— BOARD OF DIRECTORS —

Peter J. Hennessey III, CLU, FLMI
Chairman of the Board, President, and CEO
R. Clark Boddy
C. Alan Ferguson, JD, CLU, FLMI
Eugene E. Habiger
General, USAF Retired
Peter J. Hennessey IV, LLIF, FLMI
Pamela A Hutchins, FSA, MAAA
Neal T. Jaco
Lieutenant General, USA Retired
Maria de Lourdes Mendoza, CPA, FLMI
Susan L. Pamerleau
Major General, USAF Retired
James R. Reed

— SENIOR OFFICERS —

Peter J. Hennessey III, CLU, FLMI
Chairman of the Board, President and CEO
C. Alan Ferguson, JD, CLU, FLMI
Senior Vice President
General Counsel and Secretary
Peter J. Hennessey IV, LLIF, FLMI
Senior Vice President – Insurance Operations
Pamela A Hutchins, FSA, MAAA
Senior Vice President and Chief Actuary
Robert R. Draper, CFA, MBA
Vice President – Investments
Gregory Michael Lawler, MBA, FLMI
Commander, USN Retired
Vice President – Chief Information Officer
Maria de Lourdes Mendoza, CPA, FLMI
Vice President and Treasurer
Gary P. Shelstad, MBA
Vice President – Director of Marketing
Tonya E. Carroll, CLU, CSA, FLMI
Vice President, Sales
Wallace Taylor, CLU, ChFC
Vice President and Chief Underwriter
Michael E. Dever, M.D.
Medical Director

GPMLife™
Government Personnel Mutual Life Insurance Company (GPM Life)
P.O. Box 659567, San Antonio, TX 78265
(210) 357-2222 1-800-938-4765
www.gpmlife.com

GPMLife™

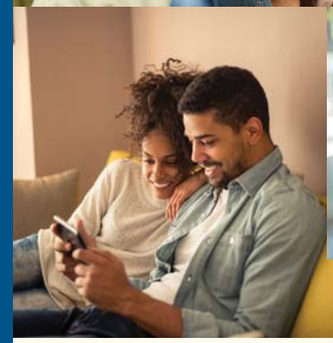
Annual Report

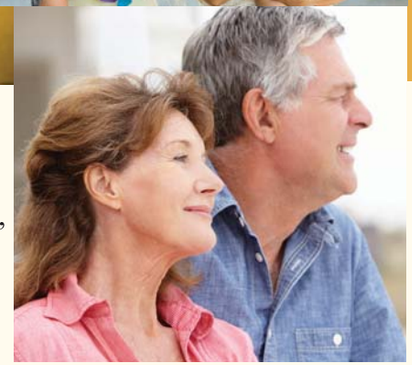
2016

GPM Life is proud to be a mutual company. A mutual company means there are no stockholders, the company is owned by

– YOU –

our policyholders, and is managed for your long-term benefit.





ASSETS
Our ASSETS exceed $835 million

BENEFITS
$1.6 Billion CUMULATIVE BENEFITS PAID TO POLICYHOLDERS

SURPLUS
GPM LIFE'S SURPLUS Over $120 million

Mission Statement

Our mission is to provide quality life and health insurance, with prompt and understanding service, so people can deal with the unexpected.

GPMLife™

GOVERNMENT PERSONNEL MUTUAL LIFE INSURANCE COMPANY

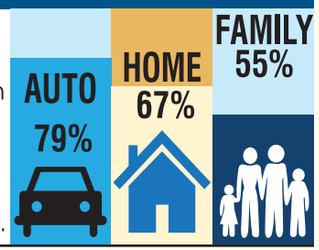
Protecting Your Family, Protecting Your Future

As the owner of a life insurance or annuity policy, you have taken a step forward in securing your family's financial future.

Many Americans would have trouble paying living expenses immediately, or within several months if the primary wage-earner died. **In fact, almost 9 in 10 Americans agree that most people need life insurance, yet just more than half say they have it. And of those Americans who have life insurance, 1 in 4 say they need more than they have.**[1]

Priorities?[2]

More people protect their **property** with insurance than protect their **loved ones** with life insurance.



The Mission of GPM Life

GPM Life continues to serve the needs of all Americans: individuals, families, seniors, Federal employees, and active duty and retired Military personnel, with a goal of providing insurance products that will help Americans fulfill a need in their long-term financial plan.

We accomplish this with the sales and services provided through our professional independent insurance agents and experienced employees. We strive to protect that long-term view by managing a conservative investment portfolio with a similar long-term strategy.

Many GPM Life policies share in the success of the Company by receiving dividends or other additions.

Investments

Low interest rates remained a challenge throughout 2016, but GPM Life's investments continued to perform well. The Net Yield on Invested Assets was 4.88%.

GPM Life continues to purchase highly rated bonds, and to make mortgage loans on well-positioned commercial properties. Our investment philosophy remains unchanged: balance safety of principal with adequate returns to meet the long-term financial needs of our policyholders.

Company Surplus
grew 4.0% over 2015

Net Income
increased by 56% over 2015

Life Insurance Sales
increased by 22% over 2015

[1] 2016 Insurance Barometer Study, Life Happens; www.lifehappens.org

[2] Insure Your Love Study 2017, Life Happens; www.lifehappens.org

[3] LIMRA International is a highly respected industry research organization; www.LIMRA.com

Financial Strength Rating

A.M. Best Company

Financial Strength Rating
A M BEST
A- Excellent

A.M. Best has provided ratings and analysis of GPM Life since 1954, resulting in what is now the Best's Credit Rating (BCR). GPM Life's BCR is as of February 2, 2017.

A key part of the BCR is the **Financial Strength Rating**, which for GPM Life is **A- (Excellent)**, A.M. Best's opinion that GPM Life has an excellent ability to meet ongoing insurance obligations.

Another part of the BCR is the **Opinion Outlook**, which for GPM Life is **Stable**, A.M. Best's opinion that GPM Life is experiencing stable financial and market trends, with a low likelihood that its BCR will change over an intermediate period.

For details on the latest rating, and the exact type, numerical order, scope, and extent of the rating, access www.ambest.com.

Sales Performance

In 2016 new life insurance annualized premium increased 22% over 2015. This outperformed the 3% industry average, as measured by LIMRA International.[3]

Our goal is to provide relevant products, services and insurance knowledge to the markets we serve. In 2016 we introduced a new public website, www.gpmlife.com, and continue to build upon the information and services provided there.

Many independent agents who represent and promote the products and services we offer participate in professional development programs to assure they are abreast of the needs of customers.

GPMLife™

GOVERNMENT PERSONNEL MUTUAL LIFE INSURANCE COMPANY

STATEMENT OF FINANCIAL CONDITION

December 31, 2016

Invested Assets	$804,795,176
Total Assets	$835,139,443
Total Liabilities	$714,259,112
Surplus	$120,880,332
2016 Net Income	$3,995,887
2016 Net Increase In Surplus	$4,702,397

2017

ANNUAL MEETING

WEDNESDAY

APRIL 12

9:00 a.m.

The Annual Meeting of the GPM Life Policyholders will be held on Wednesday, April 12, 2017, at 9:00 a.m. in the Home Office, GPM Life Building, 2211 N.E. Loop 410, San Antonio, Texas, 78217.

Attendees will receive a full report on financial operations for 2016 and will have the opportunity to participate in the election of Directors.

All policyholders are cordially invited to attend the meeting, or to return their proxy if unable to attend.