EXAMINATION REPORT

OF

MUTUAL BENEFICIAL ASSOCIATION, INC.

AS OF

DECEMBER 31, 2025

TRINIDAD NAVARRO
COMMISSIONER

STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION

OF

MUTUAL BENEFICIAL ASSOCIATION, INC.

AS OF

DECEMBER 31, 2025

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

Trinidad Navarro
Insurance Commissioner

Dated this 2 day of September, 2026

TABLE OF CONTENTS

August 26, 2026

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street, Suite 101
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Examination Certification No. 26.035, an examination has been made of the affairs, financial condition and management of

MUTUAL BENEFICIAL ASSOCIATION, INC.

hereinafter referred to as Company or MBA. The Company is an incorporated association under the laws of the State of Delaware as a Fraternal Benefit Society with its main office located at 1301 Lancaster Avenue Suite 102, Berwyn, Pennsylvania, 19312.

SCOPE OF EXAMINATION

The Delaware Department of Insurance (Department) performed a risk-focused financial examination of the Company. The previous regulatory examination of the Company covered the five-year period from January 1, 2016 through December 31, 2020. This examination covered the five-year period from January 1, 2021 through December 31, 2025.

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, pursuant to the General Corporation Law of the State of Delaware as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm Ansel & Associates, CPAS LLP (Ansel & Associates). Certain auditor work papers of the 2025 Ansel & Associates' audit of the Company have been incorporated into the work papers of the examiners and have been utilized in determining the scope, areas of emphasis in conducting the examination and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material adjustments in the financial statements as a result of this examination.

COMPANY HISTORY

MBA was incorporated on December 20, 1913, under the Delaware Insurance Laws as a Fraternal Benefit Society and commenced business on February 1, 1914. The original name of the Company was The Mutual Beneficial Association of Pennsylvania Railroad Employees Incorporated. The name of the Company was subsequently changed three times, in 1970 and 1976 to reflect mergers and consolidations in the railroad industry, with the current name of The Mutual Beneficial Association, Inc. being adopted in 1996. Since its inception, the Company has maintained a close working relationship with several railroads including Amtrak, Long Island RR/MTA, CSX and Norfolk Southern. During recent examination periods, the Company has sought to widen its customer base by appealing to anyone involved in the transportation industry as opposed to just the railroad industry. The Company has no subsidiaries or affiliates.

As a fraternal organization, the Company has a unique mission as detailed by its bylaws.

MANAGEMENT AND CONTROL

Pursuant to the General Corporation Law of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, all corporate powers and its business property and affairs are managed by, or under the direction of, its Board of Directors (Board). The property and affairs of the Association shall be managed by a Board consisting of no less than five (5) and no more than nine (9) members, including the General President, General Vice President and General Secretary-Treasurer, by virtue of their office, and in addition up to six (6) Directors who shall have been elected by members.

Directors

The Directors elected and serving the Company as of December 31, 2025 were as follows:

Name	Position/Title
Stephen Michael Santarlasci	General President *Mutual Beneficial Association, Inc.*
John Curry Carini	Officer *Mutual Beneficial Association, Inc.*
Thomas Anthony Catanach	General Treasurer *Mutual Beneficial Association, Inc.*
Richard Otto Dietrich	General Vice President *Mutual Beneficial Association, Inc.*
Mary Louise Gibney	General Secretary *Mutual Beneficial Association, Inc.*

Officers

In accordance with its bylaws, the Officers shall be a General President, General Vice President and a General Secretary-Treasurer, who shall be elected by the Board. The Board may elect such additional officers and agents as it shall deem necessary, who shall have such authority and shall perform such duties as from time to time shall be prescribed by the Board. The Officers elected and serving the Company as of December 31, 2025 were as follows:

Name	Position/Title
Stephen Michael Santarlasci	General President/CEO
Mary Louise Gibney	General Secretary/COO
Thomas Anthony Catanach	General Treasurer/CFO
Richard Otto Dietrich	General Vice President

Corporate Records

The recorded minutes of the Board were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events including the approval of investment transactions in accordance with 18 *Del. C.* §1304.

In addition, a review of Company files indicated that written correspondence was submitted to the Department with regards to any changes in officers and directors during the period under examination in compliance with 18 *Del. C.* §4919.

Insurance Holding Company System

The Company is not a member of an insurance holding company system as defined under 18 Del. C. §5001 of the Delaware Insurance Code.

