

# AMERICAN FIDELITY CORPORATION

2018 ANNUAL REPORT

AMERICAN FIDELITY   
a different opinion

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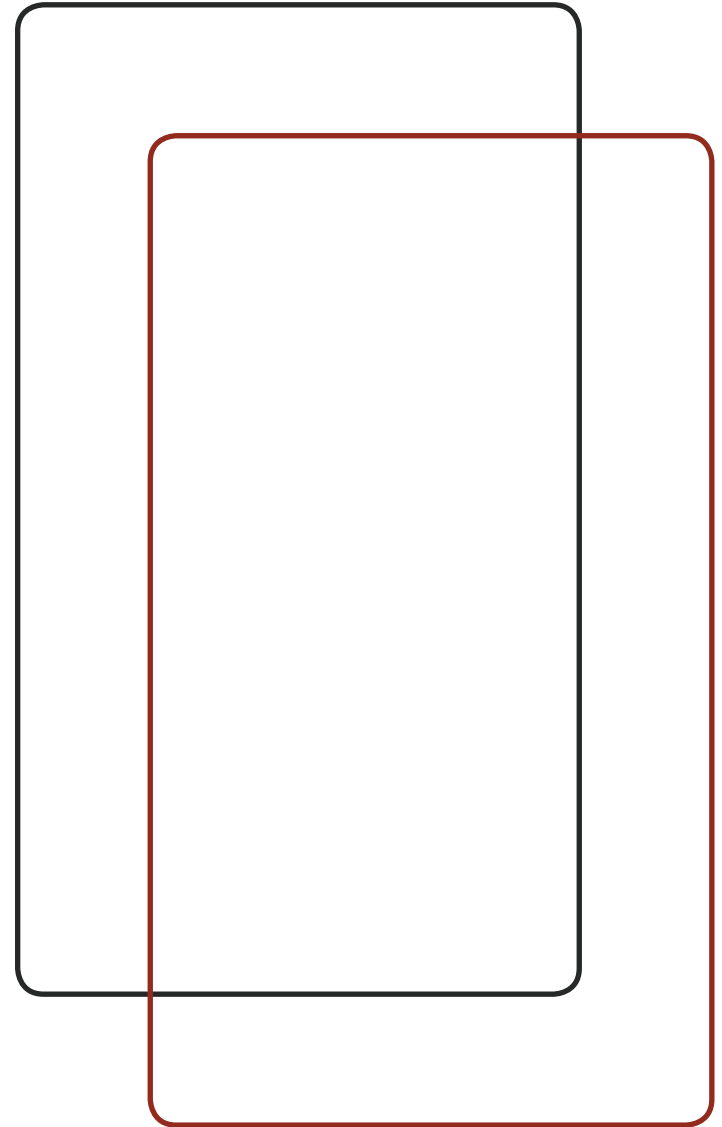
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# DEDICATED TO **OUR** CUSTOMERS

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We focus on serving our markets with a different opinion. Our value-added products and services provide our Customers with a unique advantage to meet the needs of their employees in an ever-changing world.







## LETTER FROM OUR CEO

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As I reflect on the company my grandfather, C.W. Cameron, and my father, C.B. Cameron, founded more than 58 years ago, I am proud that we have never wavered from the original goal of making things easier for our hard-working Customers. Even today, our key Customer markets remain the same and we continue to embrace our pioneering spirit to provide a different opinion to our Customers. To us, that means constantly looking for ways to make things easier for the people we serve.

American Fidelity Assurance Company has grown to serve more than 1.5 million policyholders in 49 states. The whole of the Cameron family of companies has Customers and business interests in more than 20 countries worldwide. We remain unwavering in our commitment to provide specialized employer benefit solutions to our specialized markets.





We were again recognized for our sound business practices, both for our Customers and our Colleagues. Among accolades and awards from other respected agencies and organizations, we maintained our “A+ rating” from A.M. Best, one of the insurance industry’s oldest and most-respected ratings agencies and again received many honors from Fortune magazine and the Great Place to Work Institute, including once again being named one of the 100 Best Companies to Work For, a designation we have achieved 13 times since 2004.

2018 was successful for all of the Cameron companies and together we continued to focus our energy on serving our select markets with specialized services and tailored recommendations and 2019 will follow in those footsteps as we continue to grow in our goal to provide the best service possible to our Customers.

I look forward to watching the continued growth of American Fidelity and all of the Cameron family of companies. We will remain true to our commitment to our Customers and continue to strive for excellence and innovation in the financial and insurance industries.

Bill Cameron, Chairman and CEO,  
American Fidelity Corporation

# LETTER FROM **OUR** PRESIDENT

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For American Fidelity Assurance Company (AF), 2018 was a year focused on enhancing our capability to deliver on our Customer promise. While many define success in pure statistical measures, our Colleagues define success by our ability to build and maintain long-term relationships with our Customers. Endorsements from key associations in our niche markets have been an important part of our business from our start in the early 1960s. With nearly 300 endorsements today, our vision to keep our Customers front of mind has not changed. Specializing in niche markets – education, the public sector, healthcare and auto retail - makes it increasingly important to understand their unique needs and to then focus our energies on making a difference in their lives.

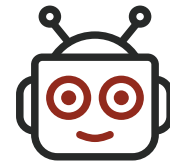
Our Customers expect us to consistently align our products and services with their specific needs. Throughout the Company, we are using artificial intelligence and robotics to continually look for ways to deliver our products and services faster and more efficiently. Whether it is to replace repetitive tasks or to process claims faster, the ultimate payoff is an enhanced experience for our Customers. Through AFQuickClaims, our insureds can now receive annual wellness benefits in as little as one day. We are targeting expansion of our claims process to include additional quick claims capabilities so that we can return benefits as fast as possible.



