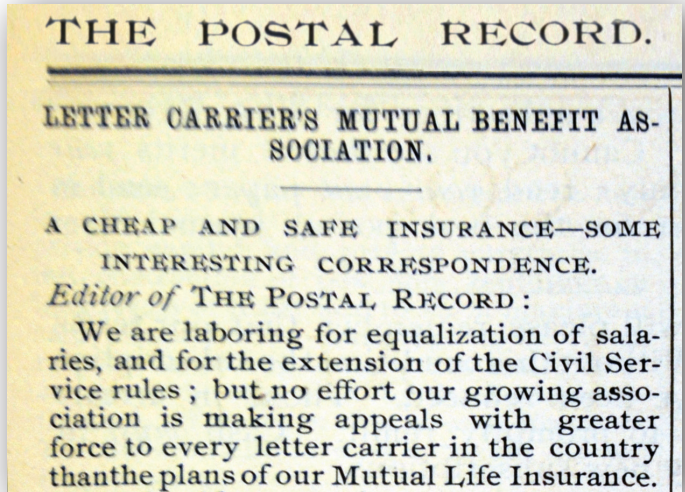




NALC'S BEST-KEPT SECRET FOR 125 YEARS

NALC was created in 1889 for the mutual benefit of letter carriers, and one of those mutual benefits is the insurance and savings plans offered by the U.S. Letter Carriers Mutual Benefit Association (MBA).

"MBA is one of NALC's best-kept secrets, but every letter carrier needs to know about it," NALC President Fredric Rolando said. "MBA has great products, designed just for us, that every letter carrier at any stage of life should consider."



It is a natural fit—a group of employees coming together to support each other in the NALC, with insurance being a great way for employees to support each other. At its second national convention in Detroit in 1891, the union created the MBA to offer life insurance coverage to letter carriers. Today, the MBA still gives many letter carriers and their families a way to secure their financial futures with insurance and savings plans provided by an organization that is focused not on profit but on the welfare of its members.

Unlike many insurance companies and other financial institutions, the MBA is a not-for-profit organization, which means every penny it receives goes toward serving its members. This allows the MBA to provide lower premiums and higher dividends than many private insurance companies can.

“The MBA doesn’t have shareholders pushing for profits or agents pushing its products for a commission,” NALC Director of Life Insurance Myra Warren said. Warren, a member of Dallas, TX Branch 132, has overseen the MBA since 2005. “All of the MBA’s financial resources and all of the efforts of the letter carriers and staff who work to make it successful go into serving its members and their financial needs.”

The MBA will mark its 125th anniversary at NALC’s 70th Biennial Convention in Los Angeles Aug. 15-19. The organization has come a long way since its humble origins and has secured the financial future of uncounted letter carriers and their families.

A long history, a firm financial foundation

While other labor groups also established similar mutual benefit societies

throughout their histories to provide insurance, including the American Federal of Labor (its plan was later spun off to a private company), MBA may be one of the oldest still in existence.

As with other unions, for the letter carriers of 1891, a mutual benefit organization filled a serious need. The federal government offered no death benefit or workers’ compensation to postal employees, and at a time when letter carriers were men and when women rarely worked outside the home, the death or disability of a letter carrier could leave a wife and children with no source of income.

The next year, the MBA was chartered, headquartered in Tennessee (because insurance laws in that state at the time made that arrangement ideal) and offered its first death benefit policies: \$3,000 (nearly \$80,000 in today’s dollars) or \$1,500. The premiums ranged from \$1 a year for a \$3,000 policy for a carrier under age 25, to \$2.12 for a carrier at age 55.

“The officers of the Mutual Benefit Association earnestly request the hearty cooperation of every carrier who has the welfare of the association at heart,” stated the first report of the MBA at the NALC’s third national convention in Indianapolis in 1892, “that this grand feature of our organization may attain the membership predicted by its friends; that we shall soon be able to pay the limit of a policy, viz., \$3,000.”

MBA had no difficulty attracting participants. By August 1893, 336 carriers from 37 branches had signed up for policies, and the MBA had built up

enough reserves to pay benefits to the families of 16 carriers who had died in the previous 12 months.

Nashville letter carrier Wilmot Dunn, who had helped create MBA, became its first “collector,” a job he held until 1915 (the position eventually was renamed “director of life insurance.”) Dunn was instrumental in establishing a solid financial foundation for MBA. A board of trustees—three letter carriers elected in the same way as national officers—provided oversight and made reports. Branches named their own local collectors to take applications and premium payments from branch members who signed up for insurance.

