

COMMON BONDS, COMMON GOALS

As a **fraternal** financial services organization, Modern Woodmen of America is as unique as each of its more than 700,000 members. That said, we all have a lot in common.

Our members, field representatives, fraternal leaders and employees have different needs, skills and talents. But we all connect through the common values held since this organization was founded back in 1883. Our common bonds are the common goals we seek for ourselves, for those we love, and for the places we call home.

- Financial security.
- Quality family life.
- Community impact.

On the next few pages, you'll find the results of work toward these goals in 2023 – from growth in net income and members' life insurance coverage to positive impact on children's literacy, and much more.

Thank you for your continued membership. It's an honor to share this report with you.



Sincerely,

Jerry

Jerald J. Lyphout
President and CEO



2023 SNAPSHOT



706,959 members



\$44.33 billion
OF LIFE INSURANCE COVERAGE IN FORCE



\$1.65 billion
PAID TO MEMBERS (INCLUDES DEATH BENEFITS, ANNUITY PAYMENTS & SURRENDER BENEFITS)



\$18.2 million
IN FRATERNAL EXPENDITURES SUPPORTING MEMBER PROGRAMS



116.04%
SOLVENCY RATIO



Board members kicked off a recent meeting at Café' on Vine. The café is a nonprofit with a mission to promote the dignity of each person by feeding the hungry and advocating for an end to hunger in our headquarters' community.



► 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.

► CREED

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

► BOARD OF DIRECTORS

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

National Secretary and Executive Vice President
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
Sandra L. Stosz, Falmouth, Massachusetts
Jackie R. Zachmeyer, Milan, Illinois

Member programs

Newborn Life Insurance Benefit



Giving birth to an infant in poor health is one of the scariest things a new parent may face. This two-part member program can lessen some financial anxiety.

Part 1: Up to \$90,000 of guaranteed coverage

Modern Woodmen members can apply for \$10,000 of permanent life insurance for their newborn's future. This member benefit guarantees the coverage will be issued at standard rates – regardless of the infant's current health.

Members who take advantage of the Newborn Life Insurance Benefit also add a required guaranteed purchase option rider. This life insurance add-on ensures the child can obtain up to \$80,000 of additional coverage as an adult.

Part 2: Support in case of early tragedy

The Newborn Life Insurance Benefit provides automatic financial support to qualifying families who suffer the loss of an infant within the first six months. The benefit provides \$10,000 to assist with the newborn's funeral or medical costs.



Chapter member in New Hampshire read to local preschoolers.

Raising Readers

Support for children's literacy

In 2023, Modern Woodmen chapters and youth service clubs held activities to bring the love of books to kids. Through the Raising Readers initiative, our members throughout the country helped nearly 20,000 kids by:

- **Reading to and with kids** at schools, libraries, child centers and elsewhere in their communities.
- **Hiding free books around their communities** for children to find and enjoy.
- **Fulfilling needs for local classrooms and libraries** through hands-on projects and fundraisers.
- **Donating books** and working one-on-one with kids to help them write their own stories.



Roberta and Marley, members from South Dakota.

Orphan Support Benefit

Modern Woodmen provides financial support for the care and education of qualifying children who become orphaned. The new legal guardian can receive monthly payments of \$700 for each child through age 18.

Payments begin one month after approval by Modern Woodmen. They continue until the orphan becomes self-supporting, marries, reaches age 19, or enrolls in college under the benefit's education grant. The grant pays \$50,000 (up to \$12,500 each school year) to an accredited college, university or vocational institution.

Highlights from 2023

EXCLUSIVE MEMBER RESOURCES

BIRTHDAY BOOK CLUB



MAKE AN IMPACT® SCHOLARSHIPS



FINAL WISHES RESOURCES



FRATERNAL AID FUND



DO-GOOD GRANT®



▲ Member Samantha Yost, Ohio, used a Do-Good Grant® to help an early learning center in her community.

ACTIVITIES WHERE MEMBERS LIVE, WORK AND PLAY

CHAPTERS

2,265 ACTIVE CHAPTERS



316,185 ATTENDEES at social, educational and volunteer events in their communities.

