

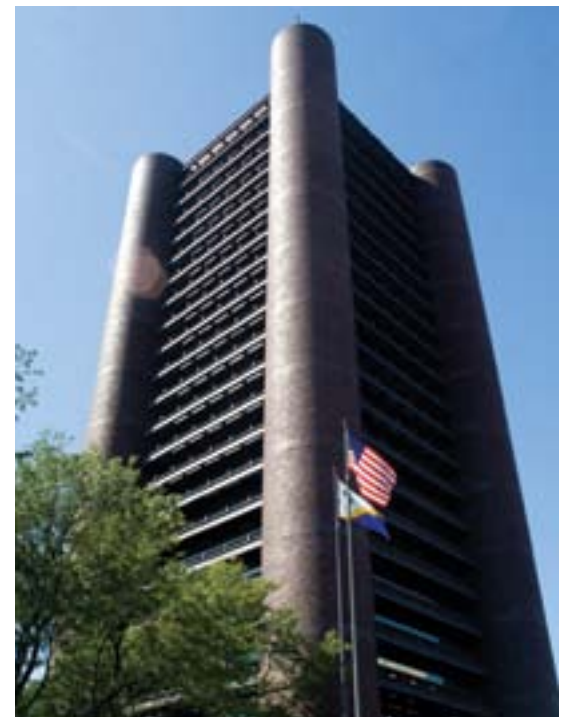


Knights of Columbus: Founding Vision a Continued Success

TO MANY PEOPLE, THE KNIGHTS OF COLUMBUS IS ONE OF MANY CIVIC OR BENEVOLENT organizations where like-minded individuals in a community gather to enjoy one another's company and volunteer some service and/or financial support for worthy causes. Without a doubt, the 128-year-old organization does much good for those in need. Its charitable donations during the past decade alone exceed \$1.325 billion, coupled with nearly 626 million volunteer service hours by its members.

Charitable service was a founding principle of the organization, as was the purpose of providing for the financial welfare of its member families. Chartered as a Catholic fraternal benefit society by the Connecticut legislature in 1882, the K of C has grown into an organization of 1.8 million members over four continents. It has become a Fortune 1000 company too, with \$76 billion of insurance in force and \$15 billion in assets under management.

The Knights of Columbus life insurance program has received the highest ratings for financial stability from Standard & Poor's (AAA) for 17 consecutive years, and A.M. Best (A++) for 34 con-



The K of C international headquarters in New Haven, Connecticut



Father Michael J. McGivney Cancer Center

secutive years, as well as certification for ethical business practices from the Insurance Marketplace Standards Association. Only a handful of insurers in North America can make this claim.

Carl A. Anderson is in his tenth year as CEO. Although innovation has been a hallmark of his tenure, he has also worked to refocus the organization on its origins. The success it enjoys today, he believes, is based on the principles and objectives laid out by its post-Civil War era founder, a 30-year-old parish priest in New Haven, Father Michael J. McGivney. When Anderson assumed the organization's helm in 2000, the K of C had just reached the milestone of \$40 billion of life insurance in force. A decade later, that number is on the verge of hitting \$80 billion. With that remarkable accomplishment nearly in hand, Anderson reflects on the organization's heritage and uncompromising standards as the keys to its success.

Rob Garver also examines the Knights of Columbus's continued growth and financial strength despite a weak global economy, and Gerald Korson profiles some Knights of Columbus insurance agents and the unique approach they take in serving the K of C membership. Additionally, the company's investment strategies, product portfolio, training practices, and retention statistics are summarized. ●



A statue of K of C founder Father Michael McGivney

Following the Vision



An interview with Knights of Columbus CEO Carl A. Anderson

While the last several years have brought a very difficult financial environment for businesses of all kinds, it has been especially difficult for life insurers. How has the Knights of Columbus come through all of this?

We've come through it quite well, for a number of reasons. First, we recognized the risk involved in credit default swaps based on subprime mortgages right away, and avoided altogether the highly speculative structured transactions that later caused so much harm to the economy. Chasing the last possible basis point of return on your investments can lead to serious errors of judgment when it comes to risk tolerance. We're always conscious of the responsibility we have to our members, and don't do anything that would place their well-being in jeopardy.

Second, whether we're in good times or bad, we follow what Standard & Poor's calls our "very conservative financial strategy." Their latest report on us notes that our investment portfolio has "very strong credit quality," and that we adhere to "very strict underwriting standards." We have what they call "a very low risk tolerance," and we place "a very high value on the society's reputation."

