

# AAFMAA

# Advantage

THE ARMY AND AIR FORCE MUTUAL AID ASSOCIATION NEWSLETTER

SUMMER 2012

## Attention Members Who Joined After 30 June 2000!

## Get Premier Services Now

For only \$5.95 per month (less than 20 cents a day!), you can enjoy the following Premier Services, starting with our most valuable service—Digital Vault.

### DIGITAL & PHYSICAL VAULT DOCUMENT STORAGE

- 24/7 secure, global, online access to your family's most important and essential documents—Marriage & Birth Certificates, Form DD 214, Wills...
- Physical storage of original, copy and certified documents—critical for filing government claims and survivor benefits—in AAFMAA's own on-site, secure vault. Need an original—just call us!

### VA DISABILITY CLAIMS COORDINATION\*

- Our expert staff knows what it takes to navigate the Department of Veterans Affairs (VA) claims process.
- We'll educate and counsel you and your family on the VA benefits and



**AAFMAA Premier Services now available for less than 20¢ a day!**

claims processes to ensure you maximize VA compensation and benefits.

- You'll receive personalized assistance preparing, reviewing, submitting and following-up throughout the VA disability claims process to resolution.
- We'll review final decision VA award letters for service connected disabilities for accuracy and advise on

any additional benefits that may be applied for.

- We'll educate, counsel, and assist with CRDP/CRSC claims once the Dept of VA has made a final decision on your VA claim.

### MILITARY BENEFITS ANALYSIS

Military and government benefits

**CONTINUED ON PAGE THREE**

\*We cannot assist with claims while service members are still on Active duty, please see your military installations Transition Assistance Program

\*We do not assist in tracking down the status of VA claims pending at the Dept of VA that are not prepared by AAFMAA, please contact the VA Service Organization who submitted the claim on your behalf or register with Ebenefits <https://www.ebenefits.va.gov/ebenefits-portal/ebenefits.portal>.

\*Submittal of claims to the Dept of VA and follow up of all VA claims is done through AAFMAA's partnership with the Disabled American Veterans (DAV). The DAV does not charge for any of their services to veterans or family members.

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## AAFMAA Contacts

### General

Toll-free phone: 1-800-522-5221  
 Local phone: 703-707-4600  
 Headquarters: AAFMAA  
 102 Sheridan Avenue  
 Fort Myer, VA 22211-1110  
 E-mail: info@aafmaa.com  
 Fax: 703-522-1336  
 Death Notification: 1-800-522-5221

## AAFMAA *Life Insurance*

### Insurance Sales

Hours of Operation: Monday through Friday,  
 8:30 a.m. – 7:00 p.m. ET  
 Sales Direct  
 toll-free phone: 1-877-398-2263  
 E-mail: membership@aafmaa.com  
 Fax: 1-888-210-8201 (toll-free)

### Application Processing

Hours of Operation: Monday through Friday,  
 8:30 a.m. – 4:30 p.m. ET  
 E-mail: applications@aafmaa.com

### Policy Services (payments, policy loans, beneficiary changes, LTCSD)

Direct toll-free phone: 1-800-336-4538  
 Hours of Operation: Monday through Friday,  
 8:30 a.m. – 4:30 p.m. ET  
 E-mail: policyservices@aafmaa.com

## AAFMAA *Financial Advisors*

(death claim processing, vault documents, VA  
 representation, benefits counseling, Family  
 Information Report (FIR))

Hours of Operation: Monday through Friday,  
 8:30 a.m. – 5:30 p.m. ET  
 E-mail: MemberServices@  
 aafmaaFinancial.com  
 Address: 1850 Old Reston Avenue  
 Reston, VA 20190



# Message To Members

**Wilson A. (Bud) Shatzer, Jr.**  
**Colonel, USA, Retired**  
**Membership Committee**

Dear Fellow AAFMAA Members:

I am deeply honored to address the membership as a Board Member serving on the Membership Committee. A proud AAFMAA member since 1999, I joined the Board at this year's Annual Meeting. I am proud to play a role in AAFMAA's continuing commitment to outstanding service as well as future expansion and growth for the benefit of all American Armed Forces service members, their families, and their survivors.

AAFMAA's high-quality, low-cost life insurance and valuable Member and Survivor Assistance Services provide peace of mind and financial security to countless members of the military community. The services are performed by an incredibly dedicated and motivated professional staff, ready to provide personalized counsel and assistance. Some examples of this stellar service are included in the Annual Meeting Minutes found in this newsletter. Please take some time to read through them. They truly demonstrate the focus all AAFMAA staff has on getting the best results for all AAFMAA members and families.

