



MBA 2010 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 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 with MBA's financial condition in its prior two years of performance ending Dec. 31, 2009, and Dec. 31, 2010. ☒

BALANCE SHEET*

	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Assets		
Cash	\$487,903	\$504,755
Short term	0	\$561,991
Investments		
Stocks	18,233,750	16,716,000
Bonds—amortized value	168,326,046	161,096,717
Policy loans	5,239,816	5,230,503
Accrued investment income	2,266,412	2,268,177
Uncollected premiums, EDP equipment	28,964	39,465
Total assets	\$194,582,891	\$186,417,608
Liabilities and Reserves		
Liabilities		
Unpaid claims	\$978,285	\$939,347
Deposit-type contracts	1,983,480	1,947,590
General expenses due and accrued	405,173	269,079
Taxes due and accrued	2,087	1,264
Unearned income	152,512	160,372
Escrow and suspense	168,153	160,713
Experience refund provision	320,133	371,025
Other—FAS 106 medical plan	2,335,432	1,979,112
Reserves		
For the benefit and protection of policyholders	158,952,954	153,219,729
For dividends to policyholders	702,451	709,847
Required securities valuation	7,174,300	6,661,444
Total liabilities and reserves	\$173,174,960	\$166,419,522
Fund Balance (Surplus)		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	21,057,931	19,648,085
Total fund balance (surplus)	\$21,407,931	\$19,998,085
Total liabilities, reserves and fund balance	\$194,582,891	\$186,417,607
Surplus ratio	12.36%	12.02%
Ratio with AVR and IMR	17.22%	16.69%

* Per NAIC statutory accounting rules

INCOME STATEMENT*

	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Operations		
Premiums earned	\$13,450,536	\$14,090,510
+ Investment income	9,741,394	9,376,650
+ SCILIC considerations	1,503,928	1,608,339
- Increase in reserves	5,733,225	3,890,503
+ Miscellaneous income	17,579	52,597
Experience refund provision + misc. inc.	319,490	371,015
= Provision for benefits and expense	\$18,660,722	\$20,866,578
Incurred benefits		
Deaths	\$1,259,055	\$1,270,428
Maturities	0	0
Waiver of premium, life/annuities	25,260	25,244
Hospital indemnity	180,058	233,199
Disability income	2,971,698	2,790,951
NSBA	415	280
Cash surrenders, life	1,884,879	2,084,944
Annuity benefits	7,099,275	8,776,566
SCILIC contract payments	788,747	680,726
Interest on deposit contracts	121,456	123,931
- Total incurred benefits	\$14,330,843	\$15,986,269
- Dividends to policyholders	684,768	684,564
- General expenses	3,480,054	2,915,480
- Taxes	112,286	103,684
= Net income from operations	\$52,771	\$1,176,581
+ Realized capital gains/losses	(164,697)	(279,020)
= Net income	(\$111,926)	\$897,561
Other Surplus Gains (Losses)		
+ Capital gains/losses—unrealized	2,270,950	3,656,705
+ AVR change	(397,400)	(3,263,053)
Change in valuations basis	0	0
+ NAA change	4,542	5,797
+ Miscellaneous (FAS 106 & EDP)	(356,320)	(309,773)
= Change in fund balance (surplus)	\$1,409,846	\$987,237