

Randy Helder  
Assistant Director, Market Analysis  
National Association of Insurance Commissioners

Dear Mr Helder:

The following is submitted on behalf of Woman's Life Insurance Society in response to continued discussions about the fraternal exemption from MCAS expected during the July 17 virtual meeting of the Market Analysis Procedures (D) Working Group. We are again grateful for this opportunity to provide our views about the importance of the fraternal exemption to MCAS reporting which has been in place since its inception. We believe that the NAIC fraternal exemption from MCAS should remain in place for the reasons outlined below.

Historically, fraternal have been exempted from MCAS requirements because of our unique structure as not-for-profit membership organizations. Throughout our history, fraternal have had very low incidents of complaints and market conduct issues. As recently as 2019 fraternal inclusion in MCAS was discussed, and it was determined there was no compelling reason to add fraternal to MCAS reporting. As it stands, nothing has changed in this regard, and the advocates for removing the exemption have not suggested this. We have strong ties to our certificateholder members through both the lodge system, which includes regular opportunities for engagement, and our representative governance structure which fosters focus on service to members and maintains accountability for our leadership.

Through the submission of complaint logs, which we are happy to continue to provide, we can share meaningful data with regulators and demonstrate the continued low incidence of member complaints. We recognize that individual states are free to require MCAS reporting if they choose.

Together with our fellow societies, we write approximately two and a half percent of the total life insurance and annuity policies in the nation. Our society is eager to serve and protect our members and work with the department of insurance to that end. Ultimately, changes in regulation should be in response to a need for change, which does not exist in this situation. We look forward to continuing the dialogue on this issue.

Sincerely,

A handwritten signature in blue ink that reads "Christopher J. Martin". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Christopher J. Martin  
National President

CC: Jeff Hayden, Michigan Department of Insurance and Financial Services