



making a difference

2024 Annual Report



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A Message from Our Chairman and CEO

Making a difference for our Customers has and continues to be the driving force of American Fidelity and our family of companies.

In 2024, we held our focus on providing products and services to make a difference in our Customers' lives, to help them ensure they can be financially secure through the good times and the bad.

To this day I stand strong behind the belief that my father and grandfather had in the beginning – the most important asset anyone has is their ability to work and earn a living. To that end, we continue to look for ways to provide the products and services our Customers want and need to help protect their financial security.

I am proud of our dedication to successfully serve our Customers, the growth we have experienced over the past year and the financial strength of our organization. As we continue to grow, it's important we remain focused on providing our Customers with high quality products and services.

In year 65, I look forward to continuing to make a difference for our Customers, our Colleagues and our community. Through our private ownership, family culture, focus on being financially secure and dedication to creating and delivering products and services that exceed those of our competitors, we remain committed to being difference makers for our Customers and policyholders.



Bill Cameron
Chairman and CEO

A Message from Our President

As we look back on 2024, it is with great pride I reflect on the achievements and resilience of the American Fidelity team.



Jeanette Rice

President, American Fidelity Assurance Company

Despite the myriad of challenges our industry continues to face, our unwavering focus on our core values and distinct services has enabled us to not only navigate through this unpredictability but also to thrive. We're delighted to announce another year of success at American Fidelity, which we attribute to our Customer-centric approach and the unwavering support of our Colleagues.

Our Customers remain at the heart of everything we do, and our commitment to delivering the service we promise is stronger than ever. This dedication is reflected in our constant drive to improve how we operate. We are investing in advanced technology to help ensure every inquiry is addressed promptly and effectively. From how we process claims to how we respond to Customer questions, we continually look for ways to streamline our processes, reduce response times and implement measures to ensure consistent, high-quality service. We've made significant strides in harnessing technology to enhance our service offerings, but we also understand the value of personal contact, and we remain committed to preserving this human element in our Customer interactions.

Our Colleagues are the heart of our success, and their engagement is crucial in realizing our vision. With this in mind, we continue to foster an environment that not only attracts the best talent

but also retains them. I am delighted to report that our Colleague turnover continues to remain below industry averages and our average Colleague tenure stands at a decade. This is a testament to our status as an employer of choice and underscores our commitment to longevity.

Leveraging our existing tenure to make smooth transitions, American Fidelity is actively engaging in succession planning and readying our next generation of leaders. We firmly believe that experienced and engaged Colleagues supported by seasoned leadership is the secret to excellent customer service, and we will continue to invest in both.

Looking ahead to 2025, we are excited about the prospects that lie before us. American Fidelity is setting the stage for sustained growth, reinforced by careful and considered strategic planning. We are fully aware of the uncertainties presented by the economic landscape, but we are confident in our ability to adapt, innovate and thrive in the face of these challenges. We are dedicated to navigating the path ahead with resilience and determination.

Thank you to our Customers and Colleagues for your unwavering support and commitment in 2024. Here's to an even more successful 2025.

Operations

During the past year, American Fidelity's operational areas have seen significant change. Throughout 2024, we made alignment changes to help improve our Customer experience.

The changes align our Customer support areas into one operational focus that support both our employer Customers and policyholders to give us a stronger understanding of our business processes which in turn leads to streamlining of processes, enhancing efficiency and optimizing productivity, all while maintaining our commitment to our brand to provide an exceptional Customer experience.

In late 2024, the newly aligned leaders from all areas of the Company came together to develop a long-term strategy to support future sales growth. With anticipated sales growth, this plan will help us support growth while keeping an eye on our expenses and ensures we support the needs and expectations of our Customers. The wholistic approach to strategic forecasting allows us to better plan for future improvements while giving us the time we need to develop foundational components.



