



 | CUNA MUTUAL GROUP

# 2020

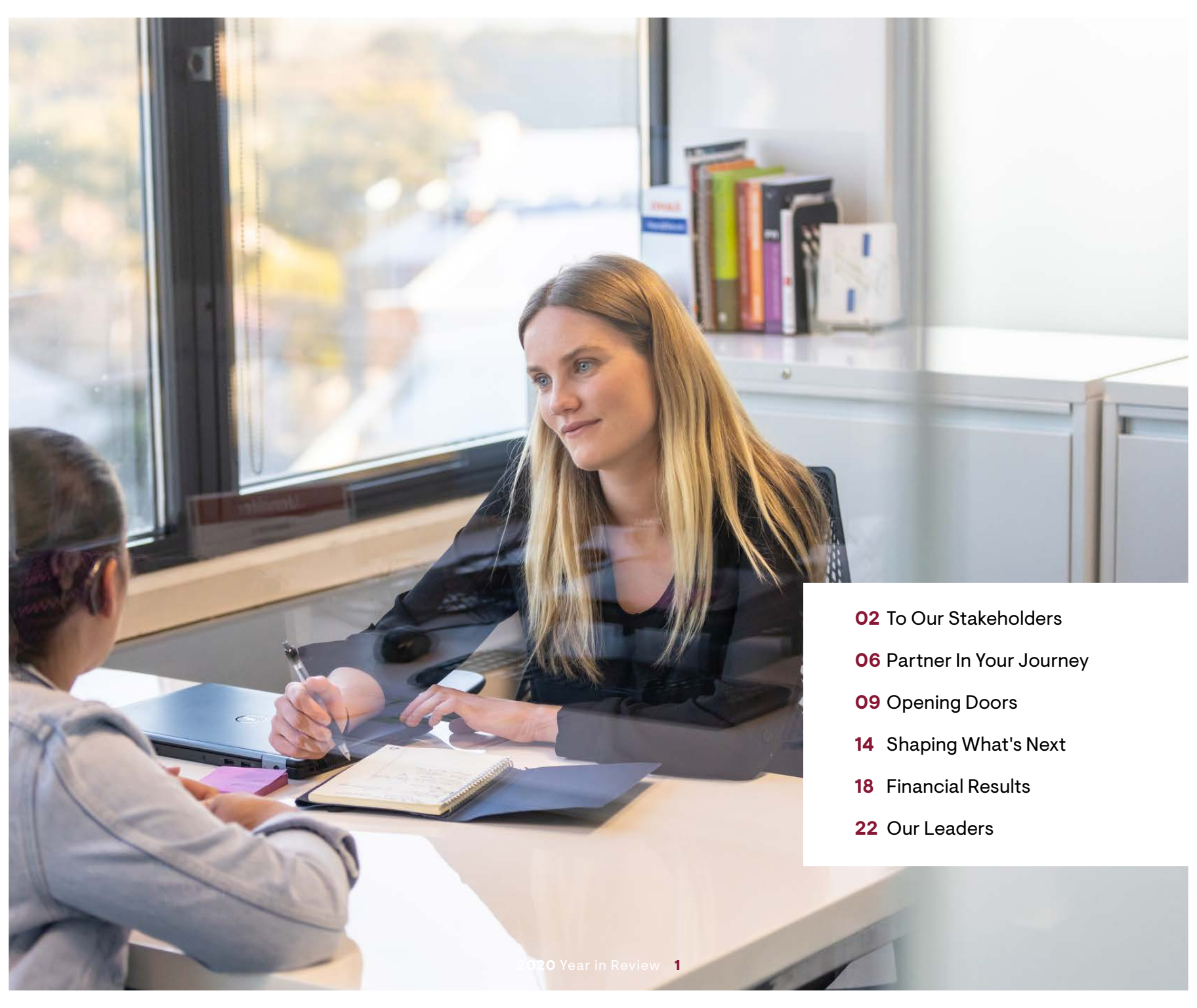
Year in Review

# We're **CUNA Mutual Group.**

We believe a brighter financial future should be accessible to everyone, no matter where they're starting from.

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Our organization was built on the principle of **people helping people,** a foundation as true today as it ever was. Our businesses share one unwavering promise: to enable more people, in more ways, to make financial decisions that work for them.



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# To Our Stakeholders

## Unexpected. Challenging. Remarkable. What a year 2020 was...

It was a year that insurance and financial services companies are made for. When the world was reeling, we provided our customers and their beneficiaries with nearly \$1.6 billion in benefits – including \$36.7 million in COVID-19 related life, credit life and involuntary unemployment claims.

