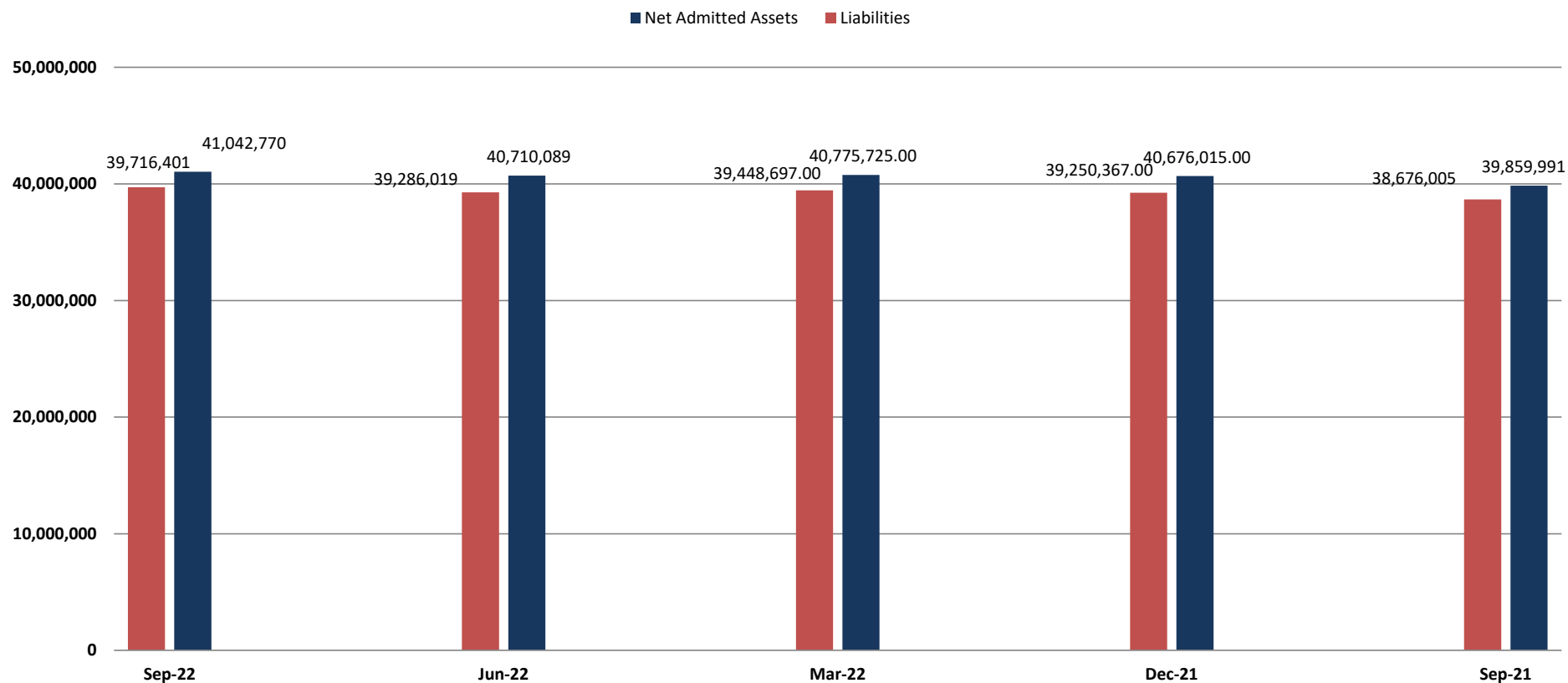




2022 3rd Quarter Financial Statements

Assets/Liabilities Trend Analysis





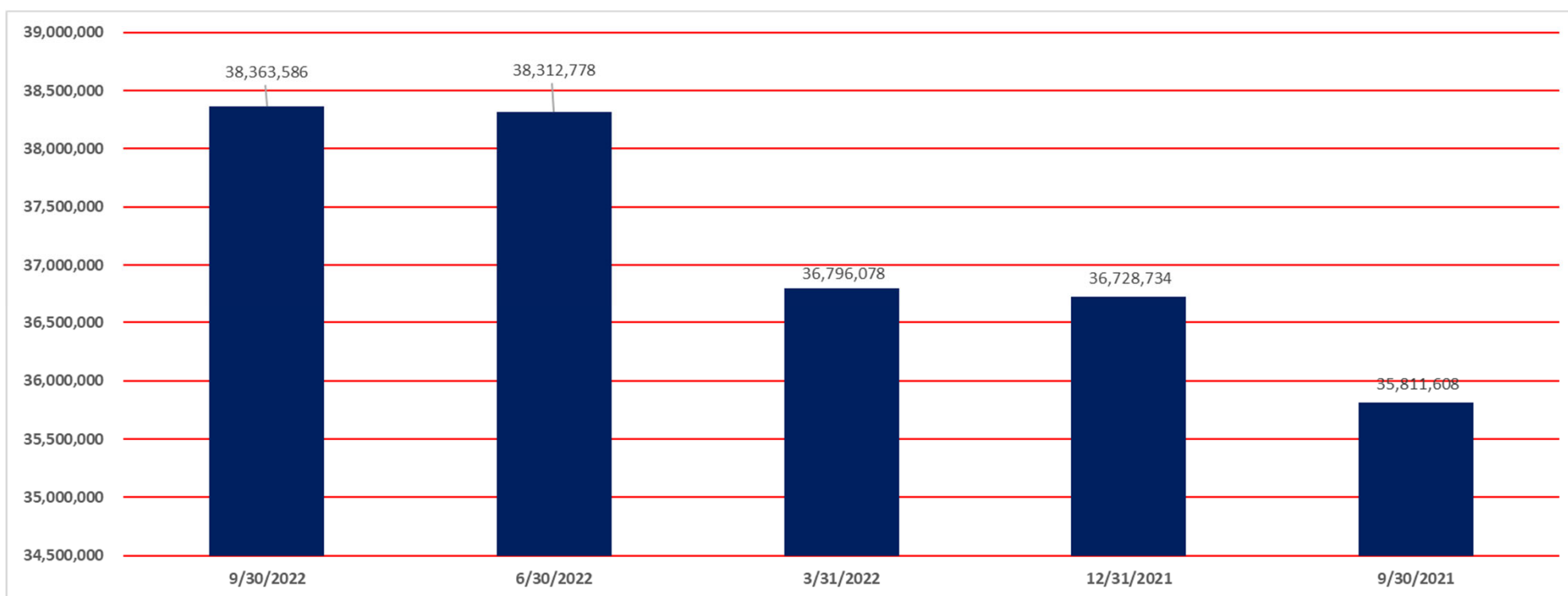
Admitted Assets

Line	Asset Description	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
01	Bonds (Schedule D)	38,363,586	38,312,778	36,796,078	36,728,734	35,811,608
02.1	Preferred stocks (Schedule D)	-	-	-	-	100,000
02.2	Common stocks (Schedule D)	87,649	92,251	88,405	81,705	74,253
04.3	Properties held for sale	-	-	963,380	968,996	1,049,612
05	Cash	934,431	958,068	595,663	1,317,921	1,353,304
06	Contract loans	147,499	141,392	139,956	138,872	134,235
08	Other invested assets (Schedule BA)	399,015	400,181	412,097	428,039	433,265
12	Subtotals, cash and invested assets	39,932,180	39,904,670	38,995,579	39,664,267	38,956,278
14	Investment income due and accrued	561,532	515,875	549,122	519,739	545,348
15.1	Uncollected premiums and agents'	15,216	15,821	11,773	8,953	14,549
16.1	Amounts recoverable from reinsurers	264,124	60,891	1,039,943	330,868	108,394
20	Electronic data processing equipment	24,389	23,943	9,405	3,617	4,211
23	Related Party Receivables	126,946	133,333	122,674	93,138	90,598
