



AAFMAA

Advantage



AMERICAN ARMED FORCES MUTUAL AID ASSOCIATION NEWSLETTER

AAFMAA Celebrates 135 years with an Anniversary Dinner

On Monday, 9 June 2014, in an elegant and moving affair at the National Air and Space Museum Udvar-Hazy Center in Chantilly, VA, AAFMAA commemorated 135 years of protecting our nation's military families. Chairman of the Board, LTG Donald M. Babers (USA, Ret) led the evening and welcomed dignitaries, military leaders and service members of all ranks. The event honored those who contributed to AAFMAA's success over these many years.

Army Master Sergeant Caleb Green's beautiful voice and evocative national anthem opened the event as AAFMAA members and friends paused to honor our country and military service. President and Treasurer Walter R. Lincoln, (USA,



LTG Babers welcomes attendees.



GEN Shaud (USAF, Ret) congratulates LTG Babers.



MAJ Lincoln delivers keynote.

Ret) delivered the keynote address stressing the significance of AAFMAA's founding in 1879, following the Battle of the Little Bighorn – "Custer's Last Stand" – when the 7th

Cavalry suffered a severe defeat. During this time, it was common practice for surviving soldiers to take up a collection for families of fallen soldiers by "passing the hat" throughout the unit. Due to the mass fatalities of the battle, there were no surviving soldiers to pass the hat to, thus creating the void that AAFMAA has admirably filled for the last 135 years.

The oldest private, non-profit organization exclusively serving the American Armed Forces community, AAFMAA members span current and former Soldiers, Airmen, Sailors, Marines and Coast Guardsmen.

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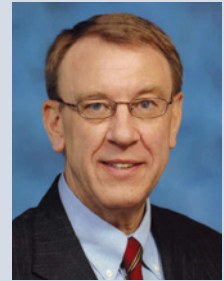
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Message to Members



Walter R. Lincoln, CFP®
Major, US Army, Retired
President and Treasurer

This year AAFMAA celebrated 135 years of dedicated service to our members. Unlike some other organizations, where membership can be passed down from generation to generation, AAFMAA members must actually have served. For 135 years, our Association has remained true to its calling; to ensure the financial security and independence of the members of the American Armed Forces. Life Insurance to provide financial security for survivors, Survivor Assistance Services to ensure widows(ers) get 100% of their benefits; Financial Planning to provide a game plan to accumulate wealth; Investment Management to implement your plan and professionally manage your money; Trust Services to perpetuate your success for your family.

Led by your non-compensated Board of Directors, AAFMAA focuses directly and exclusively on YOU. Every Director is a member; every Officer is a member. Members taking care of members. Our financial strength and continued outstanding investment results allowed the Board to approve a 6 1/2% Crediting Rate for Value-Added Whole Life and **ANNUITY** Life policies for 2015. No one can predict the future, but continued government actions to repress interest rates may ultimately force gradual reductions in future Crediting Rates.

While AAFMAA provides financial security, we also carefully guard the security of your personal data. Each year your Association undergoes an independent, external evaluation to ensure we meet the standards of the Federal Information Security Management Act (FISMA). With AAFMAA, you can relax, breathe easy and rest assured that we always take care of you and your family.

I look back on 2014 with pride...pride in what your AAFMAA Team has done for every member. I look forward to 2015 knowing that your AAFMAA Team will do even more! To all our fellow members...especially those serving in distant lands, separated from loved ones, protecting this great country...Merry Christmas and Happy Holidays to all.

Respectfully,

Walter R. Lincoln

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follow us on [twitter](#)



AAFMAA Lowers Rates SGLI Raises Rates

On 1 July 2014, AAFMAA lowered Level Term I insurance premiums, helping military members and families save money. Previously, we provided partial premium refunds for eligible policy owners, but members said they prefer lower overall rates, so AAFMAA responded. We now **have lower rates than any other comparable provider**. If you are age 20-50 (up to age 40 for a nicotine user), there simply is no better or less expensive insurance!