Technology



Quick claims



Robotics

We know that technology is transforming the way we do business. For that reason, AF is committed to investing in modern technologies for the future. This year we saw improvements in our web and mobile capabilities. Our teams developed a cloud computing strategy focused on utilizing cloud services when it makes sense from an economic and applicability perspective. We are continuing our multi-year journey to replace our legacy systems and increase our ability to orchestrate solutions where we can link services together.

It is important to recognize that none of this would be possible without the dedicated support of our Colleagues. This is evidenced by our ability to turn challenges into opportunities resulting in very strong

sales growth. 2018 marked the thirteenth year that American Fidelity was recognized as one of Fortune magazine's 100 Best Places to Work in America. This is just one measurement supporting our belief that engaged Colleagues deliver exceptional service.

We look forward to serving our Customers in 2019 and will not waiver in our commitment to deliver on our promise to be a different opinion for you.

**Jeanette Rice**, President  
American Fidelity Assurance Company





# **AMERICAN FIDELITY** **EDUCATIONAL** **SERVICES**



Keith Johnson, Chief Sales Officer, AFES

## Who We Are

American Fidelity Educational Services (AFES) provides supplemental insurance, investment products, vital financial services and administrative solutions to the education community. AFES offers Customers the products and services they need at a value they can appreciate.

## 2018 Accomplishments

American Fidelity Educational Services celebrated a record-breaking sales year in 2018. AFES increased production by 12% from 2017 and surpassed our goal for expense reduction.

AFES carried out very concise business plans on a regional and state level that created better efficiencies, enhanced our workforce and helped ensure great care for our Customers.

New technology helped us exceed our goals by assisting with planning and serving our Customers' needs.

## 2019 Goals

AFES has committed to growth of 8% or better in 2019 and will continue to reduce expenses and turnover ratios.

The division has implemented new strategies to keep focus on our Customer and new account development in all regions. Training for our leadership teams will provide them with the tools to measure what matters and use key information to enrich our Customer care.



# ASSOCIATION AND **WORKSITE** DIVISION

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## Who We Are

We provide a different opinion in employee benefits strategies by offering a top-notch Customer experience. Our account managers are dedicated to ensuring the benefit program fits both the employers' needs and budget. The Association and Worksite Division's (AWD) goal is to make things simple by offering strategic voluntary benefits to pair with health insurance, cafeteria plan enrollment support, online enrollment tools and communication and employee benefits education as an extension of the employer's human resources department.



## 2018 Accomplishments

In 2018, we focused on strategically growing our public sector sales. AWD partnered with our public sector and auto associations through presentations at state and national conferences.

We added an impressive number of new groups, providing marked year-over-year growth compared to 2017. Public sector inforce premium also grew significantly.

AWD secured new public sector endorsements from Ohio Municipal League and Maryland Association of Counties and continued to grow our Penske block of auto business.



Nancee Roberson-Caldwell, Chief Sales Officer, AWD



Jasper Purvis, Chief Technology Strategy Officer

## 2019 Goals

We will add new group sales for the public sector by concentrating efforts around the key states of California, Texas, Ohio, Colorado and Maryland. We will invest our resources to build better relationships and understand what the marketplace needs in these states for us to be successful.

We will maintain our auto block of business to keep a stable income and allow us to put additional revenue in places to grow our public sector block. We will add groups where we have strong relationships.

AWD will also enact new training to develop strong managers who can recruit and train our sales staff to be more involved on employer pain points and able to land new groups.



# STRATEGIC ALLIANCES

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## 2018 Accomplishments:

2018 marked the first full year of our AF Direct stop loss sales and operation model. We had robust production throughout the year and significantly exceeded our sales goals for 2018. This success reflected our team's initiative and focus on key third-party administrators (TPA) and broker distribution relationships. These distribution partners are aligned with our market strategy to bring stable, value-added solutions to employers that complement the partner's core competencies.

Although our Managing General Underwriter (MGU) production declined

in 2018 as the result of many factors, we are pleased that we maintained stop loss distribution relationships with a number of quality MGUs. Total earned premium for all products exceeded our budgeted level by 13.9%, a reflection of the continued success of AF Direct stop loss, continued MGU support and increased sales of Medicare Supplement coverage.

The ongoing soft market for stop loss pricing adversely impacted our 2018 earnings though they did improve over 2017. We are confident that our earnings position will improve in 2019.

## Who We Are

Strategic Alliances' primary solutions are medical stop loss and direct first dollar benefits. Employers and health plans use stop loss coverage as a risk management tool to mitigate catastrophic risk. Employers offer our direct benefits to employees as an affordable way to support their individual health insurance needs. In addition to our direct-to-market stop loss model, Strategic Alliances maintains distribution and operating relationships with a variety of excellent insurance marketing and administrative partners. We also participate in the growing market for Medicare Supplement insurance though we are planning on exiting this market in 2019-2020.





## 2019 Goals:

In 2019, our earned premium target is an increase of 11.8%. We anticipate consistent strong growth from our direct stop loss sector and independent distribution partners. Within AF, we are continuing to build on distribution relationships with AWD and AFES that have already created new sales, and show excellent promise for future collaboration.