As members, we trust that AAFMAA will always do the right thing for us and later for our survivors when we are gone. Death benefits are always paid as expeditiously as possible. Survivors are personally guided through the maze of government benefits and entitlements by a truly superlative and compassionate Survivor Assistance Services team. They take the anxiety and frustration out of the process for the surviving

widows, widowers and family members. I rest assured knowing that my wife will be well taken care of when I no longer can.

Many of us have experienced or know of someone who has benefited from AAFMAA's outstanding service. Our strongest supporters are the survivors whom we have helped and you, my fellow members! Please share your story with our staff and others to continue spreading the word. I appreciate this chance to address the membership and to serve you well on the Board.

Respectfully,

*W.A. (Bud) Shatzer*

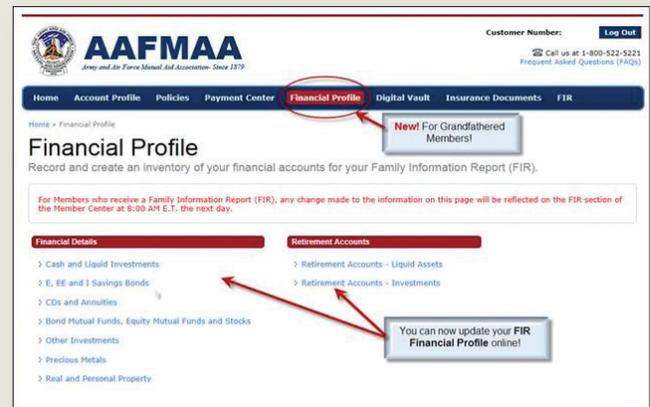
**"Many of us have experienced  
 or know of someone who has  
 benefited from AAFMAA's  
 outstanding service."**



## See What's New in the Member Center!

We've continued to expand and improve the secure, online AAFMAA Member Center to better meet your needs. You can now:

- ✓ Update personal contact and family information
- ✓ Add, update and revise Military and Benefits Information
- ✓ View your Billing Notices
- ✓ Make a Payment through our secure Payment Center
- ✓ View and print your Annual Life Insurance Statement (for years 2009 and forward)
- ✓ View New Policy Packets (for policies issued after 12 July 2012)
- ✓ View/update your Financial Profile, download or print your Family Information Report – FIR (Grandfathered Members only)
- ✓ Review your Digital Vault file (Premier Services and Grandfathered Members only)
- ✓ Get a Quote for new life insurance



Register today at <https://connect.aafmaa.com/> and get started managing your information online.

## Premier Services Now Widely Available to Members

CONTINUED FROM PAGE ONE

analysis tools, calculators and reports help you make informed decisions.

Our team will guide you through the analysis so you know what it all means and how it impacts you and your family.

Personalized assistance will allow you to maximize the benefits you've earned.

### TRANSITION READINESS ASSESSMENT

As you prepare to retire from the military our team will assess your individual situation to ensure your benefits

and entitlements are known and maximized.

Our assessment includes:

- Retirement Pay Income Estimator,
- Survivor Benefit Plan (SBP) evaluation,
- Term Life Insurance Comparison - replacement options due to SGLI coverage loss.

For more information or to enroll in Premier Services, go online to [www.aafmaa.com/PremierServices](http://www.aafmaa.com/PremierServices) or call a Membership Coordinator toll-free today at **1-877-398-2263**.

## Minutes from the 20

[The Annual Meeting convened at 1200 hours, 12 June 2012, at the Army Navy Country Club, Arlington, VA.]

LTG Donald M. Babers, Ret, Chairman of the Board of Directors, called the 133rd Annual Meeting to order. LTG Babers recognized three members in attendance. CPT David Polonitza was our youngest member in attendance. COL John Insani, Ret, was our longest tenured member in attendance, with over 58 years of loyal membership. COL Walter Hibbard, Ret, at 92 years old, was our oldest member in attendance! The AAFMAA Secretary presented each of them with a gift.

Last year's meeting was on 14 June 2011. The minutes were published and distributed to all members. A motion to waive the reading of the minutes was moved, seconded and the minutes were approved unanimously. LTG Babers addressed the audience to report another outstanding year for AAFMAA. Over the past decade our growth has been unmatched in the 133 year history of the Association. In 2011, membership, insurance-in-force and policies-in-force all reached record highs, demonstrating AAFMAA's strength and continued growth.

