



2022

ANNUAL REPORT



UNITED HERITAGE

Mutual Holding Company



UNITED HERITAGE FINANCIAL GROUP

UNITED HERITAGE LIFE INSURANCE COMPANY

UNITED HERITAGE PROPERTY & CASUALTY COMPANY

SUBLIMITY INSURANCE COMPANY

PRESIDENT'S MESSAGE



TODD H. GILL
PRESIDENT & CEO

Dear Stakeholders, as the pandemic waned in 2022 other macroeconomic uncertainty began to impact all of us. Political divide, inflation, supply chain constraints, and a potential recession have filled the news. Inflation rose at a pace unseen in 30 years, especially in our core operating region of the Pacific Northwest. Inflation impacted each of us individually as core living expenses rose sharply. But our United Heritage companies also experienced the sharp rise in wages, operating expenses, and claims costs. Through it all our commitment to provide an exceptional customer experience remains the same. And I am incredibly proud of the United Heritage team for their grit, resiliency and customer service in a challenging year.

We care about our employees, customers, and communities, and relationships are at the core of our service commitment. Our Core Beliefs define who we are and aspire to be in serving you, our customers. We strive to exceed expectations in our service delivery and the financial security of our products.

Structure: United Heritage Mutual Holding Company (UHMHC), our holding company parent, owns an intermediary holding company, United Heritage Financial Group (UHFG), which owns the stock of three separate companies: United Heritage Life Insurance Company (UHLIC), United Heritage Property & Casualty Company (UHPC), and Sublimity Insurance Company (SIC).

Financial: The significant factor in all our operations was inflation. With core operating expenses feeling the impact of 10% inflation in our home office market, as well as claims costs escalating across all states, our results reflect the

declining margins. Within this economic uncertainty, however, our team and agents continued to be a trusted partner to our clients. Our companies paid out a combined \$118 million in benefits to our life, annuity, disability, home and auto clients, providing service excellence and financial peace of mind. Our life company paid \$79 million in benefits in 2022 while also increasing our financial strength to support those benefits with surplus growing to \$78 million and assets growing to \$704 million, record highs. Our P&C businesses faced the inflationary rise in claims costs, plus the significant rise in reinsurance costs that plagued the entire industry in 2022. As a result, our P&C businesses incurred an underwriting loss for the year, which resulted in a slight decline of 6% in the combined surplus of the P&C companies. As an enterprise the combined financial strength remains very strong with combined revenue of \$218 million, record combined assets of \$791 and record combined capital/surplus of \$118 million.

Through the last few years of pandemic, inflation, and geo-political and economic uncertainty, we are proud of our employees, Boards of Directors, agents, and communities that strive every day to make a positive impact. We are a mutual holding company, and our mutuality remains keenly focused on serving our policyholders. Our financial strength positions us well to continue to serve our customers in every economic cycle we encounter. Thank you for entrusting your financial security with our companies. Dream Big, Plan Smart!

Sincerely,
Todd H. Gill

President and CEO

United Heritage Mutual Holding Company
United Heritage Financial Group
United Heritage Life Insurance Company

OUR PURPOSE

Helping people achieve financial security and peace of mind through quality insurance products.

OUR PROMISE

We promise to be a caring and trusted partner who delivers an outstanding customer experience.

CORE BELIEFS

WE CARE | RELATIONSHIPS MATTER

DO THE RIGHT THING | BELIEVE IT'S POSSIBLE | OWN IT



BOARD OF DIRECTORS



STEVEN D. HAUSCHILD

CHAIRMAN OF THE BOARD | SPOKANE, WA



Mr. Hauschild has been in banking since 1980 and has served in various senior positions including chief credit officer, chief approval officer and senior portfolio manager. He holds a BBA from Gonzaga University and a MBA from Washington State University. He joined the board of

United Heritage Life in 2000 and has been a Director of the holding company since it was formed in 2001.

