

TIME, TALENT AND TREASURE

Wow. That's my initial reaction as I reflect on the past year. I'm wowed because members like you, along with our field representatives, employees, and fraternal chapter and club leaders, made 2021 wonderful ... despite a continuing global pandemic and a financial climate of continual low interest rates.

It wasn't easy, but a commitment of time, talent and treasure made an incredible impact in the present and for the future. Modern Woodmen's 2021erful campaign helped members bring positivity to communities across the country. And the largest financial transaction in the society's history helped assure even greater financial strength for Modern Woodmen's members this year and for decades to come.

On the next pages, you'll find:

- Examples of member chapters and youth clubs serving and honoring essential workers.
- Financial statements and highlights, including growth in members' life insurance coverage and surplus – key indicators of strength and stability.
- Descriptions and usage of new and ongoing fraternal member programs and benefits.

The knowledge and experience gained in these unprecedented times have provided opportunities and wisdom for growth in the years ahead. Our staff and field representatives continue to enhance their skills and implement modern technology to streamline processes while building relevant programs, products and benefits to better serve our members now and in the future.

With my retirement coming up at the end of 2022, this is my final annual report. I'm truly humbled and honored to share the achievements of the past year. And I'm truly thankful for the time and talent put into this organization. The experiences I've had and the relationships I've enjoyed will always be treasured.

With sincere thanks,

W. Kenny Massey
President and CEO

SNAPSHOT 2021



729,004 members



\$42.8 billion
OF LIFE INSURANCE COVERAGE IN FORCE.



\$1.15 billion
PAID TO MEMBERS (INCLUDES DEATH BENEFITS,
ANNUITY PAYMENTS AND SURRENDER BENEFITS).



\$16.6 million
IN FRATERNAL EXPENDITURES SUPPORTING
MEMBER BENEFITS AND PROGRAMS.



115.19%
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.

**MODERN WOODMEN
OF AMERICA'S
BOARD OF DIRECTORS**

President and CEO

W. Kenny Massey, LeClaire, Iowa

**National Secretary and
Executive Vice President**

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Sam H. Kupresin, Bettendorf, Iowa

David Nuernberger, Bettendorf, Iowa

MEMBER ACTIVITIES & BENEFITS

2021

CHAPTERS



YOUTH SERVICE CLUBS



SERVICE PROJECTS/ VOLUNTEER ACTIVITIES



MATCHING FUND PROGRAM



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

BIRTHDAY BOOK CLUB



MAKE AN IMPACT® SCHOLARSHIPS



FINAL WISHES



FRATERNAL AID FUND



MEMBER DISCOUNTS



ADDITIONAL BENEFITS

DO-GOOD GRANT®

AWARDS \$100 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.



2021derful

Yearlong effort spreads positivity

Modern Woodmen chapters and youth service clubs made 2021 wonderful by recognizing special groups affected by the pandemic. Members throughout the country:

- **Honored essential workers.** Members posted nearly 15,000 "We love essential workers" yard signs and presented 10,000 "Everyday Hero" pins.
- **Showed appreciation for educators.** Members displayed thank-you banners; distributed goody bags during special drive-thru events; delivered breakfast, cards and gift baskets to teachers, principals, bus drivers and lunch helpers; and much more.
- **Performed acts of kindness** for first responders, military members and veterans as the nation marked the 20th anniversary of 9/11.
- **Held holiday food drives** to help restock nearly 500 local food pantries.

In 2022, Modern Woodmen's nationwide **Brain Health: Keep It Top of Mind** initiative aims to grow awareness of mental health issues through hands-on and educational member activities. (Contact your local fraternal leader or financial representative to learn more.)

FINAL WISHES RESOURCES

New personalized workbook and helper's guide

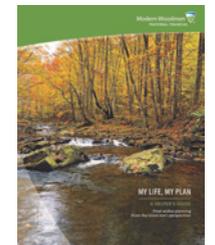
Retooled in 2021, Modern Woodmen's Final Wishes Resources benefit helps member families with late-in-life and end-of-life planning.

