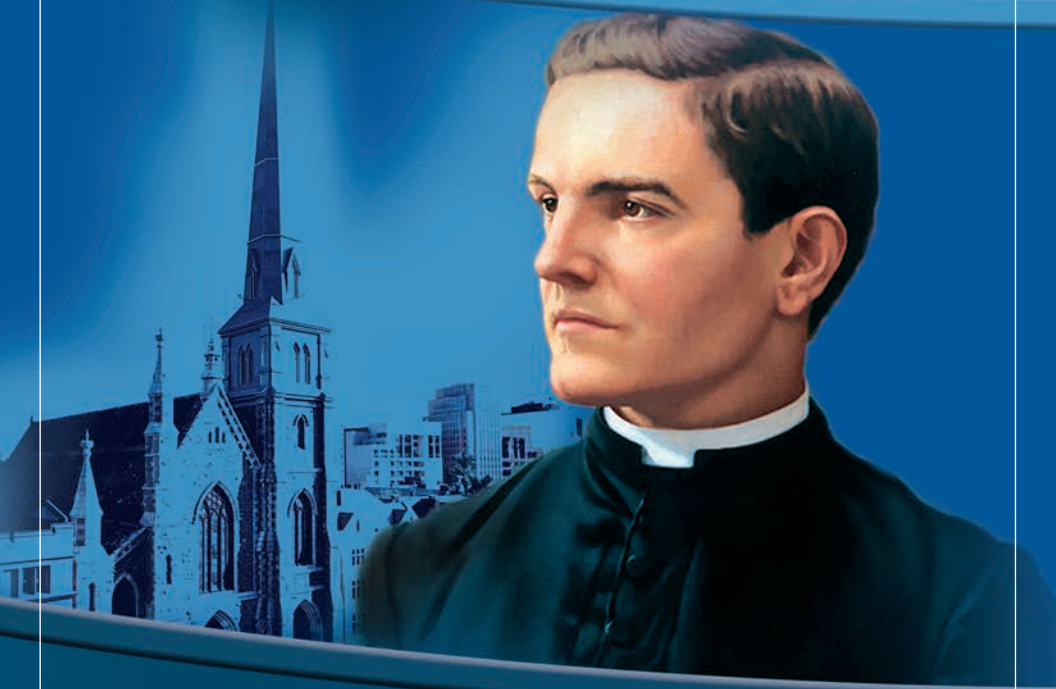




KNIGHTS OF COLUMBUS

COLUMBIA

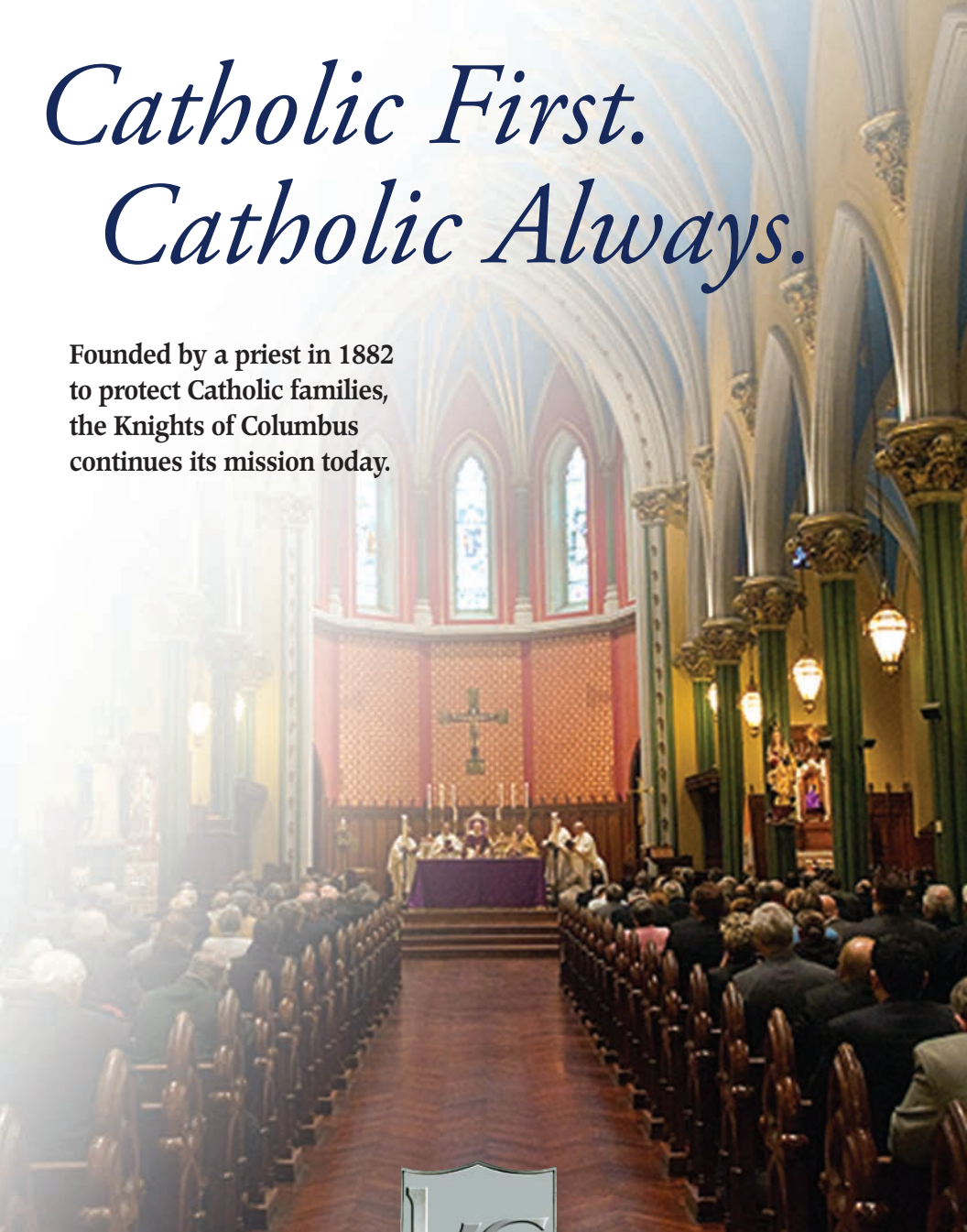


THE ORIGINS OF K OF C INSURANCE

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Venerable Michael McGivney's founding vision*

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THE ORIGINS OF K OF C INSURANCE

*Insuring Catholic families was at the heart of
Venerable Michael McGivney's founding vision*

by Kevin Coyne

Near the end of his first year at a Jesuit seminary in Montreal, as final exams were approaching in June 1873, Michael J. McGivney received sad and unexpected news from his family in Connecticut: His father had died at the age of 48. Michael was the eldest child, and he left for home without taking his exams, uncertain about whether his father's death would mean the end of his own dream of becoming a priest.

His father, Patrick, was a molder in a brass factory in Waterbury, an Irish immigrant who still had a wife and six other children living at home on Railroad Hill Street, and who left them what most workingmen of his station in that era left their families when they died too soon — very little. In his absence, the McGivney family would have to survive on faith, charity and the labor of the older children. The kind of insurance that might have eased this burden was mostly the province of families of more means than theirs.

Michael's year at the seminary had cost his family \$300. Where would they find \$300 more for another year? Would he have to go back to his old job making spoons at a Waterbury factory?

He was lucky. The bishop of Hartford heard of his plight and decided that a promising young man with such a deep vocation should be in a seminary, not a tableware factory. By September, Michael J. McGivney was studying for the priesthood again, at a seminary in Maryland, the providential beneficiary of the bishop's generosity.

CATHOLIC BENEFITS

After he was ordained, Father McGivney was assigned as a curate to St. Mary's parish in New Haven in 1878. It soon became clear that he was not the kind of priest who believed that his ministry ended with the Mass. He walked fast but spoke slowly, with perfect diction and the authority of faith, in a voice so clear and pleasant that an old blind man, not even Catholic himself, came to Mass each Sunday just to hear it.

In his first three years at St. Mary's, Father McGivney earned the respect of the "energetic, pushing, go-ahead young men" of the city. Soon he was energetically pushing the big idea he had for a new kind of organization that would offer Catholic men some things they couldn't get elsewhere.

Fraternal lodges and secret societies abounded in America after the Civil War, and their rituals replaced religion for many men. Father McGivney disapproved of these groups, especially those that appealed to the immigrant Catholics in his parish, but he recognized within them a genuine yearning for solidarity in the face of a world whose harshness he had felt in his own life when he lost his father.

