



## MBA Paid Up in 20 Years Whole Life

**T**he Mutual Benefit Association is proud to offer the MBA Paid Up in 20 Years Whole Life insurance policy (MBA 20 Pay). The MBA 20 Pay is a whole life insurance policy that covers the life of the insured. In the event of death of the insured, the MBA will pay the face value (the amount of life insurance known as the death benefit) to the policy's designated beneficiary. This plan is available to the NALC member, spouse, children, step-children, grandchildren, step-grandchildren, great-grandchildren and step-great-grandchildren. The Mutual Benefit Association will insure any one life up to the amount of \$100,000. A policy may be issued to an insured from the age of 0 through 70.

The premiums for MBA 20 Pay remain the same and are paid only for a period of 20 years. At the end of that period of time, the policy becomes fully paid up and no further premiums are ever due on the policy. The valuable life insurance protection remains in force for the insured's entire lifetime. This policy is especially suited to letter carriers with young families or anyone who wants to pay for a life insurance policy when they are working and their earnings are the greatest.

The MBA 20 Pay has affordable premium rates. An example of an NALC member who would like to purchase \$50,000 of life insurance for each member of their family through biweekly premium payments would be as follows:

- **NALC member (age 30)**                    **\$26.50**
- **Spouse (age 27)**                            **\$24.00**
- **Child (age 6)**                                **\$11.00**
- **Child (age 2)**                                **\$10.50**

Premiums may be paid to the MBA through biweekly payroll deduction or directly to the MBA office on an annual or monthly (12 times per year) basis. Retired NALC members may pay premiums directly to the MBA office on an annual or monthly basis.

MBA 20 Pay is a whole life insurance plan that builds a cash value. Of each premium payment, a portion is allotted to build the cash value of the policy. Over time, the cash value grows. The policy owner may use this cash value to borrow against the policy in times of need or, if the life insurance protection no longer is needed, the owner may cancel the coverage and receive the full cash value of the policy.

The MBA 20 Pay policy is a participating plan of insurance. This means that the policy owner will share in any divisible surplus of the MBA. The divisible surplus is called a dividend on the policy and is credited to the policy each anniversary date. The policy owner may receive the policy dividend in one of the following ways: cash dividend, dividends on deposit, or life paid-up additions.

The cash dividends option allows the policy owner to receive a check each year on the policy anniversary date. The check automatically will be sent by the MBA to the policy owner. The dividends for the dividends on deposit option remain with the MBA and are attached to the policy. Interest is payable on the dividends on deposit. Each anniversary, the policy owner will receive a statement from the MBA detailing the prior year's dividend balance, the current dividend granted on the policy, and the interest earned on the dividends. The life paid-up additions option uses the dividend to purchase additional insurance coverage for the insured. This option allows the policy owner to increase the amount of life insurance on the insured each year. Like the dividend on deposit option, the policy owner will receive a statement each policy anniversary that details the amount of the current dividend, the amount of life insurance that dividend purchased, and the total amount of additional life insurance that has been added to the policy. This option is a great way to fight the costs of inflation.

The MBA 20 Pay plan provides the policy owner with many additional benefits that may not be present in other life insurance products. If the policy owner is unable to continue to pay the required premiums on the policy (prior to the policy becoming fully paid), there are options available to avoid canceling the policy and losing the valuable life insurance coverage. These options include an Automatic Premium Loan or the Non-Forfeiture Options of Extended Term Insurance or Reduced Paid-Up Insurance.

Please see the insert in this month's *Postal Record* for detailed information and an application for the MBA Paid Up in 20 Years Whole Life Insurance policy.

**Wishing you a merry Christmas and a blessed and prosperous new year!** 