You may be reluctant to discuss the topic, but doing so can lift a burden for your loved ones. Choose from two handy (and free!) resources to help with both sides of the conversation.



• **My Life, My Plan workbook:** An easy-to-follow guide breaks things down into manageable, bite-size chunks. Work through defined steps to help get your house in order, organize your affairs and record your wishes for your loved ones.

• **My Life, My Plan – A Helper's Guide:** Advice for those who want to help a parent, spouse, relative or friend prepare their final wishes.



Contact your Modern Woodmen representative to request one or both booklets (available in print or fillable PDF formats). Please allow time for processing.

BIRTHDAY BOOK CLUB

Free books for kids

During their birthday month each year, qualifying members ages 1 to 16 receive an age-appropriate book as a wonderful surprise in the mail.

Use of this popular member benefit grew by 3.5% in 2021. It continues to provide high-quality books through Scholastic and Penguin Random House, fostering a love of reading and togetherness in member families nationwide.

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

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.



Members Molly and Phil Becker and their three boys, South Dakota



Member Kylie Holt, Utah



Member Paige McPherson, South Dakota



The Heim family, members from Kansas

2021 FINANCIAL HIGHLIGHTS

Fraternal Expenditures

Dollars in millions



Fraternal expenditures for 2020-2021 were lower due to the continuing COVID-19 pandemic.

Growth in Assets

Dollars in billions



Assets, along with liabilities, were lower at year-end 2021 due to a one-time reinsurance transaction.

Life Insurance in Force

Dollars in billions

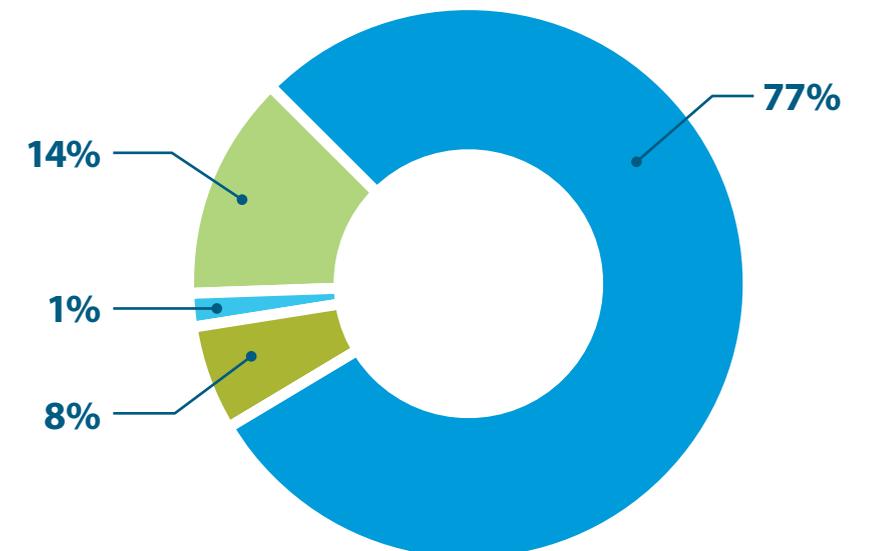


Life insurance in force shows consistent growth and increased protection for members.

Quality Investments

As of 12/31/2021, approximately 98.8% 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, 2021 (DOLLARS IN THOUSANDS)
UNAUDITED



