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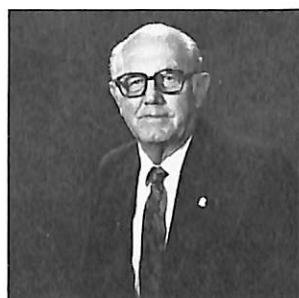
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Woodrow T. Petersen
National President

Message from the President

Regular readers of this page of the **American Dane** are aware of the turn of events that have brought us to this Special Edition of our monthly publication. As I reported in the May edition of the **American Dane**, the National Board of Directors of the Danish Brotherhood in America has decided to recommend a merger with Woodmen of the World and/or Assured Life Association (ALA) of Colorado. A definitive "Agreement and Plan of Merger" between the DBIA and ALA is the sole topic of this Special Edition of **American Dane**, and will serve as the basis for a vote by referendum by your governing body, or the delegates that attended the 1994 Special Convention of the DBIA. This vote by mail was made possible by resolution of the 1994 Special Convention of the DBIA. I encourage you to read this Special Edition from cover to cover. It contains very important information.

Many of you may be wondering what ever happened to the option of ceding off DBIA's insurance in force with another insurance company, with the fraternal and ethnic activities of the DBIA continuing within the environment of a "pure domestic fraternal organization". Certainly, this was an alternative which the Board considered, but they saw this option as costing more than DBIA members would sustain. You will recall that this option was broached prior to the Board's recommendation of a merger with Sons of Norway. Many of you probably recall the comments of our National Secretary-Treasurer, Jerome L. Christensen, published in our 1994 Special Edition of **American Dane**. These comments are still very relevant, and weighed heavily on the Board's decision to recommend a merger with ALA. Additionally, we recently learned of some legal issues that made the option of a "pure fraternal" less attractive. I will try to outline some of these issues so that you may have the benefit of their impact on our decision.

First of all, the only way we could effect the option of DBIA becoming a pure domestic fraternal organization is through a contract with an insurance company known as an "assumption reinsurance". Under this contract, XYZ Insurance Company, for example, would assume DBIA's insurance in force, assets, liabilities and surplus. In consideration for the DBIA block of business, XYZ may pay the DBIA fraternal an amount to be negotiated in the contract. A couple of important issues come into play here.

(Continued on next page)

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Message from the President (Continued)

One of the requirements of an assumption reinsurance contract is known as "positive novation". Positive novation is whereby every DBIA insured member or certificateholder must agree to his/her certificate being assumed by XYZ. If rejected, the DBIA would have to find another insurance carrier to accept the policy or certificate, or continue to hold it ourselves. However, we could not hold the certificate as a pure domestic fraternal organization. Further, the DBIA would have to demonstrate that XYZ is authorized to write the type of insurance being assumed in the state where the certificateholders reside. With this in mind, we would have to seek out an insurer that is licensed in all states in which our membership resides. This could prove time consuming as evidenced in our selection process of the SON merger and, ultimately, the ALA merger now being proposed.

Other legal issues entering into our discussions was the time involved in making application to and getting approval from the Internal Revenue Service for a change in status from a fraternal benefit society to a pure domestic fraternal organization. DBIA legal counsel shared with the Board the fact that this is not an easy or automatic change just because we already have a tax-exempt status. He also explained that DBIA would want to effect the change prior to signing a contract for assumption reinsurance in the event that the application is rejected by the IRS. Further, it is not clear that the amount of money that an insurance company would pay the DBIA fraternal would be a tax-free transaction. In addition, the Nebraska Department of Insurance has communicated that they would prefer a merger contract over and above an assumption reinsurance contract. DBIA legal counsel recommended that the Board proceed with a merger with ALA, as it is a much cleaner solution.

The Board considered the cost of both options to each individual DBIA member. As idealistic and intriguing as the possibility of DBIA being its own organization is, the reality is this, members of the DBIA do not want to pay national dues at the level of \$15.00 and \$10.00. Although the merger with Sons of Norway passed overwhelmingly, DBIA members still took issue with national dues and were not happy that they were facing \$20.00 national dues with Sons of Norway. Our decline in membership bears this fact, not to mention the phone calls and letters the Home Office still receives in regard to dues. "What do I get for my \$10.00 or \$15.00?" Sound familiar? This, of course, is not the view of all members, but certainly it is a problem.

We have a solution!! The day after a merger with ALA would become effective, national dues for social members

would be eliminated. Although ALA does not recognize social members on a national level, they do allow local lodges to have social members. Therefore, a current DBIA social member would pay only local lodge dues! "Why can't we just have local members? We have people that want to belong and support the local lodge, but they don't want to be associated with the national." Again, sound familiar? Further, DBIA insured members' national dues would go from \$10.00 per year to 60¢ per year. This 60¢ per year goes directly into a Fraternal Benefit Fund to support fraternal and lodge programs.

