

Dream big. Plan smart.®

2025 ANNUAL REPORT



UNITED HERITAGE MUTUAL HOLDING COMPANY
UNITED HERITAGE FINANCIAL GROUP
UNITED HERITAGE LIFE INSURANCE COMPANY

PRESIDENT'S MESSAGE

A Trusted Partner in an Uncertain World



TODD H. GILL
PRESIDENT & CEO

Dear Stakeholders – The pace of change in our business, our industry, our economy, and our world requires vigilance and focus. Our team has displayed incredible resilience and adaptability navigating such challenges while delivering exceptional customer experience. While political and economic uncertainty as well as world conflict remain, our promise as a trusted partner is unchanged. We are pleased to provide \$99.5 million in insurance benefits to our policyholders.

As a mutual holding company, we must strategically address risks across our companies and manage capital resources for their financial strength. We continue to deploy new technology to support the growth of our life and voluntary benefits products. Our new investment management company, AlphaEdge, had a successful year in adding new private investments and increasing revenue. For the Property & Casualty business, we communicated last year our intent to exit that business during 2025 due to the unsustainable cost of reinsurance, claims inflation, and capital requirements. Significant milestones were achieved as no policies remain in force in those P&C businesses and very few claims remain open. We are proud of the P&C team for taking care of policyholders throughout the exit of our P&C business and appreciate the opportunity to have served them for many years.

As we move forward, we are focused on the growth and financial strength of our life, group voluntary benefits, and investment management businesses. And we continue to invest in new technology so that our companies can be more efficient, effective, and serve our customers better. These companies have exciting opportunities ahead and we appreciate the partnership we have with you, our dedicated agents, brokers, and policyholders.

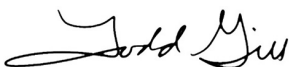
Structure: United Heritage Mutual Holding Company (UHMHC), our holding company parent, owns an intermediary holding company, United Heritage Financial Group (UHFG), which owns the stock of two active companies: United Heritage Life Insurance Company (UHLIC), and AlphaEdge Investment Management, Inc (AE). United Heritage Property & Casualty Company (UHPC) and Sublimity Insurance Company (SIC) are discontinued operations in runoff.

Financial: Our life business reported improved mortality in life products, higher investment income, and record group profit that increased net income over 2024 results. The interest rate environment continues to drive compression in our margin for interest sensitive annuity and preneed products. Net income increased to \$4.1 million; surplus grew to a record \$84.5 million; and assets grew by \$106 million to a record \$843 million.

As our investment management company, AlphaEdge manages all \$889 million in assets for our enterprise, achieving industry leading investment returns. AE also manages its own direct investments in asset-backed, private deals with higher investment yields. AE reported \$365,000 of net income.

For the P&C companies there was no premium revenue, and accordingly the 2025 exit cost of \$7.7 million was absorbed by the assets and surplus of the P&C companies. Both companies have very small footprints remaining as next steps are taken in the runoff and exit of this business.

Summary: We continue to transform our mutual enterprise, to focus on the evolving changes in our industry and the needs of our customers. As a mutual, our focus is not on the next quarter but on the next generation. We are thankful to have an incredible team of dedicated professionals focused on serving our life, group, and investment customers and providing the peace of mind they deserve. Thank you for trusting us with your financial security.



Todd H. Gill
President & CEO

Rooted in Our Commitment

Our Corporate Social Responsibility (CSR) is rooted in our commitment to ethical business practices, employee development, and community engagement. Our approach is guided by our Core Beliefs.

Our Core Beliefs shape our organization, influence our business practices, and define our relationships with our employees, policyholders, agents, and the community.

We recognize the importance of investing in people, fostering inclusiveness, and promoting fair employment practices.

OUR CORE BELIEFS

WE CARE • RELATIONSHIPS MATTER • OWN IT
DO THE RIGHT THING • BELIEVE IT'S POSSIBLE

OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

ENVIRONMENTAL



We Care about the future and are dedicated to responsible resource management and long-term environmental stewardship.

ECONOMIC



We know that Relationships Matter and we have a responsibility to remain financially strong and fiscally responsible to uphold our promise to our policyholders.

ETHICAL



We hold everyone at United Heritage accountable to Do the Right Thing and Own It.

PHILANTHROPY



Our sponsorships and charitable contributions support growth, skills development, education, and the overall betterment of the communities we serve because we Believe It's Possible to create lasting, positive change.



