

ACA ASSURANCE

Living Business Plan

2005-2007

Last revised the 12th of July 2005

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EXECUTIVE SUMMARY

ACA Assurance provides peace of mind through life, annuity, health, accident and specialized insurance products to individual members of its society. ACA has historically focused on the middle class senior and special risk markets in New England and Eastern Canada. Expansion to all states and provinces is planned by the end of the first quarter of 2006. ACA has developed an expertise in this market as a result of catering to its aging membership over a long period of time, and it now does so overall reliably and profitably. ACA is basing the initial acceleration of its growth on expanding this book of business, and then through other strategies described in this document.

BACKGROUND

ACA Assurance was founded in 1896 in Manchester, New Hampshire by French-Canadian immigrants from Quebec. The Society grew relatively modestly from year to year, achieving revenues of \$14 million at year end 2001. From 1896 through the late 1990s the Society was heavily focused on its principal mission of providing peace of mind products and fraternal services to members with a real Franco-American Catholic cultural affinity. In the nineties the Society shifted its focus to funding the promotion of its fraternal interests by operating its business as any other insurance carrier. If we use the horse and the cart analogy, fraternal interest was the horse pulling the insurance cart until the nineties and thereafter the insurance business became the horse.

The Society came to this understanding because of several real market concerns, principally:

- The pool of traditional Franco-American Catholics genuinely interested in their heritage was shrinking.
- The role of fraternalism in the day-to-day activities of middle aged families was steadily diminishing.

In order to generate growth and continue to fund its fraternal interests the Society took several major steps from the late nineties and through today, principally:

- It began to sell its insurance products outside its culturally affiliated target markets in the early nineties.
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- It re-invented its corporate structure in the late nineties to enable greater business growth.
- It separated its board oversight and general management functions at the beginning of the new millennium.

From distribution channels originally based on the Society's chapters and fraternally-appointed agents the Society has almost completely moved to an independent brokerage

distribution channel. This has had the very positive effect of opening the Society to many more business prospects.

A brief assessment of the Society's "current state" in 2002, when a new general manager was brought aboard, was as follows:

- Highly conservative investment portfolio (due to size) requiring some minor adjustments.
- No profitability analysis for all but one product line.
- No profit-based sales focus or aggressive sales management expansion plans.
- Large expense as a percentage of the business, unavoidable because the Society was operating with the minimum staff complement required to be an insurance carrier. In fact, the Society was operating with various inefficiencies, duplication of tasks and without certain functions critical to maintain profitability and growth.
- Lack of scalable infrastructure, or inability to grow substantially without a disproportionate expansion of staff.
- Markets adopted by the Society because of its aging membership overlapped heavily with the fastest growing demographic segment of US and Canadian societies. That segment consists of middle-income seniors.
- Strong Board support for change and a good understanding that calculated risks were necessary.

Since then, and bringing us to the date of this writing, the following steps were taken:

- Minor changes were quickly brought to the Society's investments and investment strategy.
- Profitability analysis was conducted for all product lines; while this is a continuous process management today has a high degree of confidence that all actively marketed product lines are profitable.
- The sales organization and sales processes were overhauled and today largely exhibit the behavior and results sought by management.
- Expenses have scaled in the short term because of major investments in the Society and are expected to decline as a percentage of assets starting in the first quarter of 2006. A major component of the management's strategy is to grow revenues exponentially as measured in several ways, including revenue per employee, a strong indicator that management will shrink G&A expenses as a percentage over time.

- Heavy investments have been made in the Society's infrastructure with internal efficiencies that will enable it to strongly decrease G&A as a percentage of revenues starting in 2005.
- ACA Assurance has adopted its traditional markets in the short term as a strategic focus, electing to market faster and better to this growing demographic segment. Read more about this under “Go To Market,” p.8.
- ACA has tested its strategy set out and more than three years ago and proven it effective through strong market growth and product adjustments (quality, pricing and field underwriting).

ACA Assurance is 107 years old and, with some bumps along the road, has had a history of positive if modest earnings. The Society does not currently have a recognizable brand name in the marketplace, with the exception of the Tour+Med line in Canada. The Society's biggest asset is its lack of debt, small real dollar overhead, and capacity for nimble marketing within small product niches.

ACA Assurance is a fraternal benefit society under section 501 (c) (8) of the Internal Revenue Code. It has a non-executive board structure. The Chairman of the Board and the President/CEO functions are separate and the society is governed much like a public company.

The ACA line organization is composed of personnel with average to good skills and there is an ample supply of skilled personnel in the business community to support growth. The senior management team is relatively strong, having been extensively tested under difficult circumstances. Our ability to control the product profitability and sales process is very strong as evidenced by results experienced these past two years.

Our small size, short ramp-up to profitability and strong growth will allow us considerable freedom to act independently and skirt the efforts of larger competitors for at least 5-10 years. The enterprise has a strong commitment to the marketplace and we are confident that we have the ability to maintain growth in our chosen markets as well as expand and develop new markets fairly rapidly.

BUSINESS OBJECTIVE

“To double the Society’s premium income every three to four years.”

GOALS

- To operate in substantially all mainland US states and Canadian provinces.
- To operate in a manner similar to that of a public company.
- To become a “best practice” in growing a small society responsibly into the top tier of similar organizations.

BUSINESS MISSION

“To provide peace of mind to members, and in particular those who are rejected or neglected by other organizations, charging a fair price for our services and profitably delivering a high value.”

FRATERNAL MISSION

“To promote knowledge and understanding of Franco-American culture in the United States and Canada.”

(See the separate plan following this document)

HUMAN RESOURCES

Management believes that the use of technology is essential to growing in a profitable manner while increasing productivity, or revenues per employees. Thus management makes every attempt to automate as many functions and processes as possible.

The organization structure is shown below. Because of our high rate of growth a great deal of pressure has been applied to personnel and we expect a much higher rate of turnover than previously experience by ACA. For this reason ACA has added a professional HR function. Also because of our exponential growth geographically, insurance regulatory and compliance matters are receiving new attention through a senior level officer and department. We have included the expected growth in personnel in these coming years and this is also expressed graphically as a percentage of revenues and contribution to surplus.

Please see the chart on the following page.

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	2004	2005	2006	2007
President's Office	2	2	2	2
Senior Management	4	5	6	6
Finance & Accounting	5	6	6	6
Human Resources	1	1	1	1
Sales & Marketing	10	10	10	10
Fraternal Services	4	5	5	6
Underwriting	2	2	3	4
Claims	2	2	3	4
Policy Issue	2	2	2	2
Customer Service	2	4	6	8
Operations	3	4	4	4
Information Technology	3	4	5	5
Tour+Med Permanent	8	10	14	16
Tour+Med Seasonal	4-6*	5*	6*	7*
Real Estate Management	1	1	1	1
Administrative & Clerical	4	4	4	4
Regulatory Compliance	1	3	5	5
Total:	60	70	83	95

*ACA Management does not want to greatly increase direct sales. We prefer sales received through brokers. (4 FTE equivalence) Please note that ACA management is currently considering the outsourcing of some of the above functions to allow for better utilization of internal resources as well as for scalability at a high rate of speed.

INFRASTRUCTURE

Physical plants. We currently lease our home office, having recently moved to a new space offering a safer and more effective working environment. This move should result in a decrease in overhead expenses. Additional locations are in Montreal and Three-Rivers, Quebec, and Melbourne, Florida. With the addition of a second story in Three-Rivers and the option to lease more space to itself in Melbourne, ACA has easy options for growth and adjustment of space (including the right to sublease space) and adequate physical plants for all of its plans through 2007 and well beyond.

Telecommunications. The offices are linked or will soon be linked through dedicated networks and voice over IP telephone systems. This allows the Society to function essentially as one office from the telecommunications perspective.

Data Center Implementation. In December of 2003 the Society moved its main IT hosting area from open areas in cubed office space to a new professional data center. This data center can host ACA's operations without much additional expense until the Society reaches a size fifty times greater than its current employee/customer levels.

Enterprise Resource Planning. The Society is completing the installation of a new accounting and life insurance management software package that will improve many functions within ACA including: automation of reserve calculations; automation of policy issue and illustrations; improved agent and customer statements; improved financial reporting; improved executive information reports; and much more. More importantly the new system allows for the management of a much bigger book of business with fewer proportional resources.

Network and PC Administration. The Society is in the process of bringing in-house all of its webmaster, hosting, e-mail and network administrations. These functions will be handled in a centralized manner from the new data center. Capacity for growth exceeds the Society's requirements for the next five to ten years.

Imaging. The Society has been paper and manual process based for much of its existence. The Society has begun a "paperless office" initiative to achieve greater knowledge management and document control.

BUSINESS APPROACH

ACA will be developing a "corporate" culture over the next few years. The desired corporate culture is event-driven, embraces change and evolves at a very high rate of speed.

In the words of Vivek Ranadive, author of "The Power of Now,"

"Speed is God, time is the devil, and change is the sole constant."

Characteristics of ACA as an "event-driven" company are found on the following page.

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Characteristic or Practice	Contemporary Company	ACA
Business strategy	Long-Term (5-10 years)	Medium intent (2-3 years), but short term planning horizon
Competitive posture	Study and understand your competition	Study and understand your channels and customers
Management style	Consensus oriented	Entrepreneurial leadership, star system
Operational focus	Continuous monitoring to achieve quality	Management by exception
Corporate culture	Egalitarian	Meritocratic
Recruiting	Hire team players	Team players are good, but stars bring the greatest value
Implicit employee contract	Promise of lifetime employment	Opportunity for lifetime employability
Employee career management	Company manages your career	Employees manage their own career
Information technology	Database-centric, passive and demand driven	Information-centric, active and event-driven
Partnership model	Formal or informal “Kereitsu”	Shifting alliances and “coop-etition”
Corporate anthem	Military Marching Music	Jazz Improvisation

Adapted from “The Power of Now,” by Vivek Ranadive, McGraw-Hill, 1999, p. 32.

GO-TO-MARKET APPROACH

The word “marketing” in its purest form means “taking a company to market.” When management reviewed the Society’s products and markets in 2002 it decided that, in the short term at least, there was no need for a grandiose marketing strategy. The Society, when insurance was the cart and not the horse, developed products for its aging members rather than selecting markets and products based on grand strategies. This is the “passive” approach described above. Fortunately, however, it turns out that the US and Canadian markets were growing the elder market at a very high rate of speed.

In the spirit of...

“Success is 5% strategy and 95% execution,”

(Author unknown)

...management adopted a very simple strategy for Phase 1 of its growth plans, after verifying the profitability of products:

“Sell more products to more people in more places.”

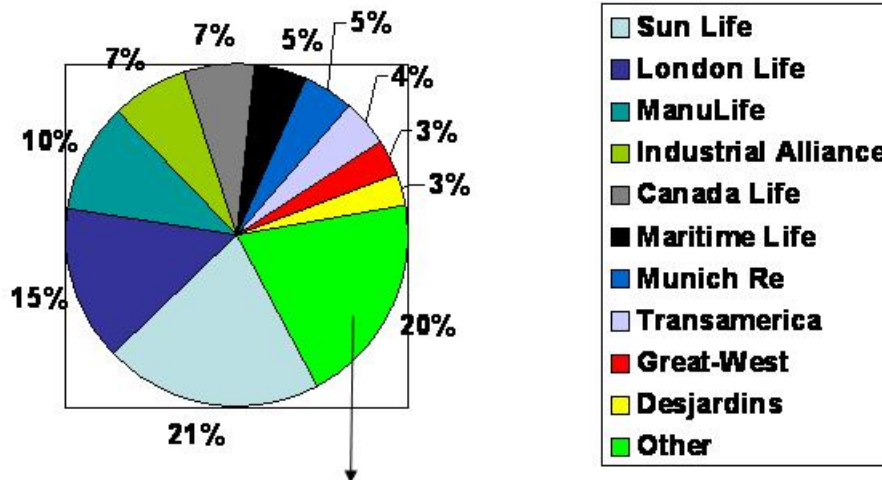
This deceptively simple “more feet on the streets” short-term strategy has lifted the Society’s revenues in 2002, 2003 and 2004 and will be our strategy until such time as we are licensed nationwide in each country. Its tactical elements are:

- Add territories
- Add brokers
- Add marketing representatives
- Add products that broaden our reach within “niche” markets
- Focus on “niche distribution” and large MGAs who can have a multiplier effect on sales.
- Compensate aggressively our marketing representatives based on a highly leveraged formula.

MARKETING STRATEGY – CANADA

Life Premiums - Canada

As is typical, 10 companies hold 80% of the market share...



ACA is about \$4 million
or about 4/100th of the Canadian Market

Clearly, our Tour+Med product is currently “emerging” and being noticed as a competitor by large competitors. The above shows it will be a while for life products in Canada. The Society plans to grow geographically in Canada by increasing sales efforts in current markets and introducing the Society in new markets, scaling these expenses as each begins to generate ROI. Expansion will begin in Ontario, then the West Coast, then

move back across the continent. We will continue to place a major emphasis on the expansion of Tour+Med products and will seek to offer more products in this realm. As Tour+Med has less than 4% share of the market, and this share is concentrated in Quebec Province, we will focus on acquiring market shares from less successful competitors. Go-to-market efforts in Canada will be conducted vertically, by product line, on a national basis.

MARKETING STRATEGY – UNITED STATES

In the United States we conduct sales efforts geographically by state and region: Northeast; South; and West. The Northeast is an existing market for ACA and market share will be expanded through the addition of sales people with increasingly smaller territories. The South will be grown organically as well with the Society entering new markets via the state licensing process. ACA will reinvigorate its efforts in Louisiana, where it is licensed but largely inactive, and will enter new markets in Florida and Arizona where a large population of targeted prospects reside.

