

direction



Quarterly Edition

NEW FORMAT

See page 6 for more information!

SECURE ACT UPDATE

BRANCH UPDATES

Helping their communities during the pandemic!



pg. 7

A QUARTERLY PUBLICATION OF LOYAL CHRISTIAN BENEFIT ASSOCIATION

SUMMER

Vol. 20 / Issue Q2

Dear Members,

I hope that you all continue to remain safe and secure as we progress through this seemingly unprecedented time.

I say seemingly because, for the world, the country, and our LCBA community, the changes we see today are not all that different than things we have seen in the not too distant past.

During the history of LCBA, we have lived through the 1918 flu pandemic, arguably much worse than COVID, with about 1/3 of the world's population contracting the disease and an estimated 50 million people dying from it*. We have also lived through periods of social unrest, even taking a lead role in the fight for women's rights. LCBA has seen unparalleled changes before, and from that, we have educated ourselves and grown. But we also know that we will see unprecedented situations again and that we can and will continue to learn from these events and each other to form a better world for us all. That is the goal. All we need is to work together. It is a simple solution but requires hard work to make our goal successful.

LCBA has always been about working together. We were created by a group of women working together to provide financial protection to women, something not available to them in 1890. Today, our branches still work to provide aid for those that otherwise would go without. We have been working tirelessly to fulfill community needs by making masks, checking on each other, providing food, financial support, and additional support to community organizations. Finding a need and helping fill it is just what we do.

Internally, LCBA is open for business. We're paying claims, issuing new business, and awarding scholarships, in addition to all the other things that have made and kept LCBA strong for more than a century. While most of our staff are working from home, you should not notice any degradation in service (other than perhaps the occasional sound of a child, dog, or other family members in the background)! Our office remains closed to walk-in business, but you can make an appointment should the need arise.

On the financial side, as mentioned in the last issue of *Direction*, we have taken steps to improve our strength and stability by reinsuring a portion of our business. This action has helped to increase the book yield of our portfolio, increase our surplus, improve our RBC, and help shield us against what may be a long period of very low interest rates. We are well-positioned to last for another 130 years regardless of the struggles we may face.

While we may constantly hear about a new reality, remember that we are talking about merely learning to adapt and cope with change. Some changes we fight against, some we fight for, and still others we must merely accept. The COVID reality is a change we have to accept, fight and endure. The social changes, which perhaps will finally bring about equality regardless of race or gender, are changes we should all fight for.

Stay smart, stay safe, stay well.



Douglas Tuttle
President & CEO



Statement of Financial Position

As of March 31,

Summary of Operations

Through March 31,

Assets	2020	2019
Bonds	80,863,813	183,270,720
Real estate	1,549,221	1,582,007
Certificate loans	1,080,569	1,097,460
Cash & cash equivalents	7,784,306	4,034,180
Investment income due	1,038,026	2,028,188
Other assets	1,509,157	498,986
Total Assets	93,825,092	192,511,541

Liabilities & Surplus	2020	2019
Certificate reserves & claims	67,795,250	178,081,829
Deposit accumulations	5,523,360	7,151,301
Other liabilities	1,601,021	2,594,866
Investment reserves	8,429,425	1,215,468
Unassigned funds	10,476,036	3,468,077
Total Liabilities & Surplus	93,825,092	192,511,541

Income	2020	2019
Life premiums	4,675,638	3,639,851
Annuity premiums	1,483,303	3,528,114
Investment income	1,305,815	2,018,094
Other income	557,428	1,118,336
Total Income	8,022,184	10,304,395

Member Benefits & Expenses	2020	2019
Death benefits	967,164	2,007,268
Other member benefits	1,160,794	4,609,634
Reserve changes	4,113,002	1,789,600
Operating expenses	1,838,006	2,045,709
Dividends to members	47,236	180,472
Total Benefits & Expenses	8,126,202	10,632,683

Net Income (104,018) (328,288)

direction

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www.lcbalife.org / info@lcbalife.org

LCBA BOARD OF DIRECTORS

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

Board of Directors
Michael Courtad, Pittsburgh, PA
Pat DiCesare, Burnt Hills, NY
Matthew Dupee, Nazareth, PA
Paul Kenny, Erie, PA
Karen LeVert, Durham, NC
Robert Muth, Conneaut Lake, PA
Richard Suchan, Buffalo, NY
Anne Sweigart, Bluffton, OH

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business hours:

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

holiday closings:

Independence Day
Friday, July 3



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The SECURE Act

The rules are changing, what you need to know!

