

# The Mutual Benefit Association 2017 financial report



**Myra  
Warren**

**E**ach 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, 2017, and Dec. 31, 2016.

**For more information about the MBA, go to [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  
Mike Gill

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, 2017	Dec. 31, 2016
<b>Assets</b>		
Cash	\$1,844,453	\$449,237
Short Term	0	820,616
Investments		
Stocks	22,740,250	21,467,258
Bonds—amortized value	221,272,421	215,211,467
Policy loans	3,230,145	3,701,274
Accrued investment income	2,531,560	2,432,267
Security lending	(189,407)	(207,594)
Misc., including unearned premium and EDP equipment	96,786	70,576
<b>Total assets</b>	<b>\$251,526,208</b>	<b>\$243,945,101</b>
<b>Liabilities and Reserves</b>		
<b>Liabilities</b>		
Unpaid claims	\$748,548	\$738,047
Deposit—type contracts	3,374,187	3,289,988
General expenses due and accrued	321,053	431,396
Taxes due and accrued	0	5,263
Unearned income	187,354	189,977
Escrow and suspense	83,685	180,192
Experience refund provision	1,011,290	569,629
Securities lending collateral	0	0
Other—FAS 106 medical plan	4,193,681	2,895,576
<b>Reserves</b>		
For the benefit and protection of policyholders	200,248,721	196,299,174
For dividends to policyholders	684,721	681,862
Required securities valuation	7,887,352	7,708,063
<b>Total liabilities and reserves</b>	<b>\$218,740,592</b>	<b>\$212,989,167</b>
<b>Fund Balance (Surplus)</b>		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	32,435,616	30,605,934
<b>Total Fund Balance (Surplus)</b>	<b>\$32,785,616</b>	<b>\$30,955,934</b>
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$251,526,208</b>	<b>\$243,945,101</b>
<b>Surplus Ratio</b>	<b>14.99%</b>	<b>14.53%</b>
<b>Ratio with AVR and IMR</b>	<b>19.29%</b>	<b>18.83%</b>

\*Per NAIC statutory accounting rules

### INCOME STATEMENT\*

	Dec. 31, 2017	Dec. 31, 2016
<b>Operations</b>		
Premiums earned	\$13,089,113	\$13,667,682
+Investment income	9,906,399	9,936,744
+SCILIC considerations	1,871,404	953,626
-Increase in reserves	3,949,547	5,810,684
+Miscellaneous Income	15,527	10,372
-Experience refund provision + Misc. Inc.	441,661	562,684
=Provision for benefits and expense	\$20,491,235	\$18,195,056
<b>Incurred benefits</b>		
Deaths	\$2,192,470	\$1,608,993
Maturities	0	0
Waiver of premium, life/annuities	24,446	23,229
Hospital indemnity	126,142	139,099
Disability income	1,210,836	1,317,570
NSBA	0	0
Cash surrenders, life	10,168,544	8,862,523
Annuity benefits	1,456,893	872,131
SCILIC contract Payments	1,432,829	1,414,880
Interest on deposit contracts	210,660	160,702
-Total incurred benefits	\$16,822,820	\$14,399,127
-Dividends to policyholders	649,552	654,969
-General expenses	3,478,881	3,882,266
-Taxes	132,909	131,341
=Net income from operations	\$(592,927)	\$(872,647)
+Realized capital gains/losses	696,375	342,062
=Net income	\$103,448	\$(530,585)
<b>Other Surplus Gains (Losses)</b>		
+Unrealized capital gains/losses	\$3,156,438	\$1,635,056
+AVR change	(232,049)	(269,480)
Change in valuations basis	0	0
+NAA change	81,763	(8,459)
Miscellaneous (FAS 106 & EDP)	(1,279,918)	243,492
=Change in fund balance (surplus)	\$1,829,682	\$1,070,024

\*Per NAIC statutory accounting rules