256 ACTIVE SUMMIT CHAPTERS for members age 55+.



30,014 EVENT PARTICIPANTS

YOUTH SERVICE CLUBS

515 CLUBS



30,991 PARTICIPANTS

SERVICE PROJECTS/VOLUNTEER ACTIVITIES



8,761 HANDS-ON EVENTS



250,449 VOLUNTEER HOURS



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

MATCHING FUND PROGRAM



3,544 FUNDRAISING EVENTS



\$5.4 million IN DIRECT MATCHING contributions by Modern Woodmen.



\$46.4 million* CONTRIBUTED to community projects and individuals in need.

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

Products

Financial products available to meet needs throughout life

LIFE INSURANCE PRODUCTS

- Term life insurance
- Universal life insurance
- Whole life insurance

ANNUITY PRODUCTS

- Fixed annuities
- Fixed index annuity
- Immediate annuities
- Variable annuities*

INVESTMENT PRODUCTS*

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

INSURANCE PRODUCTS**

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

*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 Brown family, members from Arkansas



Members Kade and Mallory Lester, Mississippi



Stephen Pettit, member from North Carolina



Rhoades family, members from Ohio

2023 financial highlights

FRATERNAL EXPENDITURES DOLLARS IN MILLIONS



Expenditures in support of member activities and programs are increasing following the pandemic years' downturn.

ASSETS DOLLARS IN BILLIONS



The funds you place with Modern Woodmen are backed by a strong asset base.

LIFE INSURANCE IN FORCE DOLLARS IN BILLIONS

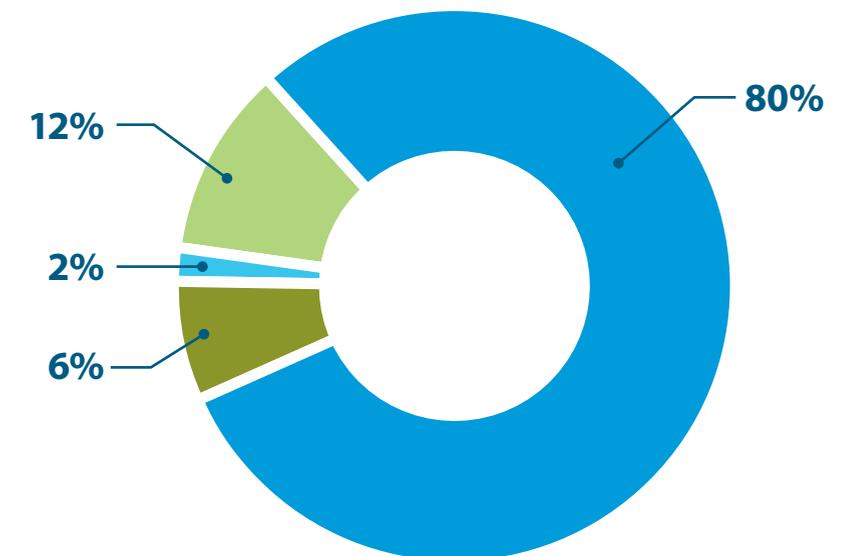


Growth in life insurance in force means increased protection for members and their beneficiaries.

QUALITY INVESTMENTS

As of 12/31/2023, approximately 98.6% 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, 2023 (dollars in
thousands, unaudited)

