

Reflection. Protection. Direction.

It's hard to boil a year down to a three-word title, but these are fitting as we share Modern Woodmen of America's fraternal and financial results for 2022.

The facts, figures and photos in this report reflect the efforts of our members, field representatives, fraternal leaders and employees. We work together to help protect financial futures. We come together to direct fraternal funds and programs that improve members' lives and the communities they call home.

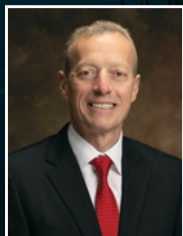
On the next few pages, you'll find:

- Financial statements and highlights from last year, including growth in net income and members' life insurance coverage.
- Examples of member chapters and youth club activities supporting mental health awareness.
- Descriptions and usage of new and ongoing fraternal member programs.

At Modern Woodmen, we can reflect on a 140-year history to learn from the past, but we're focused on an even brighter future. As we move toward our 150th anniversary, we continue to build on what we're doing well, while learning what we can do even better. And we're launching exciting initiatives to grow membership and to meet current and future members' needs.

I'm honored to share this report with you.

Sincerely,



Jerald J. Lyphout
President and CEO

2022 SNAPSHOT



717,981 members



\$43.58 billion
OF LIFE INSURANCE COVERAGE IN FORCE



\$1.29 billion
PAID TO MEMBERS (INCLUDES DEATH BENEFITS, ANNUITY PAYMENTS & SURRENDER BENEFITS)



\$17.8 million
IN FRATERNAL EXPENDITURES SUPPORTING MEMBER PROGRAMS



116.41%
SOLVENCY RATIO

"All that we send into the lives of others comes back into our own."

► MISSION

To improve the quality of life for our members.

► VISION

Modern Woodmen of America will grow nationwide through members helping members create a better tomorrow for themselves, their families and others.

► BOARD OF DIRECTORS

President and CEO
Jerald J. Lyphout, East Moline, Illinois

National Secretary
Shea E. Doyle, Bettendorf, Iowa

Directors
Lori A. Newberg, Lenexa, Kansas
Joseph A. Sztapka, Sioux Falls, South Dakota
James E. Temperley, Bonita Springs, Florida
Lester L. Bohnert, East Moline, Illinois
Brett M. Van, Coal Valley, Illinois
David Nuernberger, Bettendorf, Iowa

Member programs

Highlights from 2022

What's in the **Box?**SM



Members can now sign up to receive a surprise box, delivered twice a year and containing items and ideas that encourage them to engage with others, discover something new and/or help their communities – the hallmarks of Modern Woodmen fraternalism.

Contact your Modern Woodmen representative or check out the My Membership section at modernwoodmen.org to learn more.

Modern Woodmen **Travels**

Select groups of members can attend special trips to exciting destinations, hosted and planned by Modern Woodmen and emphasizing a unique community-impact experience tied to the local culture.

Attendees enjoyed a cruise to the Bahamas in February, and a trip to historic Savannah, Georgia, is planned for fall 2023. A family trip is in the works for 2024. Stay tuned!



Boosting **brain health**

Stopping the stigma and supporting mental health awareness

In 2022, Modern Woodmen chapters and youth service clubs held service, educational and fundraising activities to raise awareness of mental health in their communities. Through the Brain Health: Keep It Top of Mind initiative, members throughout the country:

- **Donated kindness kits** (self-care packages) to local organizations for those at risk and to workers in the mental health profession.
- **Participated in local educational events.**
- **Helped raise funds** for local organizations and individuals that support mental health.
- **Presented Hometown Hero awards** to individuals, community organizations and volunteer groups that encourage brain health and/or support those with mental health concerns.



▲ **Breaking a world record while supporting a worthy cause**

In June, Modern Woodmen National Convention attendees broke the Guinness World Record for longest chain of carabiners (hiking clips) by linking clips together in a 3,188-foot continuous chain at the event in Aurora, Colo. The fundraising activity raised \$22,535 to support NAMI Colorado, the state organization for the National Alliance on Mental Illness.

ACTIVITIES WHERE MEMBERS LIVE, WORK AND PLAY

CHAPTERS

2,236
ACTIVE CHAPTERS



327,806
ATTENDEES
at social, educational and volunteer events in their communities.

