

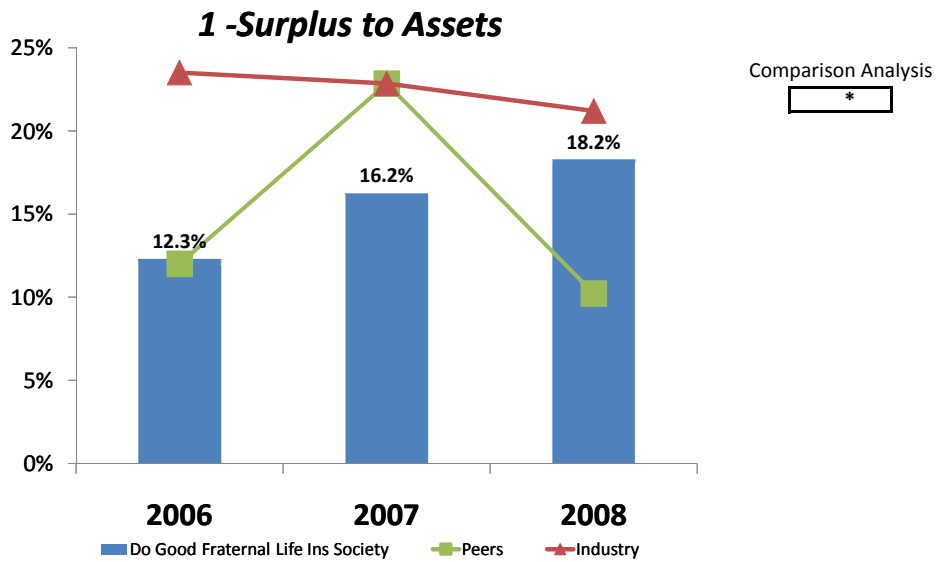
NFCA Annual Member Society Financial Analysis

Ratios & Society Example

1. Surplus to Assets
2. Adjusted Capital to Company Action Level RBC
3. Current Liquidity
4. Change in Surplus to Assets
5. Assets to Liabilities
6. Higher Risk Assets to Surplus
7. Net Operating Gain to Assets
8. Expenses to Net Premiums Written
9. Change in Expenses
10. Change in Premium
11. Change in Total Revenue

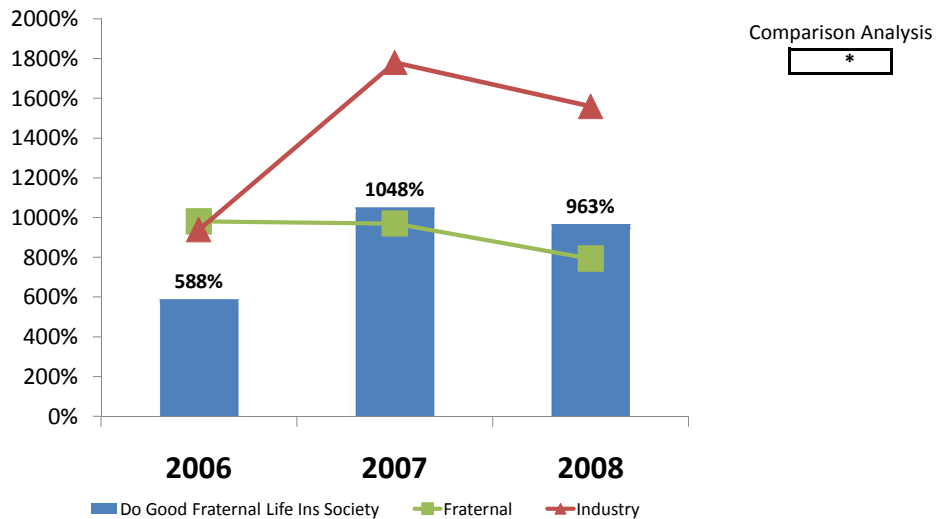
Please note that one asterisk on the charts indicates the Society's ratio is worse than one of the benchmarks. Two asterisks would indicate that the Society's ratio is worse than both benchmarks. The most desirable result is no asterisks, indicating the Society's ratio is better than both other measures.

