



# 2022 ANNUAL REPORT

*Membership Means More*



**AAFM<sup>AA</sup>**  
COMPASSION • TRUST • PROTECTION

# Your military life. Your future. ***Your Membership.***

**We're here to serve *you* through it all.**

**AAFMAA's MISSION:** To help ensure the financial security and independence of the members of the American Armed Forces Community by providing insurance and other benefits.

L I F E   I N S U R A N C E

W E A L T H   M A N A G E M E N T

M O R T G A G E S

M E M B E R   B E N E F I T S

S U R V I V O R   A S S I S T A N C E





# Message from the Board Chair and the President

Dear Fellow Members,

At AAFMAA, your **Membership Means More**. More than just life insurance and other financial solutions. It means being a part of a 143-year legacy in supporting military families. Throughout 2022, AAFMAA demonstrated unparalleled expertise in government, military, and financial resources, including providing life insurance, wealth management, and mortgage services exclusively for the military and Veteran communities.

Nearly 100,000 policy holders protected their families with exceptional life insurance, including 4,700 new policies issued throughout 2022. Our unique and exclusive Survivor Assistance Services team ensured that the families of 1,095 Members who died in 2022 received not only the \$75.6 million of life insurance proceeds they were due, but also the military, Veteran, and other benefits they earned. In addition, our VA Claims Assistance team helped 371 Members make claims amounting to \$1,948,000 in additional VA benefits.

2022 was a financially challenging year, with substantial declines in both stock and bond markets as prices and interest rates rose. Nevertheless, our disciplined, long-term investment approach, which is reflected in our financial reports on pages 6-7, has enabled AAFMAA to continue to meet the needs of our Members. These strong financial results allowed AAFMAA to maintain our consistently superior crediting rates of up to 4.75% on whole life insurance policies.

We also found strength in partnerships with many other like-minded, values-based organizations dedicated to serving military families and Veterans. As an Association Partner with AUSA, your AAFMAA Membership now enables you to take advantage of a variety of valuable new benefits at no additional cost to you, which are detailed on page 5.

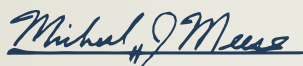
AAFMAA Wealth Management & Trust LLC (AWM&T) and AAFMAA Mortgage Services LLC (AMS), AAFMAA's wholly-owned subsidiaries, remained resilient over the course of this challenging year. AWM&T served 245 Members with investment accounts, ending the year with a total of \$142 million in Member Assets Under Management. Despite the difficult home-buying environment that spanned most of the year, AMS served 402 families with mortgages totaling over \$115 million. Our subsidiaries brought in over 230 new AAFMAA Members in 2022. AWM&T and AMS serve a key role in bringing you and your loved ones high-quality financial products and services when you need them throughout your life.

We encourage you to visit [aafmaa.com](https://aafmaa.com) to explore the many ways your **Membership Means More** at AAFMAA. Innovation takes many different forms in your Association — from new products to new partnerships. Everything we do is designed to assist Members like you in the journey of achieving your financial security and independence. We sincerely thank you for your Membership and look forward to serving you and your loved ones for years to come.

Proudly serving our Members,



Dennis J. Reimer, GEN, USA, Ret.  
Chair, AAFMAA Board of Directors



Michael J. Meese, Ph.D., FLMI, BG, USA, Ret.  
President, AAFMAA



# Your experience, well cared for

## AAFMAA Life Insurance

For those who depend on you, you put your trust in AAFMAA life insurance to provide protection, support, and benefits you can count on. In fact, the average length of AAFMAA Membership is 23 years, which tells us that you know you're getting the best service for you and your family from AAFMAA. While 2022 introduced new challenges and opportunities for financial security and independence, AAFMAA maintained its unwavering commitment to giving Members the peace of mind that comes with knowing your family is covered.