His family, like so many others, could have used the benevolent aid some of these groups offered their members in times of sickness or death. Not everyone could count on a bishop's largesse, but maybe a new group, allied with the Church, could help Catholic men count on each other.

On an October Sunday in 1881, Father McGivney asked the other Catholic priests in New Haven to make the same announcement from their pulpits at Mass that he did at his — inviting the city's young Catholic men to a special meeting at 4 p.m. in the basement of St. Mary's to discuss the new group he hoped to organize.

Among the 80 men who attended that meeting were the former principals of a benevolent society called the Red Knights, which took its name from the red blankets most of them carried in their knapsacks as members of the Irish-Catholic militia unit they had established upon their return from the Civil War. "The advancement and mutual improvement of the young men of our race" was their stated goal, and they tried "to extend a helping hand to needy Brothers, and to assist them in the time of sickness and death." The clerk of the Probate Court in New Haven was a member, and he saw firsthand how "few of our people left any estates to be probated, however small." The death benefit the Red Knights offered was itself small, though, and the group had disbanded a year before they went to Father McGivney's meeting.

Father McGivney believed that the Red Knights had the right idea, yet the group he envisioned would embrace the Church, not stand apart from it, and offer a more substantial death benefit. A chairman and secretary were elected and a committee of 10, dominated by former Red Knights, was appointed to establish a constitution and bylaws for a group that soon took the name of Knights of Columbus. The Connecticut Assembly recognized the new group with an official charter in March 1882, and the first members were initiated at St. Mary's a few days later. Attendance at meetings was spotty at first, with membership hovering near 30 through the spring. They planned to pay a \$5 weekly benefit to members kept from work by illness and a \$1,000 benefit to the families of members who died, but first they needed to enroll 1,000 men.



'SLOWLY, BUT SURELY'

Father McGivney sent a letter to all the parishes in the diocese, introducing them to his



Knights of Columbus employees are pictured filing insurance applications in New Haven, Conn., in 1953.

idea. "By permission of our Rt. Rev. Bishop, and in accordance with an Act of the Legislature of the State of Connecticut, we have formed an organization under the name of the Knights of Columbus," he wrote. "Our primary object is to prevent people from entering *Secret Societies*, by offering the same, if not better, advantages to our members. Secondly, to unite the men of our Faith throughout the diocese of Hartford, that we may thereby gain strength *to aid* each other in time of sickness; to *provide* for decent burial, and to render pecuniary assistance to the families of deceased members." He asked pastors to "exert your influence in the formation of a council in your parish."

Leaving the fraternal rituals to others, Father McGivney focused on the insurance component of the Order's mission. "We are advancing slowly, but surely," he wrote in the summer of 1883. "'Unity and Charity' is our motto. Unity in order to gain strength to be charitable to each other in benevolence whilst we live and in bestowing financial aid to those whom we leave to mourn our loss."

By 1885, new councils were forming at the rate of two a month. On March 1, 1885, a 30-year-old clerk from Hartford, Dennis J. O'Brien, the recording secretary of Green Cross Council 11, died of pneumonia — the Order's first death. His family received \$963, and 500 Knights marched behind his hearse wearing mourning badges. On April 6, Dennis Devine, 35, of Genoa Council 9 in Meriden, Conn., died of tuberculosis, and two others died the following month — Michael Curran (age 40, San Salvador

A 2003 painting by Italian artist Antonella Cappuccio depicts Venerable Michael J. McGivney, founder of the Knights of Columbus. In the background are 19th-century immigrants accompanied by K of C insurance agents outside St. Mary's Church in New Haven, Conn.







Supreme Knight John W. McDevitt (left) is joined by (front, from left) Connecticut State Insurance Commissioner William Cotter, Bishop John Hackette of Hartford and New Haven Mayor Richard Lee during the groundbreaking ceremonies for the Knights of Columbus headquarters in New Haven May 2, 1967.



Council 1, inflammation of the brain) and James Creed (age 36, Washington Council 4, carbuncle infection). Their families — like the families of the nine other Knights who died throughout the rest of the year of typhoid fever, cerebral meningitis, smallpox, erysipelas, Bright's disease and other afflictions that claimed men as young as their 20s and no older than their 40s — received the full \$1,000 insurance benefit, keeping the promise upon which Father McGivney had built the Order.