In looking at both options, it was the Board's conclusion that the DBIA could not offer as much to you, the members, as a stand alone organization than what we are getting from Woodmen of the World and/or Assured Life Association at no cost to social members on a national level, and a reduction in cost to insured members.

A merger with ALA lets the DBIA concentrate its efforts within the strength of its individual districts and lodges. ALA is allowing the DBIA to retain its identity and have committed to continuing to foster the ideals and principles of DBIA and preserving, enhancing and expanding DBIA's commitment to perpetuating the Danish culture, heritage and traditions through our lodges and districts. ALA has agreed to expand their current seven member Board of Directors to nine, to allow the DBIA two representatives on said Board until their next quadrennial meeting in June 1996, at which time the Directors will be elected in accordance with ALA Bylaws. Further, a DBIA Advisory Committee to the ALA Board, which shall ultimately include one member from each of the DBIA districts, would provide for continued DBIA input and ideas that would assist ALA in accomplishing their commitment to the DBIA. Initially, this Committee will be the current DBIA Board of Directors not selected to represent the DBIA on ALA's Board of Directors.

Yes, we are enthusiastic about this merger, as it makes provision for everything that we wanted to preserve about our Brotherhood, and most importantly, demonstrates to the Nebraska Department of Insurance that we are taking our fiduciary responsibility for our certificateholders very seriously. I anticipate and appreciate your support as you now concentrate on reviewing the rest of the material contained in this historic issue of **American Dane**. Should you have any questions not covered in this issue, please feel free to contact one of your national Board members or the Home Office at 1-800-553-1937. The Agreement and Plan of Merger is pretty self explanatory, but we have included a series of questions and answers to enhance your review.

**AGREEMENT AND PLAN OF MERGER
BETWEEN
DANISH BROTHERHOOD IN AMERICA
AND
ASSURED LIFE ASSOCIATION**

KNOW ALL MEN BY THESE PRESENTS that Danish Brotherhood in America, a fraternal benefit society duly organized and existing under and by virtue of the laws of the State of Nebraska, hereinafter called "DBIA" and Woodmen of the World and/or Assured Life Association, a fraternal benefit society duly organized and existing under and by virtue of the laws of the State of Colorado, hereinafter called "ALA", do hereby enter into and execute this Agreement and Plan of Merger in accordance with the laws of the State of Colorado. In consideration of promises, mutual agreements, covenants, and provisions DBIA and ALA agree upon and prescribe the terms and conditions of the merger as follows:

1. On the effective date hereof DBIA shall be merged with and into ALA. The name of the corporation upon the consummation of the merger shall be Woodmen of the World and/or Assured Life Association, a Colorado fraternal benefit society, hereinafter called the "surviving corporation."

2. On the effective date of such merger, the surviving corporation shall succeed to and become the owner of all of the properties, assets, privileges and franchises of DBIA including all of DBIA's insurance business, and applications then in process, and shall assume all of the liabilities of DBIA on the effective date of such merger, as provided hereinafter. DBIA shall from time to time, as and when requested by the surviving corporation, execute such documents and do such other acts and things as the surviving corporation may deem to be necessary or advisable to vest in and confirm to the surviving corporation title to and possession of all the properties, assets, privileges, franchises and insurance business of DBIA.

3. The surviving corporation hereby assumes and agrees to pay all insurance benefit certificates, policies and contracts of DBIA outstanding on the effective date hereof, subject to the Bylaws of ALA, on the same terms and conditions as said benefit certificates, policies and contracts shall be enforceable against DBIA immediately prior to said effective date.

4. The surviving corporation shall furnish each member of DBIA, holding an outstanding benefit certificate, policy or contract on the effective date of the merger, an assumption certificate. The assumption certificate will acknowledge

membership in ALA together with all rights and privileges incident thereto, and that ALA assumes and will pay all contractual benefits to which such member, or his or her lawful beneficiary, is entitled as provided by his or her certificate. The assumption certificate will constitute acceptance by ALA of the existing DBIA certificate terms. All existing reinstatement rights of DBIA certificate holders shall be recognized by ALA. Further, upon the effective date of this merger, every member of DBIA shall have equal rights with all ALA members, including certificate dividends, subject to the terms of the certificate and subject to the terms of this agreement.

5. The Articles of Incorporation and Bylaws of ALA on the effective date hereof shall be the Articles of Incorporation and Bylaws of the surviving corporation. Effective as of the merger, DBIA shall have selected two representatives to serve as Directors of ALA. The Board of Directors of ALA shall have expanded to nine members, two of which will be DBIA representatives. The Directors will serve until the next regular quadrennial meeting at which time the Directors will be elected in accordance with the Bylaws. Thereafter, the Board of Directors may be expanded or contracted pursuant to the Bylaws of the Society.