Just as AAFMAA lowered rates for service members, **SGLI (Servicemembers' Group Life Insurance) raised rates!** On 1 July, SGLI increased premiums for service members by 7.6%, making the maximum coverage of \$400,000 \$28 per month. AAFMAA's rate for \$400,000 of Level Term I is only **\$18.15 per month**. The reason for the SGLI increase, according to VA spokesman Terry Jamison, is that SGLI "reserve funds have decreased significantly, and it is now necessary to adjust the monthly premium rate by a half cent per \$1,000 of insurance to ensure the program remains financially strong and competitive."¹

AAFMAA continues financially strong, with total assets increasing 6.2% last year, and with our capital and surplus up 34.9%. While it is unlikely that SGLI will go out of business, they can raise rates at any time. Service members are effectively a "captive audience"; few know of other options. Service members with \$400,000 in SGLI coverage will now pay **\$336 per year** for the same coverage they could get from AAFMAA for **under \$220. It's time that more service members consider AAFMAA, so tell your friends!**

AAFMAA LEVEL TERM I vs SGLI		
COVERAGE	MONTHLY PREMIUM	
	AAFMAA	SGLI
\$200,000	\$10.55	\$14.00
\$250,000	\$12.45	\$17.50
\$300,000	\$14.35	\$21.00
\$400,000	\$18.15	\$28.00
\$500,000	\$21.95	NOT AVAILABLE
\$600,000	\$25.75	
\$700,000	\$29.55	
\$800,000	\$33.35	

Beyond the cost savings, **AAFMAA insurance is better** because:

- AAFMAA will never raise your rate—unlike SGLI.
- AAFMAA's insurance can stay with you after you leave the military.
- AAFMAA's insurance includes our exclusive Survivor Assistance Services, to ensure that your family gets all their entitlements and benefits from the military, Social Security, the VA and others.
- Dependent children (under 21) are automatically covered for \$10,000 in insurance (SGLI goes only to age 18 - unless the child is a full-time student or permanently & totally disabled).
- AAFMAA provides up to \$800,000 in term coverage—at the lowest possible rates.
- The policy can convert to 5-Year Renewable Term—at rates much, much, less than VGLI—without a medical exam.

Thanks to AAFMAA, members of the American Armed Forces have options to receive superior insurance and save money. **Spread the word!**

¹Karen Jowers, "SGLI Cost Hike Aims to Deepen Reserve Fund," *Army Times*, 28 April 2014, p. 6.

ANNUAL MEETING



135th Annual Meeting Minutes

[The Annual Meeting convened at 1200 hours, 10 June 2014, at the Army Navy Country Club, Arlington, VA.]

LTG Donald M. Babers (USA, Ret) Chairman of the Board of Directors, called the 135th Annual Meeting to order. LTG Babers recognized three members in attendance. CPT David Polonitza, youngest member, COL John E. Wagner, longest tenured member, with over 60 years of loyal membership, and COL Walter Hibbard, at 94 years old, our oldest member! The AAFMAA Secretary presented each a gift.

Last year's meeting was on 11 June 2013. The minutes were published and distributed to all members. A motion to waive the reading of the minutes was made, seconded and the minutes were approved unanimously. LTG Babers reviewed another outstanding year and some of AAFMAA's history:

Over the past 135 years AAFMAA has been serving the American Armed Forces community — longer than any other non-profit association. AAFMAA now has over 90,000 members and over \$25.4 billion of insurance in force. AAFMAA continues to grow, even with economic uncertainty and a reduction in military forces. In these conditions, it is even more important for AAFMAA to continue to serve members of the Army, Marine Corps, Navy, Air Force, and Coast Guard. We continue to be the premier Mutual Aid Association for all of the American Armed Forces and we will always reflect our hallmark values of compassion, trust, and protection.

The key to any success is good management and well lead, dedicated employees. Walt Lincoln, our President and Treasurer, keeps the team focused and deserves the credit for the outstanding success we have enjoyed. It's my pleasure to turn the meeting over to Walt for his remarks.

MAJ Walter R. Lincoln (USA, Ret) thanked the Chairman and then discussed the 2013 results:

This past year, 2013, was another record year, continuing AAFMAA's sustained positive, growth, with all metrics ending the year at all time highs. Insurance in force reached \$25.4 billion, up 1.3%, which is very difficult in a year with a downsizing military. As a reflection of our growth,

AAFMAA sold more insurance in just the first five months of 2014 than we sold in the first 100 years of the association combined. Policies in force increased to a new record of 124,145, up 0.5%, with 102,382 lives insured. Total assets increased 6.2% to over \$1.1 billion. AAFMAA has no debt. Our capital surplus increased 34.9%. Direct returns back to members increased 8.5% last year. This includes paying death benefits of \$53 million, increasing policy cash values by \$17.4 million, paying \$800,000 in term refunds, and providing \$2.5 million in member and survivor benefits. All of these factors allow AAFMAA to have an above average crediting rate of 6.6% for 2014.