2024 Successes

- Rolled out a new leave administration service, AFLeave®.
- Implementation of new Artificial Intelligence (AI) innovations, building upon our strong governance model following a 'human in the loop' philosophy to build efficiencies in reading and summarizing large documents, creating documentation and automating repetitive processes.
- Successful on time, on budget implementation of our new Human Capital Management (HCM) system.

2025 Goals

In 2025, we continue our focus on supporting sales growth, improving our expenses and providing an exceptional Customer experience. Focus areas for 2025 include:

- Annuity experience improvements
- Continued changes and improvement in enrollment technology
- AI capability expansion throughout all Customer support areas
- Delivery of innovation within our billing processes
- Improvement of call center routing and IVR capabilities
- Support for new products and service expansion



Additionally, 2025 will bring a workforce plan to ensure our Colleagues have the skills they need for the future. A cross-functional team is working to create an AI Academy that will provide better understanding of technology and capabilities for all of our Colleagues.



Diana Bittle
Chief Operating Officer

Products & Revenue

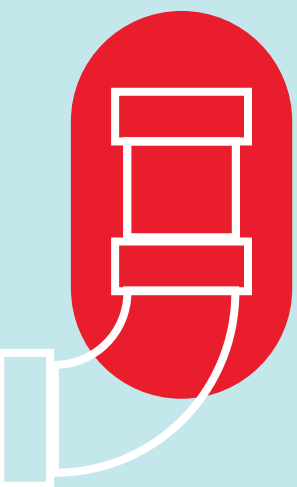
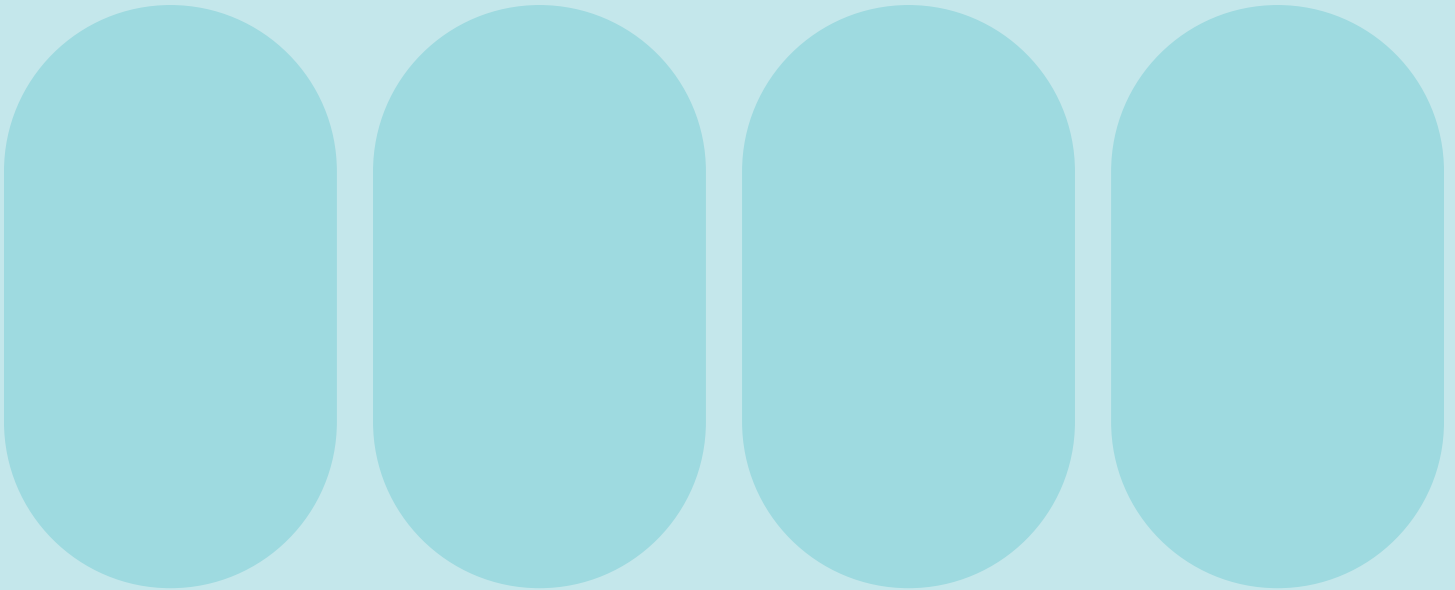
Our product portfolio continues to have strong, predictable performance in terms of top line growth as well as bottom line net income and return on equity.

