



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

REPORT ON EXAMINATION
OF
UNITED STATES LETTER CARRIERS
MUTUAL BENEFIT ASSOCIATION
(NAIC # 56456)
WASHINGTON, D.C.

AS OF
DECEMBER 31, 2019

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Washington, D.C.
June 8, 2021

Honorable Carter Lawrence
Commissioner
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, Tennessee 37243

Dear Commissioner:

In accordance with your instructions and pursuant to Tennessee Code Annotated (“Tenn. Code Ann.”) § 56-25-604, a full-scope financial examination and market conduct review, as of December 31, 2019, has been made of the conditions and affairs of:

UNITED STATES LETTER CARRIERS MUTUAL BENEFIT ASSOCIATION

NAIC # 56456
100 Indiana Avenue N.W.
Washington D.C. 20001

hereinafter referred to as the “Company” or “USLCMBA” and a report thereon is submitted as follows:

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI or “Department”). The examination was conducted by duly authorized representatives of the Department. This examination was called through the National Association of Insurance Commissioners (NAIC) Financial Examination Electronic Tracking System (FEETS). The Company is a fraternal association organized under a general welfare charter issued to the National Association of Letter Carriers of the United States of America (NALC). There were no affiliated insurers. Therefore, the examination did not qualify for coordination pursuant to NAIC guidelines.

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2014. This examination covers the period January 1, 2015, through December 31, 2019, and includes any material transactions and/or events occurring subsequent to the examination date which were noted during the course of examination.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee, and in accordance with practices and procedures promulgated by the NAIC in the *Financial Condition Examiners Handbook* (“Handbook”), as deemed appropriate. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance, by identifying and assessing inherent risks within the Company, and by evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management’s compliance with statutory accounting principles and annual statement instructions.

All significant risks were considered when planning which key activities and accounts would be examined. The key activities included: Investments; Premium/Underwriting; Reserves/Claims; Related Party; and Capital and Surplus.

The Company’s 2019 annual statement was compared with or reconciled to the corresponding general ledger account balances.

Independent information technology specialist services, provided by Jennan Enterprises, LLC, were utilized in the examination review of the Company’s information technology general controls (ITGC).

The Company does not maintain an Internal Audit (IA) Department.

The Company’s Certified Public Accountant (CPA) workpapers were reviewed for the 2019 audit and incorporated into the examination, as deemed appropriate.

A separate market conduct review was also performed concurrently with the financial examination. See “Market Conduct Activities” section of this report.

The actuarial firm of Lewis & Ellis, Inc. was utilized in the examination review of the Company’s claim reserves.

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

There were no comments and one (1) recommendation noted in the prior examination report as of December 31, 2014. A description of the prior recommendation and the Company’s compliance is described below.

The claims testing during the last examination identified denied claims for overnight hospital stays. For these claims, the patient's status was not changed from "observation" to "admitted," which, per the Company, was the reason for the denials. This policy was changed by the Company in late 2014, and the Company began paying these claims.

At the time of the last report, the Company was investigating denied claims to identify these denied claims for re-adjudication and payment.

It was recommended that the Company complete its investigation and re-adjudicate and pay the previously denied claims.

During the current examination period, the Company completed its investigation and paid these previously denied claims.

COMPANY HISTORY

The Company was organized in the State of Tennessee on February 26, 1892, under powers conferred by a general welfare charter issued to the NALC. This charter provided for the establishment and operation of an insurance fraternal benefit corporation.

The Company is a fraternal association authorized to transact the business of fraternal life and accident and health insurance under the laws of the State of Tennessee in Title 56, Chapter 25. The Company exists to provide life insurance, annuity, disability, and health coverage to NALC members and their families. The NALC is a national union representing letter carriers and other non-supervisory personnel of the United States Postal Service.

All operations are performed at the Company's main administrative office in Washington, D.C.

MANAGEMENT AND CONTROL

MANAGEMENT

Trustees

The Company is a department of the NALC. The members of the NALC (represented by delegates to the biennial convention) elect a Board of Trustees (“Board”), President, and a Director of Life insurance to manage the business and affairs of the Company.