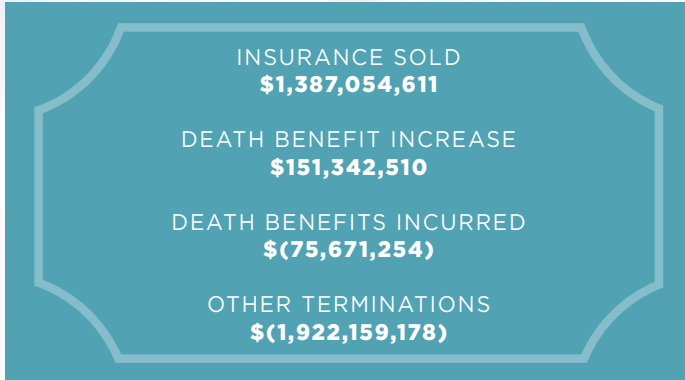
### MEMBER PROFILE

TOTAL  
**80,834**



### INSURANCE IN FORCE

BEGINNING OF YEAR  
**\$ 24,399,692,060**



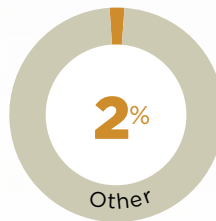
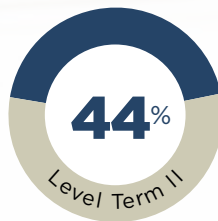
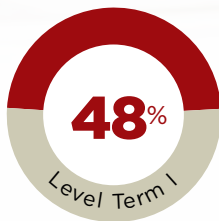
END OF YEAR  
**\$23,940,258,749**

**MEMBERS**  
**80,834**

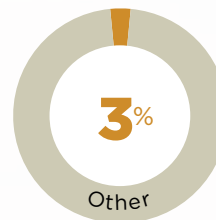
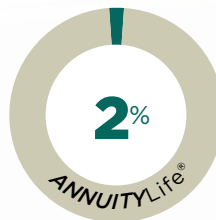
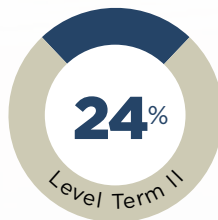
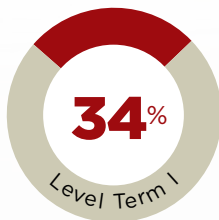
**SPOUSES**  
**10,226**

**GENERATIONS**  
**6,953**

### INSURANCE IN FORCE



### POLICIES IN FORCE



**LIVES INSURED**  
END OF YEAR **98,013**

## Your finances, well invested

### AAFMAA Wealth Management & Trust LLC (AWM&T)

The global economy slowed, and inflationary pressures mounted in 2022, raising the specter of a possible recession. More than ever, when conditions in the markets are uncertain, you want financial insights and expertise from professionals who have your best interests in mind. That was the case last year for many AAFMAA Members who turned to AWM&T for help ensuring they had a secure financial future. From comprehensive financial plans to proven investment strategies, AAFMAA Members benefited from the services of AWM&T in 2022.



**\$590M** OF  
**AAFMAA**  
**INSURANCE ASSETS**  
UNDER MANAGEMENT

**245 MEMBERS**  
ENTRUSTED **AWM&T** TO MANAGE



OF THEIR ASSETS HELD IN **574**  
**INVESTMENT ACCOUNTS**



**51 MEMBERS**  
RECEIVED **PREMIER**  
**SERVICE** THROUGH  
THE **FINANCIAL**  
**PLANNING PROCESS**



**402 MEMBERS**  
(58% NEW TO AAFMAA)  
BORROWED  
**OVER**  
**\$115M**

**70 MEMBERS**  
TAPPED INTO  
THEIR HOME  
EQUITY WITH THE  
**HOME**  
**EQUITY**  
ADVANTAGE  
**LOAN<sup>SM</sup>**



**19 MEMBERS**  
BUILT NEW HOMES  
WITH **AMS**  
CONSTRUCTION  
ADVANTAGE<sup>SM</sup>  
**LOANS**

## Your home, money well spent

### AAFMAA Mortgage Services LLC (AMS)

Finding and affording your dream home became more challenging in 2022 as volatility escalated in the mortgage market. While interest rates rose, and the challenge of finding affordable home financing grew, AAFMAA Members turned to AMS to access the equity in their homes for debt consolidation and home improvements. Though faced with unfavorable market conditions, Members who needed to PCS across the country and those who were ready to build their dream homes were able to find mortgage solutions from the Association they trust.



## Your military life, supported

Your ability to protect and provide for your family takes more than life insurance coverage. That's why more than 25,000 of you accessed AAFMAA's financial education and benefits resources to equip yourselves and pursue your financial independence in 2022. More than 371 VA claims, totaling more than \$1,948,000 in payments, were received by our Members and their survivors. And, nearly 1,000 of you made smart use of your Digital Vault, accessing the essential documents necessary to meet your family's needs.