As a member-owned, non-profit Association, AAFMAA must always face the economic realities of the environment. Low interest rates, which have been repressed due to government policies, continue to pose potential problems. While we had experienced negative real interest rates, the European Central Bank has now set negative nominal interest rates. No one can project how these factors ultimately will affect investments over the next several years. Therefore, we must guard against likely, but not certain, outcomes to ensure that we are properly positioned to sustain AAFMAA's strong and diversified investment portfolio for the future.

MAJ Lincoln then showed a video on AAFMAA's 135 year history.

After the video, MAJ Lincoln asked two members to speak to the membership. Col. Alan Gross (USAF, Ret) discussed his experience with two of his family members dying and the importance of AAFMAA's support. He has also bought AAFMAA policies for all eight of his grandchildren. Another member, LTC David Vann (USA, Ret) discussed the tremendous support and service he received from AAFMAA employees, Lyne Babin and Sherry Cantrell. To discuss AAFMAA's services MAJ Lincoln turned the meeting over to James M. Malley, Executive Vice President and Chief Operating Officer of AAFMAA Member and Survivor Benefits LLC.

Mr. Malley summarized the service that his team provides members. AAFMAA's physical vault safely stores important

family and military documents for our Grandfathered and Premier Service Members. We are working to digitize all vault documents, creating a unique digital vault file for members to securely access their documents 24 hours a day, 7 days a week. Letters from members were read describing the use and benefits of the digital vault.

Mr. Malley discussed AAFMAA's partnership with the Disabled American Veterans (DAV). AAFMAA VA Benefit Coordinators and DAV National Service Officers help AAFMAA members file and update VA claims. Annually, AAFMAA hosts the DAV National Service Officers where the DAV assists veterans directly at AAFMAA's Reston offices. COL Phil Gibbs (USA, Ret) explained to the attendees that AAFMAA helped increase his VA disability from 20% to 60%, which he previously had not been able to do. To date, AAFMAA has secured over \$1.7 million in retroactive VA claims and more than \$10 million in future VA benefits for members and their surviving families. Letters from members, describing AAFMAA's superlative service with their VA claim process were shared with the audience.

Mr. Malley reiterated AAFMAA's guiding principle established over 135 years ago in 1879: "to aid the families of the deceased members in a prompt, simple and substantial manner." AAFMAA currently provides lifetime survivor assistance to over 14,000 widows(ers). A letter from a widow discussed the care and support AAFMAA provided to her and her family. Mr. Malley closed by recalling that AAFMAA received a note from Mrs. Joanne Eisenhower, wife of BG John Eisenhower who died in December 2013. Mr. Malley observed that from 1915 when Lieutenant Dwight D. Eisenhower signed up for his policy until today, 99 years later, when AAFMAA is taking care of his son's widow, AAFMAA has continued to serve the Eisenhower family with the same compassion, trust, and protection that we

provide for the over 100,000 families whom we serve. Mr. Malley turned the meeting back over to MAJ Lincoln.

MAJ Lincoln reminded the membership that 32% of AAFMAA employees are military affiliated and recognized the great work of Ms. Tiana Fallavollita, Assistant to the President and Director of Human Resources. This concluded the President and Treasurer's Report. A motion to approve the report of the President and Treasurer was made, seconded and approved unanimously.

The next order of business was to receive the report on the re-election of directors. BG Michael J. Meese (USA, Ret), Chief Operating Officer and Secretary of AAFMAA, presented the results of the Nominating Committee and proxy balloting.

The Nominating Committee consisted of: LCDR George P. Coan, USN, (Chairman); LCDR Jarrod Dewitz, USCG; COL Carlos Perez, Jr., U.S. Army; The Association thanked the committee for their time and effort. The committee nominated LTG William J. Lennox, Jr., USA, Ret for his 2nd Term, CMSgt John T. Ridge, USAF, Ret for his 2nd Term, LTG Joseph E. DeFrancisco, USA, Ret for his 3rd Term, and CSM George L. Horvath, USA, Ret for his 3rd Term. Proxies were received, duly counted and certified by an independent proxy service. All nominees were elected by the membership and their terms will continue until the Annual Meeting in 2018. This concluded the results of the Nominating Committee and proxy balloting. A motion to close the nominations and elect the nominees was made, seconded and the nominees were elected.

Since there was no new business to be brought before the meeting, the 135th Annual Meeting of AAFMAA adjourned at 1238 hours.