In 1905, the NALC added a benefit for sick carriers who couldn’t work due to accident or illness through a new National Sick Benefit Association (NSBA) administered by MBA. Premiums were between 50 and 80 cents a month, with benefits averaging \$8 a week for up to 20 weeks. The NSBA later branched out to cover health and hospitalization expenses, which led to the creation of the NALC Health Benefit Plan.

The MBA weathered the Great Depression and helped many letter carriers’ families survive the tough economic times of the 1930s whenever carriers died or became disabled. At a time when a safety net of government and employer benefits was just beginning, the MBA and the healthy cash reserves it had built for several decades made letter carriers feel confident about the future.

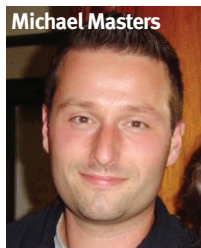
In 1953, MBA moved from Tennessee to Washington, DC, to occupy

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space in the NALC's new headquarters building, and it remains there today. In this new space, MBA expanded and modernized. Security of financial records was enhanced, and the system of branch collectors was transformed. Collectors became "MBA representatives" elected by their branches and trained to explain to members the details of the MBA and its products and services.

Today, there are more than 600 MBA representatives across the country to help NALC members understand MBA's products and to assist them in applying for them. Working with the professional staff of 20 who administer the MBA in Washington under Warren's supervision, these representatives are the backbone of the MBA.

Letter carriers who are just starting the job as city carrier assistants (CCAs) are happy to learn about MBA's offerings, **Michael Masters** of Rochester, NY Branch 210 said. "They're new, and they're green, and they don't know all the benefits NALC has," he said. "When you can say we have insurance made for letter carriers and run by letter carriers, many of them sign up."



Michael Masters

Masters became an MBA representative in 2013 when his branch president spotted his leadership abilities and recruited him for the job. To prepare, Masters attended MBA's training seminar at the 2012 NALC national convention in Minneapolis, and he has attended other training sessions at national conventions and regional training sessions. He also learned a great deal from his branch's previous MBA representative, Norm LeFrois.

Masters keeps his fellow members informed of the latest MBA news at monthly branch meetings and through his branch newsletter, the *Letter Carrier's Review*, which he edits. He keeps it simple by highlighting a single MBA product at each meeting. "I give a roundup of what's going on at MBA," he said, "and I'll talk about one of the insurances and pass out the brochure." He also takes any opportunity to talk about MBA at other branch events, such as picnics or rallies, and answers many questions from members.

After many years as his branch's vice president and steward, Green Bay, WI Branch 619 member **Tom Scott** took on the mantle of MBA representative when he retired in 2014. "It's a way, as a retired member, to stay involved and promote our union," he said.



Tom Scott

Scott tries to share some of his wisdom with the many younger men and women just starting their careers as letter carriers. "It's catching the new employees at the right age," he said. MBA's savings and insurance products can offer younger letter carriers considerable benefits for a relatively small investment, but only if they know about them and sign up for them.

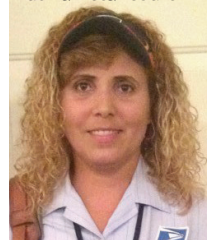
He also spreads awareness of the MBA's retirement savings plan created specifically for CCAs. "I always explain that, sooner or later, it's coming out of their paycheck anyway, so why not get a head start?" he said. The CCA savings plan gives CCAs a way to save money that's tax-deferred, with the option of rolling the funds into another savings account when they convert to career carrier (see below for details). As any

financial planner will tell you, the earlier you save, the better, since your money will have more time to grow.

Scott also reminds letter carriers with children about the importance of life insurance, especially a plan with lasting cash value. "Yes, you can always buy them toys," he said, "but this is something a child will have forever. The MBA has so many good plans, and I try to compare the costs to private insurance."

Zulma Betancourt only learned that leaders of her branch, West Coast Florida Branch 1477, wanted her to take on the role of MBA representative at the branch meeting where she was nominated the same night. But it was an easy role for her—after 17 years as a carrier and with her experience as a steward, trustee and on-the-job trainer, Betancourt knew many members of her large branch, and they had grown to trust her. She also drew on her natural ability to help others: "It's a passion. I can't explain it; I just feel it."