**SURVIVORS**  
**RECEIVED \$76M IN**  
**DEATH BENEFITS**  
IN 2022, RESULTING  
IN MORE THAN **\$1.1B**  
**IN PROTECTION**  
DELIVERED SINCE  
SEPTEMBER 11, 2001

**11,373**  
**MEMBER**  
**FAMILIES**  
SUPPORTED  
WITH **MEMBER**  
**BENEFITS AND**  
**SURVIVOR**  
**ASSISTANCE**



**\$ 2 M** OF  
**SUPPORT IN**  
**PARTNERSHIPS,**  
**COMMUNITY**  
**PROGRAMS AND**  
**OTHER BENEFITS**





## Your benefits, expanded

Improving your AAFMAA Member experience and benefits is constantly our focus. One way you benefit is through our partnerships with other military-focused organizations, through which you and your family gain even greater support and educational resources that can help you achieve financial security and independence.

In 2022, you gained access to exclusive professional networking opportunities, essential services, and important information about issues affecting the community through your AAFMAA Membership, including Veteran employment, military housing security, and transition readiness from partners including Blue Star Families, ACP, Vets2Industry, and PM-ProLearn.



Through our partnership with the Association of the United States Army (AUSA) your access to best-in-class resources expanded more than any other — at no additional cost to you or your Association. Nearly all the benefits of AUSA membership are now a part of every AAFMAA Membership, including:

- Employment assistance through AUSA Jobs Central with a free resume critique.
- Access to AUSA scholarships — more than \$300,000 each year.
- Free ACT/SAT Test Prep materials for your kids or grandkids.
- A legal document service for both individuals and small businesses.
- Discounts on travel, dining, entertainment, healthcare, and more services and products offered by dozens of AUSA affinity partners.
- Exclusive pricing for professional development and networking opportunities including national and international warfare expos, as well as digital courses and events.

You can access these new benefits directly anytime through the AAFMAA Member Center at [connect.aafmaa.com](https://connect.aafmaa.com).



# Your year, by the numbers

## Financials Report

AAFMAA finished 2022 with a net income of \$1.9 million and \$1.295 billion of assets as reflected on the accompanying charts. The return on those assets, measured as Net Yield on Assets, was 3.1% for 2022.

Despite increasing inflation and declining asset prices in the equity and bond markets, AAFMAA continued its focus on long-term results and ensuring that we can meet our obligations both now and in the future. That enabled AAFMAA to continue to deliver strong performance for our Members.

AAFMAA's balance sheet includes a well-diversified portfolio of fixed income securities, real estate mortgages, equities, and real property. AAFMAA carries no debt on its balance sheet, putting us in a better position in a rising interest rate environment.

We leverage all aspects of the Association to assist in asset management. AAFMAA Wealth Management & Trust LLC manages AAFMAA's institutional portfolio of fixed income and equity securities. AAFMAA Mortgage Services LLC manages AAFMAA's commercial and residential mortgage portfolio. AAFMAA Property LLC manages AAFMAA's real estate holdings.

These strong returns in all aspects of AAFMAA's portfolio enabled us to continue to provide consistently superior crediting rates of 4.00% to 4.75% on all our whole life policies throughout 2023.

For a copy of the full, audited Financial Statements, please email [finance@aafmaa.com](mailto:finance@aafmaa.com).

## Statement of Admitted Assets, Liabilities, and Reserves

Statutory Basis for the Year Ended 31 December 2022

Admitted Assets		Market Value <sup>1</sup> (If Different)
Fixed Income Securities		
US & Foreign Government Obligations	\$ 26,700,097	\$ 34,608,136
Corporate Bonds	441,870,343	511,531,606
Total Fixed Income Securities		\$546,139,742
Real Estate Mortgages		182,489,561
Mezzanine Real Estate Loans		51,034,473
Cash and Short-Term Investments		10,382,565
Equity Securities <sup>2</sup>		63,646,268
Investment in Subsidiaries		260,626,246
<b>Total Cash and Investments</b>		<b>\$ 1,114,318,855</b>
Accrued Investment Income		8,767,362
Policy Holder Loans		45,070,170
Related Party Receivable, Net		127,018,023
Property and Equipment, Net of Accumulated Depreciation		139,609
Other Assets		70,595
<b>Total Admitted Assets</b>		<b>\$ 1,295,384,614</b>