2025 HIGHLIGHTS

Some key examples of our 2025 Philanthropic Commitments to youth in our community:

FOSTER CHILDREN

- ♥ United Heritage employees made **blankets** and donated them for local distribution
- ♥ A sponsorship supporting **Freedom Youth Foundation**, an organization that supports foster youth with support for strong futures

PUBLIC SCHOOL CHILDREN IN OUR COMMUNITY

- ♥ Employees contributed to fully stocked **backpacks** for kids returning to school
- ♥ United Heritage sponsored **Boys & Girls Club** and Caldwell **YMCA** to support afterschool programs that create future leaders, graduates, and change-makers

EARLY CHILDHOOD

- ♥ United Heritage sponsored **Giraffe Laugh**, a nonprofit ensuring school readiness and empowerment for young children impacted by generational poverty
- ♥ United Heritage hosted our inaugural annual **Bring Your Kids to Work Day**, where youth were engaged to learn about various roles at United Heritage to enrich their understanding of themselves and their values for future employer alignment



BOARD OF DIRECTORS



STEVEN D. HAUSCHILD

CHAIRMAN OF THE BOARD | SPOKANE, WA

Mr. Hauschild has been in banking since 1980 and has served in various senior positions including chief credit officer, chief approval officer, and senior portfolio manager. He holds a BBA from Gonzaga University and a MBA from Washington State University. He joined the board of United Heritage Life in 2000 and has been a Director of the holding company since it was formed in 2001.



DIANE L. POLSCER, JD

VICE CHAIR OF THE BOARD | PORTLAND, OR

Ms. Polscer is the managing partner of the law firm Gordon & Polscer, LLC in Portland, Oregon. Ms. Polscer has experience in complex commercial litigation including business and insurance disputes and appeals. She serves on many law-related and community Boards and committees, has been named an “Oregon Super Lawyer” and listed as one of the Best Lawyers in American Insurance Law. She has a BA from Pennsylvania State University and a JD from the University of Oregon. She joined the Board of Directors in 2013.



TODD H. GILL, CPA, FLMI

PRESIDENT & CEO | MERIDIAN, ID

Mr. Gill has served as President & CEO of United Heritage since 2021. He has been a CPA for 30 years, starting with Deloitte in 1992 before joining United Heritage in 2004 as the CFO and then promoted to COO in 2018. He holds BA degrees in Business Administration and Accounting from Northwest Nazarene College (now University). He serves on the Board of the ACLI Forum 500, the Boise Metro Chamber of Commerce, Cole Valley Christian Schools, Rockharbor Church, and other local civic boards previously.



JEFF C. KINNEVEAUK

DIRECTOR | SCOTTSDALE, AZ

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



JOHN W. HOLLERAN

DIRECTOR | BOISE, ID

Mr. Holleran retired as Executive Vice President and Chief Operating Officer of Itron Inc. He was first named Senior Vice President, General Counsel, and Corporate Secretary for Itron in 2007. Prior to Itron, he served as Executive Vice President, General Counsel, and Chief Administrative Officer for Boise Cascade Corporation and Boise Cascade, LLC. He has a BA and a JD from Gonzaga University, and attended the Stanford Executive Program. He joined the Board of Directors in 2016.



MICHAEL M. BREM

DIRECTOR | TURLOCK, CA

Mr. Brem has worked in the agriculture industry for over 40 years and retired as President of SupHerb Farms, a grower, processor and marketer of culinary herbs, and specialty products. He remains active in the agricultural industry and in his community, serving on the Board of Directors of the Sierra Cascade Nurseries. Mr. Brem has a BS in Farm Management from California Polytechnic State University. He joined the Board of Directors in 2014.

BOARD OF DIRECTORS (CONTINUED)



MICHAEL M. MOONEY

DIRECTOR | BOISE, ID

Mr. Mooney retired following a 42-year banking career, having served as President of the Bank of the Cascades, Idaho Region, President for KeyBank of Idaho, and President and CEO of Farmers & Merchants State Bank. He currently serves on various corporate Boards throughout the Treasure Valley and has previously been an advisory member on several local non-profit Boards. He has a BS in Finance from Utah State University and an MBA from Idaho State University. He joined the Board in 2016.



MICHELLE E. HEGE

DIRECTOR | SPOKANE, WA

Ms. Hege currently serves as the President & CEO for Desautel Hege, a communications firm in Spokane, Washington. Ms. Hege has 25 years of experience in advertising, public relations, and branding. She received her Bachelor of Arts in English Literature and Politics from Whitman College and later graduated from Eastern Washington University with a Master of Science in Communications. She joined the Board of Directors in 2022.