What ties these things together – the reason we take matters of risk and reputation so seriously – is that we are meticulous about following the vision of the Catholic priest who created our organization in 1882. Father Michael McGivney wanted to safeguard both the faith and the finances of Catholic families. His vision was both religious and financial, tied closely to what would soon become known as Catholic social teaching. For more than 128 years, we've never deviated from that vision, and we've shown throughout our history that it's possible to be both financially successful and morally and ethically responsible. We don't need a special set of "business ethics." We simply adhere to a single set of moral and ethical standards that govern everything we do in our lives.

How do you make decisions about where and how to invest your assets? Does "conservative" mean you never take a risk?

As a broad, overarching principle, we simply take the position that there's no transaction that we have to undertake. In practice, that means that if there's anything about an investment decision that makes us uncomfortable, we always feel free to walk away from it. There will always be another day, and another opportunity. That was certainly our approach when the rest of the financial world was buying up subprime mortgage securities that had been cleverly repackaged to win Triple-A ratings.

We also have very specific guidelines governing the kinds of securities that we will not invest in under any circumstances, because the companies are engaged in activity that conflicts with Catholic moral teaching: companies involved in any way with abortion, contraception, human cloning, human embryonic stem cell research, for-profit health care that pays for any of these, or pornography. There are many companies in the pharmaceutical industry, for example, that would undoubtedly provide

excellent returns for us, but they're not in our portfolio because they engage in research or development in ways that violate the sanctity of human life. We find our returns elsewhere, and there are plenty of other places to go.

These are important selling points for tens of millions of Catholics who take their faith seriously. They have plenty of choices when buying life insurance. But they know that if they get it from us, the policy is supplied by an insurer that shares their moral and ethical values and is guided in all of its investment and sales practices by those values. That's part of the reason that our insurance members are so loyal and stay with us over the long haul. Our lapse rate is one of the best in the industry – 3.8 percent – and is less than half the industry average of 7.9 percent. That reflects a relationship of trust and confidence in our business practices and our proven ability to be financially successful while keeping our values at the forefront of our business activity.

By the way, the relationship works both ways. Our agents stay with us over the long haul, too. Our agent retention rate is significantly above the industry average.

Do you invest in anything other than bonds? Does your low-risk approach keep you out of other investment categories?

About 87 percent of our assets are invested in investment-grade bonds. A little over five percent is in equities, and most of that is in preferred stocks. And we have a small amount – several hundred million dollars – in real estate, including our ChurchLoan Program. We provide mortgages for churches and Catholic schools, thereby strengthening our ties to the Catholic Church and providing the means for its expansion as its membership grows.

Church loans are yet another example of the ways in which we have strong relationships with the Catholic Church at every level. Our members provide invaluable support to every parish in which we have a council. If the parish priest needs help, our men are there for him. In thousands of parishes, we're an integral part of the "glue" that binds parishioners together socially. Our field agents are all Catholic men, and they're all active members of the Knights of Columbus. They and their families are familiar faces at Sunday Mass, and are active as ushers, lectors, and many other lay ministries. They're your friends and fellow parishioners, and that gives them a substantial advantage in the Catholic market that representatives of commercial life insurance companies can't match.

In important respects, we're much more than a life insurer. We are deeply involved in the spiritual life of the church as well. At the conclusion of our annual convention in Phoenix last year, we sponsored a free day-long religious festival at the city's hockey arena, filled it to its 20,000 person capacity, and had to turn people away. We provided significant financial and volunteer support during the pope's visit to the United States in 2008. We have cosponsored Catholic men's conferences throughout the country, and own a retreat house operated by a remarkable group of Catholic women – the Sisters of Life – in Stamford, Connecticut.

So if you're a Catholic looking for life insurance, an annuity plan, or a long-term care policy, we're the first place you're likely to look. With us, you get not only the financial coverage you need, but also the opportunity to become part of the largest and most active organization of Catholic laymen in the world.

How do you grow your business in an economic environment where recovery from the recession is very slow?

Our growth has been steady throughout the past decade, in good times and bad. We've grown our insurance in force every year, nearly doubling it from \$38 billion in 1999 to over \$74 billion last year. We set new records for life insurance sales in nine out of 12 months in 2009, and had an all-time high in annuity sales.