TERRITORY AND PLAN OF OPERATION

Territory

The Company is licensed in six states and the Direct of Columbia.

Plan of Operation

Life

The Company writes traditional life products, consisting of various whole life and endowment plans, limited pay whole life plans, level premium term, insurance fully paid-up under the terms of the contract, insurance continued under non-forfeiture options as reduced paid-up and extended term and insurance purchased under the paid-up addition dividend option. Whole life consists of limited-pay whole life and 20-pay whole life.

Annuities

MBA offers tax-deferred annuities, Traditional IRAs and Roth IRAs. Individual fixed deferred annuities represent the largest line of business, in excess of $109 million of reserves as of December 31, 2025. The Company does not market or have in force indexed variable annuities. Interest rate guarantees were set at issue for all contracts, with no redetermination.

As of December 31, 2025, the Company reported direct written premiums in the amount of $4,473,457. Distribution by line of business were as follows:

Ordinary Life Insurance Premium	$ 447,053
Ordinary Individual Annuities	4,026,404
Total	$4,473,457

REINSURANCE

The Company has no assumed business and cedes reinsurance on life business. The Company reported the following distribution of net premiums written for 2025:

	Individual Life	Individual Annuities	Group Life	Total
Direct	$ 447,053	$ 4,026,404	$ -	$ 4,473,457
Ceded:				
Reinsurance ceded to US non-affiliates	53,914	-	-	53,914
Reinsurance ceded to non-affiliates	12,000	-	-	12,000
Total Ceded	65,914	-	-	65,914
Net Premiums Written	$ 381,139	$ 4,026,404	$ 76	$ 4,407,543

MBA maintains a reinsurance agreement containing two sections with Optimum Reinsurance Company. The first section covers policies issued after August 10, 2001 (effective date) and is referred to as the Conditional Automatic Coinsurance Agreement. This is the Company's primary coverage and provides that MBA retain 40% per life risk up to a maximum retention of $20,000. Once MBA has paid $20,000 on a life risk, the Company cedes 100% up to the Facultative Reinsurance Limit per life in the amount of $1,000,000 and the Jumbo Limit of $4,000,000 (per contract period).

The second part of the agreement is a Yearly Renewable Term applicable to the policies issued prior to December 10, 2001. This section provides 100% coverage and $0 retention by the Company. Premiums ceded under this agreement was $53,914 during 2025.

Effective January 1, 2015, the Company entered into an accidental death benefit 100% quota share. The maximum limit is $200,000 per life. Premiums ceded under this agreement was $12,000.

FINANCIAL STATEMENTS

The Company's financial statements, as reported and filed by the Company with the Department, are reflected in the following sections:

- Assets as of December 31, 2025
- Liabilities, Surplus and Other Funds as of December 31, 2025
- Summary of Operations for the year ended December 31, 2025
- Reconciliation of Capital and Surplus for the Period from the Prior Examination December 31, 2021 to December 31, 2025

Assets
As of December 31, 2025

	Ledger Assets	Non-admitted Assets	Net Admitted Assets
Bonds	$ 120,792,960	$ -	$ 120,792,960
Cash, cash equivalents and short-term investments	5,293,272	-	5,293,272
Contract loans	615,883	-	615,883
Subtotals, Cash and Invested Assets	$ 126,702,115	$ -	$ 126,702,115
Investment income due and accrued	1,398,591	-	1,398,591
Uncollectible premiums and agents' balances in course of collection	15,259	-	15,259
Electronic data processing equipment and software	158,785	-	158,785
Aggregate write-ins for other than invested assets	4,350	-	4,350
Total Assets	$ 128,279,100	$ -	$ 128,279,100

Liabilities, Surplus and Other Funds
As of December 31, 2025

		Notes
Aggregate Reserves for Life Insurance Contracts	$ 121,452,742	1
Contract Claims: Life	91,575	1
Policyholders' dividends/refunds to members and unpaid	2,500	
Provisions for policyholders' dividends and refunds to members	14,500	2
Premiums and annuity considerations for life and accident and health contracts received in advance	9,924	
Surrender values on canceled contracts	2,697,143	
Interest Maintence Reserve (IMR)	15,288	
General expenses due and accrued	46,922	
Taxes, licenses and fees due or accrued, excluding federal income taxes	30,000	
Asset valuation reserve (AVR)	1,105,329	
Aggregate write-ins for liabilities	139,902	
Total Liabilities	$ 125,605,825	
Unassigned Funds	2,673,275	
Total Liabilities and Unassigned Funds	$ 128,279,100	

