

**Polish Falcons of America
Executive Committee Meeting
April 18, 2022**

The Executive Committee met at 3:30 p.m.

In the office and on Zoom were:

Timothy Kuzma, National President
Patricia Del Busse, First National Vice President
Ryan Gregg, National Secretary/Treasurer

On Zoom were:
Daniel Michalak, Second National Vice President
Richard Federowicz, Legal Counsel

The meeting began with roll call and Czolem!

Minutes:

The minutes from the March Executive Committee will stand **approved** as presented.

Financial Report:

February Financial Highlights

Druh Gregg presented the financial position for February 2022. Various key items for quarterly financial statement presentation have yet to be submitted from third parties, as such, Q1 2022 reporting will take place in the May Executive Committee meeting.

Balance Sheet

- As of 2/28/22, PFA's assets amount to \$40.69M and liabilities totaled \$39.28M with approx. surplus of \$1.41M

Summary of Operations

- Net premiums for February 2022 totaled \$282k vs. February 2021 of \$126k; YTD net premiums totaled \$477k vs. \$268k prior year.
- Net Investment income for February 2022 totaled \$122k vs. February 2021 of \$122k. YTD Investment income totals \$318k vs. prior year of \$257k. There was a bond call in January amounting to \$62k that led to the spike.

- February 2022 IMR release totaled \$18k as it did in the PY; \$35k YTD vs. prior year of \$36k.
- February 2022 expense allowance totaled \$27k vs. \$28k PY; \$53k YTD vs. prior year of \$55k.
- February 2022 reserve credit increased \$51k vs. PY January increase of \$103k. YTD reserve credit increased \$189k vs \$105k prior year.
- YTD miscellaneous income totaled \$18k YTD vs. \$25k prior year to date.
- Total revenue for February 2022 totaled \$508k vs. \$402k in 2021. YTD revenue totaled \$1.09M vs. \$748k prior year to date.
- February 2022 death claims totaled approx. \$128k vs \$42k in February 2021. YTD death claims totaled \$158k vs. \$97k prior year. PFA continues to be materially impacted by COVID-19 deaths, as more than 50% of death claim dollars were attributed to COVID-19 related deaths in February 2022.
- Surrender/Maturities totaled \$4k in February 2022 vs. \$7k in February 2021; YTD \$7k vs. \$8k prior year to date.
- February 2022 net annuity claims totaled approx. \$45k vs \$47k in February 2021. YTD net annuity claims totaled \$268k vs. prior year to date of \$167k.
- February 2022 Med Supp claims totaled \$23k CY vs. \$4k in 2021. 100% of medicare supplement activity is being recognized in 2022 post recapture. Medicare supplement premiums continue to outpace claims. With ancillary expenses included, PFA is breaking even on the block. As of 3/31/22 PFA has 116 active policies on the books. Allen Bailey's group projected 120 active policies as of 12/31/22. That said, PFA's lapse rate is greatly outpacing projections, which will lead to greater gains in the reserves that are being held back in conjunction with the closed block of business.
- February 2022 reserves increased \$227k vs. February 2021 increase of \$207k. YTD reserves have increased \$327k vs. \$251k prior year to date, mainly driven by increased annuity premiums.
- General insurance expenses for February 2022 totaled \$111k vs. \$113k February 2021. YTD general insurance expenses totaled \$196k vs. \$206k prior year to date displaying PFA's continued cost containment of controllable expenses.
- February 2022 Commissions totaled \$8k vs. \$3k prior year. YTD commissions totaled \$30k vs. \$4k prior year. 100% recognition of medicare supplement commissions (\$7k YTD) and significant increase in new annuity money vs. 2021 led to the increase.

- Other expenses remained consistent at \$11k in February 2022 vs \$13k in 2021; \$35k vs. \$38k YTD.
- Total expenses for February 2022 amounted to \$557k vs. \$434k in 2021; \$1.06M vs. \$775k YTD, mainly driven by the uptick in death claims and reserve increases.
- February 2022 net loss totaled \$(49,795) vs. \$(31,955) for February 2021; net income of \$27,868 YTD vs. net loss of \$(27,510) prior year to date.
- February 2022 surplus adjustments totaled approx. \$(29k) vs. February 2021 adjustments of \$(23k); YTD surplus adjustments mirrored PY adjustments at \$(43k)
- February 2022 total change in surplus totaled a loss of \$(78,914) vs. February 2021 loss to surplus of \$(54k); YTD change in surplus amounted to a loss of \$(14,905) vs. prior year to date loss to surplus of \$(70,925)
- Surplus as of February 2022 stands at \$1,410,743.

Dunellen:

The property has been sold, and the funds transferred to the Polish Falcons. Druh Federowicz is very pleased with the end result with compliments to the National Office and **Attorney** James Killeen. The insurance on the property has been cancelled and PFA will receive a refund. The closing was done virtually. **Much** of the restaurant equipment from Dunellen and the Polanka was sold.

Polanka:

The closing is scheduled for Wednesday, April 20; all paperwork has been signed and is ready. The Board of Directors will meet for a special meeting this evening **to vote on required resolutions**. Again, Druh Federowicz is pleased with the work involved and the end result.

Liquor License/District I

There was a lengthy discussion regarding the Liquor License. There is no resolution as more information needs to be gathered and issues discussed.

New Website:

The site is up and running with quite a few changes; many of them subtle. It is still a work in progress.

Ukraine Donations:

As of today, the PFA has received \$16,160.00 in donations from Members and Nests and Districts. PFA matched donations up to \$10,000, making the total donation \$26,160. This is an impressive response from our Nests, Districts and Members.

Poland Trip:

So far, six people are registered for the trip. There are quite a few more interested but waiting to see how things progress with the conflict in Ukraine.

Special Convention Update:

Things seem to be progressing with plans. Hopefully, there will be a good representation from our Nests.

With no other business, the meeting was adjourned at 3:00 p.m.

Czolem,

Druhna Patricia "Trish" Del Busse