The following persons were serving as members of the Board, as of December 31, 2019:

<u>Name</u>	<u>Principal Occupation</u>
Lawrence D. Brown, Jr	Trustee - NALC
Michael J. Gill	Trustee - NALC
Mack E. Julion	Trustee - NALC

Officers

The following persons were serving as officers of the Company, as of December 31, 2019:

<u>Name</u>	<u>Title</u>
Lawrence D. Brown, Jr.	Chairperson of the Board
Fredric V. Rolando	President
James W. Yates	Director of Life Insurance and Secretary

Committees

The Company’s Constitution calls for a Board of Investment to direct the investments in securities. The Board of Investment is comprised of the Board, the President of the NALC, and the Director of Life Insurance.

CONTROL

The Company is a fraternal benefit association established and operated by the NALC.

CORPORATE RECORDS

The minutes of meetings of the Company’s Board were reviewed for the period under examination. The minutes were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes indicates that all investment transactions were approved by the Board pursuant to Tenn. Code Ann. § 56-3-408(b)(1).

The original Constitution of the Company was filed with the Tennessee Secretary of State on February 25, 1892. No amendments or restatements were made to the Company's Constitution during the period of examination.

SERVICE AGREEMENTS

The Company had several third-party agreements in place for customary services during the period under examination, including an agreement with Griffith, Ballard & Company (GBC). GBC provides actuarial services and significant accounting, internal reporting, and external reporting services to the Company. It was noted that there was no written agreement covering the services provided by GBC to the Company. It is suggested that the Company formalize this verbal agreement in writing and have all parties execute the agreement. See the "Comments and Recommendations" section of the report for more information.

AGREEMENTS WITH AFFILIATES

The Company had the following significant agreements with its affiliated companies in effect, as of December 31, 2019:

NALC Administrative and Cost Sharing Agreement

The Company has an Administrative Services and Cost Sharing Agreement with the NALC, effective January 1, 2013, and amended June 1, 2017, and August 20, 2018. Under the agreement, the NALC provides human resources and payroll services to the Company.

HBP Administrative and Cost Sharing Agreement

The Company has an Administrative Services and Cost Sharing Agreement with the NALC Health Benefit Plan (NALC HBP), effective January 1, 2015, and amended March 30, 2016. Under the agreement, the NALC HBP provided human resources and payroll services to the Company. In 2016, the agreement was amended to cease the above services. The NALC HBP also provided the Company with rental space at the NALC HBP's Ashburn, Virginia location through June 15, 2020.

Information Technology Sharing and Support Agreement

The Company has an Information Technology Sharing and Support Agreement with the NALC and NALC HBP, effective April 1, 2016, and amended June 1, 2018. Under the agreement, the information technology support for network operations, internal controls, database maintenance, data security support, disaster recovery, telephone, and facsimile platform and support are shared amongst the three companies.

NALC Lease Agreement

The Company has a Lease Agreement with the NALC, effective October 7, 2016, and amended June 1, 2018. Under the agreement, the Company leases three floors within the NALC headquarters located in Washington D.C.

TERRITORY AND PLAN OF OPERATION

TERRITORY

The Company holds a Certificate of Authority issued by the TDCI as a fraternal to write life and accident and health insurance pursuant to Tenn. Code Ann. § 56-25-101. The Company collected premiums in 54 states and territories. The Company is licensed to transact business in 13 states (including California, Colorado, Florida, Kansas, Minnesota, Mississippi, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, and Wisconsin) and the District of Columbia. As a fraternal, the Company is not required to be licensed in the remaining 41 states and territories to transact business.

PLAN OF OPERATION

The Company offers life, accident and health, and annuity products. On any one life, the minimum insurance issued is \$1,000 and the maximum is \$100,000. The Company has no insurance agents. Insurance solicitation is accomplished through the NALC's magazine, "*The Postal Record*." This direct response marketing is supplemented with promotional materials provided by the Company to the NALC branches.

Applicants for insurance coverage must be a letter carrier or other non-supervisory employee of the U.S. Postal Service who is a member in good standing of the NALC, or the spouse, child, stepchild, grandchild, step-grandchild, great-grandchild, step-great-grandchild, parent or legal guardian (up to the age of 80) of a member of the NALC. Employees of the NALC and its subsidiaries, their spouses, and children are also eligible applicants. The Company utilizes the services of a medical consultant to review applications and claims in certain instances.

GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the period subject to the examination, according to its annual statements, as filed with the TDCI:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Net Income</u>
2019	\$260,157,383	\$224,256,233	\$35,901,150	\$727,350
2018	\$254,550,392	\$222,227,672	\$32,322,720	(\$162,434)
2017	\$251,526,207	\$218,740,592	\$32,785,615	\$103,449
2016	\$243,945,102	\$212,989,167	\$30,955,935	(\$530,584)
2015	\$239,608,227	\$209,722,318	\$29,885,909	(\$179,941)

LOSS EXPERIENCE

As developed from applicable amounts included in the Company's annual statements, the ratios of losses incurred to direct premiums earned, for the period subject to the examination were as follows:

<u>Year</u>	<u>Life Premiums</u>	<u>Death Benefits</u>	<u>Loss Ratio</u>	<u>Accident and Health Premiums</u>	<u>Disability Benefits</u>	<u>Loss Ratio</u>
2019	\$3,290,762	\$1,278,087	38.8%	\$976,403	\$1,010,823	103.5%
2018	\$3,420,569	\$1,595,375	46.6%	\$1,172,696	\$1,125,165	95.9%
2017	\$3,303,333	\$2,192,470	66.4%	\$1,432,220	\$1,336,978	93.4%
2016	\$3,297,830	\$1,608,992	48.8%	\$1,717,371	\$1,456,670	84.8%
2015	\$3,107,628	\$1,276,204	41.1%	\$1,892,290	\$1,849,033	97.7%

ACCOUNTS AND RECORDS

The Company's books and records are located in Washington, D.C.

During the examination, certain balances were tested, and amounts were traced from the Company's trial balance to the annual statement. All the Company's investment securities were confirmed with the custodian of such securities as of the date of the examination. All annual statements for the period under examination were reviewed for completeness and adequacy of disclosure. The Company's risk-based capital filings were reviewed. Test checks and reviews revealed no material discrepancies.

MARKET CONDUCT ACTIVITIES

A market conduct review was made of the Company as of December 31, 2019, in conjunction with the examination. The following items were addressed:

Operations and Management Standards

Company antifraud initiatives were examined to determine if the initiatives are reasonably designed to prevent, detect, or mitigate fraudulent insurance acts. Company procedures and policies relating to privacy were found to be in compliance with Tenn. Code Ann. § 56-8-104(19).

Complaint Handling Practices

During the examination, Company complaint handling procedures and complaints received by the Company were reviewed. The review of the provided complaint log found that the log did not contain all of the information required by Tenn. Code Ann. § 56-8-104(11). The complaint log should record the total number of complaints, their classification by line of business, the nature of each complaint, and the time it took to process each complaint. See the “Comments and Recommendations” section later in this report.

Marketing and Sales Standards

The Company’s print advertising was reviewed with no exceptions noted. In addition, the NALC maintains a website where Company product descriptions and forms are located. The advertising complies with Tenn. Comp. R. & Reg. 0780-01-08 and Tenn. Comp. R. & Reg. 0780-01-33.

Policyholder Services Standards

The Company’s timeliness of policy issuance, premium billing, response to policyholder requests, provision of adequate disclosures, and compliance with applicable statutes and rules were examined. The Company was found to be in compliance with the relevant market conduct standards.

Underwriting and Rating Standards

In the examination of the Company’s underwriting procedures and policy administration, policy files for open and closed policies for both life and annuity contracts were reviewed for compliance with Tenn. Code Ann. § 56-8-104, Tenn. Comp. R. & Regs. 0780-01-34, and established Company guidelines. In the examination of these contracts, no instances of unfair methods of competition or unfair or deceptive were acts found. Underwriting procedures and policy administration conducted by the Company appear to be in compliance with established Company guidelines.

A sample of the policy forms that the Company used during the period of examination were reviewed. All forms were noted, without exception, as having been filed with the TDCI prior to use, in accordance with Tenn. Code Ann. § 56-25-404(f). The filings are consistent in form and included appropriate documentation.

Claims Handling Standards

In the examination of claims handling practices, the Company's efficiency of claim handling, accuracy of payment, adherence to contract provisions, and compliance with applicable statutes and rules were examined. In conducting the examination, random samples were selected from claims approved and claims resisted by the Company. No exceptions were identified regarding prompt settlements, upon receipt of proper evidence of the Company's liability.

