

Polish Falcons of America

Board Dispatch

April 2026

The PFA Board Dispatch is a summary report on the topics discussed and the actions taken by your National Board of Directors at its regular meeting on Saturday, March 28, 2026 held virtually.

This report is emailed to all PFA Nest and District Presidents and to more than 6,000 individuals with email addresses registered on the PFA website. In addition, it will be posted to the PFA website. The PFA National Board of Directors believes strongly in creating a culture of transparency and wants Members to know what issues the Board deals with and the reasons behind Board action on particular issues. We encourage you to read the report carefully and to contact Board Chairperson Daniel Michalak, any Board Member or PFA National President Timothy Kuzma if you have any questions, comments, or concerns about the items or actions contained in this report.

Contact information for all Board members and the PFA executive staff is listed at the conclusion of this report.

Financial & Operations

- **Annual Statement & Financial Condition** — The Board reviewed the 2025 Annual Statement filed with regulators. Total assets stand at approximately \$20.75 million, with surplus at \$1.43 million. Results reflect continued pressure from reserve growth and elevated operating costs.
- **Surplus & Capital Position** — Surplus improved in the fourth quarter due to \$1.03 million raised through the Surplus Note program. A second round remains a key component of the capital plan.
- **Operating Results** — 2025 closed with a net loss of approximately \$1.28M, driven primarily by higher than expected reserve increases and elevated regulatory costs. Despite this, overall surplus declined only modestly for the year.
- **Expense Management** — Expense reductions are underway and will continue into 2026. The Board reviewed areas of cost pressure, including technology, operations, and regulatory expenses.

- **Investment Committee (Chair: Timothy Kuzma)** — The investment portfolio remains strong, fully investment grade, with no securities on the watch list. Portfolio yield improved in 2025, supported by increased allocation to mortgage participations.
- **PA DOI Examination** — The Department of Insurance exam is ongoing and expected to conclude by May 31, 2026. The Board continues to work closely with regulators as part of the broader recovery plan.

Strategic Initiatives

- **Recovery Plan** — The Board continues to advance its recovery strategy centered on:
 - A second round of the Surplus Note
 - Implementation of a certificate lien
 - Continued expense reductions
 - Increased reinsurance cession levels

These actions are currently under review by the Department of Insurance.

- **Contingency Planning** — If the recovery plan is not approved, the Board will consider alternative strategic options, including a potential merger.

Sales & Marketing

- **Commission Structure Update** — A new two-year level commission structure has been implemented, replacing the prior heavily front-loaded model. This change is designed to improve sustainability and support higher production levels.
- **Distribution Growth** — The revised compensation model has been well received, with new agencies onboarding and early signs of increased sales activity in 2026.
- **Annuity Sales** — Expanding annuity distribution remains a challenge and a priority area for growth.

Programs, Committees and Fraternal Events

- **Physical Education & Youth Programs** — The Future Leaders Conference was successfully held, with strong participation. Planning continues for the Youth Trip to Poland in June 2026.
- **Scholarship Committee (Chair: Patricia Del Busse)** — Seven scholarships were awarded. Total spending was below budget, reflecting fewer applicants than expected.
- **Membership Committee** — A concern regarding a Nest club operation was reviewed. No further Board action was deemed necessary at this time.
- **Bowling Tournament** — The 86th Annual National Bowling Tournament will be held April 16–18, 2026 in Jackson, Michigan. Participation levels are strong.

· **Golf Tournament** — The 2026 National Golf Tournament will be held in South Bend, Indiana. Planning is underway with an expected strong turnout.

Governance & Organizational Matters

· **District I Status** — Work continues to bring District I back into good standing. The Board emphasized the need for compliance with the PFA Constitution moving forward.

· **Nests in Good Standing** — Only seven Nests are currently in good standing. This remains an area of concern requiring continued attention.

· **Nest Merger Approved** — The merger of Nest 3 and Nest 42 was approved by the Board.

· **Operational Controls** — Temporary travel restrictions have been implemented, with limited exceptions for essential organizational activities.

Key Takeaways

- The organization remains **stable but under financial pressure**, primarily due to reserve growth and regulatory costs
- The **Surplus Note and recovery plan are critical** to maintaining independence
- Early indicators show **positive momentum in sales and distribution**
- The **DOI decision will be a defining factor** in the organization’s path forward

Upcoming 2026 Board Meeting Dates

The date for the regular Board meetings in 2026 are:

May 30

August 29

November 22

Contact Information for Board Members and Executive Staff – Please use the following information to contact individual Board members or PFA President and CEO to obtain more information on any of the items discussed in this report:

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