25	Aggregate write-ins	118,383	55,556	47,229	55,433	140,613
26	Total Assets	41,042,770	40,710,089	40,775,725	40,676,015	39,859,991

Aggregate Write-Ins

Line	Write In Description	Assets	Nonadmitted	Total Admitted
2501	Nest 519 Loan	34,370	-	34,370
2502	Due from PFA District I	40,500	-	40,500
2503	Nest 36 Loan	28,649	-	28,649
2504	Nest 580 Loan	7,239	-	7,239
2505	Prepaid Expenses	50,428	50,428	-
2506	Due from PFHF	56,714	56,714	-
2507	Nest 80 Relief Loan	3,811	-	3,811
2508	Nest 88 Relief Loan	4,436	-	4,436
2509	Nest 124 Loan	10,000	-	10,000
2510	Miscellaneous Receivables	1,872		1,872
2511	Overfunded Pension	-	12,500	(12,500)
	TOTALS	238,019	119,642	118,377

Bond 5 Quarter Trend





Q3 Investment Purchases

Trade/ Settle Date	CUSIP Number	Security Description	Quantity	Principal Amount	Accrued Pd/Rec	NAIC Designation	Net Amount	Yield	Broker Name
08/10/22 08/12/22	559222-AV-6	MAGNA INTERNATIONAL 2.450 06/15/30	100,000.00	89,526.00	387.92	1FE	89,913.92	4.02	Hilltop Securities
09/19/22 09/19/22	404280-DL-0	HSBC HOLDINGS 6.500 05/02/36	200,000.00	200,000.00	0.00	2FE	200,000.00	6.50	Exchange
Grand Total			300,000.00	289,526.00	387.92		289,913.92		