All major insurance product lines contributed to these results and Paid Family Medical Leave (PFML) performed close to pricing targets in its first full year in the market. Our premium growth in 2024 was approximately \$100M. We continue to have a balanced diversified portfolio across product lines, which significantly contributes to stable results. We have launched several new products over the last couple of years with more in development. The most recent was the launch of a new term product that rounds out our worksite life product offerings and is expected to generate significant premium in 2025.



Wes Waller
Chief Product & Revenue Officer

As part of the PFML product release, we also have launched two new revenue generating services to support leave administration as well as W-2 tax assistance for leave benefit payments. These services have been well received in the market, and we continue to adapt and expand them based on Customer feedback. These services have helped our Customers solve major pain points related to leave. Our Business Development team continues to evaluate additional revenue generating services that our Customers find value in.



Both of our sales divisions continue to see strong growth and have a focus on generating and maturing the pipeline of future Customers while also maintaining the exceptional level of service provided to existing clients. This will lead to even more predictable growth in future years as we mature in pipeline development and conversion data analytics. This data will further strengthen our business planning process so that resources can be deployed to efficiently generate additional revenue and support our Customers.

AFES Sales

American Fidelity Educational Services (AFES) provides supplemental insurance and added value to our Customers. We focus on taking work off our employer Customers' plates by offering solutions that fit their unique needs.

2024 Accomplishments

- AFES continued to have another successful year in 2024, recording record growth in many states with a focus on expanding our market share.
- AFES is divided into three super regions. All three of our super regions met their inforce premium growth in 2024.
- We released Tax Assist in 2024 to support PFML employer needs by simplifying their tax reporting.

Key Factors for Growth

- We solidified our value proposition with school employers through employee education on all benefits and demonstrated that our business distribution model works in a changing environment with products and services like Paid Family Medical Leave.
- We successfully executed our business plans, focused on clearly defined metrics and continued tracking objectives and key results at the region and division levels.
- We continue to enhance our campaigns to include larger employers.

2025 AFES Goals

Employer Focused

- We will continue to focus on the specific needs of employers and employees in the education community.
- Our Paid Family Medical Leave team will continue to assist with leave administration and new services, as well as AFLeave to alleviate stress of leave tracking for school districts' Human Resources teams. In 2025, we are preparing to expand PFML into additional states.
- We will continue to educate employers who experience key decision-maker changes.
- We work closely with Home Office leaders and employers to add more payroll integration.
- We will continue to keep employer pain points at the forefront of everything we provide and will listen and respond to our market-based approach on the needs of the employer by offering new products and services.

Enrollment Enhancements/Communications

- We will work to always improve our enrollments based on our Customers' needs.
- AFES will continue to provide an effective, tailored marketing plan to every employer we serve.

New Groups and Customer Retention

- AFES will continue to focus on growing key states and expanding into new states, as well as maintaining strong relationships with the employers we already serve.
- We will continue to secure new partnerships that will help increase market share.
- We will increase our sales team to support growth.

Talent Management

- We will continue to focus on coaching, connecting and mentoring to grow leaders and teams while holding all accountable for results.
- We will develop our current leaders and attract new candidates into the leadership pipeline, as well as focus on the retention of veteran account managers.

