

A close-up photograph of a man in a white naval uniform and cap looking down at a baby in a white naval uniform and cap. The man is on the left, and the baby is on the right. Both are wearing white uniforms with dark stripes on the sleeves. The baby's cap has a dark blue bow. The background is blurred, suggesting an outdoor setting.

# 2023 Annual Report





## Our Mission

- Provide Members and their designated beneficiaries, with certainty and promptness, a substantial sum for their relief in the most equitable manner, and at as near the actual net cost as possible, through the medium of benefit plans and by aiding them in securing the benefits to which they may be legally entitled.
- The Association also shall promote the well-being of present and former uniformed servicemembers and their families by assisting them in obtaining the government survivor benefits to which they may be legally entitled and by advising and educating them on matters of financial security to the extent permitted by law.

## Protecting the Future of Those You Love

Navy Mutual was created by a small group of Naval officers in 1879. Since then, we have expanded our eligibility criteria to welcome all members of the Uniformed Services, their spouses, and their children. We are honored to protect our Members and their families through retirement and beyond. Our life insurance products are tailored to those who live a life of service, with no active duty service or aviation restrictions or war clauses. Our annuities offer families a safe way to save for the future without any risk of loss. We do what we do to ensure the financial stability of the service community no matter the economic or political environment. Our employees are standing by to provide needs analyses, financial education, VSO services, and beneficiary services whenever our Members call. It is our privilege to serve our Membership and the military community at large.



# A Letter from the Chairman and the President

Dear Members and Friends:

Each year, Navy Mutual strives to grow and improve and the past year was no exception. We are proud of what we accomplished during 2023, primarily the building, testing, and releasing of a new Quote Tool and, subsequently, an online term life insurance application. These technological updates bring a better experience to each of our Members and to individuals evaluating Navy Mutual Membership. Self-service is a desired feature by those considering life insurance and we are excited that we can meet the military community at their desired point of sale. Additional behind-the-scenes updates cut down on the response time necessary to address Member requests and improved processing time in the application and underwriting stages of purchase.

Like 2022, 2023 was also a year of commendations. We are proud to announce that we received an A+ Insurer Financial Strength rating from Fitch Ratings for the 20th year in a row. Our conservative investment portfolio limits our exposure to risk and allows us to continue providing services to our Members, now and for the foreseeable future. Further, we were certified as a Great Place to Work company for the third year in a row. Our employees feel particularly good about Navy Mutual's contributions to the community and feel pride when looking at their personal accomplishments and those of the Association. All that we do, we do for our Members.

As a mutual association and a nonprofit organization, our Membership is "why" we do what we do. The needs of the military community dictate our product line and intangible offerings, including VSO services and beneficiary services, and fulfilling those needs contributes to the satisfaction of our employees and the security of our Members. There is meaning in protecting those who have given so much of themselves to protect the nation in which we all live. We are proud to continue our 145-year legacy of serving those who serve.

It is an honor to serve.



John T. Blake  
Chair of the Board of Directors



Brian E. Luther  
President and Chief Executive Officer



## In the Words of Our Members

"Navy Mutual, always there for me during several decades. They provide incredible personal service: sensitive, supportive and very caring at all times. The best life insurance company I have ever known. Thank you Navy Mutual."

— Adolfo Z., USPHS

"Been with NMAA since Moby Dick was a minnow! Great organization, great service. Always respond to my questions in a positive and helpful manner. Helped me to get the products that best serve my and my family's needs. Thanks to them I have a nice nest egg."

— John J., USN

"EXCELLENT website creating a pleasant and easy interaction!!!! Well thought out and intuitive."

— Rick C., USAF



## An A+ Rating 20 Years in a Row

For 20 consecutive years, Navy Mutual has earned a Fitch Insurer Financial Strength (IFS) rating of A+, with a Stable Rating Outlook.

According to Fitch Ratings, “Navy Mutual’s rating reflects its very strong capitalization on both risk- and non-risk-adjusted measures... [and] the company continues to maintain limited exposure to asset classes Fitch views as riskier.”