In other areas ACA is seeking to expand into more than 20 states at once with the acquisition of a shell company, through a merger or joint operate agreement. ACA is currently engaged in the purchase of American Financial Security Life Insurance Company. The Missouri domicile is licensed to write life and health insurance in 29 states: AK, AZ, AR, CA, CO, CT, DE, FL, GA, IN, IA, KS, KY, LA, ME, MD, MN, MS, MO, MT, NE, NM, ND, OH, OR, PA, RI, SC, SD, TX, UT, VA, WA, WV and WI. Many of the most populous US states are included. ACA Assurance does not presently operate in 24 of these states. Acquisition of AFS would expand our reach from 13 to 37 states. Of the remaining 13 states ACA does not intend at this time to extend to Hawaii and plans to do business in New York and New Jersey eventually through another subsidiary or a joint operate/merger with another fraternal. The acquisition of AFS will leave 10 states to enter through conventional expansion licensing. American Financial Security has not written a new policy in several years (according to AM Best it appears to be 1994) and currently has seventeen (17) active life insurance policies on the books with a reserve amount of \$100,000. These are customers who, presumably, could not be located to be transferred. There are no claims or litigation outstanding. All other business has been transferred. There is one part-time employee maintaining the records of the company and keeping its licenses up to date. There are therefore no employee integration concerns. Because the company is an empty shell, there are no information technology integration issues. AFS was one of several companies in the American Way Holdings Inc. group which became bankrupt almost ten years ago. The company was in receivership and is now under supervision by the Missouri Department of Insurance which, we are told, is anxious to dispose of the company. The entire transaction is under the jurisdiction of the Federal Bankruptcy Court in Miami which is also anxious to dispose of the asset. Capital & Surplus of AFS is currently \$2 million. We would have to pay about \$2.25 million to acquire AFS, meaning a net cost of ACA of about \$250,000 plus a few thousand dollars of legal fees. The \$250,000 essentially covers the cost of acquiring the stock of the company. Because it is common stock, we expect a reserve and that the stock could not be an admitted asset at 100%. We await information from the State of New Hampshire Insurance Department. ACA plans to maintain AFS as a stock

company (for profit) subsidiary of ACA until such time as it might demonstrate a fraternal interest in the new states. ACA expects The Federal Bankruptcy Court will provide ACA with a universal release from all claims, liens and any other legal actions. British Columbia will not allow a fraternal to enter its province. We are licensed through ACA in every other Canadian province. The acquisition of AFSLIC will allow ACA to apply through a provincial charter for a foreign branch of AFS.

DISTRIBUTION STRATEGY

ACA's distribution strategy is to sell through independent insurance brokers, managing general agents, and funeral directors. ACA does not and will not maintain or develop a captive personal production sales force because of the high expense associated with that model. ACA conducts direct sales in the Tour+Med product line. Once all the expenses are counted this is actually not much more profitable than using general agents, but it gives us a very close connection to market issues. There is some personal production by ACA employees in the US, but it is discouraged. ACA plans to experiment with web sales for ordinary life products in Canada only.

EXISTING PRODUCT OFFERINGS

Guaranteed Issue Whole Life (US)

Guaranteed Issue, a whole life product for people who have difficulty in obtaining insurance for health or other reasons is marketed to adult ages 40 to 85, who, because of lifestyle or health reasons, don't qualify for regular insurance. Primarily because of lower premiums, this product competes effectively with Mutual of Omaha, Presidential Life, and other Guaranteed Issue carriers. The expected underwriting profitability is between 5% to 5 ½ %.

Guaranteed Issue Single Premium Whole Life (Serenity) (US)

This is a permanent whole life product, distributed primarily by Independent Funeral Service providers for final expense funding. Our new level commission product is unique to the industry and allows us to better compete in a crowded market. Our innovative "Funeral Director friendly" approach allows us to outpace our competitors such as Fortis, Forethought, Columbian Mutual, Homesteaders, and others. The expected underwriting profitability is between 5% to 5 ½ %.

Traditional Whole Life Insurance (US)

This is a permanent whole life product. This product exists in an extremely competitive marketplace because of its small face values and its blended rates for smokers and non-smokers. The expected underwriting profitability is around 5 ½%.

Term to Age 28 (US)

Term 28 is a unique product in the marketplace with an added benefit of being converted to a permanent policy at the age of 28, with no questions asked regarding health issues. For a nominal fee per year, this product provides parents and grandparents the ability to help their children plan for the future. The expected underwriting profitability is around 5 ½%.

Membership (US)

The widely sold membership certificate will continue to be offered. Its affordable premium and many accidental benefits continue to be a unique offer in the U.S. market and is an easy way to become a member of the Society.

Certainty-Life (CA)

ACA's most popular Canadian product is designed for people who have difficulty in obtaining insurance for health or other reason. The newest version is now more attracting to brokers on a remuneration standpoint while still having very competitive premiums. ACA's guaranteed issue product is now better equipped to face the competition of Unity Life, AIG and Industrial-Alliance. It is the only product in the market with all these features: commission that can reach 130 % (on 2 years), lifetime renewal commission of 5 %, product availability starting at age 18 and a truly simplified eligibility declaration. The underwriting profit expectation is 10 % of the premium over the life of a policy.

Life-2000 (CA)

Life 2000 offers an affordable solution for lifetime coverage. With its newly designed simple application and newly improved remuneration structure, ACA can now compete with traditional insurers like RBC, Transamerica and others. Also, with a new band rates at \$50 K, ACA can now exhibit itself as one of the most competitive insurers with simple procedures for amount of \$100,000 and less. The Life-2000 premiums regularly rank in the first 5 companies in the market. The underwriting profitability expectation ranges from 5 % to 8 % of the premium over the lifespan of the policy.

Anniversary-life 15 (CA)

Anniversary-life 15 shares many of the new features of Life-2000: same application, same improved commissions, same rate banding design and the same competitive overall position. This product is appealing to a younger market than Life-200, the market that wants to quickly pay its permanent coverage. It does complete the permanent coverage offering of ACA without overlapping the market of both products. Again, ACA does now have the tools to directly face bigger player like AXA, RBC and Desjardins on all levels for policies of \$100,000 and less. The underwriting profitability is expected to reach 8 % of the premiums.

Term 28 (CA)

Term 28 is the most affordable life product in ACA's portfolio. For as little as \$35 per year, parents and grandparents can cover their child and grandchild up to 28 years, and also cover their future insurability beyond 28. It is a unique product in the market. The newer version of the product can also be added as a rider to Life-2000 and Anniversary-life 15. The expected underwriting profitability is around 15 % of the premium.

Fracture (CA)

ACA is now expanding in the accident and health market. Its first product offers a uniquely packaged set of benefit that is usually available through many different policies at other insurers. ACA's product offers a lump sum that can reach \$5,000 in case of fracture and covers many related expense, such as hospitalisation indemnity fee and extended health care. This affordable protection is offered through a very simple application. It will allow ACA to approach some distribution channel mostly focus on A&H product (but that do sell some life product) and compete with specialized A&H carriers like Croix-Bleue, La Survivance and L'Excellence. The underwriting profit expectation is around 10-15 % of premiums

Riders (CA)

As part of placing the Life-2000 and Anniversary-life 15 products among the most appealing offering for policies of \$100,000 and less in the Canadian market, we have also revised the set of riders that can be attached. The current Accidental death and waiver of premium riders will continue to be available, but with a new pricing that should contribute to ACA's overall profitability. We have also decided to make the Term 28 coverage and the Fracture benefit available as riders. By doing so, it should drive up the average overall premium of the 2 products.

Membership Certificate (CA)

The widely sold membership certificate will continue to be offered. Its affordable premium and many accidental benefits continue to be a unique offer in the Canadian market and is an easy way to become of member of the Society.

Tour+Med (CA)

ACA Assurance owns 2/3rds of a travel health & accident product line with business partner Daniel Provencher. Under this agreement ACA Assurance handles all functions except assistance and health insurance network management. Daniel Provencher is compensated on the basis of the product line's profitability.

For many years Tour+Med consisted strictly of seasonal, trip or snowbird coverage for Canadians (almost all from Quebec) travelling to Florida. This product has been the most profitable for ACA until recently. Management attributes this to the fact that attention to profitability was forced upon ACA by the fact that this profitability was shared. Management now brings this attention to all products.

The Tour+Med product line has been expanded to include coverage for Canadians travelling all over the USA and the World. There are additional plans in their infancy covering foreign students studying in Canada and visitors to Canada.

PRODUCTS UNDER DEVELOPMENT

ACA Assurance has developed an expertise in marketing small face value insurance policies to middle income seniors. This expertise was developed as a result of an aging traditional membership base. The prior section describes current offerings. Offerings under development include:

- A simplified issue product (5-10 questions) in the US to avoid "churning" of our customers by other carriers who have simplified issue products.
- A US version of the Tour+Med student program which we will market at first only in Florida, then in other states of licensure.
- A Tour+Med policy to cover Medicare recipients traveling outside of the US, similar to what we do for Canadians. This will not be sold for now in the under 65 market.
- A rider for our pre-need policies that takes care of someone who is deceased outside their home state and need local embalming or cremation and return of the body or ashes to the contracted funeral home for the ceremony.
- A "mini-med" insurance policy for small business owners in the US with a very high annual deductible and a cap of \$1 million, reinsured above \$60k.
- A group "Tour+Med" policy to be sold to small or mid-sized companies as an add-on if their coverage stops at the border, or more importantly to be sold through smaller health insurance carriers.
- A revised membership policy with a heavy focus on medical and travel assistance.

In years beyond this plan's timeline ACA will begin to move more into medium, and then long term products. This will occur as the Society gains the breadth of experience and the resources necessary to compete in non-niche markets.

HISTORICAL FINANCIAL INFORMATION

Expenses. There are many ways to calculate the expense burden for an insurance company, but the first reference for a carrier is always size. ACA has measured the expense ratios for all fraternal life insurance companies in the United States. Here is a sample of those fraternal organizations closest in size to ACA in 2003.

ACA's expense ratio was the same in 2001, 2002 and 2003: 6%. This is in spite of many investments in infrastructure in 2003. ACA is just beginning to leverage technology to reduce the expense ratio. If one removed infrastructure investments in 2003, ACA's expense ratio would have dropped to 5%, or one full percentage point less than before.

Society	Assets	Surplus	Expense Ratio
ACA	\$70M	\$6.6M	6%
American Slovenian Catholic Union	\$75M	\$6.2M	3%
Catholic Workman	\$77M	\$1.3M*	2%
Luso-American LIS	\$58M	\$8.2M	4%
Police & Firemen's Insurance Assn.	\$58M	\$10.82	9%
Supreme Council of The Royal Arcanum	\$58M	\$13M	4%
Ukrainian National Association	\$64M	\$6M	7%
Western Catholic Union	\$72M	\$1.8*	2%
Woodmen of The World/Assured Life	\$59M	\$6.1M	5%

* These societies are on the brink of insolvency and their ratios reflect the fact that they have been stripped of every conceivable expense possible to avoid a state conservancy. Size, and corresponding economies of scale, do matter. Here are some expense ratios for the largest fraternal in America:

Society	Assets	Surplus	Expense Ratio
Knights of Columbus	\$10.1B	\$1.4B	1%
Modern Woomen of America	\$6.3B	\$833M	2%
Thrivent for Lutherans	\$45B	\$2.8B	2%
Woodmen of the World Ins. Soc.	\$6.4B	\$618M	2%

Source: National Fraternal Congress of America.

In short ACA plans to leverage its technology with a goal of reaching a ratio of 4% by 2007 and 3% by 2010.

One of the closest societies to ACA, at least in terms of corporate behavior, is the American Slovenian Catholic Union.

Category	ACA - 2003	ASCU -2003
Assets	\$70,513,907.00	\$74,673,614.00
Surplus	\$6,600,672.00	\$6,186,351.00
Life Premiums	\$7,745,299.00	\$1,767,917.00
Annuities	\$5,523,567.00	\$14,299,877.00
Accident & Health	\$5,860,775.00	\$213,048.00
Net investment income	\$3,097,318.00	\$3,945,881.00

ASCU is growing largely on the strength of annuities and appears to be supporting that growth with a more aggressive investment strategy than ACA. ACA's management views this as a risky strategy for a small fraternal. ACA has deliberately chosen to grow more from traditional insurance products. Unfortunately, the first year expenses for booking life premiums are very high, sometimes ranging to 160% over three years. Annuities grow assets very quickly but present potentially difficult interest rate risks and liquidity concerns. ACA's annuities are a very conservative \$20 million part of its total product portfolio. We believe ACA is much better positioned for profitable growth than ASCU.

An extreme example of what can happen when one grows through annuity sales is Catholic Workman.

Category	Catholic Workman - 2001	Catholic Workman - 2003
Assets	\$42,740,414.00	\$77,040,422.00
Surplus	\$4,128,170.00	\$1,261,002.00
Life Premiums	\$1,055,686.00	\$2,132,383.00
Annuities	\$9,361,671.00	\$15,507,643.00
Accident & Health	\$0	\$0
Net investment income	\$2,538,151.00	\$4,639,880.00

This Society's solvency ratio is now around 101.7%, or well within the range that regulators consider when taking action. It is under a forced merger arrangement with another society.