We went into the pandemic knowing we were financially strong. Through strategic investments, acquisitions and adaptations to our operations, we ended the year with more than \$4 billion in revenue and \$146 million in net income – a testament to our ability to serve our nearly 30 million customers for generations to come.

Amid the unknown, the resiliency of our staff, partners and communities was moving. We found that when you put the health and well-being of your people first, they respond in unimaginable ways.

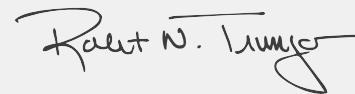
Seeing the need, our staff pledged and donated over \$700,000 of their own money to support our communities. The CUNA Mutual Group Foundation is matching those donations, providing a total of more than \$3.9 million to support economic security, education and emergency aid efforts.

Our staff also proactively created needed solutions for our customers like increased payment flexibility, expanded options to keep insurance protection, easier access to retirement funds, waived processing fees, and 38 percent of life claims paid within one day.

These teams are driven by the desire to meet the evolving needs of our diverse population and fill gaps in the marketplace to make a brighter financial future accessible to everyone. So, when it came time to reaffirm our commitment to diversity, equity and inclusion by issuing a public statement about where we stand on social justice, there was no question of how it aligned to our values.

The accomplishments of the past year are really a testament to our employees and their relentless pursuit to provide our customers with the best experience possible.

We're all pleased to put the challenges of 2020 behind us. It was a year that pushed us to think, do and be different. But, we will relish in all we learned as we continue to enable more people in more ways to make financial decisions that work for them.



**ROBERT N. TRUNZO**  
President & CEO

“ It was a year that pushed us to think, do and be different. But, we will relish in all we learned as we continue to enable more people in more ways to make financial decisions that work for them. ”

**ROBERT N. TRUNZO**

President & CEO



## Serving customer needs through our portfolio of solutions



## CUNA Mutual Group BY THE NUMBERS

NEARLY

**30 million**

**CONSUMERS**  
protected

**\$1.6 billion**

**BENEFITS**  
paid

**95%**

**OF CREDIT UNIONS**  
are our customers

**\$8.8 billion\***

**ANNUITY ASSETS**  
under management

**44,702**

**ADVISORS**  
in financial institutions  
nationwide

**\$32 million**

**CONTRIBUTED**  
to the credit union movement; \$147  
million over the last five years

\* Liabilities at \$8.8 billion

# Partner

In Your

# Journey

“ We continue to take significant steps forward as a consumer-centric organization. Not only can we say we’re here for our customers, we can show it through our commitment to a singular goal – effectively and efficiently meeting the needs of those who depend on us. ”

**DAVID SWEITZER**

EVP, CHIEF EXPERIENCE OFFICER



## CUNA Mutual Group

# Private Mortgage Insurance

Whether it's a starter home or a downsized retirement property, many of us dream of homeownership but the required deposit can so often keep that dream out of reach.

That's why in 2020, we expanded how we support credit unions and their members by partnering with Mortgage Guaranty Insurance Corporation.

The private mortgage insurance\* made available through this partnership eliminates the need for a 20 percent down payment, protects lenders with a financial guaranty and helps open the door to new homes, new happiness and new horizons.

\*Private Mortgage insurance is underwritten by Mortgage Guaranty Insurance Corporation

# Compliance Systems

## Being there for small businesses — and communities

As COVID-19 hit communities across the nation, countless small businesses were forced to limit their hours and services — and too many had to close altogether. Within weeks of the declared pandemic, Compliance Systems rolled out brand new software designed to assist credit unions offering Paycheck Protection Program (PPP) loans, helping to infuse billions of dollars into communities nationwide.



## CUNA Mutual Group

# Annuities

### Providing investors more protection for their assets

Today's retirement landscape is full of new risks – market unpredictability, inflation, low interest rates and more – and those risks only increased through the lens of COVID-19. To provide our investors a guaranteed rate of return while still protecting their nest eggs, we launched MaxProtect Fixed Annuity – a multi-year guaranteed annuity – in fall 2020.

MaxProtect\* offers investors an accessible, easy-to-understand retirement plan with steady growth and tax deferral, without having to worry about economic or market conditions. This means “market downturn” and “secure retirement” are two phrases that can be said confidently in the same sentence. Even though it's the newest addition to our annuity portfolio, MaxProtect led all others in number of mentions on Barron's Top 100 Annuities list.