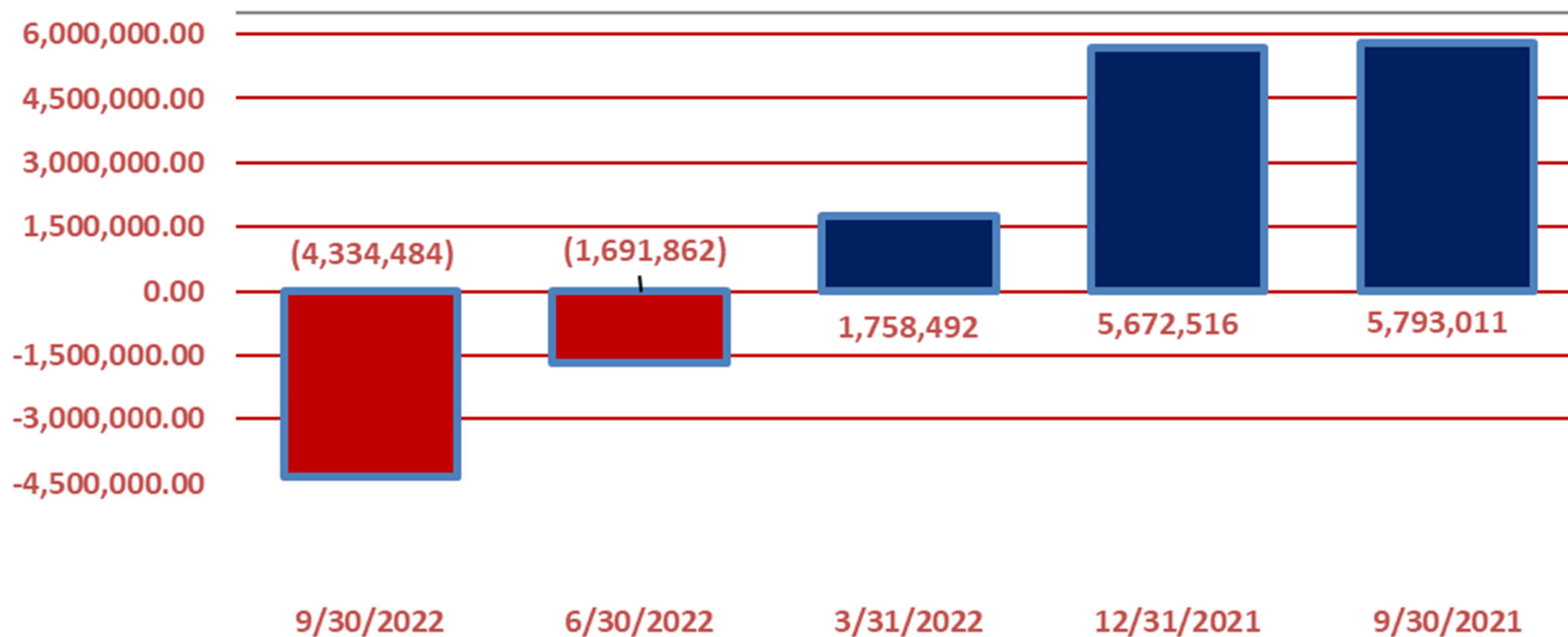


Q3 Disposals

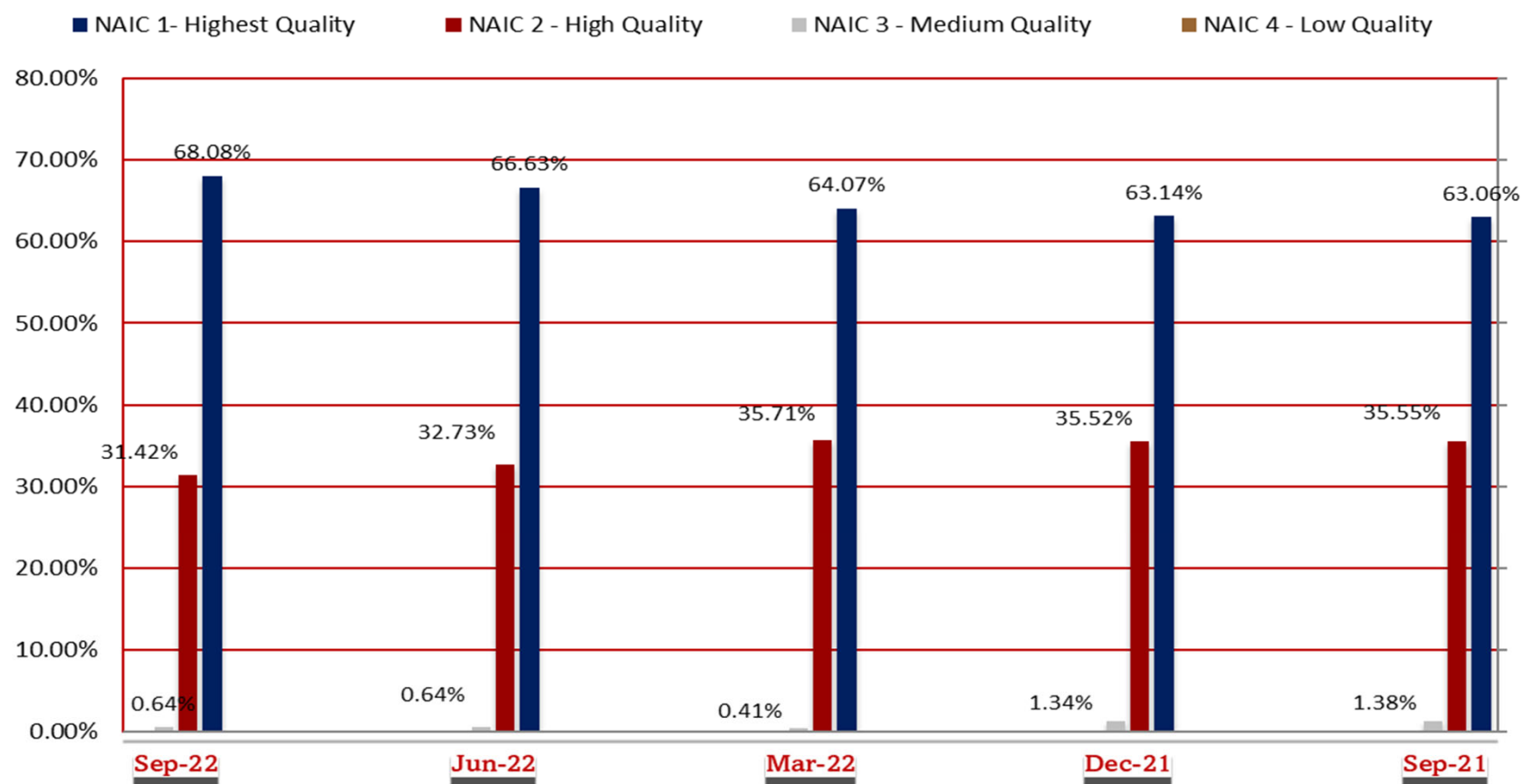
Trade/ Settle Date	CUSIP Number	Security Description	Quantity	Principal Amount	Accrued Pd/Rec	Total Fees	Net Amount	Trans Type/Broker
09/19/22	404280-AG-4	HSBC HOLDINGS PLC SUB NOTES	(200,000.00)	200,000.00	0.00	0.00	200,000.00	Exchange
09/19/22		6.500 05/02/36						
Grand Total			(200,000.00)	200,000.00	0.00	0.00	200,000.00	