AAFMAA always focuses on providing the lowest cost life insurance possible and outstanding services to members and their survivors. On 1 July 2010 we resumed performing these valued services directly in-house. This has been a tremendous success. By providing AAFMAA's hallmark services, we strengthen the relationships with members and provide our unique survivor services when the member dies. In addition to re-integrating Survivor Assistance Services LTG Babers announced that AAFMAA received



**LTG Babers, Chairman of the Board,  
opens the Annual Meeting**

approval to form AAFMAA Wealth Management & Trust Company. MAJ Walter R. Lincoln, Ret, AAFMAA's President and Treasurer, provided details later in the meeting.

AAFMAA is thriving thanks to a loyal membership, great insurance products, and outstanding services. LTG Babers has been honored to serve as a Board Member since 1992 and as Chairman for the last six years. Military service members and their families rely on AAFMAA for life insurance coverage and unparalleled Survivor Assistance Services. The non-compensated Board is totally committed to the continued success of AAFMAA and taking care of our military members and their survivors. Key to any success is good management and well led, dedicated employees. MAJ Lincoln, our President and Treasurer, keeps the team focused and deserves the credit for the outstanding success we have had. LTG Babers then turned the meeting over to MAJ Lincoln for his remarks.

MAJ Lincoln's report follows. 2011 was another record year. All metrics ended the year at all time highs. Highlights include: Insurance in Force \$24.2 Billion, a 6.3% increase from 2010; Policies in Force increased to a new record of 122,137; total lives insured reached an all-time high of 99,907 and significantly, NET members grew by 2,122, a 2.4% increase to 89,439. This all time high in members is especially noteworthy since it demonstrates the relevance of our Association to a new generation of airmen and soldiers...and effective in 2011, also sailors, Marines and Coast Guard. In 2011, our membership grew at an average of 177 new members per month. Our Association is attracting more and more active duty members, now accounting for 46% of the membership.

Assets, on an admitted value basis, total \$977M. The year-end market value of those assets was \$1.04B, that's right...over \$1 Billion! Please note that our Net Yield on Assets last year was a positive 5.2%. This return allowed the directors to approve the 2012 crediting rate of 6.8% for Value-Added Whole Life policies. This high crediting rate also applies to the ANNUITYLife policies. Recall that, generally, as your cash value grows, your death benefit grows.

We have no debt, no subprime mortgages, no derivatives, no credit default swaps, no hedge funds, no private equity funds and no securities lending.

These results for 2011 continue a long trend of expansion and growth. AAFMAA is now the largest and strongest it has ever been. More details are available in the Annual Report which has

# 2012 Annual Meeting

been distributed to all members and is included in this report by reference.

Each year we emphasize the Net Yield on Assets and the Crediting Rate. But what do they actually mean? How do they impact the lives of our loved ones? The Net Yield on Assets is the return actually earned on the assets backing the life insurance and the settlement options. In 2011, very challenging times, we are absolutely delighted that our Net Yield on Assets increased to 5.2%—a great success in anybody's book. Now, let's see how the Net Yield on Assets directly affected just one of our survivors. The surviving widow in this example chose the "Interest Only" Settlement Option. When her husband died, she left the death benefit proceeds with AAFMAA and selected the option to receive only the interest earned on the death benefit of \$502,000. Remember that settlement options earn a GUARANTEED minimum 4% interest paid throughout the year. Then, after the year is completed, we compare the 4% minimum to the actual Net Yield on Assets, in this case 5.2%. The amount above the 4% minimum and the 5.2% Net Yield on Assets was paid in May as a bonus; what we call the "13th check". This May, she received a 13th check in the amount of \$6,105. Maybe a trip to visit family members, gifts for grandkids or help to make life just a little bit nicer. We don't know what the money was used for but we do know that we've done what the member asked us to do...help take care of his loved one when he is gone. Since the member's death in 2007, his widow has received over \$145,000, or an annual return of about 5%. Incredulous at her good fortune, she called to ask how much of her death benefit remained to be paid



**Board Members, Maj Gen Bob Smolen  
and Col Betsy Strines**

out. Happily, we reported that 100% of her death benefit amount of \$502,000 remains untouched. She simply could not believe how well her husband had taken care of her. I hope this true story illustrates just how exceptional our products are at AAFMAA.