AFES STATS

16

Products and Services

4,500

School Districts Served

140

Education Associations Relationships

62

Years Working in Education



Susan Weed
AFES Chief Sales Officer

AWD Sales

The Association and Worksite Division (AWD) provides Customers with unique market and benefits expertise. We focus on providing group and individual products and services that meet the needs of policyholders in the municipalities, healthcare or automotive industries. AWD is focused on creating tailored solutions that meet the needs of our Customers.

2024 Accomplishments

AWD continued growing sales staff in 2024 to catch up with all obligations from our rapid growth and focused on hiring staff in the right areas based on growth.

We focused on optimizing and increasing our pipeline with a priority on our targeted Tier 1 and Tier 2 growth states.

AWD prioritized developing our bench of leaders by creating an emerging leaders program to scale up both future and current leaders.

Key Factors for Growth

The division continues to focus on building the new group pipeline for continued growth. To manage our expected growth, AWD increased the number of account managers in 2024. We are focused on strong training efforts so our team can meet our Customers' unique needs.

We remain committed to maintaining relationships with our existing groups. By leveraging our key relationships, we successfully aligned Customer and association needs leading to an increased reservice rate.

AWD continues to gain presence in key growth states.

AWD saw an increase in large new group relationships in 2024. This is a result of a continued focus and consistent measurement of the strategies in place. We continue to deliver our brand promise to our niche market Customers with an increased focus on solving pain points.

AWD has a culture of strength, Customer focus, positive attitude, communication and a commitment to win.

Focus for 2025

AWD continues to gain a clearer understanding of lead generation and pipeline dynamics that will help us predict future success in growing new accounts.

Due to growth in our team, we instituted a program called "Power Hour," an opportunity for Colleagues to learn new skills as well as assist in keeping new hires engaged and develop them more quickly.

AWD STATS

Thousands
of public sectors served today

Numerous
Automotive association relationships

Thousands
of automotive employers served

32
Years working in the public sector



Rafael Garcia
AWD Chief Sales Officer

Affiliates

Have you ever heard anyone utter the phrase “that’s life?” My dad would comment from time to time “just when things get going good, life has a way of showing you who’s in charge.” At the Cameron Group of Companies, we have a full range of financial security solutions to assist you in planning so you can be prepared for the when (not if) life happens moments.

Our focus is on financial security solutions for you. From consumer loans and savings to life and health insurance, homeowners and auto coverages, investments and trust services, even handling your employer responsibilities. Every one of our companies has the same culture of making certain that serving you is our priority.

If you are a current Customer, thank you for letting us serve you. If you are a prospective Customer, try us, you will be pleased you have done so. If you are a past Customer, join us again.

We continue to improve and are always striving to provide solutions for you and your “that’s life” events.

Best wishes to you in 2025!

Dave Carpenter



Dave Carpenter

President, American Fidelity Corporation



AF ADMINISTRATIVE SERVICES (AFAS)

Founded in 2012, American Fidelity Administrative Services, LLC (AFAS) offers compliance assistance with the Affordable Care Act (ACA).



AMERICAN FIDELITY COMMERCIAL REAL ESTATE (AFCRE)

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



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.



AMERICAN FIDELITY ASSURANCE COMPANY (AFA)

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



AMERICAN FIDELITY INTERNATIONAL (BERMUDA)

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



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.



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.



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.



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 personal and commercial clients across the country.



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.



Making A Difference In Our Community

Being difference makers in the communities we serve remained a focus for American Fidelity and our American Fidelity Foundation in 2024.

Our Company and Colleagues donated time and funds through our Regional Food Bank of Oklahoma Food and Fund Drive, annual Allied Arts and United Way campaigns, our sponsorship of Oklahoma City Thunder literacy programs and more.

In 2024, we were excited to continue our MathCounts event with our highest attended event yet, and our tutoring program with Buchanan Elementary, allowing Colleagues the opportunity to make a difference for the youth in our community. AF hosted 15 teachers in our STEM Fellowship program and provided them each with a \$2,000 stipend to purchase supplies to help them continue making a positive difference in their students' lives.