Market Over Carrying Value

Fair Market Gain/(Loss)



Bond Grading 5Q Trend



Liabilities 5Q Comparison

Line#	Description	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
01	Aggregate reserves	33,558,138	33,025,330	32,931,560	32,503,770	31,997,259
02	Aggregate reserve for accident and health contracts	620,555	625,943	624,924	639,688	675,576
04.1	Contract Claims: Life	284,869	282,522	342,988	446,024	378,153
04.2	Accident and health	56,409	59,178	64,782	69,496	72,957
08	Advanced Premiums	6,986	6,234	6,654	6,238	7,149
09.3	Amounts payable on reinsurance	-	-	-	-	-
09.4	Interest maintenance reserve	2,215,029	2,268,003	2,343,814	2,429,075	2,485,212
10	Commissions due or accrued	9,696	3,412	3,975	19,312	5,084
12	General expenses due or accrued	19,739	19,739	18,739	64,668	19,763
17	Amounts withheld or retained by reporting entity as agent or trustee	2,607,961	2,607,927	2,590,172	2,597,925	2,581,195
22	Borrowed money \$... and interest thereon \$...	-	-	28,015	-	-
24.01	Asset valuation reserve	222,833	226,330	279,394	293,032	287,438
25	Aggregate write-ins for liabilities	114,186	161,401	213,680	181,139	166,219
28	Total liabilities (Lines 26 and 27)	39,716,401	39,286,019	39,448,697	39,250,367	38,676,005
35	Unassigned funds (surplus)	1,326,369	1,424,070	1,327,028	1,425,648	1,183,986
39	Liabilities and Surplus	41,042,770	40,710,089	40,775,725	40,676,015	39,859,991

Liability Write-Ins

Line#	Description	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
2501	Deferred Income	-	-	25,000	-	-
2502	Minor Trust Fund	24,431	50,184	102,413	100,691	101,564
2503	Medicare Supplement Due to TPA	2,367	2,408	283	-	2,810
2504	Falconette Youth Reserve	15,358	14,887	13,094	20,969	19,895
2505	Nest Dues	2,374	14,540	1,473	1,443	1,174
2506	Credit Card Payable	4,804	7,729	5,490	12,382	5,622
2507	Security Deposits	1,000	8,465	10,198	1,000	1,500
2508	State Audit Fees	42,000	36,000	30,000	24,000	18,000
2509	Payroll Deductions	654	654	654	654	654
2510	Convention Reserve	16,535	26,534	25,075	20,000	15,000
2511	FCH LLC Negative Valuation	4,663				
	Totals Write Ins	114,186	161,401	213,680	181,139	166,219