Liabilities and Reserves	
<b>Liabilities</b>	
Death Benefits Payable	\$ 39,564,495
Accounts Payable	1,650,026
Premiums Received in Advance	1,608,651
Settlement Options Payable	41,087,208
Accrued Post-Retirement Benefits	3,382
<b>Total Liabilities</b>	<b>\$ 83,913,762</b>
<b>Reserves</b>	
Insurance and Other	\$ 1,048,041,103
War Risk	3,914,356
Interest Maintenance	70,215,433
Contingency Reserve	
Asset Valuation	\$ 43,893,245
General Contingency	45,406,715
Total Contingency Reserve	89,299,960
<b>Total Reserves</b>	<b>\$ 1,211,470,852</b>
<b>Total Liabilities and Reserves</b>	<b>\$ 1,295,384,614</b>

<sup>1</sup> AAFMAA is required to report on a statutory accounting basis, not a GAAP basis. In accordance with AAFMAA's Constitution, market values are also reported.

<sup>2</sup> Under statutory reporting, equity securities are "marked to market," therefore the admitted asset value of equity securities equals market value. As of 31 December 2022, the cost basis of equity securities was \$87,663,987.



## Summary Statement of Income

Statutory Basis for the Year Ended 31 December 2022

Income	
Premiums, Dues, Supplemental Contracts	\$ 52,995,377
Net Investment Income and Capital Gains	39,122,655
Amortization of Interest Maintenance Reserve	9,752,240
<b>TOTAL INCOME</b>	<b>\$ 101,870,272</b>

Benefits and Expenses	
Death Benefit Claims	\$ 75,671,254
Less: War Claims	\$ 0
Net Death Benefit Claims	\$ 75,671,254
Surrender Benefits	6,097,395
Supplemental Contracts Payments	3,045,609
Insurance Expense	(4,787,737)
General Administrative and Operational Expenses	17,509,807
<b>TOTAL BENEFITS AND EXPENSES</b>	<b>\$ 97,536,328</b>
Excess Interest Credited to Policies	2,422,658
<b>NET INCOME</b>	<b>\$ 1,911,286</b>

## Summary Statement of Cash Flows

Statutory Basis for the Year Ended 31 December 2022

Cash Flows	
Cash Collected for Premiums, Services and Investment Activities	\$ 94,407,070
Cash Used for Vendors, Suppliers and Personnel Related Costs	(15,538,665)
Cash Used to Pay Member Benefits and Services	(84,756,992)
Net Cash Used in Operating Activities	\$ (5,888,587)
Net Cash Used in Investment Activities	(14,635,948)
Decrease in Cash and Short-Term Investments	\$ (20,524,535)

Cash and Short-Term Investments	
Cash and Short-Term Investments, Beginning of Year	30,907,100
Cash and Short-Term Investments, End of Year	\$ 10,382,565

# Your ideas, making a difference

The best compliment you give us is your continued Membership at AAFMAA. Through your comments, shared opinions, feedback, and contributions to the conversations we have, we are able to serve you better. So if you ever wonder if your stories make a difference, they do! Not just to us, but to all of our current AAFMAA Members — as well as members of the extended military community you're part of. Because of you, we can continue to help others meet financial and other challenges of military life and beyond.



## Always responsive and helpful.

Each and every AAFMAA representative I have contacted went 110% to assist me resolve an insurance issue or add in a positive way to any assistance actions needed to store and maintain important information for survivor assistance when needed. - **Bob**

## Totally professional organization.

[AAFMAA] has assisted me over the years to manage my retired life and will eventually manage my passing. Being able to have AAFMAA keep vital documents needed to assist my survivors navigate the many twists and turns after my death and even providing survivor assistance is a great relief to me as I age. - **Col Rodney T.**

## Helpful for homebuyers!

Whether you have everything together or you don't, reach out to AAFMAA Mortgage Services. They'll stick with you in the trenches until you've got those keys in your hand. - **Jackie I.**

## Unwavering support runs both ways.

AAFMAA has dedicated their services and provided products that benefit Armed Forces members and their families for as long as I can remember. Yet, what I remember most is their unwavering support for family members at their time of loss. No mission too difficult, no sacrifice too great, AAFMAA will certainly be there when you need them most. - **John T.**

## AAFMAA representative was very helpful.

AAFMAA [is] always professional in all my needs. I will continue my Membership and honor their trust and guidance with all my family needs. - **Morris W.**

## AAFMAA has been a great experience for me.

It gives me peace of mind to know my family will be taken care of if something happens. The AAFMAA team has always been very helpful in helping me decide which policy is the best. They are always there to answer any questions I might have. I would recommend them and their services to anyone! - **BJ**

## The service was amazing!

[AAFMAA was] always sending emails and calling to keep me in the loop. You took care of my family and I am forever thankful! - **Michaela C.**



## Subscribe for access to more of what matters most to you.

From Veteran benefits to ensuring your financial readiness after transition, and much more in between, you'll get insights about it all when you become an AAFMAA Subscriber. It's one more important way to discover how *Membership Means More* at AAFMAA.

