



MBA 2009 financial report

Each year, the Mutual Benefit Association 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. Currently, comparisons were made of MBA's financial condition of its prior two years of performance ending December 31, 2008, and December 31, 2009.

Note: A seminar for MBA representatives will be conducted at the 67th biennial convention in Anaheim, California, in August. See next month's *Postal Record* for more information. ☒

BALANCE SHEET*

	Dec. 31, 2009	Dec. 31, 2008
Assets		
Cash	\$504,755	\$551,558
Investments		
Stocks	16,716,000	13,355,520
Bonds—amortized value	161,096,717	155,439,377
Other invested assets, short term	561,991	485,665
Policy loans	5,230,503	5,341,107
Accrued investment income	2,268,177	2,671,026
Uncollected premiums, EDP equipment	39,465	78,432
Total assets	\$186,417,608	\$177,922,685
Liabilities and Reserves		
Liabilities		
Unpaid claims	\$939,347	\$844,866
Deposit-type contracts	1,947,590	1,967,630
General expenses due and accrued	269,079	500,777
Taxes due and accrued	1,264	4,138
Unearned income	160,372	169,077
Escrow and suspense	160,713	135,953
Experience refund provision	371,025	431,493
Other—FAS 106 medical plan	1,979,112	1,669,340
Reserves		
For the benefit and protection of policyholders	153,219,729	149,329,226
For dividends to policyholders	709,847	750,600
Required securities valuation	6,661,444	3,108,735
Total liabilities and reserves	\$166,419,522	\$158,911,835
Fund Balance (Surplus)		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	19,648,086	18,660,850
Total fund balance (surplus)	\$19,998,086	\$19,010,850
Total liabilities, reserves and fund balance	\$186,417,608	\$177,922,685
Surplus ratio	0%	0%
Ratio with AVR and IMR	0%	0%

* Per NAIC statutory accounting rules

INCOME STATEMENT*

	Dec. 31, 2009	Dec. 31, 2008
Operations		
Premiums earned	\$14,090,510	\$14,418,356
+Investment income	9,376,650	9,638,931
+Scilic considerations	1,608,339	877,296
-Increase in reserves	3,890,503	5,433,801
+Miscellaneous income	52,597	108,747
Experience refund provision + misc. inc.	371,015	354,953
= Provision for benefits and expense	\$20,866,578	\$19,254,576
Incurred benefits		
Deaths	\$1,270,428	\$1,516,577
Maturities	0	0
Waiver of premium, life/annuities	25,244	34,797
Hospital indemnity	233,199	244,447
Disability income	2,790,951	2,746,882
NSBA	280	867
Cash surrenders, life	2,084,944	1,657,333
Annuity benefits	8,776,566	7,012,675
Scilic contract payments	680,726	571,337
Interest on deposit contracts	123,931	161,278
- Total incurred benefits	\$15,986,269	\$13,946,193
- Dividends to policyholders	684,564	722,668
- General expenses	2,915,480	3,145,605
- Taxes	103,684	101,794
= Net income from operations	\$1,176,581	\$1,338,316
+ Realized capital gains/losses	(279,020)	(2,269,850)
= Net income	\$897,561	\$1,331,534
Other Surplus Gains (Losses)		
+ Capital gains/losses—unrealized	3,656,705	(7,631,364)
+ AVR change	(3,263,053)	622,496
Change in valuations basis	0	0
+ NAA change	5,797	6,678
+ Miscellaneous (FAS 106 & EDP)	(309,773)	(260,250)
= Change in fund balance (surplus)	\$987,237	(\$8,593,985)