City	PA	16226
1538	Linesville	PA	16424
1556	National Branch		
1557	Ephrata	PA	17522
L017	Berea	OH	44017
V001	Buffalo	NY	14207



Branch members did repairs to a house for sale.

IT'S TIME TO APPLY FOR

SCHOLARSHIPS

**POST-
SECONDARY**

**ELEMENTARY /
SECONDARY**

CAMPING

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

GENERAL SCHOLARSHIP INFORMATION

*This information applies to ALL scholarships.
Read ahead for specific requirements and eligibility for each scholarship.*

ELIGIBILITY

- Applicant must be a Benefit or Agency member or be the natural or legally adopted great-grandchild, grandchild or child of such member. Membership status must be established prior to the application deadline and remain eligible until the deadline. Should a member apply and qualify as of the application date but die subsequently, the child is still eligible.

GUIDELINES

- Scholarships will be awarded by lottery from eligible applications.
- Applications will be accepted annually starting February 1. If February 1 falls on a weekend, then the start date will be the next business day.
- The application period closes May 1 each year. Mailed applications must be postmarked May 1 or earlier, and received by May 8. Online applications must be submitted by 11:59:59(ET) on May 1. **Because COVID-19 complications may make getting transcripts more difficult, the deadline for post-secondary scholarships ONLY has been extended to June 1, 2020.**
- The applicant may only apply once each year but may be awarded additional entries to the drawing.
 - ▶ 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.
 - ▶ Every member who applies for a scholarship online at www.lcbalife.org will receive one additional entry.

SCHOLARSHIP PROCESS

- Scholarships will be awarded by random drawing. Selections are final.
- LCBA will screen applications for the eligibility requirements.
- Only one scholarship may be provided per applicant per year, regardless of the number of times their name may be drawn.
- Scholarship recipients will be notified by June 1 of the year in which the scholarship is awarded. **For 2020 only Post-Secondary recipients will be notified July 1.** Announcements will also be made in *Direction*.
- LCBA reserves the right to modify, suspend or terminate this program without prior notice. Such action would not affect the scholarships in process.

Visit www.lcbalife.org for full details or call 800-234-5222.
You can also read more on the back cover of this magazine.



Post-Secondary Scholarship

OVERVIEW

This program provides for a maximum of five \$2,500 one-year scholarships via a lottery for students attending or entering an accredited degree or certificate granting institution and working towards their first degree/certificate.

While the scholarship is only for one year, the student can apply for a scholarship each year that he/she is in school and working towards the completion of the initial degree/program, for the “normal” term of their program based on full-time enrollment, four years or until termination from the educational facility, whichever comes first.

This means that a traditional four year college-bound student may be awarded as much as \$10,000! Two-year program enrollees can be awarded as much as \$5,000!

GUIDELINES

- Each scholarship will provide the actual cost of tuition up to a maximum of \$2500. Payments are made directly to the post-secondary institution, unless otherwise requested with the understanding that the latter will likely incur a taxable event.
- Applicant may be eligible for additional entries based on academic performance, LCBA membership and LCBA fraternal involvement (*see Bonus Entry Criteria section online*).

ELIGIBILITY

- **Entrant must have a minimum of a 2.5 on a 4.0 GPA scale or equivalent** from their high school for those entering their first year and from their post-secondary institution for those beyond their first year and provide an official transcript as proof.
- **Transcript deadline is June 1 (2020 ONLY).**
- **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.
- **Must be a high school graduate by July 31 of the year of entry** (GED certificates will be accepted, both as evidence of graduation and for the 2.5 of 4.0 GPA requirement. If graduation requirement is not met, no check will be issued and the award is forfeited.)
- **Must be either entering a post-secondary institution for the first time**, or be attending and still working towards first degree or certificate, and attending as a full-time student.
- **High school graduates (teenagers or adults) of any age can apply** provided they are working towards their first degree/certificate.
- **Students entering 2nd, 3rd and 4th years** can also enter.



Elementary/Secondary Scholarship

OVERVIEW

Twenty scholarships of \$350 are awarded each year via a lottery. Scholarships are not automatically renewable. However, students may apply and/or reapply each year.