Provided by:
Strohm Ballweg, LLP
Associate Member of the NFCA

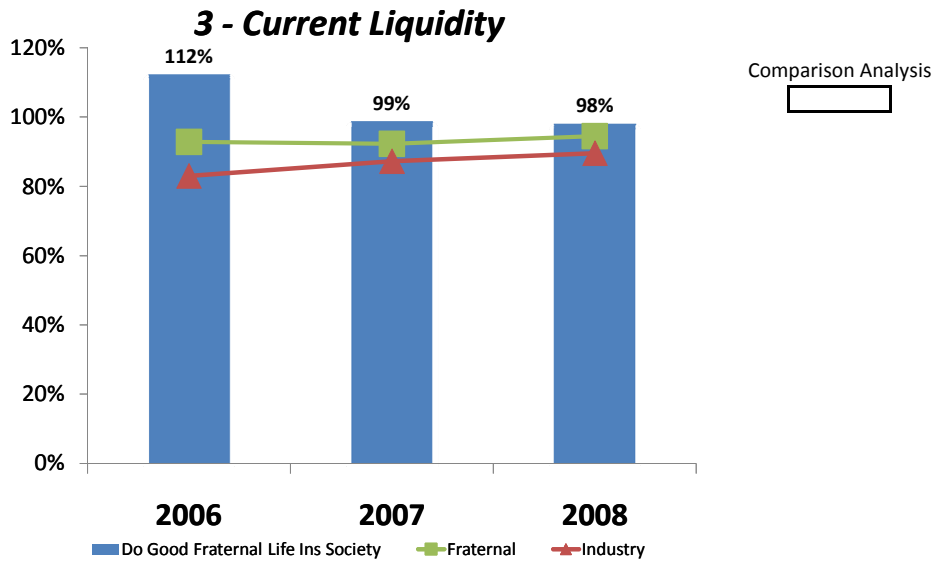


This ratio is a measure of financial strength and stability. The Society's ratio is lower than the industry benchmark, but higher than the fraternal benchmark. A higher ratio is favorable and indicates a stronger surplus position based on this measure.

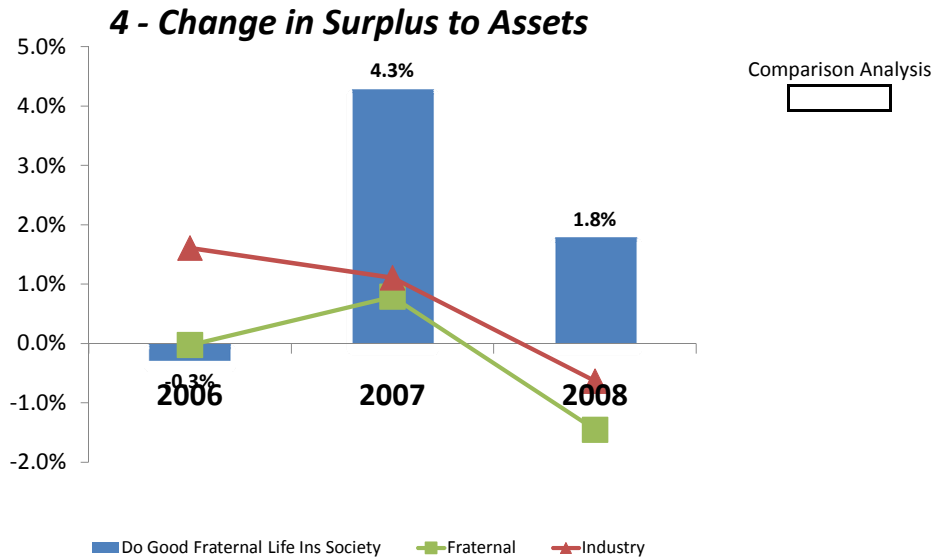
2 - Adjusted Capital to Company Action Level RBC



