

Whole life insurance



**James W.
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There are many benefits to a whole life insurance policy: Coverage lasts the lifetime of the insured individual, the premiums never increase and the policy builds a cash value that the policy owner may borrow against in times of financial need.

With a traditional whole life insurance policy, the premiums are paid for the entire life of the insured person. The Mutual Benefit Association (MBA) does offer a traditional whole life product.

However, many people do not like the idea of paying premiums on a life insurance policy for their entire lifetime. Letter carriers asked the MBA to offer a whole-life insurance policy with a limited premium payment period. In response to this request, MBA offers two policies: Paid Up in 20 Years MBA Whole Life Insurance, and Paid Up at Age 65 MBA Whole Life Insurance.

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MBA whole life plans are available to NALC members and their spouses, children, step-children, grandchildren, step-grandchildren, great-grandchildren and step-great-grandchildren, as well as members’ parents. MBA will insure any one life up to the coverage amount of \$100,000. The difference between the plans is the age at which the policies may be issued: For a Paid Up in 20 Years policy, it is ages 0 to 80; for Paid Up at Age 65, ages 0 to 55.

The best part about these plans is that the premiums remain the same for the premium payment period. At the plans’ designated time, the policy is paid in full. The Paid Up in 20 Year policy is fully paid off 20 years after the issue date of the policy. The Paid Up at Age 65 policy is fully paid off on the policy anniversary date after the insured turns 65 years old. At that time, no further premiums are ever due on these policies. The coverage remains in force for the insured’s entire lifetime. The premium is determined by the insured’s age at the time the policy is purchased, and the amount of life insurance requested.

Premiums on either plan may be paid to the MBA through biweekly payroll deduction, through electronic funds transfer (EFT) or directly to the MBA office on an annual or monthly basis.

All of our whole life policies are “participating plans of insurance.” This means that the policy owner will share in any divisible surplus of the MBA. The divisible surplus is called a dividend on the policy and is credited to the policy

on each anniversary date. Policy owners have options on how they may receive the dividends: cash dividends (receiving a check each year on the policy anniversary date); dividends on deposit (dividends remain with the MBA and earn interest); and Life Paid-Up additions (dividends are used to purchase additional life insurance for the insured). Each year, policy owners who opt for the latter two options are provided with a statement indicating that the dividends on deposit or the Paid-Up Additional Life Insurance amount.

Our whole life plans provide policy owners with benefits that may not be available with other life insurance products. For example, if a policy owner is unable to continue to pay the required premiums prior to the policy becoming fully paid, options are available to avoid losing coverage, including automatic premium loans or the non-forfeiture options of extended term insurance or reduced paid-up insurance.

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For additional information about our traditional Whole Life/Paid Up in 20 Years/Paid Up at Age 65 policies or any other MBA policy offerings, visit nalc.org/mba. Once on the site, scroll down to “MBA Brochures, Applications and Forms,” which will allow you to see all the plans offered by the MBA. Click on the individual plan or on the image of the brochure to view rates and more information about the plan.

After reviewing all the benefits, you may wish to apply for a whole life insurance policy. To do so, from the “MBA Brochures, Applications and Forms” page, scroll down to “Applications for U.S. Letter Carriers Mutual Benefit Association Policies” and then click either on the specific state in which you reside or on the “All Other States” tab. From there, click on “Life Insurance” to pull up the specific application. Complete and sign the application and send it, along with the first premium payment, to the MBA office.

You also may call the MBA office Monday to Friday at 202-638-4318 from 8 a.m. to 3:30 p.m. Eastern time and Tuesday and Thursday at 800-424-5184 at those same times.

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.