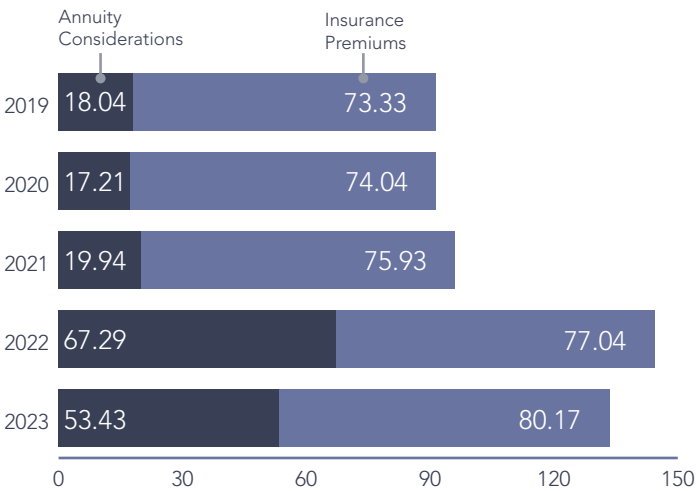
— November 7, 2023

## Insurance in Force \$32.3 Billion



Beginning of year: \$31,583,804,928  
End of year: \$32,301,864,960

## Direct Premiums \$133.6 Million



End of year: \$133,608,652

## Human Resources and Employee Engagement

The Association remains committed to fostering a workplace culture that values and engages our employees. It is our belief that our greatest asset is our people. We continuously strive to create an environment where they can thrive both personally and professionally.

We are thrilled to highlight the results of our employee engagement initiatives. Notably, our employees consistently recognize the meaningful impact of their contributions to the military community, reinforcing our unwavering dedication to those we serve. Additionally, our corporate culture fosters inclusivity and provides a welcoming workplace for individuals with diverse backgrounds, characteristics, and beliefs. This collaborative environment empowers employees to perform at their best, aligning with Navy Mutual’s goals and objectives. We celebrate these achievements and remain committed to enhancing employee satisfaction and well-being, so our teams can continue to provide the level of service our members deserve.

93%

of Navy Mutual employees feel good about the ways we contribute to the community.

96%

of Navy Mutual employees feel Navy Mutual has an inclusive culture.



Navy Mutual was certified as a **Great Place to Work** in 2023.



