



**Proceedings of the
39th National Convention
of
KSKJ Life,
American Slovenian Catholic Union**

**August 9-11, 2018
Loews Convention Center
Rosemont, Illinois**

Proceedings of the 39th National Convention of KSKJ Life, American Slovenian Catholic Union

**Held August 9-11, 2018 in
Rosemont, Illinois**

**FIRST GENERAL SESSION
Thursday, August 9, 2018**

The First General Session was called to order by Chair Rudolph Krasovec at 5:30 p.m. on Thursday, August 9, 2018. KSKJ Life Spiritual Advisor, Father Richard Gielow, gave the opening invocation. The presentation of the State flags was announced. The U.S. flag was presented by Ms. Melissa Aharrah, Lodge 29, and the Slovenian flag was presented by Mr. Nicholas Marsic Lodge 169. After the flag honor procession, Laurica Petrella-Zitko from Lodge 29 led the delegation in singing the U.S. National Anthem and "America the Beautiful". Board Member Bob Lokar led the Pledge of Allegiance. Honorary Counsel for Slovenia John Vidmar was introduced and he shared greetings to the delegation. Other special guests introduced were Frank Spula, President and CEO of the Polish National Alliance, and Fr. Metod Ogorevc from the Slovenian Catholic Mission in Lemont, IL. Chairman Krasovec appointed Tony Mravle Jr, CEO, as convention secretary, and Dana Lainio (Lodge #53) and Lynn Schmitt, HR and Office Manager at the Home Office, as recording secretaries of the convention. Chris Nowotarski, KSKJ Life legal counsel, was appointed as convention parliamentarian. Cathi Davis, Communications and Fraternal Services Coordinator at the Home Office, was appointed as convention timekeeper. Darrel Marquardt (Lodge #2) and Ron Zak (Lodge #226) were appointed as sergeant at arms. Young adult participants were assigned as interns to assist with convention administration.

REPORT OF CREDENTIALS COMMITTEE

COMMITTEE MEMBERS:

Daniel Mihelich, Co-Chair	Robert Lokar Jr., Co-Chair
Darrell Marquardt	Eileen Krasovec-Perez
Joseph Hocevar	Robert Vicich
Albert Suhadolnik, Jr	Marcia Bracik
Gail Pasiewicz	Pat Pugel
Elaine Peskar	Charles Potenga

Dan Mihelich, Chairperson of the Credentials Committee, gave the report.

The Credential Committee met via a teleconference with members and Co-Vice Chairs Daniel Mihelich and Robert Lokar Jr. on Monday July 30, 2018 and again in person on Tuesday August 9, 2018.

The Committee did not receive reports of any delegate election objections. The committee received a report that Knights of St. Florian Lodge #44 did not hold a valid delegate election. The Committee received a report that one lodge was not eligible to send a delegate based on their membership total and a report that three lodges were eligible but did not send delegates to the convention. KSKJ Life Home Office Staff reviewed all lodge election forms and issued a credential form to qualified delegates. All

the officially seated delegates and alternates signed the delegate credential form signifying their qualifications according to the bylaws.

All members of the National Board also met their membership qualifications for possible nomination to the KSKJ Life National Board of Directors.

There are 117 qualified delegates of which 5 are alternates. In addition, there are 9 Board Members in attendance, including the CEO. Total maximum delegate count is 126.

We would like to thank all the members of the Committee for their assistance.

Respectfully submitted,
Daniel Mihelich and Robert Lokar Jr.

*Motion to approve the report was made and seconded to accept the Credentials Committee Report.
Motion passed.*

Convention secretary, Tony Mravle, was called upon to call the roll of Board of Directors, delegates and alternates. There are 112 qualified delegates, 5 alternates, and 9 directors for a total of 126 voting delegates. 64 votes are required for a majority.

LIST OF DELEGATES IN ATTENDANCE

<u>Lodge</u>	<u>Name of Delegate</u>		<u>Lodge</u>	<u>Name of Delegate</u>	
1	Patrick	Sierzega	65	Andrea	Ostrowski
1	Dakota	Zamora	65	Pat	Pugel
1	Dawn	Zamora	65	Rudolph	Pugel
2	Darrell	Marquardt	65	Jim	Stoltmann
2	Lydia	Marquardt	79	Kathleen	Govekar
2	Ken	Mihelich	79	Victoria	Hammergren
2	Rudy	Mihelich	79	Lori	Mivshek
2	Gregg	Vershay	79	MaryLou	Stefanick
2	Jodi	Wartenberg	104	Norma	Becco
7	Eileen	Krasovec-Perez	110	Erin	Farnsworth
7	Mike	Orazem	110	Cathy	Herold
7	Angela	Perez	110	Kelly	Herold
7	Vincent	Perez	115	Cyndi	Hanson
7	Richard	Zabukovic, Jr.	115	Patricia	Horton
7	Renee	Zakavec	115	Joanne	Ohms
25	Brian	Fabo	115	Charles	Racki
25	Mary Kay	Prawdzik	136	Gene	Rakovec
25	Ralph	Prawdzik	136	Lonna	Rakovec
25	Kathleen	Prawdzik	143	Amy	Koncar
25	John	Turek	143	Annette	Koncar
25	Martin	Turek	143	John	Koncar
29	Karen	Colman	143	Julia	Markun
29	Laurica	Petrella-Zitko	144	Patricia	Slapnick
29	Becky	Velasquez	146	Josephine	Kmet
29	Ken	Velasquez	146	Chris	Kocin
29	Robert	Vicich	146	Chris	Opalach
29	Robert	Zelinski	150	Elizabeth	Jones
29	Chris	Zitko	42	Jeffrey	Dermes

42	Christine	Iozza	153	Joyce	Iannarelli
50	Nancy	Lokar	153	Beverly	Rosselle
50	Ashley	Mikulan	153	Darryl	Valencic
50	Don	Mikulan	153	Frank	Valencic
50	Kristine	Mikulan	153	Marjorie	Valencic
50	Albert	Suhadolnik Jr	169	Alex	Clack
50	Mary Ellen	Suhadolnik	169	Catherine	Clack
50	Cheryl	Visconti	169	Greg	Clack
52	Marcia	Bracik	169	Nicholas	Marsic
52	Tom	Bracik	169	Anne	Nemec
52	Angie	Cuson	169	John	Nemec
52	Jaymie	McDougal	169	Victor	Nemec
52	Michael	Piechocki	170	Kazimir	Krampac
52	Jennifer	Velikan	170	Theresa	Krampac
53	Amber	Bodame	171	Joseph	Jagunich
53	Victoria	Drinka	196	Rocco	Leoni
53	Dana	Lainio	196	Karl	Oberstar Jr.
53	Gail	Pasiewicz	196	Yvonne	Skrbec
59	Heidi	Coldagelli	197	Carol	Hlebain
59	Gloria	Leseman	197	Margaret	Pryately
59	Rosemary	Mattson	197	Michael	Retka
59	Robert	Mavec	226	Erika	Kurbos
59	Connie	Menart	226	Charles	Potenga
59	Jennifer	Menart	226	William	Urban
63	Brigid	Farone	226	Randall	Zak
63	William	Glinka	226	Ron	Zak
63	Catherine	Matonis	226	Tamara	Zupancic
63	Judy	Sedmak	236	Andrea	Jaksa
63	Deanne	Short	236	Frank	Pecavar
65	Tom	Gorenc	236	Jozi	Plut
150	Elaine	Peskar			

There were 126 out of 126 possible delegates and Board Members present. Based on the roll call, Chairman Krasovec declared a quorum.

Convention Parliamentarian Chris Nowotarski led the swearing in of the delegates.

Chair Krasovec then asked Robert Lokar Jr, President of Lodge #50, to present the golden gavel for use during the convention sessions.

Chair Krasovec presented the Convention Standing Rules.

STANDING RULES AND STATEMENT OF PRINCIPLE

1. Tentative Schedule of Events for the National Convention

See included Convention Agenda and Schedule of Events.

2. Standing Rules to be Proposed to the Convention

- a. All business will be conducted by Robert's Rules of Order
- b. Business shall be conducted by committees
- c. Committee meeting locations will be announced by the Convention Secretary
- d. Delegates are to report to General Sessions unless committee meetings are scheduled by the Convention Chairperson.
- e. Convention Committees are asked to use their time efficiently to complete their agenda within allotted time. With approval by the Convention Chairperson, the Committee Chairperson may request additional time for committee session. Additional time cannot be granted during any scheduled General Session.
- f. National officers/directors, delegates, staff and invited guests will be issued a convention identification badge. Badges must be worn to all General and Committee Sessions and scheduled group events on hotel premises for entrance to any of these sessions.
- g. Committee Chairpersons may request to hear from any other KSKJ Life delegate who is not a member of his/her committee, with a majority approval of the committee. However, this individual will not have a vote at these committee meetings. Any delegate completing his/her committee assignment may attend other committee meetings in session as an observer only unless said session is an executive session.
- h. Other than home office staff or legal counsel authorized and assigned by the Chair of the Convention, non-delegates are not permitted in any committee rooms unless their presence is requested by the Committee Chairperson for a specific purpose. Approval of a majority of the committee is also needed.
- i. "Legal Counsel of KSKJ Life shall be an ex-officio member of any Bylaw committee with the right to have a voice in any matter brought before the committee. Such position will not entitle Legal Counsel to vote on any matters before the committee nor shall he/she be a delegate to the National Convention unless elected by a lodge." General Session and Committee debates are limited to five (5) minutes per individual subject matter with a maximum of 2 minutes for each speaker unless an extension is approved by 2/3rds of the delegation.
- j. Delegates wishing to speak on any subject matter will alternate between those who favor or oppose the proposal on pro and con microphones. This will ensure that all points of view may be heard, unless there is no other speaker on the opposing side.
- k. No delegate shall speak more than twice on the same subject/question on the same day, without permission of the Convention body during the General Sessions or Committee during the committee session. Permission may be granted by a two-thirds affirmative vote without debate.
- l. Based on Illinois Department of Insurance qualification requirements for fraternal benefit society board members, all candidates shall be reviewed by the Screening Committee and the final report presented by the committee and approved and adopted by the Convention shall serve as the nomination of each candidate. Each qualified candidate shall be allowed two (2) minutes to present his or her qualifications, vision for KSKJ Life and reasons to support his or her candidacy. The Convention Chair has the authority to allow delegate, or non-delegate KSKJ Life members, up to one (1) minute to introduce one candidate that has been previously vetted and approved by the screening committee.