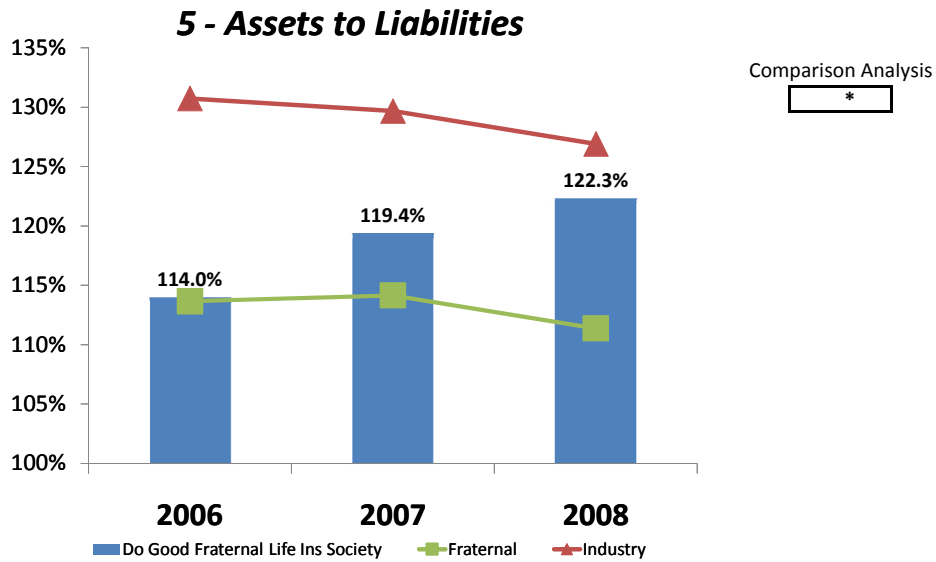
This ratio measures adjusted capital in relation to the required regulatory action under the Risk Based Capital formula. Adjusted capital is defined as capital and surplus plus 100 percent of the asset valuation reserve plus 50 percent of the refunds apportioned for payment liability plus 50 percent of the refunds not yet apportioned liability. The Society's ratio is lower than the industry benchmark, but higher than the fraternal benchmark. A higher ratio is favorable and indicates a stronger surplus position based on this measure.



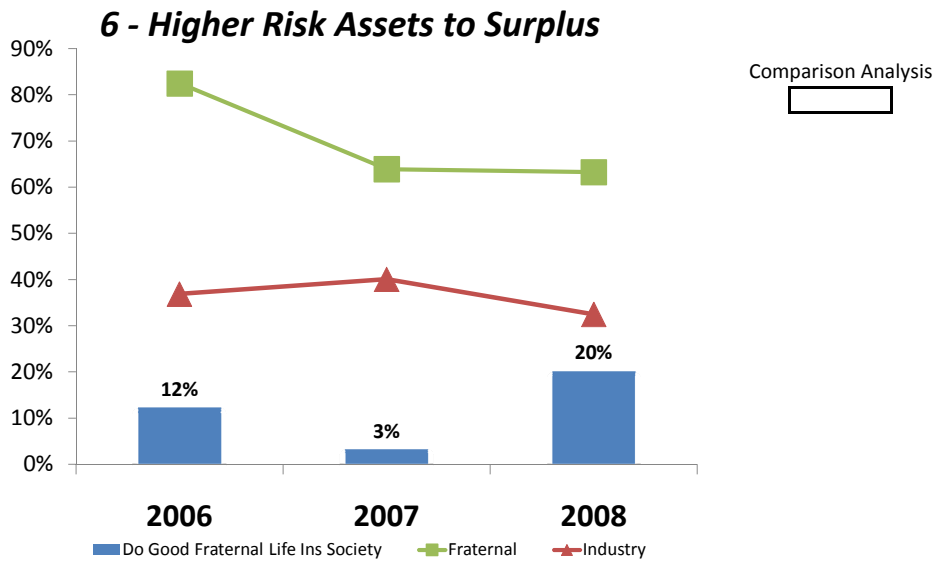
This ratio illustrates the ability to meet obligations to policyholders (excluding the asset valuation reserve) with cash and unaffiliated investment holdings (excluding mortgages and real estate). The Society's ratio is higher than both the fraternal benchmark and the industry benchmark, which indicates a higher level of liquidity and the ability to meet its obligations to policyholders without relying on less liquid assets.