Tom McDaniel

President, American Fidelity Foundation

Colleagues again were able to volunteer their time to the charitable organizations that mean the most to them and earned volunteer and board service grant funds for the organizations.

American Fidelity, the Foundation and our Colleagues remain dedicated to making a difference in the communities we serve.



Here are a few of the ways we supported the community in 2024:

Paid Volunteer Time: ►
Colleagues used 2,535 of PVT to support charitable organizations.

\$2,620:
Colleagues can earn \$10/ hour for organizations where they volunteer.



\$2,511,383
Foundation and Corporate Donations
\$66,357
106 Colleague Donations Matched by AF Foundation



◄ **Allied Arts**
\$58,627
Colleague Contributions

\$70,000
AF Foundation

United Way ►
\$496,128
Colleague Contributions

\$220,000
AF Foundation



◄ **Charity Day:**
Colleagues donated more than \$14,500 to support 12 different organizations.

Volunteer Grant and Board Service Incentive:
Colleagues earned \$13,500 for organizations they support by serving on boards or donating their time.

Read report online at
annualreport.americanfidelity.com/cir/

Our Results

American Fidelity Corporation and subsidiaries (AFC) reported consolidated GAAP net income of \$240 million in 2024.

AFC's 2024 income was supported by strong revenue growth in core operations and lower benefits expense. Our continued commitment to providing the best Customer experience is reflected in our continued investments in technology, our Colleagues and Cameron Ventures, a venture capital fund focused on identifying and implementing the latest technology innovations in the insurtech/fintech space.

A guiding principle at AFC is a strong balance sheet to meet future Customer needs, which is reflected in American Fidelity Assurance Company's (AFA's) \$709 million of statutory surplus and American Fidelity Corporation's cash and marketable securities of \$230 million as of Dec. 31, 2024. Furthermore, AFC's \$3.7 billion bond portfolio maintained an average quality rating of AA-.