- m. Any nominations must conform to provisions of the KSKJ Life Bylaws Section 14.
- n. If practical, and if the situation warrants, the Convention Chairperson may combine elections for certain Board of Director positions into groups in the interest of saving time.
- o. To use convention time more efficiently, counting of ballots by the appointed judges will be done immediately after the vote without public reading of each ballot. Results will be announced by judges immediately after the ballots are counted.
- p. Candidates for the Board must meet NAIC, state law, and KSKJ Life Official Bylaw eligibility requirements, including professional experience and education.
- q. Election of Board of Directors positions:
 - i. Candidates for Board positions must meet the criteria as enumerated in KSKJ Life Bylaws Section 14, as well as commit to the principles of the KSKJ Life Board of Director Guidelines, to be eligible for nomination and election. If no qualified candidate has applied, any board vacancies will be filled by the newly elected Board of Directors after the national convention.
 - ii. All candidates for election must commit in writing that if elected they will abide by provisions of Bylaw Section 14 and the KSKJ Life Board of Directors Guidelines.
 - iii. For elections of one position with multiple candidates: If no candidate receives a majority of the votes cast on the first ballot, the candidate with the lowest number of votes will be eliminated and the second vote is taken. The same procedure will continue until one candidate receives the majority of the votes cast. Candidates will stop being eliminated when reduced to two remaining candidates.
 - iv. Election for the four “at-large” positions will be conducted as follows:
 - a. Delegates must vote on one ballot for these positions by voting for exactly the number of positions to be filled. Failure to vote for the appropriate number of candidates will result in the ballot being spoiled and not counted.
 - b. The top four (4) candidates who received a majority vote will be deemed elected. All other candidates will proceed to a second ballot to fill any remaining open positions. In order to be elected, individuals must receive a majority vote.
 - c. The voting process shall continue until all four (4) positions are filled.
 - d. Beginning on the second and all successive ballots, the candidate with the fewest votes will be eliminated until the number of potential candidates equals two times (2X) the number of open positions.
 - e. After the third ballot, the Chair of the Convention may suspend voting if any position is still not filled.
 - f. If a position is not filled by the Convention, the newly elected Board of Directors will fill all such vacancies in accordance with the KSKJ Bylaws.
- r. A delegate wishing to be excused from meetings must notify the Convention Chairperson, or the Convention Secretary, providing reason for absence. Prolonged and/or numerous absences may reduce the amount of expense reimbursement approved for delegates and may also require the delegate to pay some or all of their convention travel and lodging expenses.
- s. Non-KSKJ Life members are not permitted to attend any KSKJ Life Convention Program meetings, including delegate caucuses, unless officially invited by the Convention Chairman for a specific purpose.
- t. Casual Business dress code is to be observed during all Convention proceedings. (No bathing suits, flip flops, and/or other pool-wear, tank tops, shorts or jeans.)
- u. The Convention Chairperson, Convention Secretary, and CEO shall prepare Convention minutes that will be subject to approval by the newly elected Board of Directors. A copy of the approved minutes will be sent to all delegates in lieu of reading the same at each General Session.

3. Statement of Principle

KSKJ Life is committed to maintaining a safe, friendly and positive environment for all the delegates, Board of Directors, KSKJ Life staff, hotel staff, invited guests and visitors. Behaviors such as intimidation, threatening or hostile physical or verbal behavior, abuse, assault, vandalism, sabotage, possession or use of illegal drugs or weapons, or any other similar act during this convention is inappropriate and prohibited. Behaviors of this nature may result in a person being removed from the premises.

A motion was made and seconded to accept the Standing Rules. Motion passed.

Chair Krasovec asked the delegates to review the Convention Agenda, which was included in the delegate booklet.

ORDER OF BUSINESS REPORT

Thursday, August 9, 2018

9:00AM – 11:00AM	Delegate Open Registration
1:00PM-5:00PM	Delegate Open Registration
2:00PM-3:00PM	Screening Committee Meeting
2:00PM-3:00PM	Credential Committee Meeting
3:30PM-4:00PM	New Delegate Welcome & Orientation
4:30PM-5:15PM	Welcome Dinner Buffet
5:30PM-8:00PM	National Convention Opening Sessions
8:00PM-8:30PM	Convention Group Picture (everyone attending)
8:30PM-10:30PM	Evening Reception & Cocktails

Friday, August 10, 2018

6:30AM	Mass
6:45AM-7:45AM	Breakfast Buffet
8:00AM-10:00AM	Morning General Session & Training Sessions Keynote Speakers: Rev. Gielow and Rev. Gielow
10:00AM- 10:15AM	Break
10:15AM-11:45AM	Morning General Session & Training Sessions Keynote Speaker: Joe Annotti
11:45AM-12:30PM	Lunch
12:45PM-1:45PM	Afternoon General Session & Keynote Speakers: Brad Simanek and Chris Nowotarski
1:45PM-2:00PM	Break
2:00PM-3:00PM	National Board of Directors Candidate Introductions, Nominations & Elections
3:00PM-3:30PM	Hand out Vouchers
3:30PM-4:00PM	Break/Snacks
4:00PM-5:00PM	Committee Meetings

Saturday, August 11, 2018

6:45AM-7:45AM	Breakfast Buffet
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8:00AM-10:00AM Committee Reports
10:00AM -10:15AM Break
10:15AM-11:30AM Convention Business
11:30AM-12:00PM National Convention Adjourns
12:00PM Mass

A motion was made and seconded to accept the Convention Agenda. Motion passed.

Vice Chair Phil Hrvatin presented letters of recognition from the Ambassador of the Republic of Slovenia to the United States, Illinois Governor Bruce Rauner, Mayor of Rosemont Brad Stephens, and Illinois State Representative Larry Walsh Jr.

MEMBERS OF BOARD OF DIRECTORS IN ATTENDANCE

Rudolph Krasovec, Jr (Chair) Philip Hrvatin (Vice Chair) Anthony J. Mravle (CEO)

Audit Committee:

Anthony Menart (Chair)
Robert Lokar, Jr
Julie Schneller

Finance Committee:

Michael Vidmar (Chair)
Daniel Golob
Daniel Mihelich

All board members were present.

Former national board members and delegates present at the convention were then recognized:

Joe Hocevar - Cleveland, OH – 1st Vice President, Fraternal Board Chair, Region 2 Director
Theresa Krampac – Chicago, IL – Region 4&5 Director
Rudy Mihelich – Joliet, IL – Finance Committee
Ashley Mikulan – Pittsburgh, PA – Region 1 Director
Andrea Ostrowski – Milwaukee, WI – National Activities Director
Patricia Slapnick – Sheboygan, WI – Vice Chair Fraternal Board, Region 6 Director
MaryLou Stefanick – Waukegan, IL – Chair Fraternal Board, National Athletic Director
Albert Suhadolnik, Jr – Pittsburgh, PA – Finance Committee, Region 1 Director
Ken Velasquez – Joliet, IL – Audit Committee
Bob Vicich - Joliet, IL - Audit Committee
Joyce Vicich – Joliet, IL – Region 4 Director

LIST OF HOME OFFICE STAFF IN ATTENDANCE

Anthony J. Mravle – CEO
Stuart Buchanan – COO
Brian Sharp – Vice President IT
Paul Kaiser – Director, Agent Sales
Kathy Lovati – Manager, Agent Sales
April Sleyko – Director, Marketing and Fraternal Services
Lauren Baltz – Coordinator, Marketing
Cathi Davis – Coordinator, Communications and Fraternal Services
Lynn Schmitt – Manager, HR & Administration
Cindy Webb – Assistant Vice President, Accounting
Taleasha Davis – Supervisor, New Business & Underwriting

Lauren Rainey – Supervisor, Policy Services
Paula Cadieux – Senior Solutions Analyst, IT
Casey Naseem – Solutions Analyst, IT

Chair Krasovec then handed the gavel to Vice Chair, Phil Hrvatin, in order to give the Chairperson's Report.

REPORT OF CHAIR OF THE BOARD

Ladies and Gentlemen, Reverend Fathers, Dignitaries, Members of the National Board, Fraternal Committee members, Delegates, Young Adult Leaders, Distinguished Members and Guests:

Dobrodoshli! Welcome to Rosemont, Illinois and the 39th Quadrennial KSKJ Life National Convention.

When I was growing up, I remember getting excited when I would see flags and people gathering and singing in big rooms that look like tents, because I knew the "Greatest Show on Earth" was in town. Tonight, when I walked into this ballroom, I felt that same excitement, because I knew I would be introducing the "Greatest Show in Chicago."

KSKJ Life has had a great and long history. I am here, on behalf of our Board of Directors, to tell you tonight that history will continue to persevere, because KSKJ Life is positioned to survive! It hasn't been an easy path, but it has been very successful one.

In preparing for the presentation tonight I was reminded of a story I heard about Albert Einstein, the great physicist. The story goes like this:

Einstein was once traveling from Princeton on a train when the conductor came down the aisle, punching the tickets of every passenger. When he came to Einstein, Einstein reached in his vest pocket. He couldn't find his ticket, so he reached in his trouser pockets.

It wasn't there. He looked in his briefcase but couldn't find it. Then he looked in the seat beside him. He still couldn't find it. The conductor said, "Dr. Einstein, I know who you are. We all know who you are. I'm sure you bought a ticket. Don't worry about it."

Einstein nodded appreciatively. The conductor continued down the aisle punching tickets. As he was ready to move to the next car, he turned around and saw the great physicist down on his hands and knees looking under his seat for his ticket.

The conductor rushed back and said, "Dr. Einstein, Dr. Einstein, don't worry, I know who you are, no problem. You don't need a ticket. I'm sure you bought one."

Einstein looked at him and said, "Young man, I too, know who I am. What I don't know is where I'm going."

KSKJ has always known WHO we are, but for a while we didn't know where we were going. As the 20th Century was coming to an end, it seemed we were somewhere in the maze of time, (Y2K and all). We at KSKJ COULD NOT FIND OUR TICKET.

We went through a period of substantial membership losses. Our finances held on but were not as firm as they should have been.

In 1959, KSKJ membership peaked at over 50,000. In 2002 at our Convention, membership was reported at 24,354 - A more than 50% drop in roughly 60 years.

Financially, KSKJ Life has done very well. I am proud to report to this delegation that today KSKJ Life is financially stable and our membership has grown sufficiently to position us for a strong and viable future.

- For the first time in our history, our assets total over \$506 Million dollars – over half a billion!
- Our number of insurance policies in force has grown over 50% in the past ten years to total over 43,000.

In comparison with other fraternal societies, we have grown sufficiently to be considered one of the larger fraternal societies with respect to assets and policies in force. We have some continuing financial goals and objectives to achieve, but overall, we have positioned ourselves very well.

But what makes us different? It's Fraternalism.

Over the years, the face of Fraternalism has changed and, in some cases, significantly.

Many years ago, in the Office of former US Congressman Ray Kogovsek office, I had the privilege of meeting Thomas "Tip" O'Neal the Speaker of the House. I remember him telling me "that all politics is local." When you look at Fraternalism, I believe that "All Fraternalism is local." It's the lodges and communities that make it happen!

I want to share some history of KSKJ that had a tremendous impact in the way we approached Fraternalism. Slovenians coming to America caused the need to form Fraternal Benefit Societies and became the compelling reason to create "KSKJ."

1830-The beginning of the history of Slovenians in America started with the coming of Frederick I. Baraga as a Missionary to the new world.

1847- Slovenians began appearing in Chicago, Illinois.

1861-65- America's Civil War. Changed the landscape of agriculture work

1890- The real movement of Slovenians and Croatians to America began. Settled in New York, Pennsylvania, Ohio, Illinois, Minnesota, Wisconsin, Michigan, Missouri, Kansas, Colorado, Wyoming, Utah, Montana and California.

1892- Msgr. Joseph Buh published the "American Slovenian" Amerikanski Slovenec which helped organize Slovenes everywhere.

1893- Father Francis S. Sustersic, pastor of the Slovenian Parish in Joliet, IL St. Joseph parish, became the organizing influence among Slovenian communities in America.

1894-Kranjsko Slovenska Katoliska Jednota KSKJ, (Carniolian Slovenian Catholic Union) was founded by the uniting of 10 Fraternal Benefit Societies. Joseph Stukel was the First KSKJ President. There were 333 initial members. Still in existence are St. Stephan's Lodge #1 in Chicago, Illinois; St. Joseph's Lodge #2 in Joliet, Illinois and St. Joseph's Lodge #7 In Pueblo, Colorado.

1898-KSKJ Application for Incorporation in State of Illinois.

1904- Women Admitted as members of KSKJ.

1909- First KSKJ Home Office built.

1911- KSKJ President Paul Schneller takes a delegation to the White House to meet with President Woodrow Wilson during World War I to offer help for European countrymen.

1915-First issue of the official "KSKJ Glasilo" VOICE was published.

1918-1919-Influenza was rampant and decimated KSKJ unmercifully.

1922- KSKJ entered the “Million Dollar Organization” class.

1923- First women Delegates at the convention in Cleveland. Four (4) attended. Membership 20,902.

1929- The Great Depression. Many Insurance concerns liquidated.

1930- Waukegan Convention, the first woman elected as 2nd Vice President of KSKJ Executive Board.

1934-New Office Building built in downtown Joliet.