ZACHARY D. TUDOR

DIRECTOR | AMMON, ID

Mr. Tudor is the Associate Laboratory Director of Idaho National Laboratory's National and Homeland Security Science and Technology Directorate. A retired US Navy submarine electronics officer, he serves as Chair of the Commonwealth Cyber Technical advisory board (Virginia) and served on the Boards of (ISC)2 and the Institute for Information Infrastructure Protection at George Washington University. Mr. Tudor holds an MS in Information Systems from George Mason University. He joined the Board of Directors in 2023.



OUR PURPOSE

.....

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

OUR PROMISE

.....

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

CORE BELIEFS

.....

We Care.

Relationships Matter.

Do The Right Thing.

Believe It's Possible.

Own It.



2025 Financials

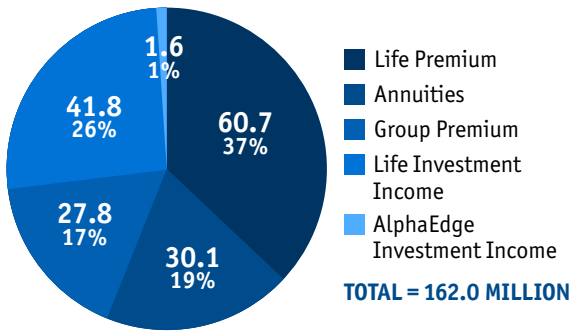
United Heritage Financial Group (UHFG) is the intermediate holding company in our enterprise. It provides three vital functions: capital management and allocation, administrative coordination, and shared services including Information Technology, Human Resources, and Legal. Centralizing these functions at the holding company allows the operating companies to strategically focus resources on their core insurance and investment operations.

In 2025, the United Heritage Financial Group of active companies includes our life company (UHLIC), investment management company (AlphaEdge), and the parent (UHFG). UHLIC products are sold to and held by our mutual members and UHLIC represents over 90% of enterprise operations. UHLIC's summary financial data is included on the next page. UHFG and AlphaEdge financial results are not shown separately in this report but are included in the combined financial information on page 10. These three combined companies had total revenues of \$162 million, total assets of \$889 million, total surplus of \$101 million, and total net income of \$7.5 million.



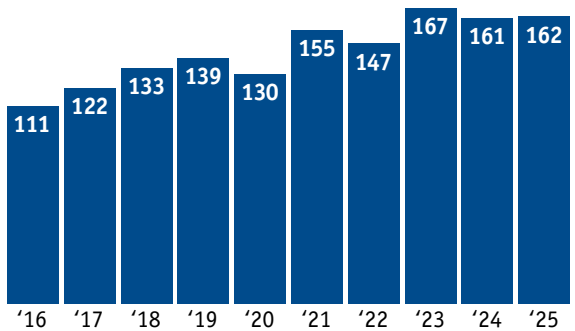
PREMIUMS & INVESTMENTS

(\$ MILLIONS)



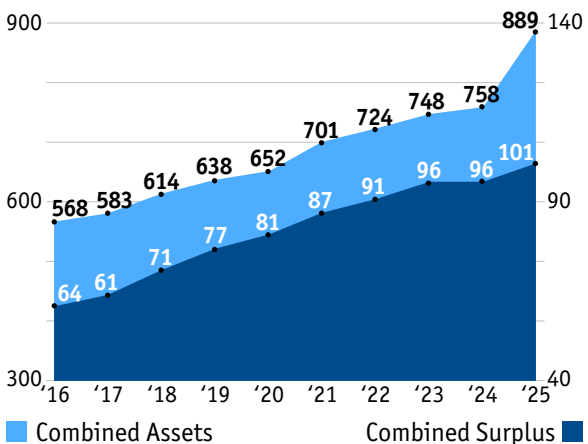
TOTAL REVENUES

(\$ MILLIONS)



TOTAL BALANCE SHEET STRENGTH

(\$ MILLIONS)



Year in Review



TODD H. GILL
PRESIDENT & CEO

Every day our customers rely on United Heritage Life Insurance Company (UHLIC) to protect their income, prepare for retirement, and plan their financial security. We take that promise to heart in every interaction and every policy. Navigating a world defined by uncertainty guides our purpose in delivering \$87.8 million in benefits in 2025, providing peace of mind to our customers.

With \$117 million in premiums, total revenue for UHLIC increased 1.1% to \$160.5 million. We offer quality life insurance products in the funeral planning space, fixed annuity products, and group voluntary benefits offering employee protection for life, disability, critical illness, and vision coverage. We are pleased to have achieved milestones in our new PAS (Policy Administration System) software implementation, with our first product in 2025 and next waves for 2026 and 2027.

