

# The Mutual Benefit Association 2016 financial report



**Myra  
Warren**

**E**ach year, the Mutual Benefit Association (MBA) publishes figures that reflect its financial health. MBA's General Law 9, Section 3, requires that, after the annual valuation by the association's actuaries, financial information must be published in the letter carriers' magazine, *The Postal Record*.

The report below demonstrates that the MBA continues to be a strong financial institution. This strength allows us to provide quality products at affordable rates. Comparisons were made of MBA's financial condition between its prior two years of performance,

ending Dec. 31, 2015, and Dec. 31, 2016.

**For more information about the MBA, go to [nalc.org](http://nalc.org).** Click on the "Member Benefits" tab then scroll down to the Mutual Benefit Association.

## United States Letter Carriers Mutual Benefit Association (MBA)

The Life Insurance Association of  
and for the National Association  
of Letter Carriers  
Suite 510, 100 Indiana Ave., NW  
Washington, DC 20001-2144

### Board of Trustees

Lawrence D. Brown Jr., chairman  
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202-638-4318, 8 a.m.-3:30 p.m. (Eastern)

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### BALANCE SHEET\*

	Dec. 31, 2016	Dec. 31, 2015
<b>Assets</b>		
Cash	\$449,237	\$1,891,968
Short Term	820,616	0
Investments		
Stocks	21,467,258	20,337,728
Bonds—amortized value	215,211,467	207,955,860
Policy loans	3,701,274	3,911,370
Accrued investment income	2,432,267	2,344,021
Security lending	(207,594)	3,081,219
Misc., including unearned premium and EDP equipment	70,576	86,060
<b>Total assets</b>	<b>\$243,945,101</b>	<b>\$239,608,226</b>
<b>Liabilities and Reserves</b>		
<b>Liabilities</b>		
Unpaid claims	\$738,047	\$603,331
Deposit—type contracts	3,289,988	2,456,617
General expenses due and accrued	431,396	445,586
Taxes due and accrued	5,263	5,284
Unearned income	189,977	158,104
Escrow and suspense	180,192	148,838
Experience refund provision	569,629	462,497
Securities lending collateral	0	3,299,050
Other—FAS 106 medical plan	2,895,576	3,261,386
<b>Reserves</b>		
For the benefit and protection of policyholders	196,299,174	190,355,934
For dividends to policyholders	681,862	698,634
Required securities valuation	7,708,063	7,827,056
<b>Total liabilities and reserves</b>	<b>\$212,989,167</b>	<b>\$209,722,317</b>
<b>Fund Balance (Surplus)</b>		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	30,605,934	29,535,909
<b>Total Fund Balance (Surplus)</b>	<b>\$30,955,934</b>	<b>\$29,885,909</b>
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$243,945,101</b>	<b>\$239,608,226</b>
<b>Surplus Ratio</b>	<b>14.53%</b>	<b>14.25%</b>
<b>Ratio with AVR and IMR</b>	<b>18.83%</b>	<b>18.68%</b>

\*Per NAIC statutory accounting rules

### INCOME STATEMENT\*

	Dec. 31, 2016	Dec. 31, 2015
<b>Operations</b>		
Premiums earned	\$13,667,682	\$13,212,063
+Investment income	9,936,744	10,029,130
+SCILIC considerations	953,626	1,140,670
-Increase in reserves	5,810,684	7,321,393
+Miscellaneous Income	10,372	8,322
-Experience refund provision + Misc. Inc.	562,684	459,608
=Provision for benefits and expense	\$18,195,056	\$16,609,184
<b>Incurred benefits</b>		
Deaths	\$1,608,993	\$1,276,204
Maturities	0	0
Waiver of premium, life/annuities	23,229	24,748
Hospital indemnity	139,099	185,006
Disability income	1,317,570	1,664,027
NSBA	0	0
Cash surrenders, life	8,862,523	1,663,442
Annuity benefits	872,131	6,008,693
SCILIC contract Payments	1,414,880	1,343,517
Interest on deposit contracts	160,702	107,790
-Total incurred benefits	\$14,399,127	\$12,273,427
-Dividends to policyholders	654,969	661,465
-General expenses	3,882,266	3,609,610
-Taxes	131,341	103,319
=Net income from operations	\$(872,647)	\$(38,637)
+Realized capital gains/losses	342,062	(141,303)
=Net income	\$(530,585)	\$(179,940)
<b>Other Surplus Gains (Losses)</b>		
+Unrealized capital gains/losses	\$1,635,056	\$(329,009)
+AVR change	(269,480)	289,644
Change in valuations basis	0	0
+NAA change	(8,459)	45,664
Miscellaneous (FAS 106 & EDP)	243,492	340,859
=Change in fund balance (surplus)	\$1,070,024	\$167,218

\*Per NAIC statutory accounting rules