

# The Mutual Benefit Association 2020 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 prior two years of performance, ending Dec. 31, 2020, and Dec. 31, 2019.

For more information about the MBA, go to [nalc.org/mba](http://nalc.org/mba). Please note: Currently, due to the COVID-19 pandemic, the MBA phone lines are open only on Tuesdays and Thursdays from 8 a.m. to 3:30 p.m. Eastern Time.

## 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, 2020	Dec. 31, 2019
<b>Assets</b>		
Cash	1,703,806	1,340,148
Short Term	0	0
Investments		
Stocks	26,243,068	23,649,307
Bonds - amortized value	231,353,409	227,637,136
Policy loans	2,612,157	2,692,031
Accrued investment income	2,558,604	2,505,020
Security Lending	(89,517)	2,214,053
Misc., including unearned premium and EDP equipment	124,737	119,688
Total assets	264,506,264	260,157,383
<b>Liabilities and Reserves</b>		
<b>Liabilities</b>		
Unpaid claims	543,481	432,887
Deposit - type contracts	2,923,102	3,060,594
General expenses due and accrued	367,695	346,093
Taxes due and accrued	0	0
Unearned income	167,557	176,139
Escrow and suspense	103,099	87,480
Experience refund provision	439,091	387,911
Securities Lending Collateral	0	2,318,000
Other - FAS 106 medical plan	4,000,582	3,660,814
<b>Reserves</b>		
For the benefit and protection of policyholders	211,601,122	204,739,152
For dividends to policyholders	704,421	696,061
Required securities valuation	9,243,736	8,351,103
Total Liabilities and Reserves	230,093,886	224,256,234
<b>Fund Balance (Surplus)</b>		
Allocated for contingencies	350,000	350,000
Unassigned	34,062,378	35,551,149
Total Fund Balance (Surplus)	34,412,378	35,901,149
Total Liabilities, Reserves and Fund Balance	264,506,264	260,157,383
Surplus Ratio	14.96%	16.01%
Ratio with AVR and IMR	19.77%	20.50%

\*Per NAIC statutory accounting rules

### INCOME STATEMENT\*

	Dec. 31, 2020	Dec. 31, 2019
<b>Operations</b>		
Premiums earned	11,591,494	11,257,745
+Investment income	9,833,375	9,954,748
+SCILC considerations	2,776,562	1,798,141
-Increase in reserves	6,861,970	1,927,612
+Miscellaneous Income	11,451	40,187
-Experience refund provision + Misc. Inc.	439,091	388,392
=Provision for benefits and expense	16,911,821	20,734,817
<b>Incurred benefits</b>		
Deaths	1,694,307	1,278,087
Maturities	0	0
Waiver of premium, life/annuities	27,411	20,050
Hospital indemnity	65,698	188,549
Disability income	598,008	822,274
NSBA	0	0
Cash surrenders, life	9,555,985	10,648,179
Annuity benefits	2,963,627	2,177,266
Scilc contract Payments	2,020,752	1,609,038
Interest on deposit contracts	121,185	116,596
-Total incurred benefits	17,046,973	16,860,039
-Dividends to policyholders	682,902	669,999
-General expenses	3,635,183	3,334,155
-Taxes	118,129	119,299
=Net income from operations	\$(4,571,366)	\$(248,675)
+Realized capital gains/losses	2,726,990	976,024
=Net income	\$(1,844,376)	\$727,349
<b>Other Surplus Gains (Losses)</b>		
+Unrealized capital gains/losses	986,458	4,435,315
+AVR change	(357,904)	(1,469,245)
Change in valuations basis	0	0
+NAA change	52,394	(11,975)
Miscellaneous (FAS 106 & EDP)	(325,338)	(103,012)
=Change in fund balance (surplus)	\$(1,488,766)	\$3,578,432

\*Per NAIC statutory accounting rules