Remembering General Smolen

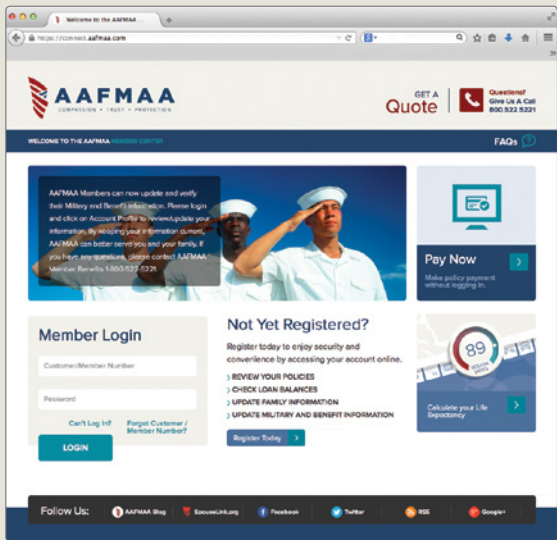
On Sunday, 18 May 2014, AAFMAA Board of Directors member Major General Robert "Bob" Smolen (USAF, Ret) passed away from cancer at age 62. He leaves behind his wife of nearly 40 years, Adriane, as well as his three children Mandy, Robert Lee II "Robby" and Emily. He is also survived by his beloved dogs, Angus and Phoebe.

General Smolen proudly served in the U.S. Air Force for 33 years, retiring as a Major General in 2007. He spent the past six years as a Senior National Security Fellow at the Center for Global Security Research at Lawrence Livermore National Laboratory (LLNL).

In addition to his many other positions and accomplishments, AAFMAA was fortunate to have General Smolen join the AAFMAA Board of Directors and serve on the Finance Committee for three terms, from 2001-2013. His wisdom, guidance and passion for the well-being of the men and women of the Armed Forces were evident in everything he did for AAFMAA's membership. He will be truly missed. Our thoughts are with his family as they deal with this loss.

MEMBER BENEFITS

Make the Connection



The AAFMAA Member Benefits Team is your point of contact for Premier Services, VA Claims Coordination, vault services and military benefit and entitlement support. To keep you updated on changes affecting your Member Benefits, we have created the **Member Benefits: Make the Connection** column.

AAFMAA is Committed to “People, Not Paperwork!”

Over the last 24 months, we have introduced members and survivors to the new and expanded AAFMAA.com Member Center and the ease of online access to insurance documents, benefit and entitlement information and the digital Family Information Report (eFIR). Starting Jan 2015, Grandfathered members with email addresses receive the eFIR online through their AAFMAA.com Member Center account. If you’ve already registered in the AAFMAA.com Member Center, simply “Log In” and select the Account Profile tab to update your personal information,

military entitlements and other benefits. Your updated eFIR will be available the next business day. To continue to receive the paper FIR, email MemberBenefits@aafmaa.com and type ‘Mail Paper File’ in the subject line.

Register in the AAFMAA.com Member Center

If you haven’t registered, go to www.aafmaa.com, select the Member Center “Register” tab, answer three questions and create your account. Now you can update your information under ‘Account Profile’ and access your annual Family Information Report (FIR) under the ‘FIR’ tab or the ‘Military Benefits Analysis’ under the Premier Services tab.

Get Your Social Security Online Benefit Statement at SSA.gov

Along the same lines as AAFMAA’s commitment to “People Not Paperwork,” the Social Security Administration (SSA) urges registering for your online statement and other useful tools at <http://www.ssa.gov/myaccount/>. The statement provides a valuable reminder of what you can expect as a retirement benefit in the future.

Appointments Preferred for your AAFMAA Office Visit

If you would like to visit an AAFMAA office at Fort Myer, VA, Reston, VA, Fayetteville, NC or Colorado Springs, CO, and meet with one of your Member Benefits representatives, please call 1-800-522-5221 and select the Member Benefits extension to schedule an appointment.

AAFMAA Premier Services Helps You Manage your Military Life and Beyond!

If your oldest AAFMAA life insurance policy was issued after 30 June 2000, sign up for Premier Services NOW to maximize your AAFMAA membership. Get Digital Vault document storage, VA Disability Claims Coordination, Military Benefits and Transition Readiness Assessment as well as access to AAFMAA expert Member Benefits Team. Call 1-800-981-2849 or email PremierServices@aafmaa.com.

If your oldest policy was purchased before 1 July 2000, no action is needed. You’ve already got comprehensive Living Services!



AAFMAA Property LLC

AAFMAA Property’s newest building on El Cerrito Road, Palm Desert, CA. Purchased in May 2014, the property is 100% leased to the Tax Assessor of Riverside County.

Survivor Assistance Services LIKE NO OTHER

For 135 years, AAFMAA has provided superlative Survivor Assistance Services to our members' loved ones. These valuable services are included with every AAFMAA member's policy and provide your loved ones with the highest quality of care and compassion, found nowhere else.