6. The merger shall be subject to the approval of the Colorado Commissioner of Insurance and the Nebraska Director of Insurance, the Boards of Directors of DBIA and ALA, and to an affirmative vote of two-thirds or more of the members of the supreme legislative or governing bodies of DBIA and ALA by referendum. Each Society will promptly notify the other Society concerning the results of their vote.

7. (a) It is the intent of the Agreement and Plan of Merger to continue to foster the ideals and principles of DBIA through this merger. Further, it is the intent to preserve, enhance and expand DBIA's commitment to perpetuating the Danish culture, heritage and traditions through continuation of its cultural and ethnic member programs. To this end, and to permit continuity and retention of identity, current DBIA lodges will have the right to maintain their identification as local units of DBIA. The Board of Directors of ALA will authorize seven new districts that shall consist of the seven districts that represent DBIA as of the date of merger, as follows: Pacific-Northwest, California-Nevada, Nebraska, Heartland, Midwest, Michigan-Ohio, and GCEL (General Committee of Eastern Lodges). These districts will also

have the right to maintain their identification as DBIA districts of ALA.

(b) On the effective date of the merger, all property owned by DBIA lodges and/or districts will remain titled in the respective lodges/districts name. Further, such DBIA districts and lodges shall retain the right to control and manage their funds, assets and property for purposes of perpetuating their existence and the Danish culture, heritage and traditions. Notwithstanding any ALA Bylaw, property owned by DBIA lodges upon loss of charter or ceasing to function shall be disposed in accordance with all legal statutes and regulatory requirements.

(c) After the effective date of the merger, ALA shall provide an appropriate DBIA section within *The Pacific Woodman*, the official publication of ALA.

8. Until the effective date hereof DBIA will give ALA and ALA will give DBIA representatives full access during usual business hours to all of their books, contracts, records and documents, that they will furnish all information with respect to their affairs as requested, and that they will report any substantial change in their businesses occurring prior to the effective date to each Society, respectively. If there shall be any substantial change in the business, assets or liabilities of DBIA or ALA between the date on which this Agreement and Plan of Merger is executed and the effective date hereof which shall in any adverse way materially affect the financial condition of DBIA or ALA or their ability to conduct their businesses, then DBIA or ALA may at their option elect not to proceed with the merger described hereinabove, and this Agreement and Plan of Merger shall become null and void.

9. The merger described in this Agreement and Plan of Merger shall become effective as of the close of business of the Societies on the date of final approval by the Colorado Commissioner of Insurance and the Nebraska Director of Insurance.

10. In the event of any breach of the representations or warranties made by DBIA in this definitive merger agreement, which is not discovered by ALA until after the merger and which results in damages, losses, costs or expenses (including attorneys' fees) to ALA, exceeding DBIA's current surplus, ALA will assess such costs against the certificate holders of DBIA.

11. (a) For the purpose of preserving Danish culture, heritage and traditions, ALA shall establish an endowment fund of \$200,000, plus any current DBIA fraternal fund monies designated for special DBIA scholarships. The income from this endowment may be used to fund scholarships for the former and future members of DBIA and their descendants. The endowment fund shall always be known as and perpetuate the name of "The Danish Brotherhood in America Endowment Scholarship Fund." In conjunction with this particular paragraph, the DBIA Board of Directors approved designating the "net" profit from the sale of the DBIA Home Office Building, in the amount of \$126,349, as

DBIA endowment scholarship funds, which shall then be added to the initial \$200,000 endowment fund established by ALA in consideration of the merger.

(b) DBIA Fraternal Fund monies not designated for special DBIA scholarships shall be merged with the ALA Fraternal Fund to provide for the continuation of the various DBIA lodge and ethnic matching fund programs.

12. In recognition of the merger, the ALA Board of Directors, in accordance with Section 5(p) of the Bylaws, shall establish a committee of the board known as the Advisory Committee to the Board which effective at the next quadrennial meeting of ALA shall include one member from each of the seven DBIA districts. Notwithstanding this provision, the DBIA Board of Directors who are currently serving, and who have not been selected to serve on the ALA Board, effective as of the Merger, shall serve as the Advisory Committee until the next quadrennial meeting of ALA. The Advisory Committee will have duties as assigned by the ALA Board, as well as award the scholarships from the DBIA Endowment Scholarship Fund.

13. ALA is presently licensed in 30 states and DBIA is presently licensed in 15 states. ALA will make application to be licensed in those states in which DBIA is currently licensed and ALA is not.

