

The Mutual Benefit Association 2015 financial report



**Myra
Warren**

Each year, the Mutual Benefit Association (MBA) 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, 2015, and Dec. 31, 2014.

For more information about the MBA, go to 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
Mike Gill
Randall L. Keller

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, 2015	Dec. 31, 2014
Assets		
Cash	\$1,891,968	\$1,995,514
Short Term	0	0
Investments		
Stocks	20,337,728	21,053,570
Bonds—amortized value	207,955,860	199,919,990
Policy loans	3,911,370	4,194,950
Accrued investment income	2,344,021	2,338,095
Security lending	3,081,219	4,529,283
Misc., including unearned premium and EDP equipment	86,060	135,459
Total assets	\$239,608,226	\$234,166,861
Liabilities and Reserves		
Liabilities		
Unpaid claims	\$603,331	\$776,947
Deposit—type contracts	2,456,617	2,407,578
General expenses due and accrued	445,586	494,661
Taxes due and accrued	5,284	27,329
Unearned income	158,104	158,304
Escrow and suspense	148,838	214,806
Experience refund provision	462,497	340,442
Securities lending collateral	3,299,050	5,053,823
Other—FAS 106 medical plan	3,261,386	3,314,772
Reserves		
For the benefit and protection of policyholders	190,355,934	183,034,541
For dividends to policyholders	698,634	695,531
Required securities valuation	7,827,056	7,929,437
Total liabilities and reserves	\$209,722,317	\$204,448,171
Fund Balance (Surplus)		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	29,535,909	29,368,689
Total Fund Balance (Surplus)	\$29,885,909	\$29,718,689
Total Liabilities, Reserves and Fund Balance	\$239,608,226	\$234,166,860
Surplus Ratio	14.25%	14.54%
Ratio with AVR and IMR	18.68%	19.16%

*Per NAIC statutory accounting rules

INCOME STATEMENT*

	Dec. 31, 2015	Dec. 31, 2014
Operations		
Premiums earned	\$13,212,063	\$14,682,247
+Investment income	10,029,130	9,858,712
+SCILIC considerations	1,140,670	2,987,491
-Increase in reserves	7,321,393	6,880,325
+Miscellaneous Income	8,322	2,537
Experience refund provision + Misc. Inc.	459,608	340,056
=Provision for benefits and expense	\$16,609,184	\$20,310,606
Incurred benefits		
Deaths	\$1,276,204	\$1,541,475
Maturities	0	0
Waiver of premium, life/annuities	24,748	24,445
Hospital indemnity	185,006	146,296
Disability income	1,664,027	1,961,253
NSBA	0	0
Cash surrenders, life	1,663,442	1,851,371
Annuity benefits	6,008,693	9,418,840
SCILIC contract Payments	1,343,517	1,273,928
Interest on deposit contracts	107,790	100,847
-Total incurred benefits	\$12,273,427	\$16,318,455
-Dividends to policyholders	661,465	670,207
-General expenses	3,609,610	3,756,619
-Taxes	103,319	149,601
=Net income from operations	\$(38,637)	\$(584,276)
+Realized capital gains/losses	(141,303)	5,160,445
=Net income	(179,940)	\$4,576,169
Other Surplus Gains (Losses)		
+Unrealized capital gains/losses	\$(329,009)	\$(2,965,607)
+AVR change	289,644	(601,015)
Change in valuations basis	0	0
+NAA change	45,664	(81,185)
Miscellaneous (FAS 106 & EDP)	340,859	(156,424)
=Change in fund balance (surplus)	\$167,218	\$771,938

*Per NAIC statutory accounting rules