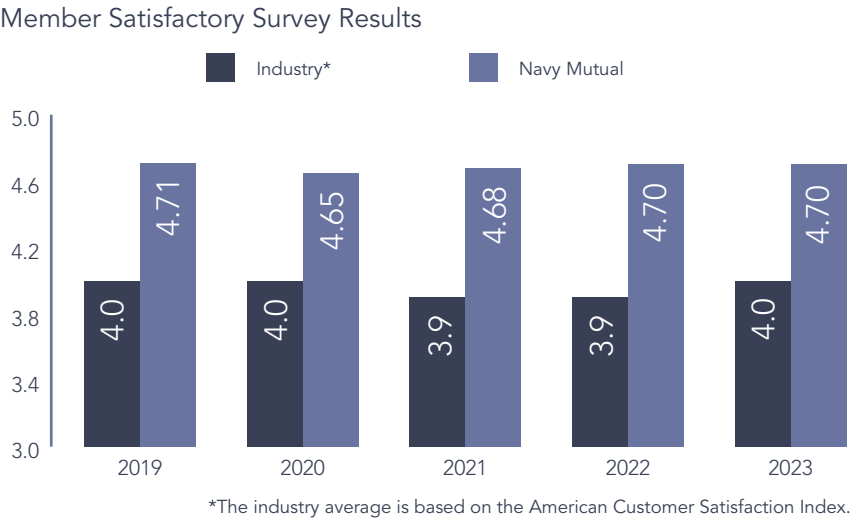


Member Services

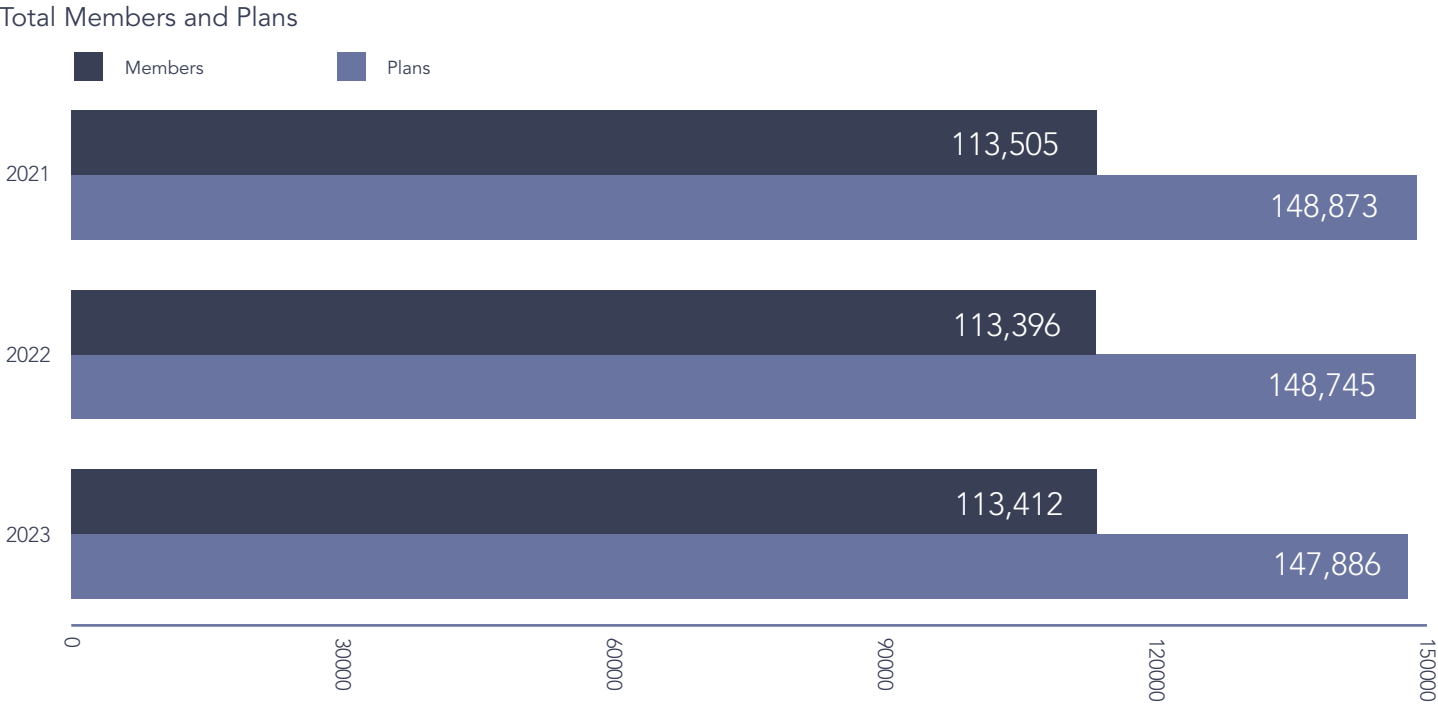
Satisfaction Score:  
4.7 out of 5

"I have been with Navy Mutual for over 50 years. [...] Lately I have been having to update my policies due to my wife's death. [...] Navy Mutual was so responsive that I could not ask for better service. In other words, the policy performance, the service, and the people serving could not be better, in my opinion, so I hope you don't change anything."

