The Mutual Benefit Association
2018 financial report

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

For more information about the MBA, go to nalc.org/mba.

James W. “Jim” Yates
Director of Life Insurance

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
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***

<table>
<thead>
<tr>
<th></th>
<th>Dec. 31, 2018</th>
<th>Dec. 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>1,128,032</td>
<td>1,844,453</td>
</tr>
<tr>
<td>Short Term</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Investments</td>
<td>19,828,867</td>
<td>22,770,250</td>
</tr>
<tr>
<td>Stocks—amortized value</td>
<td>224,091,834</td>
<td>221,272,421</td>
</tr>
<tr>
<td>Policy loans</td>
<td>2,866,588</td>
<td>3,230,145</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>2,520,019</td>
<td>2,531,560</td>
</tr>
<tr>
<td>Security lending</td>
<td>3,873,662</td>
<td>(189,407)</td>
</tr>
<tr>
<td>Misc., including unearned premium and EDP equipment</td>
<td>111,391</td>
<td>96,286</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>254,550,393</td>
<td>251,526,208</td>
</tr>
<tr>
<td><strong>Liabilities and Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td>222,227,673</td>
<td>218,760,692</td>
</tr>
<tr>
<td>Unpaid claims</td>
<td>582,877</td>
<td>748,548</td>
</tr>
<tr>
<td>Deposit—type contracts</td>
<td>3,043,649</td>
<td>3,374,187</td>
</tr>
<tr>
<td>General expenses due and accrued</td>
<td>515,490</td>
<td>321,053</td>
</tr>
<tr>
<td>Taxes due and accrued</td>
<td>2,375</td>
<td>0</td>
</tr>
<tr>
<td>Unearned income</td>
<td>188,160</td>
<td>187,354</td>
</tr>
<tr>
<td>Escrow and suspense</td>
<td>74,442</td>
<td>83,685</td>
</tr>
<tr>
<td>Experience refund provision</td>
<td>455,726</td>
<td>1,011,290</td>
</tr>
<tr>
<td>Securities lending collateral</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other—FAS 106 medical plan</td>
<td>3,476,882</td>
<td>4,193,681</td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td>202,811,540</td>
<td>200,248,721</td>
</tr>
<tr>
<td>For the benefit and protection of policyholders</td>
<td>684,136</td>
<td>682,721</td>
</tr>
<tr>
<td>For dividends to policyholders</td>
<td>6,336,870</td>
<td>7,887,352</td>
</tr>
<tr>
<td>Required securities valuation</td>
<td>222,227,673</td>
<td>218,760,692</td>
</tr>
<tr>
<td><strong>Fund Balance (Surplus)</strong></td>
<td>254,550,393</td>
<td>251,526,208</td>
</tr>
</tbody>
</table>

**INCOME STATEMENT***

<table>
<thead>
<tr>
<th></th>
<th>Dec. 31, 2018</th>
<th>Dec. 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premiums earned</td>
<td>$12,163,671</td>
<td>$13,089,113</td>
</tr>
<tr>
<td>Investment income</td>
<td>9,844,295</td>
<td>9,906,399</td>
</tr>
<tr>
<td>SCILIC considerations</td>
<td>1,420,820</td>
<td>1,871,404</td>
</tr>
<tr>
<td>Increase in reserves</td>
<td>2,562,819</td>
<td>3,949,547</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>32,713</td>
<td>44,661</td>
</tr>
<tr>
<td>Experience refund provision</td>
<td>458,864</td>
<td>441,661</td>
</tr>
<tr>
<td><strong>Total incurred benefits</strong></td>
<td>$20,459,816</td>
<td>$20,491,236</td>
</tr>
<tr>
<td><strong>Incurred benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deaths</td>
<td>1,595,396</td>
<td>2,192,470</td>
</tr>
<tr>
<td>Maturities</td>
<td>20,106</td>
<td>24,446</td>
</tr>
<tr>
<td>Waiver of premium, life/annuities</td>
<td>212,042</td>
<td>126,142</td>
</tr>
<tr>
<td>Hospital indemnity</td>
<td>1,064,123</td>
<td>1,210,836</td>
</tr>
<tr>
<td>Disability income</td>
<td>11,206</td>
<td>10,168,544</td>
</tr>
<tr>
<td>NSBA</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cash surrenders, life</td>
<td>1,068,040</td>
<td>1,456,893</td>
</tr>
<tr>
<td>Annuity benefits</td>
<td>1,534,680</td>
<td>1,432,829</td>
</tr>
<tr>
<td>SCILIC contract Payments</td>
<td>134,439</td>
<td>210,660</td>
</tr>
<tr>
<td>Interest on deposit contracts</td>
<td>16,763,933</td>
<td>16,822,820</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>645,917</td>
<td>649,552</td>
</tr>
<tr>
<td><strong>Other Surplus Gains (Losses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends to policyholders</td>
<td>$856,429</td>
<td>($592,927)</td>
</tr>
<tr>
<td>General expenses</td>
<td>3,782,838</td>
<td>3,478,001</td>
</tr>
<tr>
<td>Taxes</td>
<td>123,557</td>
<td>132,909</td>
</tr>
<tr>
<td><strong>Net income from operations</strong></td>
<td>693,993</td>
<td>696,375</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>($162,436)</td>
<td>$103,448</td>
</tr>
<tr>
<td><strong>Change in fund balance (surplus)</strong></td>
<td>($462,899)</td>
<td>($1,829,682)</td>
</tr>
</tbody>
</table>

*Per NAIC statutory accounting rules