

When We Say
"Guarantee"
We Really Mean It.



Let Our Strength
Be Your Shield



Knights of Columbus
INSURANCE
YOUR SHIELD FOR LIFE

What is a Guarantee?

Guarantee\gar-en-tee\noun

1. an agreement by which one person undertakes to secure another in the possession or enjoyment of something.
2. an assurance of the quality of or of the length of use to be expected from a product offered for sale.

- Merriam Webster dictionary

Our Investment Strategy

When it comes to investments, we simply take the position that there's no transaction that we have to undertake. If there's anything about an investment decision that makes us uncomfortable, we walk away from it. That was certainly our approach when much of the rest of the financial world was buying up sub-prime mortgage securities. We avoided them.

Supreme Knight Carl A. Anderson

The Proof is in Our Numbers

Assets (year-end 2010) of \$16.8 billion with a 10-year growth rate of 6.9%.

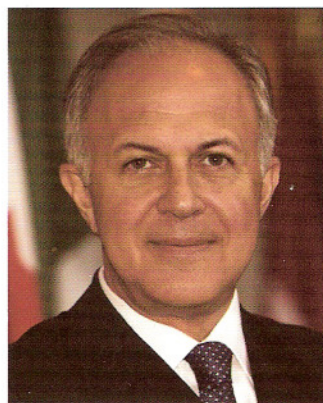
Life insurance in force of \$78.9 billion (as of December 2010)

Investment income (2010) of \$846 million

Net investment yield (2010) of 5.37%

Premium income of \$1.04 million

Surplus (2010) of \$1.7 billion



Examples of Our Guarantees

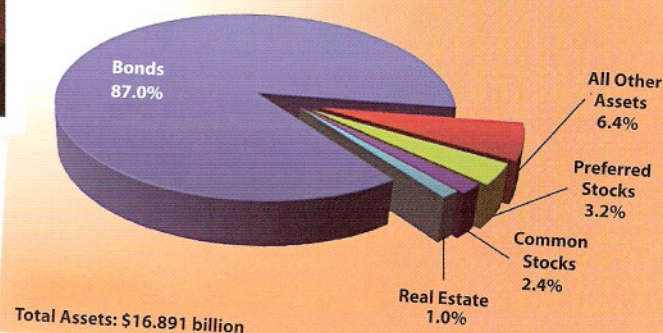
We guarantee the cash value in your whole life insurance.

We guarantee the rates on your term insurance.

We guarantee a minimum interest rate on your retirement annuity of 3%.

We guarantee high-quality, professional service.

Diversification of Assets Year-End 2010



What We Don't Do

Invest in "junk" bonds

Invest in derivatives

Invest in highly speculative or highly structured Wall Street driven transactions



Dedicated to His Vision

At the basis of our success in life insurance, annuities and long-term care is our well-deserved reputation for strength, stability and sound investment policies that put the interests of our members first.

For the 18th consecutive year, Standard & Poor's has rated us "Extremely Strong," and has given us their top rating of AAA.

For the 35th consecutive year, A. M. Best has rated us "Superior," and has given us their top rating of A++.

Most other insurance companies have not fared as well over the past few years. It has been a difficult environment for everyone, of course. Every company has been affected by situations where investment-grade bonds have been sharply downgraded virtually overnight, sometimes because of government intervention in ways that no one could foresee.

But economic ups and downs are a fact of life. In the 18 years that Standard & Poor's has been rating the Knights of Columbus, there have been three recessions. In the 35 years that we've been rated by A.M. Best, there have been five recessions. And in every single one of those years, we've gotten the highest rating that those companies award.

The Standard & Poor's description of our insurance program could hardly be more enthusiastic:

"Extremely strong capital"
 "Very strong competitive position"
 "Unique strategic advantage"
 "Historically strong profitability"
 "Extremely strong liquidity."

What sets us apart is what Standard & Poor's refers to as the "very conservative" approach we take in managing our \$16 billion in assets. S&P says that our investment portfolio "has very strong credit quality," and our capital adequacy "is among the strongest in the industry."

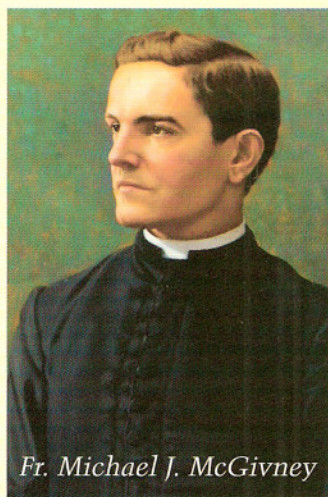
We have what they call "a very low risk tolerance," and we place "a very high value on the society's reputation." What ties all these things together is that we are completely dedicated to following the vision of the Catholic priest who

founded the Knights in 1882. Father Michael J. 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, the Knights of Columbus has never deviated from that vision, and we have shown throughout our history that it's possible to be both financially successful and ethically responsible. We don't need a special set of "business ethics." We simply adhere to a single set of moral standards that govern everything we do.

