

A brief history of the MBA



**James W.
"Jim" Yates**

City delivery was established during the Civil War. As the workforce expanded in the years after 1863, many letter carriers formed local groups that often were structured as mutual benefit associations to provide sick, death or other benefits. So, it was natural that once the National Association of Letter Carriers was founded, one of the first resolutions passed at the first convention in Boston in 1890 approved a mutual benefit feature. In September of that year, the NALC Executive Board announced the establishment of an insurance plan. It was of great importance to provide benefits for its members, especially since the plan would be run by letter

carriers, for letter carriers. This remains an important part of the MBA's appeal today.

The plan for insurance was ultimately adopted at the second convention in Detroit and officers were elected. Wilmot Dunn, a letter carrier who had been on the committee responsible for drawing up the insurance plan, became its head or "chief collector." The United States Letter Carriers Mutual Benefit Association (MBA) was chartered and headquartered in the state of Tennessee, where Dunn lived.

The first offering from the MBA was a death benefit policy, so that family members of a deceased letter carrier would have some income. The federal government did not provide any benefits when a carrier died. Two months after the MBA was established, 43 NALC branches already had requested membership forms. The MBA was off to a good start.

As is the case today, the MBA was initially governed by a board of three trustees and administered by the chief collector (now the director of life insurance). The NALC president has overall supervision.

The first death benefit policies offered were either \$1,500 or \$3,000. In 1905, NALC added a benefit for injured or sick letter carriers who could not work due to an accident or illness.

The MBA went on to provide vital financial support to NALC members as the U.S. economy confronted the Great Depression. It stood by letter carriers as large numbers entered the military in World War II and other wars and conflicts.

In the 1980s, the MBA began to expand the benefits offered to NALC members by providing a way to supplement their retirement years. The association began offering a deferred annuity policy so that members could contribute small amounts each pay period in return for a lifetime of annuity payments when they retire from the Postal Service.

Today's MBA would be unrecognizable to its founders, who would be amazed at its scope, its financial stability, and the wide range of products now offered. The MBA offers several different options for life insurance policies: MBA 10-Year Renewable and Convertible Term Life Insurance, MBA Whole Life Insurance, MBA Whole Life Insurance Paid-Up in 20 Years, MBA Whole Life Insurance Paid-Up at Age 65, and Independence (Single Premium) Whole Life. The MBA will issue policies for a death benefit of up to \$100,000 for any one individual. Letter carriers can apply for an insurance policy for themselves, their spouse, children, stepchildren, grandchildren, step-grandchildren, great-grandchildren, step-great-grandchildren, and even their parents.

Additionally, the MBA offers the MBA Retirement Savings Plan as a way to save money for retirement, not only for the letter carriers (CCA and career) but for their family members, as well. The MBA offers traditional individual retirement accounts (IRAs), Roth IRAs and non-qualified deferred annuity policies.

The MBA Hospital Confinement policy provides a daily benefit to NALC members when they or their covered family members are confined to a hospital. The daily benefit amounts are \$30, \$50, \$75 or \$100 for the NALC member and spouse and \$18, \$30, \$45 or \$60 for covered children.

The values of the MBA are still the same as those that prompted its establishment in the 1890s. It is still run by, and for, letter carriers. It is still nonprofit. All MBA representatives are still NALC members. It still fulfills an important role in helping NALC members safeguard their financial security.

The MBA has come a long way in its 127-year history. It has grown and developed over the years to reflect the changing economy. The MBA has shown it can adapt and prosper. It has helped thousands of letter carriers since 1891, and is ready to help many more in the years ahead.

President Fredric Rolando said that the MBA is "one of the NALC's best-kept secrets, but every letter carrier needs to know about it."

If you would like information about MBA products, visit our website at nalc.org/mba, call toll-free at 800-424-5184, Tuesdays and Thursdays from 8 a.m. to 3:30 p.m.; or call 202-638-4318 Monday through Friday, 8 a.m. to 3:30 p.m., Eastern Time.

I would like to thank the membership for having the confidence in me to serve as your director of life insurance. I would also like to wish you and your families a happy and prosperous new year and thank every letter carrier for their hard work, commitment and dedication to serving their customers during the peak season.