Now, let's consider the Crediting Rate and the benefits it brings to our members. The Crediting Rate is the rate at which interest is added to a policy cash value. This impacts both the cash value in the policy and the resulting death benefit. Higher crediting rate; higher cash value; higher death benefit. An example: a member bought his second policy in 1992. Twenty years ago. The total premium paid was \$4,202. Due to the Crediting Rate, 6.8% in 2012 but having varied across time during these past 20 years, that cash value has grown from \$4,202 to \$14,498. And, therefore, the initial death benefit has grown from \$15,000 to \$28,923. So, there's cash available if needed and a growing amount of death ben-

efit to care for loved ones upon death. And, because each AAFMAA Value-Added policy offers a Long Term Care Settlement Option, the policy owner can access the death benefit amount to help cover long term care costs.

We've reviewed our sales, our financial results and explained the incredible benefits accruing to members and survivors year after year. In addition to outstanding insurance products with the lowest possible premiums, AAFMAA stands for superlative personal service for members and survivors. Let me list just some of the many accomplishments achieved in 2011.

- We launched the Digital Vault in the AAFMAA Member Center. Fully secured to preserve privacy. Last year we added over 3,000 vault files allowing those members to access their critical documents anytime, anywhere in the world. Great for deployed members. Safe, secure and available.
- We expanded the on-line access to the Member Center to include military service dates, VA benefit percentages, retirement income, life insurance and other critical information. This means any member can update their own information at anytime, anywhere. The more up to date the information, the better we can assist survivors. Just last month, 180 members made 490 update changes. All online, all secure, all without postage or paper costs.
- In April we launched the new Premier Services. Recall that every member's policy always includes Survivor Assistance Services. New members joining since 2000 had



not been able to subscribe for the additional advisory services. With the launch of Premier Services, new members can subscribe and obtain all the benefits of the advisory services: Vault storage, government benefit analysis, VA claims support, social security analysis, military transition planning and others.

- During 2011, our VA coordinator submitted 158 member claims and 236 surviving family member claims resulting in retroactive payments of \$486,000. Since July 2010, with the re-integration of our services to an in-house status, the depth of expertise, experience, as well as the dedication of our specialists has obtained over \$1.1 million for our members and their survivors. An incredible achievement.
- Last year alone we helped obtain 100% of the entitlements for 710 widows and widowers, and we continued to provide lifetime assistance for approximately 12,800 survivors.

All of these phenomenal services and additional benefits were provided by our member service subsidiary so ably led by Jim Malley. They returned \$467,000 in net income to AAFMAA and helped reduce overall costs by absorbing shared services and personnel costs. Better for every member and every survivor and a savings of 42% over the amount previously paid to an outsourced provider.

Everything we do is driven by our desire to deliver for our members exceptional levels of superlative personal service, expertise and advice. This means putting our entire attention and effort into every endeavor, no matter how small. Saying what we will do and then doing what we say. Striving for excellence. Going the extra mile. Making sure that when you entrust us with a task, you can be sure it will be done on time and done well. Above all, we are fanatical about exceeding member expecta-

tations. Everything goes back to the member, whether through outstanding services, "13th checks", term life partial premium refunds, cash value growth, or increased reserves to make AAFMAA even stronger. What makes AAFMAA different is that we are a high touch, highly personalized, pure non-profit, member-owned, mutual Association. For us, it's member first; every time. Truly a fantastic year... but where are we going?

On May 9th, we received permission to form and implement AAFMAA Wealth Management & Trust Company. This exciting new subsidiary will provide financial planning (including accumulation planning, retirement planning and estate planning), investment management, and trust administration. For the first time, we will not only be able to advise members but will actually be able to care for members and their children and grandchildren... preserving assets across generations. AAFMAA Wealth Management & Trust Company is projected to be operational by November 2012. While initially located in North Carolina and Virginia, we will expand to cover major locations of all branches of the American Armed Forces.

Recall that Thursday is Flag Day. And, earlier we recognized the youngest member, oldest member and longest tenured member by presenting US Silver Dollars commemorating the 200th Anniversary of the Star Spangled Banner. Now, I'd like to show just one of the many events of the past year that AAFMAA proudly sponsored honoring our flag and those who have died defending it. The video "AAFMAA Presenting the Colors and Behind the Scenes—World's Largest

American Flag" was shown to the audience. It can also be viewed on YouTube. This concluded the President and Treasurer's Report. A motion to approve the report of the President and Treasurer was moved, seconded and approved unanimously.

The next order of business was to receive the report on the re-election of directors. LTC Tom E. Hargis, Ret, Secretary of the Association, presented the results of the Nominating Committee and proxy balloting.

