

1937--PENNSYLVANIA FRATERNAL BENEFIT SOCIETIES-VALUATION REPORT

Made by Lithuanian Roman Catholic Alliance of America as of December 31, 1937, to the Insurance Department of Commonwealth of Pennsylvania, pursuant to the requirements of law.

- 23. A synopsis of the forms of certificates and the formulas employed for valuing the benefits and contributions under each form, together with the amount of insurance in force, must be given by the actuary or accountant with answers to the following questions:
24. State the method of valuation used (whether level net premium, full preliminary term, straight modified preliminary term, Illinois Standard, etc.) Answer: Level Net Premium (Prospective Method on Whole Life -tabular Basis on all others).
25. (a) Have the negative reserves on individual certificates been eliminated from the Valuation Exhibit? Answer: Yes.
(b) What is the total amount of negative reserves on individual certificates? Answer: \$1,697.48.
(c) Does the society charge redundant net rates of contribution, i. e., net rates in excess of the tabular net rates (on the basis of the mortality table and interest assumptions used in the valuation)? Answer: Yes.
(d) If so, state the amount of the present value of such excess contributions, and also state the intended purpose thereof. Answer: \$161,694.48.

- 89. Instruction for Calculating Expected Mortality on the Gross Amount at Risk.
(a) \$68,981.88, qx+n times insurance in force December 31 of previous year.
(b) 69,841.05, qx+n times insurance in force December 31 of current year.
(c) 1,982.54, qx+n times Death losses incurred during the current year.
(d) \$140,805.48, Sum of items (a), (b) and (c), above. Divide item (d), by two to obtain:
(e) \$70,402.74, Expected gross death losses during the current year.
(f) The above calculations were made on basis of Nat'l Fraternal Congress and American Experience table of mortality.

County of Lackawanna } ss:
State of Pennsylvania }
R. Merriman, being duly sworn, deposes and says that he is the actuary who made the foregoing computations and answers to the questions above set forth concerning the condition of Lithuanian Roman Catholic Alliance of America, as of December 31, 1937, and that the same are correct and true to the best of his information, knowledge and belief.
Subscribed and sworn to before me this 19th day of February, 1938
ISABEL CAREY DURKIN, Notary Public
My Commission Expires March 7, 1939

VALUATION EXHIBIT

(Section 29 Method-Basis other than Accumulation)

Table with columns: Assets-Actual and Contingent (Excluding assets of expense and special funds), Liabilities-Actual and Contingent (Excluding liabilities of expense and special funds). Rows include: 28. Present mid year value of future net contributions... 29. Death only... 36. Total... 37. Assets available for payment of death losses... 38. Assets-Actual and Contingent-sum of items 36 and 37, above... 39. Present Mid-Year Value of promised benefits... 40. Death only... 47. Total... 49. Balance, item 47 less item 48, above... 51. Liabilities-Actual and Contingent-sum of items 49 and 50, above... 52. Ratio per cent. of Assets - Actual and Contingent - (Item 38) to Liabilities-Actual and Contingent - (Item 51)...

Form of Explanation for Publication

(N. B. The following is to be used only where the ratio of assets to liabilities is equal to or in excess of 100%.)
53. The above valuation indicates that, on the basis of the N. F. C. and American Experience table of mortality with interest at 4 and 3 1/2 per cent, the future assessments of the society, at the net rates now being collected together with the now invested assets, are sufficient to meet all certificates as they mature by their terms, with a margin of safety of \$214,078.35 (or 9.3% over and above the statutory standards.

SCHEDULE A

Table with columns: (1) Mortality and Interest Assumptions Used, (2) Form of Certificates, (3) Issued, (4) Certificates in Force, (5) Formula Used in Valuation. Rows include: (a) In Calculation of Rates, (b) NFC 4%, (c) Amer. Experience 3 1/2%, (d) Irregular Terms, (e) 20 Payment Life, (f) 440, (g) Totals.

EXPECTED AND ACTUAL MORTALITY ON GROSS AMOUNT AT RISK

Table with columns: Description, Amount. Rows include: 78. Expected mortality on gross amount at risk... \$70,402.74
79. Total death losses incurred during the year determined as follows: Death losses paid during the year including the commuted value of installment death losses \$96,198.47 (item 1, page 3 of annual statement), plus such death losses unpaid December 31 of current year \$26,862.89 (items 1-6, incl., page 5 of annual statement), and less such death losses unpaid December 31 of previous year \$20,511.36 (items 1-6, incl., page 5 of annual statement for said year), giving actual mortality on gross amount of risk. Plus rejection \$1,000.00... \$103,550.00
80. Ratio per cent. of actual (item 79, above) to expected mortality (item 78, above), on gross amount at risk during 1937... 147.1%
1936... 140.1%
1935... 165.1%
1934... 161.1%
1933... 128.8%

INTEREST INCOME FROM INVESTMENTS

(Excluding items belonging to general or expense funds)

