

ANNUAL STATEMENT

OF THE

WORKMEN'S BENEFIT FUND OF THE USA

of

STATE OF

NEW YORK

TO THE

Insurance Department

OF THE

BOARD OF DIRECTORS

FOR THE YEAR ENDED

December 31, 2019

LIFE AND ACCIDENT AND HEALTH FRATERNAL BENEFIT SOCIETIES

2019

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)	30,950,822		30,950,822	31,276,833
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				
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 (\$ 186,057, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	186,057		186,057	664,043
6. Contract loans (including \$ 0 premium notes)	580,569		580,569	704,014
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				
12. Subtotals, cash and invested assets (Lines 1 to 11)	31,751,165		31,751,165	32,678,607
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	462,412		462,412	510,935
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	600		600	660
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	70,594		70,594	
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	52,876		52,876	48,000
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)	32,347,252		32,347,252	33,247,807
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	32,347,252		32,347,252	33,247,807

DETAILS OF WRITE-IN LINES				
1101. In Trust for Minor Beneficiary	6,615	6,615		
1102. Cash in Minor Beneficiary	(6,615)	(6,615)		
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
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 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 29,018,393 (Exhibit 5, Line 9999999) less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	29,018,393	29,783,442
2. Aggregate reserve for accident and health contracts (including \$ 0 Modco Reserve)	68,097	79,967
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ 0 Modco Reserve)	861,855	932,395
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	301,787	194,902
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	3,000	3,000
5. Policyholders' dividends/refunds to members \$ 0 and coupons \$ 0 due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year -- estimated amounts		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ 0 Modco)		
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ 0 Modco)		
6.3 Coupons and similar benefits (including \$ 0 Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. 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, Col. 1, sum of Lines 4 and 14)	9,824	11,755
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ 0 accident and health experience rating refunds of which \$ 0 is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ 0 assumed and \$ 0 ceded		
9.4 Interest Maintenance Reserve (IMR, Line 6)	431,550	467,471
10. Commissions to agents due or accrued-life and annuity contracts \$ 0 accident and health \$ 0 and deposit-type contract funds \$ 0		
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	103,316	34,786
13. Transfers to Separate Accounts due or accrued (net) (including \$ 0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6)		70,000
15.1 Current federal and foreign income taxes, including \$ 0 on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income		
17. Amounts withheld or retained by reporting entity as agent or trustee	23,553	20,632
18. Amounts held for agents' account, including \$ 0 agents' credit balances	166	
19. Remittances and items not allocated		
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ 0 and interest thereon \$ 0		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	317,247	253,069
24.02 Reinsurance in unauthorized and certified \$ (0) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified \$ (0) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates		
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities		
24.10 Payable for securities lending		
24.11 Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	31,138,788	31,851,419
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	31,138,788	31,851,419
29. Common capital stock		
30. Preferred capital stock		
31. Aggregate write-ins for other-than-special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)		
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	1,208,464	1,396,389
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 29 \$ 0)		
36.2 0 shares preferred (value included in Line 30 \$ 0)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ 0 in Separate Accounts Statement)	1,208,464	1,396,389
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	1,208,464	1,396,389
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	32,347,252	33,247,808

DETAILS OF WRITE-IN LINES		
2501.	NONE	
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)		
3101.	NONE	
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401.	NONE	
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 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, less Col. 11)	726,887	981,568
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	1,597,036	1,652,932
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	44,787	74,654
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	517	10,261
9. Totals (Lines 1 to 8.3)	2,369,227	2,719,415
10. Death benefits	959,246	841,708
11. Matured endowments (excluding guaranteed annual pure endowments)	21,918	18,480
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	919,850	486,470
13. Disability benefits and benefits under accident and health contracts	38,255	40,627
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	455,177	352,653
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	61,186	62,625
18. Payments on supplementary contracts with life contingencies	18,653	18,677
19. Increase in aggregate reserves for life and accident and health contracts	(776,922)	(86,730)
20. Totals (Lines 10 to 19)	1,697,363	1,734,510
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	19,959	26,278
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)		
23. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Columns 1, 2, 3, 4 and 6)	810,111	672,482
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5)	(25,688)	34,592
25. Increase in loading on deferred and uncollected premiums	226	139
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		
28. Totals (Lines 20 to 27)	2,501,971	2,468,001
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	(132,744)	251,414
30. Dividends to policyholders and refunds to members		
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	(132,744)	251,414
32. Federal and foreign income taxes incurred (excluding tax on capital gains)		
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(132,744)	251,414
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 0 (excluding taxes of \$ 0 transferred to the IMR)	(12,151)	(30,020)
35. Net income (Line 33 plus Line 34)	(144,895)	221,394
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	1,396,389	1,202,752
37. Net income (Line 35)	(144,895)	221,394
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	28,752	(29,082)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax		
41. Change in nonadmitted assets		
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease		
44. Change in asset valuation reserve	(63,638)	7,273
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders		
53. Aggregate write-ins for gains and losses in surplus	(8,144)	(5,948)
54. Net change in capital and surplus for the year (Lines 37 through 53)	(187,925)	193,637
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	1,208,464	1,396,389

DETAILS OF WRITE-IN LINES		
08.30 Membership and Sundry Gains	517	10,261
08.30		
08.30		
08.39 Summary of write-ins for Line 08.3 from overflow page		
08.39 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 08.3 above)	517	10,261
2701.		
2702.		
2703.		
2798. Summary of write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
5301. Sundry Loss/Gain		(1,236)
5302. Fraternal Fund	(8,144)	(4,712)
5303.		
5398. Summary of write-ins for Line 53 from overflow page		
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	(8,144)	(5,948)