The Nominating Committee consisted of the following members: Col. Jerry M. Bergstresser, USAF, Ret, Chairman; MAJ Donald W. Fritz, USA, Ret, Member; and CPO James A. Spataro, USN, Member. The Association thanked the committee for their time and effort. The committee nominated COL Wilson A. (Bud) Shatzer, Jr., USA, Ret for his 1st Term and BG Mack C. Hill, USA, Ret for his 3rd Term. The membership also voted on changes to the AAFMAA Constitution. Proxies were received, duly counted and certified by an independent proxy service. All nominees were approved and their terms will continue until the Annual Meeting in 2016. The Constitution changes were also approved. This concluded the results of the Nominating Committee and proxy balloting. A motion to close the nominations and elect the nominees was moved, seconded and the nominees were elected.

A few questions from the floor were raised and addressed by the President and Treasurer.

Since there was no new business to be brought before the meeting, a motion to adjourn was moved, seconded and the meeting adjourned at 1235 hours.

**"Everything we do is driven by our desire to deliver for our members exceptional levels of superlative personal service, expertise and advice."**

## The Right Product, at the Right Time, for the Right Person

AAFMAA has the right life insurance products, no matter what your age, for each stage of life.

### CHILDREN/GRANDCHILDREN

#### Generations Plus

*(age 15 days – 12 years)*

Permanent insurance with coverage that doubles at age 21 with NO increase in premiums.

#### Value-Added Whole Life

*(age 6 months – 23 years)*

Permanent insurance with a current crediting rate of 6.8% for 2012. Coverage for life. Premiums are less the earlier you start.

#### Level Term I *(age 18 – 23 years)*

Lowest-cost term insurance starting at only \$2.95/month. Coverage to age 40 or 50 depending on nicotine use. Guaranteed conversion to Value-Added Whole Life at any time without

additional medical underwriting. Get this policy when they are young and insure their future permanent insurance needs.

### MEMBERS AND SPOUSES

#### Level Term I *(active duty, veterans, spouses under age 45)*

Lowest-cost term insurance starting at only \$2.95/month. Coverage up to \$800K. Level premiums and coverage through age 40 or 50 depending on nicotine use. Great for families on a tight budget.

#### Level Term II *(active duty, retired, veterans, spouse age 40+)*

Low-cost term insurance where you select the term, 5 to 30 years, and the coverage amount up to \$800K. Cover

your obligations like mortgages, college expenses, etc only for as long as you need.

#### Value-Added Whole Life *(active duty, retired, veterans, spouses age 18 – 80)*

Permanent insurance with a current crediting rate of 6.8% for 2012. Coverage for life. Cash value builds over time. Long Term Care Settlement Option included.

#### ANNUITYLife *(designed for members and spouses age 60+)*

Permanent insurance coverage with an option to annuitize the cash value for monthly payments to age 100. Single Payment required. Current crediting rate of 6.8% for 2012.

## Your Important Documents Need Safekeeping



If you are interested in becoming a Premier Services Member with Vault Services, call a Membership Coordinator toll-free at 1-877-398-2263.

As an AAFMAA Member, your life insurance policy comes with our unique **Survivor Assistance Services**. AAFMAA will assist your spouse in applying for and ensuring they will receive all military government benefits and entitlements upon your death.

In order to avoid any delay and promptly process the survivor claims, AAFMAA encourages our members to have digital copies of the following documents with your AAFMAA file.

- **DD 214 Certificate of Release or Discharge from Active Duty**— proof of your military service and details of your service. This is used for burial eligibility, VA benefits.
- **Marriage Certificate**— required for applying for surviving spouse benefits.
- **Veterans Affairs Award Letters**—used when connecting the death with a service connected condition, to ensure you surviving spouse receives all benefits due.

Providing AAFMAA *digital copies* of these important documents is essential in ensuring your surviving spouse receives all entitlements due on your behalf. You can email *digital copies only* of the three documents listed below to [MemberServices@aafmaaFinancial.com](mailto:MemberServices@aafmaaFinancial.com). Please do not mail original copies unless you are a **Premier Services** or Grandfathered Member with Vault Storage services.



**AAFMAA**

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Arlington, VA

- ▶ *2012 Annual Meeting Minutes Inside*
- ▶ *AAFMAA Launches SpouseLink.org™*
- ▶ *Premier Services for only \$5.95*

**SpouseLink.org™**

*Stay Informed. Get Support. Be Inspired.*

AAFMAA introduces **SpouseLink.org™**, an online community for anyone touched by the military, especially the amazing warriors at home! It mixes the best of pop culture with military information that's important to you. Head on over to **SpouseLink.org™** today!

[www.SpouseLink.org™](http://www.SpouseLink.org)