BARRON'S



We're thrilled that several of our annuity products were included on BARRON'S LIST OF 100 BEST ANNUITIES<sup>1</sup> for the second year in a row.

\* Fixed Annuities are underwritten by CMFG Life Insurance Company. Base policy form numbers ICC20-SPDA AND 2020-SPDA.



# Opening Doors

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“ We work hard on creating equity in addition to our diversity and inclusion efforts. Building an equitable system takes into consideration that not everyone starts at the same place, and we are intentional in our efforts to try and level the playing field. ”

**CEDRIC ELLIS**

EVP, CHIEF ENTERPRISE  
SERVICES OFFICER



## Our Diversity, Equity and Inclusion Journey Continues

At CUNA Mutual Group, we know we're stronger because of the diverse backgrounds, skills, knowledge and perspectives of the people that touch our business — our customers and partners, our communities and our employees.

Few years in recent memory have highlighted the racial, economic and social disparities across our country more so than 2020 — through it all we actively sought more ways to listen to, learn from and advocate for the Black community and other marginalized populations.

Internally, our Diversity, Equity and Inclusion (DEI) Advisory Council took a greater role in guiding strategic directions to ensure we are considering “who is not at the table” as much as those who are. Additionally, nearly 3,500 employees (around 97 percent of our workforce) attended at least one of our virtual DEI Guest Speaker events, and our Employee Resource Groups continued to mature and influence the professional and personal lives of their members, colleagues and broader communities.

We also looked outward by co-founding and signing a Credit Union DEI Collective pledge and collaborating with Inclusiv to launch a Community Development Financial Institutions Awareness and Certification Campaign; helping more credit unions support underserved and minority communities.



## Making a Bigger Impact in Our Communities

Efforts of the CUNA Mutual Group Foundation center around building equity in the communities we live in and serve.

Knowing we can help even more people through intentional community outreach, we focus on three areas of the greatest need that exist in our communities.

### Focused on Community Need



Education



Economic Security



Emergency Aid

# 80

**NONPROFITS**

including 19 new organizations and credit union foundations supported in 2020

# 52 = \$35M

**YEARS**

**IN COMMUNITY SUPPORT**

### CUNA MUTUAL GROUP FOUNDATION

*Community Support Allocation*



Education Initiatives



Emergency Aid



Economic Security Initiatives



Matched Employee Donations

# \$3.9M

**PLEGGED** to support the communities we serve

# \$763K

**RAISED** by employees

# 3,649

**HOURS VOLUNTEERED** by employees to support our community

# Community Support

We recognize the responsibility — and opportunity — we have in creating positive change in our communities. Here are the organizations we're proud to have supported in 2020:



24/7 BLAC  
 Alaska USA Foundation  
 Amani Community Services  
 American Red Cross  
 Asset Builders  
 Badger Prairie Needs Network  
 Badger Rock Middle School  
 Big Brothers Big Sisters  
 Boys & Girls Club  
 Carter G. Woodson Foundation, Inc  
 Case Credit Union  
 Cedar Valley Friends Of The Family  
 Centro Hispano, Inc.  
 CEOs Of Tomorrow  
 colorcoded  
 Common Wealth Development, Inc.  
 Community Educational Outreach  
 Community Foundation of NE Iowa  
 Community Shares of Wisconsin  
 ConNEXTions  
 Dane Buy Local, Inc.  
 Domestic Abuse Intervention Services  
 East Madison Community Center  
 Edgewood College  
 End Domestic Abuse Wisconsin  
 Falk Elementary School  
 Family & Children's Council  
 Freedom, Inc.  
 Goodman Community Center  
 Hamilton Middle School  
 Horizon High School  
 House of Hope  
 Humanize My Hoodie  
 Infamous Mothers, LLC  
 John Muir Elementary School  
 Larabee Center  
 Latino Economic Development Corp  
 Leader Valley Foundation  
 LifeServe  
 LIFT Dane  
 Literacy Network  
 Madison-Area Urban Ministry (JustDane)  
 Maydm, Inc.  
 Middleton Outreach Ministry  
 Mission Central  
 National Credit Union Foundation  
 Nehemiah Center for Urban Leadership Development  
 New Bridge Madison, Inc.  
 North Star Community Services  
 Northeast Iowa Food Bank  
 Omega School  
 One Cedar Valley Fund  
 One City Schools  
 Operation Fresh Start  
 Rape Crisis Center, Inc.  
 Rethink Iowa  
 River Food Pantry  
 Social Action, Inc.  
 Society Of St. Vincent De Paul  
 The Jesse Cosby Center  
 The Job Foundation  
 The Road Home Dane County  
 Today Not Tomorrow, Inc.  
 Unidos  
 United Way  
 Urban League  
 Urban Triage, Inc.  
 Vera Court Neighborhood Center  
 YMCA