Earlier this year, the Insurance Marketplace Standards Association recognized this fundamental fact when it renewed our certification for maintaining the highest ethical standards in the industry. And once again we were also recognized for best practices in the industry.

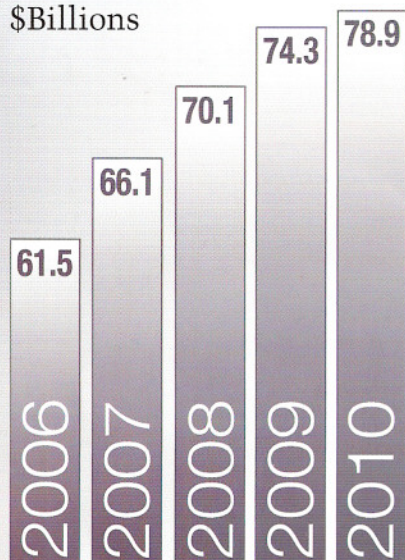
Remarks from Supreme Knight Carl A. Anderson to assembled delegates and guests at the 128th Supreme Convention, Washington, D.C., August 2010.



Fr. Michael J. McGivney

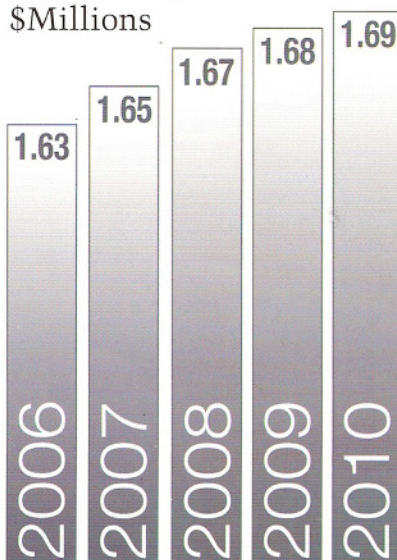
Insurance In Force

\$Billions



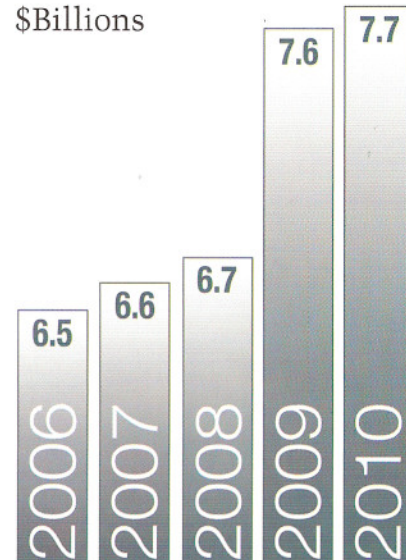
Life Certificates

\$Millions



New Insurance Issued

\$Billions



"The year 2009 was our best ever for insurance sales, growing by 13.3 percent, even as the industry as a whole was shrinking by nearly 5 percent," Supreme Knight Carl A. Anderson

More than 1,300 professional life insurance agents represent the Order in all 50 states, the 10 provinces of Canada and in Puerto Rico. These dedicated Knights have chosen to spend their working life helping members and their families understand the nature of risk and the value our life insurance, retirement income products and long-term care insurance can bring to them.

Trained first in the field with their general agent, they arrive in New Haven, Conn., at our headquarters in their fourth month, and spend a week in a classroom experience with a number of Home Office staff. All of our training focuses on these core products, the financial strength of the Order and the manner in which we serve our market of Catholic families.

Executive Vice President Thomas Smith Jr., who manages the field force, has said, "Our goal has always been to have the most professional, best-trained, clearly focused group of agents in the entire insurance industry. Our results, including more and more Knights of Columbus families served today than ever and 10 consecutive years of growth, speak for themselves."

The core mission of a Knights of Columbus general agent or field agent is to recall the vision of our founder, Venerable Michael McGivney.

Father McGivney dreamed of an organization where brothers cared for brothers, with the protection of widows and orphans a priority.

Every day we go to work, we go to work with him and that vision in mind.

Money when it's needed

Just as our members are dedicated to serving their Church and community, our agents are likewise motivated to help the brother Knights and their families in their councils. Our insurance program is designed to put money in the hands of members, widows and children when they need it most.

In 2009, the Order paid more than \$740 million in total benefits (death claims, maturities and annuities) and dividends to policyholders.

Giving that Grows

In 2009, new records for Knights of Columbus charitable work were set: Knights donated \$151,105,867 to charity (more than \$1 million more than in 2008).

Over the past decade, charitable giving by the Knights exceeds \$1,367,764,500.

Volunteer time donated in 2009 grew by nearly half a million to 69,251,926 hours.

Independent Sector, a foundation that encourages charitable giving, estimates that the value of a volunteer hour in 2009 was \$20.85. That means that the value of our volunteer efforts last year was more than \$1.4 billion.

Over the past decade, Knights of Columbus volunteered 639,854,407 hours, and the total value of those volunteer hours is in excess of \$11.6 billion.

Meet with your professional, well-trained agent today to learn how our life insurance, retirement products and long-term care insurance can help protect you and your family.