Many things helped us accomplish those things: an excellent, motivated and highly trained sales force; a strong shared sense of vision; efficiency upgrades at the home office; new products that have proved to be very popular; and a relationship with our members that is second to none.

The icing on the cake is the \$3.2 billion in dividends we've paid out to our insurance members over the past decade, and the \$1.7 billion paid in death benefits to survivors. During a decade in which the stock market has been extremely volatile, and when retirement fund balances have fluctuated wildly, the rock-solid stability of the kind of financial protection we offer is very attractive. We're the anchor you want in your portfolio in times like these. ●

Profitability through Ethical Practices; Client Satisfaction through Service



IN ANY FORM OF COMMERCE, retained business is ultimately a measure of customer confidence. Knights of Columbus Insurance has historically enjoyed one of the highest retention ratios in the life insurance industry. Over the past decade, the K of C has retained, on average, more than 96 percent of its life insurance business. As a fraternal insurer, the Knights have the advantage of loyalty at the outset, but their customer satisfaction levels are measured in another manner as well.

During the same time period, the K of C has also remained certified by the Insurance Marketplace Standards Association (IMSA), an independent, nonprofit organization promoting high ethical standards in the marketing and service of life insurance and related products. IMSA standards exceed typical state regulatory requirements and require ongoing monitoring to ensure continuing compliance and certification. The Knights of Columbus is one of only two insurers in North America that currently have the highest ratings for financial stability from Standard & Poor's (AAA, Extremely Strong) and A.M. Best (A++, Superior), as well as IMSA certification for ethical business practices.



The Knights of Columbus also has a captive force of field agents and general agents (field managers) marketing K of C products exclusively to its members and their immediate families. What's more, every member of the field force is a member of the fraternal organization. The affinity and relationships that exist among members contributes to client trust and agent integrity. There are never orphan policyholders among K of C members.

With lapses totaling fewer than four out of every hundred policies, the K of C can confidently rely on renewals, and members can have faith that their policies will perform as projected. This serves the bottom line: the client and company both remain financially secure. In fact, during the noted 10-year period, in force life insurance volume has nearly doubled, while policyholders have received \$3.2 billion in dividend returns. This



is in addition to a company payout of \$1.7 billion in death benefits.

Ethical practices build customer confidence, which leads to retained business and repeat sales. The success of the Knights of Columbus proves it. ●

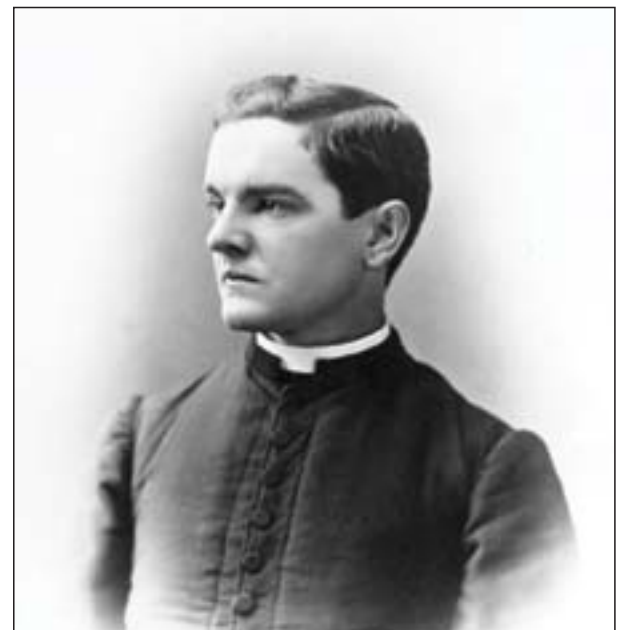
Ethics & Profitability

Catholic social teaching and Father McGivney's vision demonstrate that a business can be both ethical and successful.

By Carl A. Anderson

THE KNIGHTS OF COLUMBUS AND MODERN CATHOLIC SOCIAL teaching were born less than a decade apart: the Knights in 1882 and the Church's social teaching that took into account the rapidly changing world of commerce with Pope Leo XIII's encyclical *Rerum Novarum* in 1891. Catholic social teaching and the Knights of Columbus also share a common motivation: Christ's commandment that we love our neighbors as ourselves.

Father McGivney's motivation for founding the Knights of Columbus had both religious and financial components. He was not interested in making money for shareholders or in pursuing profit at any cost. Instead, he wanted to safeguard the faith – and the finances – of Catholic families. As a Catholic organization, the Knights of Columbus has taken that message to heart ever since.