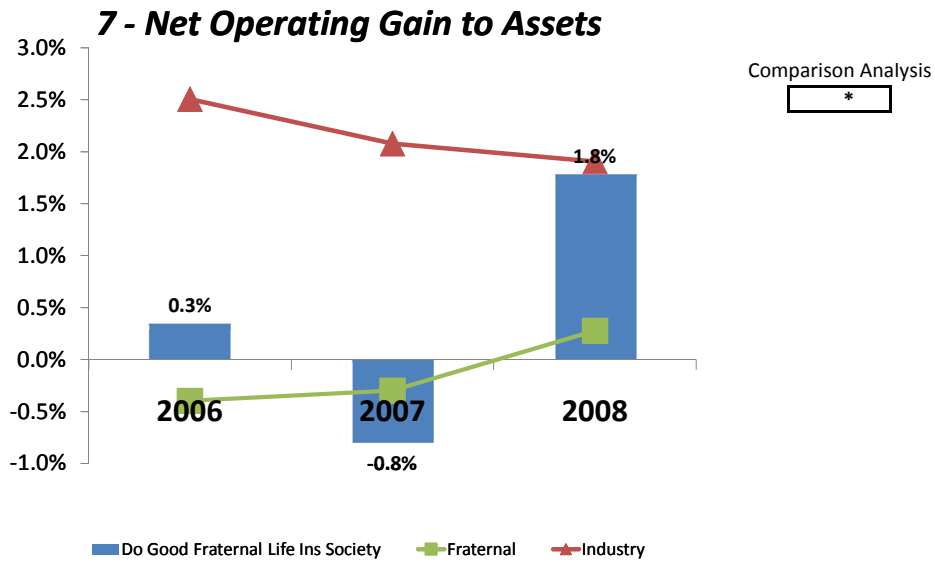
This ratio compares the change in surplus to the asset base which is another measure of financial strength and stability. The Society's ratio is higher than both the fraternal benchmark and the industry benchmark, which indicates a more favorable surplus result based on this measure.



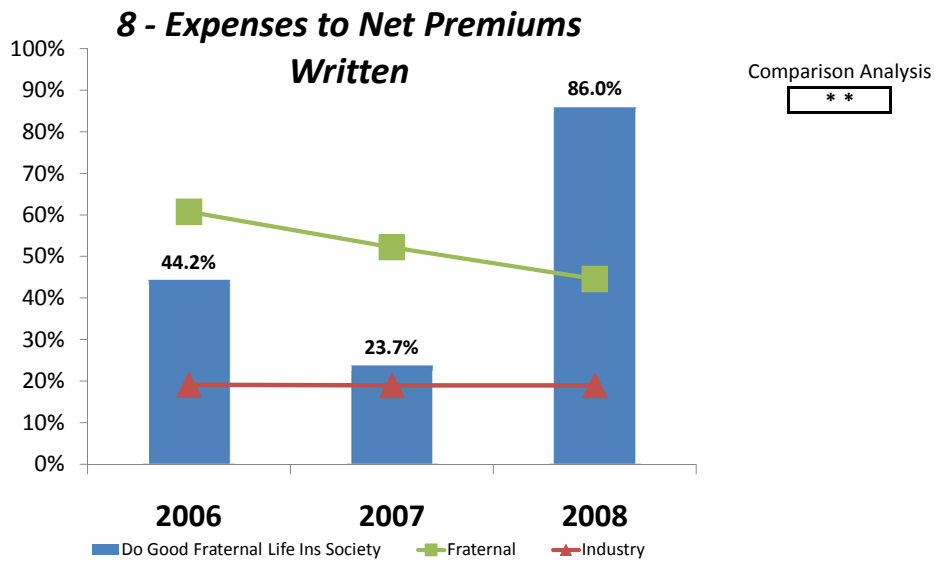
This ratio measures solvency and the ability to meet all obligations as they become due. The Society's ratio is lower than the industry benchmark, but higher than the fraternal benchmark. A higher ratio is favorable and indicates assets are adequate to cover liabilities.