14. Each of the Societies do hereby represent and warrant to the other as follows:

(a) Each corporation is a fraternal benefit society duly organized, validly existing and in good standing under the laws of their respective states; each Society has the requisite corporate power and authority to own, operate and lease its properties and carry on its operations in accordance with their respective articles of incorporation and the laws of the respective states. Neither the execution of this agreement or the consummation of the merger contemplated hereby will violate any provision of any agreement, lien, or judgment, decree or other restrictions of any kind or character to which either Society is subject.

(b) The execution, delivery and performance of this agreement by each of the respective Societies and the consummation of the merger contemplated hereby have been duly and effectively authorized by all necessary corporate action on the part of each Society, and their respective Boards of Directors acting separately. This agreement constitutes a legal valid and binding obligation of each of the aforementioned Societies subject to approval. Each Society represents that all proceedings required by law or by provisions of the Agreement and Plan of Merger to be taken by each Society respectively on or prior to the effective date shall have been duly and validly taken.

(c) Both DBIA and ALA are fraternal benefit societies within the meaning of the laws of their respective states and neither has the authority to issue capital stock or any other equity security. There are no issued and outstand-

ing equity securities and no person (other than certificate holders) either public or private has any ownership or equitable interest in either Society.

(d) Both DBIA and ALA have exchanged all pertinent and necessary and requested financial information for the 1994 operational year reflecting the financial status of each Society as of December 31, 1994. To the best of their knowledge and belief, such financial statements fairly represent the financial position and results of operations of each of the respective Societies as of the dates and for the periods indicated and have been prepared in conformity with the statutory principles applied on a consistent basis. The annual statement of each Society as of December 31, 1994 makes full and adequate provisions for all of the material obligations and liabilities, fixed or contingent, for each of the Societies as of its date for which provisions are required to be made under statutory accounting principles, and as of such date neither of the Societies had material obligations or liabilities, fixed or contingent, not reflected or reserved against on such annual statements or in the notes thereof.

(e) Since the exchange of financial information neither of the Societies has:

(1) incurred any material obligation or liability, fixed or contingent, except normal obligations incurred in the ordinary course of operations, none of which is materially adverse to either of the Societies;

(2) transferred, leased or otherwise disposed of any of their assets or property except for a fair consideration in the ordinary course of their operations or acquired any material assets or property other than in the ordinary course of their operations.

(3) made a grant of any wage or salary increase except for increases made in accordance with established compensation policies adopted by the respective Society. Any such wage or salary adjustment shall be attached hereto.

(4) suffered any casualty, loss, or damage not covered by insurance which materially affects the ability of either of the Societies to conduct their operations; or

(5) suffered any material change which might be detrimental to the merger.

(f) As to any and all real estate owned, each Society represents and warrants that it is the owner of such real property in fee simple absolute. Each of the Societies has good and marketable title to all of the property, real and personal, held by them respectively, all of which property is to pass to the surviving Society upon merger on the effective date. All such property is free and clear of any lien, pledge, mortgage, encumbrance, or security interest, except taxes, special assessments, or restrictive covenants or except as has been otherwise disclosed and attached hereto. Each of the Societies expressly warrants that it is the sole owner of

all said property, and each has the right to transfer all such property, or interest in property as part of the merger herein contemplated and that the transfer of same pursuant to the terms of this merger will not accelerate any existing debt or lease obligation.

(g) There is no litigation or proceeding, threatened or pending, against either of the Societies except as has otherwise been disclosed each to the other and attached hereto; nor, do either of the Societies know or have knowledge of, or reasonable grounds to have knowledge of, any basis for any such action, or of any governmental investigation or administrative action pending relative to either of the respective Societies, their properties or operations, which might in any way restrict or impede their respective right or ability to effect the merger herein contemplated.

(h) No brokerage fee or commission of any type has been incurred or will be paid to any person by either Society which is a party to this merger or in any way in connection with the negotiations of this merger agreement. No compensation shall be paid to any officer or employee of either of the Societies with the sole exception that the severance package previously approved by the DBIA Board of Directors for employees remaining with DBIA until the date of this merger shall be honored by the surviving corporation.

15. Each of the Societies agrees, that during the period from the date hereof through the effective date as follows:

(a) All of the operations of each of the Societies will be conducted in the ordinary course through the merger to the effective date.

(b) Neither of the Societies will enter into any contract, commitment or marketing plan on behalf of the other extending beyond the effective date, unless each of the Societies has approved such agreement or plan.

(c) Each of the Societies will use their best efforts to preserve their respective organizations intact, or to keep available until the merger on the effective date the services of the employees presently in the operations of each of the Societies and to preserve all of the good will of the members and certificate holders of each of the Societies.