DIANE L. POLSCER

VICE CHAIRMAN OF THE BOARD | PORTLAND, OR



Ms. Polscer is the managing partner of the law firm Gordon & Polscer, LLC in Portland, Oregon. Ms. Polscer has experience in complex commercial litigation including business and insurance disputes and appeals. She serves on many law-related and community Boards and

committees, has been named an "Oregon Super Lawyer" and listed as one of the Best Lawyers in American Insurance Law. She has a BA from Pennsylvania State University and a JD from the University of Oregon. She joined the Board of Directors in 2013.

TODD H. GILL

PRESIDENT & CEO | MERIDIAN, ID



Mr. Gill has served as President & CEO of United Heritage since 2021. He has been a CPA for 30 years, starting with Deloitte in 1992 before joining United Heritage in 2004 as the CFO and then promoted to COO in 2018. He holds BA degrees in Business Administration and Accounting

from Northwest Nazarene College (now University). He serves on the Board of the ACLI Forum 500, the Boise Metro Chamber of Commerce, his kids' local school, and other local civic boards.

JEFF C. KINNEVEAUK

DIRECTOR | SCOTTSDALE, AZ



Mr. Kinneeveauk currently serves as a board member for both Idaho Power Corporation and the Arctic Slope Regional Corporation (ASRC). He previously served as President and CEO of ASRC Energy Services and worked for ASRC for over 20 years. Mr. Kinneeveauk has served on numerous non-profit, profit, and church boards in Alaska and is an awardee of the NNU Centennial Medallion in Alumni in Business, Corporate Leadership. Mr. Kinneeveauk holds a BS in Physics with an emphasis in Engineering from Northwest Nazarene College (now University) in Nampa, Idaho. He joined the Board of Directors in 2023.

JOHN W. HOLLERAN

DIRECTOR | BOISE, ID



Mr. Holleran recently retired as Executive Vice President and Chief Operating Officer of Itron Inc. He was first named Senior Vice President, General Counsel and Corporate Secretary for Itron in 2007. Prior to Itron, he served as Executive Vice President, General Counsel and Chief Administrative

Officer for Boise Cascade Corporation and Boise Cascade, LLC. He has a BA and a JD from Gonzaga University, and attended the Stanford Executive Program. He joined the Board of Directors in 2016.

MICHAEL M. BREM

DIRECTOR | TURLOCK, CA



Mr. Brem has worked in the agriculture industry for over 40 years and retired as President of SupHerb Farms, a grower, processor and marketer of culinary herbs and specialty products. He remains active in the agricultural industry and in his community, serving on the Board of

Directors of California Endive Farms and the Sierra Cascade Nurseries. Mr. Brem has a BS in Farm Management from California Polytechnic State University. He joined the Board of Directors in 2014.

BOARD OF DIRECTORS



MICHAEL M. MOONEY DIRECTOR | BOISE, ID



Mr. Mooney retired following a 42-year banking career, having served as President of the Bank of the Cascades, Idaho Region, Executive Vice President of the Rocky Mountain Region for KeyBank, President for KeyBank of Idaho, and President and CEO of Farmers & Merchants State Bank.

He currently serves on various Boards throughout the Treasure Valley and is an advisory member of the Boys and Girls club of Ada County, the Shakespeare Festival, and the Idaho Not For Profit Center. He has a BS in Finance from Utah State University and an MBA from Idaho State University. He joined the Board in 2016.

MICHELLE E. HEGE DIRECTOR | SPOKANE, WA



Ms. Hege currently serves as the President & CEO for Desautel Hege Communications, a communications firm in Spokane, Washington. Ms. Hege has 25 years of experience in advertising, public relations, and branding. She received her Bachelor of Arts in English Literature and Politics from

Whitman College and later graduated from Eastern Washington University with a Master of Science in Communications. As President & CEO of Desautel Hege Communications, Ms. Hege provides both strategic counsel to clients as well as support to a team of talented people within the company. She joined the Board of Directors in 2022.

RICHARD C. WAITLEY DIRECTOR | MERIDIAN, ID



Mr. Waitley is the President of Association Management Group, which provides management and lobbying services for agricultural and other organizations throughout the northwest. Mr. Waitley has a BS in Agriculture Education from the University of Idaho. He joined the Board of

United Heritage Life in 1995 and has been a Director of the holding company since it was formed in 2001.