A portrait of Father Michael J. McGivney, the New Haven, Connecticut parish priest who founded the Catholic fraternal order in 1882.

Prior to his election as Pope Benedict XVI, in the 1980s, Cardinal Joseph Ratzinger warned that without an ethical foundation, market economies would collapse. Unfortunately, too many companies – and too many individuals who worked for those companies – compromised core values for the false promise of quick profit. The United States, along with the whole world, is still suffering as a result.

Since the economic downturn in 2008, the ethics involved in business decisions have been a topic of much discussion. Whatever else caused the downturn, there can be no doubt that greed was a key catalyst.

The key question is this: Can a business be both ethical and successful? The answer, of course, is yes. And people know it.

CHARITY AND FRATERNITY

A Knights of Columbus/Marist Institute for Public Opinion poll last year found that three quarters of Americans, and more than 9 out of 10 executives, agree that a business can be both ethical and successful.

This is not just a matter of opinion. In a book by Jim Collins and Jerry I. Porras titled *Built to Last: Successful Habits of Visionary*

Companies (HarperBusiness, 2004), the authors begin by rejecting the notion that “the most successful companies exist first and foremost to maximize profits.”

The authors add that profit is not the “dominant driving force or primary objective” of visionary companies and conclude that “visionary companies make more money than the more purely profit-driven comparison companies.”

There are many such visionary enterprises, and one of these is the Knights of Columbus.

The Order has led by example both in our charitable giving and in our ability to run a successful business enterprise based on Catholic social teaching. We consciously strive to safeguard the finances of our brother Knights and their families who invest with us and to treat our employees fairly.

Our goal has never been simply to make money. Rather, the Order exists to protect the financial future of its members’ families. And our brother Knights are our family. That is our strength – and a consideration that underlies all of our decisions. That is the rationale underlying our program of insurance by brother Knights, for brother Knights.

Ethical dealings in any area, including business, must be based on the understanding of the dignity of each person, and on our responsibility to our neighbor. Rather than embracing the greed and jealousy that motivated Cain to kill his brother and then pretend ignorance of the crime by asking, “Am I my brother’s keeper?” a proper approach to business takes as its model the Good Samaritan and concern for our brother.

At the Knights of Columbus, that means that our investment standards rule out investing in companies that violate Catholic teaching in a number of areas, including pornography and abortion. Yet, in one of the worst financial crises in memory, we still made money, and even improved our strength relative to the industry – not by compromising our principles, but by holding to them.

THE GOLDEN RULE

Because of our commitment to running our business in a way consistent with Catholic social teaching, we are one of only three U.S. life insurance companies – and the only one in Canada – to have achieved the highest rating for financial strength from A.M. Best and Standard & Poor’s, as well as ethical certification from the Insurance Marketplace Standards Association.

This last certification is very important because it is our ethical commitment that makes profitability possible and sustainable into the future. It is financial strength through moral strength that allows economic development to be truly sustainable. Pope Benedict made this clear in his latest encyclical, *Caritas in Veritate* (Charity in Truth).

Catholic social teaching tells us and our own experience proves that the golden rule – which states that we should treat others as we wish to be treated – makes good business sense.

Over time, it is the ethically run business that will avoid risky bets with others’ money. It is the ethical company that will treat its customers and business associates in a manner that will earn their trust, their future business, and their loyalty.

We have seen this in recent months with an increased demand for quality, especially in regard to financial products as a key to economic recovery. But for Christians, and indeed for all people of good will, “quality” must always include the quality of a corporation’s moral compass. All of us – whether we are executives, employees, investors, or consumers – must insist that this be the case.

This is not a job solely or even primarily for government, although government policies can be used to help create a more moral business climate. Each of us has a responsibility to love our neighbor and to create an ethical environment at home, at work, and throughout society.

As a general model of business, then, we can say with political economist and author Peter Drucker (1909-2005) that we do not have a need for “business ethics”; our personal ethics – present in every aspect of our lives – should eliminate the need for any specialized ethics.