ACA has not submitted solvency target ratios but expects to do so by the end of this year. Our current ratio is close to 118%, based on the last full quarter reported to authorities.

Lastly, measuring the increase/decrease in growth of assets at all Societies, ACA Assurance ranked 45 out of 86 Societies in 2002, and 20th in 2003. This is a good trend indicator that is only valid over extended periods of time. In terms of premium growth, excluding annuities, ACA was ranked 12th among 86 fraternal in 2003.

FRATERNAL EXPENSES

ACA Assurance can be proud of its fraternal record. Among the 86 fraternal benefit societies in the United States and Canada, only 10 spend more on their fraternal arm as a percentage of assets. More importantly, though very small, ACA counts only 17 societies spending more real dollars on their fraternal activities.

THREATS AND RISKS

ITEM	LEVEL	MITIGATION STRATEGY
Interest rate risk	LOW	<ul style="list-style-type: none"> • Improve ACA's asset-liability matching practices • Active dividend management
Currency exchange risk	MEDIUM	<ul style="list-style-type: none"> • ACA is moving gradually to holding a percentage of its trusted assets in Canada in US dollars. The amount will eventually become equal to the percentage of Tour+Med business done in Canada.
Lack of operational redundancy	MEDIUM	<ul style="list-style-type: none"> • Management is attempting to make all functions redundant or, preferably, enabled in 3 locations. ACA has experienced difficulty when staff turns over and no other person is trained in that function.
Succession planning	MEDIUM	<ul style="list-style-type: none"> • Management believes critical mass is necessary before this problem can be fully addressed. A new GM in Canada allows for complete CEO-backup. Two senior officers are redundant in the finance area. Sales executives are now part of a deeper "bench."
Disaster recovery	MEDIUM	<ul style="list-style-type: none"> • Management will have a full disaster recovery plan in place by August 15 of 2005.
Product profitability risk	LOW	<ul style="list-style-type: none"> • Management hopes to implement continuous product profitability testing (automated analysis of claims against actuarial assumptions) by product and broker/distributor by Q1 of 2006.
Sales continuum	MEDIUM	<ul style="list-style-type: none"> • ACA is very dependent on a small number of individuals for its sales results. One or two key personnel losses could set ACA behind its goals by 3 months or more. Management is constantly seeking additional talent in this area. Significant progress was achieved in Q2/2005.
Cultural resistance in the Home Office	LOW	<ul style="list-style-type: none"> • Management has made significant progress enabling the "centerless corporation." Adjustment to change is faster than 3 years ago.

Profit and Loss Projections

Expected Scenario

	2001	2002	2003	2004	2005	2006	
PREMIUMS							
Life	\$6,624,220	\$6,695,528	\$7,755,317	\$13,403,001	\$17,825,991	\$23,708,568	\$3
Annuities	\$721,148	\$3,729,620	\$5,523,567	\$4,220,000	\$3,000,000	\$2,500,000	\$
T+M - Re-insur.	\$3,650,972	\$3,250,712	\$5,860,775	\$7,843,580	\$15,687,160	\$21,020,794	\$2
Total	\$10,996,340	\$13,675,860	\$19,139,659	\$25,466,581	\$36,513,151	\$47,229,363	\$6
Investment Income	\$2,982,391	\$2,969,653	\$3,097,318	\$4,161,972	\$4,994,366	\$5,993,240	\$
Misc. Income	\$867,055	\$965,627	\$1,023,929	\$1,208,100	\$1,353,072	\$1,515,441	\$
Total Income	\$14,845,786	\$17,611,140	\$23,260,906	\$30,836,653	\$42,860,590	\$54,738,043	\$7
# Employees	39	46	48	58	71	83	
Surplus/Employee	\$13,010	-\$3,360	\$1,810	\$14,882	\$19,737	\$35,540	
Rev./Employee	380,661	382,851	484,602	531,666	603,670	659,494	
G&A/Employee	71,789	69,620	87,744	107,315	124,601	117,486	
Direct Expenses	11,002,995	13,568,783	18,526,327	23,623,591	32,145,442	41,053,532	5
G&A Expenses	2,799,774	3,202,505	4,211,724	6,224,268	8,846,695	9,751,364	1
Total Expenses	13,802,769	16,771,288	22,738,051	29,847,859	40,992,137	50,804,896	6
Net Income	1,043,017	839,852	522,855	988,794	1,868,452	3,933,147	
Contr.Surplus	507,378	-154,541	86,892	863,154	1,401,339	2,949,860	

Worst Scenario

	2001	2002	2003	2004	2005	2006	
PREMIUMS							
Life	\$6,624,220	\$6,695,528	\$7,755,317	\$11,403,001	\$12,478,194	\$16,595,998	\$2
Annuities	\$721,148	\$3,729,620	\$5,523,567	\$4,220,000	\$1,500,000	\$2,500,000	\$
T+M - Re-insur.	\$3,650,972	\$3,250,712	\$5,860,775	\$5,562,000	\$10,981,012	\$12,714,556	\$1
Total	\$10,996,340	\$13,675,860	\$19,139,659	\$21,185,001	\$24,959,206	\$31,810,555	\$4
Investment Income	\$2,982,391	\$2,969,653	\$3,097,318	\$3,911,972	\$3,496,057	\$3,915,584	\$
Misc. Income	\$867,055	\$965,627	\$1,023,929	\$1,208,100	\$1,353,072	\$1,515,441	\$
Total Income	\$14,845,786	\$17,611,140	\$23,260,906	\$26,305,073	\$29,808,336	\$37,241,579	\$4
# Employees	39	46	48	58	69	78	
Surplus/Employee	\$13,010	-\$3,360	\$1,810	\$2,718	-\$3,678	-\$2,421	
Rev./Employee	380,661	382,851	484,602	453,536	432,005	477,456	
G&A/Employee	71,789	69,620	87,744	92,948	93,757	100,333	
Direct Expenses	11,002,995	13,568,783	18,526,327	\$20,125,751	23,846,669	29,793,264	3
G&A Expenses	2,799,774	3,202,505	4,211,724	\$5,391,007	6,469,208	7,825,955	
Total Expenses	13,802,769	16,771,288	22,738,051	25,516,758	30,315,877	37,619,219	4
Net Income	1,043,017	839,852	522,855	788,315	-507,541	-377,639	
Contr.Surplus	507,378	-154,541	86,892	157,663	-253,770	-188,820	

Best Scenario

	2001	2002	2003	2004	2005	2006	
PREMIUMS							
Life	\$6,624,220	\$6,695,528	\$7,755,317	\$13,903,001	\$18,073,901	\$24,941,984	\$3
Annuities	\$721,148	\$3,729,620	\$5,523,567	\$4,220,000	\$3,000,000	\$2,500,000	\$
T+M - Re-insur.	\$3,650,972	\$3,250,712	\$5,860,775	\$9,343,580	\$18,687,160	\$24,293,308	\$3
Total	\$10,996,340	\$13,675,860	\$19,139,659	\$27,466,581	\$39,761,061	\$51,735,292	\$6
Investment Income	\$2,982,391	\$2,969,653	\$3,097,318	\$4,661,972	\$5,594,366	\$6,713,240	\$
Misc. Income	\$867,055	\$965,627	\$1,023,929	\$1,208,100	\$1,353,072	\$1,515,441	\$
Total Income	\$14,845,786	\$17,611,140	\$23,260,906	\$33,336,653	\$46,708,500	\$59,963,972	\$7
# Employees	39	46	48	58	71	83	
Surplus/Employee	\$13,010	-\$3,360	\$1,810	\$17,037	\$76,970	\$97,532	
Rev./Employee	380,661	382,851	484,602	574,770	657,866	722,457	
G&A/Employee	71,789	69,620	87,744	107,315	111,837	108,369	
Direct Expenses	11,002,995	13,568,783	18,526,327	25,623,591	32,695,950	41,974,780	5
G&A Expenses	2,799,774	3,202,505	4,211,724	6,224,268	7,940,445	8,994,596	
Total Expenses	13,802,769	16,771,288	22,738,051	31,847,859	40,636,395	50,969,376	6
Net Income	1,043,017	839,852	522,855	1,488,794	6,072,105	8,994,596	1
Contr.Surplus	507,378	-154,541	86,892	988,154	5,464,894	8,095,136	1

FINANCIAL & INVESTMENT POLICY & OBJECTIVES

Every quarter it is the responsibility of management to provide the Board of Directors with a report on the Society's investments and any suggested changes to the investment policy. This quarter no changes are suggested by management. Some refinements are proposed and prior decisions of the Board have been incorporated in this updated policy. This investment policy will be incorporated into this living business plan of the Society.

OBJECTIVES

The primary objective of this Investment Policy with regard to ACA's investment portfolio is to provide as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity. Citizen's Bank (US) and Wood Gundy (Canada) construct and manage a diversified portfolio that meets these objectives. No investments will be made by investment advisors without the explicit transactional approval of the Chief Financial Officer or the Chief Executive Officer. Investments over \$250,000 must bear the approval of both the CFO and CEO. Single investments over \$1 million must be approved by the Finance Committee of the Board of Directors.

INVESTMENT GUIDELINES

1. Holdings. The following instruments are considered appropriate for ACA's portfolio, in the proportions indicated in the chart that follows this section:
 - a. Obligations of the U.S. government and its agencies.
 - b. Money market instruments; repurchase agreements, commercial paper, certificates of deposit, bankers' acceptances, Eurodollar certificates of deposit, and approved money market funds.
 - c. Corporate bonds, including Eurodollar issues of U.S. corporations, and U.S. dollar denominated issues of foreign corporations.
 - d. Floating rate securities without interest rate caps.
 - e. Asset-backed securities.
 - f. Foreign government and provincial issues, and issues of international agencies that are U.S. dollar denominated.
 - g. Mortgage-backed securities.
 - h. International and domestic equity mutual funds.
 - i. Directly owned real estate (REO).
 - j. Commercial mortgages.
 - k. Residential mortgages.

2. Quality. Individual holdings of commercial paper must be rated A-1, P-1, or better by either Standard and Poor's Corporation ("S&P") or Moody's Investor Services ("Moody's") at the time of purchase. Securities of Issuers with a long-term credit rating must be rated at least BBB/BBA3 by Standard & Poor's or Moody's respectively. If a security held in the portfolio is downgraded by S&P or Moody's below the minimum rating specified above, the Investment Manager will notify ACA and recommend appropriate action. Commercial real estate properties held for investment purposes must be appraised at or above the purchase price.
3. Diversification.
 - a. Securities of a single issuer (excluding US Treasuries and Agencies), valued at cost at the time of purchase, should not exceed 2% of the market value of the portfolio or \$1 million, whichever is greater. Corporate securities (excluding commercial paper) of a single industry sector, valued at cost at the time of purchase, should generally not exceed 15% of the market value of the portfolio.
 - b. Commercial real estate properties shall be diversified by geography and by property type. See the attached targets submitted by management.
4. Marketability/Liquidity. The Investment Manager shall purchase liquid securities that regularly trade in a secondary market under normal conditions. The Investment Manager shall also structure the portfolio so that securities mature as needed to meet anticipated liquidity demands. Commercial real estate properties excluding ACA offices shall be held with a 5-7 year outlook.
5. Maturity/Portfolio Duration. The portfolio's duration shall be +/- .25% of the Lehman Aggregate Index.
6. Portfolio Review & Performance Benchmark Measurement. The Investment Manager will meet with ACA ASSURANCE no less than quarterly and will be available for regular telephone contact. Monthly, the Investment Manager will provide statements of transactions and market valuation of portfolio assets.
7. Restricted Investments. Future contracts and options shall be used for bona fide hedging or risk management purposes only.

Exceptions to this Investment Policy are prohibited without the prior approval of the Board of Directors. This investment policy was reviewed and approved at the Board Meeting held July 17 2004 in Three-Rivers, Quebec, and said approval is contained within the Board's minutes.

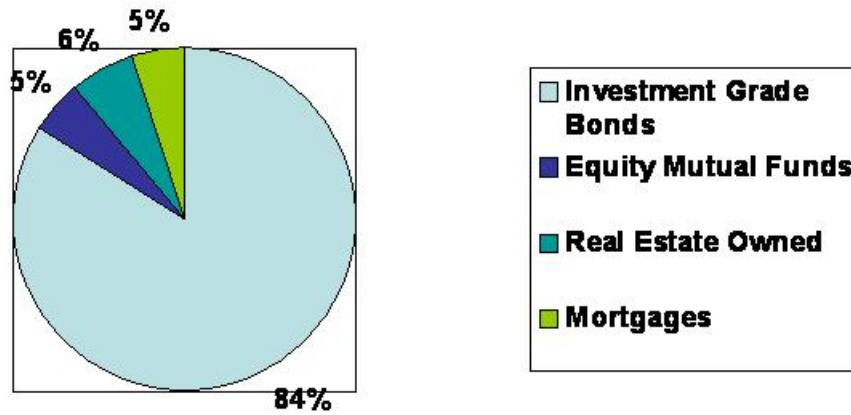
Management's objective is to safely raise the investment portfolio from 5.25% to 7% by the year 2007.

