

MBA term life policies



**James W.
"Jim" Yates**

Last month I wrote about the Mutual Benefit Association's (MBAs) whole life policies. The MBA also offers four term life insurance policies to city letter carriers who are NALC members, and their families. Term life insurance policies offer affordable insurance protection over a defined period of time.

Term life insurance policies are designed to be a low-cost option compared to whole life insurance. They do not build a cash value that may be borrowed against in the same way as MBA's Whole Life products.

The MBA's Term Life Insurance

is offered in either a five-, 10- or 20-year term, or Term to Age 65. Each plan of insurance provides the protection and convenience of having life insurance at a reasonable cost. As with our whole life insurance, our term policies are available for the NALC member, their spouse, children, step-children, grandchildren, step-grandchildren, great-grandchildren, step-great-grandchildren and even the parents of the NALC member. The proposed insured at the time of purchase must be between the ages of 17 and 70 for the 10-year term and between 17 and 60 for the other three options. Insurance on any one individual can be up to \$100,000.

The 5-Year Renewable and Convertible Term Life plan provides insurance protection for a period of five years as long as premiums are paid on the policy. After each five-year term, the policy owner can choose to renew for an additional five-year term without providing evidence of insurability or taking a medical exam. The premium will re-rate at the time of renewal based on the insured's current age (premiums will generally increase). The policy is renewable until the age of 80.

The 10-Year Renewable and Convertible Term Life plan provides insurance protection for a period of 10 years as long as premiums are paid on the policy. After each 10-year term expires, the policy owner may choose to renew the policy for an additional 10-year term. As with the five-year policy, the insured can renew the policy without providing evidence of insur-

ability or taking a medical exam. The premium will re-rate at the time of renewal based on the insured's current age. The policy is also renewable until the age of 80.

Coverage for both the five- and 10-year plans terminate on the policy anniversary date after the insured's 80th birthday.

The 20-Year Term Life plan offers insurance protection for a period of 20 years. The premium rate is based on the current age of the proposed insured and the amount of life insurance coverage. The premium rate will never increase over the entire 20-year period. As long as the premiums are paid on the policy, the insured is guaranteed life insurance for a period of 20 years. At the expiration of the 20-year term, the policy owner will have to reapply if they would like another 20-year term.

The Term to Age 65 plan offers insurance protection until the insured reaches age 65. Regardless of the issue age of the insured, the policy will remain in force until the policy anniversary date after the insured reaches age 65, as long as the premiums are paid on the policy. Like the 20-year term, the premium rate is based on the current age of the proposed insured and the amount of insurance desired. The premium rate will never increase during the lifetime of the policy. This plan of term insurance is especially valuable to those individuals who will not need additional insurance during their retirement years.

All four term life options are convertible to whole life insurance policies until the insured reaches the age of 65 without providing evidence of insurability or taking a medical exam. Premium rates will change to a whole life premium at the insured's current age at the time of conversion. The face value of the new whole life policy cannot be greater than the existing term policy.

For more information about the term policies offered by the MBA, including rates and applications, please see the MBA website at nalc.org/mba. When filling out an application, please make sure that you circle the type of policy that you want and indicate the amount of coverage desired. Florida, South Dakota and California residents, please make sure you use the application specific for your state.

You can also call the MBA office at 202-638-4318, Monday through Friday, 8 a.m. to 3:30 p.m. Eastern time.