

The Mutual Benefit Association 2019 financial report



**James W.
"Jim" Yates**

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 pri-

or two years of performance, ending Dec. 31, 2019, and Dec. 31, 2018.

For more information about the MBA, go to 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, 2019	Dec. 31, 2018
Assets		
Cash	1,340,148	1,128,032
Short Term	0	0
Investments		
Stocks	23,649,307	19,938,867
Bonds - amortized value	227,637,136	224,091,834
Policy loans	2,692,031	2,886,588
Accrued investment income	2,505,020	2,520,019
Security Lending	2,214,053	3,873,662
Misc. including unearned premium and EDP equipment	119,688	111,391
Total assets	260,157,383	254,550,393
Liabilities and Reserves		
Liabilities		
Unpaid claims	432,887	582,877
Deposit - type contracts	3,060,594	3,043,649
General expenses due and accrued	346,093	515,490
Taxes due and accrued	0	2,375
Unearned income	176,139	188,160
Escrow and suspense	87,480	71,442
Experience refund provision	387,911	455,726
Securities Lending Collateral	2,318,000	4,058,526
Other - FAS 106 medical plan	3,660,814	3,476,882
Reserves		
For the benefit and protection of policyholders	204,739,152	202,811,540
For dividends to policyholders	696,061	684,136
Required securities valuation	8,351,103	6,336,870
Total Liabilities and Reserves	224,256,234	222,227,673
Fund Balance (Surplus)		
Allocated for contingencies	350,000	350,000
Unassigned	35,551,149	31,972,720
Total Fund Balance (Surplus)	35,901,149	32,322,720
Total Liabilities, Reserves and Fund Balance	260,157,383	254,550,393
Surplus Ratio	16.01%	14.54%
Ratio with AVR and IMR	20.50%	17.91%

*Per NAIC statutory accounting rules

INCOME STATEMENT*

	Dec. 31, 2019	Dec. 31, 2018
Operations		
Premiums earned	11,257,745	12,163,671
+Investment income	9,954,748	9,864,295
+SCILC considerations	1,798,141	1,420,820
-Increase in reserves	1,927,612	2,562,819
+Miscellaneous Income	40,187	32,713
-Experience refund provision + Misc. Inc.	388,392	458,864
=Provision for benefits and expense	20,734,817	20,459,816
Incurred benefits		
Deaths	1,278,087	1,595,376
Maturities	0	0
Waiver of premium, life/annuities	20,050	20,106
Hospital indemnity	188,549	121,042
Disability income	822,274	1,004,123
NSBA	0	0
Cash surrenders, life	10,648,179	11,306,136
Annuity benefits	2,177,266	1,048,040
SCILC contract Payments	1,609,038	1,534,680
Interest on deposit contracts	116,596	134,430
-Total incurred benefits	16,860,039	16,763,933
-Dividends to policyholders	669,999	645,917
-General expenses	3,334,155	3,782,838
-Taxes	119,299	123,557
=Net income from operations	\$(248,675)	\$(856,429)
+Realized capital gains/losses	976,024	693,993
=Net income	\$727,349	\$(162,436)
Other Surplus Gains (Losses)		
+Unrealized capital gains/losses	4,435,315	(1,995,997)
+AVR change	(1,469,245)	998,141
Change in valuations basis	0	0
+NAA change	(11,975)	11,655
Miscellaneous (FAS 106 & EDP)	(103,012)	685,738
=Change in fund balance (surplus)	\$3,578,432	\$(462,899)

*Per NAIC statutory accounting rules