As the hyper-inflationary period from 2020 to 2022 returned to normal levels in 2025, negative pressure persists on margins in interest sensitive products (annuities and preneed). Although investment yields improved in 2025, crediting interest and growth rates remained higher which decreased their profit margins. Our group voluntary benefits continued their growth and improved profitability. With improved mortality, all these factors combined for \$4.1 million of net income, an increase of 13.2%. And we are pleased with record assets of \$843 million and record surplus of \$84.5 million which support UHLIC's A- financial strength rating with both AM Best and KBRA.

We are thankful for the partnership and support from our stakeholders.



Premium & Annuities 117,357,550

Net Income 4,066,772

Assets 843,046,208

Liabilities 758,590,574

Capital & Surplus 84,455,634

BOARD OF DIRECTORS

Steven D. Hauschild
Chairman of the Board

Diane L. Polsker
Vice Chair of the Board

Todd H. Gill
President & CEO

Jeff C. Kinneeveauk
John W. Holleran
Michael M. Brem
Michael M. Mooney
Michelle E. Hege
Zachary D. Tudor

MARKETING OFFICERS

R. Shane Nelson
SVP & CMO

Christopher D. Cawthra
VP, Group

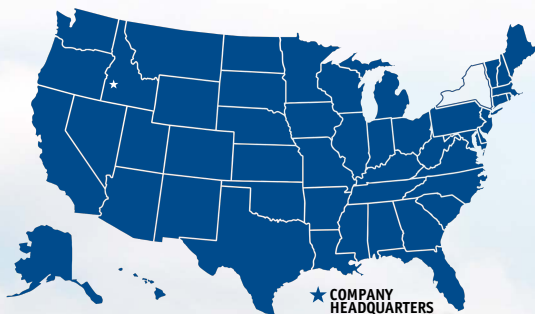
REGIONAL DIRECTORS

Robert A. Hanson
Elk River, MN

Calvin C. Mickelson
Grove, OK

Robert H. Goff
Spokane Valley, WA

LICENSED STATES



A Tradition of Protection Since 1934



United Heritage traces its roots back to 1934, when it was founded as Grange Mutual Life Company. In the midst of the Great Depression, Rev. W. W. Deal, then the Master of the Idaho State Grange, saw families struggling after the loss of a breadwinner.

Moved by compassion and a sense of duty, he set out to build an insurance company owned by its policyholders, designed to protect everyday people from financial hardship.

What started with just a handful of policyholders in the 1930s steadily grew into a company serving hundreds of thousands across the decades. In the 1990s, the organization adopted the name we know today: United Heritage Life Insurance Company. What hasn't changed is our mutual structure and our commitment to the people we serve.

United Heritage continues to stay true to its original mission—helping individuals and families achieve financial security and peace of mind through reliable, quality insurance products.



**GRANGE
MUTUAL
LIFE
COMPANY**

1960s



**GRANGE
MUTUAL
LIFE COMPANY**

1970s / 1980s



UNITED HERITAGE
Mutual Life Insurance Company

1990s



**UNITED
HERITAGE**
Life Insurance Company

2000s



**UNITED
HERITAGE**
Insurance

Present

Annual Member Meeting Notice

The annual meeting of the members of United Heritage Mutual Holding Company will be held on May 18, 2026 (the third Monday in May) at the United Heritage Home Office, 707 E. United Heritage Court, Meridian, Idaho, at 10:00 a.m. local time.

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

2026 ANNUAL MEETING AGENDA

President & CEO Opening Remarks

Todd H. Gill

Chairman of the Board of Directors

Steven D. Hauschild

Approval of the Minutes of the 2024 Annual Meeting

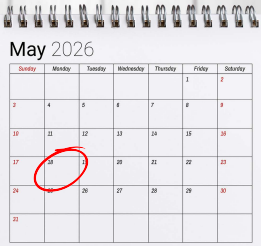
Election of Directors

Standing for re-election for a 4 year term:

- Michael M. Brem
- Michelle E. Hege
- Zachary D. Tudor

President & CEO Closing Remarks

Todd H. Gill



Dear Policyholder,

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

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

Are there any other types of services you need?

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

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

SECONDARY LAPSE NOTICE DESIGNEE

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

WWW.UNITEDHERITAGE.COM



UNITED HERITAGE LIFE INSURANCE COMPANY

P.O. Box 7777, Meridian, ID 83680 | (800) 657-6351



For the latest rating, access www.krollbondratings.com

A- Excellent is the fourth of 13 ratings assigned by AM Best for financial strength. For the latest rating, access www.ambest.com.