Take these 5 simple steps ahead of time so we can help your loved ones when the time comes:

1. Keep your personal and family contact information current. It's easy to update in the AAFMAA Member Center at <https://connect.aafmaa.com>. Current information lets us help your loved ones quickly and efficiently.
2. Ensure your beneficiary designations are up-to-date, at all times so the right person/people receives the benefit you want them to get!
3. Tell your loved ones where you store your important documents.
4. Choose someone you trust, then fill out and submit an Access Authorization Form to MemberBenefits@aafmaa.com. This allows them access to your personal and/or policy information.
5. Make sure they know how to contact AAFMAA to report a death:
 - a. Call AAFMAA's toll free number 1-800-522-5221, OR
 - b. Report a death online at www.aafmaa.com. Click on the 'Survivor Benefits/Report Death' tab, and then click the 'Report Death Online' link towards the middle of the page.

All AAFMAA forms can be found in the Decision Center on AAFMAA's website.

*The Survivor Benefits Team can be reached at 1-800-522-5221 (follow prompts for Survivor Benefits) or email SurvivorBenefits@aafmaa.com.

FINANCE FACTS – ***DID YOU KNOW?***

- The Dow Jones Industrial Average (DJIA) **first closed over 100 in 1906**. It first closed **over 1,000 in 1972**. It first closed **over 10,000 in 1999**.
- There are thirty companies that comprise the DJIA. The list is periodically revised. The oldest DJIA component is **General Electric, added November 7th, 1907**.
- The **largest percentage gain in the DJIA was 15%** on March 15, 1933. The largest percentage loss in the DJIA was 23% on October 19, 1987.
- The New York Stock Exchange (NYSE) had its **first million share day in December 1886**, and its first **100 million share day** in 1982. On **October 28, 1997 over one billion shares were exchanged**. The largest volume day so far on the NYSE was **over 4 billion shares on February 27, 2007**.
- In the last 100 years, the two worst stock-market declines occurred in October. The first occurred **in 1929 when stocks declined 25% in two days**. Many years later, in **October 1987, stocks lost nearly 1/4 in value in one day**, which goes down in history as the single-worst performance ever by stocks.
- On average, the stock market declines by **5%** or more three times a year, **10%** or more once per year, **15%** or more once every 2 years and **20%** or more about once every 3 1/2 years.
- The **S&P 500 index** was the first U.S. market-cap-weighted index. It was created in 1957.
- The **largest 10 stocks in the S&P 500** index of 500 stocks comprise **17.9%** of the entire index, with Apple being the largest.

What's SpouseLink.org?

SpouseLink.org™ is a free website created by AAFMAA to provide a place for military spouses to easily contribute content, stay connected to other fabulous MilSpouses and find something new every day. From specific job resources and financial advice to funny and heartwarming deployment homecoming videos, there's always something new happening on SpouseLink.org to support, inform and inspire military spouses around the world!



2014 SpouseLink.org Conference Updates

In May, we held our 2nd Annual SpouseLink Conference in sunny California. For the event, we gathered 12 active-duty military spouses, representing the Army, Navy, Marines and Air Force, and 2 of our amazing SpouseLink Ambassadors.

We discussed key issues within the Military community, types of content and resources MilSpouses are looking for, social media trends and fun, new ways to link AAFMAA and SpouseLink within the military and military spouse community.

Here are some encouraging words that the ladies shared:

- "I love the Pinterest feel of the site."
- "The photos look so professional and high-quality."
- "I really enjoy the sassy, soulful, engaging, clean and accessible aspects of the site!"

Walking away from the Conference with several pages of notes and potential future projects, the SpouseLink team is motivated by such great ideas for future marketing projects, content inspiration, website improvements and all sorts of ways to get involved with the military spouse community!



Check us out on *Military1.com*

See what's new on SpouseLink's **Military1.com** column. You'll find seasonal advice and inspiration, military family finance articles and info about how you can make the most of new legislation and changes within the military that could affect your family.



Visit the SpouseLink column at www.military1.com to check out the latest and greatest goings-on within the MilSpouse community and on SpouseLink.org!

Join Us

Do you have a great personal story about life as a military spouse? How about a helpful piece of advice? Know of any resources you feel would inform, support or inspire MilSpouses? We'd love to hear from you.

We're always on the lookout for contributions from anyone who will help us link military spouses together. See what others are sharing at www.SpouseLink.org.

Be sure to Like us on Facebook, Follow us on Twitter and Pinterest and add us to your Circles on Google+.

For more information, or to submit a post, contact us at SpouseLinkEditor@aafmaa.com

Linking Military Spouses around the World