# Taking Care of Our Employees

“ We can help more people in more ways when diversity, equity and inclusion considerations are at the heart of everything we do. These awards represent our ongoing commitment to a diverse workforce and increased representation of those we aim to serve. ”

## LINDA NEDELCOFF

EVP, CHIEF STRATEGY AND  
HUMAN RESOURCES OFFICER

Throughout the pandemic, our utmost priority has been ensuring the safety of our employees and supporting them through these unprecedented times.

As lockdowns were imposed across the country, our incredible IT team worked tirelessly to set 90 percent of our employees up as remote workers in a matter of days. Our HR team also implemented additional benefits and paid leave specifically related to COVID-19.

And, with the intensity of the year seemingly endless — surviving a once-in-a-lifetime pandemic, witnessing political unrest and a burgeoning civil rights movement — we gave all of our employees an extended paid Labor Day holiday. It was the right thing to do.

When our employees had space to take care of themselves and their families, they took even better care of our customers. It is unquestionable: our people are responsible for our strong performance in an uncertain year.

In 2020, we were honored to receive these recognitions:



Climate Champion



# Shaping What's **Next**

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“When we talk about innovation, it’s not for innovation’s sake. Every decision we make reflects the voice of our customers, ultimately assisting them in making financial decisions that are right for them and the people they care about.”

**JIM POWER**

EVP, CUNA MUTUAL GROUP



## CMFG | VENTURES

### Bringing two early-stage investments into the CUNA Mutual Group family

To meet the ever-changing needs of an increasingly diverse consumer, we need to innovate and embrace the disruptors. That's where CMFG Ventures comes in.

Our venture arm took great steps forward in 2020 with investments in several exciting fintechs, but also the full acquisition of two existing portfolio companies — CuneXus and ForeverCar.

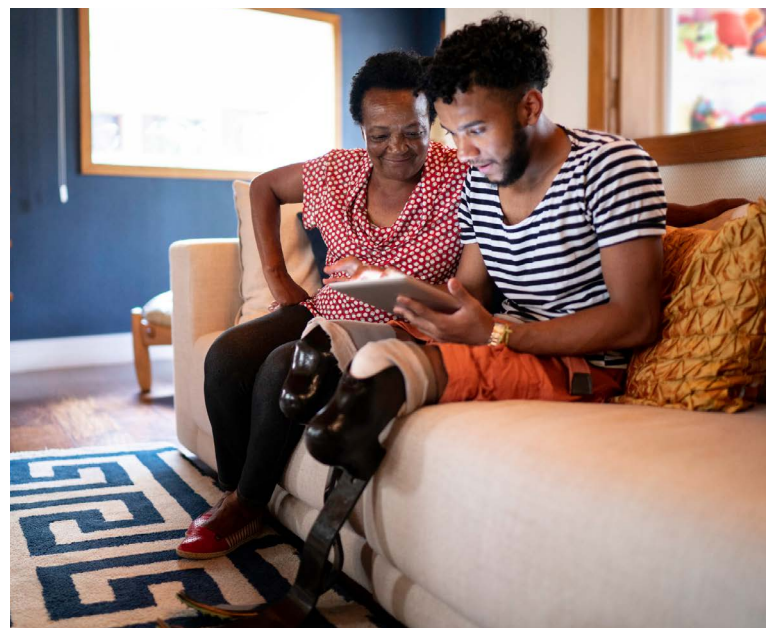
Both acquisitions reduce complexity for financial institutions and improve the end-user experience. ForeverCar's simplified and transparent process for purchasing Mechanical Repair Coverage Policies allows consumers to research coverage options and make purchasing decisions 24/7, while CuneXus eliminates two of the biggest obstacles in the loan process: applications and waiting.

## Expanding Our Digital Horizons

### Harnessing data and analytics to exceed customer expectations

For the financial institutions we work with, helping more people make monetary decisions that work for them means understanding their behaviors and anticipating future needs. Having the right data — and knowing how to translate it into action — is key to delivering exceptional consumer experiences.