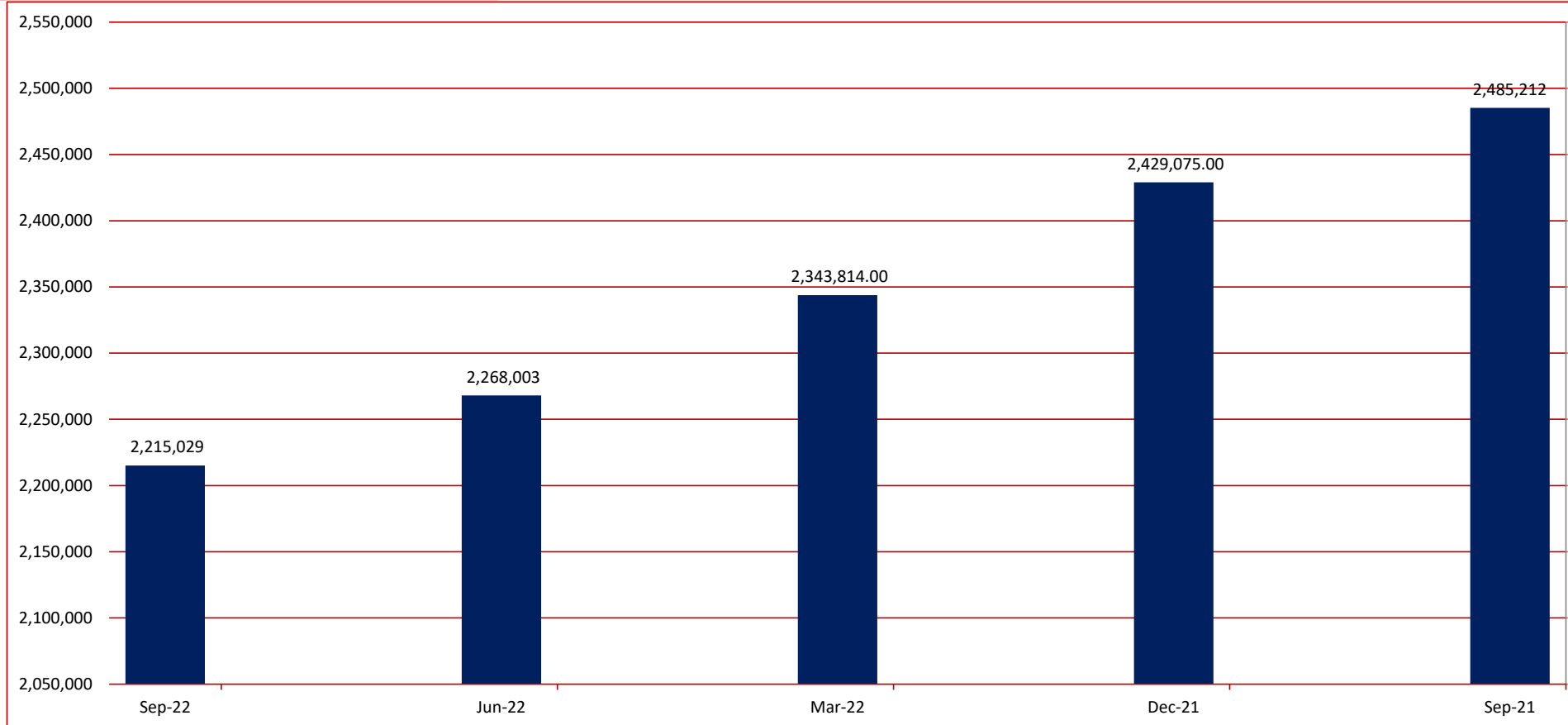


Special Convention Summary

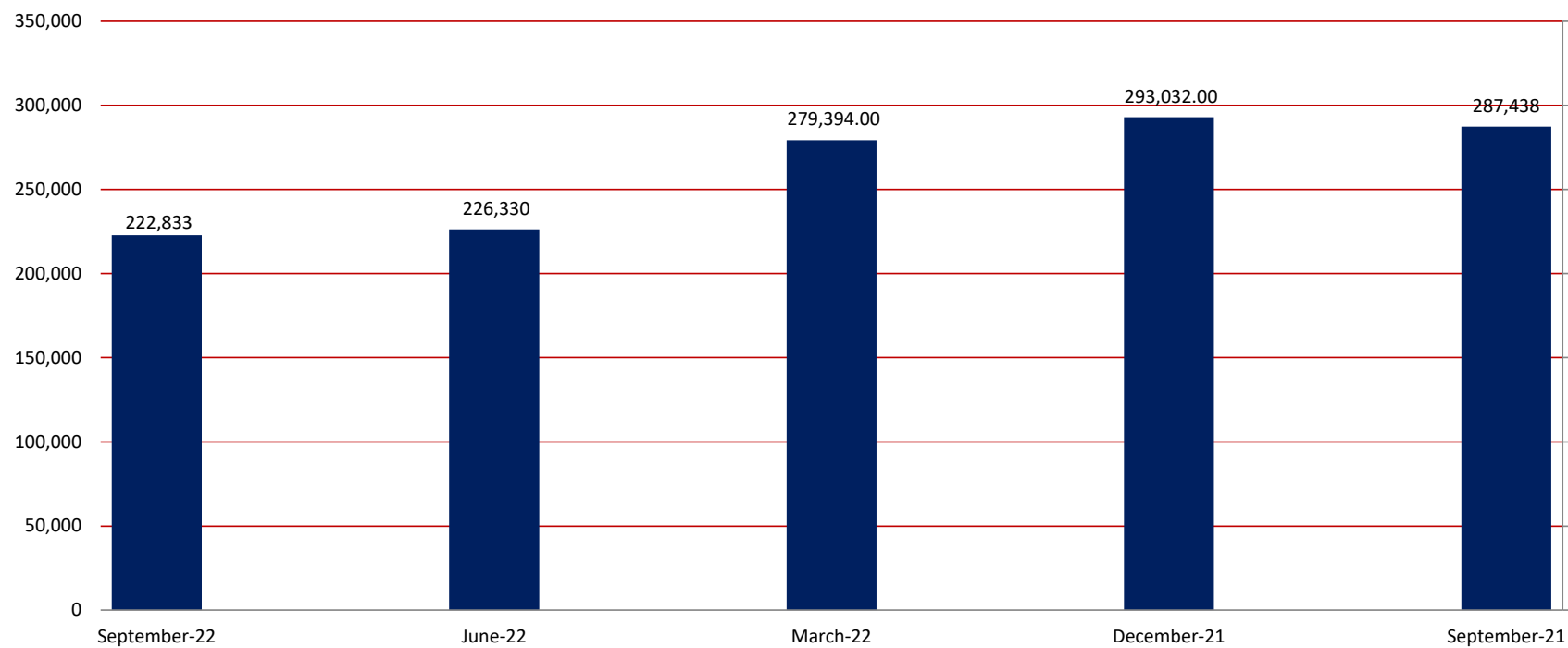
2022 Special Convention	
REVENUE	
Registration Fees	1,975.00
50/50 Proceeds	310.00
Additional Shirts	243.00
	2,528.00
EXPENSES	
Food/Beverage	6,751.73
Transportation	2,624.72
Facility Rental	2,259.00
Supplies	1,029.50
Secretary Remuneration	500.00
Shirts	183.00
Equipment Rental	145.00
	13,492.95
Net Income/(Loss)	(10,964.95)
Convention Reserve 1/1/2022	20,000.00
Additional 2022 Reserve Recorded	7,500.00
2022 Special Convention Net Cost	(10,964.95)
Convention Reserve as of 9/30/2022	16,535.05



