

A Strong Shield

Inspired by Catholic values, Knights of Columbus Insurance continues to protect the financial future of families

By Supreme Knight Carl A. Anderson

As our global economy continued to limp along in 2009, and as the life insurance industry saw lower sales and experienced significant investment losses resulting from the prolonged recession, the Knights of Columbus avoided the worst effects while recording record sales.

The reason is simple: We continue to build upon more than a century of commitment to putting faith and families first.

Speaking with people unfamiliar with the Knights of Columbus, I am sometimes asked, "Why insurance?" The short answer is that our insurance business follows the same philosophy as our Catholic charitable outreach: "Love of neighbor."

When Father Michael J. McGivney came to New Haven as a young priest, his parishioners worked in dangerous factories. If a father died or was seriously injured, his family would suffer — often terribly. Father McGivney wanted to protect these Catholic families, and he put his principles to work in founding the Knights.

True to his vision, the Knights of Columbus has continued its high ethical standards because we view our brother Knights as family. As a result, our fine team of insurance, financial and investment professionals cares for the money of our members as if it were their own.

When it comes to shielding his family from financial uncertainty, every family man looks for safety, prudence, protection, quality and sustainable growth of investments. Such thinking isn't just "smart." It is the right and moral course of action.

Many companies were lured by the promise of quick profits that put their clients' finances in jeopardy. With a business model based on Catholic principles, however, we weathered



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the storm of the past year, and it was another financially strong year for the Knights of Columbus.

Consider this: Despite the turbulent economy, we ended the year in the black with investment returns in line with market indices. And we did it by investing ethically. We believe it is morally wrong to pay another man to do what we consider immoral. Thus, we will not invest a brother Knight's money in companies that engage in things such as abortion or pornography, things that go against the fundamental moral values of our Catholic faith.

What holds true for us at home should also hold true for our business decisions, and at the Knights of Columbus, it does. This hasn't hurt business, either.

Our rules bar us from investing in companies and industries with im-

moral products, research or services, yet year after year — and again in 2009 — we have made money without compromising our principles.

We have been successful for our members in other ways, too. During a year in which 140 banks failed, annuity sales at the Knights of Columbus were up 60 percent, or \$180 million — a new record. In 2009, the Order's overall assets grew by nearly 10 percent. Many insurance companies are cutting dividend rates in 2010; the Knights of Columbus is not.

People sometimes ask why we maintain such a large surplus. In times like these, they have stopped asking.

The Knights ended 2009 with nearly \$75 billion of insurance in force. Once again we earned the top ratings for financial strength from A.M. Best and Standard and Poor's, as well as certification from the Insurance Marketplace Standards Association for our commitment to ethical business practices.

While many in the insurance industry struggled, we saw a flight to the kind of quality that comes from our philosophy: a mission to protect the financial security of Catholic men and their families based on Venerable Michael McGivney's vision 128 years ago.

People can see the difference. In 2009, we had our best year ever with more than \$7 billion in sales.

As we begin 2010, my pledge to every brother Knight and his family is this: We will stay the course that has proven so successful in the current financial crisis. We will continue to build upon the ethical and financial strength of the Knights of Columbus, and that strength will continue to be a strong shield to protect the financial future of our families.

Vivat Jesus!