16. Notwithstanding any provision to the contrary herein, this Agreement may be terminated and abandoned by mutual consent of the Board of Directors of each Society at any time after such adoption by the National Convention of DBIA and the Head Camp of ALA and prior to the effective date of the merger.

17. At any time prior to approval and adoption by the National Convention of DBIA and the Head Camp of ALA, this agreement may be modified in matter or form, or supplemented by additional agreements, articles or certificates as may be mutually determined by the Board of Directors of the respective Societies to be necessary, desirable or expedient to clarify the intentions of the parties hereto

or to effect or facilitate the filing, recording or official approvals necessary for this agreement in the consummation of the merger herein contemplated in accordance with the purpose and the intent of this agreement. All such modifications shall be submitted to the Colorado Insurance Commissioner and the Nebraska Director of Insurance, as well as to the members of the DBIA National Convention and the delegates of the ALA Head Camp.

18. The warranties, representations and agreements contained in this document shall be deemed to be material

and to have been relied upon by each of the respective Societies notwithstanding any investigation heretofore or hereafter made by either of the Societies. All representations, warranties and agreements contained in this document shall survive the merger.

IN WITNESS WHEREOF, this Agreement and Plan of Merger has been executed by the officers of DBIA and the officers of ALA, as duly authorized by their respective Board of Directors this 20th day of April, 1995.

DBIA and ALA
Merger Review
Through Common Questions and Answers

ABOUT WOODMEN OF THE WORLD AND/OR ASSURED LIFE ASSOCIATION

Q: What does the DBIA have in common with ALA?

A: The DBIA and ALA share a rich history of fraternalism as fellow Fraternal Benefit Societies. Although ALA is what many refer to as a "general" fraternal in that it has been and remains a nonpolitical, nonoccupational, nonethnic and nonsectarian organization, they were founded for much the same reasons as the DBIA; the ideal of neighbor helping neighbor. The DBIA and ALA both began as a result of a group of men organizing themselves together into a great brotherhood to perpetuate and practice fraternalism and to help one another in times of sickness and death.

Q: Since ALA is not an ethnic organization, will the DBIA lose its ethnicity or Danish-ness as a result of the merger?

A: No. The DBIA will most definitely retain its Danish-ness in this merger. DBIA lodges and districts will be retained and adopted by ALA, thus allowing for continued identity in name and purpose as DBIA lodges and districts. The DBIA would become a unique and ethnic niche for ALA, and one that ALA is committed to fostering and preserving.

Q: Why is ALA known as Woodmen of the World and/or Assured Life Association?

A: ALA's history began in 1890 as a part of the Woodmen of the World of Omaha, NE. At that time, ALA was known as the **Pacific Jurisdiction of the Woodmen of the World**, the office of which was located in Denver, Colorado. The Pacific Jurisdiction of the Woodmen of the World grew in numbers, strength and its own identity over the years. The Denver Society always set its own rates, collected its own assessments and only held in common with the Omaha Woodmen the name and use of the ceremonial ritual. In fact, the Denver Woodmen was required to pay a fee of 5¢ per member to the Omaha group for the privilege of using the name and the ritual. In 1916, the Denver Woodmen dropped the words "Pacific Jurisdiction" from its name, canceled all contractual relations with the Omaha Woodmen and adopted its own rituals. As the Society grew, a 1962 merger of the Christian Mutual Benevolent Association into the Denver Woodmen expanded its operations into states in which the Society was not licensed. The Society adopted the alternate name of Assured Life Association as it was prohibited from entering these new states under the name of Woodmen of the World because the Omaha Woodmen was already operating in these states under that name. The Denver Woodmen would, however, be allowed to enter these states under the name of Assured Life Association. Thus, today, the corporate name of ALA is **Woodmen of the World and/or Assured Life Association**.

Q: Is ALA financially sound?

A: Absolutely. ALA has over \$50,000,000 in assets and in excess of \$6,700,000 in surplus as of December 31, 1994. In the last two years ALA has averaged a net gain before refunds to members of \$268,000, with the average refunds to members amounting to \$114,900 for the same period. Further, the leading rating agency gives ALA a "B-, Good" rating. ALA has in excess of \$318,000,000 of insurance in force and 18,000 members in 69 camps or lodges.

Q: Is ALA licensed in every state in which the DBIA is licensed?

A: No. ALA is licensed in 30 states, 7 of which the DBIA is licensed and 4 of which the DBIA is not licensed but has active lodges. This leaves the states of Michigan, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Wisconsin in which the ALA is not licensed and the DBIA is. However, ALA has committed, in the "Agreement and Plan of Merger," to making application to be licensed in these states. In the meantime, DBIA lodges in these states will still be able to operate and function as they currently do. Like the DBIA, ALA is not licensed, nor committed to becoming licensed, in Canada.