5Q IMR Trend



5Q AVR Trend





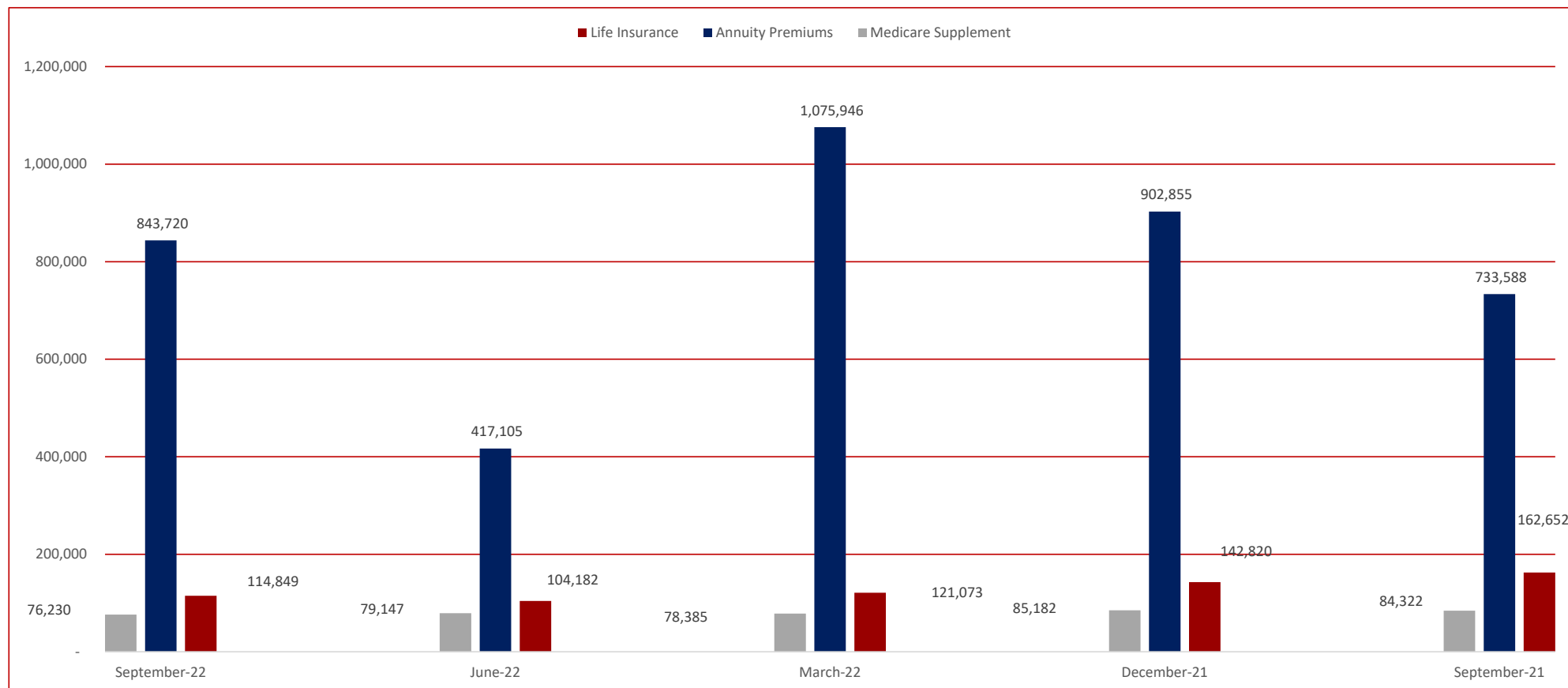
Q3-YTD Revenue Comparisons

REVENUE	Q3 2022	Q3 2021	Quarterly % Variance	YTD 2022	YTD 2021	YTD % Variance
Premiums	860,876	802,337	7.3%	2,132,485	1,859,594	14.7%
Investment Income	438,575	522,647	-16.1%	1,339,580	1,336,702	0.2%
Amortization of IMR	52,974	54,648	-3.1%	159,235	163,973	-2.9%
Expense Allowances RE	78,430	79,911	-1.9%	237,410	245,180	-3.2%
Reserve Adj RE	(570,142)	157,329	-462.4%	(1,493,334)	618,476	-341.5%
Misc Income	38,141	21,732	75.5%	149,616	174,493	-14.3%
	898,854	1,638,604	-45.1%	2,524,992	4,398,418	-42.6%

