

NFCA Accreditation Program



NFCA can give you the key...

Please enter the supplied password from this e-mail

Society Name: _____

Society NAIC #: _____

Submitted By: _____

First Name : _____

Last Name: _____

Title : _____

E-mail address: _____

Date: _____



The National Fraternal Congress of America (NFC A) is the voice of member fraternal benefit societies. The objective of the **NFC A Accreditation Program** is to assist societies in strengthening their business operations and fraternal structure, while ensuring their continued relevance throughout the 21st Century.

Following the submission of required paperwork, annually, societies are evaluated on seven key standards.

Standard One	FINANCIAL PERFORMANCE
Standard Two	FRATERNAL PERFORMANCE
Standard Three	BUSINESS BEST PRACTICES
Standard Four	COMMON BOND
Standard Five	GOVERNANCE
Standard Six	ETHICS
Standard Seven	NFC A PARTICIPATION

Each standard is individually evaluated on a **meets/does not meet** basis. A determination then is made as to whether a participating society is accredited. Answers to **QUESTIONS** and **REQUIREMENTS** must be submitted * for Accreditation, and responses will help determine if a society **meets/does not meet** a given standard. More importantly, this information gathering will help the NFC A develop tailored education and other programs to help strengthen its member-societies.

ACCREDITED—A society that **meets** all seven standards.

* All **QUESTIONS** must be answered either **YES** or **NO** by placing an "X" in the appropriate box. **REQUIREMENTS** must be addressed, but not all boxes need to be checked to become Accredited.

** For any questions that require a text explanation, please enter your response in the underlined box. When you exit the box, only the first line of your typed response will display on the screen. However, you can see or print your complete explanation by going to the **RESPONSES** tab.



Measured and evaluated through the NFCA Solvency Program's 25 ratios, developed annually by Tillinghast Towers-Perrin, that address the following:

- A. Capital adequacy**
- B. Assets**
- C. Profitability**
- D. Growth**
- E. Member penetration**

Member-societies annually receive these ratio results, analysis and the explanation of the scoring system which tracks performance for the past three years. Please see the NFCA Web site (www.nfcenet.org) for Solvency Ratio definitions in the Members Only section.

*The **meets/does not meet** standard is determined by reviewing a society's Overall Assessment in each of the three most recent years. A society with an Overall Assessment in any one of the three most recent years that shows significant growth (GREEN), is neutral (WHITE), or is moderately worse than the average and/or reference rate (YELLOW) **meets** this standard. A society with an Overall Assessment average that is significantly worse than the average and/or the reference rate (RED) in **all** of the three most recent years **does not meet** this standard.*

In the past three years, your society was rated:

#N/A
#N/A
#N/A

#N/A
#N/A
#N/A

If #N/A appears
RECHECK
your password



Measured by two elements: (a) Fraternal Activity and (b) Fraternal and Charitable Expenditure.

*The **meets/does not meet** standards determined by considering both elements. A society must **meet** both elements to **meet** the Fraternal Performance Standard.*

(a) Fraternal Activity. Fraternal activity is evaluated to comply with the laws of the state of domicile, based on a society's lodge system structure, functionality and activity level. This data is collected annually from NFCA member-societies for the NFCA Local Lodge Activity Report and will be used to determine a society's fraternal vitality. The method of data collection used to demonstrate activity level also is considered. However, non-member societies will be required to provide this information for standard evaluation.

*The **meets/does not meet** standard is determined following a review of a society's responses to the questions below*

QUESTIONS

Does your society have an active lodge system? If no, please explain why not.

Yes

No

Does your society record volunteer hours? If yes, please indicate what methodology is used. If no, Please explain why not.

Yes

No

Does your society regularly distribute charitable funds? If yes, please explain how the funds are distributed. If no, please explain why not.

Yes

No

REQUIREMENT

Please provide examples of fraternal programming (i.e., youth and young adult, charitable fundraisers, educational activities, sports, picnics, Christmas parties, honoring long-time members, etc.) that your society provides.

(b) Fraternal and Charitable Expenditure. Fraternal and charitable expenditure is measured and evaluated using the current NFCA Fraternal Performance Ratio (FPR). Data from the Local Lodge Activity Report, along with Annual Statement data, are used to calculate the FPR that measures the quality of an individual society's commitment to its benevolent and charitable purposes. In calculating this ratio, the NFCA will take into account the affordability of expending charitable funds.

Societies with an FPR of 1.0 or higher meet part (b) of this standard. Societies with an FPR below 1.0 do not meet part (b) of this standard.