Zulma Betancourt



Betancourt wastes no opportunity to reach out to branch members. She regularly writes about MBA in her branch's newsletter. She approaches CCAs who are trained in her office. During steward training, she asks new stewards to take brochures to their stations. She takes personal leave to attend all three monthly retiree breakfasts.

Betancourt recalls how one of her first meetings at a retiree breakfast taught her the strength of trust in a not-for-profit organization run by and for her fellow union members. At the breakfast, a retiree who didn't know her thought she was a private insurance agent at first and tried to shoo



Director of Life Insurance Myra Warren (seated c) and her MBA staff: standing (l to r): IT Manager Daniel Gorelik, Office Supervisor Lisa Hayden, Administrative Assistant Dianne Williams, Administrative Assistant Crystal Gibson Hamlett and Controller Larry Winfield. Seated (l to r): Administrator Mary Fleshman, Warren and Accounting Manager Martha Cross.

her away. “Some retirees have been burned by insurance already,” she said. Being a letter carrier representing an association created for and run by carriers, rather than a salesman looking for commissions, makes her fellow carriers more comfortable. Now that they know Betancourt and her role as MBA representative, she gets a warm welcome at the breakfasts.

The *NALC Constitution* establishes MBA as the only insurance provider that may solicit at branch meetings or other NALC events or that use NALC or branch publications to do so. The MBA does not sell its products to anyone other than NALC members (for themselves or family members) and to MBA, NALC and NALC Health Benefit Plan non-letter carrier staff members.

Letter carriers in charge

From the beginning in 1891, the MBA was administered by letter carriers with input from letter carriers about the products and services that it should offer.

“There’s no insurance company that has such a close relationship to letter carriers,” Warren said. “They have meaningful input on what MBA offers, and the trust level is unsurpassed.”

As with other national officers of the NALC, the director of life insurance and MBA trustees, who are also NALC’s trustees, are elected by the members to four-year terms after nominations are taken at the NALC’s biennial convention.

Warren was re-elected by acclamation in 2014, during the 69th Biennial NALC Convention in Philadelphia, to serve a third term as MBA director. She was first appointed to this post in 2005 by then-President William H. Young to fill a vacancy. Warren had previously served as a regional administrative assistant (RAA) for Region 10 (Texas and New Mexico) and as NALC assistant secretary-treasurer. She works at MBA’s offices in the NALC Headquarters building to keep things running smoothly on a day-to-day basis and to oversee the staff and MBA representatives in the field.

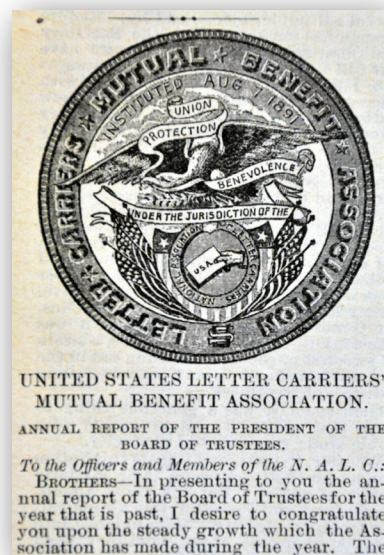
The trustees are Lawrence D. Brown Jr. (chair) of Los Angeles Branch 24, Randall L. Keller of Massachusetts Northeast Merged Branch 25 and Mike Gill of South Florida Branch 1071. Together, these three letter carriers have a combined 54 years of experience as trustees. Their duties include keeping a close eye on MBA’s financial health and issuing reports.

Letter carriers’ jobs and family lives have changed a great deal over 125 years, and MBA has expanded and altered the plans it offers to meet members’ needs. Warren pointed to recent enhancements to MBA benefits as examples of how MBA responds to the changing needs of letter carriers.

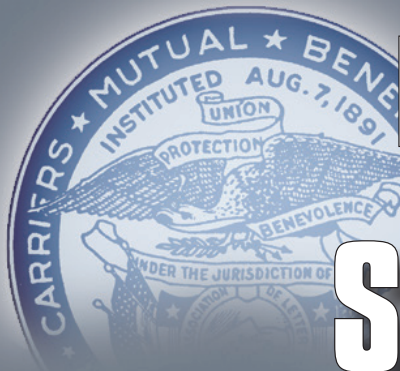
After a resolution from the members at a biennial convention, in 2009 the MBA began offering policies valued up to \$100,000. At the request of members, letter carriers’ step-children, step-grandchildren and step-great-grandchildren be-

came eligible for coverage. The delegates at the 2010 NALC convention in Anaheim, CA, approved an amendment to the *NALC Constitution* to make this change. In 2014, a similar amendment—to allow parents or legal guardians of a member (up to the age of 80) to be covered under the MBA plans—was approved at the NALC convention in Philadelphia in response to member requests.