Statement of Operations
For the Year Ended December 31, 2025

Premiums and annuity considerations for life and accident and health contracts	$	4,407,543
Net investment income		5,432,369
Amortization of Interest Maintenance Reserve		35,398
Commissions and expense allowances on reinsurance ceded		11,816
Miscellaneous Income: Aggregate write-ins for miscellaneous income		13,768
Totals	$	9,900,894
Death benefits	$	321,137
Matured endowments		9,618
Surrendered benefits and withdrawals for life contracts		8,764,374
Increase in aggregate reserves for life and accident and health contracts		(268,129)
Totals	$	8,827,000
Commissions on premiums, annuity considerations, and deposit-type contract funds	$	16,085
General insurance expenses and fraternal expenses		942,693
Insurance taxes, licenses and fees, excluding federal income taxes		45,397
Increase in loading on deferred and uncollected premiums		144
Totals	$	9,831,319
Net gain from operations before dividends to policyholders, refunds to members and federal income tax	$	69,575
Dividends to policyholders and refunds to members		17,211
Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes	$	52,364
Net income	$	52,364

Reconciliation of Capital and Surplus
For the Period from the Prior Examination
December 31, 2021 to December 31, 2025

		Unassigned Funds	Net Income	Other Changes	Total
Beginning Balance		$ 2,398,837			$ 2,398,837
12/31/2021	(1)	468,902	468,902		468,902
12/31/2021	(2)	(89,782)		(89,782)	(89,782)
12/31/2022	(1)	148,549	148,549		148,549
12/31/2022	(2)	(148,837)		(148,837)	(148,837)
12/31/2023	(1)	62,955	62,955		62,955
12/31/2023	(2)	123,278		123,278	123,278
12/31/2023	(3)	(304,145)		(304,145)	(304,145)
12/31/2024	(1)	(172,305)	(172,305)		(172,305)
12/31/2024	(2)	(185,140)		(185,140)	(185,140)
12/31/2024	(3)	304,145		304,145	304,145
12/31/2025	(1)	52,364	52,364		52,364
12/31/2025	(2)	14,442		14,442	14,442
		$ 2,673,263	$ 560,465	$ (286,039)	$ 2,673,263

(1) Represents Net Income
(2) Change in Asset Valuation Reserves
(3) Change in Unrealized Capital Gains (Losses)

ANALYSIS OF CHANGES IN THE FINANCIAL STETEMENTS RESULTING FROM EXAMINATION

There were no financial adjustments to the Company's financial statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Aggregate Reserves for Life Contracts	$121,452,742
Contract Claims Life	$91,575

The examination liabilities for the aforementioned captioned items are the same as those balances reported by the Company as of December 31, 2025. The examination analysis of Aggregate Reserves for Life Contracts and Contract Claims Life reserves was conducted in accordance with Statutory Accounting Principles, including NAIC *Accounting Practices and Procedures Manual*, SSAP No's. 51R and 52.

Note 2:

Provisions for refunds payable in following calendar year-estimated amounts	$14,500

The examination liability for the aforementioned captioned item is the same as those balances reported by the Company as of December 31, 2025. MBA's bylaws contain a provision for certain eligible certificates to participate in distributable surplus to the extent and manner determined by the Board, and upon actuarial certification. The following is a summary of refunds distributed during the period under examination:

Year	Amount
2021	21,649
2022	20,262
2023	19,006
2024	17,810
2025	17,210

SUBSEQUENT EVENTS

There are no subsequent events noted as a result of this examination.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

There were no recommendations contained in the prior Examination Report.

SUMMARY OF RECOMMENDATIONS

There were no recommendations noted as result of this examination. The assistance and cooperation from the Company's outside audit firm, Ansel & Associates and the Company's management and staff were appreciated and are acknowledged.

Respectfully submitted,

Madison Browne

Madison Browne, CFE
Examiner-In-Charge
State of Delaware

Albert M. Piccoli, Sr.

Albert M. Piccoli, Sr., CFE, ACI
Supervising Examiner
State of Delaware

I, Madison Browne, AFE, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification No. 26.035.

Madison Browne

Madison Browne, CFE
Examiner-In-Charge
Delaware Department of Insurance