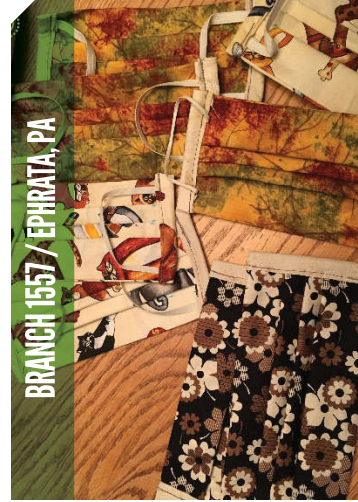
By Bridget Tetrake

The SECURE Act is here to stay, how does this affect you?! The Setting Every Community Up for Retirement Enhancement (SECURE) Act has changed several “rules” in regards to IRA’s.

Stretch IRA’s have faced the biggest change under this new act, being that they will no longer be permitted to those who inherit an IRA starting on January 1, 2020. Prior to the SECURE Act a non-spouse beneficiary of an IRA was able to receive distributions over his or her lifetime, and then pass the remaining balance onto future generations. Effective January 1, 2020 any IRA that is inherited by a non-spouse beneficiary must have its funds withdrawn within 10 years of the IRA holder's passing. This mandatory 10 year withdrawal, in most cases, will be during the beneficiary’s highest tax year which would lead to a tax increase for the beneficiary. If a stretch IRA is essential to your estate planning, please take the time to reevaluate your plans.

Several other changes have come about from the SECURE Act in regards to required minimum distributions, contributions, and withdrawals. Required minimum distributions previously had to be taken when a person reaches age 70 ½, under the new law you can now wait until age 72 to start taking distributions. Contribution age limits have also been done away with, you can now contribute to your IRA past 70 ½ as long as you have earned income. Early withdrawals up to \$5,000 may be taken from a retirement account, without penalty, for the birth or adoption of a child, which previously would have had the holder face a 10 percent penalty.

The SECURE Act does have the negative drawback of no longer allowing stretch IRA’s, but it redeems itself with the positive changes to required minimum distributions, contribution age, and early withdrawals. With these changes comes the task of making sure to take the time to reevaluate your plans and make any necessary changes as you see fit.



BRANCH 1557 / EPHRATA, PA



Branch 1557 members made homemade cloth masks and extenders for those in need.



BRANCH 654 / SALEM, OH

March Branch Meeting



BRANCH 892 / NEW PHILADELPHIA, OH



Branch Treasurer Barb Young attended the Memorial Day Services on the Courthouse Square in New Philadelphia. The event was limited due to COVID-19, but the Veterans Honor Team Rifle Squad fired four rifle volleys, one every 15 minutes. The first for emergency first responders, the second for frontline medical professionals, the third for all who have died from COVID-19, and the fourth honoring the men and women who died while serving in the U.S. military.

BRANCH 867 / DOVER, OH



Branch members made masks for those in need, including local church staff, and lapghans for local Veterans.

BRANCH 867 / DOVER, OH



Branch members made walker bags and purses that can turn into a bassinet.



BRANCH 867 / DOVER, OH



Dresses made for *Dress a Girl with Hope*, a non-profit that provides dresses to girls around the world.

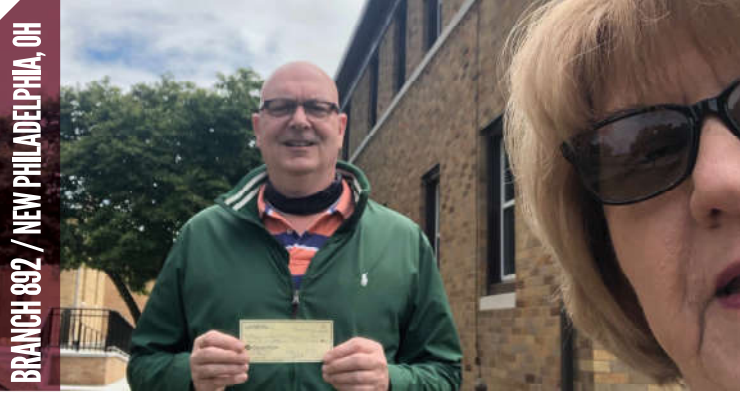
facebook.com/Dress-A-Girl-with-Hope-327556371081979

BRANCH 892 / NEW PHILADELPHIA, OH



Branch members made masks for those in need.