From the proceedings of the fifth convention held in Cleveland in 1894



Another important change came when the CCA job category was created through the arbitration award in 2013 establishing the most recent National Agreement between NALC and the U.S. Postal Service. MBA stepped in to assure that CCAs had an opportunity to save money for their future that



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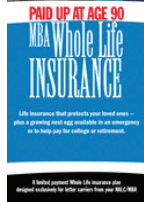
was similar to the retirement savings program USPS offers to career carriers, creating the NALC CCA Retirement Savings Plan tailored just for carriers starting their careers. When a CCA is converted to career status, he or she can keep the account or roll it over to an individual retirement account.

"This is your insurance and savings company—you own it," Warren said. "Every plan we offer today was designed at one point to meet specific requests by letter carriers. MBA's only goal is to serve the needs of its members. We listen to you, and we never stop adapting as your needs change."

The focus on members, rather than on profit, has led to strong financial stability for MBA. Owing to wise investments and to putting all of its resources into working for its members, and not into profits or sales commissions, the MBA's financial position is very secure, and it continues to offer dividends and interest rates that are above market averages.

Products designed for today's letter carrier

Today, thanks to the different programs designed to meet the different needs of letter carriers, the MBA insures about 25,000 members (for a total of \$224 million in life insurance coverage) and also helps NALC members save for retirement or cover some hospital and disability costs. Here's a review of the products MBA offers.



MBA Life Paid-Up At Age 90 is a whole-life insurance plan that lets you choose from \$10,000, \$15,000, \$25,000, \$50,000 or \$100,000 worth of

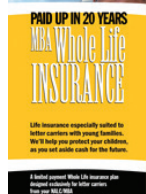
coverage. Premiums are based on the amount of the policy benefit and your age at the time of purchase. With this plan, premiums remain the same throughout the life of your policy, which is paid up the anniversary after the insured's 90th birthday.

MBA Life Paid-Up at Age 65 is a limited payment whole-life insurance policy. It is ideal for all letter carriers and their family members. MBA Life Paid-Up at Age 65 offers lifelong insurance protection without lifelong payments. This plan allows the insured to reduce his or her



financial obligations upon retirement while maintaining insurance coverage. You can purchase life insurance coverage worth \$10,000, \$15,000, \$25,000, \$50,000 or \$100,000. Premium payments are required up to the policy's anniversary date after the insured's 65th birthday. At that time, the policy is fully paid up, yet coverage stays in force throughout the insured's lifetime. This coverage continues in full, unless you decide to surrender the policy for its cash value.

MBA 20 Pay Whole Life is a limited-payment life insurance policy especially suited to letter carriers who want to insure their young children. It lets you build up cash for your children's future. Whether you choose \$10,000, \$15,000, \$25,000, \$50,000 or \$100,000 worth of coverage, you pay premiums for 20 years. In the event of the insured's death, MBA 20 Pay Whole Life will pay survivors the full amount of the policy. After the 20 years,



you may keep the coverage at no cost, or surrender your policy for its cash value. If you choose to keep the policy in force, your cash value will continue to build up at current dividend rates.

MBA 10-Year Renewable and Convertible Term Life is a 10-year renewable and convertible term policy. In the event of your death, the policy will pay your beneficiaries the full amount of your policy for as long as it's in force. This plan lets you choose coverage of \$10,000, \$15,000, \$25,000, \$50,000 or \$100,000. Your premium



will remain the same until the 10-year term has ended. You can renew for another 10 years of coverage without a medical exam. At each renewal period, your premium increases according to your age. You may continue your MBA 10-Year Renewable and Convertible Term coverage until age 80. You can also convert your term life policy to a whole-life policy, such as MBA Life Paid Up at Age 90, without taking a medical exam, if the insured is under the age of 65, with certain restrictions. Term Life is available for your spouse at the same benefit amounts open to you.

