



Statement on Financial Services Markets and the Knights of Columbus

9/18/2008



by Supreme Knight Carl A. Anderson

The upheaval in the financial markets in recent days has caused a great deal of concern virtually everywhere, among financial services professionals, regulators and consumers alike. Every major financial institution has been affected by the turmoil because of the complexity of our economy, and we are no exception.



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But I report to you today that there is no reason to be concerned about the value of your Knights of Columbus annuity or life insurance. Because of our very conservative approach to investing our \$14 billion in assets, the impact on the Knights of Columbus has not been material, in other words, it has been minimal – far smaller than for many other organizations and the industry as a whole. We have purposefully avoided investing in the highly complex and speculative investments that have brought disaster to some of America's most well known companies.

What Standard & Poor's said of us just one month ago when they reaffirmed our AAA rating for the 16th consecutive year remains true today. Our "liquidity is viewed as extremely strong, reflecting an asset portfolio that consists primarily of high-quality, investment grade bonds." S&P also stated that our "investment portfolio has very strong credit quality" and our capital adequacy is "among the strongest in the industry." This is the case today. Our capitalization is, and remains, "extremely strong."

Our surplus stood at more than \$1.7 billion on June 30 of this year, providing an unusually large cushion of protection against turmoil of the sort we have seen in recent weeks.

One crucial area continues to set us completely apart from those firms which have incurred enormous debt. We have no debt on our balance sheet. Our strong cash flows and extremely strong financial position makes it unnecessary for us to borrow funds at all.

As a result, our financial condition remains extremely strong, and you can be certain that you are fully protected by one of the strongest and most reliable insurance programs in the entire industry.