1938-Membership was 36,419.

1933- Congress eliminates Prohibition after 18 years. Lodges struggled during that time without liquor at events. Dances and festivities were sparsely attended.

1940- Thousands of Slovenians forced to leave their homes in Slovenia during WW II to avoid persecution.

1941- Pearl Harbor attack. U.S. enters World War II.

1942-The Nation was at war. 1203 members enlisted in military.

1954-Assets hit \$10 million and membership is 45,500. 17 local lodges operating in 19 states.

1959- KSKJ Membership peaked at over 50,000.

1962- The Silver Convention in Steelton/Harrisburg, PA. Changed the name to American Slovenian Catholic Union, KSKJ.

1968-KSKJ Scholarship Fund established and committee formed to administer.

1971-The first two recipients of the 4-year scholarship were: Mary Ferlic, Lodge #85, Lorain, OH and Jean Sasek, Lodge #56, Leadville, CO.

1980-Construction of the new Home Office Building at 2439 Glenwood Ave. in Joliet, IL.

1982-Eveleth MN convention. Nine Regions established and first Regional Directors elected. Maximum age of 70 for election to the National Board was initiated.

1974-Pittsburgh convention. Changed Supreme to National for titles of Board Members, Officers and Committees.

1995- Matching Funds program was started.

2002-Orlando Convention. Assets hit \$50 million. Membership was 24,354.

2006-Washington DC convention. Changed the name to KSKJ Life, American Slovenian Catholic Union.

2012-Board split into 2 separate boards: Financial Board and Fraternal Board.

2013-End of calendar year 2013, Assets were \$400 million. Membership was 28,478.

2014- -At the Annual meeting of the Joliet Chamber of Commerce, KSKJ Life was presented the “Outstanding Financial Institution of the Year” award for our growth and contributions to the community.

2015--Initiated the Educational Grant program. At the end of 2017 we had given out \$384,375 in educational grants and scholarships after making it a member benefit instead of a competitive process.

2016-Changed Fraternal Board to Fraternal Committee to meet regulatory consideration.

2016- -Successfully completed an extensive audit/examination from the State of Illinois Insurance Commissioner’s office, as part of their regular 5-year official audit of KSKJ Life. The results of the review found no deficiencies and overall KSKJ Life was found to be complying with the rules and regulations governing Fraternal organizations in the state of Illinois.

2017-New Home Office building purchase and remodeled at 2435 Glenwood Ave. to expand current campus. Held a Board Ribbon Cutting ceremony and open house for local business and lodge leaders to celebrate the event. In addition, hosted a Business-after-Hours event with the Joliet Chamber of Commerce in the new Home Office building.

2017-Established the new Fraternal Advisory Committee made up of all local Lodge Fraternal Coordinators to give every lodge a fraternal voice on the national level.

2018-At the beginning of 2018 assets were \$506,489,918 and membership around 40,000 with 43,607 total policies in force.

2018-Hired a new Chief Executive Officer (CEO) after an extensive process and expanded the Home Office Executive committee to fulfill the provisions of our succession plan.

2018-Current number of lodges is 34. There are 3 that have over 2000 members. 11 have over 1000 members and 10 have less than 600 members. Highest number of Lodges ever was just under 260.

2019-KSKJ Life will celebrate 125-year anniversary on April 2, 2018.

In 1894, there was no bowling, golf tournaments, basketball. That all came very much later. Early on, Fraternalism centered around church, become citizens and funerals. Why was that? It was because when so many of the immigrants from Eastern Europe to America, they went to the cities and towns where there was work.

At the end of the 19th century, America was in the Industrial age and most work was in the Mines, Smelters and Steel mills. The work was dangerous and life expectancy was very low for men. Few women worked, so many Fraternal Benefit Societies like KSKJ were formed to care for Widows and children ...and only men were insured.

Early on, wakes, funerals and cemetery processions were such a big part of fraternalism. There were long days of mourning and day of prayers.

In the KSKJ Bylaws there was and still exists today a Burial Ritual section that says: “It is fitting and proper that the burial of deceased members be solemnized with a Mass and/or a final liturgical commendation and farewell when possible.” Today, in most cases this process is close to becoming non-existent.

Back in the early days, this was one of the most important, earlier forms of our fraternalism. We sold insurance so when someone died, the family would be taken care of. When a young father died it was tragic. That was when widows and children need someone to help. They didn’t have families in the new world, and in most cases, it was only KSKJ and their local lodge that was there for them.

What has changed? Think about this: People live longer now than they did in the early days of KSKJ.

When a person dies, there are 3 legal options: Burial, Cremation or Medical donation.

According to Smithsonian, for the past 3 years, cremations are over 50% of the legal option and have exceed burials. The Catholic church for years frowned upon cremation, but in 1963 reluctantly allowed the practice. In 2016, the Vatican again confirmed that Catholics can be cremated if their ashes are not scattered. It is predicted that by 2030, cremations will be over 80%. Memorial services are replacing very ritualistic funerals. Often services are conducted long after the person has passed. With large transient populations that we have today, most people do not want to be buried in the place of their death. Many new rules have been added, costs have increased, and local customs have changed so that this form of fraternalism, that once distinguished the KSKJ as being special, has diminished significantly.

Outside of funerals, for much of our history we had many social events that were a source of community for our members – athletic events, dances, and meals. There was not much competition for our time, so attendance and participation at these events was high. These days, there are many other sources of entertainment and activities, especially online.

As a result, participation in community and civic activities for all organizations like ours has been in a downward trend for quite some time.

Again, I want to emphasis that today KSKJ Life is financially stable and our membership has grown sufficiently to position us for a strong and viable future.

For the future, our focus is not only to continue our financial growth, but to continue working together to discover the best ways possible to engage our membership in fraternal participation and leadership.

In closing, I want to recognize and thank your board of directors for their exceptional work.

Thank you to all the Home Office staff for the outstanding job they do every day, and to you, our delegates for your commitment to our Fraternal Benefit Society.

Thank you!

Fraternally,
Rudolph Krasovec Jr., Chair of the Board

A motion was made and seconded to accept the Chairman report. Motion passed.

REPORT OF CHIEF EXECUTIVE OFFICER

Chair of the Board Rudy Krasovec, members of the Board of Directors, Fr. Richard Gielow, Fr. Robert Gielow, Slovenian Honorary Counsel in Chicago John Vidmar, CEO Joe Annotti from the American Fraternal Alliance, CEO Frank Spula from the Polish National Alliance, Fr. Metod Ogorevc, Consulting Actuary Brad Simanek, Delegates, Home Office Staff, and Friends: Welcome to the 39th KSKJ Life National Convention!

The Board of Directors and our Home Office Staff have worked very hard to make this convention engaging and informative for everyone. I am confident that you will leave here energized with a sense of accomplishment and pride in our organization, and a renewed sense of purpose and vision in your roles as leaders.

Our convention agenda is busy but there is also time to have fun and connect with friends from other KSKJ Life communities. We are excited to have you here in Chicago representing our lodges and members from across the country. Tomorrow you will have the opportunity to participate in several micro workshops. These workshops were designed in response to the conference calls that were held with key lodge officers in February of this year, as well as a survey that was conducted with all lodge officers.

In addition, you will be receiving information about a membership drive campaign that we are launching here at this Convention to help us celebrate our upcoming 125th anniversary in 2019.

We also have the privilege of hearing from several keynote speakers who will discuss important topics with us, including mission and tradition, our financial products, the fraternal system, KSKJ Life financial operations, and updates about the compliance and regulatory environment that impacts our organization.

Please refer to your convention book to review KSKJ Life's financial information and other statistics. We are performing very well as an organization, and we must continue to grow to secure our future viability for the next generation of members.

As the elected delegates from your lodges, it is important that we maximize our time together by engaging with you, through the workshops and speakers, to share ideas and information – fraternal and financial – to help us make knowledgeable decisions that keep KSKJ Life growing in the right direction for the future.

All the various convention committees have been working for weeks via teleconferences to prepare their reports for the convention program. Unless required sooner, these reports will be presented on Saturday. I want to thank all of you, especially committee chairs and co-chairs, for your enthusiasm and participation. Thank you also to the board, delegates, young adult leadership conference participants, and home office staff that are supporting this convention with the many functions needed for us to be successful. Many thanks to the members of the former Fraternal Board for coordinating attendance prizes and soliciting pictures from lodges for some remarkable videos created by Andrea Ostrowski that we will see tomorrow.

A special note of thanks also to Andrea Ostrowski and April Sleyko for coordinating another successful Young Adult Leadership Conference. Since this program was started by Julie Schneller in 2005, we have continued to experience increased levels of interest, participation, and leadership from our young adult members. We greatly appreciate the support of this program from our lodge leaders and are excited to see so many graduates of this program serving as delegates at this Convention.

I want to especially thank Rudy Krasovec, Chair of the Board; Stuart Buchanan, Chief Operations Officer; Brian Sharp, Vice President of Enterprise Information Systems; Lauren Baltz, Marketing Coordinator; Cathi Davis, Fraternal Communications Coordinator; Casey Naseem, Junior Solutions Analyst; Lynn Schmitt, Manager of Human Resources and Building Operations; Chris Nowotarski, Legal Counsel; and Steve Jacobs and Lori Socki from Really Great Meetings, for the incredible amount of time and effort they have spent over the past several months in support of this convention.

I want to acknowledge in a special way April Sleyko, Director of Marketing and Fraternal Services, for her outstanding dedication and leadership in preparation for this convention. She has consistently worked after hours, late into the evenings, early in the mornings, and over weekends, many times at the expense of her family and personal life, to stay in communication with everyone and to overcome challenges to ensure that we have a great convention. The success of our Convention is heavily influenced by the significant contributions by all these dedicated leaders.

Around the year 2000, KSKJ Life was considered one of the smaller fraternal benefit societies in the United States with under \$50 million in assets, and there were serious conversations about the future and our ability to survive. At that time, other fraternal societies were suggesting that we merge with them. In 2003, under the leadership of then- new President of the Board Rudy Krasovec and CEO Anthony Mravle, the Board of Directors made the strategic decision to significantly grow membership and increase our assets for us to be able to survive. To accomplish this, serious efforts would need to be made to develop additional financial products and a professional sales channel to distribute them, along with attracting the home office staff and vendor partner resources necessary to support this decision. As part of these efforts, Paul Kaiser was hired to build and maintain an independent agent sales force. This would be a challenging and critical component to our success, as it would generate leads and sell insurance products to grow our membership and earn the financial resources we needed. Much work has been done since those decisions just 15 years ago to transform KSKJ Life into a respected and admired leader in the fraternal community.

Our assets have grown from under \$50 million to over half a billion – an unprecedented increase! In addition, KSKJ Life is one of only 15 fraternal societies with assets over \$500M.

These days, fraternal benefit societies can be grouped mainly into three tiers, with most of the societies falling into the small asset size tier of under \$250 million in assets. There are many reasons that smaller societies will be challenged to survive long term, including a deficiency of qualified leadership on their boards, lack of experienced professional senior executives, minimal financial resources due to small size and a low level of surplus, poor investment management, and inadequate or non-existent sales. Some of these factors have caused a few fraternal societies to charge special assessments to their existing members to keep them afloat. Other societies have started to voluntarily merge with larger organizations, and a few have been forced to merge by insurance regulatory agencies.

Unlike the smaller societies, KSKJ Life and the other mid-size and larger organizations have the resources necessary to weather economic conditions, compete in the marketplace, invest in technology, and comply with ever-increasing government regulations.

Managing a fraternal life insurance society is a very complex and demanding endeavor. It is critically necessary to have educated, experienced professionals serving in key leadership positions that are aligned with and personify our core values. It is also imperative that we partner with like-minded key

vendors that specialize in support functions for us, from legal and compliance to IT, data analytics, marketing and sales.