ZACHARY D. TUDOR DIRECTOR | AMMON, ID



Mr. Tudor is the Associate Laboratory Director of Idaho National Laboratory's National and Homeland Security Science and technology directorate, a major US center for national security technology development and demonstration. A retired US Navy submarine electronics officer, he

is the former Chair of (ISC)2's Board of Directors, a member of the Commonwealth Cyber Initiative advisory board (Virginia), and is the former Vice Chair of the Institute for Information Infrastructure Protection at George Washington University. Mr. Tudor holds an M.S. in Information Systems from George Mason University. He joined the Board of Directors in 2023.



CORPORATE SPONSORSHIPS & CHARITABLE GIVING



CORPORATE SPONSORSHIPS

In 2022 we were able to continue our long history of supporting organizations such as the Boise Metro Chamber, Meridian Chamber, Boise Valley Economic Partnership, Boise Convention and Visitors Bureau, Leadership Idaho Agriculture, Northwest Nazarene University, College of Idaho, St. Alphonsus Hospital, and Cole Valley Christian School to name a few. The Company is a Platinum Sponsor of the USS Idaho (SSN799) Commissioning Committee, a new Virginia-class nuclear submarine.

United Heritage also continued sponsorship of the oldest collegiate rivalry in Idaho, The Mayor's Cup. The men's basketball games feature Northwest Nazarene University and the College of Idaho, and the series is televised locally in the Boise, Idaho area.

CHARITABLE GIVING

Our employees continued to step up this past year to help those in need and support our local communities. Some notable highlights:

- \$15,656 raised and donated to United Way of Treasure Valley
- \$1,843 and 3,000 items of food donated to KTVB 7Cares Idaho Shares
- 408 books donated to the 7th Annual United Way of Treasure Valley Children's Book Drive
- 20 blankets made and donated to local children in the foster care system

Additionally, we had employees take advantage of our new Volunteer Workday benefit and donated time to various causes and organizations that included the Ronald McDonald House, Paint the Town, "My Very Own Blanket," as well as many others.

WE'D LOVE YOUR FEEDBACK!



We value reviews from our members. Please take a moment to leave us a Google review.

United Heritage Insurance Policyholders

Use your smartphone to scan the QR Code below, or visit <https://g.page/r/CaBdoSJFcQAZEB0/review> to leave an online review.

If you have questions about your policy or feedback on how we can improve or better serve you, please call our Client Services department at 800-657-6351.



Sublimity Insurance Company Policyholders

Use your smartphone to scan the QR Code below, or visit <https://g.page/r/CUffvO3UmoGoEAI/review> to leave an online review.

If you have questions about your policy or feedback on how we can improve or better serve you, please call our Client Services department at 800-424-2491.



BOARD OF DIRECTORS

STEVEN D. HAUSCHILD | SPOKANE, WA
CHAIRMAN OF THE BOARD

DIANE L. POLSCER, JD | PORTLAND, OR
VICE CHAIRMAN OF THE BOARD

TODD H. GILL, CPA, FLMI | MERIDIAN, ID
PRESIDENT & CEO

JEFF C. KINNEVEAUK | SCOTTSDALE, AZ

JOHN W. HOLLERAN | BOISE, ID

MICHAEL M. BREM | TURLOCK, CA

MICHAEL M. MOONEY | BOISE, ID

MICHELLE E. HEGE | SPOKANE, WA

RICHARD C. WAITLEY | MERIDIAN, ID

ZACHARY D. TUDOR | AMMON, ID

MARKETING OFFICERS

ROBERT J. McCARVEL
SR. VICE PRESIDENT AND CHIEF MARKETING OFFICER

R. SHANE NELSON
SR. VICE PRESIDENT AND CHIEF CUSTOMER OFFICER

REGIONAL DIRECTORS

ROBERT A. HANSON | ELK RIVER, MN

CALVIN C. MICKELSON | GROVE, OK

SHAUNE E. HUDSON | MERIDIAN, ID

LICENSED STATES



United Heritage Life Insurance Company

Premium & Annuities	110,792,039
Net Income	2,159,219
Assets	704,096,963
Liabilities	626,007,448
Capital & Surplus	78,089,515

YEAR IN REVIEW



TODD H. GILL
PRESIDENT & CEO

After a few years of uncertainties in a pandemic, the economy, political divide, and world conflict we are all more aware of the importance of financial planning and security. United Heritage Life Insurance Company (UHLIC) has become more resilient and learned to adapt in numerous ways, but we remain steadfast in our commitment to take care of people: our employees, our policyholders, our agents, and our communities. We understand that our purpose is being the trusted partner that provides the financial security our customers need during planned or unplanned life events.