Q: Does ALA have a portfolio of competitive products?

A: Yes. ALA has a wide range of competitive insurance products available to members. Products include traditional whole life, limited pay whole life, universal life, annuities (both tax qualified and non-qualified), a guaranteed issue "golden age" (age 40 - 80; 75 in Missouri) protection plan (if you can answer "no" to one simple question), a memorial plan for pre-planning funeral arrangements and more! ALA also provides fraternal benefits such as an orphan's benefit, medic alert benefit, medical assistance benefits for multiple sclerosis and tuberculosis, college scholarship grants, and a dynamic College Tuition Assistance Program which combines a 21-pay life insurance product with a fraternal package offering members access to the following:

- *college scholarship endowment funds
- *private scholarship search program
- *low interest educational loans
- *ACT test preparation video
- *specific occupation information and search program
- *career aptitude index
- *answer guides to federal need analysis forms
- *academic enhancement reference library
- *undergraduate/graduate schools and majors search program

ABOUT THE "AGREEMENT AND PLAN OF MERGER"

Q: In paragraph 3 of the "Agreement and Plan of Merger," hereinafter referred to as the Agreement, it says the ALA assumes and agrees to pay all insurance benefit certificates of the DBIA outstanding on the effective date of the merger, on the same terms and conditions as said benefit certificates, subject to the Bylaws of ALA. What does this mean?

A: The Bylaws of all fraternal benefit societies, including the DBIA and ALA, are an integral part of a member's insurance contract. The Bylaws provide a means for paying these insurance benefits, by outlining requirements to make claim for the benefits, for example. In addition, you will recall that all fraternal benefit societies are required by law to issue "assessable" certificates. An assessable certificate is one that, in the rare case of deficiencies, a fraternal benefit society may assess an additional or extra rate to meet current and future obligations. This is not unlike commercial and mutual insurance companies being required to contribute to state guarantee funds, to which fraternal benefit societies do not contribute, to cover any deficiencies that they may encounter. As stated above, any extra assessment that a fraternal benefit society may impose, is rare, and must be approved by the state insurance department.

Q: Since members of the DBIA shall have equal rights with all ALA members, including certificate dividends, will we experience a greater return in the way of dividends and interest on annuities?

A: Naturally, the answer to this question depends upon the total divisible surplus that the combined or merged insurance business generates, and the kind of earnings that are realized on investments tied to the various types of certificates, policies or contracts. In general, it is anticipated that DBIA certificates will experience a greater return. For example, ALA currently issues similar annuity contracts as the DBIA, and the ALA current rate of interest on same is 6.25%. This rate, of course, is subject to change and is not guaranteed, but it is anticipated that DBIA annuity certificates will receive this same rate. The strength behind merging two organizations like ALA and the DBIA is that you can take advantage of economies of scale and the combined block of business will experience savings in expenses and costs. This makes the merger a win-win situation for the members of both societies.

Q: Can ALA lay claim to or take away DBIA Lodge assets?

A: No. Paragraph 7 (b) of the Agreement provides for DBIA districts and lodges to retain the right to own, control and manage their own funds, assets and property. This control is retained even at the time a DBIA lodge may decide to dissolve. However, a dissolving lodge must dispose of its funds, assets and property in accordance with all legal statutes and regulatory requirements. Should the merger be approved, we would strongly urge DBIA lodges that may contemplate dissolving in the future, to consider donating their funds, in the name of said lodge, to the DBIA Endowment Scholarship Fund established in paragraph 11 (a) of the Agreement. This action would preserve the name of the lodge and help to provide scholarships for current and future members of the DBIA.

Q: Will the DBIA always be represented on the ALA Board of Directors?

A: There are no "guarantees" for DBIA representation on the ALA Board of Directors. The Agreement establishes that the DBIA will have two guaranteed Board representatives from the effective date of the merger until ALA's next quadrennial meeting or convention, which is in June of 1996. At that time, the DBIA must earn their representation just like any current ALA Board member. Just as there are no guarantees, there are also no limitations for continued DBIA Board representation.

Q: Who will represent the DBIA on the ALA Board of Directors pursuant to paragraph 5 of the Agreement?

A: The DBIA Board of Directors has selected Edward C. Madsen of Solvang, CA Lodge No. 299 and Barry F. Edmonds of New Haven, CT Lodge No. 32 to represent the DBIA on the ALA Board of Directors. You will recall that Edward Madsen was elected by the DBIA Special Convention last year to represent the DBIA on the Sons of Norway Board. Barry Edmonds was elected alternate to that position at the same Special Convention.

Q: What happens to the individuals that were elected by the DBIA Special Convention to represent the DBIA as DBIA District Officers and Directors in the Sons of Norway merger?