In recent years we have invested much time, energy and resources into technology, cybersecurity, and compliance with the constantly increasing and intricate web of state and federal regulations. Since the last convention we have launched new websites for public and agent use, and we will soon be launching a new web portal for lodge officers to assist with lodge operations. We will also be launching a new web platform for sales and policy services, where members will be able to login to view their existing policies and purchase new products.

In addition to technology, we are also reviewing our insurance products and member benefits and investigating new developments and features to offer our members. The rivalry for insurance sales, including online, is very competitive, and we need to continue evolving as an organization – with our insurance products, benefits, delivery systems, communications, and engagement – to be viable and meet the needs of our members, today and for years to come.

In 2017 the delegates to the last Convention overwhelmingly approved a referendum to change the Fraternal Board to a Fraternal Committee. This change was necessary due to feedback we received from regulators, and the overwhelming success of this referendum is shared by the efforts of the board of directors to communicate and explain the change, and the leadership demonstrated by our delegates to listen, ask questions, and make an informed decision for the benefit of KSKJ Life. I want to congratulate and thank all of you for the incredible collaboration and success of this effort. You should know that other fraternal have heard about this positive effort and have looked to us as a model for making change in their own societies. Thank you for your leadership and commitment to KSKJ Life!

As a further development of the Fraternal Committee, the Board expanded participation to include the Fraternal Activities Coordinator from every lodge to ensure that each lodge would have representation. The first conference call with this group was held in February, with another meeting being held at this Convention. We are excited to see this group continue to connect and share ideas to support our fraternal activities.

At the same time, we all acknowledge the downward trends in participation and volunteer leadership. We have lost a few more lodges since the last convention, and all lodges have expressed challenges with attracting people to activities and meetings, and difficulty finding new lodge leaders.

This challenge is similar for all other membership organizations, and certainly the other fraternal, for many different societal and generational reasons. There will not be an easy solution to this, but the more we collaborate and support each other, the more we will be able to share ideas and successes that might be duplicated elsewhere.

As we face this engagement challenge together, we do have much fraternal success to be proud of and celebrate. Our lodges are very active with matching funds and volunteer events, and we have a significant number of young adult members, particularly those who have attended past leadership conferences, who have served as lodge officers and delegates.

We greatly value and appreciate all our lodge officers for serving in these leadership positions, and for all the efforts made to serve our members and local communities.

As you know, in January of this year I was appointed to serve as the Chief Executive Officer. It has been a very busy time of transition, in addition to continuing to grow and develop our organization,

while also preparing for the young adult leadership conference and this convention. I'm grateful for all the notes and calls of support I received from our lodges and members. I want to publicly thank and acknowledge our board - Rudy Krasovec, Phil Hrvatin, Tony Menart, Bob Lokar, Julie Schneller, Mike Vidmar, Danny Golob, Dan Mihelich – as well as MaryLou Stefanick, Chair of the Fraternal Committee, and our home office executive team – Stuart Buchanan, Brian Sharp, April Sleyko, Paul Kaiser, and Kathy Lovati. I am grateful to all of them for their executive leadership in service of KSKJ Life, their support of me personally, and the fraternal spirit we all share, working together to take care of our members and our organization.

I am deeply grateful to my parents, Tony and Judy, for instilling in me core values of faith, hard work, service, compassion, and love that continue to guide me. Tony Sr's legacy here at KSKJ Life has had a profound impact on me personally and serves as a strong example for all of us to follow. He is widely respected and admired, internally and externally, for his humility, patience, compassion, wisdom, intelligence, and leadership. I am proud to be his son and for the ability to continue serving our organization.

I also want to acknowledge my wonderful wife, Jennifer, and our children Anthony, Alayna and Molly, for their incredible love and support.

It truly takes a strong team working together to achieve what KSKJ Life has accomplished, and I am grateful to all of you for our incredible continued success.

- An accomplished and visionary Board of Directors
- Forward-thinking delegates and lodge leaders committed to making a difference for our members and local communities
- An innovative, professional and experienced leadership team with over 100 years of combined experience
- Caring, hard-working and capable home office staff
- Highly-skilled and dedicated vendor partners
- Respected and valued general agents and professional sales agent force

It is only by continuing to work together, each of us doing our part, that we will foster enduring success for the future.

As an organization that is almost 125 years old, we stand on the shoulders of those who have gone before us. We are caretakers of a vision that started long ago, and we have a responsibility and opportunity together to make sure that KSKJ Life is alive and well for years to come to fulfill the promise we make every time a new member purchases an insurance product from us.

I am proud of our mission, traditions, Christian spirituality, social impact, and continued growth and strength.

My best wishes and prayers to everyone for an engaging and productive convention.
“Bog Vas Zivi” (God bless you)

Fraternally,
Tony Mravle, CEO

A motion was made and seconded to accept the CEO Report. Motion passed.

A motion was made and seconded to accept the written administrative report given to each delegate in the convention booklet. Motion passed.

Chair Krasovec stated that it was acceptable to dispense with the reading of minutes from the prior convention per the acceptance of the standing rules document at this meeting.

Convention Committee Leadership was introduced:

COMMITTEE	LEADERSHIP
BYLAW	CHAIR - TONY MENART VICE CHAIR – BOB LOKAR CONSULTANT – CHRIS NOWOTARSKI
CREDENTIALS	CO-CHAIRS - DAN MIHELICH AND BOB LOKAR
LODGE OPERATIONS	CHAIR - JULIE SCHNELLER CO- VICE CHAIRS – MARYLOU STEFANICK AND ANDREA OSTROWSKI
REIMBURSEMENT	CHAIR – MIKE VIDMAR
RESOLUTIONS	CHAIR - PHIL HRVATIN VICE CHAIR – DAN MIHELICH
SCREENING	CHAIR - MARGE PRYATELY (REPRESENTING REGION 7) CONSULTANT – CHRIS NOWOTARSKI ADVISOR – STUART BUCHANAN, CHIEF OPERATIONS OFFICER AND COMPLIANCE OFFICER AT THE HOME OFFICE
FRATERNAL ADVISORY COMMITTEE	CHAIR – DANNY GOLOB

Chairman Krasovec recognized members of the Screening Committee for the increased amount of time and energy spent on the screening process of board candidates.

NAME	REGION	LODGE #	HOME CITY, STATE
KRISTINE MIKULAN	1	50	PITTSBURGH, PA
ALEX CLACK	2	169	CLEVELAND, OH
JUDY SEDMAK	3	63	CLEVELAND, OH
LYDIA MARQUARDT	4	2	JOLIET, IL
DAWN ZAMORA	5	1	CHICAGO, IL
KATHLEEN GOVEKAR	6	79	WAUKEGAN, IL
MARGE PRYATELY (CHAIR)	7	197	ST. CLOUD, MN
CHUCK RACKI	8	115	KANSAS CITY, KS

Chairman Krasovec recognized past scholarship and educational grant winners and past local lodge persons of the year. National Lodge Persons of the Year since the last convention were Sylvia Churnovic (2015), Jodi Wartenberg (2016), and Dakota Zamora (2017). Prior national lodge persons of the year were also recognized.

National Service Award winners were also recognized, including Jennifer Menart (2015), Donna Lou Lyle (2016), and Michael Macchioni (2017).

Chairman Krasovec then introduced the Convention Coordinator, April Sleyko. Members present who had participated previously in one of the KSKJ Life Young Adult Leadership Conferences were recognized. Marge Pryately was recognized for her leadership in developing the Minnesota Slovenian Exhibit, and she gave a short presentation about the exhibit and encouraged everyone to review it in the hallway.

MaryLou Stefanick gave a presentation about the charitable giving component of the National Golf Tournament and how donations were made to a local charity and the KSKJ Life Educational Grant program. Since 2014 over \$17,000 has been donated to the Educational Grant program. MaryLou also explained attendance prizes and announced the first winners.

Chairman Krasovec reminded the group of the next day's schedule. National Spiritual Advisor Father Richard Gielow closed the meeting with prayer, and the first general session was adjourned at 8:02PM.

SECOND GENERAL SESSION
Friday, August 10, 2018

The Second General Session was called to order Friday, August 10, 2018, at 2:00PM. Andrea Ostrowski announced attendance prizes. Fr. Gielow led the opening prayer.

Roll call was taken by Convention secretary, Tony Mravle. There are 112 qualified delegates, 5 alternates, and 9 directors for a total of 126 voting delegates. 64 votes are required for a majority.

Darrel Marquardt (Lodge #2) and Ron Zak (Lodge #226) were appointed as sergeant at arms. Young adult participants were assigned as interns to assist with convention administration.

Chair Krasovec reviewed the Standing Rules items pertaining to the elections with the delegates that were approved by the delegation at the beginning of the first general session of this convention.

Chairman Krasovec then introduced Marge Pryately, Chair of the Convention Screening Committee, to present the committee report.

SCREENING COMMITTEE REPORT

Per the bylaws of KSKJ Life, the Screening Committee was jointly appointed from delegates by Rudy Krasovec and Tony Mravle Jr.

NAME	REGION	LODGE #	HOME CITY, STATE
MARGE PRYATELY (Chair)	7	197	ST. CLOUD, MN
KRISTINE MIKULAN	1	50	PITTSBURGH, PA
ALEX CLACK	2	169	CLEVELAND, OH
JUDY SEDMAK	3	63	CLEVELAND, OH
LYDIA MARQUARDT	4	2	JOLIET, IL
DAWN ZAMORA	5	1	CHICAGO, IL
KATHLEEN GOVEKAR	6	79	WAUKEGAN, IL
CHUCK RACKI	8	115	KANSAS CITY, KS

Other individuals supporting the committee included:

Chris Nowotarski, Legal Counsel; Stu Buchanan, KSKJ Life COO and Corporate Secretary; April Sleyko, Director of Marketing & Fraternal Services; Lynn Schmitt, Manager of HR & Building Operations.

All committee members signed a confidentiality agreement. All committee members received copies of the applications and resumes of all candidates. A background check of all candidates was conducted in accordance with Illinois insurance law.

The first conference call was held on June 20, 2018 at 6:30PM CST with all committee members in attendance and Rudy Krasovec (Chair of the Board), Tony Mravle, Jr. (CEO), Lynn Schmitt (HR

Manager), Chris Nowotarski (Legal Counsel), and Stu Buchanan (COO) who also recorded the minutes.

The call included brief introductions, review of the role of the committee as a body charged with determining whether candidates met the minimal requirements of their applied for position(s) and the process which was to be used for screening, namely, review of applications, creation of questions to fill in additional information, interview of the candidate, discussion of the candidate's qualifications after the interview and finally voting by the committee. The committee was provided information from KSKJ Life Bylaws and the State of Illinois regulations regarding Board of Director qualifications.

Committee members were instructed to fill out evaluation packets on each candidate first by reviewing the application and then filling in additional information during the phone interviews. The evaluation packets were to be sent to the chair (but were later sent directly to KSKJ Life Home Office). Mailing labels were sent to committee members.

The committee was informed that Lynn Schmitt would receive background check information on all candidates and only negative reports will be shared with the screening committee.

Committee members were asked to submit to April Sleyko their availability for July 9-12 and July 17-19 to schedule conference call interviews of candidates. The candidates would likewise be asked by April to submit their availability for dates to be interviewed. Chair Pryately would then create a matrix from all the availability information and April would send out dates and times for the interviews to the candidates and Chair Pryately would send them to the screening committee.

Interviews of Candidates

July 9th @ 6:30 CST Phil Hrvatin

July 9th @ 7:30 CST Tony Menart

July 10th @ 6:00 CST MaryLou Stefanick

July 10th @ 7:00 CST Dan Mihelich

July 11th @ 6:00 CST Bob Lokar, Jr.