In 2020, CUNA Mutual Group's analytics and digital lending functions combined to form a new, robust organization. This reimagined function, AdvantEdge Digital, maximizes the value of our SaaS (Software-as-a-Service) offerings and presents a powerful opportunity to help our business customers grow and compete through data analytics and digital lending at scale.



# Workplace Modernization

## Breaking new ground

Our Workplace Modernization program is more than a building project – it’s an investment in the local community. Designed to specifically support collaboration, celebration and innovation for our employees, partners and communities, the new building will be the centralized hub of our Madison campus.

Although we began this effort in 2019, the physical manifestation began in 2020 with the demolition of our 5810 building.

Construction of the new property continues and we look forward to welcoming all to it in late 2022.



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### Protecting more people in more ways with expanded access to life insurance

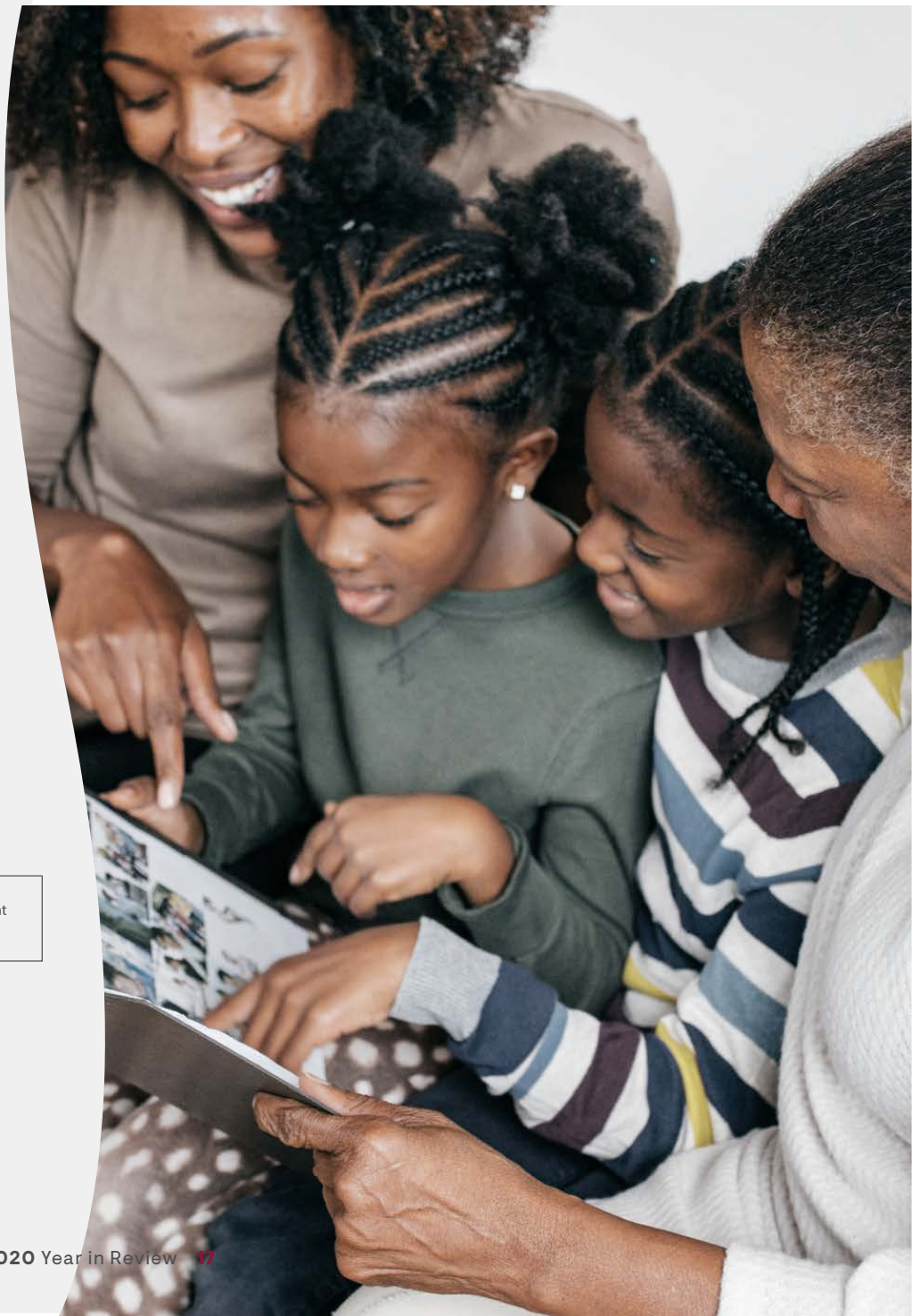
TruStage is known for straightforward insurance solutions that make it as simple as possible for people to get the coverage they need. Last year we expanded how, when and where people can purchase TruStage policies by partnering with SelectQuote — an online insurance aggregator — and two digital-first insurance brokers; Ethos Life and HealthIQ. These partnerships are just another example of our enterprise-wide drive to reach more consumers digitally.