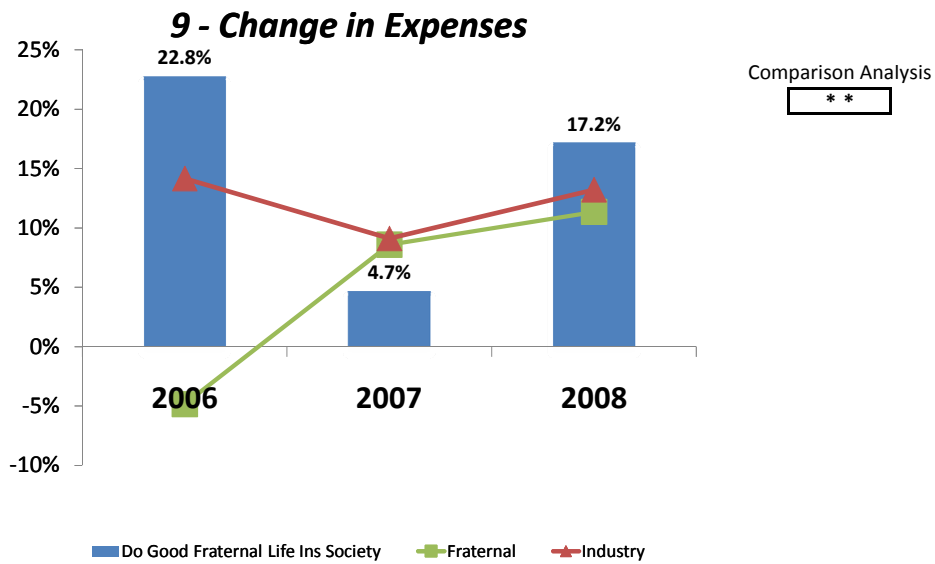
This ratio identifies exposure of higher risk assets (defined as any equity investments, those securities rated 3 or lower by the SVO, or mortgage loans in default) to surplus. The Society's ratio is lower than both the fraternal benchmark and the industry benchmark, which indicates the Society holds higher quality investments in their portfolio.



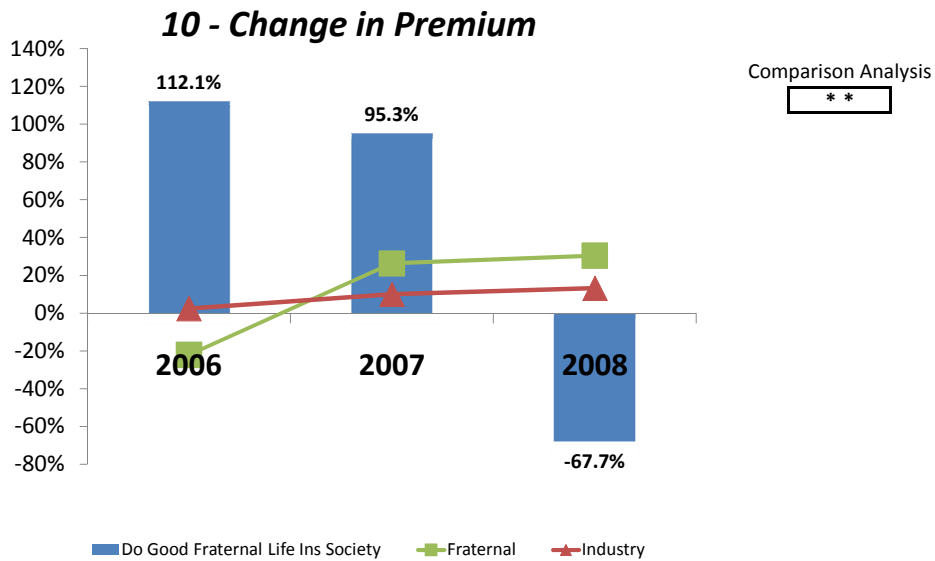
This is a profitability ratio used to evaluate earnings (excluding capital gains and losses) in relation to the asset base. The denominator in the equation represents the mean of the current and prior year admitted assets. The Society's ratio is lower than the industry benchmark, but higher than the fraternal benchmark. A higher ratio is favorable as it indicates a positive return on insurance earnings in relation to the total asset base.