SUBSEQUENT EVENTS

During the examination, a review of subsequent events was performed. No events were noted that required additional disclosure in the examination report. Management stated in its Letter of Representation that they were not aware of any events subsequent to December 31, 2019, that could have a material effect on the Company's financial condition. Our review confirmed the Company's disclosures in its 2019 annual statement and in its Letter of Representation.

On March 11, 2020, The World Health Organization declared the spreading coronavirus (COVID-19) outbreak a pandemic. On March 13, 2020, U.S. President Donald J. Trump declared the coronavirus pandemic a national emergency in the United States. The epidemiological threat posed by COVID-19 is having disruptive effects on the economy, including disruption of the global supply of goods, reduction in the demand for labor, and reduction in the demand for U.S. products and services, resulting in a sharp increase in unemployment.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the TDCI and present the financial condition of the Company for the period ending December 31, 2019. The accompanying Notes to Financial Statements reflect examination adjustments to the amounts reported by the Company in its annual statement and should be considered an integral part of the financial statements.

ASSETS

	<u>Assets</u>	Non-Admitted Assets	Net Admitted Assets
Bonds	\$227,637,136		\$227,637,136
Common Stocks	23,649,307		23,649,307
Cash and cash equivalents	1,340,148		1,340,148
Contract loans	2,692,031		2,692,031
Securities lending reinvested collateral assets (Note 1)	2,214,053		2,214,053
Investment income due or accrued	2,505,020		2,505,020
Premiums and considerations:			
Uncollected premiums and agents balances in the course of collection	9,526		9,526
Electronic data processing equipment and software	151,606	\$41,444	110,162
Furniture and equipment, including health care delivery assets	79,091	79,091	0
Aggregate write-ins for other than invested assets	<u>58,796</u>	<u>58,796</u>	<u>0</u>
Totals	<u>\$260,336,714</u>	<u>\$179,331</u>	<u>\$260,157,383</u>

LIABILITIES, SURPLUS, AND OTHER FUNDS

Aggregate reserve for life contracts		\$199,006,936
Aggregate reserve for accident and health contracts		5,732,218
Liability for deposit-type contracts		3,060,593
Contract claims:		
Life		325,895
Accident and health		106,992
Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year – estimated amount:		
Policyholders' dividends and refunds to members apportioned for payment		696,061
Premiums and annuity considerations for life and accident and health contracts received in advance less \$0 discount: including \$3,595 accident and health premiums		176,138
Contact liabilities not included elsewhere:		
Interest Maintenance Reserve		2,433,694
General expenses due or accrued		346,092
Amounts withheld or retained by reporting entity as agent or trustee		(29,108)
Remittances and items not allocated		116,588
Miscellaneous liabilities:		
Asset valuation reserve		5,917,409
Payable for securities lending		2,318,000
Aggregate write-ins for liabilities		<u>4,048,725</u>
Total Liabilities		\$224,256,233
Aggregate write-ins for special surplus funds	\$350,000	
Unassigned funds (surplus)	<u>35,551,150</u>	
Total Capital and Surplus		<u>35,901,150</u>
Totals		<u>\$260,157,383</u>

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$11,257,804
Considerations for supplementary contracts with life contingencies	1,798,141
Net investment income	9,679,021
Amortization of Interest Maintenance Reserve (IMR)	275,727
Aggregate write-ins for miscellaneous income	<u>40,187</u>
Total	<u>23,050,880</u>
Death Benefits	1,278,087
Annuity benefits	2,177,266
Disability benefits and benefits under accident and health contracts	1,030,873
Surrender benefits and withdrawals for life contracts	10,648,179
Interest and adjustments on contract or deposit-type contract funds	116,596
Payments on supplementary contracts with life contingencies	1,609,038
Increase in aggregate reserves for life and accident and health contracts	<u>1,927,611</u>
Total	<u>18,787,650</u>
General insurance expenses and fraternal expenses	3,334,155
Insurance taxes, licenses and fees, excluding federal income taxes	119,300
Increase in loading on deferred and uncollected premiums	59
Aggregate write-ins for deductions	<u>388,391</u>
Totals	<u>22,629,555</u>
Net gain from operations before dividends to policyholders, refunds to members and federal income taxes	421,325
Dividends to policyholders and refunds to members	<u>669,999</u>
Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes	(248,674)
Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$0	<u>976,024</u>
Net Income (loss)	<u>\$727,350</u>

