

ANNUAL STATEMENT

OF THE

Workmen's Benefit Fund of the USA

of

in the state of

New York

TO THE

Insurance Department

OF THE

Board of Directors

FOR THE YEAR ENDED

December 31, 2017

FRATERNAL

2017

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	31,373,005		31,373,005	31,416,012
2. Stocks (Schedule D):				
2.1 Preferred stocks	33,717		33,717	33,717
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				109,075
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 384,076, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	384,076		384,076	738,487
6. Contract loans (including \$ 0 premium notes)	781,362		781,362	858,648
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets	10,000		10,000	10,000
12. Subtotals, cash and invested assets (Lines 1 to 11)	32,582,160		32,582,160	33,165,939
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	523,058		523,058	530,152
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	830		830	1,400
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	72,000		72,000	139,332
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	9,605		9,605	9,605
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	33,187,653		33,187,653	33,846,428
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	33,187,653		33,187,653	33,846,428

DETAILS OF WRITE-IN LINES				
1101. In Trust for Minor Beneficiary	19,634	19,634		
1102. Property Tax Refund	10,000		10,000	10,000
1103. Cash in Minor Beneficiary	(19,634)	(19,634)		
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	10,000		10,000	10,000
2501. SECURITY DEPOSIT	9,605		9,605	9,605
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	9,605		9,605	9,605

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Aggregate reserve for life contracts (Exhibit 5, Line 9999999) (including \$ 0 Modco Reserve)	29,861,226	30,395,819
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 16, Col. 1) (including \$ 0 Modco Reserve)	88,912	99,221
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$ 0 Modco Reserve)	964,772	964,366
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10 and 11)	127,963	270,733
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10 and 11)	3,000	3,000
5. Refunds due and unpaid (Exhibit 4, Line 10)		
6. Provisions for refunds payable in following calendar year-estimated amounts:		
6.1 Apportioned for payment		
6.2 Not yet apportioned		
7. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ 0 discount; including \$ 0 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Lines 4 and 14)	22,365	15,608
8. Contract liabilities not included elsewhere:		
8.1 Surrender values on canceled contracts		
8.2 Other amounts payable on reinsurance including \$ 0 assumed and \$ 0 ceded		
8.3 Interest maintenance reserve (IMR, Line 6)	500,759	561,703
9. Commissions to fieldworkers due or accrued-life and annuity contracts \$ 0; accident and health \$ 0 and deposit-type contract funds \$ 0		
10. Commissions and expense allowances payable on reinsurance assumed		
11. General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	21,338	11,813
12. Transfers to Separate Accounts due or accrued (net) (including \$ 0 accrued for expense allowances recognized in reserves)		
13. Taxes, licenses and fees due or accrued (Exhibit 3, Line 8, Col. 6)	70,029	56,000
14. Unearned investment income		
15. Amounts withheld or retained by Society as agent or trustee	64,193	69,306
16. Amounts held for fieldworkers' account, including \$ 0 fieldworkers' credit balances		
17. Remittances and items not allocated		
18. Net adjustment in assets and liabilities due to foreign exchange rates		
19. Liability for benefits for employees and fieldworkers if not included above		
20. Borrowed money \$ 0 and interest thereon \$ 0		
21. Miscellaneous liabilities:		
21.1 Asset valuation reserve (AVR, Line 16, Col. 7)	260,342	349,802
21.2 Reinsurance in unauthorized and certified (\$ 0) companies		
21.3 Funds held under reinsurance treaties with unauthorized and certified (\$ 0) reinsurers		
21.4 Payable to subsidiaries and affiliates		
21.5 Drafts outstanding		
21.6 Funds held under coinsurance		
21.7 Derivatives		
21.8 Payable for securities		
21.9 Payable for securities lending		
22. Aggregate write-ins for liabilities		
23. Total liabilities excluding Separate Accounts business (Lines 1 to 22)	31,984,899	32,797,371
24. From Separate Accounts statement		
25. Total liabilities (Lines 23 and 24)	31,984,899	32,797,371
26. Aggregate write-ins for other than liabilities and surplus funds		
27. Surplus notes		
28. Aggregate write-ins for surplus funds		
29. Unassigned funds	1,202,754	1,049,057
30. Total (Lines 26 through 29) (Page 4, Line 47) (including \$ 0 in Separate Accounts statement)	1,202,754	1,049,057
31. Totals (Lines 25 + 30) (Page 2, Line 28, Col. 3)	33,187,653	33,846,428

DETAILS OF WRITE IN-LINES		
2201.	NONE	
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)		
2601.	NONE	
2602.		
2603.		
2698. Summary of remaining write-ins for Line 26 from overflow page		
2699. Totals (Lines 2601 through 2603 plus 2698) (Line 26 above)		
2801.	NONE	
2802.		
2803.		
2898. Summary of remaining write-ins for Line 28 from overflow page		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)		