FINANCIAL GUIDELINES

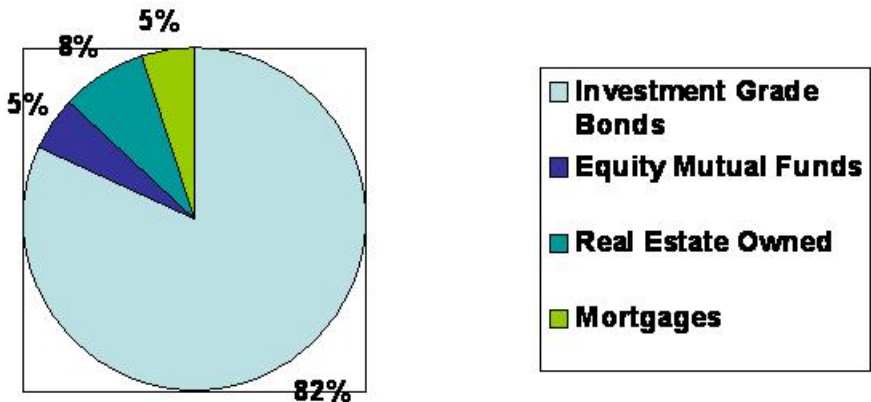
1. Solvency ratio (US). The overall solvency ratio target for ACA Assurance is 110% for 2004, 109% for 2005 and 2006, and 108% for 2007. It should be noted that 105% is the minimum solvency ratio required. Because of its small current size and rapid growth the solvency ratio is expected to decrease slightly as the Society diversifies its assets in the United States. The Society refrains from heavy investments in annuities (none in Canada) to avoid surplus drain and disproportionate hits to the solvency ratio. The Society focuses on products that are profitable within 12 to 36 months and is moving to longer periods as surplus growth allows. Management views any solvency ratio increases over the target levels as temporary. The solvency ratio is reviewed quarterly by the management team and the Finance Committee of the Board of Directors.
2. TAAM (TDAMR) ratio (Canada). In Canada investments required to support the Canadian version of the solvency ratio are held in a trust account. Investments in trust that exceed Canadian statutory requirements can be declared “unadmitted” by the State of New Hampshire Department of Insurance. It is therefore the policy of ACA Assurance to maintain close to the minimum required by law, or a TAAM ratio of not less than 150% based on the market value of the portfolio in trust. Because ACA Assurance’s Canadian book of business is currently highly seasonal, spiking heavily in the fourth quarter, ACA uses the fourth quarter as the floor for the 150% target TAAM ratio. ACA for 2004 and 2005 is targeting an average TAAM ratio of 200% over the four quarters, although the ratio will for the foreseeable future be at its lowest on December 31, 2004. Assuming a rising book of Tour+Med business each year, spiking in the fourth quarter, ACA will maintain amounts in trust at year end throughout the following year. Again, assuming a rising book of business, ACA will add to the trusted account 17% of premiums for T+M revenues once they exceed the prior year’s volume. This policy will again be amended at year end 2004 when we expect traditional life insurance sales to begin to grow more rapidly.
3. Liquidity. Among all non-vested accounts in the US and Canada ACA Assurance maintains a quarterly liquidity target (cash and money markets) equal to the year ago quarter’s cash outflow + 30% (growth target) + 20% (volatility protection).
4. Asset-liability matching. The Society has a small book of annuities in the US with face value of \$20 million. These are mostly small amounts (less than \$10,000 on average). The CFO performs a quarterly analysis of this book to forecast potential surrenders and cash outflow. The management views this as a very small risk as most of the annuities are at low rates and early in their surrender penalty periods. Annuity products are currently withdraw in their entirety and management does not have the visibility required to predict a return to the annuity market.

Please note that the following charts are subject to change based on variations in surplus, liquidity testing, regulatory review and so on.

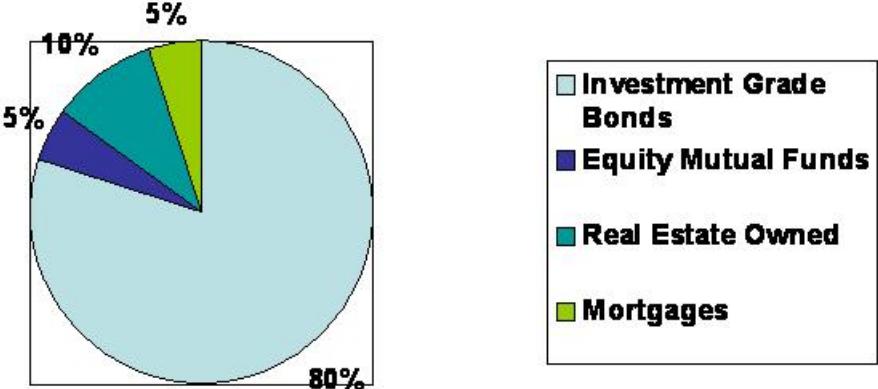
Investment Policy - 2004



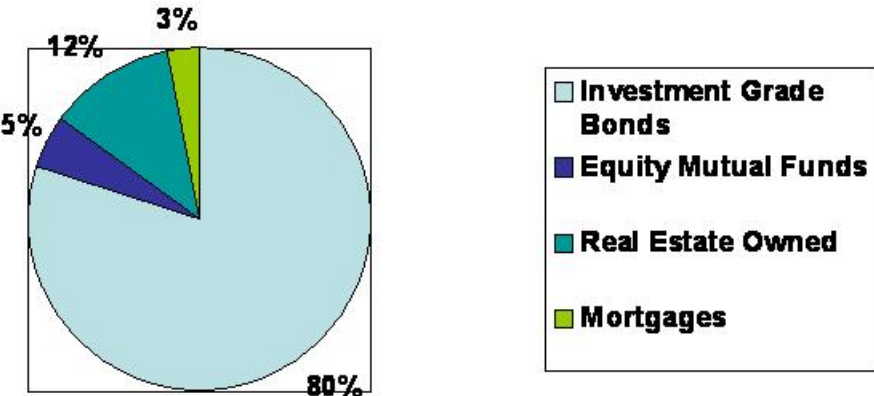
Proposed Investment Policy - 2005



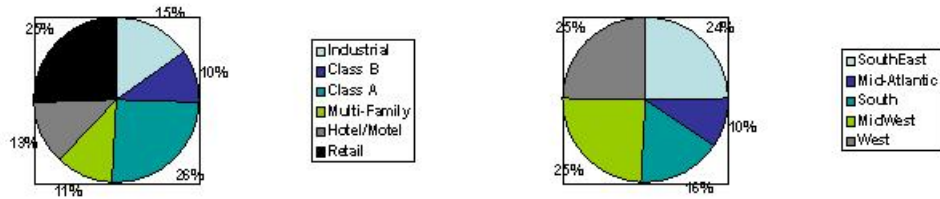
Proposed Investment Policy - 2006



Proposed Investment Policy - 2007

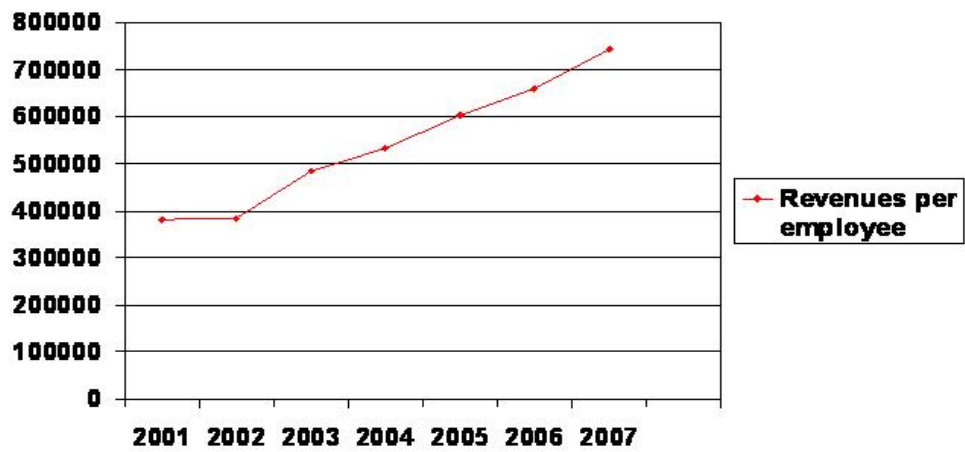


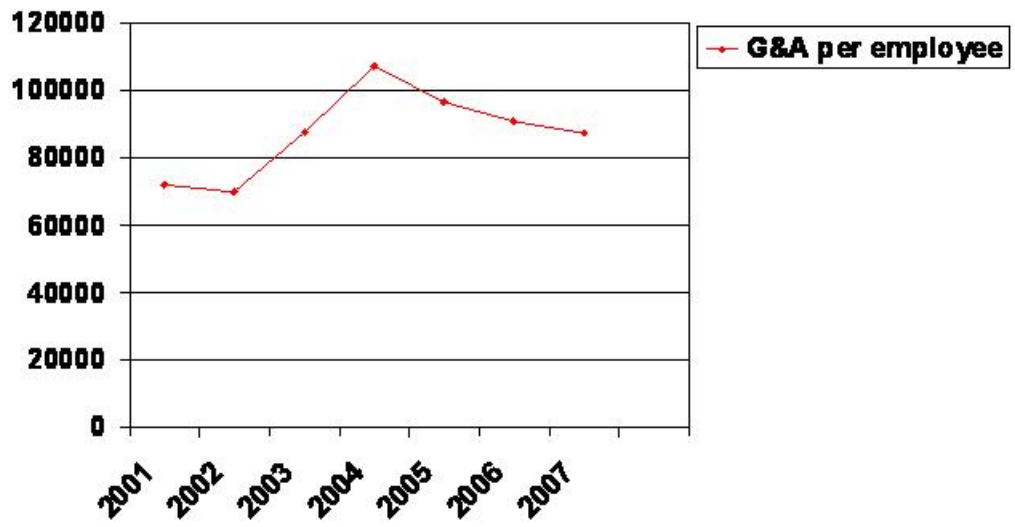
Target REO 2007 Diversification

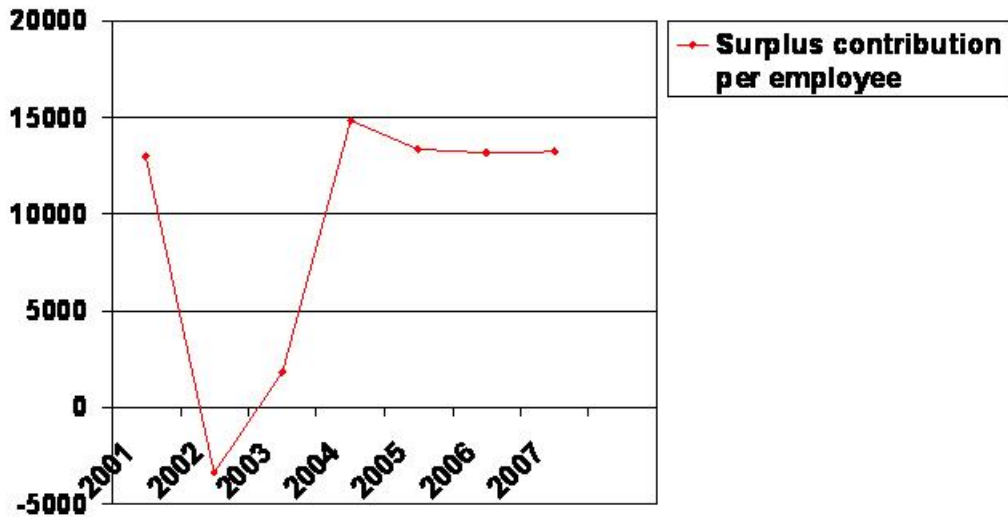


Diversification by property type as well as geographically to avoid overconcentration of assets.

ADDENDA, CHARTS AND BACKGROUND INFORMATION







NFCA ASSET GROWTH RANKING, 2002 OVER 2001

Name	2001	2002	Ave Growth Rate	Ranking
	Assets	Assets	%	
Catholic Workman	\$42,740,414.00	\$60,222,330.00	40.9%	1
National Slovak Society of the USA	\$88,640,056.00	\$117,712,253.00	32.8%	2
Degree of Honor Protective Assn	\$123,013,547.00	\$153,349,052.00	24.7%	3
Greater Beneficial Union of Pittsburgh	\$218,118,366.00	\$267,881,207.00	22.8%	4
Luso-American Life Insurance Society	\$44,401,556.00	\$53,105,189.00	19.6%	5
Catholic Ladies of Columbia	\$19,101,313.00	\$22,770,003.00	19.2%	6
Orthodox Society of America	\$14,689,730.00	\$17,281,499.00	17.6%	7
American Slovenian Catholic Union	\$50,433,004.00	\$57,663,258.00	14.3%	8
First Catholic Slovak Union	\$133,761,044.00	\$151,850,291.00	13.5%	9
Western Catholic Union	\$49,839,925.00	\$56,161,066.00	12.7%	10
First Catholic Slovak Ladies Assn	\$292,782,853.00	\$329,127,765.00	12.4%	11
Greek Catholic Union of the USA	\$434,614,699.00	\$487,916,864.00	12.3%	12
ISDA Fraternal Association	\$25,424,588.00	\$28,458,203.00	11.9%	13
Polish Falcons of America	\$33,226,351.00	\$36,877,596.00	11.0%	14
Gleaner Life Insurance Society	\$814,539,137.00	\$903,777,075.00	11.0%	15
Supreme Council of IDES	\$18,862,897.00	\$20,888,033.00	10.7%	16
Croatian Fraternal Union of America	\$193,404,974.00	\$214,111,105.00	10.7%	17
Catholic Life Insurance	\$440,978,323.00	\$487,828,615.00	10.6%	18
SPJST	\$139,231,234.00	\$153,871,299.00	10.5%	19
ACA Assurance	\$53,165,398.00	\$58,561,675.00	10.1%	20