July 11th @ 7:00 CST Julie Schneller

July 17th @ 5:00 CST John Zerdin

July 17th @ 6:00 CST Rudy Krasovec

July 17th @ 7:00 CST Danny Golob

A second conference call was held on July 3, 2018 at 6:00PM CST with all committee members except Judy Sedmak and Kathleen Govekar who were absent and excused respectively. Stu Buchanan and Chris Nowotarski also attended. During this call, members reviewed the KSKJ Life Audit Committee Charter and the Finance Committee Charter since several candidates were applying for chair of these committees. The committee also reviewed the interview schedule and walked through an example of how to screen each candidate using the application and interview questions. Each committee member was then assigned an area of among Background and Experience, Finance, Insurance, KSKJ Life Fraternalism, Leadership/Management and Vision to develop questions appropriate for each candidate. The chair was designated as time keeper/role taker and also expected to orient the candidates and follow up on questions.

Based upon the committee’s review of candidate applications, resumes, background checks, and phone interviews, the committee makes the following recommendations regarding candidate qualifications for the positions applied for:

Candidate Recommendations

Candidate Name	Position(s) Running For:	Committee Recommendation
Rudy Krasovec	Chair of Board	Qualified
Phil Hrvatin	Vice Chair	Qualified
Tony Menart	Vice Chair (withdrawn July 25) Chair of Audit At Large (withdrawn Aug. 9)	Qualified Qualified Qualified
Danny Golob	Chair/Audit (withdrawn Aug. 9) Chair/Fin. (withdrawn Aug. 9) At Large	Qualified Qualified Qualified
Dan Mihelich	Chair of Finance At Large (withdrawn Aug. 9)	Qualified Qualified
Bob Lokar	At Large	Qualified
Julie Schneller	At Large	Qualified
MaryLou Stefanick	At Large	Qualified
John Zerdin	At Large	Qualified/Strong Reservations

While the committee found candidate, John Zerdin, qualified due to his education and work experience, many committee members were concerned about his knowledge of KSKJ Life products, his lack of KSKJ fraternalism and his ability to commit the time and effort necessary to a position on the board. John himself said he was applying as a favor to a current board member rather than of his own initiative and expressed concerns about his own availability.

Further Committee Recommendations:

1. In the future, it is recommended that the Home Office streamline the process of how delegates apply for positions possibly by requiring that they rank order positions applied for or be generally elected as a board member and later assigned to a specific role on the board.
2. Candidates should notify the HR dept. and then the screening committee chair at least three days before attending the interview if they do not want to be considered for a position.
3. All scheduling, calling and emailing should be done by the home office and not the screening committee chair who may not have adequate skills to perform a staff role and who receives the same compensation as a regular screening committee member. If other duties are mutually agreed upon, these should be compensated.
4. A written description of the duties and responsibilities of screening committee members and the screening committee chair should be distributed to members upon appointment.
5. A written description of the expected qualifications, duties and responsibilities of the board positions applied for should be furnished to the screening committee members.

Respectfully submitted,

Marge Pryately, Chair

On behalf of the members of the screening committee, Judy Sedmak, Lydia Marquardt, Alex Clack, Chuck Racki, Kristine Mikulan, Dawn Zamora, and Kathleen Govekar, I move for the adoption of the recommendations of the screening committee.

On behalf of the members of the screening committee, as listed above, I move for the acceptance of this report.

A motion was made and seconded to accept the Screening Committee Report. Motion passed.

A motion was made and seconded to accept the Screening Committee recommendations. Motion passed.

Before elections began, candidates deemed to be qualified by the Convention Screening Committee were given an opportunity to briefly introduce themselves. Candidates in contested elections drew numbers to determine the order for introductions and ballot listing.

Rudolph Krasovec Jr.
Philip Hrvatin
Anthony Menart
Daniel Mihelich

4 at large positions available:

John Zerdin
MaryLou Stefanick
Daniel Golob
Robert Lokar Jr.
Julie Schneller

A motion was made and seconded to dispense of the paper ballot for the four positions (Chair of the board, Vice-Chair of the board, Chair of the Audit committee, Chair of the Finance committee) that are running unopposed. Motion Passed.

ELECTION OF BOARD OF DIRECTORS

Chairman Krasovec appointed five (5) ballot judges for the election of National Board members. They were: Annette Koncar, Chris Kocin, Karl Oberstar, Jr., Frank Valencic, and Richard Zabukovic, Jr. Interns were appointed to distribute and collect ballots.

Chairman Krasovec reminded delegates that candidate nominations were effectively fulfilled by the Screening Committee report and that nominating speeches were not necessary. Also reminded delegates about the Standing Rules process for at-large elections.

Ballots were distributed and collected with the following results:

# of candidates to be elected:	4	Daniel Golob received:	123
Number of votes cast:	126	Robert Lokar Jr. received:	122
<u>Necessary votes for election:</u>	<u>64</u>	Julie Schneller received:	119
		MaryLou Stefanick received:	101
		John Zerdin received:	39

Daniel Golob, Robert Lokar Jr., Julie Schneller and MaryLou Stefanick were declared elected at large directors.

Rev. Richard W. Gielow administered the oath of office to the newly elected Board members.

A motion was made and seconded for the convention secretary to retain the ballots until the conclusion of the convention and then to destroy them. Motion passed.

Interns were asked to collect all the board candidate resume packets from delegates for privacy purposes.

Chairman Krasovec asked Michael Vidmar, Chair of the Reimbursement Committee, to come forward to distribute the vouchers and explain the reimbursement process.

Chairman Krasovec announced Convention Committee locations for those that needed to finish their work and convention reports.

Session was closed with a prayer by Rev. Richard Gielow.

THIRD GENERAL SESSION
Saturday, August 11, 2018

The Third General Session was called to order Saturday, August 11, 2018, at 8:04AM. Pat Slapnick announced attendance prizes. Fr. Gielow lead the opening prayer.

Roll call was taken by Convention secretary, Tony Mravle. There are 111 qualified delegates, 5 alternates, and 9 directors for a total of 125 voting delegates. 63 votes are required for a majority.

Darrel Marquardt (Lodge #2) and Ron Zak (Lodge #226) were appointed as sergeant at arms. Young adult participants were assigned as interns to assist with convention administration.

Committee Reports were presented.

BYLAW COMMITTEE REPORT

The 2018 convention bylaw committee was appointed by Chairman Rudy Krasovec and CEO Tony Mravle Jr.

COMMITTEE MEMBERS:

Tony Menart (Chair)	Robert Lokar Jr (Vice Chair)	Chris Nowotarski (Legal Counsel)	
Richard Brodnik	Karen Colman	Brian Fabo	Tom Gorenc
Cyndi Hanson	John Koncar	Mary Lehane	Robert Mavec
Ken Mihelich	Don Mikulan	Vincent Perez	Michael Retka
Greg Vershay	Randall Zak.		

A conference call was held on July 24th at 7:00 PM central time, absent were Thomas Gorenc and Mary Lehane. The conference call reviewed the proposed changes, and discussion ensued on some of the items.

Changes were made to item 6, paragraph 903, the office of vice president was added to list of lodge officers to constitute a valid meeting.

Changes to item 7, paragraph 904, delete in the proposed revision, the sentence, "In order to be eligible, the absent individual must receive the approval of the lodge president for his or her absence which may not be unreasonably withheld."

After discussion the meeting recessed.

The bylaw committee reconvened on August 10th, 2018 at the Loews Hotel in Rosemont, Illinois at 4:45 PM to review the final draft of the proposed changes. All members were present except Richard Brodnik and Mary Lehane who were excused.

The proposed changes are as presented in your packet.

Bylaw Change Recommendation	Explanation
<p>1. Replace phrase “Financial Board” to “Board of Directors” wherever it appears in the bylaws</p>	<p>Housekeeping – Since the Fraternal Board has been changed to a committee and only one “Board” remains according to the Bylaws, to avoid any confusion delete the term “Financial Board” and replace it with simply the term “Board.”</p>
<p>2. Change name of “Screening” committee to “Nominating” committee wherever it appears in the bylaws</p>	<p>To be consistent with Robert’s Rules of Order and regulatory requirements</p>
<p>3. Section 402-Delete the old paragraph and replace with the following:</p> <p>402. A member in good standing is a person who is in good financial standing in KSKJ Life. A person in good financial standing in KSKJ Life, and who is not a limited member, is considered an active member.</p> <p>402. A member in good standing is a person who has an insurance certificate (the insured) and is in good financial standing in KSKJ Life. A person in good financial standing in KSKJ Life, and who is not a limited member, is considered an active member.</p>	<p>Housekeeping – clarify that the insured person of a life or annuity policy is the member, not the owner or beneficiary.</p>
<p>4. Para 801-Delete the old paragraph and replace with the following:</p> <p>801. The supreme legislative body of KSKJ Life shall be composed of members of the Board of Directors, and delegates or alternates elected by the local lodges, as hereinafter provided, who shall vote in person only.</p> <p>01. The supreme legislative body of KSKJ Life shall be composed of members of the Board of Directors and qualified delegates, or seated alternates, elected by local KSKJ Life lodges, as hereinafter, who shall vote in person only.</p>	<p>Housekeeping – clarify that proxy voting is not permitted, particularly with alternates – need to vote in person.</p>
<p>5. Paragraph 902. Change dates for delegate election to between February 1st – March 31st.</p> <p>902. Each active local lodge shall elect its delegates to the National Convention at either a regular or a special meeting to be held between March 1st and April 30th of the convention year.</p>	<p>Need more administrative time to adequately communicate with delegates and process travel reservations and requests, as well as make committee assignments and perform committee duties.</p>
<p>6. Paragraph 903.</p> <p>Delete sentence: “Five active members must be present for a quorum and a meeting to be valid” and replace with:</p> <p>“In order to constitute a valid local lodge meeting for delegate election, it must consist of at least one of the following lodge officers: President, Vice President, Financial Secretary, or Fraternal Activities Coordinator, and a minimum of four (4) additional active lodge members.</p>	<p>Update language to ensure that at least one of the required three elected lodge officers – President, Vice President, Secretary, or Fraternal Coordinator – is present to preside at delegate election meeting.</p>

<p>7. Paragraph 904. Replace with new paragraph below.</p> <p>904. The Secretary of local lodge should publish a notice of meeting for election of delegates in the Official Publication. Said election shall be by public nomination and secret ballot and when three or more persons are nominated, a majority vote of the members present shall elect; if no one person receives a majority vote the two nominees receiving the most votes shall again be balloted upon and the one receiving a majority vote shall be elected. Local lodges entitled to more than one delegate shall elect each additional delegate according to the procedure specified above. After election of delegates, two or more alternates shall be elected. The first alternate elected shall fill any vacancy occurring in the delegates elected. The second and other alternates to fill the subsequent vacancies in the order in which they are elected. Official notification in writing of excused absence to the lodge president shall allow any eligible member to run for a convention delegate/alternate even though he/she is unable to be present at the election meeting.</p> <p>The lodge secretary should publicly communicate a notice of the meeting for election of delegates. Communication can be digital and should be made through KSKJ Life publications, email, and/or any other communications medium commonly used by their lodge members.</p> <p>Said election shall be by public nomination and secret ballot. A majority vote of the members present shall elect the delegates and alternates to the National Convention. Lodges entitled to more than one delegate shall hold one election with the number of delegate positions listed on one ballot. Any individual who will not be able to attend the election meeting but desiring to run for a delegate/alternate position, shall give prior written notice to the lodge president stating the reasons for said absence. In order to be eligible, the absent individual must receive the approval of the lodge president for his or her absence which may not be unreasonably withheld. After nominations, members shall vote by inserting a different candidate's name into each of the available positions (candidates may vote for themselves). In order for a ballot to be valid and counted, all available positions must contain the name of a nominee. Ballots will be immediately tallied publicly before the voting members. The top vote getters will earn the available delegate positions.</p> <p>The remaining nominees will be considered alternates and will fill any vacancies that may occur. Alternates will be assigned in descending order according to the highest remaining vote getters. Official notification in writing by any elected delegates withdrawing from their position is necessary before alternates are appointed to delegate positions. Any documentation regarding delegate changes should be submitted to the home office for record-keeping.</p>	<p>Simplify the delegate election process to one ballot. Highest vote getters are delegates, next in line are alternates.</p> <p>Previous bylaw language called for each delegate position to be elected individually.</p>
<p>8. Para 1001: Delete this paragraph:</p> <p>1001. The National Convention shall be held quadrennially at the place selected by the last preceding National Convention. In the event no decision is made at the National Convention, the Board of Directors has the authority to select the site and date.</p> <p>and replace with the following:</p> <p>“The National Convention shall be held quadrennially at a place and date selected by the Board of Directors.”</p>	<p>Convention planning and contracting requires considerable negotiating and administrative time years in advance; needs to be a board approved function.</p>