NONE

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	725,286	970,778
2. Net investment income	1,852,516	1,869,310
3. Miscellaneous income	517	20,261
4. Total (Lines 1 through 3)	2,578,319	2,860,349
5. Benefit and loss related payments	2,377,535	1,691,146
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	883,007	789,600
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)	3,260,542	2,480,746
11. Net cash from operations (Line 4 minus Line 10)	(682,223)	379,603
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	3,950,693	1,183,070
12.2 Stocks		
12.3 Mortgage loans		
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)	3,950,693	1,183,070
13. Cost of investments acquired (long-term only):		
13.1 Bonds	3,729,020	1,240,234
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)	3,729,020	1,240,234
14. Net increase (decrease) in contract loans and premium notes	(123,445)	(77,347)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	345,118	20,183
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	(125,538)	(95,531)
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(16,107)	(24,273)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(141,645)	(119,804)
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)	(478,750)	279,982
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	664,058	384,076
19.2 End of year (Line 18 plus Line 19.1)	185,308	664,058

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 All Other Lines of Business			
		3 Cost Containment	3 All Other				
1. Rent	34,445		4,769		5,829	7,949	52,992
2. Salaries and wages	298,783		41,370		50,563	68,950	459,666
3.11 Contributions for benefit plans for employees	37,326		5,168		6,317	8,614	57,425
3.12 Contributions for benefit plans for agents							
3.21 Payments to employees under non-funded benefit plans							
3.22 Payments to agents under non-funded benefit plans							
3.31 Other employee welfare	4,275		592		723	987	6,577
3.32 Other agent welfare							
4.1 Legal fees and expenses	1,000		70		684		1,754
4.2 Medical examination fees							
4.3 Inspection report fees	111						111
4.4 Fees of public accountants and consulting actuaries	111,923		8,609		2,460		122,992
4.5 Expense of investigation and settlement of policy claims							
5.1 Traveling expenses	3,831		333		583	3,581	8,328
5.2 Advertising	293						293
5.3 Postage, express, telegraph and telephone	9,954		1,378		1,685	2,297	15,314
5.4 Printing and stationery	1,736		240		294	401	2,671
5.5 Cost or depreciation of furniture and equipment							
5.6 Rental of equipment							
5.7 Cost or depreciation of EDP equipment and software							
6.1 Books and periodicals	3,440		476		582	794	5,292
6.2 Bureau and association fees	211		29		36	49	325
6.3 Insurance, except on real estate	16,403		2,271		2,776	3,785	25,235
6.4 Miscellaneous losses							
6.5 Collection and bank service charges	1,448		200		245	334	2,227
6.6 Sundry general expenses	3,404		471		576	786	5,237
6.7 Group service and administration fees							
6.8 Reimbursements by uninsured plans							
7.1 Agency expense allowance							
7.2 Agents' balances charged off (less \$ 0 recovered)							
7.3 Agency conferences other than local meetings							
8.1 Official publication (Fraternal Benefit Societies Only)	XXX	XXX	XXX	XXX	XXX	18,985	18,985
8.2 Expenses of supreme lodge meetings (Fraternal Benefit Societies Only)	XXX	XXX	XXX	XXX	XXX	16,556	16,556
9.1 Real estate expenses					1,755		1,755
9.2 Investment expenses not included elsewhere					216		216
9.3 Aggregate write-ins for expenses	29,584		4,096		5,006	47,802	86,488
10. General expenses incurred	558,167		70,072		80,330	(b) 181,870	(a) 890,439
11. General expenses unpaid December 31, prior year	22,831		2,973		3,566	5,416	34,786
12. General expenses unpaid December 31, current year	69,557		9,082		10,477	14,199	103,315
13. Amounts receivable relating to uninsured plans, prior year							
14. Amounts receivable relating to uninsured plans, current year							
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	511,441		63,963		73,419	173,087	821,910

DETAILS OF WRITE-IN LINES							
09.301. EDP SERVICES	29,584		4,096		5,006	6,827	45,513
09.302. NEB AND COMMITTEES						40,975	40,975
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)	29,584		4,096		5,006	47,802	86,488

(a) Includes management fees of \$ 0 to affiliates and \$ 0 to non-affiliates.
 (b) Show the distribution of this amount in the following categories (Fraternal Benefit Societies Only):
 1. Fraternal \$ 0 2. Institutional \$ 0 3. Recreational and Health \$ 0 4. Educational \$ 36,374
 5. Religious \$ 0 6. Membership \$ 145,495 7. Other \$ 0 8. Total \$ 181,869

EXHIBIT 3 – TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Fraternal	6 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business			
1. Real estate taxes						
2. State insurance department licenses and fees						
3. State taxes on premiums	(37,345)	(5,171)		(6,320)	(8,618)	(57,454)
4. Other state taxes, incl. \$ 0 for employee benefits	228	32		39	53	352
5. U.S. Social Security taxes	18,356	2,542		3,106	4,236	28,240
6. All other taxes						
7. Taxes, licenses and fees incurred	(18,761)	(2,597)		(3,175)	(4,329)	(28,862)
8. Taxes, licenses and fees unpaid December 31, prior year	45,500	6,300		7,700	10,500	70,000
9. Taxes, licenses and fees unpaid December 31, current year						
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	26,739	3,703		4,525	6,171	41,138

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 through 4		
6. Paid-in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 through 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 Lines 10 through 14		
16. Total from prior year		
17. Total dividends or refunds (Lines 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