

# The Mutual Benefit Association 2012 financial report



**Myra  
Warren**

**E**ach 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

## United States Letter Carriers Mutual Benefit Association (MBA)

The Life Insurance Association of  
and for the National Association  
of Letter Carriers  
Suite 510, 100 Indiana Ave., NW  
Washington, DC 20001-2144

### Board of Trustees

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two years of performance ending Dec. 31, 2012, and Dec. 31, 2011.

### BALANCE SHEET\*

	Dec. 31, 2012	Dec. 31, 2011
<b>Assets</b>		
Cash	\$2,691,162	\$2,392,072
Short Term	0	0
Investments		
Stocks	16,377,150	16,942,500
Bonds—amortized value	184,459,381	173,809,032
Policy loans	4,738,447	4,868,592
Accrued investment income	2,302,427	2,230,192
Uncollected premiums, EDP equipment	24,332	17,627
<b>Total assets</b>	<b>\$210,592,899</b>	<b>\$200,260,015</b>
<b>Liabilities and Reserves</b>		
<b>Liabilities</b>		
Unpaid claims	\$708,252	\$987,362
Deposit—type contracts	1,987,599	1,932,092
General expenses due and accrued	363,432	401,230
Taxes due and accrued	14,858	7,942
Unearned income	146,512	148,488
Escrow and suspense	164,658	166,944
Experience refund provision	313,413	333,680
Other—FAS 106 medical plan	3,315,435	2,717,062
<b>Reserves</b>		
For the benefit and protection of policyholders	170,981,258	164,134,104
For dividends to policyholders	693,300	699,745
Required securities valuation	7,097,731	6,481,399
<b>Total liabilities and reserves</b>	<b>\$185,786,448</b>	<b>\$178,010,048</b>
<b>Fund Balance (Surplus)</b>		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	24,456,451	21,899,967
<b>Total Fund Balance (Surplus)</b>	<b>\$24,806,451</b>	<b>\$22,249,967</b>
<b>Total Liabilities, Reserves     and Fund Balance</b>	<b>\$210,592,899</b>	<b>\$200,260,015</b>
Surplus Ratio	13.35%	12.50%
Ratio with AVR and IMR	17.85%	16.75%

\*Per NAIC statutory accounting rules

### INCOME STATEMENT\*

	Dec. 31, 2012	Dec. 31, 2011
<b>Operations</b>		
Premiums earned	\$14,427,417	\$13,821,261
+Investment income	9,960,412	9,961,819
+Scilic considerations	1,067,040	2,140,922
+Increase in reserves	6,847,154	5,181,150
+Miscellaneous Income	5,299	12,367
Experience refund provision + Misc. Inc.	311,306	333,923
=Provision for benefits and expense	\$18,301,708	\$20,421,296
<b>Incurred benefits</b>		
Deaths	\$1,239,015	\$1,161,122
Maturities	0	0
Waiver of premium, life/annuities	22,003	59,129
Hospital indemnity	154,053	220,156
Disability income	2,388,704	2,578,174
NSBA	0	0
Cash surrenders, life	1,794,872	1,969,897
Annuity benefits	6,663,952	8,137,328
SCILIC contract Payments	991,909	901,161
Interest on deposit contracts	84,993	109,858
-Total incurred benefits	\$13,339,501	\$15,136,825
-Dividends to policyholders	669,514	678,116
-General expenses	3,237,981	3,348,188
-Taxes	127,189	127,672
=Net income from operations	\$927,523	\$1,130,495
+Realized capital gains/losses	(153,686)	(250,190)
=Net income	\$773,837	\$880,305
<b>Other Surplus Gains (Losses)</b>		
+Unrealized capital gains/losses	\$2,372,547	\$423,232
+AVR change	(9,920)	165,243
Change in valuations basis	0	0
+NAA change	18,391	(245,116)
Miscellaneous (FAS 106 & EDP)	(598,372)	(381,629)
=Change in fund balance (surplus)	\$2,556,483	\$842,035

\*Per NAIC statutory accounting rules