255
ACTIVE SUMMIT CHAPTERS
for members age 55+.



30,192
EVENT PARTICIPANTS

YOUTH SERVICE CLUBS

528
CLUBS



31,927
PARTICIPANTS

SERVICE PROJECTS/ VOLUNTEER ACTIVITIES



8,431
HANDS-ON EVENTS



278,401
VOLUNTEER HOURS



\$2 million
REIMBURSED
for projects in members' communities.

MATCHING FUND PROGRAM



3,287
FUNDRAISING EVENTS



\$5.2 million
IN DIRECT MATCHING
contributions by Modern Woodmen.



\$46.3 million*
CONTRIBUTED
to community projects and individuals in need.

*Includes total dollars raised by member chapter and youth clubs partnering with community groups.

EXCLUSIVE MEMBER RESOURCES

BIRTHDAY BOOK CLUB



18,037 CHILDREN
received a free book.

MAKE AN IMPACT[®] SCHOLARSHIPS



\$450,000 AWARDED
to 198 members.

FINAL WISHES

1,034 MEMBERS
ordered booklets to help with late-in-life planning.



FRATERNAL AID FUND

\$63,326 TOTAL IN PREMIUMS PAID
for members experiencing medical or natural disasters.

ADDITIONAL PROGRAMS

DO-GOOD GRANT[®]

AWARDS \$200 GRANTS
for members' approved personal volunteer projects.

NEWBORN BENEFIT

CAN PROVIDE LIFE INSURANCE
for qualifying families of infants in poor health.

ORPHAN BENEFIT

OFFERS FINANCIAL SUPPORT
for members' children who become orphaned.

TERMINAL ILLNESS INTEREST RELIEF

CAN WAIVE INTEREST
related to advances for those with terminal illness.

Subject to change, fraternal member programs are not part of the contract and may have specific eligibility requirements. Some programs are not available to all members.

Products

Modern Woodmen offers financial products to help you meet a wide range of needs.

LIFE INSURANCE PRODUCTS

- Whole life insurance
- Universal life insurance
- Term life insurance – including term insurance for children

ANNUITY PRODUCTS

- Fixed annuities
- Immediate annuities
- Variable annuities*

INVESTMENT PRODUCTS*

- Mutual funds
- Retirement plans – traditional IRA, Roth IRA, SEP-IRA, SIMPLE IRA, 401(k), 403(b) TSA
- College savings plans – 529 college savings plans, Coverdell education savings accounts
- UGMA/UTMA accounts
- Brokerage services – stocks, bonds, ETFs, UITs
- Investment advisory services – adviser-managed and third-party managed accounts, financial planning services

INSURANCE PRODUCTS**

- Dental and vision insurance
- Disability income insurance
- Group employee benefits
- Group voluntary benefits
- Impaired risk life insurance
- International life and health insurance
- Long-term care insurance
- Health insurance
- Medicare supplement insurance
- Medicare Advantage and prescription drug plans

*Securities offered through MWA Financial Services, Inc., a wholly owned subsidiary of Modern Woodmen of America. Member: FINRA, SIPC. Investment Advisory Services offered through MWA Financial Services, Inc., a Registered Investment Adviser. Individual agents may not be licensed to sell all products.

**Not issued by Modern Woodmen of America. Brokered insurance products available through MWAGIA, Inc., a Modern Woodmen subsidiary. Product availability varies by state.



The Goodridge family, members from Vermont



Members Cody and Lauren Hamby, South Carolina



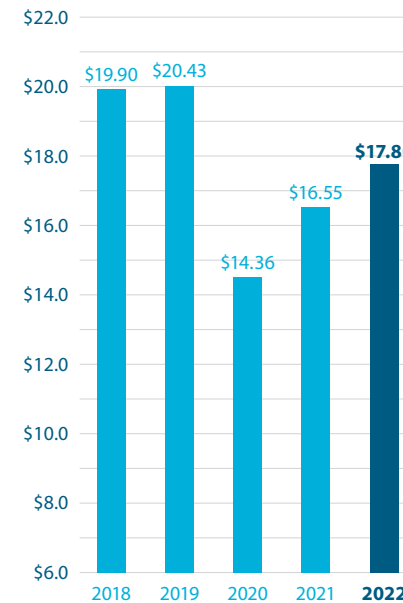
Members Victoria and Venece Hotchkiss, Washington