The Company offers quality life insurance products in the small face amount market, primarily for funeral expenses and we have a robust annuity business with fixed products and competitive interest rates. Our group insurance offers companies a broad range of employee protection for life, disability, critical illness, and vision coverage.

Our incredible team was proud to provide these products and their benefits throughout 2022. Our customers received over \$79 million in insurance and annuity benefits when they needed it the most. The Company remains financially strong achieving record surplus of \$78 million, record assets of \$704 million, and strong revenue of \$147 million, but came up short of our income goals due to the inflationary impact on expenses and interest rates. Our strong balance sheet enables UHLIC to have excellent financial strength that provides the peace of mind to our policyholders, which is proven by our A-ratings from both AM Best and KBRA.

Thank you to our policyholders, agents, employees, and Board of Directors for their support in 2022.

UNITED HERITAGE PROPERTY & CASUALTY COMPANY

BOARD OF DIRECTORS

ELAINE R. EASTMAN | ALBANY, OR
CHAIRMAN OF THE BOARD

BYRON R. HENDRICKS | SALEM, OR
VICE CHAIRMAN OF THE BOARD

KEVIN W. LUCKE, CPCU, AIM | AUMSVILLE, OR
PRESIDENT & CEO

JOSEPH P. SHIRTS, CPA | EAGLE, ID

THERESA A. HASKINS | SALEM, OR

LINDA P. SMITH | BOISE, ID

DEAN D. SANDROS, CPA | EAGLE, ID

OFFICERS

STEVEN A. BROWNING
VICE PRESIDENT, CLAIMS

FREDERICK 'FRITZ' P. CHLANDA
VICE PRESIDENT, UNDERWRITING

MIKE D. JOY
VICE PRESIDENT, MARKETING

MATHEW D. DAHL
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

JILL L. EVOY
VICE PRESIDENT, ACTUARY

LICENSED STATES



★ Company Headquarters

*Certificate of Authority in Washington

YEAR IN REVIEW



KEVIN W. LUCKE,
CPCU, AIM
PRESIDENT & CEO

United Heritage Property & Casualty Company (UHPC), founded in 1908, and Sublimity Insurance Company (SIC), founded in 1896, are proud members of United Heritage Financial Group. The two companies have a rich tradition of service excellence built upon strong, long-term relationships and a firm financial foundation. We offer an array of preferred and specialty insurance products through 263 agency groups and over 500 locations in Arizona, Idaho, Oregon and Utah. Our professional staff has an unwavering commitment to providing our policyholders peace of mind in a world filled with uncertainty.

These are indeed challenging times for many individuals and insurance companies. Unpredictable weather patterns, stubborn inflationary pressures, and supply chain disruptions have challenged the entire insurance industry in many ways. Relative to the industry, our two companies weathered these challenges reasonably well, with direct results at or better than industry averages, and an improvement in operations when compared to 2021. Many of the initiatives to restore profitability undertaken by our

United Heritage Property & Casualty Company

Premium	34,887,327
Net Loss	(203,196)
Assets	35,697,419
Liabilities	23,657,487
Capital & Surplus	12,039,932

SUBLIMITY INSURANCE COMPANY

BOARD OF DIRECTORS

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CHAIRMAN OF THE BOARD

BYRON R. HENDRICKS | SALEM, OR
VICE CHAIRMAN OF THE BOARD

KEVIN W. LUCKE, CPCU, AIM | AUMSVILLE, OR
PRESIDENT & CEO

JOSEPH P. SHIRTS, CPA | EAGLE, ID

THERESA A. HASKINS | SALEM, OR

LINDA P. SMITH | BOISE, ID

DEAN D. SANDROS, CPA | EAGLE, ID

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VICE PRESIDENT, MARKETING

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VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

JILL L. EVOY
VICE PRESIDENT, ACTUARY

LICENSED STATES



★ Company Headquarters

*Certificate of Authority in Washington

companies in the preceding years are beginning to show positive trends, giving us optimism in this unpredictable environment.