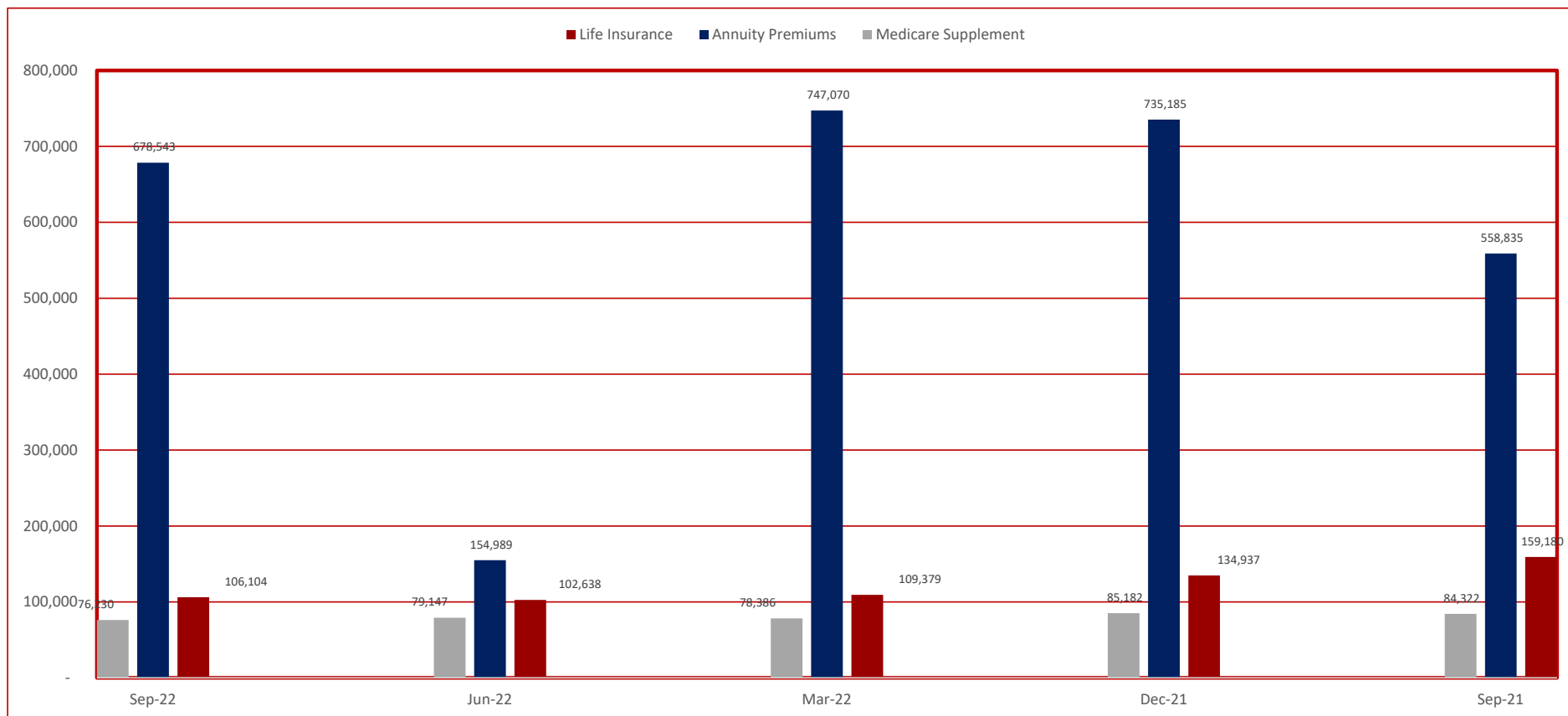
Miscellaneous Income		
Detail	YTD 2022	YTD 2021
Pension Deposits	53,436	73,692
National Dues (Net of Expense)	59,323	68,649
Scholarship Revenue	28,034	27,721
Fraternal Benefit Dues	3,960	3,420
Miscellaneous Income	4,863	1,011
Total	149,616	174,493

RESERVE ADJ RE DETAIL	9/30/2022	12/31/2021	YTD Change
GROSS ANNUITY RESERVES	45,313,464	45,902,769	(589,304)
HLIC RESERVE CREDIT	(31,499,194)	(32,992,528)	1,493,334
NET ANNUITY RESERVES	13,814,270	12,910,241	904,030

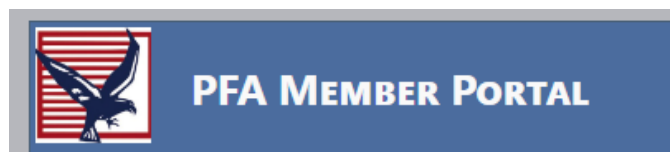
5Q Gross Premium Comparison



5Q Net Premium Comparison



Portal Analysis



- 904 members have utilized the portal, approximately 5% of membership
- \$108k of premiums and dues collected over the portal since inception
- We will continue to push people towards the portal
 - If we can get a large % of membership on the portal, paperless billings, electronic communications/advertising and less strain on the home office for simple requests will significantly cut cost in the long-term

Q3-YTD Expense Comparisons

Expenses	Q3 2022	Q3 2021	Quarterly % Variance	YTD 2022	YTD 2021	YTD % Variance
Death Claims	159,909	213,593	25.1%	524,068	563,364	7.0%
Surrenders/ Maturities	30,985	23,096	-34.2%	110,251	73,609	-49.8%
Annuity Claims	360,902	264,475	-36.5%	1,057,990	671,005	-57.7%
Medicare Supplement Claims	65,956	73,366	10.1%	201,216	91,504	-119.9%
Increase in Reserves	(43,323)	618,940	107.0%	(467,725)	1,836,765	125.5%
General Insurance	376,634	306,333	-22.9%	1,095,022	988,217	-10.8%
Commissions	35,946	43,658	17.7%	76,104	80,659	5.6%
Other Expenses	54,072	58,719	7.9%	128,015	138,827	7.8%
	1,041,081	1,602,180	35.0%	2,724,941	4,443,950	38.7%

Other Expense Detail	YTD 2022	YTD 2021
Scholarship Grants	42,350	47,800
Pension Benefits	17,758	19,126
Real Estate Taxes	2,717	9,238
State Licenses & Audit Fees	25,245	25,447
Term Conversions	440	530
Other Taxes	39,235	36,480
Misc Expenses	270	206
Total	128,015	138,827

RESERVE ADJ RE DETAIL	9/30/2022	12/31/2021	YTD Change
GROSS ANNUITY RESERVES	45,313,464	45,902,769	(589,305)
MED SUPP RESERVES	680,427	709,184	(28,757)
PENSION RESERVES	1,301,769	1,272,693	29,076
LIFE RESERVES	18,442,098	18,320,837	121,261
Total	65,737,758	66,205,483	(467,725)

Death Benefit Analysis

Average Life Claims

3,000.00
2,500.00
2,000.00
1,500.00
1,000.00
500.00
-

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
—●— Avg. Claims	1,347	1,111	1,493	1,234	1,404	1,382	1,529	1,564	1,819	1,692	2,047	1,678	1,909	1,861	2,544	2,148	2,257	1,598

Average Face

3,800.00
3,600.00
3,400.00
3,200.00
3,000.00
2,800.00
2,600.00
2,400.00
2,200.00
2,000.00

