

# The Mutual Benefit Association 2018 financial report



**James W.  
"Jim" Yates**

**E**ach year, the Mutual Benefit Association (MBA) publishes figures that reflect its financial health. This is in accordance with MBA's General Law 9, Section 3, which 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 pri-

or two years of performance, ending Dec. 31, 2018, and Dec. 31, 2017.

For more information about the MBA, go to [nalc.org/mba](http://nalc.org/mba).

## 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

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### BALANCE SHEET\*

	Dec. 31, 2018	Dec. 31, 2017
<b>Assets</b>		
Cash	\$1,128,032	\$1,844,453
Short Term	0	0
Investments		
Stocks	19,928,867	22,740,250
Bonds—amortized value	224,091,834	221,272,421
Policy loans	2,886,588	3,230,145
Accrued investment income	2,520,019	2,531,560
Security lending	3,873,662	(189,407)
Misc., including unearned premium and EDP equipment	111,391	96,786
<b>Total assets</b>	<b>\$254,550,393</b>	<b>\$251,526,208</b>
<b>Liabilities and Reserves</b>		
<b>Liabilities</b>		
Unpaid claims	\$582,877	\$748,548
Deposit—type contracts	3,043,649	3,374,187
General expenses due and accrued	515,490	321,053
Taxes due and accrued	2,375	0
Unearned income	188,160	187,354
Escrow and suspense	71,442	83,685
Experience refund provision	455,726	1,011,290
Securities lending collateral	4,058,526	0
Other—FAS 106 medical plan	3,476,882	4,193,681
<b>Reserves</b>		
For the benefit and protection of policyholders	202,811,540	200,248,721
For dividends to policyholders	684,136	684,721
Required securities valuation	6,336,870	7,887,352
<b>Total liabilities and reserves</b>	<b>\$222,227,673</b>	<b>\$218,740,592</b>
<b>Fund Balance (Surplus)</b>		
Allocated for contingencies	\$350,000	\$350,000
Unassigned	31,972,720	32,435,616
<b>Total Fund Balance (Surplus)</b>	<b>\$32,322,720</b>	<b>\$32,785,616</b>
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$254,550,393</b>	<b>\$251,526,208</b>
Surplus Ratio	14.54%	14.99%
Ratio with AVR and IMR	17.91%	19.29%

\*Per NAIC statutory accounting rules

### INCOME STATEMENT\*

	Dec. 31, 2018	Dec. 31, 2017
<b>Operations</b>		
Premiums earned	\$12,163,671	\$13,089,113
+Investment income	9,864,295	9,906,399
+SCILIC considerations	1,420,820	1,871,404
-Increase in reserves	2,562,819	3,949,547
+Miscellaneous Income	32,713	15,527
-Experience refund provision + Misc. Inc.	458,864	441,661
<b>=Provision for benefits and expense</b>	<b>\$20,459,816</b>	<b>\$20,491,236</b>
<b>Incurred benefits</b>		
Deaths	\$1,595,396	\$2,192,470
Maturities	0	0
Waiver of premium, life/annuities	20,106	24,446
Hospital indemnity	121,042	126,142
Disability income	1,004,123	1,210,836
NSBA	0	0
Cash surrenders, life	11,306,136	10,168,544
Annuity benefits	1,048,040	1,456,893
SCILIC contract Payments	1,534,680	1,432,829
Interest on deposit contracts	134,430	210,660
<b>-Total incurred benefits</b>	<b>\$16,763,933</b>	<b>\$16,822,820</b>
-Dividends to policyholders	645,917	649,552
-General expenses	3,782,838	3,478,001
-Taxes	123,557	132,909
<b>=Net income from operations</b>	<b>\$(856,429)</b>	<b>\$(592,927)</b>
+Realized capital gains/losses	693,993	696,375
<b>=Net income</b>	<b>\$(162,436)</b>	<b>\$103,448</b>
<b>Other Surplus Gains (Losses)</b>		
+Unrealized capital gains/losses	\$(1,995,997)	\$3,156,438
+AVR change	998,141	(232,049)
Change in valuations basis	0	0
+NAA change	11,655	81,763
Miscellaneous (FAS 106 & EDP)	685,738	(1,279,918)
<b>=Change in fund balance (surplus)</b>	<b>\$(462,899)</b>	<b>\$1,829,682</b>

\*Per NAIC statutory accounting rules