SUMMARY OF OPERATIONS

	1	2
	Current Year	Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1)	911,499	1,007,762
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	1,692,966	1,722,322
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	96,350	127,473
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)		
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	246	657
9. Totals (Lines 1 to 8.3)	2,701,061	2,858,214
10. Death benefits	1,140,129	724,617
11. Matured endowments (excluding guaranteed annual pure endowments)	43,328	25,258
12. Annuity benefits	766,671	664,133
13. Disability benefits and benefits under accident and health contracts, including premiums waived \$ 0	35,592	33,536
14. Surrender benefits and withdrawals for life contracts	301,742	383,117
15. Interest and adjustments on contract or deposit-type contract funds	68,121	83,613
16. Payments on supplementary contracts with life contingencies	22,292	39,067
17. Increase in aggregate reserve for life and accident and health contracts	(544,901)	(246,832)
18. Totals (Lines 10 to 17)	1,832,974	1,706,509
19. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1 less Column 5)	29,605	34,814
20. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1 less Col. 5)		
21. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Cols. 1, 2, 3, 4 and 6)	723,816	736,474
22. Insurance taxes, licenses and fees (Exhibit 3, Line 6, Cols. 1, 2, 3 and 5)	46,368	50,518
23. Increase in loading on deferred and uncollected premiums	(293)	(749)
24. Net transfers to or (from) Separate Accounts net of reinsurance		
25. Aggregate write-ins for deductions		
26. Totals (Lines 18 to 25)	2,632,470	2,527,566
27. Net gain from operations before refunds to members (Line 9 minus Line 26)	68,591	330,648
28. Refunds to members (Exhibit 4, Line 17, Cols. 1 + 2)		
29. Net gain from operations after refunds to members and before realized capital gains (losses) (Line 27 minus Line 28)	68,591	330,648
30. Net realized capital gains (losses) less capital gains tax of \$ 0 (excluding \$ 35,405 transferred to the IMR)		
31. Net income (Lines 29 + 30)	68,591	330,648
SURPLUS ACCOUNT		
32. Surplus, December 31, prior year (Page 3, Line 30, Col. 2)	1,049,057	784,267
33. Net income from operations (Line 31)	68,591	330,648
34. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0		
35. Change in net unrealized foreign exchange capital gain (loss)		
36. Change in nonadmitted assets		
37. Change in liability for reinsurance in unauthorized and certified companies		
38. Change in reserve on account of change in valuation basis (increase) or decrease		
39. Change in asset valuation reserve	89,460	(56,393)
40. Surplus (contributed to) withdrawn from Separate Accounts during period		
41. Other changes in surplus in Separate Accounts statement		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Change in surplus as a result of reinsurance		
45. Aggregate write-ins for gains and losses in surplus	(4,356)	(9,465)
46. Net change in surplus for the year (Lines 33 through 45)	153,695	264,790
47. Surplus December 31, current year (Lines 32 + 46) (Page 3, Line 30)	1,202,752	1,049,057
DETAILS OF WRITE-IN LINES		
08.301 Membership and Sundry	246	657
08.302		
08.303		
08.398 Summary of write-ins for Line 08.3 from overflow page		
08.399 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 08.3 above)	246	657
2501.		
2502.		
2503.		
2598. Summary of write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
4501. Sundry Loss	(170)	(4,838)
4502. Fraternal Fund	(4,186)	(4,627)
4503.		
4598. Summary of write-ins for Line 45 from overflow page		
4599. Totals (Lines 4501 through 4503 plus 4598) (Line 45 above)	(4,356)	(9,465)

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	918,706	1,006,353
2. Net investment income	1,913,510	1,943,277
3. Miscellaneous income	246	657
4. Total (Lines 1 through 3)	2,832,462	2,950,287
5. Benefit and loss related payments	2,452,926	2,021,963
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	787,710	837,162
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	3,240,636	2,859,125
11. Net cash from operations (Line 4 minus Line 10)	(408,174)	91,162
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,310,999	2,067,750
12.2 Stocks		
12.3 Mortgage loans	109,075	23,180
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,420,074	2,090,930
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,367,392	1,958,078
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,367,392	1,958,078
14. Net increase (decrease) in contract loans and premium notes	(77,286)	(45,360)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	129,968	178,212
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(67,312)	(83,143)
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(8,894)	(108,386)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(76,206)	(191,529)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(354,412)	77,845
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	738,488	660,643
19.2 End of year (Line 18 plus Line 19.1)	384,076	738,488

