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Sent: Friday, July 7, 2023 2:47 PM
To: Helder, Randy <RHelder@naic.org>
Cc: Weyhenmeyer, Erica <Erica.Weyhenmeyer@illinois.gov>
Subject: Market Analysis Procedures (D) Working Group - Fraternal Exemption

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Dear Mr. Helder:

I am writing regarding the fraternal exemption to MCAS reporting, which I understand will be discussed further at the July 17 meeting of the Market Analysis Procedures (D) Working Group. I appreciate the opportunity to provide Modern Woodmen of America's views about the importance of the exemption, which has been in place since MCAS' inception.

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. Modern Woodmen and other fraternal societies have strong ties to our 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.

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,

Morgan Milner
Assistant General Counsel
Modern Woodmen of America

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