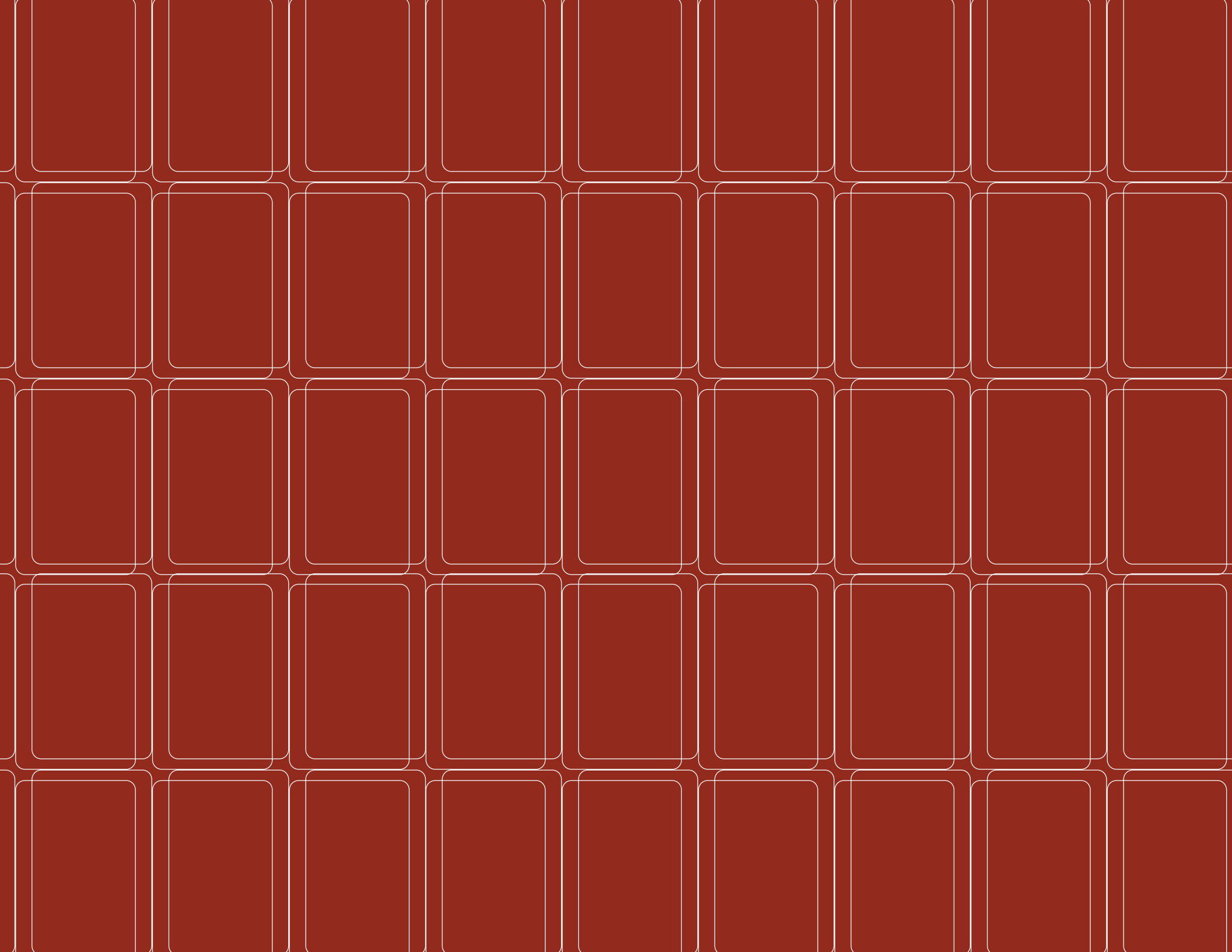
Our move to the direct stop loss model affords us improved loss ratio management, underwriting control and expense ratio management. These are essential components that will support our return to profitability in 2019. Market movement to more rational pricing and continued market exit of some quality competitors will also strengthen our earnings position. Our anticipated earned premium growth will enhance our excellent expense ratio, contributing to improved margins.

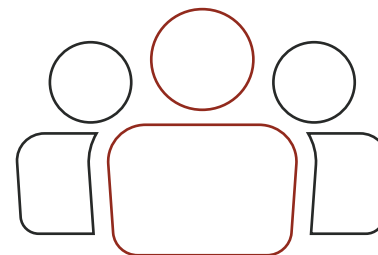
As always 2019 will remain a dynamic legislative and regulatory period. Our division Colleagues, with the support of our outstanding corporate resources, will continue to respond effectively to client needs as they evolve. We look forward to our ability to leverage the unique qualities of AF in creating prompt solutions for our partners and clients.



Ron Byrne, Senior Vice President, Strategic Alliances







## CUSTOMER EXPERIENCE

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The experience our Customers have while working with American Fidelity is what sets us apart from the rest. From Customer service - whether it's online, on the phone or in person - to the products we sell and services we offer our Customers, this is what makes us "a different opinion."



# OPERATIONS

Living our brand and being a different opinion for our Customers remained our focus in 2018 and will continue into 2019.

2018 saw great accomplishments for us including:

- The successful conversion of our HSA Customer portal to an enhanced portal with mobile app and IVR functionality
- The implementation of automated check and explanation of benefits processing
- Addition of claim filing capabilities for our employer Customers
- Enhancements to our claims communication alerts
- Enhancements to our billing process for new employer groups as well as reservices (offering post enrollment audit activities, bill review and online billing education)
- We significantly improved our call center service levels and Customer service

In 2019 our focus will be on:

- Successful implementation of our Policy Administration System to allow for seamless, and further automated, service to our Customers and policyholders.
- Our Customers and making things easy. Our work includes HSA platform and investment integration, implementation of a Customer Service Management platform, continuing to grow the use of robotics and AI technology to improve efficiencies and our Customer service and continuous enhancement of our claims capabilities.
- Always growing our Colleagues, their skill sets and growing our intern program within our Operations team.

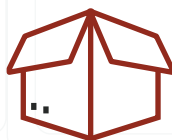


**Lisa Knatvold**, Senior Vice President, **Operations**





Alex Bagby, Chief Product Officer



# PRODUCTS

Providing the products our Customers and policyholders need remains one of our top goals and in 2018 we continued our focus on developing our portfolio of group products and overall simplification of our product processes to bring more value to our Customers.

In 2019, we will continue to refine the positioning of our broad portfolio of seasoned life, supplemental health and annuity products with a focus on simplifying the enrollment process and the claims process to enhance our Customers' experience not only at the time of enrollment but also during the claims process.



The development of our HSA compatible Group Hospital Indemnity product was released for sale in early 2019.



Our first guaranteed issue group cancer product, designed for simplicity with platform enrollments will be released for sale in specifically targeted states in 2019.