A: Because the merger with Sons of Norway did not happen, the DBIA as a District of Sons of Norway is null and void, along with the election of the District Board and Officers. However, these individuals may be elected by their individual districts to represent their respective district on the new DBIA Advisory Committee of the ALA Board of Directors as established in paragraph 12 of the Agreement.

Q: Does it still take a two-thirds vote to effect this merger since the DBIA already approved a merger, only with Sons of Norway?

A: Yes. The delegates of record for the DBIA (those who attended the 1994 Special Convention) must approve this merger. This approval will be accomplished by an affirmative two-thirds vote by referendum, or mail, by the current DBIA delegates. This vote by referendum was made possible by resolution of the DBIA Special Convention last year.

Q: Was the Agreement and Plan of Merger set up with legal advice for the DBIA?

A: Most definitely! The DBIA has utilized legal counsel throughout this process, as well as actuarial opinion.

Q: Will the DBIA National Law Committee review the Agreement and render a recommendation?

A: Yes. The DBIA nine-member Law Committee has been contacted and will review the Agreement individually and send their opinions to the Chair of that Committee, who will, based upon the opinions received, render a final recommendation. This recommendation will appear in a subsequent edition of the *American Dane* and will be attached to the ballots which will be mailed to all delegates.

ABOUT DUES

Q: What is the dues structure of ALA?

A: Insured, or benefit, members contribute 60¢ per year to ALA in national dues. These dues go into the Fraternal Benefit Fund to support fraternal and lodge programs. DBIA social members will not pay any national dues to ALA. ALA does not recognize social members on a national level. Instead, ALA allows local lodges, or camps, to have social members and charge them local lodge dues only.

Q: How will DBIA insured members be billed for the national dues?

A: Insured members currently paying a premium on their certificate will be billed for national dues with said premium. The current billing mode for a premium-paying certificate will become the mode of payment for the dues (annual, semiannual, quarterly, etc.). Insured members with paid-up certificates are required to pay the 60¢ national dues to their local lodge along with their local lodge dues. The respective lodge is allowed to retain the national dues for those paid-up certificates. **(Local Lodges/Districts will continue to collect their own dues.)**

Q: Then, how long must I pay the DBIA national dues?

A: Until we have all of the applicable approvals for this merger, DBIA is still a stand-alone organization and all national dues and premiums are required as billed in accordance with the DBIA bylaws. Therefore, whether you are a social or insured member of the DBIA, you must pay the DBIA national dues if you are billed for same.

ABOUT CONVENTIONS

Q: How often does ALA have a National Convention?

A: ALA calls the national meetings or conventions of their supreme governing body the "Head Camp Session," or simply the Session. Regular meetings of the Session are held once every four years. The next Head Camp Session will be June, 1996.

Q: How will the DBIA be represented at the Session?

A: ALA, in accordance with the Agreement and Plan of Merger, will adopt the DBIA's current seven districts, and add these districts to its own 23 districts. Each district, including each of the DBIA districts, at their own individual district conventions, may elect one delegate and one alternate to the Session for each one thousand insured, or benefit, members of the district, and any remaining additional major fraction thereof, in good standing as shown by the records of ALA at the end of the preceding calendar year. Any district having less than one thousand benefit members, then, may elect one delegate and one alternate.

Q: Who is eligible to be elected as a delegate or alternate to the Session by each district?

A: Delegates and alternates shall be benefit (insured) members in good standing at the time of their election and throughout the period of their service, and shall be elected by majority vote of the district. Social members, employees or officers of ALA, members of the Committee on Legislation, persons who are under contract with ALA as licensed agents or brokers and persons who are agents, officers, employees or directors of any other

fraternal benefit society or life insurance company or organization are prohibited from being elected delegate or alternate to the Session by any district.

Q: Do delegates attending the Head Camp Session get reimbursed for expenses?

A: Each delegate entitled to vote and in attendance at the Session shall receive transportation costs for attendance at the meeting and such other compensation as may be determined by the Session after consideration of recommendations of the ALA Board of Directors for same.

Q: Will DBIA districts have to change their function or operation as a result of the merger?

A: No. ALA will adopt the DBIA's current district system and said districts shall retain their identity as DBIA districts, exist as they currently do, and continue their current activities and operations, including their annual conventions. However, in the year of a Head Camp Session, DBIA districts will need to make some minor changes in their organization to accommodate their representation to the Head Camp Session in accordance with ALA Bylaws. For example, each district convention, in the year of the Session, must convene not less than thirty days, nor more than ninety days, before the convening of the Session. Each district convention shall organize and transact business of the district, including the election of delegates and alternates to the Session. Each district convention shall make such recommendations to the Session, such as changes in Bylaws for example, as it may deem necessary and appropriate.

