2015 was an exciting year for AVMA LIFE. We developed a new brand—complete with new name—that better reflects who we are and what we do. But even though we’ve changed our name from AVMA GHLIT, our mission remains the same: “We are veterinarians serving the profession by educating the membership and providing value-based products and services to uniquely protect the financial security of the veterinary community and their families.”

As we always have been, AVMA LIFE is your trusted team of experienced veterinarians and insurance experts. We deliver personal insurance programs tailored specifically to the needs of veterinary professionals. You can always be confident you’re supported by the coverage and expertise you need.

2015 EXECUTIVE SUMMARY

- AVMA LIFE has issued more than 69,000 total policies to nearly 28,000 members.
- The Trust remains financially strong with $102.53M in reserves.
- Sales of new lines of coverage grew by 32% over 2014 sales, resulting in 1,060 new policyholders purchasing an AVMA LIFE product.
- 316 current policyholders increased their life/disability insurance benefit levels.
- Our agent distribution channel is an important differentiator of our insurance services. In 2015 we added 41 new agents, making it easier for veterinarians to access an insurance expert.
- We completed medical claims run-out for claims with dates of service prior to December 31, 2013.
- Our Wellness Booth at the AVMA Convention in Boston attracted 533 participants in 2015; services offered to veterinarians, spouse/dependents and vet techs included blood panel, PSA test, Vitamin D test and rabies titers.
- We continued to work with 88 Brand Partners on our rebranding and the rollout of the new name and logo. The Trust will continue to build on existing strengths and key components of our brand foundation to ensure its long-term effectiveness.
- Two new Trustees were appointed to our board:
  - Dr. David Koncal, Ohio, replaced Dr. James Peddie in April
  - Dr. Joe Howell, Oklahoma, replaced Dr. Gary Holfinger in July.

Our thanks to Dr. Peddie and Dr. Holfinger for their many years of service to the Trust.
- Three new Trust officers were approved at the July, 2015 meeting: Dr. Carolynn MacAllister, Chair; Dr. Martha O’Rourke, Vice Chair; and Dr. Blair Hollowell, Secretary/Treasurer.
- One of the unique features of AVMA LIFE is the Trustee appeal process whereby plan participants can request that the Trustees review a dispute for final determination. At every Board of Trustee meeting, cases are reviewed.
- After conducting a proposal process for financial advisors, the Trustees selected the William Blair Company to manage a portion of Trust reserves. An initial deposit of $4.0M was invested with a long-term growth strategy.
BRANDING/MARKETING

In 2015, we completed the rebranding project that began in 2014 with 88 Brand Partners. The process included identifying key personality traits of our brand—expert, flexible, attentive and responsive. Inspired by these brand traits, we developed and tested new names, taglines and logos that reflected the brand. Ultimately, AVMA LIFE became our new name. Our new tagline, Veterinarian Inspired Coverage, reflects the tailored coverage we provide to our profession. We also conducted a photo shoot to build a library of images that visually tell the work/life story of our audience of veterinary professionals and students.

Our marketing efforts included a mix of targeted direct mail and email campaigns, bringing members messaging relevant to them, as well as conferences and social media. Our emails were particularly successful, having a 31% open rate—nearly twice that of the industry average—and our ads on Animal Health SmartBrief experienced an impressive open rate of 54%. Life insurance products saw direct mail success with 182 sales resulting from direct mail solicitations.

PRODUCT ENHANCEMENTS

We initiated some important improvements to our policies in 2015, making them even more valuable to AVMA members:

- We added a maternity benefit to Professional Overhead Expense (POE) coverage.
- We increased the maximum benefit for spouse coverage to $1M on our Family Group Life (FGL) insurance.
- On our Disability Residual Benefit (DRB), we removed the 30-day fully disabled requirement on the waiting period for being totally disabled.
- We revised the rabies benefit of our Basic Protection Plan (BPP), providing coverage whether or not the insured works full time.
- Our Future Purchase Options (FPO) can now be exercised annually.