# INFORMATION TECHNOLOGY

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Working hand-in-hand with AF's business areas, IT has seen continual improvement and efficiencies during the past year, allowing us to provide better service to our Colleagues and ultimately, our Customers.

We will continue on the success of 2019 by driving and supporting the following key areas:

- Implementation of release one of our Policy Administration System
- Improvement of the frequency of technology delivery
- AF Cloud migration
- Continued automation of IT processes and services

In 2018 our major accomplishments included:

- We implemented our new ServiceNow technical support platform that allows us to more efficiently aid our Colleagues with technology and service requests when they need it.
- Growing and creating an even stronger focus on IT security to ensure the protection of Company and Customer data.
- Continued aggressive schedule of centralizing some of AF's key Customer and policy data into a single source, ultimately providing a 360 view of the Customer that will assist us in better servicing their needs.



Kim Fisher, Chief Information Officer



Larry Alkire, Chief Marketing Officer



## MARKETING

2018 was an excellent year for our Marketing and Revenue Support division. With our focus on enhanced Customer engagement we were able to complete many of our major marketing and communication objectives. Our Research and Development department also had some significant accomplishments.

- Our Company website was redesigned to better serve prospective and existing Customers. Changes include an enhanced navigation design, more robust policy and claims support tools, strategic content to attract prospective employers doing research on benefits and services, a new online contact form to request service and information and a new web platform for greater appeal and flexibility.
- We integrated a Customer mapping process to review all of our Customer touchpoints for brand consistency, Customer satisfaction and ease of use and understanding. Our largest reviews involved our reimbursement accounts, call queue, billing process and pre-enrollment materials. Because of this, we were able to make many improvements to our Customer communications and self-service tools.
- Our Research and Development team expanded their efforts on robotic process automation, artificial intelligence technology and machine learning. We automated many processes that were historically labor intensive and time consuming. We worked with the entire organization to identify automation opportunities to increase productivity.

We are excited for the future of AF and our mission of monitoring and improving Customer experience, creating clear and concise Customer communications, providing innovative solutions and conserving our existing policyholders will continue into 2019.



# AF CORPORATION (AFC) AND AFFILIATES

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Dave Carpenter, President, American Fidelity Corporation

At American Fidelity we have what you deserve: excellent products and service! We have been working diligently this past year to be able to provide you with a comprehensive menu of all we have to offer. More important than the product offerings is the excellent service that comes with them. Many companies talk about service, we actually provide high-quality service. Whether it be banking, homeowners' insurance, payroll, investment management or employer benefit solutions, we provide the product and back it up with caring and empathetic Customer service Colleagues. One of our guiding principles is being always fair. We work hard to be fair to you, our Colleagues and our shareholders.

One of the more exciting ventures we are working on is the real estate development adjacent to our corporate headquarters. Plans for this development include a movie theater, restaurants, corporate offices, hotels and an apartment complex. The entire development will further enable Oklahoma City to grow and prosper

and will provide an excellent venue for work or play.

Lastly, but most importantly, we believe in sharing our profit with those in need. This past year the American Fidelity Foundation provided a variety of non-profits with funding to enable them to support their missions. Our Colleagues invest their time and money in a variety of non-profits, and we support them with over \$2 million of funding each and every year.

In closing, please look at the graphic on the facing page to learn a little more about us, and let us have the opportunity to serve you more. Whether it be insurance, banking, investing, payroll or real estate development, you will be more than pleased with what we have to offer. And, at the end of day know that we support our community through supporting those who deserve a hand up.





## INSURICA

Founded in 1959, INSURICA is among the 50 largest insurance brokers in the US, providing access to insurance coverage and risk management programs for person and commercial clients across the country.



## FIRST FIDELITY BANK

Founded in 1920, First Fidelity Bank offers community-centered financial services and solutions for commercial and retail customers. This includes checking, loans, investments and cash management services.



## FIRST FINANCIAL GROUP OF AMERICA

Founded in 1966, the companies of First Financial Group of America provide employee benefit solutions, administration service solutions, insurance benefit consulting and enrollment solutions for school systems, hospitals, counties and city governments.



## INVESTTRUST

Founded in 1997, InvesTrust is a full-service retirement savings plan provider and investment management firm for individuals, families, trusts, corporate entities and charitable organizations.



## AMERICAN FIDELITY ASSURANCE COMPANY (AFA)

Founded in 1960, American Fidelity Assurance Company offers employer benefit solutions, such as expense management services, enrollment support and stop loss insurance, as well as employee benefits including disability, accident and cancer insurance.



## AF PROPERTY COMPANY, INC. (AFPC)

Founded in 1964, American Fidelity Property Company, Inc. acquires, develops and manages real estate properties for many of the American Fidelity entities and related Cameron companies. AFPC, through a variety of subsidiaries and LLCs, provides services such as grills, clinics and fitness centers.



## DALLAS WINGS BASKETBALL

Founded in 1998, Cameron Enterprises purchased the Detroit Shock WNBA franchise in 2010 and formed Tulsa Pro Hoops, LLC dba Tulsa Shock. In 2015, the franchise moved to Arlington, Texas, and joined Cameron Enterprises under the name Full Court Partners, LLC dba Dallas Wings.



## ALCOTT HR

Founded in 1987, Alcott HR is an HR outsourcing solution that includes HR compliance, administration and technology, including payroll and taxes, employee benefits, training and development.



## AF ADMINISTRATIVE SERVICES (AFAS)

Founded in 2012, American Fidelity Administrative Services, LLC (AFAS) offers health and welfare benefit plan analysis and consulting services, as well as compliance assistance with the Affordable Care Act (ACA)



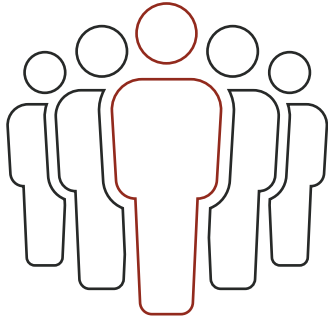
## AMERICAN PUBLIC LIFE

Founded in 1945, American Public Life Insurance Company offers a wide variety of supplemental health and voluntary insurance products through a select group of brokers across the country.