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
—●— Avg. Face	2,515.00	2,663.00	2,718.00	2,763.00	2,961.00	3,005.00	3,025.00	3,086.00	3,133.00	3,174.00	3,229.00	3,323.00	3,441.00	3,323.00	3,515.00	3,596.00	3,649.00	3,708.00

Supplemental Info-COVID Deaths

	2020	2021	2022	Total
Total COVID Death Benefits Paid	40,424	139,057	109,360	288,841
Number of Deaths	13	44	23	80



Unclaimed Property Escheat

Federal ID	State	Report Year	Cash Reported
25-0734610	AZ	2021	\$2,289.50
25-0734610	CO	2021	\$249.99
25-0734610	CT	2021	\$7,011.83
25-0734610	DC	2021	\$1,358.00
25-0734610	FL	2021	\$3,792.83
25-0734610	IL	2021	\$11,748.38
25-0734610	IN	2021	\$2,334.50
25-0734610	MA	2021	\$3,709.00
25-0734610	MD	2021	\$142.00
25-0734610	MI	2022	\$8,445.60
25-0734610	MN	2021	\$799.00
25-0734610	NC	2021	\$620.00
25-0734610	NJ	2021	\$7,041.56
25-0734610	NY	2022	\$2,039.17
25-0734610	OH	2021	\$2,157.00
25-0734610	PA	2021	\$13,139.03
25-0734610	RI	2022	\$584.00
25-0734610	TN	2022	\$291.00
25-0734610	TX	2021	\$8.33
25-0734610	WA	2022	\$614.00
25-0734610	WI	2022	\$2,401.30
25-0734610	VA	2021	\$68.00
Total			\$70,844.02

General Insurance/Frat Exp Detail

General Insurance & Fraternal Expenses	YTD Q3 2022	YTD Q3 2021	Variance
Rent	44,483	37,463	(7,020)
Salaries and wages	512,048	474,405	(37,643)
Contributions for benefit plans for employees	115,986	129,361	13,375
Legal Fees & Expenses	7,408	10,785	3,377
Medical examination fees	2,286	2,856	570
Fees of public accountants and consulting actuaries	136,422	164,937	28,515
Traveling expenses	25,133	6,934	(18,199)
Advertising	6,646	4,620	(2,026)
Postage, express, telegraph and telephone	18,485	15,177	(3,308)
Printing and stationery	8,143	7,587	(556)
Rental of equipment	4,307	4,414	107
Cost or depreciation of EDP equipment and software	6,129	2,318	(3,811)
Bureau and association fees	7,461	7,570	109
Insurance, except on real estate	41,115	47,301	6,186
Collection and bank service charges	24,235	26,090	1,855
Sundry general expenses	1,404	1,612	208
Agency expense allowance	28,241	16,254	(11,987)
Official publication (Fraternal Benefit Societies Only)	38,212	21,187	(17,025)
Expenses of supreme lodge meetings (Fraternal Benefi	7,500	15,476	7,976
Real Estate Expenses	52	-	(52)
Fraternal Activities	45,198	19,039	(26,159)
Data Processing and Consultants	67,777	63,050	(4,727)
Moving Expenses	4,000	8,071	4,071
Investment expenses not included elsewhere	61,089	63,892	2,803
Med Supp Expenses Ceded	-	(41,663)	(41,663)
Expenses allocated in reducing investment income	(118,738)	(119,959)	(1,221)
Total	1,095,022	988,777	(106,245)



Med Supp YTD Analysis

2022 Direct Revenue Exp/Analaysis	2022 YTD
Premiums	233,762
Claims	201,216
Admin & Bank Fees	26,554
Commissions	20,145
Change in Reserves	(28,757)
Net Income on Block	14,604

Change in Surplus

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Realized Gain (Loss)	-	(1,232)	112,436	169,055
Net Income	(142,227)	35,192	(87,513)	123,523
Surplus Adj	44,526	(11,614)	(11,766)	(126,875)
Total Change in Surplus	(97,701)	23,578	(99,279)	(3,352)
Beginning Surplus	1,424,070	1,160,408	1,425,648	1,187,338
Ending Surplus	1,326,369	1,183,986	1,326,369	1,183,986
YTD SURPLUS ADJUSTMENTS				
Unrealized Gains/(Losses)		(57,751)	(35,352)	
Change in Nonadmitted Assets		50,034	(25,972)	
Change in AVR		70,199	8,697	
Ceding Allowance Amortization		(74,248)	(74,248)	
Total Surplus Adjustments		(11,766)	(126,875)	



Q3 Summary & Looking Ahead

- Q3 was an illustration of a pain period prior to implementation of systems and commission updated that will drive distribution and sales in 2023.
- PFA has reduced expenses due to the Polanka but re-allocated these expenses to the system projects that will yield return in the coming years
- We will touch on the product rollout timeline in the sales presentation, but all of our products should be on the iCover platform by mid 2023.
- Corporate Bond Yields continue to remain high; PFA's reinsurance deal supported cash flow to a point of no sales being made, but no new money was able to be reinvested in the quarter with another high annuity claim quarter.
- PFA has re-engaged a conversation with the PA DOI for opting of IMR recognition related to the Heritage reinsurance deal. This would allow release of approx. \$1.9M of the \$2.2M of IMR. This surplus injection would give PFA the runway needed in bringing on large amounts of business, as there is a first-year capital strain that will be realized if volumes are exponentially increased.
- If the IMR reclassification does not come to fruition, PFA is fielding reinsurance quotes to help support the new business strain expectation.
- State apps have been put on hold until we can accurately project the next 3 years



Thank You!