Balance Sheets

	2021	2020		2021	2020
Assets			Liabilities and Surplus		
Bonds	\$12,246,633	\$13,331,496	Aggregate reserves:		
Stocks	1,286,644	971,425	Life and annuity	\$10,230,876	\$13,143,181
Mortgage loans	124,946	418,693	Accident and health	1,437	1,580
Real estate	15,818	17,480	Certificate and contract claims	42,314	50,484
Cash and short-term bonds	740,324	957,988	Other certificateholders' funds	3,795	3,489
Certificateholders' loans	131,069	139,277	Dividends payable to certificateholders	9,900	9,060
Securities lending reinvested collateral	398,620	432,658	Accrued commissions, general expenses and taxes	(23,728)	(22,262)
Other invested assets	1,026,521	683,544	Payable for securities lending collateral	398,620	432,658
Total cash and invested assets	15,970,575	16,952,561	Other liabilities	2,451,729	710,057
Investment income due and accrued	104,716	122,845	Liability for benefits for employees and fieldworkers	74,077	68,861
Electronic data processing equipment	1,268	2,365	Interest maintenance reserve	26,319	25,549
Other assets	35,922	5,319	Asset valuation reserve	497,471	412,576
Separate account assets	1,374,031	1,095,492	Separate account liabilities	1,374,031	1,095,492
Total admitted assets*	\$17,486,512	\$18,178,582	Total liabilities	15,086,841	15,930,725
			Unappropriated surplus	2,399,671	2,247,857
			Total surplus	2,399,671	2,247,857
			Total liabilities and surplus	\$17,486,512	\$18,178,582

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

Statements of Surplus

	2021	2020
Surplus - balance at beginning of year	\$2,247,857	\$2,018,309
Net income	83,172	124,428
Net unrealized capital gains	139,248	176,660
Change in asset valuation reserve	(84,895)	(86,471)
Change in nonadmitted assets	(90,640)	(1,351)
Other changes, net	104,899	16,282
Surplus - balance at end of year	\$2,399,671	\$2,247,857

Statements of Operations

	2021	2020
Income		
Premiums:		
Life and annuity*	(\$2,301,803)	\$916,030
Other	1,210	207
Investment income, net of expenses	690,161	597,512
Amortization of interest maintenance reserve	8,611	10,729
Other income*	(297,629)	15,556
Total income	(1,899,450)	1,540,034

Benefits and expenses

Benefits:		
Life and annuity	939,261	1,070,769
Other	311	308
Increase in aggregate reserves*	(2,931,012)	236,245
Miscellaneous other deductions	(92,813)	8,710
Commissions	56,810	50,313
General insurance expenses	102,710	105,880
Insurance, taxes, licenses and fees	9,030	6,627
Fraternal, charitable and benevolent expenses	16,551	14,361
Net transfers to (or from) separate accounts	77,143	7,173
Total benefits and expenses	(1,822,009)	1,500,386

Net gain/(loss) from operations before dividends/net realized capital gains	(77,441)	39,468
Dividends to certificateholders	9,676	9,055
Net gain/(loss) from operations before net realized capital gains	(87,117)	30,592
Net realized capital gains	170,289	93,836
Net income	\$83,172	\$124,428

Statements of Cash Flows

	2021	2020
Operating activities		
Premium and annuity considerations*	(\$2,300,642)	\$916,306
Net investment income	711,727	601,035
Miscellaneous income*	(186,913)	20,822
Total cash provided by operations	(1,775,828)	1,538,163
Benefit- and loss-related payments	1,081,919	1,060,185
Commissions and other expenses paid	190,052	188,717
Net transfers to or (from) separate accounts	83,189	13,264
Dividends paid	8,836	8,085
Total cash used in operations	1,363,996	1,270,251
Net cash provided by operating activities	(3,139,824)	267,912

Investing activities

Proceeds from investments sold:		
Bonds	6,097,353	1,943,404
Stocks	274,736	184,285
Mortgage loans	362,940	40,188
Real estate	0	497
Other invested assets	105,954	74,105
Miscellaneous proceeds	83,035	0
Total investment proceeds	6,924,018	2,242,479

Cash applied, cost of investments acquired:

Bonds	4,831,699	1,638,110
Stocks	351,678	78,174
Mortgage loans	55,284	0
Real estate	524	1,742
Other invested assets	375,706	252,028
Miscellaneous applications	5,336	73,611
Total investment applications	5,620,227	2,043,665
Net decrease in certificateholders' loans	(8,422)	(8,305)
Net cash used in investing activities	1,312,213	207,118

Other cash provided by (used in) financing activities and other miscellaneous sources	1,609,947	119,604
Increase (decrease) in cash and short-term investments	(217,664)	594,634

Cash and short-term investments at beginning of year	957,988	363,354
Cash and short-term investments at end of year	\$740,324	\$957,988