**4.7 out of 5**  
**HOW OUR CONSUMERS RATE US** on Trustpilot

*Affirmed, May 2021*

★ Trustpilot

**TruStage**  
Reviews 4,267 • Excellent



# Financial Results

“ Our strong financial performance through a tumultuous 2020 clearly indicates that our people-first strategy was also our best business strategy. Our results underscore the value that our diverse products and solutions provide to our customers, and are due to our intense focus on those customers’ most critical needs. ”

**LAURIE WINGER**  
EVP, CHIEF FINANCIAL OFFICER

**We’re proud of our financial strength ratings. They’re a sign of our long-term ability to deliver on our commitments.\***

**A** A.M. Best Company, Inc.

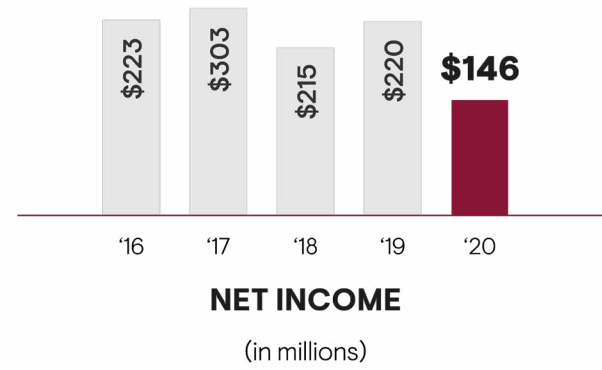
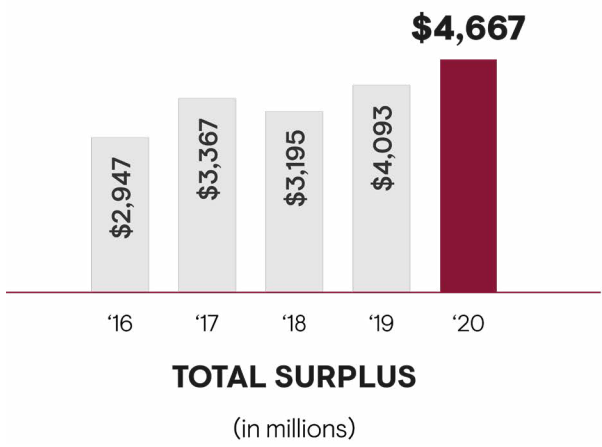
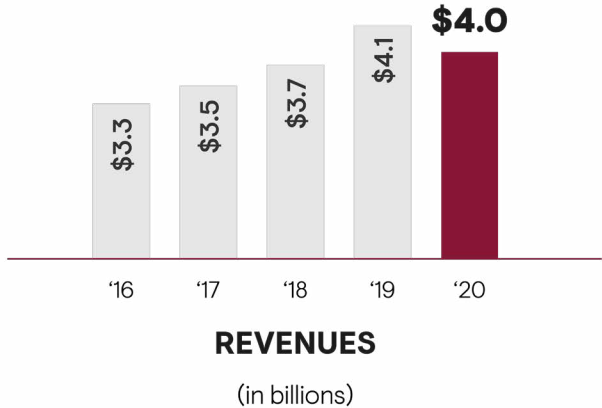
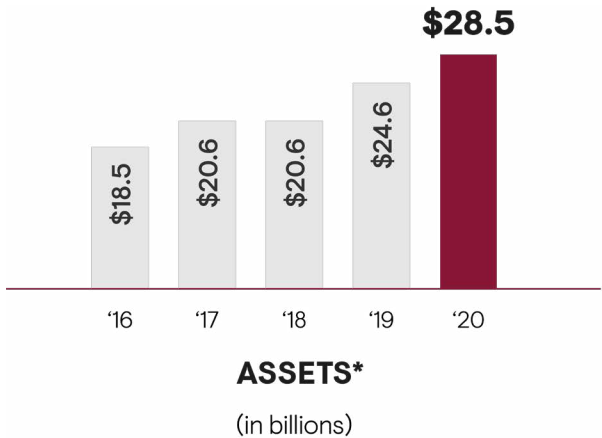
**A2** Moody’s Investors Service

