

# NALC's accidental death benefits and supplemental branch group benefits



**Myra Warren**

In the early 1980s, NALC and MBA realized that NALC members were at risk if they experienced an accidental death. The two organizations began the long and arduous task of searching for ways to help their members. Finally, in February 1985, NALC and MBA entered into a group accidental death benefit contract. The contract provided for \$5,000 of accidental death benefit coverage for every active member in good standing with NALC. In August 1986, the accidental death coverage was extended to all retired members in good standing with the NALC.

Active and retired letter carriers must be members in good standing with NALC (full dues-paying

members) to be eligible for the basic accidental death benefit. There are no premiums to pay. NALC pays all premiums relating to this basic coverage. A member's coverage is effective as long as he or she continues his or her membership with NALC.

As part of the agreement with NALC, each year the MBA tracks the claims experience relating to the contract. After the fiscal year ends, the MBA refunds NALC the premiums paid in excess of death benefits and direct costs paid out.

Collecting this benefit is as easy as calling the MBA office to inform us of the member's death. The MBA office will give the caller the information needed to process the claim and we will send any required documents to the appropriate parties.

**Establishing the group accidental death contract with NALC** enabled the MBA to provide supplemental accidental death benefit coverage and supplemental term life insurance coverage to all NALC branches that chose to use a portion of their revenues to provide additional insurance coverage for their *active* branch members. Retired members are not covered under a branch's supplemental coverage.

A branch that elects to pay for the supplemental coverage must include every active member of that branch. In all cases, the branch must provide the same amount of coverage to each active member:

- **Supplemental term life insurance:** Branches may elect to cover their *active* members with additional term life insurance. This coverage can be purchased

through the MBA at low *group* rates. These rates start at as little as 44 cents a month, per active member, per \$1,000 of coverage. Any supplemental term coverage in excess of \$5,000 costs only 33 cents per each additional \$1,000 of coverage per month, per active member. This coverage pays for all causes of death, whether accidental or natural.

- **Supplemental accidental death coverage:** Branches may elect to cover their *active* members with additional accidental death coverage. This coverage costs as little as 3 cents per month, per active member, per \$1,000 of coverage. Benefits are paid under this coverage when the member's death is the result of bodily injuries sustained directly by accident and independently of all other causes.

The chart below shows an example of the cost to a branch for supplemental term life and supplemental accidental death coverages:

Supplemental Term Life		Supplemental Accidental Death	
Insurance Amount	Monthly Premium per member	Insurance Amount	Monthly Premium per member
\$1,000	0.44	\$1,000	0.03
5,000	2.20	5,000	0.15
10,000	3.85	10,000	0.30
15,000	5.50	15,000	0.45

Currently in the NALC, 146 branches have provided their active members with this valuable coverage.

**Purchasing the supplemental term life and/or supplemental accidental death coverage** by a branch is quite simple. Once a branch has decided to purchase this additional coverage, it should contact the MBA. The MBA will send a group supplemental application that is to be filled out by the branch president. Upon MBA's receipt of the completed application and a check for the first month's premium, the coverage becomes effective the first of the following month.

The MBA will bill NALC for future monthly premiums. NALC headquarters will deduct the monthly premium amount from the branch reimbursement check.