

Guided by the Golden Rule

Degree of Honor is a Christian organization guided by the Golden Rule. This universal principle dates back more than 2500 years, is embraced by the world's major religions and was taught by Christ Jesus. It simply states "treat others as you want to be treated." This statement of ethics is the basis of what Degree of Honor means by "Insurance with a Heart."

Financial Statement as of December 31, 2010

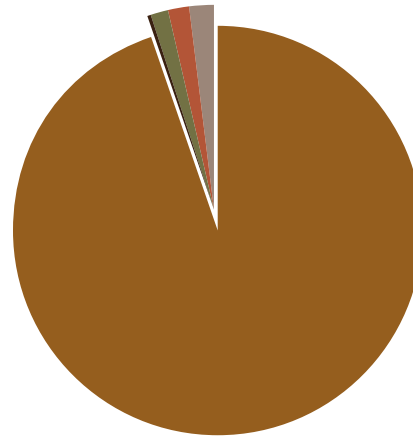
Assets

Bonds and notes (95% of all assets)	\$184,618,000
Preferred stock	.500,000
Member loans	2,838,000
Cash and short-term investments	3,479,000
Other	3,430,000
Total Assets	\$194,865,000

Liabilities

Policy reserves and deposits	\$185,386,000
Securities valuation reserves	1,598,000
Other	1,981,000
Total Liabilities	\$188,965,000
Total Surplus	5,900,000
Total Liabilities and Surplus	\$194,865,000

Face values of new life insurance policies sold	
in 2010	\$30,067,000
Total life insurance in-force	\$636,016,000
839 death claims paid	\$5,966,000
Life insurance and annuity contract payments	
as living benefits to members	\$12,649,311
Scholarships and accidental death benefits	
to members	\$38,500
Community services, events and civic support	\$24,906
Benefits paid since 1886	\$377,104,712



Wisely-allocated assets

Assets (bonds/notes)	.95.0%
Preferred stock	.0.2%
Member Loans	.1.4%
Cash/short term investments	.1.7%
Other	.1.7%

"The longevity of Degree of Honor and quality of its portfolio demonstrate the long-term viability of the organization."

Bill Bowers, President
Investment Management Inc.

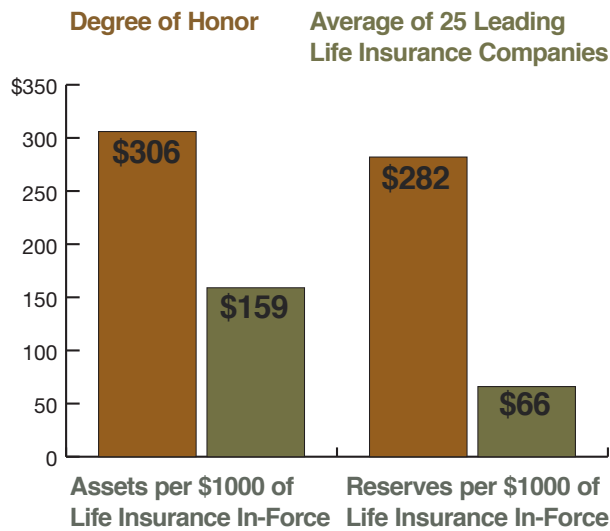


1897 – Vol. 1, No. 1 of *Review* (recently renamed *Honor* quarterly) states "such a paper is a step in the right direction." This year marks 114 years of continuous publication.

1900 – Social members included as well as "beneficial" (insured) members in a social order that recognizes women for "their true worth ... and equality ..." By then A.O.U.W. has more than 400,000 members.

1907 – Degree of Honor institutes its charter of incorporation under the laws of South Dakota (May 8). Francis Buell Olson had traveled the rail system along with her family for two years to build an Association of local chapters and members. This path became the states in which Degree of Honor offers insurance to this day.

Industry-leading safeguards



Source: Standard Analytical Service, Inc. (analysts of the insurance industry since 1932)

Higher earnings reinforce our investment strategy

Degree of Honor is not as large or visible as life insurance companies such as Aetna, Allstate, Hartford, John Hancock or State Farm,* but we continue to generate a better yield on our investments. In 2010, Degree of Honor earned 6.02% on invested assets, compared to 5.17% among 25 leading life insurers. That's more than 16% higher, and demonstrates our wise investment strategy.

*These are among 25 leading life insurance companies that are compared to Degree of Honor for financial results. Their names are the registered trademarks of their individual organizations.

Working families are drawn to our financial protection

Our size enables us to be personal and attentive to what policyholders need. This close connection shows in the commitment Degree of Honor made to help members cover last expenses. Our *HonorLife* three-tiered, simple yes/no application makes life insurance available to more members and others who would not have previously qualified. We will continue to collaborate in the Christian marketplace for affordable, family-friendly products, services and benefits.

Technology investments advance capabilities

Since the advent of personal computers and information technology, Degree of Honor has carefully and conservatively built system enhancements to support administration, aid efficiency, serve policyholders, and safeguard the future. We have left behind the long rows of desks and files of computer cards of 30 years ago and embraced the benefits of email, voice mail, remote access, in-house color printing, and cross-trained customer service people.

“Degree of Honor was so sensitive and responsive when my husband passed away. It’s great to work with a Christian organization; their values mean a lot to me.” Jan O

Degree of Honor investments earned 6.02% compared to an average 5.17% among other insurers

Watch the next issue for more!



1908 – Francis Buell Olson is appointed “Superior Chief of Honor” and then elected in 1910 as the Association’s national president where she served for 45 years; 1910 was the start of

the role as a paid position; in prior years, her efforts were on a volunteer basis.

1911 – Degree of Honor officially separates from A.O.U.W., yet shares common commitments such as a headquarters building at the Minnesota State Fair, where in 1912 “nearly 4000 members of the two Orders” visited.