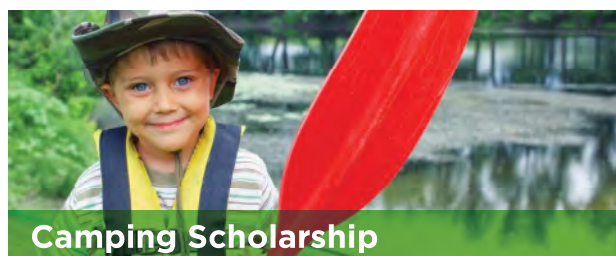
Student applicants may attend any accredited Christian elementary or secondary school in the United States and must be entering kindergarten to 12th grade.

GUIDELINES

- Each scholarship will provide the actual cost of tuition up to a maximum of \$350. Payments are made directly to the approved school.

ELIGIBILITY

- Student must be entering kindergarten to grade 12 and enrolled at a state accredited Christian elementary or secondary school for fall classes.



Camping Scholarship

OVERVIEW

LCBA will award ten \$200 camping scholarships each year via a lottery to members to attend a camp of their choice. Camps may be recreational, nature, sports or special interest oriented. Scholarships are not automatically renewable. However, campers may apply and/or reapply each year.

GUIDELINES

- Each scholarship will provide the actual cost of registration to a maximum of \$200. Payments are made directly to the camp.

ELIGIBILITY

- Applicants must be between the ages of 5 and 17 to apply.

LCBA Board - 2019 Fall Board Meeting

September 21, 2019 | 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	Rick Suchan
Anne Sweigart	Michael Courtad	

Guests:

VP Operations - Alex Miller
 VP Administration/Secretary - Rebecca Black
 VP Sales - Walter Losee
 Treasurer – Courtney Hagmaier

Friday, September 21, 2019

LCBA Board Meeting

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

Approval of Minutes

A motion to approve the 2019 Spring Board minutes was made and carried unanimously.

A motion to approve the August 29, 2019 Special Meeting Minutes was made and carried unanimously.

Reinsurance Discussion Update

Mr. Doug Tuttle gave an update on the Heritage Life Reinsurance Treaty. Discussion ensued.

YTD Results

Financial

Ms. Courtney Hagmaier gave an introduction of herself.

Ms. Hagmaier spoke about 2019 Q2 Balance and Operation Sheet Highlights, Canada Life Reinsurance Analysis and baseline assumptions and 2019 Q2 Year-Over-Year analysis.

Ms. Hagmaier also discussed 08/31/19 YTD paid premiums, benefit expenses

and expense analysis. She also spoke on LCBA's investment portfolio valuation report.

Sales

Mr. Walter Losee spoke about Preeed and CFP production and year-to-date distribution results as of 08/31/19.

Mr. Losee also spoke about the new Preeed app, the automated reporting system in Ohio. He also gave an update on CFP, Golden Considerations and Church Funerals Direct.

Fraternal and Marketing

Mr. Losee gave an update on Bereavement Benefits, Medicare Supplement Pay it Forward Donation and Road Scholar.

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

Administration

Ms. Rebecca Black gave an update on the Outreach Support team including death claims processed 06/01/2019-08/30/2019 as well as year-to- date death claims processed.

Ms. Black also spoke about the New Business application to policy issue timeline.

Operations Update

Mr. Alex Miller spoke about EPO adjustment.

Mr. Miller also gave an update on the online application.

Medicare Supplement

Mr. Tuttle spoke about the transition to the new TPA. Please see attached presentation.

Committee Reports and Motions

Audit/Finance

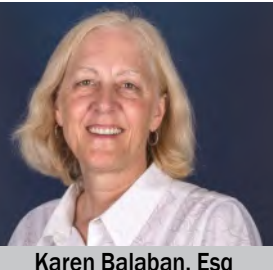
Report/motion on Purchases/Sales

A motion was made to approve the summer committee meeting minutes.- Passed unanimously.

A motion to accept the investment purchases and sales from 06/1/19 through 08/31/19.- Passed unanimously.

Nominating

The Nominating Committee spoke about implementing a new procedure regarding notification of winning & non-winning candidates within two weeks post the Spring Board Meeting.



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

Governance

Self-Evaluation Reminder

Ms. Black gave a reminder to email 'Done' when Self-evaluation is complete and to send in the Full Board Evaluation by November 12th and that the forms can be found in Boardpaq.

Review of policies

Disclosure of Financial Reports and Governance Documents

Mr. Dupee stated there are no recommended changes to the Disclosure of Financial Reports and Governance Documents.

IRS Form 990 - Review Procedure

Mr. Dupee stated there are no recommended changes to the IRS Form 990- Review Procedure.