As we embark on the 2023 campaign, we have several projects that will continue our transformation. When completed, these projects will improve technology, modernize our office space more efficiently, and further enhance our strong financial foundation. I am grateful to our employees for their dedication to our policyholders and to our Board of Directors for their leadership, insights and vision. I am thankful for our entire network of independent agents for the relationships we have forged. And to our policyholders, we know you have many choices when it comes to insurance protection, and we are honored that you have entrusted us to provide that protection and peace of mind.

Sublimity Insurance Company	
Premium	31,869,190
Net Income	768,578
Assets	38,644,989
Liabilities	23,203,083
Capital & Surplus	15,441,906



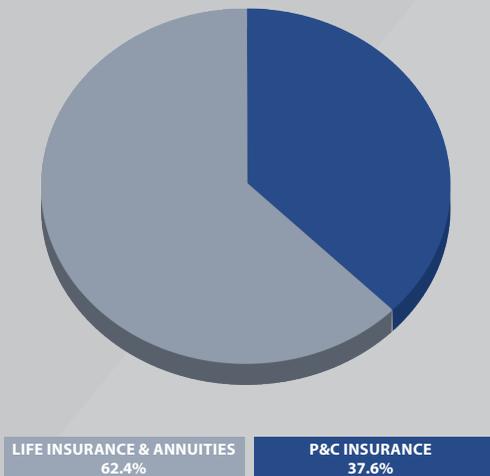
2022 FINANCIALS

United Heritage Financial Group is the intermediate holding company in our enterprise. It provides three vital functions: capital management and allocation, administrative coordination, and shared services including Information Technology, Human Resources, Legal, Investments, Digital and Branding. By centralizing these functions at the holding company, the insurers may strategically focus resources on their core insurance operations – Marketing, Underwriting, Client Services, and Claims.

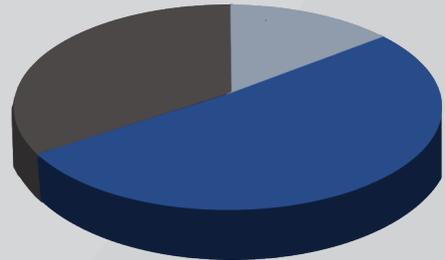
In 2022, the United Heritage Financial Group of active companies had total revenues of \$217.5 million, total surplus of \$118.5 million, and total net income of \$1.8 million.*

*Totals include United Heritage Financial Group financial results that are not presented separately.