The Marceleno sisters, members from Illinois

2022 financial highlights

FRATERNAL EXPENDITURES DOLLARS IN MILLIONS



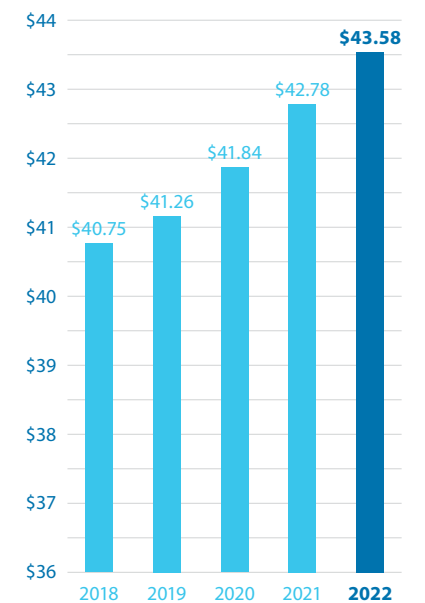
Fraternal expenditures for 2020-2022 were lower due to the COVID-19 pandemic.

ASSETS DOLLARS IN BILLIONS



Assets, along with liabilities, declined in 2021 due to a one-time reinsurance transaction. The funds you place with Modern Woodmen are backed by our assets.

LIFE INSURANCE IN FORCE DOLLARS IN BILLIONS

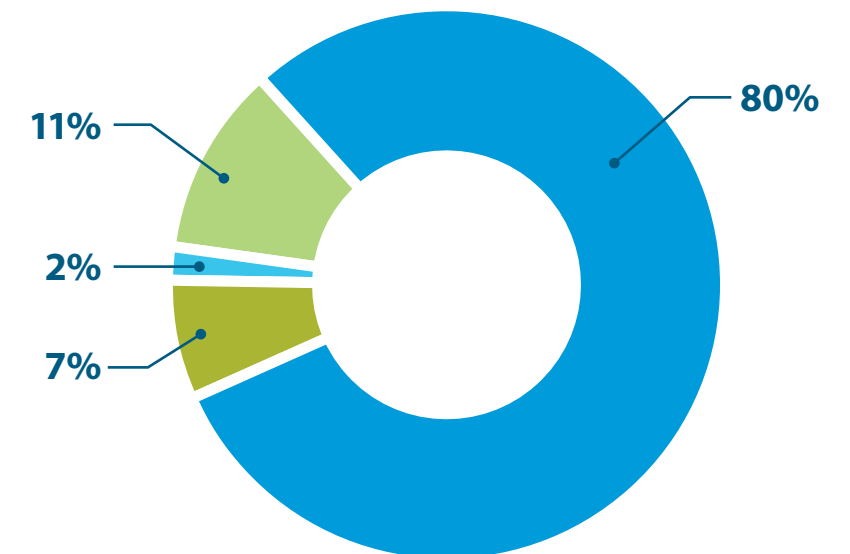


Life insurance in force shows consistent growth and increased protection for members.

QUALITY INVESTMENTS

As of 12/31/2022, approximately 98.5% of bonds were of high or medium quality.

- Bonds
- Cash, certificate loans and other
- Mortgage loans and real estate
- Equities (preferred and common stocks)