Basing profitability on time-tested moral values means basing decisions on bedrock and not on the shifting sands of the latest risky fad. This is a truth that Father McGivney understood, a truth Pope Benedict understands, and it remains a guiding principle of the Knights of Columbus. ●



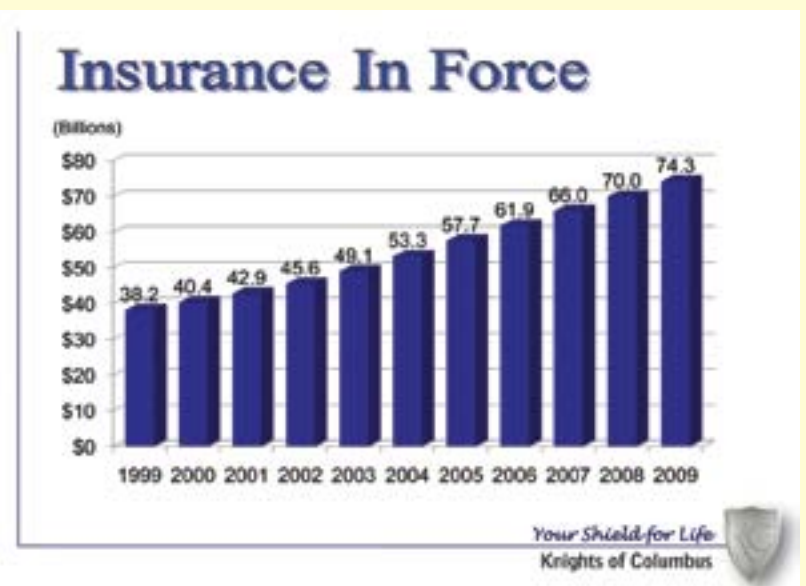
Product Development for Customer Welfare

THE KNIGHTS OF COLUMBUS PRODUCT PORTFOLIO (life insurance, long-term care insurance, and annuities) competes directly in terms of features and benefits with industry competition. In 2008, a new series of insurance products were brought to market that keep the company competitive with commercial carriers: 20-Payment Life, Single Premium Life, Life Paid-Up at 65, Second-to-Die universal life policy, and a variety of term life products.

While influenced by the industry and market trends, the K of C weighs its policy designs differently. Because its insurance products are developed exclusively for the organization’s member base, there is a keen understanding of the market demographic. The principal objective in tailoring a product is to ensure its end purpose – to be in force at the insured’s death.

Product development begins with significant input from producers and organizational leaders. Before the requisite actuarial calculations and industry analysis, the K of C solicits the insights and recommendations of those involved in the fraternal work of the organization. The product introduced is typically seasoned with enhancements or design features tailored for the long-term benefit of the policyholder.

Pricing is competitive with comparable products, and consistent with sound business practices. But because investment assumptions are more conservative, income projections will be slightly lower. The long-term success of the organization, as well as satisfaction of its policyholders, results in the durability of the business. Of this, the Knights of Columbus model is an example. ●





Extraordinary Strength

Despite a difficult financial market, Knights of Columbus Insurance has thrived.

By Rob Garver

AS THE GLOBAL ECONOMY SLOGGED THROUGH THE WORST OF the financial crisis in late 2008 and most of 2009, the insurance industry seemed to be mired as deeply as any other sector of the financial services industry.

Insurance firms' investment portfolios suffered, and in June 2009, global accounting firm Ernst & Young released a report identifying the insurance industry as the sector most at risk of financial meltdown as a result of the ongoing crisis.

Coincidentally, June was also the month in which two major ratings agencies – Standard & Poor's and A.M. Best – announced their opinions on the stability of New Haven, Connecticut-based Knights of Columbus Insurance.

For the 34th consecutive year, A.M. Best gave the Knights its top rating, Superior (A++). On the same day, Standard & Poor's rated the company Extremely Strong (AAA) – the highest rating available.

By year-end, the Knights of Columbus was also certified by the Insurance Marketplace Standards Association (IMSA) for its ethical business and marketing practices, making Knights of Columbus Insurance one of only three insurers in the United States – and the sole insurer in Canada – with all three distinctions.

GROWTH AND STABILITY

"They have the highest rating that we assign – and there is a relatively small percentage of companies that do," said Joseph Marinucci, an analyst with Standard & Poor's. "Their ability to make good on a claim is very strong."

Marinucci said that when S&P made the decision to renew its AAA rating on Knights of Columbus Insurance, it did so based on an extensive analysis of the company's financial position and business profile.

"We have explicit criteria for evaluating insurance companies," he said, adding that the analysis includes, but is not limited to, assessing the company's balance sheet, investment portfolio, risk exposure, and cash reserves.