BRANCH 892 / NEW PHILADELPHIA, OH



Branch Treasurer Barb Young delivered a COVID-19 aid check to Matt Fantin, business manager of Sacred Heart Church to be used for community aid.

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

LCBA BOARD
 2019 Winter Board Meeting
 December 7, 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 Robert Muth
 Rick Suchan Anne Sweigart
 Michael Courtad

Remote Attendance: Karen LeVert

Guests

VP Operations - Alex Miller
 VP Administration/Secretary -
 Rebecca Black
 VP Sales - Matthew Barr
 Treasurer – Courtney Hagmaier

Saturday, December 7, 2019

LCBA Winter Board Meeting

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

Approval of Minutes

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

Annual Insurance Update

Mr. Doug Tuttle gave a summary of LCBA's insurance coverage and spoke about the various types of liability coverage carried by LCBA. Mr. Tuttle also spoke about travel and accident, worker's compensation and D&O.

YTD Results

Sales/Fraternal/Marketing

Mr. Matt Barr spoke about Preneed

and CFP production and year-to-date distribution results as of 10/31/19.

Mr. Barr also spoke about product diversity, channels of revenue year-over-year, as well as future goals and expectations.

Mr. Barr gave a fraternal update on Bereavement Benefits, Medicare Supplement Pay it Forward Donation and 2018 Fraternalist of the Year.

Mr. Barr 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 09/01/2019-11/30/2019 as well as year-to-date death claims processed.

Ms. Black also spoke about applications received and issued.

Operations/IT Update

Mr. Alex Miller spoke about computer and network use policy, confidential information policy, confidential information transmittal policy, email and internet use policy, password policy and phishing.

Financial Update

Ms. Hagmaier spoke about 2019 Q3 Operational and Balance Sheet Highlights, Canada Life Reinsurance Analysis and 2019 Q3 Year-Over-Year analysis.

Ms. Hagmaier also discussed 10/31/19 YTD paid premiums, benefit expenses and expense analysis. She also spoke on the investment watch list, Parkway Valuation Report, and 2019 Audit.

Medicare Update

Mr. Doug Tuttle gave an update on Medicare Supplement.

Medicare Supplement

Mr. Tuttle spoke about the transition to the new TPA.

Corporate

Heritage Reinsurance

Report/motion on Purchases/Sales

Mr. Tuttle gave an update on the Heritage Life reinsurance treaty.

Discussion ensued.

A motion to give Chairperson Balaban and Mr. Tuttle authorization to approve and for Mr. Tuttle to sign the agreement absent any substantive changes was made and carried unanimously.

CFP

Mr. Tuttle gave an update on CFP.

2020 Preliminary Projections and Budget

Self-Evaluation Reminder

Ms. Hagmaier spoke about the 2020 Annual Budget Analysis.

A motion was made to approve the 2020 preliminary budget was made and carried unanimously.

Charman's Report

Full Board Evaluation

Chair Balaban spoke about the 2019 Full Board Evaluation results.

Committee Reports

Nominating

The Nominating Committee helped the Governance committee with Corporate Governance Annual Disclosure (CGAD).

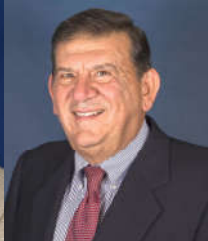
On the LCBA Board Questionnaire #17 'Trustee' is to be changed to Director.



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



Robert Muth
 Conneaut Lake, PA

Note from the Editor:

Complete the LCBA Board/Candidate Questionnaire form by Jan 31st and return to Matt Barr.

Audit/Finance

Investment Purchases and Sales

A motion to accept investment purchases and sales from 9/1/19 through 10/31/19.- Passed unanimously.

IRS Form 990 - Review Procedure

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

Governance

Board Minutes Policy

Mr. Dupee stated there are no recommended changes to the Board Minutes Policy.

LCBA Board of Director Crisis Response - Operations Intact

Mr. Dupee stated there is a revision to the LCBA Board of Director Crisis Response - Operations Intact.

Corrections are as follows, cross out Membership and Marketing and cross out 'and Fraternal' and Matthew Barr's title is VP Sales.

A motion was made to adopt the revisions to the LCBA Board of Director Crisis Response- Operation Intact.- Passed unanimously.