Q: In the year of the Head Camp Session, who is eligible to attend or be a delegate to the district conventions?

A: Here, again, DBIA districts may have to make some adjustments in the year of the Session, regarding the selection of delegates to the district convention. Each camp (lodge) with not less than five benefit (insured) members in good standing shall be entitled to have cast in its behalf, at its district convention, one vote for each fifty benefit (insured) members in good standing or major fraction thereof, as shown by the records of ALA at the end of the preceding calendar year. A camp (lodge) may then elect one representative or delegate, from among its benefit (insured) members in good standing, for each vote that it is entitled to have cast at the district convention. In addition, each lodge may elect one alternate for each delegate elected. Social members, employees or officers of ALA, members of the Committee on Legislation, persons who are under contract with ALA as licensed agents or brokers and persons who are agents, officers, employees or directors of any other fraternal benefit society or life insurance company or organization are prohibited from being elected delegate or alternate to any district convention, at least in the year of the Head Camp Session.

Q: What about DBIA lodges that are not currently a member or associated with a DBIA district?

A: For purposes of representation in ALA, DBIA lodges that are currently not associated with a DBIA district, will have to be assigned, or individually select, a district to be associated with, especially in the years of the Head Camp Session.

Q: Are social members of a camp (lodge) allowed to vote on who represents their lodge as delegates to the district convention in the year of the Session?

A: Yes. A social member may participate in local lodge affairs, vote for the election of lodge officers and delegates and alternates to the district convention, and be elected or appointed to any lodge office. However, a social member shall have no voice or vote in the management or the affairs of ALA, shall have no insurance benefits, and shall not serve in any elected or appointed office or position within ALA, except as lodge officer.

IN GENERAL

Q: Will I, as an insured (benefit) member of the DBIA, receive a new insurance certificate or policy from ALA now that they will be responsible for it?

A: No. Each insured (benefit) member will receive an "assumption certificate" indicating that ALA has now assumed the responsibility and obligations of his/her certificate or policy. Each insured member will retain his/her DBIA insurance certificate, with ALA guaranteeing all rights, benefits and entitlements as are currently contained in each DBIA certificate, subject to ALA Bylaws.

Q: The DBIA currently has a general liability insurance program for its lodges, for which each lodge must contribute their portion of the premium. Will this program discontinue after the merger?

A: Yes. Should the merger go through, the general liability insurance program will discontinue as ALA does not have a similar program. Currently, each DBIA lodge will have coverage until October 1, 1995.

Q: Who will be the insurance contact for the DBIA when the merger becomes effective?

A: ALA has a proven brokerage type of system for the sale and servicing of insurance certificates. It may be that ALA brokers will be geographically assigned to handle the DBIA business in states in which ALA is licensed. In any event, questions and concerns about your DBIA insurance can be directed to the ALA Home Office in Littleton, Colorado, after the effective date of the merger.

Q: Will new members joining a DBIA lodge, but carrying an ALA insurance certificate be counted as a DBIA member in the respective lodge and district?

A: Yes.

Q: Is our longevity as an insured member of the DBIA carried on or recognized by ALA?

A: Yes. ALA will recognize the length of membership of DBIA insured members for purposes of longevity awards such as fifty year pins, etc.

Q: Will the DBIA have or retain a "national" organization or identity in this merger?

A: Not exactly. The DBIA's national identity and strength will be concentrated within its current districts and lodges. The new DBIA Advisory Committee to the ALA Board of Directors will be made up of one representative from each DBIA district, and will serve as a national liaison between ALA and the various DBIA districts.

Q: Will the DBIA have a "national" convention like it does now?

A: No. However, one of the things the DBIA Advisory Committee may want to propose, to which ALA has already communicated support for, is an annual national event for ALA which centers around the celebration of a Danish holiday or tradition. The sponsorship of this event could be shared by the individual DBIA districts each year. Although such an event would be based upon a "pay-your-own-way" basis, it would provide a means for the Danes to continue getting together on a national basis and sharing their Danish heritage with other members of ALA.

Q: Will the DBIA's fraternal programs such as camp grants, matching funds for youth attendance to Danish Language Camps, matching funds for lodge fraternal programs and the like be continued after the merger?

A: Yes. DBIA scholarships will be continued through the Danish Brotherhood in America Endowment Scholarship Fund established in the Agreement and Plan of Merger with ALA. Further, it is anticipated that these other programs can be continued through the merged DBIA and ALA Fraternal Benefit Funds. Of course, there may be budget limitations for these things, depending upon the earnings of the Funds. However, the earnings plus the 60¢ annual national dues per insured member should help to provide continued support of these programs.

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