

KBRA Releases 2018 Update: U.S. Fraternal Benefit Societies Have Come a Long Way

NEW YORK, NY (September 4, 2018) – Kroll Bond Rating Agency (KBRA) today released an update to its research report discussing the significance of fraternal benefit societies in the United States. Also known simply as fraternal, KBRA believes these policyholder-owned, non-profit organizations play a key role in the life insurance industry as providers of financial services while uniting people through a common bond such as religion, ethnicity, or occupation.

The report includes a detailed exhibit listing all active U.S. fraternal, recent financial data and approximate membership. KBRA notes that fraternal membership has declined about 0.3% year-over-year, while the sector's admitted assets and surplus levels both have increased roughly 8% from year-end 2016 to mid-year 2018.

Fraternal have been challenged to grow members, influenced by several demographic and environmental trends. Additionally, the societies themselves have historically resisted change and were not effectively communicating the fraternal story. This was even true coming out of the financial crisis, when policyholder-owned companies were viewed much more favorably than their publicly-traded peers.

Over the last several years, KBRA believes that fraternal have taken considerable steps to address these issues, the most significant being the societies' inability to effectively communicate their great community story. These organizations have essentially reinvented themselves, positioning fraternal as key providers of financial services products and, most importantly, demonstrating commitment to community service reinforced by a common bond.

To view the report, click [here](#).

Analytical Contacts:

Andrew Edelsberg, Managing Director
(646) 731-2371
aedelsberg@kbra.com

Robert Hill, Associate
(646) 731-3383
rhill@kbra.com

Patrick Curboy, Associate Director
(646) 731-2320
pcurboy@kbra.com

Donna Halverstadt, Managing Director
(646) 731-3352
dhalverstadt@kbra.com

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