<p>9. Para 1003 delete sub-para (11)</p> <p>(11) Selection of place for next National Convention.</p>	<p>Related to #8 above.</p>
<p>Add new paragraph 1011: (replacing 1404, e)</p> <p>10. All convention applications to the KSKJ Life Board of Directors shall be reviewed by the Convention Screening Committee. Screening Committee will be composed of KSKJ Life members from different member geographical locations to promote balanced representation from membership. Screening Committee shall review all board applicants for required qualifications as per KSKJ Life Bylaws, Board of Directors Guidelines, and State of Illinois and National Association of Insurance Commissioners (NAIC) governance regulations. The Screening Committee shall present a report to the National Convention for the delegates approval. Said report shall be the basis of the election of National Officers and Directors. Based upon other bylaw provisions and the requirements of the Illinois Department of Insurance for candidate background investigations and screenings, no new candidate applications or nominations will be accepted after the bylaw stated application deadline.</p>	<p>Adds new language regarding board qualifications and screening/ nominating process.</p> <p>No candidates will be accepted after the deadline because the Screening Committee will not have time to conduct and review the required investigative reports.</p>
<p>11. Para 1403 added language at end of section:</p> <p>1403. All elected officers and directors shall hold office for a period of four years, beginning the first of the month after 30 days following the completion of the National Convention or until their successors are duly elected or appointed.</p> <p>ADD:</p> <p>Elected officers and directors must remain in good standing during their term on the Board. Failure to remain in good standing may result in removal of said individual from his or her position by action of the Board of Directors, and the vacancy shall be filled in accordance with these bylaws.</p>	<p>Ensures Board members maintain active membership status during their term.</p>
<p>12. Para 1404, sub-para (a) add language:</p> <p>1404. a) Only active members of KSKJ Life in good standing, for at least two years prior to the start of the Convention, who are citizens of the United States, who are less than 70 years of age on the first day of the National Convention in session or at the time when a vacancy occurs on the Board of Directors, and who do not hold any Supreme and/or National Office in any other fraternal insurance benefit society, or any full time captive agent/subagent shall be eligible for a National Office or Director in KSKJ Life.</p>	<p>Adds membership requirement length of time of two years for Board applicants. No such requirement currently exists in the bylaws.</p>
<p>13. Para 1404, sub-para (b): delete phrase indicated: “No member of the board shall be related to any other member of the board or employee of KSKJ Life (this will not apply to current board members and their continuous future terms) as spouse, children, parents, grandchildren, grandparents, siblings, siblings-in-law, or parents-in-law.”</p>	<p>Housekeeping. This clause was incorrectly included in the bylaws when this item was first adopted, with the intention that no board members at that time would need to be removed from the board. This language should have been a resolution instead, and no longer applies.</p>
<p>14. Para 1404, sub-para (c): delete last sentence and replace with following:</p> <p>c) Board of Directors candidates shall have a sufficient background, so as to enable said individual to comprehend and take an active role in KSKJ Life operations as a</p>	<p>Continuing education and training requirements per Insurance Department regulations</p>

<p>director. Candidate shall have displayed experience in one or more of the following areas: finance, insurance, fraternal leadership and participation. Board members will participate in an independent study course covering fundamental concepts of insurance operations.</p> <p>ADD:</p> <p>“Board members must complete all training and continuing education requirements as assigned by the Board or required by state insurance departments and NAIC, as well as federal regulators. New Board members must complete orientation as required by Board Guidelines. Failure to complete all required training in accordance within the stated time period may result in the Board member being removed from his or her position by action of the Board of Directors and the vacancy shall be filled in accordance with these bylaws.</p>	
<p>15. Delete para 1404, sub-para e- delete the current language:</p> <p>e) All nominations to the board shall be reviewed by the Screening Committee for qualifications. The Screening Committee will be composed of one member from each region.</p> <p>And insert new language: Current Board members and new candidates for the Board are required to complete an application, screening process and background checks to ensure required qualifications are met per KSKJ Life Bylaws, Board of Directors Guidelines, State of Illinois and National Association of Insurance Commissioners (NAIC) governance laws and regulations. All application materials are required to be completely submitted by current Board member and new applicants according to the deadline described in these bylaws. All candidates for the Board shall identify the position(s) they are seeking. No candidate shall be elected to more than one position. Any positions not filled at the convention will be appointed by the Board at a later date. A list of qualified candidates approved by the Screening Committee will be communicated to the voting members prior to the start of the National Convention.</p> <p><i>Additional language added to this section by the delegation after the Bylaw Committee Report was accepted:</i></p> <p><i>Additionally, a candidate must meet the qualifications of being a delegate to the KSKJ Life national convention.</i></p>	<p>Screening Committee details moved to new section 1011 per #10 above.</p> <p>Language added for compliance with regulations for board qualifications and application processes.</p>
<p>16. Para 1602: Change word “semiannually” on line one to “at least quarterly” and change “the Audit Committee” to “a majority of the members of the Board of Directors”</p> <p>1602. Regular meetings of the Board of Directors shall be held semiannually at least quarterly and are to be attended by all Board Members. Meetings can be held via electronic media. Such meetings shall be called by the Home Office Executive Staff with the consent of the National Chair of the Board or by the Audit Committee a majority of the members of the Board of Directors. Special meetings can be held via electronic media.</p>	<p>Board needs to meet more frequently due to complexity of the fraternal insurance business and per Illinois insurance requirements for quarterly finance meetings.</p> <p>Consent by a majority of the Board members to call a meeting should be used here instead of a Board committee.</p>

<p>17. Para 1708: Delete paragraph:</p> <p>1708. The Board of Directors shall have full power and authority to classify applicants for insurance with respect to personal and family history.</p> <p>And replace with following:</p> <p>“The Board of Directors has full power and authority to issue insurance products and annuity and investment type products and/or certificates.”</p>	<p>Needs to be reworded because the Board does not determine classifications for applicants for insurance – this is an underwriting function handled by the home office staff.</p>
<p>18. Para 1711: Delete entire paragraph</p> <p>1711. The Chair of Board and Home Office Executive Staff, acting jointly, shall have the power to make any purchase or procure equipment necessary for the Home Office without the consent of the other National Officers or Directors, providing, however, that the amount of the purchase price involved does not exceed \$10,000.00.</p>	<p>Should be a Board policy and expenditures approved by Board in annual KSKJ budget</p>
<p>19. Para 1718: Insert New Maintenance of Solvency language. Delete current:</p> <p>1718. If the periodical payments required for General Fund of KSKJ Life shall be insufficient to pay all claims in full against said fund, including expenses of operation of KSKJ Life and to provide for the accumulation and maintenance of the necessary reserves, extra or additional payments shall be required in such amounts and in such manner as may be determined by the Board of Directors of KSKJ Life, or the benefit certificate shall be charged with a just and proper share of any impairment in reserves.</p> <p>And replace with:</p> <p>The Board of Directors of KSKJ Life is authorized to levy special assessments to provide for the Order’s legal reserves and other liabilities. When in the Boards’ opinion a deficiency exists, the Board will determine and levy each member’s equitable proportion of the deficiency. If payment is not made, the member may choose, within thirty (30) days of the levy’s notice, that the deficiency (1) stand as an indebtedness against the policy and draw interest not to exceed the rate provided in the policy for policy loans or (2) a proportionate reduction in the Insurance Benefits provided by the policy. No such assessment shall take effect unless a thirty (30) day notification has been provided to the Illinois Director of Insurance, who shall have the ability to disapprove the assessment only if the Illinois Director of Insurance finds that such assessment is not in the best interests of the members. However, in no event may an assessment obligation be forgiven, credited or repaid by whatever means in lieu of collection or reduction in benefits, unless provide to all members of KSKJ Life and approved in writing by the Illinois Director of Insurance. Notwithstanding the foregoing, KSKJ Life may fully repay, credit, or forgive an assessment from the date of death of any life insured under a certificate so long as the plan to forgive or repay the assessment is certified by an independent actuary and filed with the Illinois Director of Insurance to make reasonable and adequate provision for the forgiveness or repayment of the assessment to all assessed members of KSKJ Life as a result of</p>	<p>Necessary change to comply with Illinois law concerning the maintenance of solvency.</p>

<p>the death. If the member does not exercise an option within thirty (30) days of levy notification, the indebtedness (1) will stand as an indebtedness against the policy and draw interest, not to exceed the rate provided in the policy for policy loans if the policy is an annuity or whole life policy or (2) shall reduce proportionally any benefit payable under the policy if the policy, when issued, was not intended to have cash value.</p>	
<p>20. Para 2106 Delete sentence:</p> <p>2106. Each local lodge shall hold at least one meeting a month, (meetings may be held via electronic media) at such hour, day and place as may be determined by the lodge. If such time is changed, it shall be the duty of the lodge secretary to notify the Home Office thereof. Five active members must be present for a quorum and a meeting to be valid. To be considered active, lodge must:</p> <ul style="list-style-type: none"> a) have a required number of elected officers b) hold a minimum of four valid meetings each calendar year c) be active in sponsoring KSKJ Life fraternal and charitable programs d) have an active Lodge Membership Committee e) reasonably comply with all Bylaw provisions and board directives <p>And replace with:</p> <p>“In order to constitute a valid local lodge meeting, it must consist of at least one of the following lodge officers: President, Vice President, Financial Secretary, or Fraternal Activities Coordinator, and a minimum of four (4) additional active lodge members.”</p>	<p>Update language to ensure that at least one of the required three elected lodge officers – President, Secretary, or Fraternal Coordinator – OR the Vice President is present to preside at all valid lodge meetings.</p>
<p>21. Para 2106, sub-para (d) delete current:</p> <p>d) have an active Lodge Membership Committee</p> <p>And replace paragraph with:</p> <p>“submit annual reports as required by the Board of Directors.”</p>	<p>Remove requirement for an active lodge membership committee; replace with language clarifying that lodges need to submit annual reports as directed by the Board to maintain active lodge status.</p>
<p>22. Section 2201, add to sub-para(f):</p> <p>f) All proceedings held in connection with the mediation or arbitration shall be held at a site determined by the parties which site shall be located in either Will or Cook Counties in the State of Illinois.</p> <p>ADD:</p> <p>In the event the individual who brought the dispute against KSKJ Life fails to respond or provide requested information/documentation regarding their claim within thirty (30) days of a request for same, it will be deemed that said party has voluntarily terminated the process</p>	<p>Sets a time limit for any dispute responses to save time and money to resolve issues.</p>

<p>23. Para 2301: Delete paragraph:</p> <p>2301. All laws and regulations contained herein shall become effective on the first day of January in the year of our Lord 2007 and all former laws and regulations are hereby repealed and declared null and void and of no effect.</p> <p>And replace with:</p> <p>“Unless otherwise provided, all Bylaw changes become effective 30 days after approval by the Illinois Department of Insurance and publication to KSKJ Life members.</p>	<p>Compliance with Illinois law regarding the effective date of bylaw changes</p>
<p>24. Add paragraph 2305: “All proceedings of KSKJ Life shall be governed by the KSKJ Life Bylaws and to the extent there are no bylaws, then the current edition of Robert’s Rules of order will govern.”</p>	<p>Clarify/reinforce that any procedure not addressed by our Bylaws will be governed by Robert’s Rules of order.</p>

On behalf of the committee I move to give legal counsel, with the approval of the board, authority to correct typographical and grammatical errors and renumber the sections and subsections as needed. Furthermore, I move on behalf of the committee that the board of directors be authorized to modify the bylaws if needed to comply of state and federal regulations.