Keystones of Corporate Governance

Mr. Dupee stated there are no recommended changes to the Keystones of Corporate Governance.

Bylaws

Mr. Dupee stated there were no changes requested for the Bylaws. Please advise the committee chair if you have any recommendations.

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Other Business

Discussion continued regarding Heritage Life.

It was decided that Bob Muth will sit in as surrogate for Paul Kenny in the call with the Audit/Finance Committee and Parkway Advisors conference call pertaining to the reinsurance treaty. Bob Muth has also been named an alternate when Rick Suchan is out of the country.

The Board wished Walter Losee good luck as it is his last Board Meeting before retirement.

.....

Motion to Adjourn

Chair of the Board declared the meeting adjourned.



SKILL SET WE ARE LOOKING FOR:

To set policy and strategy and to oversee Association management, it is imperative to have Board members whose values are aligned with LCBA's purpose. Board members should also demonstrate an understanding of the mission of LCBA, be willing to serve, and bring a set of defined professional skills to the board that will contribute to good governance. In light of the growing complexity caused by the legal, regulatory and technical environments in which the insurance business operates, the Board has clearly defined a set of professional skills needed to make our Board most effective.

WHO?

Any adult benefit member in good standing may recommend a candidate for director (including him/herself). The nominating committee reviews submitted materials.

Persons meeting the minimum requirement to serve will be placed on the ballot.

HOW?

By sending the candidate's resume of qualifications and two letters of recommendation to the Secretary of the Association, Rebecca Black:

**Attn: Elections, LCBA,
PO Box 13005,
Erie, PA 16514**

**or election@lcbalife.org
by September 1, 2020.**



Karen LeVert
Durham, NC



Robert Muth
Conneaut Lake, PA



Richard Suchan
Buffalo, NY



Anne Sweigart
Bluffton, OH



Douglas Tuttle
Erie, PA
President/CEO



Special Financial Update



I mentioned in the last issue of the Direction that LCBA was entering into a new reinsurance agreement. That agreement has now been completed to better protect you, the member, by sharing our combined insurance risks across an even larger group of insureds. All insurance companies use

reinsurance. They use it to protect themselves from unexpected disasters, to offset losses due to large claims, to free up capital for new projects, and for many other reasons.

LCBA decided to enter into this reinsurance agreement, called a treaty, to better protect our members during this low-interest-rate environment, to free up some capital to support our branches and our members, and to help us continue to grow.

The reinsurance concept is simple. When you bought insurance from LCBA, you paid a premium, and in exchange, we promised to pay a benefit to you or your beneficiary at a future point. Reinsurance is just us (LCBA) paying a premium to another, larger insurance company in return for their promise to pay a benefit back to LCBA at a future point. In this case, when we pay a claim to a beneficiary, the other insurance carrier (reinsurer) will pay us back for 80% of each claim.

The principle is simple, but the specifics and accounting are complex. The accounting gets even more complex when the premiums aren't paid in the same calendar year as the effective date of the treaty. I have asked our Treasurer to walk you through some of the details to make it more understandable. Please take the time to read her explanation, which begins on page 12.

Regardless of the complexity, **the bottom line is that you not only have LCBA standing by ready to pay your claims, but you also have a much larger company (our reinsurer) standing by to pay your claims. In short, you are even better protected, especially in times of great uncertainty.**

Douglas Tuttle
President & CEO

Special Financial Update

From the Treasurer, *Courtney Hagmaier*

With just a quick glance at the financial results for 2019 compared to those of 2018, you can see that big changes have occurred. These changes resulted from a new reinsurance treaty that LCBA signed on the very last day of the year, December 31, 2019. This treaty helps to protect members by sharing the risk with another insurance company while increasing LCBA's opportunity for future growth.

"Reinsurance" is often described as insurance purchased by an insurance company. One company (such as LCBA) shares (cedes) with another company (the reinsurer) the risk associated with an insurance policy. **LCBA's recent reinsurance transaction will change our size from a financial standpoint but has zero impact on our daily operations for you, our valued members.**

(The section below references the 2019 Annual Financial Report found on page 13.)



Let me provide you with some important facts regarding this transaction:

1. Under the terms of the contract, LCBA reinsured 80% of certain in-force life insurance, annuity, and special deposit agreements.

WHAT DOES THIS MEAN? The reinsurer assumes 80% of the risk of each policy ceded (meaning the payout of a death claim or surrender, as well as any associated liabilities.) The reinsurer also gets 80% of the premiums paid on reinsured policies.