## AMERICAN FIDELITY INTERNATIONAL (BERMUDA)

Founded in 2000, American Fidelity International (Bermuda) Ltd. offers high-quality financial protection solutions to individuals throughout Latin America and Asia through an international consultant distribution system.



## COMMUNITY

The American Fidelity Foundation and American Fidelity are proud to be strong corporate citizens committed to building a vibrant community for our Colleagues and Customers.

**We believe it's always the right time to do the right thing.**

Here are some of the ways we demonstrated that commitment in 2018.



Tom McDaniel, President, AF Foundation

## Corporate and Colleague giving in 2018

### Highlights



Colleague Contributions Matched by the AF Foundation  
**\$87,908**



**United Way Pacesetter**  
**\$381,016.97** from Colleagues' worksite campaign  
**\$220,000** from the AF Foundation  
**\$1,585.45** in corporate fundraisers



**Allied Arts**  
**\$106,852.62**



**Regional Food Bank of Oklahoma Food and Fund Drive**  
**\$17,315** donated by Colleagues  
**\$16,590** matched by the AF Foundation  
Nearly 300 pounds of food

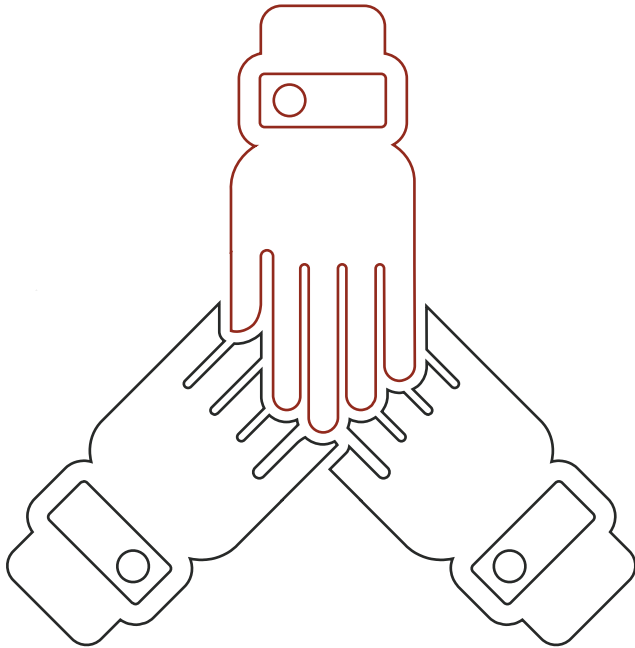


**Charity Day**  
Colleagues donated an average of **\$1,305** a month



**Famboree – Colleague and Family Event**  
**\$2,000** Donations to Organizations Selected by Colleagues

- Marine Corps Toys for Tots
- Free to Live Animal Sanctuary
- Down Syndrome Association
- Pivot: A Turning Point for Youth



## Volunteerism

### Paid Volunteer Time

125 Colleagues used 705.5 Hours

372 Hours to Tutor at Buchanan Elementary

### Community Events

- Oklahoma City Memorial Marathon  
Water Stop: 48 Volunteers
- Regional Food Bank of Oklahoma Letter Carriers  
Food Drive: 28 Volunteers
- Children's Center: 42 Volunteers
- Oklahoma Blood Institute: 379 Donations

## Partnerships

### NBA's OKC Thunder

- Rolling Thunder Book Bus -158,982 books distributed in 2,031 appearances by December, 2018
- Teacher of the Game – 41 teachers recognized
- Reading Challenge – Nearly 52,000 students statewide logged more than 33.5 million minutes
- Read to Achieve Reading Timeouts

### WNBA's Dallas Wings

- Teacher Appreciation Night
- Hoops for Heroes

### KFOR's Weatherschool

- In-school weather presentations: 21 schools
- Online curriculum available to teachers

### KMGL Teacher Feature

- 21 teachers recognized

### Buchanan Elementary, Oklahoma City Public Schools

- More than 30 tutors weekly
- More than \$2,000, four boxes of supplies and 40 filled backpacks donated
- Variety of other volunteer and financial support

# AWARDS *AND* RECOGNITION

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OUR POLICYHOLDERS  
**1.5 MILLION**