SURPLUS ACCOUNT

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Capital and surplus, December 31, previous year	<u>\$32,322,720</u>	<u>\$32,785,615</u>	<u>\$30,955,935</u>	<u>\$29,885,909</u>	<u>\$29,718,688</u>
Net income or (loss)	727,350	(162,434)	103,449	(530,584)	(179,941)
Change in net unrealized capital gains or (losses)	4,435,315	(1,995,997)	3,156,438	1,635,055	(329,009)
Change in non-admitted assets	(11,975)	11,655	81,763	(8,459)	45,664
Change in in asset valuation reserve	(1,469,244)	998,141	(232,049)	(269,479)	289,644
Aggregate write-ins for gains and losses in surplus	(103,016)	685,740	(1,279,921)	243,493	340,863
Net change in capital and surplus for the year	<u>3,578,430</u>	<u>(462,895)</u>	<u>1,829,680</u>	<u>1,070,026</u>	<u>167,221</u>
Capital and surplus, December 31, current year	<u>\$35,901,150</u>	<u>\$32,322,720</u>	<u>\$32,785,615</u>	<u>\$30,955,935</u>	<u>\$29,885,909</u>

ANALYSIS OF EXAMINATION CHANGES IN FINANCIAL STATEMENTS

	<u>Per Company</u>	<u>Examination Adjustment</u>	<u>Per Examination</u>
ASSETS	\$260,157,383		\$260,157,383
Examination adjustments:			
Securities lending reinvested collateral assets (Note 1)	<u>2,214,053</u>	<u>(\$1,789,770)</u>	<u>424,283</u>
TOTAL ASSETS	<u>\$260,157,383</u>	<u>(\$1,789,770)</u>	<u>\$258,367,613</u>
LIABILITIES	\$224,256,233	\$0	\$224,256,233
Examination adjustments:			
None	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$224,256,233</u>	<u>\$0</u>	<u>\$224,256,233</u>
CAPITAL AND SURPLUS	<u>\$35,901,150</u>	<u>(\$1,789,770)</u>	<u>\$34,111,380</u>

NOTES TO FINANCIAL STATEMENTS

Note 1

During the examination, the Company's Security Lending Program was reviewed, and an examination exception was noted. In connection with the Company's securities lending program, the following assets were reported in Schedule DL of the Annual Statement as of December 31, 2019, as collateral.

<u>Description</u>	<u>NAIC Designation</u>	<u>Fair Value</u>	<u>Book/Adjusted Carrying Value</u>
MSAC 2006-HE7 A2FP	6	\$600,795	\$622,114
SABR 2007-BR4 A2A	6	\$129,560	\$140,346
CARR 2006-FRE2 A5	6	\$575,154	\$610,599
SABR 2006-WM2 A2B	6	\$223,962	\$231,145
NALC Payable Pool	6	<u>\$156,353</u>	<u>\$185,566</u>
Totals		<u>\$1,685,824</u>	<u>\$1,789,770</u>

Pursuant to Tenn. Code Ann. § 56-3-303(a)(18)(B), cash collateral received in a securities lending transaction shall be invested in accordance with §§ 56-3-303(a) or 56-3-304.

Tenn. Code Ann. § 56-3-303(a)(2)(B) only allows a life insurance company to invest in debt instruments that are not in default as to principal or interest and are rated one of the four highest grades by any of the nationally recognized statistical rating organizations recognized by the NAIC Securities Valuation Office (SVO), or rated “1”, “2” or “3” (the three highest quality ratings) by the NAIC SVO. As noted in the chart above, the collateral held by the Company consists of obligations that are rated “6” by the NAIC SVO, meaning that they are either in, or near, default. Additionally, the collateral, due to its uncertain liquidity, does not meet the admitted asset requirements of Tenn. Code Ann. § 56-1-405. Therefore, the securities do not qualify as collateral under a securities lending agreement.

As a result, these assets, as a component of “Securities Lending Reinvested Collateral Assets,” will be shown as nonadmitted for the purpose of the examination. Additionally, the Company is required to acquire collateral that is compliant with Tenn. Code Ann. §§ 56-3-303(a)(18)(B) and 56-1-405 to secure all loaned securities and report the same in future filings with the Department.