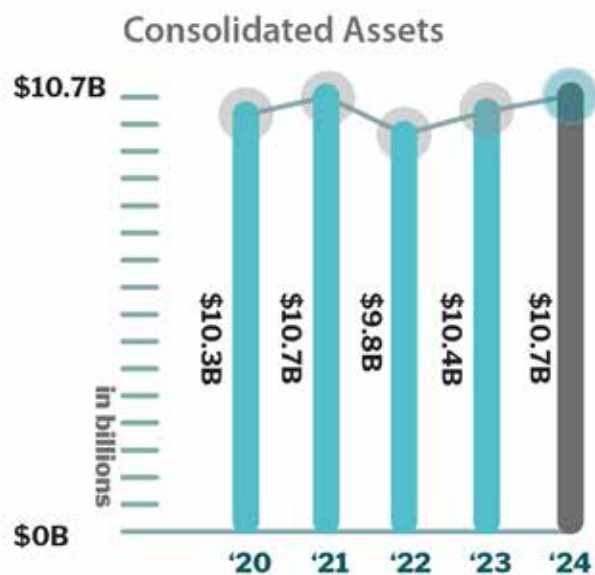
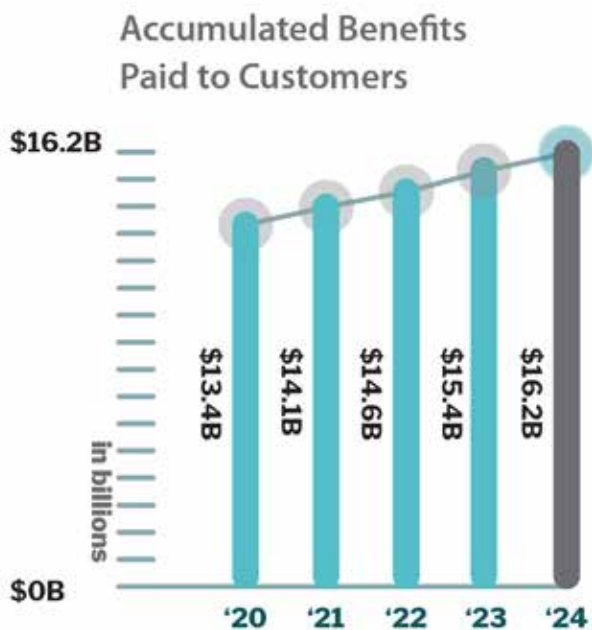
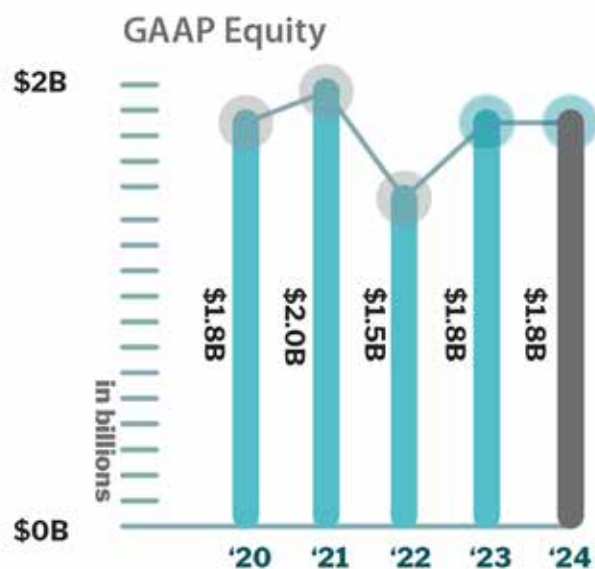
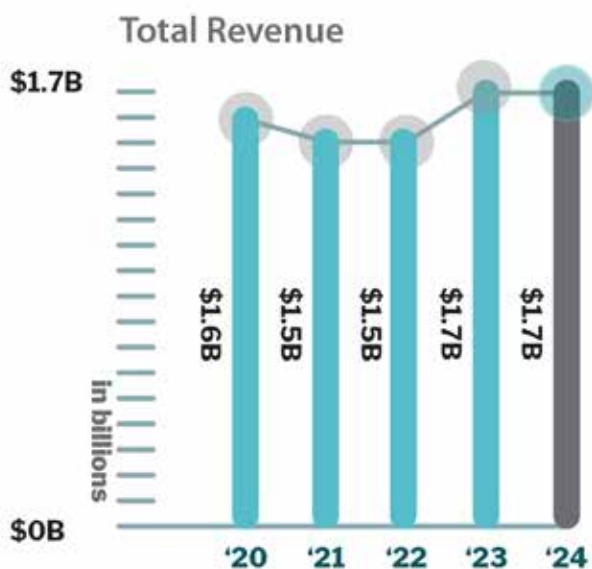
- **Premium growth in 2024 was lower due to exiting the stop loss business.**
- **The rise in market interest rates and change in investment portfolio allocations provided support for the 27% increase in investment income over 2023.**
- **AFA's annual operating cash flows were \$302 million and our \$1.3 billion in consolidated liquidity provides strong financial flexibility to meet operational goals and policyholder needs.**

AM Best assigned a group rating of A+ superior for AFA and APL for 2024. This rating was driven by our strong balance sheet and operating performance.



John Cassil
Chief Financial Officer

By The Numbers



Consolidated GAAP

In Thousands

Assets	2024	2023
Cash	\$477,574	\$371,244
Bonds	\$3,705,618	\$3,945,275
Preferred & Common Stocks	\$390,014	\$192,180
Trading Investments	\$529,295	\$583,153
Short Term & Other Investments	\$315,238	\$303,812
Mortgage Loans	\$769,301	\$774,254
Real Estate & Policy Loans	\$92,349	\$114,190
Accrued Investment Income	\$45,357	\$45,293
Accounts Receivable	\$1,165,795	\$1,234,311
Deferred Policy Acquisition Costs	\$1,172,046	\$1,098,210
Other Assets	\$291,410	\$282,688
Separate Account Assets	\$1,737,384	\$1,483,844
Total Assets	\$10,691,381	\$10,428,454