POLICIES IN FORCE  
**2.5 MILLION**

NICHE  
MARKET  
ASSOCIATION  
ENDORSEMENTS:  
NEARLY 300

**58**  
**7**

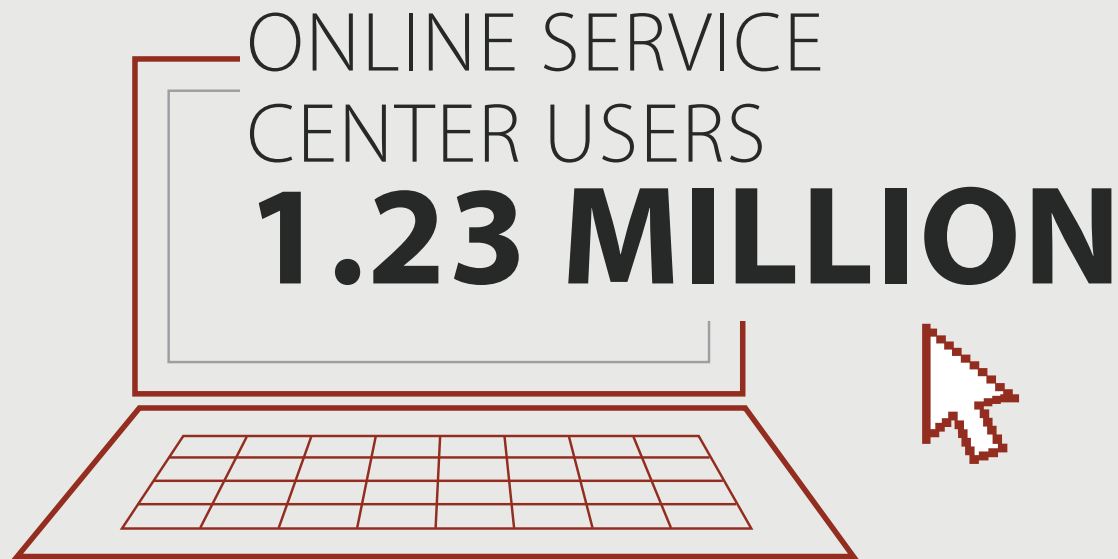
**YEARS *IN* BUSINESS**



**AWD:**  
Serving nearly  
6,000 Employer  
Groups

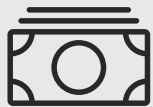


**AFES:**  
Serving nearly  
5,000 Employer  
Groups



## CORPORATE *AND* COLLEAGUE GIVING

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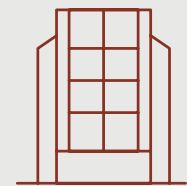
**\$2.253  
MILLION**

Money Distributed through  
Corporate Giving in 2018



**\$87  
THOUSAND**

Colleague Contributions  
Matched by AF Foundation

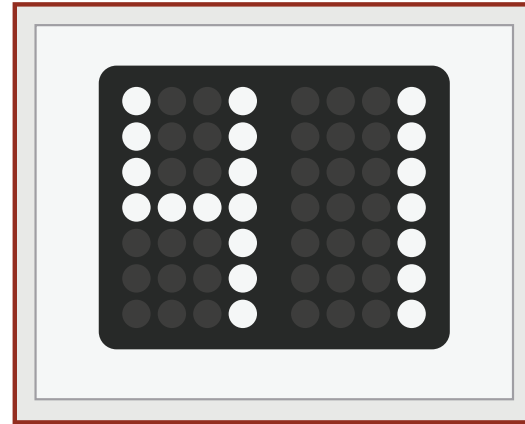


**\$2.341  
MILLION**

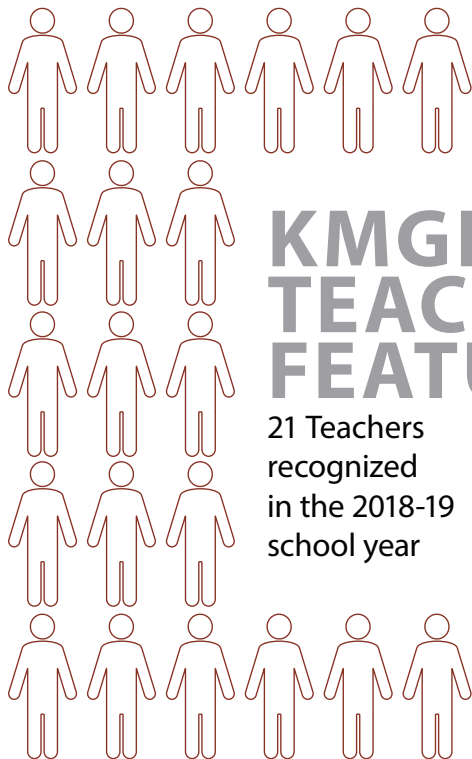
Total Monetary  
Donations

# THUNDER TEACHER OF THE GAME

TEACHERS RECOGNIZED  
IN 2018-19 SEASON



## IN *THE* COMMUNITY



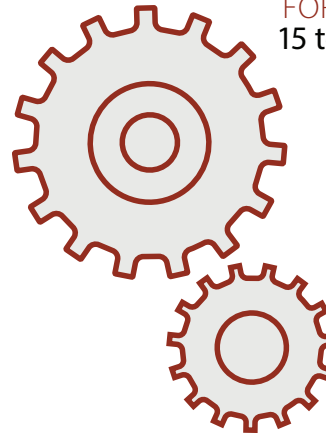
### KMGL TEACHER FEATURE

21 Teachers  
recognized  
in the 2018-19  
school year

### LEADERSHIP ACADEMY

FOR STEM TEACHERS

15 teachers attended from eight districts



### AF TEACHER FELLOWSHIP

Seven AF Teacher Fellows from four districts







John Cassil, Chief Financial Officer

## OUR RESULTS

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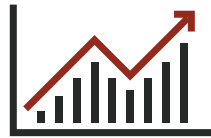
American Fidelity Corporation and Subsidiaries (AFC) had record operating results in 2018 with consolidated GAAP net income of \$146 million while our flagship company, American Fidelity Assurance (AFA), reported \$99 million of statutory net income. AFA's robust operating performance continues to be driven by providing a strong Customer experience resulting in over 8% sales growth in 2018. Our commitment to providing the best Customer experience is reflected in the launch of Cameron Ventures, a venture capital fund focused on identifying and implementing the latest technology innovations in the InsurTech/FinTech space. A guiding principle at AFA is a strong balance sheet to meet the future needs of our Customers, which is reflected in the \$75 million surplus increase in 2018 that raised AFA's surplus to \$505 million as of Dec. 31, 2018.

# 2018 **FINANCIAL** HIGHLIGHTS

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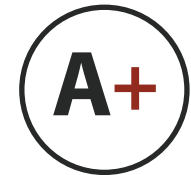
Investment yields increased slightly in 2018 with the rise in interest rates, and investment portfolio changes were made to increase the overall quality of the portfolio.



The annual increase in AFA operating cash flows from sales growth is over \$230 million, and the \$1.3 billion of liquidity at AFC provides strong financial flexibility to meet operational goals and policyholder needs.