**A+** S&P Global Ratings

\* Affirmed, March 2021. Ratings apply to CMFG Life Insurance Company and its subsidiaries, MEMBERS Life Insurance Company, and CUMIS Insurance Society, Inc. A.M. Best also rates CUMIS Specialty Insurance Company, Inc. Ratings are subject to change. AM Best: A is the third highest rating out of 16 issued. The outlook for all ratings is stable; Moody’s: A2 is the sixth highest rating out of 21 issued; S&P: A+ is the fifth highest financial strength rating of 21 issued.

# 2020 FIVE-YEAR PERFORMANCE

Unaudited



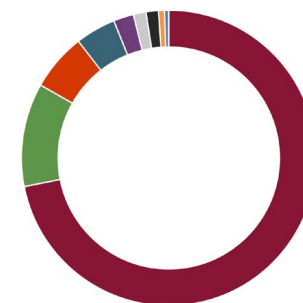
\*Liabilities for 2020 at \$23.83 billion

## CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2020, 2019 and 2018. Amounts in millions/unaudited.

<b>REVENUES</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Life and health premiums, net	\$ 2,014	\$ 2,008	\$ 1,670
Property and casualty premiums, net	922	895	880
Net investment income	704	710	741
Realized investment gains (losses)	(64)	29	(63)
Commission and fee income	368	377	348
Other income	105	104	123
<b>Total revenues</b>	<b>4,049</b>	<b>4,123</b>	<b>3,699</b>
<b>BENEFITS AND EXPENSES</b>			
Life and health insurance claims and benefits, net	1,558	1,495	1,157
Property and casualty insurance loss and loss adjustment expenses, net	589	560	567
Interest credited to policyholder account balances	197	177	160
Policyholder dividends	42	26	26
Operating and other expenses	1,549	1,589	1,530
<b>Total benefits and expenses</b>	<b>3,935</b>	<b>3,847</b>	<b>3,440</b>
<b>Income from operations before income taxes</b>	<b>114</b>	<b>276</b>	<b>259</b>
Income tax expense (benefit)	(36)	55	46
<b>Income from operations</b>	<b>150</b>	<b>221</b>	<b>213</b>
Other income (loss)	(4)	(1)	2
<b>Net income</b>	<b>\$ 146</b>	<b>\$ 220</b>	<b>\$ 215</b>

### DISTRIBUTION OF INVESTED ASSETS



- 71.8%** Debt securities, at fair value
- 11.3%** Mortgage loans
- 6.3%** Limited partnerships
- 4.4%** Derivative assets, at fair value
- 2.2%** Securities Lending
- 1.4%** Equity securities, at fair value
- 1.4%** Cash and short-term investments
- 0.7%** Other invested assets
- 0.5%** Policy loans

## CONSOLIDATED BALANCE SHEETS

As of December 31, 2020 and 2019. Amounts in millions/unaudited.

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
Debt securities at fair value	\$ 17,132	\$ 14,786
Equity securities at fair value	330	259
Mortgage loans	2,695	2,488
Policy loans	109	110
Limited partnerships	1,498	1,369
Securities lending assets	526	540
Derivative assets, at fair value	1,057	584
Other invested assets	159	128
Cash and cash equivalents	349	192
<b>Total cash and investments</b>	<b>23,855</b>	<b>20,456</b>
Accrued investment income	140	138
Premiums receivable, net	316	310
Reinsurance recoverables	218	164
Deferred policy acquisition costs	675	627
Goodwill and intangible assets, net	185	135
Other assets	766	492
Separate account assets	2,336	2,288
<b>Total assets</b>	<b>\$ 28,491</b>	<b>\$ 24,610</b>

<b>LIABILITIES AND POLICYHOLDERS' SURPLUS</b>	<b>2020</b>	<b>2019</b>
<b>Liabilities</b>		
Insurance and annuity reserves	\$ 17,680	\$ 15,200
Unearned premiums	616	574
Notes and interest payable	644	461
Dividends payable to policyholders	28	12
Reinsurance payable	85	85
Net deferred tax liability	242	129
Payable for securities lending	526	540
Derivative liabilities, at fair value	766	352
Other liabilities	901	876
Separate account liabilities	2,336	2,288
<b>Total liabilities</b>	<b>23,824</b>	<b>20,517</b>
<b>Policyholders' surplus</b>	<b>4,667</b>	<b>4,093</b>
<b>Total liabilities and policyholders' surplus</b>	<b>\$ 28,491</b>	<b>\$ 24,610</b>

