

# The Mutual Benefit Association 2014 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. Comparisons were made of MBA's financial condition between its prior two years of performance, ending Dec. 31, 2014, and Dec. 31, 2013.

**Note:** The MBA Retirement Savings Plan, formally known as the Maturity Income Plan, is now available to NALC members. Brochures and state specific applications may be found at [nalc.org](http://nalc.org). Click on the "Member Benefits" tab then scroll down to the Mutual Benefit Association.

## 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**  
Lawrence D. Brown Jr., chairman  
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202-638-4318, 8 a.m.-3:30 p.m. (Eastern)  
800-424-5184, 8 a.m.-3:30 p.m. (Eastern), Tuesday and Thursday

### BALANCE SHEET\*

	Dec. 31, 2014	Dec. 31, 2013
<b>Assets</b>		
Cash	\$1,995,514	\$1,932,812
Short Term Investments	0	0
Stocks	21,053,570	19,392,450
Bonds—amortized value	199,919,990	192,536,920
Policy loans	4,194,950	4,402,336
Accrued investment income	2,338,095	2,508,344
Misc., including unearned premium and EDP equipment and SL net	4,664,742	2,859,264
<b>Total assets</b>	<b>\$234,166,861</b>	<b>\$223,632,126</b>
<b>Liabilities and Reserves</b>		
<b>Liabilities</b>		
Unpaid claims	\$776,947	\$665,162
Deposit—type contracts	2,407,578	1,994,693
General expenses due and accrued	494,661	403,262
Taxes due and accrued	27,329	14,279
Unearned income	158,304	158,038
Escrow and suspense	214,806	231,948
Experience refund provision	340,442	299,580
Other—FAS 106 medical plan and SL collateral	8,368,595	6,267,106
<b>Reserves</b>		
For the benefit and protection of policyholders	183,034,541	176,154,215
For dividends to policyholders	695,531	692,836
Required securities valuation	7,929,437	7,804,254
<b>Total liabilities and reserves</b>	<b>\$204,448,171</b>	<b>\$194,685,373</b>
<b>Fund Balance (Surplus)</b>		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	29,368,689	28,596,753
<b>Total Fund Balance (Surplus)</b>	<b>\$29,718,689</b>	<b>\$28,946,753</b>
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$234,166,860</b>	<b>\$223,632,126</b>
Surplus Ratio	14.54%	14.87%
Ratio with AVR and IMR	19.16%	19.67%

\*Per NAIC statutory accounting rules

### INCOME STATEMENT\*

	Dec. 31, 2014	Dec. 31, 2013
<b>Operations</b>		
Premiums earned	\$14,682,247	\$14,222,108
+Investment income	9,858,712	9,841,697
+Scilic considerations	2,987,491	933,335
-Increase in reserves	6,880,325	5,172,958
+Miscellaneous Income	2,537	26,385
Experience refund provision + Misc. Inc.	340,056	300,200
=Provision for benefits and expense	\$20,310,606	\$19,550,367
<b>Incurred benefits</b>		
Deaths	\$1,541,475	\$1,150,112
Maturities	0	0
Waiver of premium, life/annuities	24,445	22,767
Hospital indemnity	146,296	150,634
Disability income	1,961,253	2,110,527
NSBA	0	0
Cash surrenders, life	1,851,371	1,812,890
Annuity benefits	9,418,840	8,281,111
SCILIC contract Payments	1,273,928	1,177,318
Interest on deposit contracts	100,847	84,717
-Total incurred benefits	\$16,318,455	\$14,790,076
-Dividends to policyholders	670,207	665,677
-General expenses	3,756,619	3,430,131
-Taxes	149,601	119,988
=Net income from operations	\$(584,276)	\$544,495
+Realized capital gains/losses	5,160,445	287,896
=Net income	\$4,576,169	\$832,391
<b>Other Surplus Gains (Losses)</b>		
+Unrealized capital gains/losses	\$(2,965,607)	\$4,474,473
+AVR change	(601,015)	(828,275)
Change in valuations basis	0	0
+NAA change	(81,185)	9,932
Miscellaneous (FAS 106 & EDP)	(156,424)	424,339
=Change in fund balance (surplus)	\$771,938	\$4,912,860

\*Per NAIC statutory accounting rules