2. Due to the timing of the transaction, LCBA ended the year with a large liability of about \$117 million owed to the reinsurer.

WHAT DOES THIS MEAN? LCBA has already taken care of this liability. In January, our investment advisors sold what ended up being approximately \$104 million of bonds held as of December 31, 2019, to pay the initial settlement.

3. Aside from sharing the risk, LCBA also received a ceding allowance of \$6.1 million. This allowance resulted in a gain to surplus as of December 31, 2019. Due to accounting practices, the allowance will be amortized over time.

WHAT DOES THIS MEAN? Focus your attention on the "unassigned funds" line toward the bottom of the Statement of Financial Position; this represents LCBA's surplus at the end of the year. Note the balance increased significantly from 2018 to 2019. This surplus provides LCBA and you with an additional cushion of safety and with opportunity. Opportunity to grow. Opportunity to continue providing our members with top-notch service and benefits. Opportunity to better serve our Fraternal purpose.

4. Upon execution of the treaty, LCBA transferred (ceded) to the reinsurer approximately \$123 million in life and annuity premiums associated with the reinsured policies.

WHAT DOES THIS MEAN? While LCBA received close to \$27 million in premiums during 2019 (a 6% increase from 2018), subtracting the ceded premiums leaves us with large negative balances on our Summary of Operations. This particular oddity only occurs when recording the initial transaction, so the numbers will appear more normalized in the 2020 statements going forward.

Taking into account all of the above, the first quarter financial statements, which will be published in the summer issue of the Direction magazine, will look significantly different than the quarterly statements you've seen recently. However, future statements will be a better reflection of the "new" LCBA as the initial impact of the reinsurance transaction is considered complete.

It's important to note that this reinsurance transaction gives LCBA the opportunity to continue to grow, while boosting the protection of our members by sharing the risk, increasing surplus, and stabilizing LCBA's financial picture. This enhances your membership for the future.

Financial Highlights

- **LCBA's risk-based capital ratio improved to 662% on December 31, 2019, from 310% on December 31, 2018.** This significant increase is due to the growth in surplus experienced as a result of the reinsurance treaty.
- Overall portfolio investment quality is high, with an average rating of "A" and over 98% of bonds at investment grade. As anticipated, reinvestment rates remained low in 2019, leading to a slight reduction in book yield.
- General expenses decreased 10% in 2019 as LCBA took additional measures to reduce costs. These measures included reducing the operating budget by approximately \$500,000. The part of this reduction that had the most direct effect on members was the decision to publish the Direction electronically instead of printing and mailing as we have in the past.
- Efforts to expand LCBA's PreNeed and other life insurance markets are underway, with plans to grow into new states in 2020.

Statement of Financial Position

As of December 31,

Assets	2019	2018
Bonds	\$188,402,135	\$184,613,111
Real estate	1,557,420	1,589,224
Certificate loans	1,073,324	1,089,476
Cash & cash equivalents	5,586,020	1,817,611
EDP equipment	28,951	16,996
Income due & accrued	2,566,084	2,519,117

Total Assets **\$199,213,934** **\$191,645,535**

Liabilities & Surplus

Certificate reserves	\$63,057,003	\$175,296,243
Deposit-type contracts	5,273,318	6,888,374
Certificate claims	806,898	1,447,459
Provision for dividends	172,005	764,479
Advance premiums	280,455	549,438
Investment reserves	1,261,843	1,317,048
Accrued general expenses	292,953	257,241
Other liabilities	850,724	1,471,943
Reinsurance settlements payable	117,199,317	-
Unassigned funds	10,019,418	3,653,310

Total Liabilities & Surplus **\$199,213,934** **\$191,645,535**

Summary of Operations

Through December 31,

Income	2019	2018
Life insurance premiums	\$(31,078,410)	\$12,828,401
Annuity premiums	(65,458,657)	10,013,676
Accident & health premiums	175,180	174,543
Net investment income	8,706,241	8,371,707
Other income	3,345,884	4,113,296

Total Income **\$(84,309,762)** **\$35,501,623**

Member Benefits

Death benefits	7,493,790	6,243,727
Life & annuity benefits	13,390,641	19,988,706
Reserve changes	(112,239,241)	1,341,950

Total Member Benefits **\$(91,354,810)** **\$27,574,383**

Operating Expenses

Commissions	2,846,933	3,713,830
General expenses	3,583,023	3,978,542
Taxes & other	347,831	246,313