— Member



99.1% Member Retention

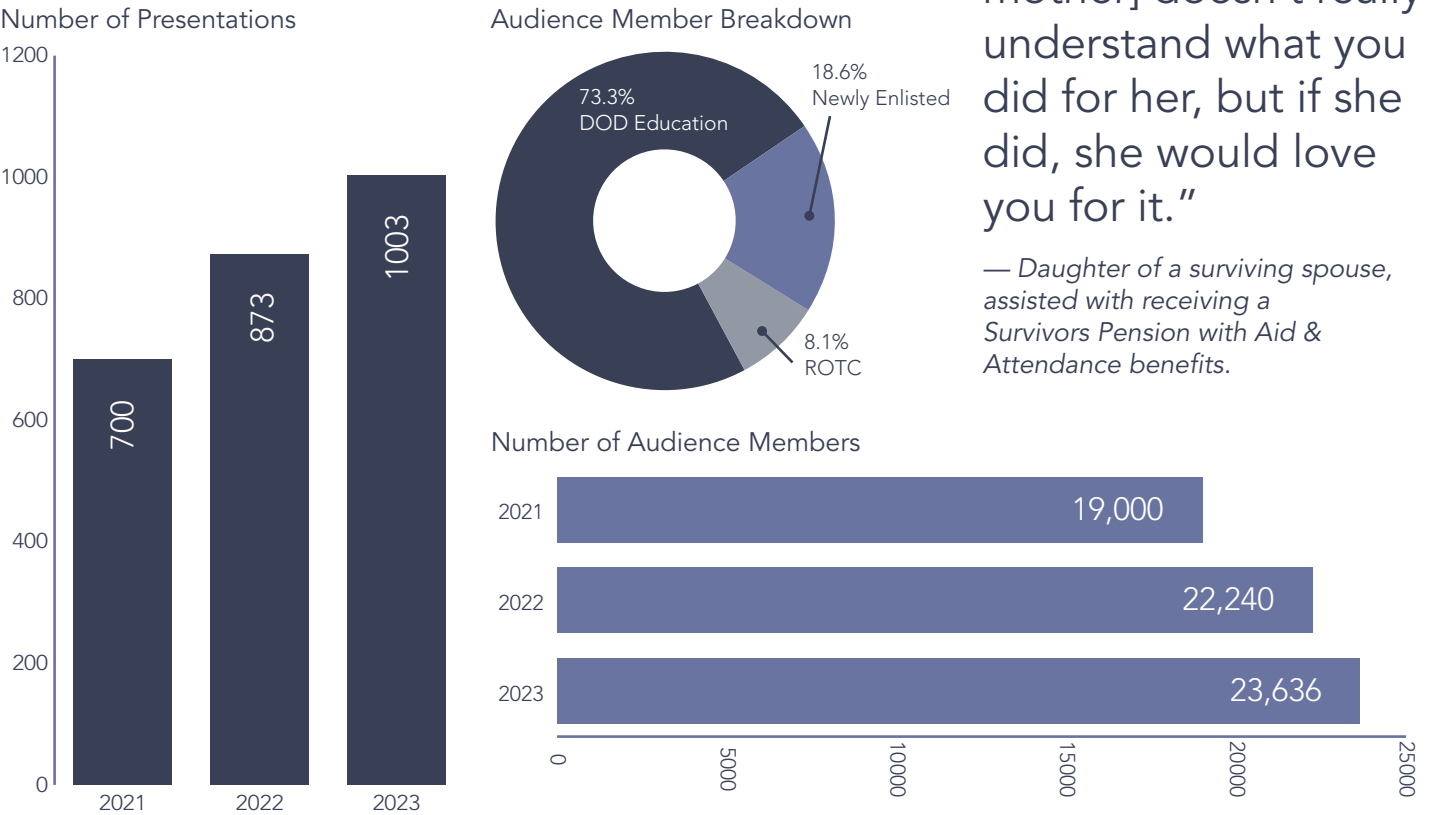


Education and Veterans Services

Navy Mutual is proud to be the oldest federally recognized Veterans Service Organization. In 2023, Navy Mutual Education and Veterans Services responded to 446 requests for assistance ranging from helping veterans find copies of their DD214s to representing veterans in securing their benefits from the VA. We represented claimants through **329 claims** and **secured \$7.65M in tax-free benefits** for veterans, their dependents, and their survivors.

Tax-Free Benefits Secured		
2021	2022	2023
\$4.75 Million	\$5.57 Million	\$7.65 Million

Claims Represented		
2021	2022	2023
192 Claims	212 Claims	329 Claims



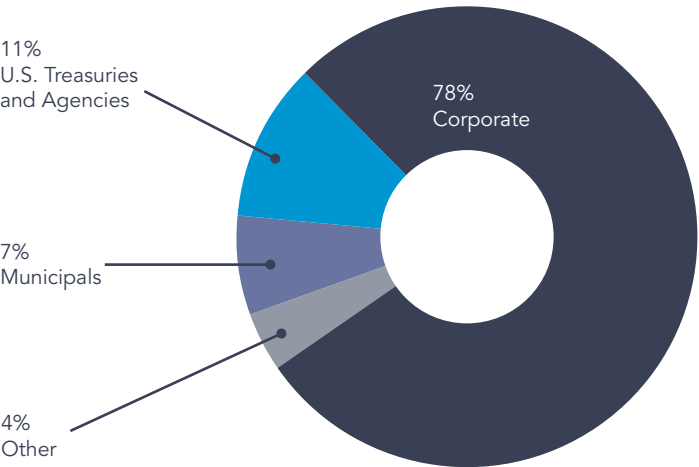
"Thank you so much for your help. [I could] not have gotten this done without your help because it is so confusing... [My mother] doesn't really understand what you did for her, but if she did, she would love you for it."

— Daughter of a surviving spouse, assisted with receiving a Survivors Pension with Aid & Attendance benefits.

