



Life insurance: Finding your perfect fit

The **10 Year Renewable & Convertible Life Insurance** is a term life plan that renews every 10 years. The policy owner also has the option to convert the policy to any whole-life policies offered at the end of the term. The death benefits of this policy remain level for as long as the premiums are paid. Upon the death of the insured, the face amount (death benefit) of the policy is paid to the beneficiary. This payment can be in a lump sum or, during the life of the insured, the policy owner may request that the proceeds be paid according to one of the settlement options outlined in the policy.

The premiums on 10 Year Renewable & Convertible Term Life policies are initially one of the least expensive, but the premiums increase at the end of each 10-year term. If you need life insurance for a short period of time or if you are unsure about the type of life insurance plan that would best fit your needs, then the term life policy would give you the coverage your family needs and the time to consider your options. The MBA 10 Year Renewable & Convertible Term Life plan is worth a second look. This plan is very popular for individuals who are young and have the need for a life insurance policy at a low cost.

Whole-life policy premiums tend to be higher than those of term life, but they remain level for the life of the policy payment term or as long as the premiums are paid. They also accumulate a cash value, which could be utilized when needed. Dividends are earned on most whole-life policies, but the dividends are not guaranteed. Some whole-life policies offer a loan provision that the owner could access in an emergency. A low-interest rate applies to loans that may be repaid at the owner's convenience. A whole-life policy could be a convenient tax-free way to save money for your child's education or that first car. Unlike a term life insurance plan, whole-life policies provide coverage for the insured's entire lifetime.

This plan of insurance is popular for individuals who want to have insurance protection that will not decrease or expire. The MBA has four whole-life insurance plans, which include: Independence (Single Premium Whole Life), MBA Whole Life Paid in 20 Years, MBA Whole Life

Paid Up at Age 65, and MBA Whole Life Paid Up at Age 90. The Independence and MBA Whole Life Paid in 20 Years are very popular plans for letter carriers who want to provide life insurance coverage for their children, grandchildren and even great-grandchildren.

Universal Life is a flexible permanent insurance plan. It is somewhat similar to a savings account, where deposits are made into it and the policy premiums and administrative cost are withdrawn from the account monthly. A target premium is established to ensure that the monthly payments are covered. The policy owner may increase, decrease, stop or start the premiums as well as increase or decrease the coverage amount at any time. The policy accumulates a cash value and loan provisions are attributed to this plan at an interest rate of 8 percent. Loans may be repaid at the owner's convenience. The plan also allows for withdrawals from the cash value, should the policy owner not wish to take a loan against the policy.

The Universal Life insurance policy provides financial flexibility to its owner. As a policy owner has changes in his/her life—such as marriage, retirement, or having grown children who are no longer financially dependent—the amount of life insurance needed may change. The Universal Life plan allows the policy owner to change the amount of insurance and premium payments to match the amount of insurance that is necessary. The Universal Life plan currently offered is MBA Universal Life Insurance.

The Mutual Benefit Association provides life insurance to NALC members, their spouses, children, grandchildren and great-grandchildren. In addition, in response to a resolution at the 67th Biennial Convention in Anaheim, the MBA can now offer its insurance plans to the NALC member's stepchildren, step-grandchildren and step-great-grandchildren. The maximum amount of life insurance that the MBA will provide for any one life is \$100,000. Contact the MBA for more information about any of our insurance plans.

Wishing you a happy holiday and blessings in the new year! ☒