Catholic Family Fraternal of TX - KJZT	\$43,739,123.00	\$48,075,117.00	9.9%	21
Mutual Beneficial Association, Inc.	\$23,332,879.00	\$25,563,233.00	9.6%	22
Modern Woodmen of America	\$5,107,574,240.00	\$5,577,514,877.00	9.2%	23
Ladies Pa. Slovak Catholic Union	\$15,341,819.00	\$16,678,761.00	8.7%	24
Mennonite Mutual Aid Association	\$239,380,586.00	\$259,266,327.00	8.3%	25
The Catholic Aid Association	\$382,006,510.00	\$413,713,749.00	8.3%	26
Western Fraternal Life Association	\$156,968,774.00	\$169,938,039.00	8.3%	27
Knights of Columbus	\$9,212,198,783.00	\$9,957,824,804.00	8.1%	28
Woodmen of the World Life Ins. Society	\$5,491,432,038.00	\$5,909,877,727.00	7.6%	29
William Penn Association	\$137,160,246.00	\$147,272,307.00	7.4%	30
National Mutual Benefit	\$189,984,500.00	\$203,569,897.00	7.2%	31
Teachers Life Insurance Society	\$26,597,000.00	\$28,398,000.00	6.8%	32
Order of the Sons of Hermann in Texas	\$124,791,855.00	\$133,125,622.00	6.7%	33
Slovene National Benefit Society	\$106,089,219.00	\$113,148,258.00	6.7%	34
Catholic Family Life Insurance	\$219,378,940.00	\$233,519,299.00	6.4%	35
Sons of Norway	\$176,517,392.00	\$187,742,828.00	6.4%	36
American Mutual Life Association	\$27,664,416.00	\$29,334,787.00	6.0%	37
Catholic Knights	\$568,065,048.00	\$602,328,477.00	6.0%	38
Baptist Life Association	\$19,722,972.00	\$20,878,619.00	5.9%	39
Equitable Reserve Association	\$97,753,015.00	\$103,429,602.00	5.8%	40
Catholic Order of Foresters	\$435,468,625.00	\$460,711,820.00	5.8%	41
Woodmen of the World/Assured Life	\$55,258,075.00	\$58,438,257.00	5.8%	42
Catholic Union of Texas, The KJT	\$26,111,842.00	\$27,594,348.00	5.7%	43
Loyal Christian Benefit Association	\$87,162,589.00	\$91,791,948.00	5.3%	44
Catholic Fraternal Life	\$44,197,124.00	\$46,224,149.00	4.6%	45
Woman's Life Insurance Society	\$148,896,899.00	\$154,823,122.00	4.0%	46
Polish Women's Alliance of America	\$45,316,724.00	\$47,057,367.00	3.8%	47
Supreme Council of UPEC	\$28,833,806.00	\$29,916,604.00	3.8%	48
United Trans. Union Insurance Assn	\$211,285,552.00	\$219,133,531.00	3.7%	49
American Fraternal Union	\$21,351,552.00	\$22,007,848.00	3.1%	50
The Catholic Knights of America	\$47,541,071.00	\$48,699,371.00	2.4%	51
Artisans Order of Mutual Protection	\$14,787,513.00	\$15,107,205.00	2.2%	52
Czech Catholic Union	\$9,212,644.00	\$9,391,871.00	1.9%	53
Providence Assn of Ukrainian Catholics	\$16,601,604.00	\$16,914,690.00	1.9%	54
WSA Fraternal Life	\$36,738,727.00	\$37,384,318.00	1.8%	55
Police and Firemen's Insurance Assn	\$53,341,159.00	\$54,237,890.00	1.7%	56
CSA Fraternal Life	\$109,520,232.00	\$111,084,331.00	1.4%	57
Independent Order of Foresters - U.S.	\$2,633,646,036.00	\$2,664,942,460.00	1.2%	58
Workmen's Benefit Fund of the USA	\$32,680,081.00	\$33,037,540.00	1.1%	59
Polish National Union of America	\$23,732,437.00	\$23,981,736.00	1.1%	60
Ukrainian National Assn, Inc.	\$63,287,920.00	\$63,842,260.00	0.9%	61
Slovak Gymnastic Union Sokol	\$9,213,332.00	\$9,283,678.00	0.8%	62
Grand Court Order of Calanthe	\$1,991,010.00	\$1,998,964.00	0.4%	63
North American Swiss Alliance	\$3,261,429.00	\$3,272,527.00	0.3%	64
National Catholic Society of Foresters	\$118,441,021.00	\$118,485,390.00	0.0%	65
Russian Brotherhood Organization	\$8,603,170.00	\$8,573,241.00	-0.3%	66
Royal Neighbors of America	\$601,424,647.00	\$597,418,844.00	-0.7%	67
Croatian Catholic Union of USA/Can.	\$9,372,885.00	\$9,308,272.00	-0.7%	68
Hungarian Reformed Fed. of America	\$23,347,743.00	\$23,164,370.00	-0.8%	69
Polish Roman Catholic Union of America	\$97,839,015.00	\$97,053,554.00	-0.8%	70
National Fraternal Society of the Deaf	\$7,309,385.00	\$7,185,177.00	-1.7%	71
Ukrainian Fraternal Society of Canada	\$7,105,158.00	\$6,948,837.00	-2.2%	72
Association of the Sons of Poland	\$6,875,080.00	\$6,720,396.00	-2.2%	73
Supreme Council of the Royal Arcanum	\$56,947,163.00	\$55,500,156.00	-2.5%	74
Slovak Catholic Sokol	\$50,915,224.00	\$49,469,005.00	-2.8%	75
Employees' Mutual Benefit Association	\$831,820.00	\$805,304.00	-3.2%	76
Lutheran Life Ins. Society of Canada	\$384,404,000.00	\$371,368,000.00	-3.4%	77
Polish Union of the U.S. of North America	\$9,193,133.00	\$8,865,948.00	-3.6%	78
Catholic Association of Foresters	\$9,296,154.00	\$8,916,938.00	-4.1%	79
Association of Lithuanian Workers	\$856,916.00	\$814,472.00	-5.0%	80
Travelers Protective Assn of America	\$13,212,502.00	\$12,370,240.00	-6.4%	81
Polish National Alliance of Brooklyn, USA	\$6,908,014.00	\$6,446,751.00	-6.7%	82

NFCA ASSET GROWTH RANKING, 2003 OVER 2002

Name	2002	2003	Ave Growth Rate	Ranking
	Assets	Assets		
National Slovak Society of the USA	\$117,712,253.00	\$173,165,926.00	47.1%	1
Ukrainian Fraternal Society of Canada	\$6,948,837.00	\$9,462,184.00	36.2%	2
Loyal Christian Benefit Association	\$91,791,948.00	\$123,117,744.00	34.1%	3
American Slovenian Catholic Union	\$57,663,258.00	\$74,673,614.00	29.5%	4
Western Catholic Union	\$56,161,066.00	\$72,146,815.00	28.5%	5
Catholic Workman	\$60,222,330.00	\$77,040,422.00	27.9%	6
Catholic Ladies of Columbia	\$22,770,003.00	\$28,511,638.00	25.2%	7
Employes' Mutual Benefit Association	\$805,304.00	\$980,326.00	21.7%	8
Greater Beneficial Union of Pittsburgh	\$267,881,207.00	\$324,151,300.00	21.0%	9
ACA Assurance	\$58,561,675.00	\$70,513,907.00	20.4%	10
ISDA Fraternal Association	\$28,458,203.00	\$33,263,474.00	16.9%	11
Catholic Family Fraternal of TX - KJZT	\$48,075,117.00	\$56,019,261.00	16.5%	12
Gleaner Life Insurance Society	\$903,777,075.00	\$1,039,769,534.00	15.0%	13
Czech Catholic Union	\$9,391,871.00	\$10,728,921.00	14.2%	14
First Catholic Slovak Union	\$151,850,291.00	\$173,449,883.00	14.2%	15
Polish Falcons of America	\$36,877,596.00	\$42,026,617.00	14.0%	16
Slovene National Benefit Society	\$113,148,258.00	\$128,928,413.00	13.9%	17
Catholic Family Life Insurance	\$233,519,299.00	\$265,278,766.00	13.6%	18
Modern Woodmen of America	\$5,577,514,877.00	\$6,333,252,390.00	13.5%	19
Mutual Beneficial Association, Inc.	\$25,563,233.00	\$28,967,530.00	13.3%	20
Teachers Life Insurance Society	\$28,398,000.00	\$32,145,322.00	13.2%	21
Croatian Fraternal Union of America	\$214,111,105.00	\$240,669,319.00	12.4%	22
Polish Roman Catholic Union of America	\$97,053,554.00	\$108,932,775.00	12.2%	23
Catholic Life Insurance	\$487,828,615.00	\$546,683,825.00	12.1%	24
Sons of Norway	\$187,742,828.00	\$210,086,826.00	11.9%	25
William Penn Association	\$147,272,307.00	\$164,166,559.00	11.5%	26
SPJST	\$153,871,299.00	\$170,485,151.00	10.8%	27
The Catholic Aid Association	\$413,713,749.00	\$458,184,480.00	10.7%	28
Knights of Columbus	\$9,957,824,804.00	\$10,946,592,695.00	9.9%	29
Catholic Order of Foresters	\$460,711,820.00	\$504,352,656.00	9.5%	30
Mennonite Mutual Aid Association	\$259,266,327.00	\$283,522,056.00	9.4%	31
Greek Catholic Union of the USA	\$487,916,864.00	\$532,993,773.00	9.2%	32
Catholic Knights	\$602,328,477.00	\$656,525,029.00	9.0%	33
Russian Brotherhood Organization	\$8,573,241.00	\$9,340,688.00	9.0%	34
Woodmen of the World Life Ins. Society	\$5,909,877,727.00	\$6,436,347,690.00	8.9%	35
National Mutual Benefit	\$203,569,897.00	\$221,379,394.00	8.7%	36
Catholic Union of Texas, The KJT	\$27,594,348.00	\$29,995,191.00	8.7%	37
Woman's Life Insurance Society	\$154,823,122.00	\$168,179,380.00	8.6%	38
Order of the Sons of Hermann in Texas	\$133,125,622.00	\$143,766,262.00	8.0%	39
Police and Firemen's Insurance Assn	\$54,237,890.00	\$58,546,948.00	7.9%	40
Catholic Fraternal Life	\$46,224,149.00	\$49,726,973.00	7.6%	41
Western Fraternal Life Association	\$169,938,039.00	\$182,214,617.00	7.2%	42
Luso-American Life Insurance Society	\$53,105,189.00	\$56,929,285.00	7.2%	43
First Catholic Slovak Ladies Assn	\$329,127,765.00	\$351,740,564.00	6.9%	44
Supreme Council of IDES	\$20,888,033.00	\$22,276,143.00	6.6%	45
The Catholic Knights of America	\$48,699,371.00	\$51,802,102.00	6.4%	46
Artisans Order of Mutual Protection	\$15,107,205.00	\$16,057,256.00	6.3%	47
Degree of Honor Protective Assn	\$153,349,052.00	\$162,125,724.00	5.7%	48
Polish Union of the U.S. of North America	\$8,865,948.00	\$9,356,634.00	5.5%	49
Equitable Reserve Association	\$103,429,602.00	\$109,095,462.00	5.5%	50
Supreme Council of the Royal Arcanum	\$55,500,156.00	\$58,456,954.00	5.3%	51
Supreme Council of UPEC	\$29,916,604.00	\$31,396,798.00	4.9%	52
National Catholic Society of Foresters	\$118,485,390.00	\$123,948,787.00	4.6%	53
Slovak Catholic Sokol	\$49,469,005.00	\$51,642,468.00	4.4%	54

Slovak Gymnastic Union Sokol	\$9,283,678.00	\$9,686,066.00	4.3%	55
Baptist Life Association	\$20,878,619.00	\$21,716,843.00	4.0%	56
Independent Order of Foresters - U.S.	\$2,664,942,460.00	\$2,769,901,102.00	3.9%	57
United Trans. Union Insurance Assn	\$219,133,531.00	\$227,178,641.00	3.7%	58
Royal Neighbors of America	\$597,418,844.00	\$618,598,090.00	3.5%	59
Croatian Catholic Union of USA	\$9,308,272.00	\$9,593,858.00	3.1%	60
Lutheran Life Ins. Society of Canada	\$371,368,000.00	\$382,433,000.00	3.0%	61
Polish National Union of America	\$23,981,736.00	\$24,673,291.00	2.9%	62
American Fraternal Union	\$22,007,848.00	\$22,599,188.00	2.7%	63
Workmen's Benefit Fund of the USA	\$33,037,540.00	\$33,734,102.00	2.1%	64
Hungarian Reformed Fed. of America	\$23,164,370.00	\$23,634,023.00	2.0%	65
American Mutual Life Association	\$29,334,787.00	\$29,909,284.00	2.0%	66
Ladies Pa. Slovak Catholic Union	\$16,678,761.00	\$16,948,963.00	1.6%	67
North American Swiss Alliance	\$3,272,527.00	\$3,325,209.00	1.6%	68
Woodmen of the World/Assured Life	\$58,438,257.00	\$59,343,686.00	1.5%	69
CSA Fraternal Life	\$111,084,331.00	\$112,716,552.00	1.5%	70
Ukrainian National Assn, Inc.	\$63,842,260.00	\$64,401,346.00	0.9%	71
Grand Court Order of Calanthe	\$1,998,964.00	\$1,992,807.00	-0.3%	72
Catholic Association of Foresters	\$8,916,938.00	\$8,790,686.00	-1.4%	73
Association of the Sons of Poland	\$6,720,396.00	\$6,616,641.00	-1.5%	74
WSA Fraternal Life	\$37,384,318.00	\$36,413,322.00	-2.6%	75
Order of United Comm. Travelers of Amer.	\$20,083,525.00	\$19,393,831.00	-3.4%	76
Association of Lithuanian Workers	\$814,472.00	\$782,181.00	-4.0%	77
Providence Assn of Ukrainian Catholics	\$16,914,690.00	\$16,160,677.00	-4.5%	78
Polish National Alliance of Brooklyn, USA	\$6,446,751.00	\$6,156,564.00	-4.5%	79