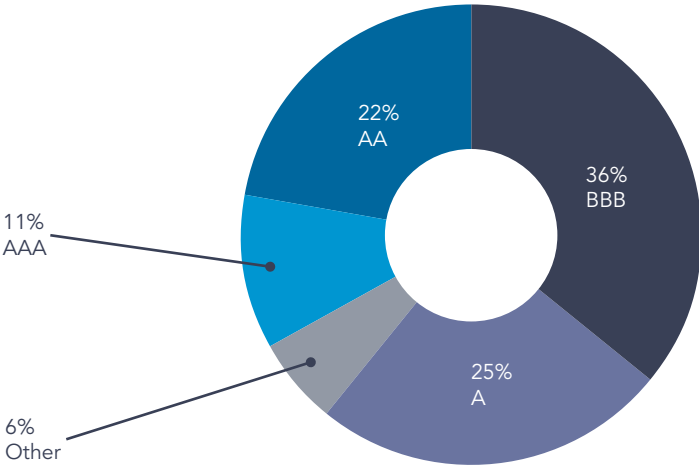
Fixed Income Summary

Net Investment Yield: **5.2%**

Sectors

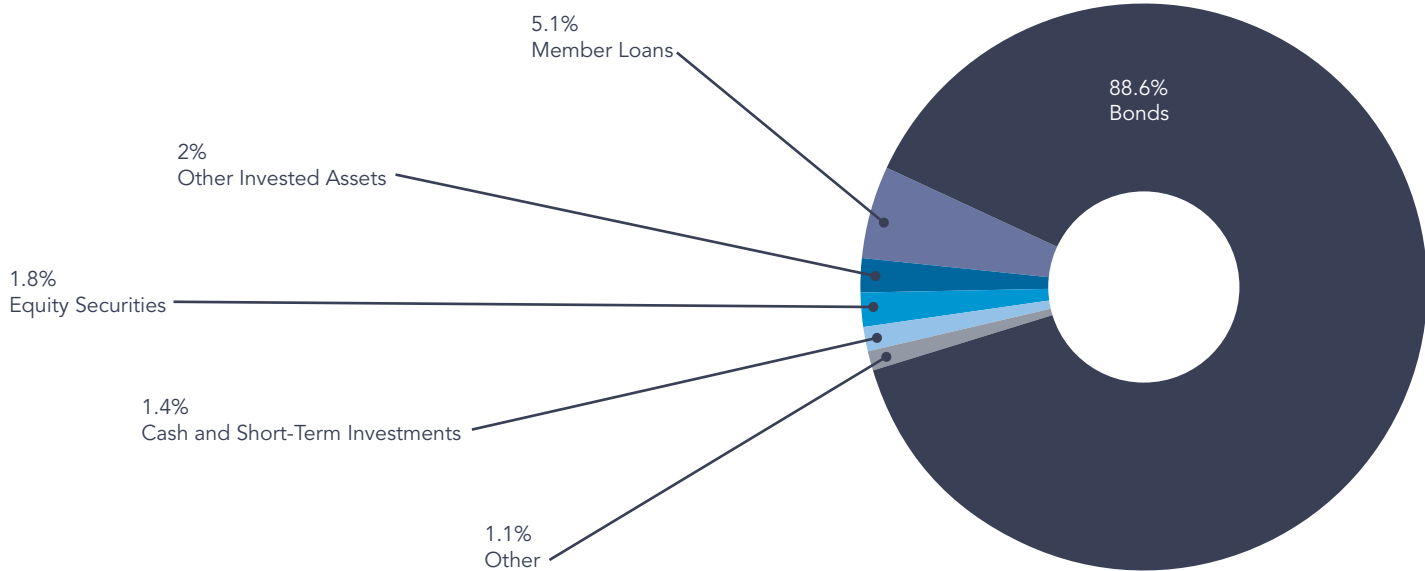


Ratings



Asset Breakdown

Total Assets: **\$3.3 Billion**



Summary of Financial Position

Assets	2023	2022
Bonds	\$2,935,807,255	\$2,931,894,340
Equity securities	58,947,626	84,216,632
Cash and short-term investments	46,769,323	38,581,853
Member loans	166,457,627	159,215,744
Other invested assets	66,921,512	53,281,547
Total cash and invested assets	3,274,903,343	3,267,190,116
Other assets	37,301,679	33,239,536
Total assets	3,312,205,022	3,300,429,652
Liabilities		
Aggregate reserve for life contracts	2,817,802,604	2,772,001,906
Death benefits payable	45,213,091	50,556,382
Liability or deposit type contracts	87,526,331	89,778,985
Other liabilities	24,957,501	29,763,201
Total liabilities (excluding AVR)	2,975,499,527	2,942,100,474
Assets valuation reserve (AVR)	25,181,729	13,296,410
Net assets	311,523,766	345,032,768
Total net assets and AVR	336,705,495	358,329,178
Total liabilities and net assets	\$3,312,205,022	\$3,300,429,652

Statutory Accounting

These summary financial statements are derived from the Association’s audited financial statements, which are prepared in conformity with accounting practices used by insurance companies for regulatory reporting purposes. Such accounting practices, referred to as statutory accounting practices, are a comprehensive basis for accounting other than accounting principles generally accepted in the United States (GAAP).