Financial statements

Modern Woodmen of America –
Dec. 31, 2022 (dollars in thousands)
unaudited

Balance Sheets

	2022	2021		2022	2021
Assets			Liabilities and Surplus		
Bonds	\$12,705,971	\$12,246,633	Aggregate reserves:		
Stocks	1,076,598	1,286,644	Life and annuity	\$10,599,540	\$10,230,876
Mortgage loans	319,463	124,946	Accident and health	1,344	1,437
Real estate	17,194	15,818	Certificate and contract claims	47,281	42,314
Cash and short-term bonds	238,085	740,324	Other certificateholders' funds	3,356	3,795
Certificateholders' loans	127,293	131,069	Dividends payable to certificateholders	10,660	9,900
Securities lending reinvested collateral	295,224	398,620	Accrued commissions, general expenses and taxes	22,166	19,450
Other invested assets	1,112,658	1,026,521	Payable for securities lending collateral	295,224	398,620
Total cash and invested assets	15,892,486	15,970,575	Other liabilities	2,380,375	2,408,551
Investment income due and accrued	122,990	104,716	Liability for benefits for employees and fieldworkers	78,529	74,077
Electronic data processing equipment	753	1,268	Interest maintenance reserve	0	26,319
Other assets	33,065	35,922	Asset valuation reserve	194,783	497,471
Separate account assets	1,089,109	1,374,031	Separate account liabilities	1,089,109	1,374,031
Total admitted assets*	\$17,138,403	\$17,486,512	Total liabilities	14,722,367	15,086,841
			Unappropriated surplus	2,416,036	2,399,671
			Total surplus	2,416,036	2,399,671
			Total liabilities and surplus	\$17,138,403	\$17,486,512

*Line items impacted in 2021 by accounting adjustments for annuity reinsurance transaction.

Statements of Surplus

	2022	2021
Surplus - balance at beginning of year	\$2,399,671	\$2,247,857
Net income	117,695	83,172
Net unrealized capital gains	(405,135)	139,248
Change in asset valuation reserve	302,688	(84,895)
Change in nonadmitted assets	12,085	(90,610)
Other changes, net	(10,968)	104,899
Surplus - balance at end of year	\$2,416,036	\$2,399,671

Statements of Operations

	2022	2021
Income		
Premiums:		
Life and annuity*	\$1,101,951	(\$2,301,803)
Other	3,668	1,210
Investment income, net of expenses	581,119	690,161
Amortization of interest maintenance reserve	5,872	8,611
Other income*	13,052	(297,629)
Total income	1,705,662	(1,899,450)
Benefits and expenses		
Benefits:		
Life and annuity	1,017,242	939,261
Other	244	311
Increase in aggregate reserves*	365,942	(2,931,012)
Miscellaneous other deductions	2,546	(92,813)
Commissions	54,166	56,810
General insurance expenses	103,355	102,710
Insurance, taxes, licenses and fees	6,699	9,030
Fraternal, charitable and benevolent expenses	17,791	16,551
Net transfers to (or from) separate accounts	17,740	77,143
Total benefits and expenses	1,585,725	(1,822,009)
Net gain/(loss) from operations before dividends/net realized capital gains	119,937	(77,441)
Dividends to certificateholders	10,438	9,676
Net gain/(loss) from operations before net realized capital gains	109,499	(87,117)
Net realized capital gains	8,196	170,289
Net income	\$117,695	\$83,172

Statements of Cash Flows

	2022	2021
Operating activities		
Premium and annuity considerations*	\$1,105,108	(\$2,300,642)
Net investment income	566,262	711,727
Miscellaneous income*	28,896	(186,913)
Total cash provided by operations	1,700,266	(1,775,828)
Benefit- and loss-related payments	1,027,657	1,081,919
Commissions and other expenses paid	192,065	190,052
Net transfers to or (from) separate accounts	4,725	83,189
Dividends paid	9,678	8,836
Total cash used in operations	1,234,125	1,363,996
Net cash provided by (used in) operating activities	466,141	(3,139,824)
Investing activities		
Proceeds from investments sold:		
Bonds	2,859,612	6,097,353
Stocks	90,972	274,736
Mortgage loans	27,594	362,940
Real estate	0	0
Other invested assets	95,660	105,954
Miscellaneous proceeds	110,891	83,035
Total investment proceeds	3,184,729	6,924,018
Cash applied, cost of investments acquired:		
Bonds	3,378,464	4,831,699
Stocks	167,060	351,678
Mortgage loans	224,938	55,284
Real estate	3,336	524
Other invested assets	294,518	375,706
Miscellaneous applications	48,608	5,336
Total investment applications	4,116,924	5,620,227
Net decrease in certificateholders' loans	(3,847)	(8,422)
Net cash provided by (used in) investing activities	(928,348)	1,312,213
Other cash provided by (used in) financing activities and other miscellaneous sources	(40,032)	1,609,947
Increase (decrease) in cash and short-term investments	(502,239)	(217,664)
Cash and short-term investments at beginning of year	740,324	957,988
Cash and short-term investments at end of year	\$238,085	\$740,324