In the report reaffirming its rating, S&P analysts wrote that the decision was "based on [the Knights'] extremely strong capital, very strong competitive position because of its unique strategic advantage in the Catholic market, historically strong profitability, and extremely strong liquidity."

Not everyone familiar with the Knights' high-profile role as a Catholic fraternal organization understands that the Order was originally chartered as a fraternal benefit society, dedicated to ensuring the financial well-being of its members and their families.

In the 128 years since its founding, the less formal mutual benefit society has developed into an internationally respected insurer, with more

than \$75 billion in life insurance in force, as well as annuities and long-term care insurance. The insurance is backed by nearly \$15 billion in assets, and its services are offered through a network of more than 1,400 full-time professional agents throughout North America.

At the same time much of the insurance industry suffered from a crisis of customer confidence, the Knights wrote a record \$7.57 billion in new policies in 2009 and issued more than twice as many annuities as it had the previous year. This growth continues a decade-long trend: From 1999 through 2009, total insurance in force more than doubled.

Supreme Knight Carl Anderson attributes the Knights' success to prudent financial management. "Our history of careful management and our conservative investment practices made all the difference when last year's severe downturn punished virtually every financial services company," he said. "Our mission, to provide financial security for our members and their families with top-quality insurance products, remains our number-one priority."

The numbers suggest that the Knights focus on client service has been very successful. With an overall lapse rate of only 3.8 percent, more than 96 percent of policyholders keep their policies in force year after year, significantly more than the industry average.

A STRATEGY FOR SECURITY

Behind the ratings and the numbers is a staff of seasoned financial professionals whose task is to invest wisely in order to preserve the financial stability of Knights of Columbus Insurance.

Senior Vice President and Chief Investment Officer Anthony V. Minopoli said that there is one key management tenet that kept the program from suffering the financial beating that many firms took during the crisis. "We subscribe to a simple mantra that says there is no transaction that we have to participate in," he said.

"If we really cannot trace how a dollar comes in the front door and makes it to the bottom line, we won't participate."

When the rest of the marketplace was running headlong to invest in complex collateralized debt obligations, collateralized loan obligations, and other products that would eventually cause the credit markets to seize up, the Knights of Columbus program held back.

"We just decided not to play in that market," said Minopoli. "It wasn't that we didn't understand those products – we understood them perfectly, and that's why we didn't get involved with those transactions."

As other firms threw money into the financial services marketplace, the Knights allocated about one-third of the industry average to investments in financial firms. When managers began to see the market for commercial mortgage-backed securities overheating last year, the Order even managed to sell some of its weaker assets into the bull market.

And in a year when the Federal Deposit Insurance Corporation closed 139 failed banks, Minopoli said, "We literally had exposure to one bank failure, and that was in a portfolio managed by an outside manager."

According to Minopoli, the focus on prudent investment strategies is a top-down effort. "The overall risk tolerance and the strategy I take in the investment department is completely understood by senior management. I have never been pushed to take risks we shouldn't take."

In a message to members, Thomas P. Smith Jr., Executive Vice President (Agencies and Marketing), explained what the Knights' financial strength means for members.

"First," he wrote, "it means that you can take great pride in the success your organization is having in fulfilling the vision of Father Michael J. McGivney by caring for the financial security of our members and their families. Second, in case you haven't already, this would be a great time to get on the bandwagon and have a discussion with your agent."

ROB GARVER is a freelance writer from Springfield, Va., specializing in financial services and the business community. ●



All in a Day's Work

Knights of Columbus agents respond to a call to help others secure their financial future and plan for the unexpected.

By Gerald Korson

EDWARD O'KEEFE REMEMBERS THE FUNERAL AS IF IT WERE YESTERDAY.



K of C Field Agent Edward O'Keefe is a member of St. Ursula Council 5058 in Parkville, Maryland, and the Robert Marlowe Agency.

The deceased, a brother Knight, was a relatively young man, married with children, and his death evoked intense grief throughout the parish. O'Keefe, the Knights of Columbus field agent who had secured him a life insurance policy, was close to him and his family.

"The moment that had the greatest impact on me was when I visited with his widow after his funeral," said O'Keefe, a member of St. Ursula Council 5058 in Parkville, Maryland, and an agent with the Robert Marlowe Agency. "She said to me, 'If my husband had not joined the Knights of Columbus, he would have had no death benefit.' She thanked me for my persistence in meeting with them on a regular basis. That reinforced how important our work is to members and their families."