“ Our General Account is a growing, well diversified and appropriately balanced portfolio. Our primary investment objective, across changing interest rate and credit cycles, is to preserve principal, grow surplus, and generate persistent net investment income, while operating within prudent risk guidelines. That approach proved critical in 2020; it allowed us to successfully navigate through a very volatile market. ”

### **DAVE BROWN**

EVP, Chief Investment Officer

### **FINANCIAL FOOTNOTE**

These results are for CUNA Mutual Holding Company and its subsidiaries and are derived from consolidated financial statements, which are prepared in accordance with Generally Accepted Accounting Principles.

To receive the complete financial statements, including the auditors' report, write to:

CUNA Mutual Group, External Reporting-Finance  
P.O. Box 391  
Madison, WI 53705-0391

Or visit [www.cunamutual.com](http://www.cunamutual.com) to view the audited financial statements on the "Financial Information" page.

# Our Leaders

## EXECUTIVE VICE PRESIDENTS

**Dave Brown**  
Chief Investment Officer

**Cedric Ellis**  
Chief Enterprise Services Officer

**Linda Nedelcoff**  
Chief Strategy & Human Resources Officer

**Jim Power**  
CUNA Mutual Group

**David Sweitzer**  
Chief Experience Officer

**Laurie Winger**  
Chief Financial Officer

## SENIOR VICE PRESIDENTS

**Michael Defnet**  
CUNA Mutual Group

**Daniel Kaiser**  
CUNA Mutual Group

**Rob Purtell**  
B2B Sales

**Chris Copeland**  
Product Solutions

**Christopher Roe**  
Corp & Legislative Affairs

**Thomas Martorana**  
Experience Operations

**Brian Borakove**  
Finance

**Mike Anderson**  
Chief Legal Officer

**Abbie Rodriguez**  
Lender Experience

**Paul Chong**  
Advisor Experience

**Martin Christopher**  
Chief Information Officer

**Shazia Manus**  
Experience Capabilities

**Ronny Chapman**  
Product Technology Solutions

**Steve Danco**  
Direct to Consumer Experience

**Micheal Herman**  
Digital Solutions

**Alycia Slyck**  
Chief Actuary

## BOARD OF DIRECTORS

**Michael G. Valentine**  
Board Chair  
CEO, BCU,  
Vernon Hills, Illinois

**Robert J. Marzec**  
Retired Audit Partner,  
PricewaterhouseCoopers,  
Minneapolis, Minnesota

**Caren C. Gabriel**  
President & CEO, Ascend  
Federal Credit Union,  
Tullahoma, Tennessee

**Thomas C. Godlasky**  
Retired CEO,  
Aviva North America,  
West Des Moines, Iowa

**Kevin D. Johnson**  
President & CEO,  
Suncoast Credit Union,  
Tampa, Florida

**Tyrone E. Muse**  
President & CEO,  
Visions Federal Credit Union,  
Endicott, New York

**Janet V. Whitehouse**  
Board Vice Chair  
Retired Executive,  
Sun Life Financial, Inc.,  
Wellesley, Massachusetts

**John Larsen**  
President & CEO,  
Alliant Energy Corporation  
Madison, Wisconsin

**Brett Martinez**  
President & CEO,  
Redwood Credit Union  
Santa Rosa, California

**Angela K. Owens**  
Vice President, Controller,  
American Airlines,  
Fort Worth, Texas

**Jacqueline S. Shoback**  
Retired CEO, Emerging  
Businesses & Client  
Experience, Boston  
Private Financial Holdings,  
Boston, Massachusetts

**Robert N. Trunzo**  
President & CEO,  
CUNA Mutual Group,  
Madison, Wisconsin



# Contact Information



## INTERNATIONAL LOCATIONS

- Dominican Republic
- Jamaica
- Puerto Rico
- Trinidad and Tobago

## ENDNOTES

1. Barron's 100 Best Annuities, July 17, 2020
  2. Image renderings. Final building may be subject to change.
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CUNA Mutual Group is the marketing name for CUNA Mutual Holding Company, a mutual insurance holding company, its subsidiaries and affiliates. TruStage® Insurance products and programs are made available through TruStage Insurance Agency, LLC and issued by CMFG Life Insurance Company and other leading insurance companies.

**Call:** 800.356.2644

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