



## BetterLife – CSA Life Merger Talking Points

On January 3, 2025, BetterLife and CSA Life entered a definitive merger agreement. After approvals from our governing bodies and regulatory authorities, we expect a merger closing date in the Summer or Fall, 2025. BetterLife, domiciled in Wisconsin, will be the surviving legal entity.

CSA Fraternal Life (Czech Slovak Association of America) is the oldest active fraternal organization, founded in 1854. BetterLife will celebrate and elevate the CSA name, brand, lodge structure, and events. We share a common bond to foster well-being by celebrating traditions, supporting one another, and strengthening financial security in our communities.

John Kielczewski will join the BetterLife Senior Leadership Team as SVP of Fraternal Development and continue expanding BetterLife's presence and support in the Czech, Slovak, and Eastern European communities.

CSA Life currently operates in 21 states. After the merger, BetterLife will increase its coverage from 20 to 28 states, expanding into Connecticut, Florida, Maryland, Missouri, New Jersey, Ohio, Pennsylvania, and Virginia. CSA Life intends to exit California and withdraw from selling in New York. CSA Life will add 16,000 members in 59 new communities, expanding BetterLife's coverage in small-town communities nationwide.

Our integration priorities will initially focus on financial, actuarial, investment, and audit functions, followed by policy administration system integration. Upon the closure of the merger, the sale of CSA products will be discontinued. There is no planned integration of Marketing or Fraternal functions.

CSA's staff will be integral through merger and post-merger integration. CSA Life employees will join their BetterLife functional counterparts as we move into the future.

BetterLife is delighted to find a well-suited partner with a common heritage and purpose. The merger leverages BetterLife's best-in-class operating model, growth platform, and financial resources. The combined organization will have \$700 million in assets and \$60 million in surplus and serve over 70,000 members.



## Responses to Frequently Asked Questions (FAQs)

### **What will happen to BetterLife and CSA employees? Will there be staff reductions?**

There are no planned reductions in 2025. Employees will be critical to the integration activities that will continue for the next 12 months and our ongoing transformation work. Several CSA employees will fill open positions in Member and Community Engagement and the Sales teams, in addition to other staff members remaining in roles with BetterLife.

### **What will happen with the CSA Board Directors?**

One of CSA's Board Directors will join the BetterLife Board for a term ending December 31, 2026, expanding our board to 10 members. The remaining CSA Board Directors will have an opportunity to join the existing BetterLife Member Advisory Board, which meets monthly virtually and in person once a year.

### **What is the economic impact of the merger?**

In recent years, CSA has experienced net income losses and has seen its surplus drop below \$4 million. We expect the merger integration costs to be less than \$2 million and that run-rate operating savings will be approximately \$0.5M per year, resulting in a positive internal rate of return (IRR) and a break-even within five years. Most of the savings relate to cutting redundancies in actuarial and accounting, improving investment returns from a larger portfolio, and integrating talent by filling vacancies at BetterLife.

### **What will BetterLife's capital position be after the merger?**

Part of the merger rationale was a better use of BetterLife's excess capital. Following the merger, we estimate \$70 million in surplus with a risk-based capital ratio of 1065%, well above our upper bound of 900%. We expect this will continue the merger strategy we began in 2021 with the combination of Western Fraternal and National Mutual Benefit. John's role will be to pursue more partnerships.

### **Why are we not integrating in the Marketing function?**

The CSA name has a rich history and is critical to its members. We will continue to use it in the 59 CSA Communities and their associated events. The name will also be important as we explore more Eastern European fraternal benefit society partnerships and elevate BetterLife's presence in the Czech and Slovak community, like our work with the Smithsonian's National Czech and Slovak Museum and Library.

### **Why are we not integrating the Fraternal function?**

We want to honor Fraternal Benefit Societies' commitment to local governance, spending the first year getting to know each other's culture, rituals, and systems. CSA Members will receive the BetterLife Magazine (which will have a portion of it dedicated to The CSA Journal) and all BetterLife Social Membership benefits and have an opportunity to participate in the BetterLife scholarship program and LifeLine health screening. Both organizations will attend each other's events for observational purposes and jointly propose integration opportunities for 2026. We plan on increasing funding at select, signature CSA events like the Annual Miss CSA Contest to amplify our community impact.