Today, whenever a potential client is reluctant to discuss his financial needs, O'Keefe recalls the widow's gratitude. And he remembers he has a chance to make a difference in the lives of families when they are in most need of support.

It is this perspective that drives the Order's field agents. Numbering more than 1,300, they are dedicated men charged with ensuring that brother Knights and their families have a financial strategy that will provide for their retirement, their emergency needs, and their surviving beneficiaries.

UP TO THE CHALLENGE

Catholics who associate the Knights with pancake breakfasts, Tootsie Rolls, and Fourth Degree honor guards may not be aware of the Order's fraternal benefits, said Doug Kelly, an agent with the Kevin Pfeifer Agency and member of St. Robert Bellarmine Council 10108 in Omaha, Nebraska.

"People don't know there is this whole other segment that helps them protect their families," Kelly explained. "As agents, if we don't convey that with passion, then we're letting Father McGivney down."

Kelly said the most fulfilling aspect of his work is in helping families solidify their financial future and protect their assets. His biggest frustration is not yet being able to meet and help all 940 families in his region.

"There are not enough hours in the day to do everything I want and need to do to help my members," he said.

This frustration is fed by soul-rending anecdotes involving Knights who put off buying insurance – with devastating results.

"One of the biggest challenges for me has been working with families that want to wait or think about purchasing insurance," said Jose Ortega, a member of San Jose y la Virgen Maria Council 14948 in Lynn, Massachusetts, and an agent with the Joseph DiCalogero Agency. "I don't want to force people to purchase insurance before they are ready, but I know how these benefits can help. It is heartbreaking when I return to see them and something terrible has happened."

Ortega recalled one couple that decided to postpone a decision on life insurance until after their vacation in Puerto Rico. Tragically, the wife died on that trip. Another couple he had advised was still weighing financial options when the wife was struck by a car and left disabled.

"I could no longer offer them the same financial security discussed during our first visit," Ortega said. "This is very difficult for me to watch in my community."

BECOMING EDUCATED

New field agents usually receive training from a general agent, a manager of one of the Order's 137 regional agencies. They must complete a comprehensive program, understand the ethics of the profession, and pursue continuing education and certifications to retain up-to-date knowledge of financial products and opportunities. Previous experience in insurance, accounting, or sales is not a prerequisite for success. Ortega was a mechanical engineer and restaurateur. Kelly, a longtime administrator, earned his master's degree in human development.

Across the border in Edmonton, Alberta, former schoolteacher Neil Bouvier of St-Thomas d'Aquin Council 9046 said he utilizes his classroom skills regularly in his capacity as a field agent with the Marc Bouchard Agency.

"Basically, the job I do now involves education," said Bouvier. "The men I speak with probably don't wake up that morning saying, 'Today's the day I have to buy life insurance.' It's a matter of priorities. I have to show him that life insurance is not about benefiting himself, but the people he cares about most — his wife and children."

The challenge, he said, is to impress upon couples the need to plan for contingencies long before a crisis occurs.

"No one who boarded the Titanic was too concerned about the life rafts," said Bouvier. "When the ship started going down, all of a sudden the rafts became very important."

Life rafts have been in high demand since the economic downturn in 2008. While many financial firms fared poorly – and their investors still worse – the Knights' financial products became even more popular.

"People are safety-oriented now, and that's actually helped in a lot of ways," said O'Keefe. "I think the Knights overall have had some of their best years ever because people are moving toward products that are guaranteed, products they can count on in the future."



O'Keefe enjoys an afternoon in the park with his wife and daughter.



K of C Field Agent Neil Bouvier, a former schoolteacher, now teaches Knights of Columbus members how life insurance protects families financially.



Bouvier, pictured with his wife and baby.

Steve Owens, a K of C field agent with the Ben Baca Agency, said such guarantees are important to agents because they take seriously the promises they make to their brother Knights.

"I go out and keep the promises made by other agents years ago, and I make promises every day that I know will be kept in the future," he said. "I don't have to wonder what will happen to the families if the market goes down."

THE CALL AND COMMITMENT

Most agents get their start the same way they become Knights: Somebody asks them.

"My council field agent invited me to consider a career with the Knights of Columbus," said Owens, a member of Father Robert Ross Council 6095 in Stanton, California. "I soon learned that this invitation was more like a calling. I could see that a career with the Knights would allow me to spend my working hours helping others in a job that is tied to my Catholic faith. What could be better?"