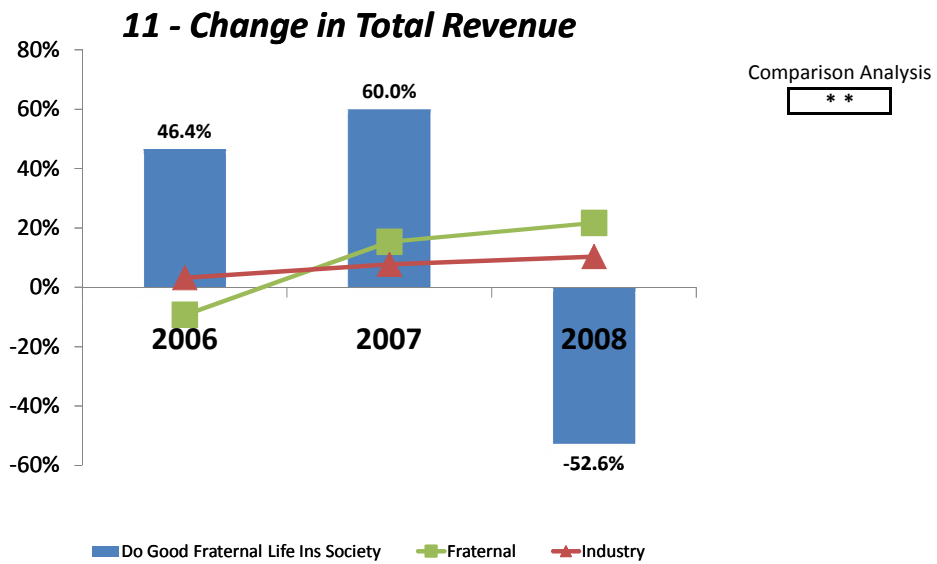
This ratio calculates general insurance expenses, insurance taxes, licenses and fees, and other miscellaneous expenses as a percentage of net premiums written. The Society's ratio is higher than both the fraternal benchmark and the industry benchmark, which indicates a less favorable result than these benchmarks.



This ratio measures the increase (decrease) in expenses on a year-over-year basis. Expenses consist of general insurance expenses, insurance taxes, licenses and fees, and other miscellaneous expenses. The Society's ratio is higher than both the fraternal benchmark and the industry benchmark, which indicates a less favorable result than these benchmarks.



This ratio is a measure of the increase (decrease) in premium on a year-over-year basis. Premium consists of net premiums and annuity considerations for life and accident and health contracts. The Society's ratio is lower than both the fraternal benchmark and the industry benchmark, which indicates that the change in premium fell short of these benchmarks.



This ratio measures the increase (decrease) in total revenue on a year-over-year basis. Total revenue consists of net premiums and annuity considerations for life and accident and health contracts and net investment income. The Society's ratio is lower than both the fraternal benchmark and the industry benchmark, which indicates that the change in total revenue fell short of these benchmarks.