NFCA GROWTH RANKING, 2002 OVER 2001

Name	2001		2002		Ave. Growth Rate Life	Ave Growth Rate W/A	
	Premiums	Annuities	Premiums	Annuities			
Russian Brotherhood Organization	76,319	12,400	274,800	142,712	260.1%	370.6%	1
First Catholic Slovak Ladies Assn	2,046,682	5,441,773	4,360,349	26,550,731	113.0%	312.8%	2
Catholic Workman	1,055,686	9,361,671	1,476,593	19,422,615	39.9%	100.6%	3
Mutual Beneficial Association, Inc.	332,962	1,725,768	458,549	3,105,305	37.7%	73.1%	4
Degree of Honor Protective Assn	3,315,027	15,673,010	4,102,500	36,991,991	23.8%	116.4%	5
Greek Catholic Union of the USA	1,751,821	42,176,514	2,159,622	59,961,114	23.3%	41.4%	6
Catholic Ladies of Columbia	214,941	1,093,622	260,437	3,685,855	21.2%	201.6%	7
WSA Fraternal Life	562,327	2,466,729	674,405	3,003,173	19.9%	21.4%	8
Woodmen of the World Life Ins. Society	382,877,168	132,952,758	452,499,871	254,692,815	18.2%	37.1%	9
Orthodox Society of America	157,407	754,671	183,111	919,249	16.3%	20.9%	10
North American Swiss Alliance	47,846	0	53,970	0	12.8%	12.8%	11
Loyal Christian Benefit Association	3,198,176	5,153,051	3,584,206	6,388,776	12.1%	19.4%	12
Western Catholic Union	1,881,039	6,323,561	2,082,393	4,445,731	10.7%	-20.4%	13
Sons of Norway	3,735,202	7,179,909	4,124,681	20,654,751	10.4%	127.0%	14
American Fraternal Union	1,083,204	292,379	1,185,740	654,371	9.5%	33.8%	15
American Slovenian Catholic Union	1,625,283	2,504,044	1,778,306	5,145,701	9.4%	67.7%	16
Catholic Union of Texas, The KJT	959,970	1,580,412	1,048,227	891,827	9.2%	-23.6%	17
Czech Catholic Union	254,280	11,660	277,408	73,303	9.1%	31.9%	18
The Catholic Knights of America	1,286,565	7,352,902	1,389,408	2,742,246	8.0%	-52.2%	19
SPJST	3,787,680	6,281,397	4,081,696	14,978,587	7.8%	89.3%	20
Slovene National Benefit Society	1,453,911	3,682,845	1,555,830	7,275,245	7.0%	71.9%	21
Catholic Family Fraternal of TX - KJZT	642,306	1,621,307	686,026	3,321,817	6.8%	77.1%	22
Police and Firemen's Insurance Assn	3,585,900	828,364	3,829,176	1,814,194	6.8%	27.8%	23
Polish Union of the U.S. of North America	216,374	0	230,029	0	6.3%	6.3%	24
Knights of Columbus	680,168,503	1,805,885	719,615,304	1,456,247	5.8%	5.7%	25
Ladies Pa. Slovak Catholic Union	215,906	0	226,987	0	5.1%	5.1%	26
Catholic Order of Foresters	24,879,058	17,986,824	26,058,229	26,338,469	4.7%	22.2%	27
Catholic Association of Foresters	282,315	0	295,476	0	4.7%	4.7%	28
Lutheran Life Ins. Society of Canada	13,536,000	19,720,000	14,149,000	19,267,000	4.5%	0.5%	29
CSA Fraternal Life	2,186,597	10,387,435	2,281,913	4,429,261	4.4%	-46.6%	30
Order of the Sons of Hermann in Texas	5,429,701	3,055,616	5,660,072	7,404,239	4.2%	54.0%	31
Polish Women's Alliance of America	957,389	1,040,522	997,796	2,759,745	4.2%	88.1%	32
Catholic Life Insurance	9,919,944	29,278,394	10,319,697	43,240,743	4.0%	36.6%	33
Croatian Fraternal Union of America	3,575,934	11,199,742	3,713,058	31,199,837	3.8%	136.3%	34
Luso-American Life Insurance Society	1,752,593	637,577	1,804,489	1,890,570	3.0%	54.6%	35

ISDA Fraternal Association	477,026	1,632,805	489,710	2,479,189	2.7%	40.7%	36
National Catholic Society of Foresters	3,888,364	2,598,596	3,978,717	3,222,529	2.3%	11.0%	37
Woodmen of the World/Assured Life	2,168,912	4,273,254	2,217,849	7,858,920	2.3%	56.4%	38
Modern Woodmen of America	206,510,913	301,009,441	211,160,521	493,133,211	2.3%	38.8%	39
Western Fraternal Life Association	6,905,036	7,971,584	7,060,488	13,943,545	2.3%	41.2%	40
Supreme Council of UPEC	446,192	1,296,573	455,825	1,549,429	2.2%	15.1%	41
Catholic Knights	22,783,828	16,847,502	23,225,081	28,156,412	1.9%	29.6%	42
The Catholic Aid Association	9,913,541	17,611,033	10,104,572	26,615,383	1.9%	33.4%	43
Grand Court Order of Calanthe	117,676	0	119,382	0	1.4%	1.4%	44
ACA Assurance	6,624,220	721,148	6,695,528	3,729,620	1.1%	41.9%	45
Greater Beneficial Union of Pittsburgh	1,248,046	32,105,065	1,259,270	61,059,974	0.9%	86.8%	46
Association of the Sons of Poland	99,554	0	100,387	0	0.8%	0.8%	47
Royal Neighbors of America	16,934,514	6,585,690	17,043,769	19,836,867	0.6%	56.8%	48
Teachers Life Insurance Society	7,315,000	0	7,315,000	0	0.0%	0.0%	49
National Slovak Society of the USA	923,856	10,493,247	920,696	32,692,316	-0.3%	194.4%	50
National Mutual Benefit	9,868,581	7,779,237	9,818,110	12,468,289	-0.5%	26.3%	51
Baptist Life Association	1,031,612	550,313	1,024,801	878,738	-0.7%	20.3%	52
Independent Order of Foresters - U.S.	116,585,650	18,197,356	115,773,515	31,247,129	-0.7%	9.1%	53
Workmen's Benefit Fund of the USA	1,076,516	269,955	1,058,258	986,301	-1.7%	51.8%	54
United Trans. Union Insurance Assn	7,793,635	8,440,574	7,629,234	8,093,971	-2.1%	-3.1%	55
National Fraternal Society of the Deaf	151,486	0	146,946	0	-3.0%	-3.0%	56
Catholic Fraternal Life	2,815,877	774,711	2,727,301	1,150,619	-3.1%	8.0%	57
Catholic Family Life Insurance	8,587,661	7,869,359	8,291,184	17,735,198	-3.5%	58.1%	58
Hungarian Reformed Fed. of America	393,843	151,600	378,650	139,831	-3.9%	-4.9%	59
Supreme Council of IDES	282,648	572,917	267,590	1,822,559	-5.3%	144.3%	60
Polish National Union of America	607,219	449,665	574,032	927,594	-5.5%	42.1%	61
Croatian Catholic Union of USA/Can.	210,966	2,115,451	199,240	287,549	-5.6%	-79.1%	62
Supreme Council of the Royal Arcanum	2,236,793	0	2,104,773	722,860	-5.9%	26.4%	63
Mennonite Mutual Aid Association	176,062	9,726,931	165,041	23,664,707	-6.3%	140.6%	64
Polish National Alliance of Brooklyn, USA	98,662	0	92,040	0	-6.7%	-6.7%	65
William Penn Association	1,700,372	5,692,730	1,585,603	14,606,810	-6.7%	119.0%	66
Association of Lithuanian Workers	37,331	0	34,578	0	-7.4%	-7.4%	67
Woman's Life Insurance Society	5,727,104	2,492,295	5,248,937	6,711,248	-8.3%	45.5%	68
Equitable Reserve Association	5,092,501	3,076,786	4,664,087	4,020,785	-8.4%	6.3%	69
Polish Roman Catholic Union of America	3,120,595	371,847	2,857,978	1,726,772	-8.4%	31.3%	70
Order of United Comm. Travelers of Amer.	243,352	2,507	218,955	8,720	-10.0%	-7.4%	71
First Catholic Slovak Union	2,322,901	10,828,839	2,054,657	16,757,589	-11.5%	43.0%	72
Ukrainian National Assn, Inc.	1,643,536	895,907	1,427,269	1,704,109	-13.2%	23.3%	73
Gleaner Life Insurance Society	9,144,167	67,137,162	7,797,376	84,429,181	-14.7%	20.9%	74
Slovak Gymnastic Union Sokol	57,719	32,000	48,687	32,000	-15.6%	-10.1%	75
Slovak Catholic Sokol	844,813	560,360	671,973	498,741	-20.5%	-16.7%	76
Ukrainian Fraternal Society of Canada	97,769	0	76,750	0	-21.5%	-21.5%	77
Polish Falcons of America	497,741	2,207,885	390,005	3,561,823	-21.6%	46.1%	78
American Mutual Life Association	325,436	484,152	225,849	1,039,636	-30.6%	56.3%	79
Artisans Order of Mutual	372,955	385,500	232,806	398,951	-37.6%	-16.7%	80

Protection							
Providence Assn of Ukrainian Catholics	309,200	474	176,896	1,219	-42.8%	-42.5%	81

NFCA GROWTH RANKING, 2003 OVER 2002

Name	2002		2003		Ave Growth Rate Life	Ave Growth Rate W/A	Rank
	Premiums	Annuities	Premiums	Annuities			
Artisans Order of Mutual Protection	232,806	398,951	421,753	982,438	81.2%	122.3%	1
Slovak Gymnastic Union Sokol	48,687	32,000	74,183	117,000	52.4%	136.9%	2
Loyal Christian Benefit Association	3,584,206	6,388,776	5,199,784	14,865,216	45.1%	101.2%	3
Catholic Workman	1,476,593	19,422,615	2,132,383	15,507,643	44.4%	-15.6%	4
Degree of Honor Protective Assn	4,102,500	36,991,991	5,783,134	9,694,500	41.0%	-62.3%	5
Ladies Pa. Slovak Catholic Union	226,987	0	312,517	0	37.7%	37.7%	6
Providence Assn of Ukrainian Catholics	176,896	1,219	242,799	9,435	37.3%	41.6%	7
Ukrainian Fraternal Society of Canada	76,750	0	102,013	0	32.9%	32.9%	8
WSA Fraternal Life	674,405	3,003,173	844,335	1,557,936	25.2%	-34.7%	9
Ukrainian National Assn, Inc.	1,427,269	1,704,109	1,669,232	2,934,637	17.0%	47.0%	10
Slovak Catholic Sokol	671,973	498,741	785,435	1,049,297	16.9%	56.7%	11
ACA Assurance	6,695,528	3,729,620	7,745,299	5,523,567	15.7%	27.3%	12
Mutual Beneficial Association, Inc.	458,549	3,105,305	525,327	4,044,991	14.6%	28.2%	13
Supreme Council of IDES	267,590	1,822,559	299,117	1,518,029	11.8%	-13.1%	14
American Fraternal Union	1,185,740	654,371	1,308,644	478,100	10.4%	-2.9%	15
National Mutual Benefit	9,818,110	12,468,289	10,835,403	14,018,256	10.4%	11.5%	16
Sons of Norway	4,124,681	20,654,751	4,444,080	25,641,028	7.7%	21.4%	17
Police and Firemen's Insurance Assn	3,829,176	1,814,194	4,122,988	2,030,999	7.7%	9.0%	18
Toronto Police Widows & Orphans Fund	1,092,000	0	1,175,200	0	7.6%	7.6%	19
Woodmen of the World Life Ins. Society	452,499,871	254,692,815	483,582,326	204,063,010	6.9%	-2.8%	20
Catholic Family Fraternal of TX - KJZT	686,026	3,321,817	731,094	6,296,520	6.6%	75.3%	21
Teachers Life Insurance Society	7,315,000	0	7,791,000	0	6.5%	6.5%	22
Knights of Columbus	719,615,304	1,456,247	766,026,081	767,574	6.4%	6.3%	23
Hungarian Reformed Fed. of America	378,650	139,831	402,690	632,205	6.3%	99.6%	24
Catholic Order of Foresters	26,058,229	26,338,469	27,707,117	50,847,965	6.3%	49.9%	25
Order of the Sons of Hermann in Texas	5,660,072	7,404,239	5,958,987	5,943,127	5.3%	-8.9%	26
Woodmen of the World/Assured Life	2,217,849	7,858,920	2,332,726	4,136,764	5.2%	-35.8%	27
Slovene National Benefit Society	1,555,830	7,275,245	1,631,780	15,470,906	4.9%	93.7%	28
SPJST	4,081,696	14,978,587	4,279,690	8,835,698	4.9%	-31.2%	29
Croatian Fraternal Union of America	3,713,058	31,199,837	3,858,219	25,811,131	3.9%	-15.0%	30
The Catholic Aid Association	10,104,572	26,615,383	10,440,516	34,346,945	3.3%	22.0%	31
Western Fraternal Life Association	7,060,488	13,943,545	7,277,785	9,360,882	3.1%	-20.8%	32
Modern Woodmen of America	211,160,521	493,133,211	215,556,131	550,114,963	2.1%	8.7%	33
Catholic Family Life Insurance	8,291,184	17,735,198	8,424,307	29,822,122	1.6%	47.0%	34
CSA Fraternal Life	2,281,913	4,429,261	2,312,006	4,613,094	1.3%	3.2%	35
Catholic Life Insurance	10,319,697	43,240,743	10,448,976	45,710,607	1.3%	4.9%	36
Luso-American Life Insurance Society	1,804,489	1,890,570	1,826,448	2,761,340	1.2%	24.2%	37
National Catholic Society of Foresters	3,978,717	3,222,529	4,022,068	4,260,760	1.1%	15.0%	38
Independent Order of Foresters	115,773,515	31,247,129	117,007,978	32,259,144	1.1%	1.5%	39