This sense of vocation is common among Knights of Columbus agents, and it is confirmed through personal experiences.

Owens recalled sitting down with a Knight and his wife for a routine annual review of their financial security and informing them of the substantial cash value that their whole-life policy had accrued. Several



Ortega reads with his wife and daughter.

weeks later, they found themselves in sudden financial straits and remembered what he had told them.

"I believe God sent you to us two months ago when you came to do the review," the couple told Owens when they contacted him. "We had no idea that we had access to that cash value. This financial problem was going to happen anyway, but we'll be able to manage it because you were here."

The responsibilities of a field agent sometimes extend well beyond the sale of insurance. Among other things, agents sometimes assist with funeral arrangements if their clients pass away, complete claim forms, and secure the survivors' Social Security and veterans benefits. "We have a whole checklist that we go through with them," Kelly said. "They rely on us to be their local experts."

Although a widow can purchase or modify financial products for only a year after her husband's death, Kelly said he and other K of C field agents will continue to check on her well-being indefinitely.

"All these other insurance guys say, 'Why would you keep visiting somebody if you can't sell them anything?' That completely misses the point," Kelly explained. "I visit them because I promised their husbands I would always take care of them and their kids. That's how deep the commitment runs in us."

Another aspect that agents appreciate is that the Order does not hold stock in any firms whose products or aims conflict with Catholic moral or ethical values.

"If you're looking for an ethical fund, it would be awfully tough to find a fund that matches your Catholic beliefs better than the Knights of Columbus," said Bouvier.

A REWARDING PROFESSION

What O'Keefe enjoys most about his job is the opportunity to work with Catholic families who share his faith and values. He has a special affinity with families that have members with physical or intellectual disabilities.

"These families are on the frontline of the pro-life movement, and I have a deep understanding of their emotional and financial stresses," said O'Keefe, who has a daughter with both Down syndrome and autism.

Ortega, meanwhile, has a special place in his heart for Spanish- and Portuguese-speaking members, and his multilingual abilities have helped him reach this often underserved community.

"A big part of my job has been educating families about the Order and the benefits that come with membership," said Ortega, who has made many connections through Spanish liturgies and the Cursillo and Charismatic movements. His work has more than doubled membership in his area and has led to the formation of two new councils.

The very nature of a field agent's work brings him into contact with some of the most intimate and emotional moments in a family's life. Kelly recalled a friend who deferred his life insurance purchase for years before finally settling on a policy in the fall of 2007. Seven months later, the man was diagnosed with leukemia.

"I visited him numerous times in the hospital, and there was nothing else the doctors could do for him," Kelly said. "In his last days, I sat on his bed, holding his hand, and he asked me, 'What else do I need to do?' And I said, 'You've done everything you needed to do to protect your wife and family.'"

GERALD KORSON writes from Fort Wayne, Indiana ●



Knights of Columbus Field Agent Jose Ortega is a member of San Jose y la Virgen Maria Council 14948 in Lynn, Massachusetts, and an agent with the Joseph DiCalogero Agency.



Training Salesmen for Service



IN TODAY'S FAST-PACED WORLD, IMPERSONAL service is quickly becoming the norm, but it's a trend that the Knights of Columbus insurance program has no intention of following. The company prides itself on the personal service provided by more than 1,300 field agents serving members and their families in the United States and Canada. The training and support of these field agents is an important responsibility shared by more than 130 general agents and the staff at the home office in New Haven, Connecticut.

Each month, new agents are welcomed to New Haven for a week of intensive training and instruction led by department vice presidents, many of whom have nearly 30 years of experience in the insurance industry. Agents are trained in a classroom on the third floor of the 22-story tower, under the watchful portrait eyes of the first 12 CEOs of the Knights of Columbus. Topics of discussion include product knowledge and development, communication skills, and fraternal relations.

When his busy schedule allows, CEO and Chairman of the Board Carl Anderson takes time to address the agents on the direction of the company, the ethics of the insurance business, and how agents can best serve the interests of the clients.

After training, agents are required to stay on a strict educational path, earning their professional designations in a timely fashion. The goal is to remain well-versed in the insurance arena and provide service worthy of the Knights of Columbus name. ●



K of C CEO Carl Anderson addresses insurance agents at a recent training session at the international organization's New Haven, Connecticut headquarters (top); field agents receiving instruction at K of C international headquarters (right and center left); field agent Jose Ortega meets with a K of C member family around the dining room table (bottom left)