Independence—Single Payment Plan

is one of the most convenient whole-life plans available. For a single, once-in-a-lifetime premium payment, you or any eligible member of your family can have life insurance coverage of \$5,000, \$10,000, \$20,000, \$100,000 or any amount you choose (subject to MBA's maximum face-value limitations). With



this plan, you not only get immediate real-cash value, but also investment advantages like favorable tax-free interest earnings, easy low-interest loan availability, an instant cash-value option, a no-cancellation guarantee and, of course, full death benefits. Independence also lets you decide whether to leave your dividends on deposit to increase their cash value, or to use them to increase your death benefit or receive a dividend check.

In addition to these insurance plans, MBA offers two savings plans. The first plan was established in 1979 after letter carriers requested a personal retirement account; the second was created specifically to meet the needs of CCAs.

The MBA Retirement Savings Plan



is a plan designed to supplement your pension. You make small payments to the plan while you're young so you can receive a lifetime of monthly payments after you retire—no matter how long you live. Under the Retirement Savings Plan, you can also request a guaranteed number of monthly payments. You choose the amount you want to contribute to your Retirement Savings Plan. It can be as little as \$15 per pay period (the minimum amount allowed). As your Retirement Savings Plan grows, you can expect it to earn with competitive interest rates. The plan is tax-deferred, which means you do not pay taxes on any of your interest until you draw on it—further improving your yield. When you're ready to retire, MBA offers several choices for how to collect monthly benefits.

CCA Retirement Savings Plan—In 2013, the MBA created the NALC Retirement Savings Plan for city carrier assistants who are members of the NALC to



give CCAs a tax-deferred way to save for retirement. It is organized as a traditional Individual Retirement Account (IRA), which means contributions to the plan may be tax-deductible and its earnings and principal are tax-deferred—that is, not taxable until they are withdrawn during retirement. The CCA Retirement Savings Plan allows CCAs to begin saving now for retirement and provides the option to transfer the funds to the USPS Thrift Savings Plan when they become career letter carriers. If the CCA chooses to leave the funds in the Retirement Savings Plan until retirement, several choices for collecting monthly benefits are available.

MBA also provides certain health care and disability benefits:

Hospital Plus—If you're hospital-



ized for illness or injury, the MBA can help your financial health with cash payments of \$30, \$50, \$75 or \$100 a day. With Hospital Plus, cash benefits start on the first day you are hospitalized and continue for up to 365 days. Hospital Plus also lets you cover your spouse and children. The spouse benefit is the same as yours—\$30, \$50, \$75 or \$100 a day. Children's benefits are \$18, \$30, \$45 or \$60 a day. Benefits are paid in full regardless of other health insurance benefits you receive. Cash benefits are paid directly to you and may be used for any purpose. This is extra cash protection to help you meet the financial burdens of accidents and illnesses.

The policy contains a benefit restriction for pre-existing conditions—a condition

for which medical advice or treatment was received during the 12 months before the effective date of your policy. Also, a pre-existing condition will not be covered until 12 consecutive months have passed in which no medical advice or treatment is received for such condition, or until your policy has been in effect for one year, whichever occurs first.

NALC Basic Accidental Death Group Insurance administered by MBA is provided by the NALC to its members, at no cost to members, through its branches as part of the benefit of membership in the NALC. All active members of the NALC in good standing are eligible for the Basic Accidental Death Benefit. Both active and retired members are covered.

Branches can provide additional benefits with the NALC Supplemental Accidental Death or Supplemental Life Insurance plan offered by the MBA. Coverage in these plans are available for active members. The above policies and plans are, of course, subject to certain limitations. For complete details or information on how to apply, contact your branch MBA representative, call the MBA toll-free at 800-424-5184 (Tuesday or Thursday, 8 a.m. to 3:30 p.m. Eastern Time) or 202-638-4318 (Monday through Friday, 8 a.m. to 3:30 p.m. Eastern Time) or visit nalc.org/mba.

“The MBA provides a wonderful opportunity for letter carriers to obtain insurance and savings plans that not only offer good benefits at reasonable rates, but also are administered by letter carriers, for letter carriers,” Rolando said. “Whether you are just starting out as a carrier, you're working toward retirement, or you're already retired, MBA may have a plan that can serve you and your family. Please look into these offerings to see if any are right for your needs. They might help you establish a measure of financial security to last a lifetime.” **PR**