On behalf of the committee I move that that this report be accepted and that the presented proposed changes to the bylaws of KSKJ Life, American Slovenian Catholic Union be accepted as presented.

Respectfully submitted,
Tony Menart, Chair of the Bylaw Committee.

A motion was made and seconded to accept the Bylaw Committee Report. Motion passed.

A motion was made and seconded to accept the bylaw changes made by the Bylaw Committee as presented with the exception of item #10 (Bylaw 1101). Motion passed.

A motion was made and seconded to amend the wording of proposed bylaw change item #10 (Bylaw 1101) to include “additionally, a candidate must meet the qualifications of being a delegate to the KSKJ Life national convention.” Motion passed.

A motion was made and seconded for the KSKJ Life legal team to correct any grammar and make any other changes necessary per feedback from the State of Illinois Department of Insurance. Motion passed.

FRATERNAL ADVISORY COMMITTEE REPORT

The Fraternal Advisory Committee (FAC) of KSKJ Life 39th National Convention met at 4:50 P.M. on August 11, 2018 at the Loews Chicago O'Hare Hotel.

Chair, Danny Golob apologized for the 50-minute delay in starting the meeting as the General Session was longer than expected. The committee members present included:

Danny Golob (Chair)
Patrick Sierzega
Jaymie McDougal
Lori Mivshek
Jozi Plut
Chris Kocin

Becky Velasquez
Heidi Coldagelli
Kelly Herold
Ron Zak

Ashley Mikulan
Jim Stoltmann
Joyce Iannarelli
John Nemec

All Fraternal Activities Coordinators from all lodges were invited to be part of the meeting at the convention and call a conference line. Greg Snyder and Diana Tyda called in at the schedule meeting time of 4:00 P.M., but the meeting was late and Greg and Diana were not able to stay connected to the call.

Explanation was given of the role of the FAC and the committee would be comprised of all lodge Fraternal Activities Coordinators and would serve in an advisory role to the National Board of Directors to foster ideas and participation in fraternal events in lodges. The FAC would replace the regional directors and each lodge would have a representative on the committee. The FAC would like to thank the outgoing Regional Directors for their outstanding service and dedication the lodges in their region and to KSKJ Life.

Ashley Mikulan (Region 1)
Theresa Krampac (Region 4&5)

Joseph Hocevar (Region 2)
Patricia Slapnick (Region 6)

Greg Snyder (Region 3)
Sharon Bucar (Region 7)

The FAC has had two (2) previous conference calls in 2018 as a stand-alone advisory committee not connected with the convention, and the committee recommends at least one call be held each quarter of the year with the next call being scheduled the week of September 24, 2018. A survey will be sent to all committee members asking for a preference of time and day during that week for the call. Each committee member participating in the call will be given a stipend of \$25.00. The committee will need to work together to establish a committee member as facilitator who can help set up the quarterly conference calls. The committee can work to determine if there is training webinars or other training classes that could benefit members of the committee. The Committee will work with Home Office staff to get committee members e-mails and contact information to begin the process of developing the committee into an advisory role to the National Board.

Respectfully Submitted,
Danny Golob

A motion was made and seconded to accept the Fraternal Advisory Committee Report. Motion passed.

LODGE OPERATIONS COMMITTEE REPORT

LODGE OPERATIONS COMMITTEE
TELECONFERENCE MINUTES
JULY 24, 2018

Chairperson Julie Schneller welcomed everyone to the call and thanked them for serving as a Convention Delegate.

Those attending the teleconference were:

Julie Schneller (Chair) MaryLou Stefanick (Co-Chair) Andrea Ostrowski (Co-Chair)

Mike Orazem	Angela Perez	Mary Kay Prawdzik	Ralph Prawdzik
Ken Velasquez	Chris Zitko	Jeffrey Dermes	Christine Iozza
Mary Ellen Suhadolnik	Amber Bodame	Dana Lainio	Gloria Leseman
Rosemary Mattson	Jennifer Menart	Catherine Matonis	Rudolph Pugel
Erin Farnsworth	Cathy Herold	Patricia Horton	Amy Koncar
Julia Markun	Patricia Slapnick	Josephine Kmet	Darryl Valencic
Frank Valencic	Marjorie Valencic	Greg Clack	Nicholas Marsic
John Nemeć	Theresa Krampac	Sharon Bucar	Yvonne Skrbec
Erika Kurboš	William Urban	Tamara Zupancic	Andrea Jakša
Frank Pecavar			

Julie informed the committee there are 15 - 20 minute workshops scheduled for Friday morning. These workshops include 1) Mission/Tradition, 2) My KSKJ Story, 3) How to Engage Me, 4) Lodge Successes.

When our committee meets late Friday afternoon, we will be reviewing key points from the morning workshops, and also sharing information on topics such as: 1) Products and Compliance, 2) Organizing a Lodge Meeting a Matching Funds, Join Hands Day, etc., and 3) Positive Member Experiences. Julie asked each of us to think about these topics in the days leading up to our meeting and be ready to share our experiences with the committee.

With no other business to discuss, Julie closed the meeting and wished everyone safe travels to Chicago.

LODGE OPERATIONS COMMITTEEE MEETING AUGUST 10, 2018

Those in attendance were:

Julie Schneller (Chair) MaryLou Stefanick (Co-Chair) Andrea Ostrowski (Co-Chair)

Mike Orazem	Angela Perez	Mary Kay Prawdzik	Ralph Prawdzik
Ken Velasquez	Chris Zitko	Jeffrey Dermes	Christine Iozza
Mary Ellen Suhadolnik	Amber Bodame	Dana Lainio	Gloria Leseman
Rosemary Mattson	Jennifer Menart	Catherine Matonis	Rudolph Pugel
Erin Farnsworth	Cathy Herold	Patricia Horton	Amy Koncar
Julia Markun	Patricia Slapnick	Josephine Kmet	Darryl Valencic
Frank Valencic	Marjorie Valencic	Greg Clack	Nicholas Marsic
John Nemeć	Theresa Krampac	Yvonne Skrbec	Erika Kurboš
William Urban	Tamara Zupancic	Andrea Jakša	Frank Pecavar
Tom Bracik			

The Committee met on Friday, August 10, 2018 at the Loews Hotel in Rosemont, IL. Committee Chairperson Julie Schneller thanked Andrea Ostrowski and MaryLou Stefanick for their role as committee co-chairpersons. The committee members were asked to stand and be recognized. Julie thanked them for their contribution.

On our teleconference in late July, Julie informed us of the series of workshops that would be taking place at the Convention. She asked each of us to jot down ideas or experiences during the workshops, which we could later discuss in our committee meeting. The workshops covered topics such as Products and Compliance, Organizing a Lodge Meeting/Matching Funds/ Join Hands Day/etc., and Positive Member Experiences.

The committee broke up into smaller groups and were asked to pinpoint the items they could take back to their lodge and implement right away. Andrea Ostrowski began this discussion.

1) When planning ahead for a Matching Funds event, consider partnering with an organization that aligns well with our mission, one that already has an event in the works. By piggybacking onto another organization's event, there would be more unity and involvement by both groups.

2) Every lodge shares the challenges of getting more members involved, getting more members at meetings and events, getting more members to take an interest in their lodge. Some ideas that came from the discussion include: 1) provide a way for members to call in for meetings; 2) personally invite (phone call) members to an event; 3) ask members to volunteer for something that interests them; 4) schedule an event along with a meeting; 5) schedule events when students are available (spring break, winter break, etc.); 6) Invite Educational Grant winners to attend an event where the check presentation could take place; 7) Consider having teen members provide some child care at events so that parents can attend.

3) Some schools allow their graduates to wear ribbons from organizations that have awarded them scholarships. This would be notoriety for the student and KSKJ Life. Could KSKJ Life participate with this practice?

4) Reach out to Educational Grant winners (past and present) and ask them to consider volunteering in areas where they can best use their strengths and skill sets.

5) Lodges should consider utilizing social media more. The committee stated that it would be helpful to have assistance or a guide to follow in setting up a lodge Facebook page or other social media accounts.

6) A few lodges that own property discussed the financial challenges they continue to face in keeping their historic buildings operational. The buildings are costly to maintain, and there is concern about how much longer this can continue. Could there be some support from the Home Office?

Julie thanked the committee of 53 members for their input and ideas. With no other discussion, the meeting ended at 5:30pm.

Respectfully submitted by Julie A. Schneller

A motion was made and seconded to accept the Lodge Operations Committee report as read. Motion passed.

REIMBURSEMENT COMMITTEE REPORT

COMMITTEE MEMBERS:

Michael Vidmar (Chair)

Rudy Mihelich
Norma Becco
Carol Hlebain

John Turek
Gene Rakovec

Laurica Petrella-Zitko
Anne Nemec

Cheryl Visconti
Kazimir Krampac

A conference call was held on Wednesday July 25, 2018 at 7:00 pm. Six committee members were on the call. The remaining members were called individually or contacted in person. The reimbursements rules and delegate voucher form were reviewed. Comments and questions were reported to the Home Office. Subsequently changes were made to the voucher form. Committee was advised of changes at the Convention.

On Friday August 10, 2018 the Committee members passed out the voucher forms to the delegates. The forms were returned the next day or mailed in to the Home Office in a stamped preaddressed envelope.

Thank you to all the Committee members for their input and help.

Michael Vidmar
Chairman Reimbursement Committee

A motion was made and seconded to accept the Reimbursement Committee report as read. Motion passed.

Chairman Krasovec announced a short break. After reconvening, due to previous bylaw changes approved earlier, some additional bylaw sections were affected and needed action.

A motion was made and seconded to amend the wording of proposed bylaw change item #15 (Bylaw 1404) to include "additionally, a candidate must meet the qualifications of being a delegate to the KSKJ Life national convention." Motion passed.

****This item has been added to the Bylaw Change Recommendation listing above.*

A motion was made and seconded to amend the wording of proposed bylaw change item #20 (Bylaw 1101) to include "Vice President." Motion passed.

****This item has been added to the Bylaw Change Recommendation listing above.*

RESOLUTIONS COMMITTEE REPORT

COMMITTEE MEMBERS:

Phil Hrvatin (Chair)

Dan Mihelich (Vice Chair)

Jodi Wartenberg
Nancy Lokar
Connie Menart
Joanne Ohmes
Beverly Rosselle

Richard Zabukovic Jr.
Angie Cuson
Brigid Farone
Lonna Rakovec
Catherine Clack

Renee Zakavec
Victoria Drinka
Victoria Hammergren
Annette Koncar
Joseph Jagunich

Committee Chair Phil Hrvatin presented the report.

CONVENTION RESOLUTIONS COMMITTEE PRE-CONVENTION CONFERENCE CALL #1
JULY 16, 2018 at 8PM-9:30PM CST

Roll call was taken by Vicki Drinka and all were present except for Joanne Ohmes.

KSKJ Chairman Rudy Krasovec first gave a welcome and thanked everyone for serving on the KSKJ Resolutions Committee.

After initial review of draft resolutions based upon the previous convention, all resolutions were agreed to be approved with the exception of board stipends pending further discussion.

After the Chair Phil Hrvatin and Vice Chair Dan Mihelich left the teleconference, Vicki Drinka opened the discussion concerning increasing the annual stipends for the Chair of the Board, Vice Chair of the Board and other Board Members. Based upon the information that we have been given, KSKJ Life is at the lower end of board compensation. KSKJ Life only has part time board members and other organizations have full time employees.