Your Fraternal Performance Ratio Using 2006 Data is:

#N/A



Evaluated based on a society's willingness to identify and implement "Business Best Practices" as suggested by the NFCA and other sources.

The *meets/does not meet* standard is determined following a review of the society's responses to the questions below.

QUESTION

Has your society reviewed the Business Best Practices suggested by the NFCA below and other sources (i.e., NAIC, LIMRA, BoardSource, etc.), and implemented applicable and appropriate best practices for your society?

Yes

No

REQUIREMENT

From the following suggested list of NFCA Business Best Practices, please "X" any that your society currently has in place:

A strategic plan that is documented and communicated to appropriate parties.

Written policies for compliance with applicable state and federal laws, including a designated compliance officer.

An annual budget.

A Board or Executive Committee approved business continuity and disaster recovery plan.

An investment policy and utilization of professional investment staff and/or advisors.

A plan to grow membership that is documented and communicated to appropriate parties.

Other implemented changes to address Business Best Practices:

QUESTION

When was the last time your society was examined by the domicile state department of insurance and has your your society addressed all findings cited?

REQUIREMENT

In the past year, has your society been notified that it will undergo a formal/informal review by a state Department of Insurance? If YES, has your society notified the NFCA?

Please note: This information is not shared with any organizations outside of the NFCA.

Yes

Notified the NFCA on

Did not notify the NFCA

No



Evaluated based on a society's commitment to identify and adhere to its Common Bond, while ensuring that it is relevant to the 21st Century. (For examples, see the Common Bond reference in the annually published *Statistics of Fraternal Benefit Societies*.)

The *meets/does not meet* standard is determined following a review of a society's responses to the questions below.

QUESTION

Does your society have in place policies and procedures that ensure adherence to the Common Bond?
If no, please explain why not.

Yes

No

REQUIREMENT

Please provide a copy of your society's Common Bond and state where it is documented. (You may e-mail separately to nfca@nfcenet.org or list it below in the space provided.)

Common Bond:

Documentation within your society:



Evaluated based on a society's commitment to improving its governance structure through evaluation, modernization, and education.

*The **meets/does not meet** standard is determined following a review of a society's responses to the questions below.*

QUESTION

Has your society's Board of Directors (i.e., supreme governing body, supreme council, etc.) assessed the efficiency and effectiveness of the society's governance system, in light of Business Best Practices (i.e., Standard Three) and implemented improvements?

Yes

No

QUESTION

In selecting the Board of Directors, does your society utilize procedures to ensure that qualified candidates and elections are based on credentials?

Yes

No

REQUIREMENT

From the following suggested list of procedures, please check any that your society currently uses:

A nominating committee or other group to identify, recruit and recommend qualified candidates.

Minimum qualifications for slating candidates.

Any permanently appointed board positions.

Sharing information (i.e., CV, biography, resume, etc.) regarding credentials and background of candidates.

Prohibiting campaigning on any basis other than qualifications.

Board endorsement of candidates based on credentials.

Other methods: _____

REQUIREMENT

How often does your society's Board of Directors meet?

QUESTION

Does your society's Board of Directors assess its effectiveness, and provide strategic leadership by setting policy rather than getting involved in day-to-day operations?

Yes

No

QUESTION

Does your society engage in a strategic planning process?

Yes

No

QUESTION

Does your society have an audit committee comprised of Board members?

Yes

No

QUESTION

As your society assesses the training/orientation needs of its Board of Directors, do you provide educational opportunities to meet those needs?

Yes

No



Evaluated based on whether a society has adopted or adheres to a Code of Ethics, Code of Conduct or other ethical standards.

*The **meets/does not meet** standard is determined following a review of a society's responses to the question below.*

QUESTION

Has your society's governing body adopted a Code of Ethics, Code of Conduct or other ethical standards?

Yes

No



Evaluated based on a society's actual participation in NFCA-sponsored meetings, seminars, events or other NFCA-supported activities.

The *meets/does not meet* standard is determined following a review of a society's responses to the question below.

QUESTION

Has your society participated in at least one NFCA-sponsored meeting, seminar, event or other NFCA-supported activity – including, but not limited to, JOIN HANDS DAY, state fraternal congress meetings, etc. – in the last year? (Please refer to the NFCA Web site—www.nfcenet.org—for a list of events in which you can participate and that would satisfy this Standard.)

Yes

No

**FOR MORE INFORMATION REGARDING THE
NFCA ACCREDITATION PROGRAM, PLEASE CONTACT:**

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