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Surplus and net income increase at Catholic Financial Life

Insurer completed Degree of Honor acquisition in 2017

— By Molly Dill

Bill O'Toole, president and CEO of Catholic Financial Life.

Milwaukee-based fraternal life insurance organization Catholic Financial Life has reported that its net income and surplus increased in 2017.

The company in 2017 increased its surplus to $88 million, up from $77.2 million, on a combined basis with its newly acquired business, in 2016. On an uncombined basis, CFL's surplus was $70.7 million in 2016. Total adjusted capital was more than $99 million in 2017, up from $79.9 million in 2016.

Catholic Financial Life acquired St. Paul, Minnesota-based Degree of Honor Protective Association last spring. Most of Degree of Honor's work was shifted to CFL's Milwaukee headquarters, and three employees were added in Milwaukee to assist with the workload, bringing total Milwaukee employment to about 100, said Bill O'Toole, president and chief executive officer of CFL. The insurer gained about 40,000 members, $200 million in assets, and expanded its geographic reach with the acquisition. It now has about 144,000 members and $1.6 billion in assets. Degree of Honor had 22 employees, most of whom were not retained in the integration.

Catholic Financial Life's net income was $12.05 million in 2017, up from $11.6 million in 2016. Sales of life insurance increased 6.9 percent in 2017.

"It was a terrific year. It was certainly one of our best years financially," O'Toole said.

The company began targeting the Hispanic market about 12 years ago, he said.

"I would say the Hispanic market is a big driver of (our growth). It's a growing community. It's a vibrant community," O'Toole said. "We're also recruiting more and more advisors."

In a mature industry, O'Toole said Catholic Financial Life continues to seek additional acquisitions and invest in technology to drive efficiency and outpace the industry growth rate of 4 to 5 percent.

"We're always interested in acquisitions that make sense for our members," he said. "The fraternal industry has been consolidating. The consolidation has been driven by slow growth companies that don't have the capital to invest in technology…and the realization that it's in their members' best interest."

Catholic Financial life has about 100 advisors across Wisconsin, at two other smaller Milwaukee offices, as well as offices in Madison, Fond du Lac, Green Bay and Wausau. The company has more than 200 member chapters nationwide.