



MBA 2011 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, 2011, and Dec. 31, 2010.

BALANCE SHEET*

	Dec. 31, 2011	Dec. 31, 2010
Assets		
Cash	\$2,392,072	\$487,903
Short term	0	0
Investments		
Stocks	16,942,500	18,233,750
Bonds—amortized value	173,809,032	168,326,046
Policy loans	4,868,592	5,239,816
Accrued investment income	2,230,192	2,266,412
Uncollected premiums, EDP equipment	17,627	28,964
Total assets	\$200,260,015	\$194,582,891
Liabilities and Reserves		
Liabilities		
Unpaid claims	\$987,362	\$978,285
Deposit-type contracts	1,932,092	1,983,480
General expenses due and accrued	401,230	405,173
Taxes due and accrued	7,942	2,087
Unearned income	148,488	152,512
Escrow and suspense	166,944	168,153
Experience refund provision	333,680	320,133
Other—FAS 106 medical plan	2,717,062	2,335,432
Reserves		
For the benefit and protection of policyholders	164,134,104	158,952,954
For dividends to policyholders	699,745	702,451
Required securities valuation	6,481,399	7,174,300
Total liabilities and reserves	\$178,010,048	\$173,174,960
Fund Balance (Surplus)		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	21,899,967	21,057,931
Total fund balance (surplus)	\$22,249,967	\$21,407,931
Total liabilities, reserves and fund balance	\$200,260,015	\$194,582,891
Surplus ratio	12.50%	12.36%
Ratio with AVR and IMR	16.75%	17.22%

* Per NAIC statutory accounting rules

INCOME STATEMENT*

	Dec. 31, 2011	Dec. 31, 2010
Operations		
Premiums earned	\$13,821,261	\$13,450,536
+ Investment income	9,961,819	9,741,394
+ SCILIC considerations	2,140,922	1,503,928
- Increase in reserves	5,181,150	5,733,225
+ Miscellaneous income	12,367	17,579
Experience refund provision + misc. inc.	333,923	319,490
= Provision for benefits and expense	\$20,421,296	\$18,660,722
Incurred benefits		
Deaths	\$1,161,122	\$1,259,055
Maturities	0	0
Waiver of premium, life/annuities	59,129	25,260
Hospital indemnity	220,156	180,058
Disability income	2,578,174	2,971,698
NSBA	0	415
Cash surrenders, life	1,969,897	1,884,879
Annuity benefits	8,137,328	7,099,275
SCILIC contract payments	901,161	788,747
Interest on deposit contracts	109,858	121,456
- Total incurred benefits	\$15,136,825	\$14,330,843
- Dividends to policyholders	678,116	684,768
- General expenses	3,348,188	3,480,054
- Taxes	127,672	112,286
= Net income from operations	\$1,130,495	\$52,771
+ Realized capital gains/losses	(250,190)	(164,697)
= Net income	880,305	(\$111,926)
Other Surplus Gains (Losses)		
+ Capital gains/losses—unrealized	423,232	2,270,950
+ AVR change	165,243	(397,400)
Change in valuations basis	0	0
+ NAA change	(245,116)	4,542
+ Miscellaneous (FAS 106 & EDP)	(381,629)	(356,320)
= Change in fund balance (surplus)	\$842,035	\$1,409,846