Balance Sheets

	2023	2022		2023	2022
Assets			Liabilities and Surplus		
Bonds	\$12,901,959	\$12,705,971	Aggregate reserves:		
Stocks	968,714	1,076,598	Life and annuity	\$10,699,131	\$10,599,540
Mortgage loans	373,316	319,463	Accident and health	1,156	1,344
Real estate	18,204	17,194	Certificate and contract claims	35,126	47,281
Cash and short-term bonds	152,837	238,085	Other certificateholders' funds	3,274	3,356
Certificateholders' loans	126,906	127,293	Dividends payable to certificateholders	11,230	10,660
Securities lending reinvested collateral	362,751	295,224	Accrued commissions, general expenses and taxes	(8,429)	(7,996)
Other invested assets	1,288,401	1,112,658	Payable for securities lending collateral	362,751	295,224
Total cash and invested assets	16,193,088	15,892,486	Other liabilities	2,400,917	2,410,537
Investment income due and accrued	136,247	122,990	Liability for benefits for employees and fieldworkers	76,764	78,529
Electronic data processing equipment	3,672	753	Interest maintenance reserve	0	0
Other assets	75,174	33,065	Asset valuation reserve	375,347	194,783
Separate account assets	1,324,855	1,089,109	Separate account liabilities	1,324,855	1,089,109
Total admitted assets	\$17,733,036	\$17,138,403	Total liabilities	15,282,122	14,722,367
			Special Surplus Funds - Admitted Disallowed IMR	29,700	0
			Unappropriated surplus	2,421,214	2,416,036
			Total surplus	2,450,914	2,416,036
			Total liabilities and surplus	\$17,733,036	\$17,138,403

Statements of Surplus

	2023	2022
Surplus - balance at beginning of year	\$2,416,036	\$2,399,671
Net income	234,173	117,695
Net unrealized capital gains	36,863	(405,135)
Change in asset valuation reserve	(180,565)	302,688
Change in nonadmitted assets	(77,846)	12,085
Other changes, net	22,253	(10,968)
Surplus - balance at end of year	\$2,450,914	\$2,416,036

Statements of Operations

	2023	2022
Income		
Premiums:		
Life and annuity	\$1,215,601	\$1,101,951
Other	3,886	3,668
Investment income, net of expenses	668,917	581,119
Amortization of interest maintenance reserve	(1,567)	5,872
Other income	(63,509)	13,052
Total income	1,823,328	1,705,662
Benefits and expenses		
Benefits:		
Life and annuity	1,330,709	1,017,242
Other	212	244
Increase in aggregate reserves	105,377	365,942
Miscellaneous other deductions	9,190	2,546
Commissions	54,855	54,166
General insurance expenses	130,570	103,355
Insurance, taxes, licenses and fees	9,160	6,699
Fraternal, charitable and benevolent expenses	18,166	17,791
Net transfers to (or from) separate accounts	13,717	17,740
Total benefits and expenses	1,671,956	1,585,725
Net gain/(loss) from operations before dividends/net realized capital gains	151,372	119,937
Dividends to certificateholders	10,874	10,438
Net gain/(loss) from operations before net realized capital gains	140,498	109,499
Net realized capital gains	93,675	8,196
Net income	\$234,173	\$117,695

Statements of Cash Flows

	2023	2022
Operating activities		
Premium and annuity considerations	\$1,219,338	\$1,105,108
Net investment income	649,924	566,262
Miscellaneous income	29,228	28,897
Total cash provided by operations	1,898,490	1,700,267
Benefit- and loss-related payments	1,450,019	1,027,657
Commissions and other expenses paid	221,904	192,065
Net transfers to or (from) separate accounts	14,367	4,725
Dividends paid	10,304	9,678
Total cash used in operations	1,696,594	1,234,125
Net cash provided by (used in) operating activities	201,896	466,142
Investing activities		
Proceeds from investments sold:		
Bonds	1,616,315	2,859,612
Stocks	311,476	90,972
Mortgage loans	46,599	27,594
Real estate	0	0
Other invested assets	55,645	95,660
Miscellaneous proceeds	3,852	110,891
Total investment proceeds	2,033,887	3,184,729
Cash applied, cost of investments acquired:		
Bonds	1,857,892	3,378,464
Stocks	41,932	167,060
Mortgage loans	99,977	224,937
Real estate	3,376	3,336
Other invested assets	241,455	294,518
Miscellaneous applications	71,166	48,609
Total investment applications	2,315,798	4,116,924
Net decrease in certificateholders' loans	(345)	(3,847)
Net cash provided by (used in) investing activities	(281,566)	(928,348)
Other cash provided by (used in) financing activities and other miscellaneous sources	(5,578)	(40,032)
Increase (decrease) in cash and short-term investments	(85,248)	(502,239)
Cash and short-term investments at beginning of year	238,085	740,324
Cash and short-term investments at end of year	\$152,837	\$238,085