[aafmaa.com/subscribe](https://aafmaa.com/subscribe)





## Your leadership, serving you

Your best interests are the topic of every Board meeting and decision. Comprised entirely of fellow AAFMAA Members who represent the Membership at large, your AAFMAA Board of Directors have distinguished service in the Army, Marine Corps, Navy, and Air Force. They serve without compensation on your behalf — focusing on strategic planning, succession planning, and policy. Elected to four-year terms by the Membership each spring at the Association's Annual Meeting, they are eligible for reelection for a total of three possible terms. All in service of you. Always.

### AAFMAA Board of Directors

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Executive Committee**

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Chair, Audit Subcommittee,  
ERM Committee**

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*BG, USA, Ret.*

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Executive Committee**

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**Membership Committee**

*ERM: ENTERPRISE RISK MANAGEMENT*

*\*EX-OFFICIO MEMBER OF ALL COMMITTEES*

### AAFMAA Senior Leadership

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*BG, USA, Ret.*

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**STEPHEN C. MANNELL, JR., CTFA**

**President, AAFMAA Wealth Management & Trust LLC**

**MARK H. MATSUURA, CPA**

**Chief Financial Officer, AAFMAA**

**NIRA SERPA, CPA**

**Controller, AAFMAA**

**JERRY QUINN, FLMI, ACS**

*COL, USAR*

**Chief Operating Officer and Secretary, AAFMAA**

**JEFF J. HAVENER**

**President, AAFMAA Mortgage Services LLC**

**TIANA FALLAVOLLITA**

**Vice President, Human Resources, AAFMAA**

**CHARLENE WILDE, FLMI, ACS**

**Senior Vice President and Assistant Secretary,  
AAFMAA**

**CHARLES B. BETANCOURT, CCIM**

**Chief Operating Officer, AAFMAA Property LLC**

**KEVIN A. KINCAID**

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### AAFMAA Mortgage Services LLC



Mortgage services provided by AAFMAA Mortgage Services LLC (AMS), a wholly-owned subsidiary of AAFMAA. AMS is available for the financing of residential property in the states listed on our Legal & Licensing page (<https://www.yourmilitarymortgage.com/legal-licensing>). In Texas, see Consumer Complaint Notice at: [www.yourmilitarymortgage.com/legal-licensing](https://www.yourmilitarymortgage.com/legal-licensing). All loans are subject to credit approval and other criteria. Refinancing your mortgage may result in higher finance charges over the life of the loan. Physical address: 1 Copley Pkwy, Suite 420, Morrisville, NC 27560. Lender NMLS: 1423968, <https://www.nmlsconsumeraccess.org>, Equal Housing Lender, Veteran Affairs (VA) approved lender #668521-00-00; not endorsed or sponsored by the Department of Veterans Affairs or any government agency. For more, go to: <https://www.yourmilitarymortgage.com/mortgage-disclaimer>.

### AAFMAA Wealth Management & Trust LLC

Financial Planning, Investment Management, and Trust Services provided by AAFMAA Wealth Management & Trust LLC (AWM&T), a North Carolina Limited Liability Company wholly owned by AAFMAA. Physical address: 639 Executive Place, Suite 200, Fayetteville, NC 28305.

Information provided by AAFMAA Wealth Management & Trust LLC is not intended to be tax or legal advice and we encourage you to seek guidance from your tax and legal advisors. Past performance does not guarantee future results. Investments are not FDIC or SIPC insured, are not deposits, nor are they insured by, issued by, or guaranteed by obligations of any government agency or any bank, and they involve risk including possible loss of principal.

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## Contact us

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- 639 Executive Place, Ste 200, Fayetteville, NC 28305
- 1 Copley Pkwy, Ste 420, Morrisville, NC 27560

Members rank us 4.5 out of 5 stars on Trustpilot.

EXCELLENT



Based on 1,172 reviews



Share your Membership experience at [trustpilot.com/review/www.aafmaa.com](https://trustpilot.com/review/www.aafmaa.com).