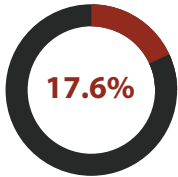
AFC has an 8.3% compound annual growth rate in GAAP equity since 2010. AFA's Risk Based Capital (RBC) ratio increased to 770 in 2018 and the Best Capital Adequacy Ratio (BCAR) for the group increased from 30 in 2017 to 36 in 2018.



In 2018, AM Best assigned a group rating of A+ stable for AFA and APL.

# AFC FINANCIAL STATEMENT

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Our consolidated GAAP net income in 2018 rose 17.6 percent over 2017 to \$146.5 million.



\$8,553,942,000 in total assets for 2018



\$540,421 of Capital and Surplus reported on Statutory basis



**\$1.3 Billion**

Consolidated GAAP Equity



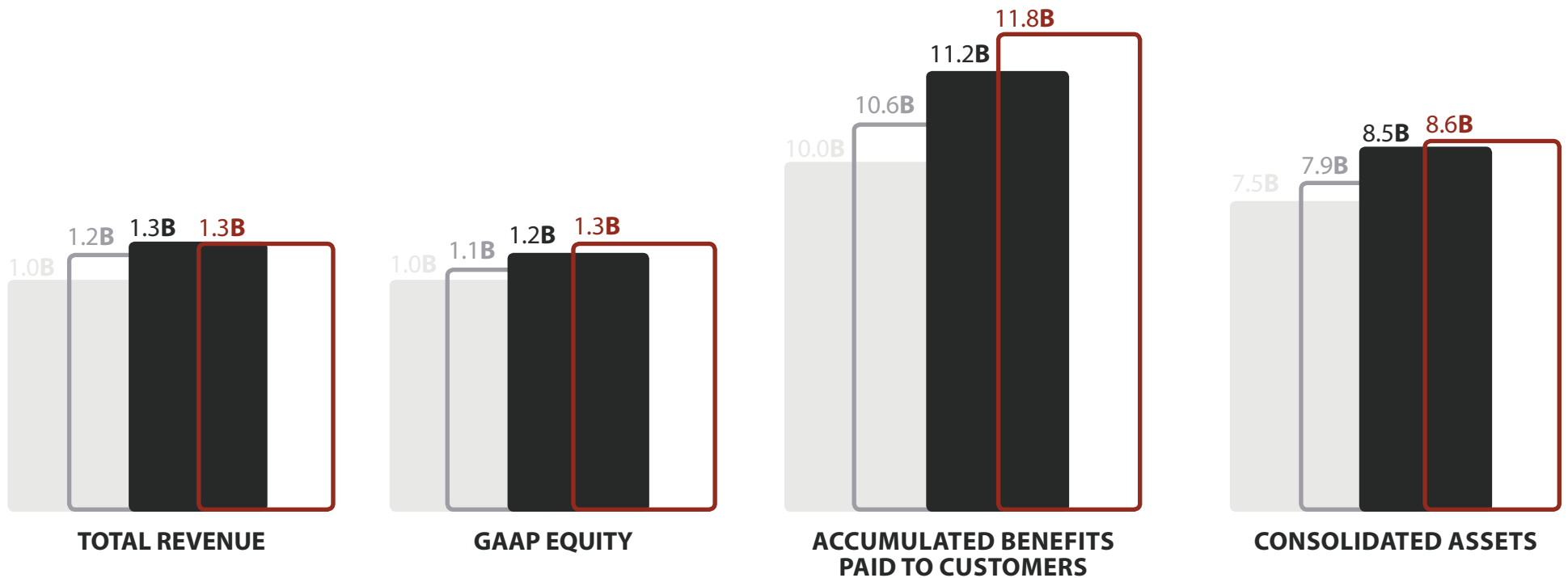
***Increased to \$8.6 Billion***

Consolidated GAAP Assets



# OUR RESULTS

● 2015 ○ 2016 ● 2017 ○ 2018



# AFC FINANCIAL STATEMENT

2018 was a year in which American Fidelity Corporation and subsidiaries (AFC) extended its record of success and furthered its opportunities. Our consolidated GAAP net income in 2018 rose 17.6% over 2017 to 146.5 million. Our consolidated GAAP equity increased to \$1.3 billion.

## RECONCILIATION OF CAPITAL, SURPLUS & RETAINED EARNINGS (IN THOUSANDS)

|   | 2018               | 2017               |
|---|--------------------|--------------------|
| CAPITAL & SURPLUS REPORTED ON STATUTORY BASIS   | \$540,421          | \$461,430          |
| NET DEFERRED POLICY ACQUISITION COSTS   | \$693,534          | \$634,299          |
| POLICY LIABILITIES  | (\$28,988)         | (\$9,686)          |
| DEFERRED FEDERAL INCOME TAXES   | (\$102,333)        | (\$120,176)        |
| OTHER   | \$16,203           | \$180,839          |
| STOCKHOLDER'S EQUITY OF NONINSURANCE SUBSIDIARIES,<br>NET OF CONSOLIDATING ELIMINATIONS | \$163,269          | \$105,149          |
| BALANCE AS DETERMINED IN ACCORDANCE WITH GENERALLY<br>ACCEPTED ACCOUNTING PRINCIPLES    | <b>\$1,282,106</b> | <b>\$1,251,855</b> |