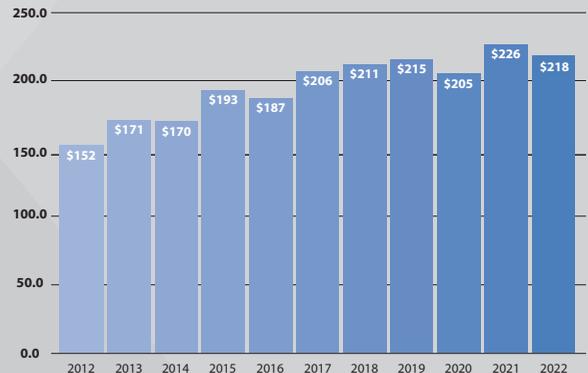
BUSINESS MIX - 2022 PREMIUMS



\$24.1 BILLION – INSURANCE VALUE IN FORCE

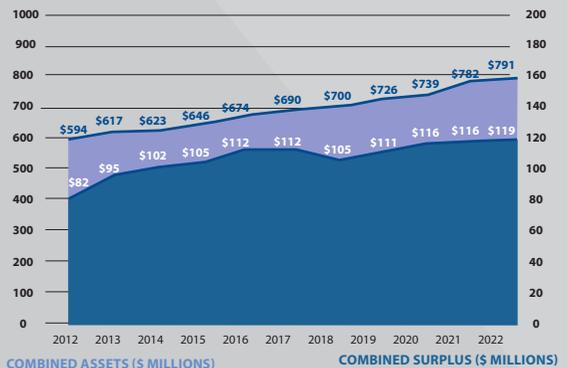


TOTAL REVENUES



\$ MILLIONS

TOTAL BALANCE SHEET STRENGTH



ANNUAL MEMBER MEETING NOTICE

The annual meeting of the members of United Heritage Mutual Holding Company will be held on May 15, 2023 (the third Monday in May) at the United Heritage Home Office, 707 E. United Heritage Court, Meridian, Idaho, at 10:00 a.m. local time.

Members of United Heritage Mutual Holding Company are those persons who as of the day of the meeting own a policy of insurance issued by either United Heritage Life Insurance Company or Sublimity Insurance Company.

2023 ANNUAL MEETING AGENDA

- President & CEO | Todd H. Gill
– Opening Remarks
- Chairman of the Board of Directors | Steven D. Hauschild
- Election of Directors
- Standing for reelection for a 4 year term:
John W. Holleran
- Standing for election for a 4 year term:
Jeff C. Kinneveauk
- Standing for election for a 3 year term:
Zachary D. Tudor
- President & CEO | Todd H. Gill
– Concluding Remarks

PROXIES

If you have returned a signed proxy form to the Company, the Board of Directors intends to direct the Chairman of the Board to vote your proxy FOR the reelection of **John W. Holleran** (4 year term), the election of **Jeff C. Kinneveauk** (4 year term), and the election of **Zachary D. Tudor** (3 year term) to the Board of Directors at the Annual Meeting. You may revoke your proxy at any time by sending a letter to the Company with whom you are insured stating that you would like to revoke your proxy. We must receive your letter by **May 9, 2023**. Please include your United Heritage Life Insurance Company or Sublimity Insurance Company policy number in your letter and sign the letter.

If you are a member and have not sent in a proxy form and you would like to, please contact the United Heritage Client Services Department at 1-800-657-6351 or Sublimity Insurance Company at 1-800-424-2491.

SAVE TIME BY SUBMITTING ONLINE

Your vote is important. You may vote in person, by electronic submission of a proxy, or by mailing a proxy form.

United Heritage is committed to electronic communications and is pleased to offer our members the opportunity to submit proxy forms electronically.

For United Heritage Life Insurance Company members, visit forms.office.com/r/p89c2sw5wD to vote electronically.

For Sublimity Insurance Company members, visit forms.office.com/r/SsHTL58i5k to vote electronically.

UNITED HERITAGE LIFE INSURANCE COMPANY POLICYHOLDER

Have you recently **moved** or
changed your mailing address?

Do you have a **new phone number?**

Are there any other types of services you need?

Now is the perfect time to contact
us to verify your information.

Incorrect or incomplete information we have
on file may delay processing a change or
claim you may make under your policy.

SECONDARY LAPSE NOTICE DESIGNEE

If you would like to designate, replace, or delete
a second person to be notified in the event your
life insurance policy lapses due to termination,
expiration, nonrenewal, or cancellation for
nonpayment of premium, please contact the United
Heritage Life Insurance Company Client Services
Department at **1-800-657-6351** or by
email at **cssupport@unitedheritage.com**.

www.UNITEDHERITAGE.com



P.O. Box 7777, Meridian, ID 83680 | 1.800.657.6351

United Heritage Life Insurance Company



United Heritage Property & Casualty Company



Sublimity Insurance Company



For the latest rating, access www.krollbondratings.com

A- Excellent is the fourth of 13 ratings assigned by AM Best for financial strength.

B++ is the fifth of 13 ratings assigned by AM Best for financial strength.

B+ is the sixth of 13 ratings assigned by AM Best for financial strength.

For the latest rating, access www.ambest.com.

The most current Financial Stability Rating® must be verified by visiting
www.demotech.com