Other Business

Chair Balaban stated that she will run for the Chair of the Board for a second term.

Motion to Adjourn

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

Hello! This is the first time all of you have heard from me as I am more of a "behind the scenes" kind of guy. I am the guy that puts the magazine together (of course with the help of everyone here). It's nice to finally meet all of you here in print.

You may have noticed that the magazine is a bit shorter than usual. Recently we've made the decision to switch from our 16 page quarterly format to a smaller magazine with a more frequent distribution. The usual quarterly issues will be filled with a lot of the same information you're used to, but in 8-page issues, and the rest of the monthly issues will be smaller (4-8 pages) with mostly current Branch and LCBA news. This decision was made for a few reasons. This new format will allow Home Office and Branch news and events to get to members more quickly instead of waiting for each quarter, and also it will allow us to provide more updated information on our website. Additionally you get more magazines to read throughout the year.

We hope that you will appreciate the changes and enjoy the new format as much we think you will. The opportunity for faster, fresher content is exciting to us. It's a bit more work on our end, but communication with our members is very important. You will still continue to receive our annual mailing of important information, which this year will include ballots to vote in the upcoming 2021 Board Member election.

I hope you enjoy the new format and keep on reading!

Michael Mursch - Executive Editor of Direction / Creative Services & Marketing Director

Pennsylvania Fraternal Alliance 2020 SCHOLARSHIP PROGRAM



The Scholarship Committee of the Pennsylvania Fraternal Alliance has announced that 2020 applications are now available for the annual Scholarship Program. Applications can be obtained through LCBA's website (see below) or by contacting the Pennsylvania Fraternal Alliance Secretary-Treasurer at Theresa@lpsc.org or 888-834-6614. Return the completed application, essay and letter of recommendation, postmarked no later than **October 1, 2020**.

Applicants must:

- Be a resident of Pennsylvania and a member of a Fraternal Benefit Society that is a member of the Pennsylvania Fraternal Alliance.
- Be a 2020 high school graduate attending an accredited college, university, trade school, etc. in the summer/fall of 2020 as a full-time student (twelve semester credits). Proof of attendance must be submitted with application.
- Obtain a recommendation letter from your Fraternal Benefit Society.
- Submit a 500-word essay on: "What does fraternal mean to you? What would you do to increase the relevance of fraternalism to you and your peers?"

You can also download the application at www.lcbalife.org/pages/news.aspx.

Full instructions are listed on the application.

At least one \$500 scholarship will be awarded. Additional scholarships may be awarded depending upon available funds.



Richard Suchan	Anne Sweigart	Douglas Tuttle
Buffalo, NY	Bluffton, OH	Erie, PA President/CEO



WE NEED YOU!

TO BE ON THE LCBA BOARD OF DIRECTORS!



**Questions?
Please call
800-234-5222
ext. 265**

SKILL SETS 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.

We are always looking for applicants with general skill and expertise in areas such as: insurance services, financial services, risk management, IT, accounting, legal, government relations and non-profit relations.

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. Board directors are currently elected to serve four-year terms. The Board consists of no fewer than nine but no more than fifteen elected directors.

WHAT?

Our Board of Directors defines the principal policies and strategies of the Association and provides oversight of the management and affairs of the Association. The Board meets quarterly and each member has a committee assignment.

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. The person recommended must be willing to serve. Current directors have the option of seeking re-election at the end of their established terms.

NOTE:

Nominees do not need to be LCBA members but must be willing to become an LCBA member before being placed on the ballot. Vetting of candidates & campaign preparations take place four weeks from the nomination deadline. Voting instructions will be published in the winter Direction magazine along with a feature on each of the candidates up for election. LCBA Benefit members will have three weeks to cast their votes.

Did You Know?

You could take a **free trip** on LCBA.

Many of the trips are budget friendly which means that your trip, even with a guest, may cost you nothing!

ROAD SCHOLAR®

Road Scholar offers 5,500 programs in all 50 states and 150 countries around the world.

- Applicant must be a benefit member or be the natural or legally adopted grandchild or child of a benefit member. The LCBA life or annuity certificate qualifying the applicant must be issued no later than the application deadline.
- Applicant must be 55 years of age as of the application deadline.
- Applicant must enroll in a program listed in the Road Scholar® program guide or on their website at www.roadscholar.org.
- Applicant must complete the approved application form found at www.lcbalife.org.

Applications will be accepted from July 1 - August 31!