Father McGivney died young, too — of pneumonia, two days after his 38th birthday in 1890. His survivors included 6,000 Knights, members of the Order that had started with those few earnest young men on a winter night in the basement of St. Mary's. He was one of 66 Knights to die that year, and his beneficiaries were thus entitled to the \$1,000 death benefit that he believed was so essential to families diminished by early death. His benefit went to Annie and Maggie McGivney, his sisters.

By the time the Order celebrated its 75th anniversary in 1957, it counted 1 million members, with \$690 million of insurance in force. (By 1960, it reached \$1 billion of insurance.)

“What are you trying to do, make an insurance organization out of the Knights of Columbus?” Supreme Knight Luke Hart wrote in his report to the Supreme Council that year, posing a rhetorical question. “Of course,” he continued. “Father McGivney made an insurance organization out of it. That was its primal purpose and it has never been otherwise.” ♦

KEVIN COYNE is an award-winning author currently working on a history of the Knights of Columbus. He lives in Freehold, N.J., with his family.

MILESTONES OF KNIGHTS OF COLUMBUS INSURANCE

- 1882** Father Michael J. McGivney's name is the first one listed in the insurance ledger, and he becomes the first insured member of the Order. The original insurance program was based on an assessment system. When a member died, the others were sent an assessment to pay based on three grades of payment.
- 1892** The Order establishes a Reserve Fund to guarantee financial solvency during epidemics.
- 1898** A K of C committee on insurance rates is established, which results in the Knights' first use of an actuary, David Parks Fackler.
- 1902** Sweeping reforms are made to the insurance program, including the implementation of a step-rate plan.
- 1940** An agency system is begun and five new insurance plans are adopted.
- 1944** The Order establishes the Juvenile Insurance Program for the sons of members.
- 1945** The first cash dividend is paid to policyholders.
- 1958** To further assist members and their families, the Order introduces spousal insurance products and coverage for members' daughters.
- 1960** The Order reaches \$1 billion of insurance in force, and assets surpass \$170 million.
- 1970** The Order opens a new 23-story home office building in New Haven, Conn.
- 1975** A.M. Best bestows its highest approval rating on the Knights for the first time.
- 1977** Flexible retirement annuities are introduced to members.
- 1980** Total life insurance premiums surpass \$1 billion.
- 1982** The New Member Plan is introduced to encourage greater member participation in the Order's insurance program.
- 1985** Insurance in force reaches \$10 billion as assets pass \$1.7 billion.
- 1987** Certificates in force exceed one million.
- 1989** The Order distributes more than \$100 million in life dividends.
- 1992** Insurance in force passes the \$20 billion mark. The Order receives its first AAA rating from Standard & Poor's.

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- 1994** Family Fraternal Benefit, Orphan Fraternal Benefit and Member/Spouse Fraternal Benefit programs are approved at the 112th Supreme Convention.
- 1996** After issuing more than \$4 billion of insurance in a single year, the Order reaches \$30 billion of total insurance in force.
- 1998** The Order distributes more than \$200 million in life dividends.
- 1999** The Insurance Marketplace Standards Association (IMSA) certifies the Order's insurance program for its ethical business practices.
- 2000** The Order offers "Knights of Columbus Care," a long-term care insurance plan for members and their spouses. Insurance in force exceeds \$40 billion and assets top \$8.5 billion.
- 2002** Out of more than 1,200 insurance providers in North America, the Order becomes one of only six to receive the highest ratings from Standard & Poor's and A.M. Best, as well as IMSA certification.
- 2003** Life sales exceed \$5 billion as assets pass \$10 billion. Life dividends paid exceed \$300 million.
- 2005** A limited life insurance program begins for members in Mexico.
- 2006** The Order reaches \$10 billion in benefits paid to member families since its founding: \$2.3 billion in death claims and \$8 billion in living benefits.
- 2007** \$1 billion net life insurance face amount is issued in 63 days, a new record.
- 2008** Newly priced and enhanced life insurance product portfolio, known as the "800 Series," is introduced.
- 2010** Insurance in force passes \$75 billion.
- 2011** Order introduces new "Income Armor" disability income insurance for members and their eligible family members.
- 2014** The Ethisphere Institute names the Knights of Columbus as one of the World's Most Ethical Companies®. It is one of only two life insurers to receive the honor. Total policies surpass the 2 million mark.
- 2015** The Knights of Columbus earns its 40th consecutive highest possible rating (A++, Superior) for financial strength from A.M. Best and passes \$100 billion of life insurance in force.



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