Note. The figures entered in items 81 to 88, inclusive, below should relate to benefit funds only. The general or expense fund figures are to be excluded from these items. For example: The interest, dividends and rents and investment expenses of general or expense fund are to be excluded from items 81 to 87, inclusive, below; and in calculating the percentages shown in items 86, 87 and 88 below, the assets of general or expense funds are to be excluded.
81. Interest, dividends and rents received during the year, per items 11 to 17, inclusive, page 2 of the annual statement (less item 43, page 3, and less \$36.62 amortization and plus \$675.33 accrual)... \$52,518.67
82. Add the excess of interest and rents due and accrued over interest and rents paid in advance December 31 of current year determined as follows: Item 17, page 4, less the interest in item 10, page 5, of annual statement... \$15,628.90
83. Total... \$68,147.57
84. Deduct the excess of interest and rents due and accrued over interest and rents paid in advance December 31 of previous year determined as follows: Item 17, page 4, less the interest in item 10, page 5, of previous year's annual statement... 14,236.13
85. Interest earned during the year, item 83 less item 84 above (4.2 per cent. of mean ledger assets less one-half of interest earned)... \$53,910.74
86. Investment expenses paid during the year \$4,255.35, plus \$105.80 unpaid December 31 of current year, less \$ none unpaid December 31 of previous year, giving incurred investment expenses (averaging 0.83 per cent. of mean ledger assets)... 4,361.15
87. Net interest (including rents) on investment of benefit funds, item 85 less item 86, above (3.8 per cent. of mean ledger assets less one-half of net interest income from investments)... \$49,549.59
88. Net rate of interest earned on benefit funds during 1937... 3.8%
1936... 3.7%
1935... 3.5%
1934... 3.5%
1933... 3.7%

ANNUAL STATEMENT

Of The LITHUANIAN ROMAN CATHOLIC ALLIANCE OF AMERICA TO THE DEPARTMENT OF INSURANCE OF THE STATE OF ILLINOIS

For The Year Ended December 31, 1937

IV-LEDGER ASSETS

Table with columns: Description, Amount. Rows include: 1. Book value of Real estate (less \$ None incumbrances), per Schedule A... 116,815.08
2. Mortgage Loans on Real Estate, per Schedule B, first liens... 97,177.33
5. Book value of Bonds, \$1,006,439.11; Stocks, \$27,543.42, per Schedule D... 1,033,982.53
6. Cash in society's office... 64.32
7. Deposits in trust companies and banks not on interest, per Schedule N... 33,099.08
8. Deposits in trust companies and banks on interest, per Schedule N... 78,431.77
9. Orphans Trust Fund... 10,262.89
Dues from Orphan's Trust Fund... 112.04
10. Other ledger assets, viz: Furnitures and Fixtures... 8,237.67
Machinery and Equipments... 7,197.20
Books, Emblems and Supplies... 4,216.16
12. Total Ledger Assets, as per "Balance," column 6, page 3... 1,389,596.07

NON-LEDGER ASSETS

Table with columns: Description, Amount. Rows include: 13. Interest due, \$1,576.81 and accrued, \$574.22 on Mortgages... 2,151.03
15. Interest due, \$ None and accrued, \$11,917.72 on Bonds not in default, per Schedule D, Part 1... 11,917.72
16. Interest due, \$ None and accrued, \$567.15 on other Assets-Savings Accounts... 567.15
17. Rents due, \$993.00 and accrued, \$ None on Society's property or lease... 993.00
18. Total interest and rents due and accrued... 15,628.90
28. Gross Assets... 1,405,224.97

DEDUCT ASSETS NOT ADMITTED

Table with columns: Description, Amount. Rows include: 31. Deposits in suspended banks, less \$20,645.09 estimated amount recoverable... 19,560.46
32. Book value of Real Estate over market value, per Schedule A... 30,129.91
33. Book value of bonds over amortized value, per schedule D... 157,208.05
33A. Book value of stocks over market value, per Schedule D... 24,993.62
35. Other assets not admitted, viz: Furniture and Fixtures... 8,237.67
Machinery and Equipment... 7,197.20
Books, Emblems and Supplies... 4,216.16
38. Total Admitted Assets... 1,153,681.90

V- LIABILITIES, RESERVES AND UNASSIGNED FUNDS

Table with columns: Description, Amount. Rows include: 1. Deaths... 16,600.00
3. Sickness and Accident... 4,670.50
7. Total Claims... 21,270.50
11. Orphan's Trust Fund... 10,262.89
12. All other liabilities, viz: Supreme Medical Examiner's fee... 41.70
Actuary Services... 82.55
Bank's Trust Service... 800.81
Steam Heat... 105.80
16. Total Claims and Other Current Liabilities... 32,564.25
18. National Fraternal Congress Table of Mortality 4% interest... 865,828.61
19. American Experience Table of Mortality 3 1/2% interest (Adult)... 4,250.21
20. American Experience Table of Mortality 3 1/2% interest (Juvenile)... 1,256.52
23. Total Reserves... 871,335.34
26. Total Liabilities... 903,899.59
27. Unassigned Funds... 249,782.31
28. Total to Balance With Admitted Assets... 1,153,681.90

DISTRIBUTION OF ASSETS AND LIABILITIES ACCORDING TO FUNDS

Table with columns: (1) Mortuary Fund, (2) Disability Fund, (3) Welfare Fund, (4) Juvenile Fund, (5) Expense Fund, (6) Totals. Rows include: (a) Total Ledger Assets per "Balance," per item 49, page 3... \$1,328,463.10
(b) Add total interest and rents due and accrued, per item 18, page 4... 15,628.90
(d) Gross Assets, per item 28, page 4... \$1,344,092.00
(e) Deduct Assets, not admitted, per items 29-37, inclusive, page 4... 241,033.41
(f) Total Admitted Assets, per item 38, page 4... \$1,103,058.59
(g) Total unpaid claims and other current liabilities, per item 16, page 5... 26,968.69
(h) Reserves... 870,078.82
(j) Total liabilities and reserves, except unassigned funds... \$897,047.51
(k) Unassigned funds per item 27, page 5... 206,011.08
(l) Total to balance item 38, page 4... \$1,103,058.59

*Include herein all claims on certificates in force occurring prior to December 31st last of which the Society has received notice at the date on which this statement is executed, regardless of whether such was on Society's blanks or was given orally or by written communication.
Has this been done? Answer: Yes.