Audited Financial Statements

Johnson Lambert LLP is Navy Mutual’s independent auditor. Our audited financial statements are available by written request to: Navy Mutual, Accounting Division, Henderson Hall, 29 Carpenter Road, Arlington, VA, 22204.

Years ended December 31st

Summary of Operations

Revenue	2023	2022
Premiums – Insurance (gross)	\$80,174,991	\$77,036,334
Reinsurance	(9,814,249)	(9,931,220)
Life contingent annuity considerations	48,449,184	64,083,902
Life contingent survivor income deposits	95,463	647,137
Net investment income	170,356,531	162,249,161
Other income	3,701,785	3,564,035
Total revenue	292,963,705	297,649,349
Benefits and expenses		
Members benefits paid	224,716,152	210,839,219
Changes in aggregate reserve for life contracts	19,800,697	39,532,990
General operating expenses	43,541,650	44,057,454
Total benefits and expenses	288,058,499	294,429,663
Net gain from operations before net realized capital gains	4,905,206	3,219,686
Net realized capital gains	15,250,653	1,314,915
Net gain from operations	\$20,155,859	\$4,534,601
One-Time Reserve Increase*	26,000,000	0
Net Gain After One-Time Reserve Increase	(\$5,844,141)	\$4,534,601

\*During 2023 we strengthened the guarantees on our Permanent Plus Policies. These guarantees resulted in a one-time increase to reserves, which reduces Net Gain in 2023. For the remainder of the 2020s, we are projecting tight net gain.

Years ended December 31st



## Employee of the Year

### Lee Fann

All Navy Mutual employees work hard to show their commitment to serve both Members and prospective Members with dedication and respect. Each year, our officers identify an employee who goes above and beyond the call of duty to be our Employee of the Year.

Lee Fann joined the Navy Mutual team in 2022 as an Underwriting Business Analyst. In this position, Lee supports all the technologies used by the Underwriting and New Business teams and works with vendors to keep everything running smoothly. The bottom line: Always support our Members. Lee says “The part of my job I like best is looking toward the future. There is always a new technology, product, or program being introduced in the insurance industry that can help us support our Members better and better each year. For example, over the past year we developed and launched a new Underwriting Workbench that has transformed how we do business.” His work touches our Members and their families and helps our staff stay productive. We are proud to honor him as our Employee of the Year.



“Navy Mutual has set a mission to transform its technology, and I’m proud to be a part of that new direction.”

— Lee Fann

## Board of Directors



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USN (Ret.)  
Board Chair



Rear Admiral Christine S. Hunter  
MC, USN (Ret.)  
Board Vice Chair



Rear Admiral Brian E. Luther  
USN (Ret.)  
President & CEO



Captain Anthony Cooper  
USN (Ret.)  
Member Services Committee Chair



Captain Catherine M. Mulé  
USN (Ret.)  
Audit Committee Chair



Captain Nita Sood  
USPHS (Ret.)  
Compensation Committee Chair



Lieutenant General Robert S. Walsh  
USMC (Ret.)  
Nominating Committee Chair



Vice Admiral Anthony L. Winns  
USN (Ret.)  
Governance Committee Chair



Vice Admiral Ted N. Branch  
USN (Ret.)



Mr. Eric J. Candelori  
USMC Veteran



Captain Heidi A. Fleming  
USN (Ret.)



Captain Reggie Howard  
USN (Ret.)



Vice Admiral Allen G. Myers  
USN (Ret.)



Captain Gary A. Rogeness  
USN (Ret.)



Vice Admiral Michael Vitale  
USN (Ret.)



Captain Robert W. Warren  
USCG (Ret.)

## Officers

Rear Admiral Brian E. Luther, USN (Ret.)  
President and Chief Executive Officer

Lindsay McFarland  
Vice President of Member Services

Adam Mullins  
Chief Financial Officer

Peter Meyers  
Vice President of Solutions and Technology

Jamie Maltese  
Sr. Vice President of Investments

Michelle Ramos Domingue, Esq.  
Vice President and General Counsel





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Arlington, VA 22204

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