Reserves, Obligations & Equity	2024	2023
Policy & Other Contract Reserve Funds Set Aside & Invested to Assure Payment of Future Benefits to Policy Owners and Beneficiaries	\$5,684,505	\$5,561,538
Unearned Premiums	\$11,625	\$9,641
Notes Payable	\$236,335	\$320,673
Income Tax Liability & Other Obligations	\$1,216,866	\$1,253,098
Separate Account Liabilities	\$1,737,384	\$1,483,844
Capital Surplus & Retained Earnings for the Future Protection of Policy Owners & Beneficiaries	\$1,805,007	\$1,799,988
Total Liabilities & Shareholders' Equity Applicable to AFC	\$10,691,722	\$10,428,782
Non Controlling Interest	(\$341)	(\$328)
Total Liabilities & Shareholders' Equity	\$10,691,381	\$10,428,454

Reconciliation of Capital, Surplus & Retained Earnings (in thousands)	2024	2023
Capital & Surplus Reported on Statutory Basis	\$739,812	\$716,074
Net Deferred Policy Acquisition Costs	\$1,040,042	\$987,084
Policy Liabilities	\$78,280	\$73,173
Deferred Federal Income Taxes	(\$92,770)	(\$41,212)
Other	(\$501,998)	(\$475,758)
Stockholder's Equity of Noninsurance Subsidiaries, Net of Consolidating Eliminations	\$541,641	\$540,627
Balance as Determined in Accordance with Generally Accepted Accounting Principles	\$1,805,007	\$1,799,988

AFA Awards & Ratings

A+ (Superior) AM Best Rating since 1982

Ward's Top 50 Life and Health Insurance Companies

Fortune Best Workplaces for Millennials 2024

Fortune Best Workplaces in Financial Services and Insurance 2024

Fortune Best Workplaces for Women 2024

Fortune Best Workplaces for Parents 2024

Foundry's Computerworld 2025 Best Places to Work in IT



AM Best Notice, May 24, 2024 (A+ is the 2nd highest out of 16 with 1 being the highest)

Ward's 50, July 16, 2023 (Top 50 life and health insurance companies, unranked within list)

Fortune Best Workplaces for Millennials, July 18, 2024 (Large companies rating, 73 out of 100, with 1 being the highest)

Fortune Best Workplaces in Financial Services and Insurance, Sept. 11, 2024 (Large companies rating 36 out of 50, with 1 being the highest)

Fortune Best Workplaces for Women, Oct. 24, 2024 (Large companies rating, 36 out of 100, with 1 being the highest)

Fortune Best Workplaces for Parents, Dec. 3, 2024 (Large companies rating, 66 out of 100, with 1 being the highest)

Computerworld's Best Places to Work in IT, Dec. 10, 2024 (Mid-sized organizations rating, 21 out of 29, with 1 being the highest)

Our Board of Directors

GREG ALLEN

CEO
Maine Street Holdings, Inc.

LYNN C. FRITZ

Proprietor and General Manager
Lynmar Winery, LLC

JOHN BENDHEIM, JR.

President
Bendheim Enterprises, Inc.

CAROLINE IKARD

Vice President
American Fidelity Assurance Company

BILL CAMERON

Chairman and CEO
American Fidelity Corporation

PAULA MARSHALL

CEO
The Bama Companies, Inc.

LYNDA CAMERON

Director, AFA, AFC VP
Cameron Associates, Inc.

TOM MCDANIEL

President
American Fidelity Foundation

BILL DURRETT

Senior Chairman
American Fidelity Corporation

HENRY SOHN

Operating Partner
Morado Ventures

TED ELAM

Attorney
Retired, McAfee & Taft



