From: Nicholas Benoit < nbenoit@royalarcanum.com>

Sent: Thursday, June 8, 2023 1:50 PM

To: Moran, Mary Lou (DOI) < MaryLou.Moran@mass.gov>

Cc: Helder, Randy < RHelder@naic.org > Subject: Fraternal MCAS exemption

Dear Ms. Moran,

The following is submitted on behalf of Royal Arcanum in response to agenda item "c" included on the June 12 virtual meeting of the Market Analysis Procedures (D) Working Group. We are grateful for this opportunity to provide our views about the importance of the fraternal exemption to MCAS reporting.

Limited Market Conduct Issues

Fraternals operate differently; our society has strong ties to our members because of the unique fraternal insurer structure.

Current Market Conduct Exam Process Already Identifies Issues

Fraternals are not exempt from market conduct exams that state regulators conduct on a routine or targeted basis. We feel that submitted complaint logs and market conduct exams get to the core of protecting our members; requiring MCAS reporting would create burdensome work for our society and would not provide meaningful data for your department.

Fraternals' Market Share is Small and Sector Is Diverse

Almost 60 fraternal benefit societies write approximately two percent of the total life insurance and annuity policies in the nation. A majority of fraternals are small organizations with

Nick

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