We also launched Tele-underwriting to expedite the application process and offered limited-time promotions in conjunction with various conventions.
POLICY ACTIVITY OVERVIEW

Life and Disability Insurance continue to be AVMA LIFE’s premier products. Plan participation reflects this with the majority of the 27,565 unique AVMA members holding multiple lines of coverage. Total policies in force as of December 31, 2015, were 69,060. We also saw growth in Dental, Vision, Long Term Care and Medical Insurance Exchange policies.

<table>
<thead>
<tr>
<th>Product</th>
<th># Policies</th>
<th>Premium</th>
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<tbody>
<tr>
<td>Life Insurance</td>
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<tr>
<td>Disability</td>
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<td>$18,610,030</td>
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<td>Hospital Indemnity Plan</td>
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<tr>
<td>Accidental Death &amp; Dismemberment</td>
<td>92</td>
<td>$215,661</td>
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</tbody>
</table>

NEW PRODUCTS

We also launched several new products in 2015, offering even greater protection to AVMA members.

Senior Life Insurance is designed to meet the needs of members at later stages of life, featuring an accelerated benefit for chronic, critical and/or terminal illness. Advantages of the Senior Life coverage include simplified underwriting for members under age 60; spouse/domestic partner coverage; and coverage for members who are not actively working when requesting the benefit.

Critical Illness Plan allows benefit coverage for specific diseases and conditions when members or member spouses need it most. It covers conditions such as cancer, heart attack and stroke (including complications).

Supplemental Disability Income (for Educational Expenses) is a standalone product unique to AVMA LIFE. It will assist the policyholder with monthly student loan payments if disabled. Advantages of Supplemental DI include monthly benefits from $100 to $2,000; the ability to choose from 5-year to 10-year benefit plans; no minimum or maximum income requirements; and no medical underwriting.

Student Basic Protection Package combines term life insurance, long-term disability coverage and a $300 rabies vaccination benefit that can be applied toward veterinary school requirements.
LOOKING FORWARD TO 2016

Since our beginnings in 1956, we have worked hard to serve the veterinary profession with the best coverage and service possible. This year, AVMA LIFE is involved in a number of initiatives to enhance our value to members—and to strengthen our brand.

**Credible** is a source for veterinarians to seek options to refinance student loans. Many veterinary students leave school with a high level of student loan debt. AVMA LIFE has partnered with Credible to provide options for student loan refinancing at no cost to the borrower.

**Student Loans & Refinancing.** Through Credible, we’re already providing Student Loan Refinancing targeted at graduates who are at least 3–5 years out of school. Later this year, we will be offering a Student Loan program for current veterinary students.

**Expansion of our Agent Network.** This will give AVMA LIFE insureds access to more insurance agents who are experts in their field and will expand our footprint in the marketplace, increasing representation of AVMA LIFE products and our brand.

**Chronic Care Rider.** By adding this rider to the Family Group Life, policyholders will have the opportunity to receive accelerated benefits for specific medical conditions.

**Addition of a Trust Representative, Student Services.** Beginning in March 2016, the AVMA LIFE office in Schaumburg will add a new staff member who will work directly with the administration and students at veterinary colleges across North America.

**Student Program Enhancements.** Effective August 2016, we will be offering SAVMA members $25,000 of term life insurance at no cost to them, as long as they remain SAVMA members in good standing. Additionally, we are increasing the amount of coverage on several products.

**Marketing Our New Brand.** We will continue to communicate our new brand to our many audiences, promoting the AVMA LIFE name while building on our strong heritage. The rebranding is already yielding positive awareness in the marketplace, and that will continue to grow.

STUDENT SPONSORSHIPS

AVMA LIFE provided sponsorships of $100,000 to the ALL for Students (Achieving, Leading and Learning) program and $25,000 to the National Veterinary Business Management Association. In addition to these two programs, AVMA LIFE’s contributions included presentations to students throughout the year at no cost to student organizations or veterinary schools.