- U.S.							
Lutheran Life Ins. Society of Canada	14,149,000	19,267,000	14,280,000	19,950,000	0.9%	2.4%	40
United Trans. Union Insurance Assn	7,629,234	8,093,971	7,693,204	7,350,033	0.8%	-4.3%	41
The Catholic Knights of America	1,389,408	2,742,246	1,396,564	4,243,870	0.5%	36.5%	42
Baptist Life Association	1,024,801	878,738	1,026,608	709,100	0.2%	-8.8%	43
William Penn Association	1,585,603	14,606,810	1,584,324	19,111,390	-0.1%	27.8%	44
Catholic Knights	23,225,081	28,156,412	23,180,178	36,950,899	-0.2%	17.0%	45
Woman's Life Insurance Society	5,248,937	6,711,248	5,221,268	12,619,803	-0.5%	49.2%	46
American Slovenian Catholic Union	1,778,306	5,145,701	1,767,917	14,299,877	-0.6%	132.1%	47
Thrivent Financial for Lutherans	1,285,945,789	1,743,715,344	1,278,083,045	2,346,231,890	-0.6%	19.6%	48
Catholic Fraternal Life Association of the Sons of Poland	2,727,301	1,150,619	2,708,484	2,172,687	-0.7%	25.9%	49
Equitable Reserve Association	4,664,087	4,020,785	4,597,024	7,176,972	-1.4%	35.6%	51
Polish Union of the U.S. of North America	230,029	0	225,363	0	-2.0%	-2.0%	52
National Slovak Society of the USA	920,696	32,692,316	893,316	56,684,916	-3.0%	71.3%	53
Catholic Association of Foresters	295,476	0	285,908	0	-3.2%	-3.2%	54
Polish Roman Catholic Union of America	2,857,978	1,726,772	2,752,415	8,527,466	-3.7%	146.0%	55
Mennonite Mutual Aid Association	165,041	23,664,707	158,838	18,397,940	-3.8%	-22.1%	56
ISDA Fraternal Association	489,710	2,479,189	467,554	3,164,997	-4.5%	22.4%	57
Polish National Alliance of the US of NA	7,981,137	12,909,232	7,610,625	17,016,964	-4.6%	17.9%	58
Catholic Union of Texas, The KJT	1,048,227	891,827	998,172	920,164	-4.8%	-1.1%	59
American Mutual Life Association	225,849	1,039,636	214,138	853,761	-5.2%	-15.6%	60
Greater Beneficial Union of Pittsburgh	1,259,270	61,059,974	1,187,541	60,765,351	-5.7%	-0.6%	61
Order of United Comm. Travelers of Amer.	218,955	8,720	202,952	155,926	-7.3%	57.6%	62
Association of Lithuanian Workers	34,578	0	31,964	0	-7.6%	-7.6%	63
Supreme Council of UPEC	455,825	1,549,429	419,918	1,676,737	-7.9%	4.6%	64
Grand Court Order of Calanthe	119,382	0	109,413	0	-8.4%	-8.4%	65
Gleaner Life Insurance Society	7,797,376	84,429,181	7,099,566	149,771,303	-8.9%	70.1%	66
North American Swiss Alliance	53,970	0	48,826	0	-9.5%	-9.5%	67
Ukrainian Fraternal Association	298,692	0	267,917	0	-10.3%	-10.3%	68
Polish Falcons of America	390,005	3,561,823	345,176	3,711,759	-11.5%	2.7%	69
Western Catholic Union	2,082,393	4,445,731	1,831,436	15,324,896	-12.1%	162.8%	70
First Catholic Slovak Union	2,054,657	16,757,589	1,787,042	16,243,610	-13.0%	-4.2%	71
Supreme Council of the Royal Arcanum	2,104,773	722,860	1,796,700	793,738	-14.6%	-8.4%	72
Workmen's Benefit Fund of the USA	1,058,258	986,301	871,370	1,636,546	-17.7%	22.7%	73
First Catholic Slovak Ladies Assn	4,360,349	26,550,731	3,379,537	14,713,901	-22.5%	-41.5%	74
Greek Catholic Union of the USA	2,159,622	59,961,114	1,581,569	54,836,349	-26.8%	-9.2%	75
Catholic Ladies of Columbia	260,437	3,685,855	180,878	5,461,869	-30.5%	43.0%	76
Czech Catholic Union	277,408	73,303	190,867	1,180,285	-31.2%	291.0%	77
Polish National Union of America	574,032	927,594	393,777	455,650	-31.4%	-43.4%	78
Polish National Alliance of Brooklyn, USA	92,040	0	62,887	0	-31.7%	-31.7%	79
Croatian Catholic Union of USA	199,240	287,549	96,797	437,598	-51.4%	9.8%	80
Russian Brotherhood Organization	274,800	142,712	65,888	508,948	-76.0%	37.7%	81

SURPLUS GROWTH 2002 OVER 2001

Name	2001	2002	Ave Growth Rate	Rank
	Surplus	Surplus	%	
Luso-American Life Insurance Society**	5,131,425	8,663,656	68.8%	1
Croatian Catholic Union of USA/Can.	422,013	503,922	19.4%	2
Catholic Fraternal Life	1,034,752	1,210,032	16.9%	3
Providence Assn of Ukrainian Catholics	4,077,005	4,701,687	15.3%	4
Orthodox Society of America	423,081	482,072	13.9%	5
Mutual Beneficial Association, Inc.	633,720	709,236	11.9%	6
Supreme Council of IDES	1,385,943	1,482,163	6.9%	7
Baptist Life Association	811,695	865,903	6.7%	8
First Catholic Slovak Ladies Assn	71,143,371	75,609,324	6.3%	9
Teachers Life Insurance Society	3,985,000	4,192,000	5.2%	10
Gleaner Life Insurance Society	79,364,442	82,671,690	4.2%	11
Ladies Pa. Slovak Catholic Union	5,982,473	6,231,319	4.2%	12
American Slovenian Catholic Union	5,979,257	6,211,316	3.9%	13
Grand Court Order of Calanthe	540,600	560,242	3.6%	14
Lutheran Life Ins. Society of Canada	30,257,639	31,342,000	3.6%	15
Ukrainian Fraternal Society of Canada	853,385	883,033	3.5%	16
Polish Falcons of America	2,038,776	2,107,592	3.4%	17
Mennonite Mutual Aid Association	55,752,635	57,445,703	3.0%	18
American Mutual Life Association	10,912,983	11,226,166	2.9%	19
Catholic Life Insurance	33,484,994	34,095,077	1.8%	20
Modern Woodmen of America	756,942,700	769,661,401	1.7%	21
United Trans. Union Insurance Assn	34,393,146	34,942,377	1.6%	22
North American Swiss Alliance	1,357,311	1,376,226	1.4%	23
Slovene National Benefit Society	8,293,246	8,401,655	1.3%	24
National Mutual Benefit	20,782,758	20,994,541	1.0%	25
Knights of Columbus	1,314,129,615	1,326,238,187	0.9%	26
Slovak Gymnastic Union Sokol	4,693,416	4,734,263	0.9%	27
Sons of Norway	7,532,329	7,553,357	0.3%	28
Western Catholic Union	602,281	602,281	0.0%	29
William Penn Association	23,928,811	23,925,616	-0.0%	30
Czech Catholic Union	3,059,634	3,045,546	-0.5%	31
Western Fraternal Life Association	13,141,206	13,062,766	-0.6%	32
Catholic Family Fraternal of TX - KJZT	19,040,630	18,876,658	-0.9%	33
Greater Beneficial Union of Pittsburgh	13,159,418	12,981,553	-1.4%	34
Association of the Sons of Poland	3,236,292	3,176,119	-1.9%	35
Woman's Life Insurance Society	29,037,825	28,471,902	-1.9%	36
CSA Fraternal Life	6,003,035	5,868,362	-2.2%	37
Greek Catholic Union of the USA	24,854,611	24,279,815	-2.3%	38
ACA Assurance	6,668,321	6,513,780	-2.3%	39
Woodmen of the World/Assured Life	548,864,475	534,959,238	-2.5%	40
Croatian Fraternal Union of America	7,874,579	7,653,166	-2.8%	41
Hungarian Reformed Fed. of America	8,447,906	8,181,510	-3.2%	42
Artisans Order of Mutual Protection	8,987,389	8,700,522	-3.2%	43
First Catholic Slovak Union	6,183,788	5,942,810	-3.9%	44

Russian Brotherhood Organization	3,956,959	3,778,067	-4.5%	45
Independent Order of Foresters - U.S.	428,672,237	403,257,845	-5.9%	46
ISDA Fraternal Association	4,261,801	4,007,271	-6.0%	47
Catholic Union of Texas, The KJT	5,645,599	5,254,644	-6.9%	48
Catholic Knights	47,892,656	44,431,739	-7.2%	49
SPJST	25,817,745	23,842,726	-7.6%	50
Employes' Mutual Benefit Association	321,219	296,624	-7.7%	51
National Slovak Society of the USA	4,869,787	4,482,042	-8.0%	52
Travelers Protective Assn of America	11,274,518	10,318,710	-8.5%	53
American Fraternal Union	870,783	794,698	-8.7%	54
Catholic Association of Foresters	2,361,194	2,153,125	-8.8%	55
Loyal Christian Benefit Association	7,895,465	7,182,436	-9.0%	56
Order of the Sons of Hermann in Texas	20,158,633	18,274,868	-9.3%	57
Supreme Council of UPEC	4,862,447	4,399,430	-9.5%	58
Polish Union of the U.S. of North America	3,565,989	3,162,291	-11.3%	59
The Catholic Aid Association	24,104,728	21,028,950	-12.8%	60
Workmen's Benefit Fund of the USA	2,662,032	2,310,943	-13.2%	61
Polish Roman Catholic Union of America	18,710,814	16,214,838	-13.3%	62
Polish National Alliance of Brooklyn, USA	2,217,875	1,913,387	-13.7%	63
Royal Neighbors of America	211,766,882	182,238,856	-13.9%	64
Equitable Reserve Association	17,442,876	15,000,026	-14.0%	65
Slovak Catholic Sokol	14,615,764	12,531,088	-14.3%	66
Polish National Union of America	3,612,021	3,077,442	-14.8%	67
Association of Lithuanian Workers	266,433	221,977	-16.7%	68
Ukrainian National Assn, Inc.	7,046,750	5,835,375	-17.2%	69
Police and Firemen's Insurance Assn	11,063,517	9,102,098	-17.7%	70
Supreme Council of the Royal Arcanum	13,932,621	11,232,672	-19.4%	71
National Catholic Society of Foresters	12,322,006	9,815,042	-20.3%	72
Woodmen of the World Life Ins. Society	8,645,762	6,869,286	-20.5%	73
Catholic Order of Foresters	40,724,232	32,155,292	-21.0%	74
Catholic Ladies of Columbia	1,009,420	791,006	-21.6%	75
WSA Fraternal Life	9,461,072	7,240,363	-23.5%	76
Degree of Honor Protective Assn	5,241,326	3,968,580	-24.3%	77
Polish Women's Alliance of America	4,646,917	3,425,751	-26.3%	78
Order of United Comm. Travelers of Amer.	5,145,344	3,673,187	-28.6%	79
The Catholic Knights of America	2,689,461	1,910,653	-29.0%	80
National Fraternal Society of the Deaf	69,293	47,752	-31.1%	81
Catholic Family Life Insurance	14,519,777	9,506,691	-34.5%	82
Catholic Workman	4,128,170	2,007,753	-51.4%	83
** Mergers				