COMMENTS AND RECOMMENDATIONS

The following list presents a summary of comments and recommendations noted in this report:

Comments

1. As noted in the “Management and Control” section of this report, there is no written agreement covering the significant actuarial and accounting services provided to the Company by Griffith, Ballard & Company.

It is suggested that the Company formalize this agreement in writing and execute it with all parties.

Recommendations

1. As noted in the “Complaint Handling Standards” section of this report, it was found that the Company’s complaint log did not record the total number of complaints, their classification by line of business, the nature of each complaint, nor the time it took to process each complaint, as required by Tenn. Code Ann. § 56-8-104(11).

It is recommended that the Company comply with Tenn. Code Ann. § 56-8-104(11) by maintaining a comprehensive record or log of complaints with all the data elements required by the statute.

2. As noted in the “Notes to Financial Statements” section, certain assets held as collateral under securities lending agreements and classified as “Securities Lending Reinvested Collateral Assets” did not qualify as valid collateral, nor are they considered allowable assets, and accordingly were nonadmitted for the purpose of the examination.

The Company should replace the nonadmitted assets with assets that qualify as both valid collateral and allowable assets under the provisions of Tenn. Code Ann. §§ 56-3-303(a)(18)(B) and 56-1-405.

CONCLUSION

Rules and procedures as prescribed by the statutes of the State of Tennessee and guidance from the NAIC Handbook, as deemed appropriate, have been followed in connection with the verification and valuation of assets and the determination of liabilities of United States Letter Carriers Mutual Benefit Association.

In such manner, and after adjustments made as a result of this examination, it was found that as of December 31, 2019, the Company had admitted assets of \$258,367,613 and liabilities, exclusive of capital and surplus, of \$224,256,233. Thus, there existed for the protection of the policyholders, total surplus of \$34,111,380.

The courteous cooperation of the officers and employees of the Company, extended during the course of the examination, is hereby acknowledged.

In addition to the undersigned, Dustin Rice, and James Pearce, Insurance Examiners, from the State of Tennessee; Mike Mayberry, FSA, MAAA, of the actuarial firm Lewis & Ellis, Inc., Richardson, Texas; and Jenny Jeffers and Joe Detrick, of Jennan Enterprises, LLC, participated in the work of this examination.

Respectfully submitted,



Robert Crawford, CFE
Examiner-in-Charge
Representing the State of Tennessee



Bryant Cummings, CFE
Department Designee
State of Tennessee

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of United States Letter Carriers Mutual Benefit Association located in Nashville, Tennessee, dated June 8, 2021, and made as of December 31, 2019, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information and belief.



Robert Crawford, CFE
Examiner-in-Charge
State of Tennessee

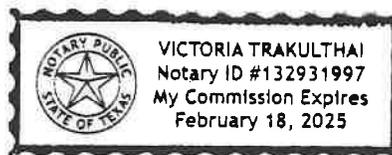
State Texas

County Collin

Subscribed to and sworn before me

this 24 day of June, 2021

Victoria Trakulthai
(NOTARY)



My Commission Expires: February 18, 2025

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of United States Letter Carriers Mutual Benefit Association located in Nashville, Tennessee, dated June 8, 2021, and made as of December 31, 2019, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information and belief.


Bryant Cummings, CFE
Department Designee
State of Tennessee

State Tennessee

County Davidson

Subscribed to and sworn before me

this 25th day of June, 2021


(NOTARY)



My Commission Expires: 1-3-2022

EXHIBIT B



United States Letter Carriers



Mutual Benefit Association



NALC Building, Suite 510 • 100 Indiana Avenue, N.W. • Washington, D.C. 20001-2144 • (202) 638-4318

Board of Trustees: Lawrence D. Brown, Jr., *Chairman*, Michael J. Gill, Mack I. Julion
Fredric V. Rolando, *President*

James W. (Jim) Yates, *Director of Mutual Benefit Association*

June 28, 2021

E. Joy Little
Director of Financial Examinations/Chief Examiner
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243-1135

RE: Report of Examination – United States Letter Carriers Mutual Benefit Association

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for United States Letter Carriers Mutual Benefit Association, made as of December 31, 2019.

By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

Fredric V. Rolando
President