Total Operating Expenses **6,777,787** **7,938,685**

Total Benefits & Expenses **\$(84,577,023)** **\$35,513,068**

Net Gain from Operations **267,261** **(11,445)**

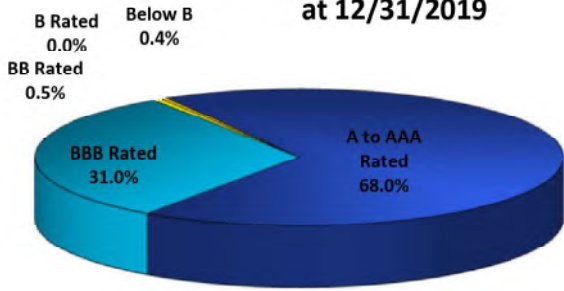
Investment capital gain (loss)	7,437	-
Dividends incurred	(165,159)	(762,136)

Net Income **109,539** **(773,581)**

Other Changes in Surplus **6,256,569** **70,524**

Net Change in Surplus **\$6,366,108** **\$(703,057)**

Investment Quality at 12/31/2019



99.1% of Bonds are Investment Quality

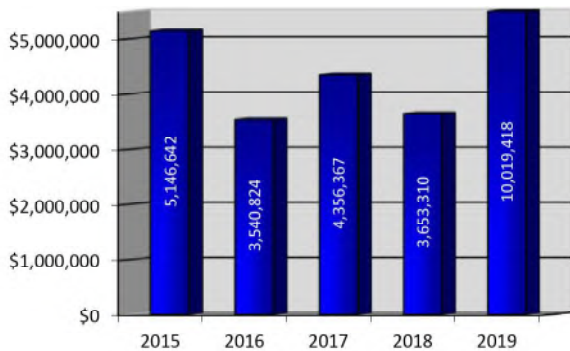
Orthodox Members Call for Content!

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.

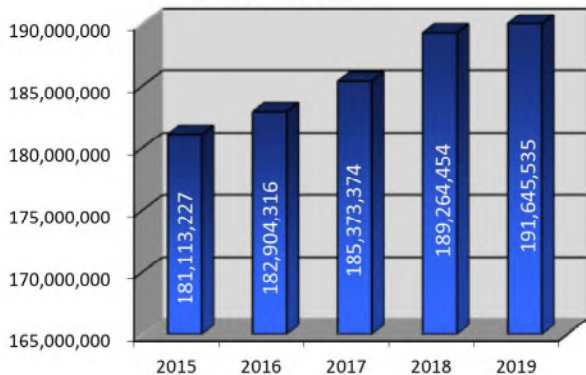
Send content via email with the subject line "Orthodox" to direction@lcbalife.org or by mail to ATTN: Orthodox, LCBA, PO Box 13005, Erie, PA 16514.

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

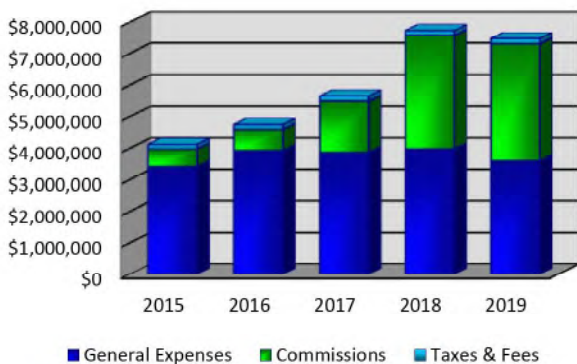
Total Surplus Trend



Total Assets



Operating Expenses



Soup's On!

LCBA's Soup Cookoff was a success! Employees sampled 8 different soups and voted for their favorites. In the end Robert McIntosh, Programmer/Analyst, came out on top, with his Taco Soup winning both the Judge's Choice and the People's Choice Awards! Thank you to Jack and Karen Martin from Dusckas-Martin Funeral Home for being our guest judges.





PO Box 13005
Erie, PA 16514-1305

Visit www.lcbalife.org for full details or call 800-234-5222.
You can also read more on page 7 of this magazine.



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 for the camping and elementary/secondary scholarships are due to the Home Office by **May 1, 2020**. **Because COVID-19 complications may make getting transcripts more difficult, the deadline for post-secondary scholarships ONLY has been extended to June 1, 2020.**

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 CALL 800-234-5222
FOR AN APPLICATION.**