SURPLUS GROWTH 2003 OVER 2002

Name	2002	2003	Ave. Growth Rate	Ranking
	Surplus	Surplus		
Polish National Alliance of the US of NA	3,077,442	30,395,969	887.7%	1
Western Catholic Union	602,281	1,850,765	207.3%	2
Employes' Mutual Benefit Association	296,624	455,167	53.4%	3
Greater Beneficial Union of Pittsburgh	12,981,553	15,293,058	17.8%	4
Woodmen of the World Life Ins. Society	534,959,238	618,242,269	15.6%	5
Supreme Council of the Royal Arcanum	11,232,672	12,980,018	15.6%	6
Catholic Family Life Insurance	9,506,691	10,903,878	14.7%	7
Mennonite Mutual Aid Association	57,445,703	64,702,520	12.6%	8
Police and Firemen's Insurance Assn	9,102,098	10,182,676	11.9%	9
First Catholic Slovak Union	5,942,810	6,593,187	10.9%	10
Teachers Life Insurance Society	4,192,000	4,627,303	10.4%	11
Catholic Order of Foresters	32,155,292	35,423,406	10.2%	12
Degree of Honor Protective Assn	3,968,580	4,319,829	8.9%	13
Modern Woodmen of America	769,661,401	833,846,238	8.3%	14
Ukrainian National Assn, Inc.	5,835,375	6,296,972	7.9%	15
Knights of Columbus	1,326,238,187	1,427,384,274	7.6%	16
Sons of Norway	7,553,357	8,084,587	7.0%	17
Gleaner Life Insurance Society	82,671,690	87,861,946	6.3%	18
Mutual Beneficial Association, Inc.	709,236	741,153	4.5%	19
The Catholic Aid Association	21,028,950	21,933,850	4.3%	20
Catholic Life Insurance	34,095,077	35,562,002	4.3%	21
Independent Order of Foresters - U.S.	403,257,845	420,235,504	4.2%	22
Western Fraternal Life Association	13,062,766	13,604,548	4.1%	23
National Catholic Society of Foresters	9,815,042	10,168,650	3.6%	24
First Catholic Slovak Ladies Assn	75,609,324	78,332,545	3.6%	25
Polish Falcons of America	2,107,592	2,173,045	3.1%	26
Croatian Fraternal Union of America	7,653,166	7,878,596	2.9%	27
Russian Brotherhood Organization	3,778,067	3,875,286	2.6%	28
Catholic Union of Texas, The KJT	5,254,644	5,381,494	2.4%	29
William Penn Association	23,925,616	24,500,398	2.4%	30
Lutheran Life Ins. Society of Canada	31,342,000	32,078,000	2.3%	31
ISDA Fraternal Association	4,007,271	4,083,523	1.9%	32
American Mutual Life Association	11,226,166	11,409,167	1.6%	33
Woman's Life Insurance Society	28,471,902	28,916,780	1.6%	34
ACA Assurance	6,513,780	6,600,672	1.3%	35
Catholic Association of Foresters	2,153,125	2,175,450	1.0%	36
North American Swiss Alliance	1,376,226	1,389,792	1.0%	37
Polish Roman Catholic Union of America	16,214,838	16,351,194	0.8%	38
Royal Neighbors of America	182,238,856	183,724,345	0.8%	39
Slovak Gymnastic Union Sokol	4,734,263	4,768,956	0.7%	40
Catholic Fraternal Life	1,210,032	1,215,790	0.5%	41
Catholic Family Fraternal of TX - KJZT	18,876,658	18,955,760	0.4%	42
SPJST	23,842,726	23,880,598	0.2%	43
Grand Court Order of Calanthe	560,242	560,955	0.1%	44

Czech Catholic Union	3,045,546	3,048,620	0.1%	45
National Mutual Benefit	20,994,541	20,979,397	-0.1%	46
American Slovenian Catholic Union	6,211,316	6,186,351	-0.4%	47
United Trans. Union Insurance Assn	34,942,377	34,769,510	-0.5%	48
Luso-American Life Insurance Society	8,663,656	8,524,979	-1.6%	49
Slovak Catholic Sokol	12,531,088	12,329,713	-1.6%	50
Ladies Pa. Slovak Catholic Union	6,231,319	6,122,762	-1.7%	51
Providence Assn of Ukrainian Catholics	4,701,687	4,588,421	-2.4%	52
Catholic Knights	44,431,739	43,349,066	-2.4%	53
Greek Catholic Union of the USA	24,279,815	23,635,170	-2.7%	54
Hungarian Reformed Fed. of America	8,181,510	7,962,441	-2.7%	55
Loyal Christian Benefit Association	7,182,436	6,973,139	-2.9%	56
Polish Union of the U.S. of North America	3,162,291	3,065,594	-3.1%	57
Slovene National Benefit Society	8,401,655	8,142,937	-3.1%	58
Association of the Sons of Poland	3,176,119	3,058,926	-3.7%	59
Travelers Protective Assn of America	10,318,710	9,832,629	-4.7%	60
Artisans Order of Mutual Protection	8,700,522	8,223,911	-5.5%	61
Baptist Life Association	865,903	812,143	-6.2%	62
Croatian Catholic Union of USA	503,922	469,002	-6.9%	63
Order of United Comm. Travelers of Amer.	3,673,187	3,394,267	-7.6%	64
Order of the Sons of Hermann in Texas	18,274,868	16,750,657	-8.3%	65
Supreme Council of UPEC	4,399,430	4,032,165	-8.3%	66
Equitable Reserve Association	15,000,026	13,668,156	-8.9%	67
American Fraternal Union	794,698	723,325	-9.0%	68
Woodmen of the World/Assured Life	6,869,286	6,150,906	-10.5%	69
National Slovak Society of the USA	4,482,042	3,952,845	-11.8%	70
Polish National Alliance of Brooklyn, USA	1,913,387	1,678,678	-12.3%	71
Supreme Council of SES	4,057,355	3,383,474	-16.6%	72
Association of Lithuanian Workers	221,977	174,196	-21.5%	73
WSA Fraternal Life	7,240,363	5,612,919	-22.5%	74
Supreme Council of IDES	1,482,163	1,134,602	-23.4%	75
Catholic Ladies of Columbia	791,006	581,495	-26.5%	76
Workmen's Benefit Fund of the USA	2,310,943	1,666,459	-27.9%	77
The Catholic Knights of America	1,910,653	1,329,125	-30.4%	78
Catholic Workman	2,007,753	1,261,002	-37.2%	79
CSA Fraternal Life	5,868,362	3,276,919	-44.2%	80

ACA ASSURANCE

Fraternal Strategic Plan 2005-2007

Fraternal Background

As a federally recognized 501 (c)(8) organization, ACA ASSURANCE enjoys tax-exempt “fraternal benefit society” status in the United States. This status is based upon the principle that ACA’s profits are returned to members in the form of fraternal services. As the Society continues to expand over the coming years, the offerings must be adapted to meet the changing and varied needs of an increasingly diverse membership.

Regardless of changing techniques, the broad focus of the Society’s fraternal mission remains consistent with its early purposes: the union of persons of French-Catholic ancestry or affinity in North America, the promotion of their spiritual, civic, cultural, social and economic advancement, and the preservation of the French language and French culture. (By-Laws: 4, p.1)

Originally a regional Society drawing exclusively from a base of support in New England and Quebec, ACA now stands poised to expand nationally. With the expansion, ACA’s fraternal arm, while continuing to draw upon its traditional base, will additionally profit from adapting to the Francophone and Francophile interests in new territories throughout the United States and Canada.

Overview of Fraternal Programming

The Fraternal Department (FD) accomplishes its mission through various programs and services. These include:

1. Chapter support: The FD provides aid to established local chapters in planning and executing their projects. This includes clerical, promotional and event-planning support as well as guidance and oversight to insure adherence to Society policies.
2. Development: The FD establishes new chapters in new and existing territories, reorganizes chapters in need of assistance, and provides the support necessary for making these chapters self-sufficient. This category also includes the related networking required as groundwork for establishing ACA’s fraternal presence in an area.
3. French Cultural Events: The FD coordinates ACA participation in various festivals, celebrations and community/school presentations. These events may be

focused on language, culture or heritage, either in the more traditional French-Canadian context or within the larger framework of “La francophonie mondiale.”

4. **Special Cultural Projects:** The FD organizes various projects that do not fit directly into any of the preceding categories. These include special enrichment programs like Camp Canado, the French in North America Calendar, National Fraternal Meetings, and the archives project.
5. **Educational Fund:** The FD is sub-contracted to administer the ACA Educational Fund. While an ambitious fund-raising program is being developed by that separate entity, the details and their implication on the FD are not included in this report.

Plan for 2005-2007.

Chapter support. Throughout the upcoming three years, the FD will be focused on reducing chapter paperwork through computerization, increasing communication between chapters and members, and initiating/rewarding projects that add substance and variety to the chapters’ yearly plans. The FD assesses that roughly half of the Society’s existing chapters have chapter officers who, due to advanced age, have very limited interest and/or ability to adapt their activities to meet the needs of younger, more family-oriented members. Combined with the fact that these officers are volunteers and that there is an inherent autonomy granted to chapters judged to be “in good standing,” it is assumed that there will be certain impediments to the achievement of these objectives. It is further anticipated that despite the aggressive efforts to establish new chapters, the overall number of chapters will decrease over the period. The remaining chapters, however, will be stronger and more collaborative than the current mix. The FD’s approach will be to provide the current level of support (and subsidies) to these chapters (as mandated in the Administrative Procedures) while utilizing additional funding to additionally subsidize those chapters which demonstrate the greatest ability to adapt to the Society’s changing needs.

OBJECTIVES:

Objective (chapters participating)	2005	2006	2007
Electronic Communication	11	15	20
Electronic Filing of Reports	11	15	20
Electronic Press Releases to Media	11	15	20
Newsletter to active chapter members	8	12	15

Development. Over the period, the FD will put more resources and energy into development than in recent years. This attention will be split between establishment of new chapters in new territories and the reorganization/replacement of chapters in existing territories.

In examining the development goals, it is assumed that:

- The formal establishment of a chapter usually requires between 6-12 months of groundwork (establishing contacts, publicizing the Society, initial event, etc.)
- A chapter needs two years of extra support in order to assure successful long-term establishment. Development coordinators will be charged to provide that additional assistance during the two-year period following chapter establishment.

In Canada, chapter development will expand both westward and eastward from the established regions of Quebec and New Brunswick. Collaboration with Richelieu International and the systems of “Centres Communautaires” should aid in this development.

In the United States, development will focus on expanding into the Southern states of Florida and Louisiana while replacing chapters in the Northeast, above all in regions with a high concentration of Franco-Americans where chapters previously existed. Richelieu International collaboration should be helpful in these instances as well. Expansion into the Mid-Atlantic states will also be an eventual goal, perhaps through collaboration with local chapters of Alliance Française.

University chapters will be added with the intention of promoting collaboration and exchange opportunities with other university chapters. The projection is made assuming the success of the model. These chapters may be substituted for regular chapters.

In all cases, expansion will be opportunistic, adapting to the possibilities that present themselves. The objectives below represent the projected regions for focus during the period. Actual regions may be changed as dictated by member interest and department priorities. Ongoing additional support will be required for those chapters established during the preceding 2 years.

1. OBJECTIVES

Year	Canada	United States
2005	3 Chapters: Existing territory (Quebec/NB) (2) & one eastern province (Maritime/Ontario) (1)	3 Chapters: Maine/CT (2) & either Florida or Louisiana (1) Additionally, reinvigorating Manchester
2006	3 Chapters: Existing territory or eastern province (2) & one province West of Ontario (1)	3 Chapters: New England (2) & either Florida or Louisiana (1)
2007	3 Chapters: Existing territory (1) & Western Province (2)	3 Chapters: New England (2) & Two Southern States (2)

Note: Mid-Atlantic development will begin in 2007 but the establishment of a chapter in that area is projected for 2008.

French Cultural Events. Throughout the projected period, the FD will continue to support the chapter presentations in schools, hoping to augment the number of participating chapters. By the close of 2004, ACA will have been involved in 9 festivals, with participation ranging from donations to performer sponsorship to a tangible presence (manned display kiosk). The FD will continue to support these festivals during the period.

In 2005, the FD will enhance its involvement in Quebec activities through collaboration with the Maison de la Francophonie. Additionally, the FD will expand its presence at Canadafest.

In 2006, the FD will further look for appropriate festivals in Ontario, perhaps focusing on Ottawa.

In 2007, some involvement in Western Canada and/or a Mid-Atlantic state will be planned.

Special Cultural Projects. Special projects include Camp Canado, *Le Canado-Américain*, National/International Fraternal Activities, Spelling Bee and Calendar.

Le Canado-Américain, has no “growth” goals over the period, although an annual review of content and production costs will be conducted to improve the quality and affordability of the magazine.

OBJECTIVES

	2004	2005	2006	2007
* Camp Canado	1 week 10 campers	1 week 20 campers	2 weeks 20 campers	2 weeks 30 campers
Family Weekend (Cultural Exchange)	N/A	3 days 15 people	2 – 3 day exchange (20)	2 – 3 day exchange (20)
Fraternal Meetings	National (2)	International	(Convention)	International
French Spelling Bee	N/A	(Planning)	NH (Spring)	Northern N.E. (Spring)
Calendar				
Archives	Survey	(progress)	E-database	NA (Maintain)

* Strategy may be adapted based on experience from 2004 camp in July.

Personnel Summary.

In 2004, the FD consists of the following:

Director (1.0 FTE); Assistant (1.0 FTE)

Canadian Development Coordinator (0.5 FTE)

Ed Fund Program Assistant (0.5 FTE); Archivist (0.5 FTE)

(The latter two roles are currently combined into one full-time position.)

Total: 3.5 FTE's.

In order to attain the previously stated objectives, the FD will augment its staff over the period.

2005: Add 0.5 FTE for Northeast US development
Add 0.5 FTE for Cultural Projects Coordinator

2006: Add 0.5 FTE in Southeastern US development
Add 0.5 FTE in Canadian development

2007: Add 0.5 FTE in Western Canadian development

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The next revision of this business and fraternal plan will contain:

- Sales objectives by specific product
- Product-by-product profitability analysis, further revised from prior efforts
- Better competitive analysis