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		

EXHIBIT 2 – GENERAL EXPENSES

	Insurance				5 Investment	6 Fraternal	7 Total
	1 Life	2 Accident and Health		4 Aggregate of All Other Lines of Business			
		Cost Containment	3 All Other				
1. Rent	32,468		4,496		5,495	7,493	49,952
2. Salaries and wages	227,253		31,466		38,458	52,443	349,620
3.11 Insured benefit plans for employees	37,344		5,171		6,320	8,618	57,453
3.12 Insured benefit plans for fieldworkers							
3.21 Uninsured benefit plans for employees							
3.22 Uninsured benefit plans for fieldworkers							
3.31 Other employee welfare	3,708		513		627	856	5,704
3.32 Other fieldworker welfare							
4.1 Legal fees and expenses	511		36		350		897
4.2 Medical examination fees	2,430		570				3,000
4.3 Inspection report fees	235						235
4.4 Fees of public accountants and consulting actuaries	96,619		7,432		2,124		106,175
4.5 Expense of investigation and settlement of certificate claims	175		31				206
5.1 Traveling expenses	4,567		397		695	4,269	9,928
5.2 Advertising	366						366
5.3 Postage express, telegraph and telephone	11,512		1,594		1,948	2,657	17,711
5.4 Printing and stationery	3,959		548		670	914	6,091
5.5 Cost or depreciation of furniture and equipment							
5.6 Rental of equipment							
5.7 Cost or depreciation of EDP equipment and software	28,166		3,900		4,767	6,500	43,333
5.8 Lodge supplies less \$ 0 from sales							
6.1 Books and periodicals	2,442		338		413	564	3,757
6.2 Bureau and association fees	204		28		35	47	314
6.3 Insurance, except on real estate	16,212		2,245		2,744	3,741	24,942
6.4 Miscellaneous losses							
6.5 Collection and bank service charges	2,231		309		378	515	3,433
6.6 Sundry general expenses	3,652		506		618	843	5,619
7.1 Field expense allowance							
7.2 Fieldworkers' balances charged off (less \$ 0 recovered)							
7.3 Field conferences other than local meetings							
8.1 Official publication						11,831	11,831
8.2 Expense of supreme lodge meetings						10,000	10,000
9.1 Real estate expenses					2,643		2,643
9.2 Investment expenses not included elsewhere					143		143
9.3 Aggregate write-ins for expenses	27,469		3,803		4,649	47,623	83,544
10. General expenses incurred	501,523		63,383		73,077	(a) 158,914	(b) 796,897
11. General expenses unpaid December 31, prior year	7,493		1,009		1,252	2,059	11,813
12. General expenses unpaid December 31, current year	13,777		1,896		2,328	3,337	21,338
13. General expenses paid during year (Lines 10 + 11 - 12)	495,239		62,496		72,001	157,636	787,372

DETAILS OF WRITE-IN LINES							
09.301 EDP SERVICES	27,469		3,803		4,649	6,339	42,260
09.302 NEB AND COMMITTEES						41,284	41,284
09.303							
09.398 Summary of remaining write-ins for Line 09.3 from overflow page							
09.399 Totals (Lines 09.301 through 09.303 plus 09.398) (Line 09.3 above)	27,469		3,803		4,649	47,623	83,544

- (a) Show the distribution of this amount in the following categories:
 1. Charitable \$ 0; 2. Institutional \$ 0; 3. Recreational and Health \$ 0; 4. Educational \$ 31,782;
 5. Religious \$ 0; 6. Membership \$ 127,129; 7. Other \$ 0; 8. Total \$ 158,911;
- (b) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT 3 – TAXES, LICENSES AND FEES

	Insurance			4 Investment	5 Fraternal	6 Total
	1 Life	2 Accident and Health				
		3 Aggregate of All Other Lines of Business				
1. Real estate taxes						
2. State insurance department licenses and fees	15,924	2,205		2,695	3,675	24,499
3. Other state taxes, incl. \$ for employee benefits	733	102		124	169	1,128
4. U.S. Social Security taxes	17,175	2,378		2,907	3,964	26,424
5. All other taxes	36	3		5	4	48
6. Taxes, licenses and fees incurred	33,868	4,688		5,731	7,812	52,099
7. Taxes, licenses and fees unpaid December 31, prior year	36,400	5,040		6,160	8,400	56,000
8. Taxes, licenses and fees unpaid December 31, current year	45,519	6,303		7,703	10,504	70,029
9. Taxes, licenses and fees paid during year (Lines 6 + 7 - 8)	24,749	3,425		4,188	5,708	38,070

EXHIBIT 4 – DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total (Lines 1 to 4)		
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund		
9. Total (Lines 5 to 8)		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total (Line 10 through Line 14)		
16. Total from prior year		
17. Total dividend or refunds (Line 9 + 15 - 16)		

NONE

DETAILS OF WRITE-IN LINES		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 08 from overflow page		
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 08 above)		

NONE