KSKJ Life board members currently physically meet on a quarterly basis, and they also conduct phone calls/electronic meetings as needed. They are reimbursed \$500 per meeting. They are also reimbursed for travel expenses.

Over the years, there have been changes with regard to state regulations, liabilities, the need for continuing financial education to keep board members up to date with current regulatory requirements. We need to continue to attract qualified candidates who have the abilities along with the desire to serve the organization.

Ensuing discussions included the following:

- The task of determining the stipend/compensation increase for the Board.
- Percent values as related to the average wage earners raises.
- Time invested in continuing education and personal time off for Board duties.
- The comparison tables as presented in the telephone conference materials
 - Structure and similarity of other fraternal organizations to ours

Vicki suggested an increase to the low end of the recommended compensation figures of \$24K to \$30K(Chair), \$15Kto \$20K(Vice Chair), \$10K to \$15K(Board Members).

Another suggestion would be a tier with cap, such as \$1K for each year-would keep board members motivated. Joe made a suggestion with everyone getting a 40% stipend increase.

Angie did a calculation with a \$30K per year, at \$150 per hour, it averages to about 4 hours per week that the Chair of the Board would be working. We know that the members work more than that with KSKJ issues.

As discussions continued, most committee members agree with the \$30K-\$20K-\$15K increases. Discussion how to present it at the convention as to how we came up with this amount and the reasoning.

Due to the length of this teleconference, it was suggested that another phone meeting should take place next week, at an earlier time. Vicki Drinka with coordinate with April for next Tuesday, July 24, 2018 at 7pm CST.

These resolutions, if approved at the convention will go into effect on October 1, 2018 when the new board will be in place.

Respectfully submitted,
Victoria Drinka, Lodge #53 and Victoria Hammergren, Lodge #79

CONVENTION RESOLUTIONS COMMITTEE PRE-CONVENTION CONFERENCE CALL #2 JULY 24, 2018 at 7PM-7:45PM CST

Roll call was taken by Vicki Drinka and all were present except Jodi Wartenberg, Renee Zakavec and Catherine Clack at the start of the meeting.

This 2nd teleconference meeting was to recap and discuss increasing the annual stipend for the Chair of the Board, the Vice Chair of the Board and other board members. It was felt that the stipends needed to be increased to better compensate all members of the board for the work that they do for KSKJ as well as attract more qualified candidates if positions become available. There are possibly 1-2 openings on the board and some board members will be aging out.

Vicki Drinka shared the conversation she had with the President of the financial institution where she works. She outlined the structure and purpose of the KSKJ organization; from his perspective with the basic info provided, he did not feel that the proposed increases were outlandish.

Vicki also spoke with April Sleyko who confirmed that KSKJ does provide a blanket insurance policy for their officers and board members, but board members are given the recommendation and are encouraged to purchase additional insurance coverage on their own.

Brigid Farone felt that the 3 committee members who had family on the board should not have been chosen for this committee. These are Connie Menart, Nancy Lokar, and Renee Zakavac. Joe Jagunich felt that these 3 committee members should abstain from voting on the stipend issue tonight or at the convention. They were not; however, to be excluded from any related discussions. This was agreed on by the remaining committee members.

The 11 remaining committee members voted in favor of the increase of stipends for \$30K for the Chair of the Board; \$20K for the Vice Chair of the Board; and \$15K for the members at large on the Board. Some topics that were brought up to be discussed at the convention at our committee meeting:

- Board members to submit resumes as to their qualifications
- Immediate family members (of current board members who are up for re-election along with board candidates running for election) acting as delegates on the resolutions committee violates the ethical issue of conflict of interest. Explore recommendation to the Convention Committee to avoid assignment of delegates that would fall in this category.
- Or, could family members be delegates on this committee if they do not reside in the same household and board stipends have no direct impact to the delegate
- Explore the possibility of gradual increases in merit based stipends instead of a significant increase every 4 years at the convention

- How to advertise open positions on the board if there are no qualified candidates already within KSKJ
- More information/clarification needed about the language in Acquisitions and Mergers section of the proposed resolution

With no further business to discuss, the meeting was adjourned at 7:45PM.

Respectfully submitted,
Victoria Drinka, Lodge #53 and Victoria Hammergren, Lodge #79

CONVENTION RESOLUTIONS COMMITTEE REPORT TO THE CONVENTION

This committee was tasked with determining and approving a proposed annual stipend increase for the KSKJ Life Board of Directors.

We have heard of the significant achievements of our organization under the governance and guidance of our past and current boards. We recognize that in this ever-changing landscape of regulatory requirements, the expectations of current and future board members have increased with regard to their responsibilities and obligations in order to be in compliance with the State of Illinois and the National Association of Insurance Commissioners. Board members are expected to participate in continuing education and achieve specific levels of certification in regulatory compliance. In addition, we recognize that board members incur additional personal expenses and personal liability in their roles on the board.

We recognize the commitment and loyalty of the Board to ensure the success of KSKJ Life. To that end, the committee recommends the following annual stipends:

Member At Large:	\$15,000.00
Committee Chair:	20,000.00
Vice Chair:	25,000.00
Chairman:	35,000.00

These recommendations come after further consideration of discussions held with Stuart Buchanan with regard to comparable fraternal board compensations. These proposed stipends also serve to attract qualified candidates in our future.

It is to be noted that our committee consisted of 17 members. The vote went as follows: 9 in favor; 2 against; 6 abstain. Those who abstained were immediate family members of current board members.

To that end, because the potential of board raises is recommended and voted on by this committee, it is our proposed recommendation that future Resolutions committee delegates cannot be an immediate relative of current board members or of those running for election. The sole purpose is to avoid the ethical dilemma of conflict of interest.

(The definition of immediate family can be found in our bylaws.)

Respectfully submitted,
Victoria Drinka, 2018 National Convention Delegate/Resolutions Committee Member

Motion was made and seconded to approve the Resolutions Committee Report. Motion passed.

RESOLUTIONS

I. APPRECIATION:

RESOLVED:

THAT, we, the National Convention, would like to commend the Board of Directors and the Home Office Staff for an excellent job in organizing this Convention.

Motion was made and seconded to approve the Appreciation resolution. Motion passed.

II. LODGE GROWTH, LEADERSHIP AND SERVICE:

RESOLVED:

THAT, each lodge should create and continue to use the KSKJ Life programs and assist KSKJ Life sales representatives to promote lodge membership growth.

AND, THAT, this National Convention goes on record to thank all lodge officers and volunteers for their service to KSKJ Life and their lodges.

AND, THAT, KSKJ Life be acknowledged for increasing the membership totals in thirty-three out of thirty-five lodges over the past four years.

Motion was made and seconded to approve the Lodge Growth, Leadership and Service resolution. Motion passed.

III. BOARD FEES:

WHEREAS, members of the KSKJ Life Board of Directors have a tremendous fiduciary responsibility in providing competent leadership and governance to KSKJ Life, American Slovenian Catholic Union;

AND, WHEREAS, KSKJ Life Board members have personal legal and financial liability because of their position;

AND, WHEREAS, due to the high complexity in strategically supervising our financial operations, fraternal programs, and marketing initiatives;

AND, WHEREAS, a high level of experience and education is required to perform duties on the Board;

AND, WHEREAS, State and Federal regulators require competent business people to serve on the Board and to annually continue their education;

AND, WHEREAS, the volume of work has increased substantially to fulfill their responsibilities and requirements by State and Federal regulators;

AND, WHEREAS, KSKJ Life assets have grown since the last Convention from \$369 million at the end of 2013 to \$506 million at the end of 2017, which is an increase of 37%;

AND, WHEREAS, current Board fees are substantially lower than other fraternal organizations similar in size;

AND, WHEREAS, state auditors have commented that low KSKJ Life Board fees will not attract qualified candidates.

RESOLVED:

THAT, this convention body approve the following annual fees for the KSKJ Life Board of Directors:

Position	Proposed Annual Stipend
Chair of the Board	\$35k Annually
Vice Chair of the Board	\$25k Annually
Committee Chair	\$20k Annually
Other Board Members	\$15k Annually

Motion was made and seconded to approve the Board fees resolution. Motion passed.

The following delegates and directors abstained from the vote:

- Connie Menart-board member wife
- Eileen Krasovec-Perez-board member sister
- Jenny Menart-board member wife
- Renee Zakovec-board member daughter
- Ken Mihelich-board member brother
- Nancy Lokar-board member wife
- Joanne Ohmes-board member sister
- MaryLou Stefanick – board member elect
- Julie Schneller-board member
- Bob Lokar-board member
- Tony Menart-board member
- Dan Mihelich-board member
- Phil Hrvatin-board member
- Dan Golob-board member
- Mike Vidmar-board member
- Tony Mravle-CEO

IV.MERGERS & ACQUISITIONS:

RESOLVED:

The KSKJ Life, American Slovenian Catholic Union, recognizes that its aims and objectives in promoting the interest of the fraternal benefit system coincide with those other fraternal benefit societies, and

THAT, our society recognizes that many fraternal benefit societies have recently banded together and merged their operations for their mutual benefit,

AND, THAT, our society also recognizes that the combined strength of many is greater than the individual strength of one,

AND, THAT, KSKJ Life offers the fraternal hand of welcome to our fellow fraternal societies who desire to band together, and the KSKJ Life Board is hereby empowered to extend an invitation to any and all other fraternal societies having similar principles to join with the KSKJ Life, within the scope of our bylaws.

The KSKJ Life Board is further empowered to negotiate all matters, which would result in the merger of such fraternal benefit societies with the KSKJ Life, American Slovenian Catholic Union.

Motion was made and seconded to approve the Mergers & Acquisitions resolution. Motion passed.

V. AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BYLAWS:

RESOLVED:

THAT, all of the amendments made to the Articles of Incorporation and the Bylaws by this Convention are to be effective per the dates listed in the updated Bylaws in accordance with Illinois Department of Insurance regulation.

Power and authority is hereby conferred upon the current Bylaw Select Committee consisting of the Chair of the Board, Chief Executive Officer and Chair of the Bylaw Committee to amend, edit or correct the amendments to the Articles of Incorporation and the Bylaws adopted by the Convention to conform with any statutory changes, insurance changes, insurance department rulings and/or judicial decisions.

Motion was made and seconded to approve the Amendments to the Articles of Incorporation and Bylaws resolution. Motion passed.

Plaques were presented to the former Fraternal Board members and retiring National Board members: MaryLou Stefanick, Fraternal Board Chair and National Athletic Director; Andrea Ostrowski, National Activities Director; Ashley Mikulan, Region 1 Director; Joseph Hocevar, Region 2 Director; Gregory Snyder, Region 3 Director; Theresa Krampac, Region 4&5 Director; Pat Slapnick, Fraternal Board Vice Chair and Region 6 Director; Sharon Bucar, Region 7 Director; and Mike Vidmar, Chair of the Finance Committee on the National Board.

Chair Krasovec read a plaque that will be presented to former CEO Anthony Mravle Sr in honor of his long years of successful service and leadership to KSKJ Life.

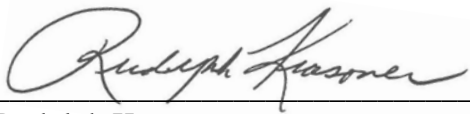
The golden gavel was returned to Lodge #50.

A motion was made and seconded to authorize the Chair of the Board, Convention Secretary and CEO, to approve the minutes and to edit and revise same if necessary. Motion passed.

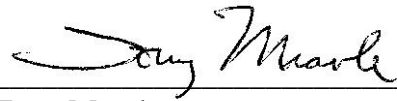
A motion was made, seconded and carried to adjourn the convention. All committee members, interns and delegates were then dismissed by Chairman Krasovec.

Closing remarks were made by Chairman Krasovec, after which he declared the convention adjourned at 10:45AM. on Saturday, August 11, 2018.

Fr. Gielow closed the session with a prayer.



Rudolph Krasovec
National Chair



Tony Mravle
Convention Secretary