# 2018 (CONSOLIDATED GAAP, IN THOUSANDS)

## ASSETS

2018

2017

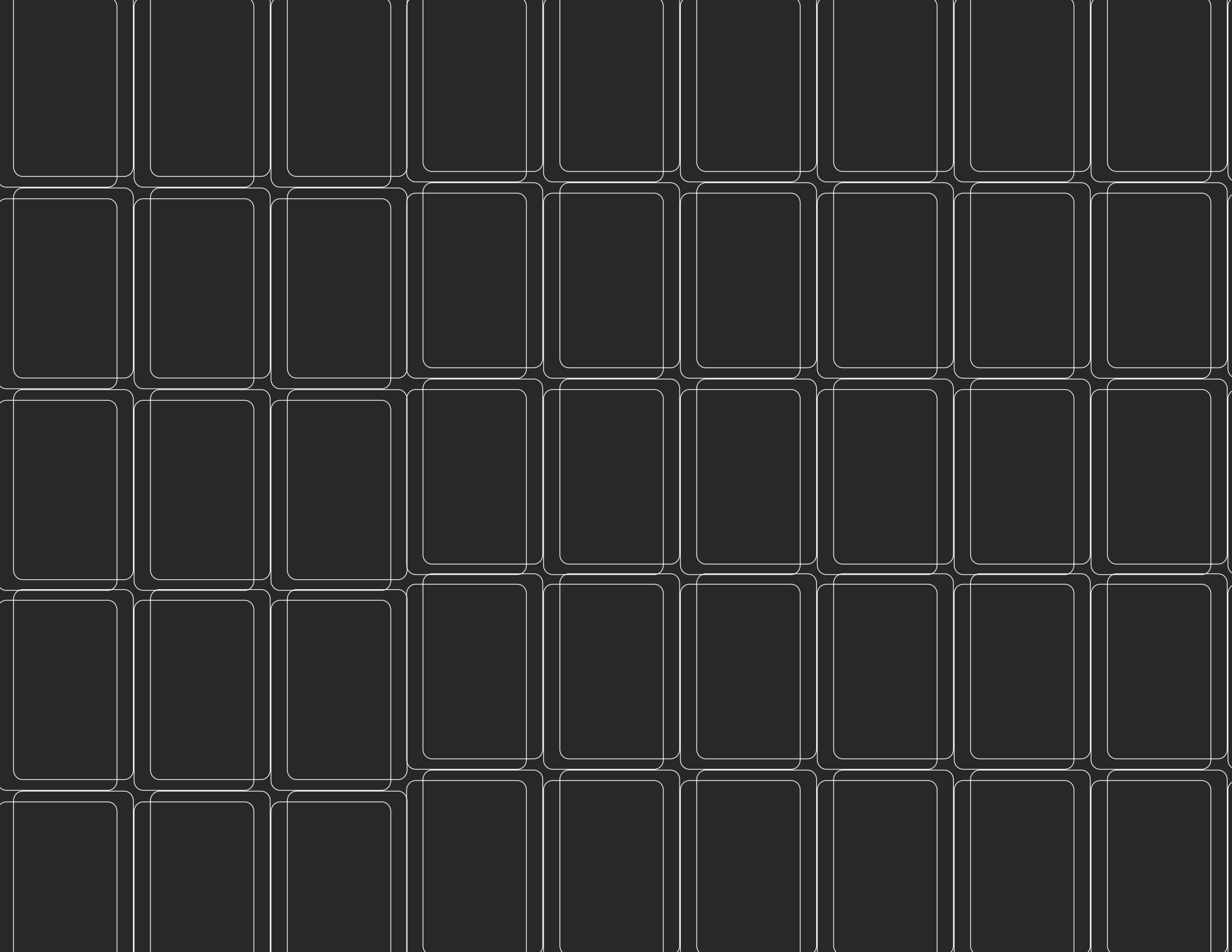
|                                   |                    |                    |
|-----------------------------------|--------------------|--------------------|
| CASH                              | \$454,126          | \$357,759          |
| BONDS                             | \$3,629,029        | \$3,668,362        |
| PREFERRED & COMMON STOCKS         | \$142,063          | \$147,882          |
| TRADING INVESTMENTS               | \$719,187          | \$827,943          |
| SHORT TERM & OTHER INVESTMENTS    | \$69,327           | \$8,961            |
| MORTGAGE LOANS                    | \$487,446          | \$482,857          |
| REAL ESTATE & POLICY LOANS        | \$136,817          | \$183,276          |
| ACCRUED INVESTMENT INCOME         | \$42,800           | \$42,230           |
| ACCOUNTS RECEIVABLE               | \$1,174,803        | \$1,158,527        |
| DEFERRED POLICY ACQUISITION COSTS | \$760,708          | \$695,995          |
| OTHER ASSETS                      | \$180,967          | \$173,309          |
| SEPARATE ACCOUNT ASSETS           | \$756,669          | \$783,717          |
| <b>TOTAL ASSETS</b>               | <b>\$8,553,942</b> | <b>\$8,530,818</b> |

## RESERVES, OBLIGATIONS & SURPLUS

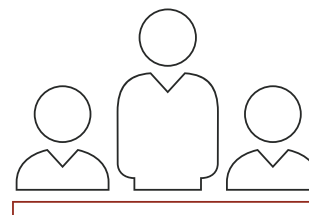
2018

2017

|  |                    |                    |
|--|--------------------|--------------------|
| POLICY & OTHER CONTRACT RESERVE FUNDS SET ASIDE<br>& INVESTED TO ASSURE PAYMENT OF FUTURE BENEFITS<br>TO POLICY OWNERS & BENEFICIARIES | \$4,603,244        | \$4,524,147        |
| UNEARNED PREMIUMS  | \$10,783           | \$8,371            |
| NOTES PAYABLE  | \$643,761          | \$664,900          |
| INCOME TAX LIABILITY & OTHER OBLIGATIONS   | \$1,257,502        | \$1,297,956        |
| SEPARATE ACCOUNT LIABILITIES   | \$756,669          | \$783,717          |
| CAPITAL SURPLUS & RETAINED EARNINGS FOR THE<br>FUTURE PROTECTION OF POLICY OWNERS & BENEFICIARIES                                      | \$1,282,106        | \$1,251,855        |
| <b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY APPLICABLE<br/>TO AFC</b>  | <b>\$8,554,065</b> | <b>\$8,530,946</b> |
| NON CONTROLLING INTEREST   | (\$123)            | (\$128)            |
| <b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>  | <b>\$8,553,942</b> | <b>\$8,530,818</b> |







## BOARD OF DIRECTORS

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