

Supplemental group coverage



Myra Warren

At the inception of the NALC accidental death benefit, the NALC supplemental accidental death and supplemental term life benefits were developed. These benefits are available to local branches that choose to offer supplemental accidental death and/or supplemental term life coverage for their active members through the MBA.

Purchasing the supplemental term life and/or supplemental accidental death coverage by a branch is a simple process. Once a branch has decided to purchase this additional coverage, it should contact MBA. MBA will send a group supplemental application to be completed

by the branch president. The branch should return to MBA the completed application and a check for the first month's premium payment. When these items are received by MBA, coverage becomes effective the first day of the following month. Thereafter, MBA will bill NALC for the branch's subsequent future monthly premiums. In turn, NALC Headquarters will deduct the monthly premium amount from the branch reimbursement check.

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 of the branch. Retired members are not covered by these plans. The following explains the coverage plans:

- **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.
- **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 for each additional \$1,000 of coverage per month, per active member. This coverage pays for all causes of death, whether accidental or natural.

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

Supplemental Accidental Death		Supplemental Term Life	
Amount	Monthly Premium per member	Amount	Monthly Premium per member
\$1,000	0.03	\$1,000	0.44
5,000	0.15	5,000	2.20
15,000	0.45	15,000	5.50
20,000	0.60	20,000	7.15

Currently, 146 branches provide their active members with this valuable coverage. As of 2016 year-end, MBA paid out more than \$900,000 to the survivors of deceased members through the supplemental policy coverages.

In 2016, MBA mailed out 113 rebate checks totaling more than \$382,000 to branches that provide their members with supplemental coverage. The pro-rata checks were based upon the type of coverage and the total amount of premiums paid as of Dec. 31, 2015. There is no contractual obligation to return these funds; however, because MBA is managed by and for letter carriers, rather than to profit on these plans, we choose to give the excess back to the local branches.

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These benefits can help letter carriers provide a secure future for their family members at a very small cost to NALC branches. This is a prime example of the solidarity of NALC and what it provides for its members. The true meaning of union brotherhood/sisterhood is standing together for the good of all of the members, even upon the death of a member.

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

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