



A United Life Insurance Industry Supports 21st Century Regulation

As Congress and the Administration work to implement broad financial services regulatory reform and oversight to address systemic risk, we urge you to consider establishing responsibly crafted optional federal insurance regulation, with continued viable state regulation, that can respond to a 21st century marketplace for life insurance companies, producers, and reinsurers.

Life insurance carriers of all sizes and structure (large, small, stock, mutual, fraternal) as well as life insurance agents and brokers—are united in calling for the concept of efficient and effective optional federal regulation for the following reasons:

- The life insurance industry is systemically significant. With more than \$5 trillion in assets, life insurers are the single largest source of corporate bond financing in the United States.
- Seventy-five million American families, nearly 70% of households, depend on life insurance industry products to protect their financial and retirement security. A uniform system of life insurance regulation could ensure that consumers have the same protections, and rights, regardless of where they live now, or in the future.
- Life insurance producers selling products in multiple states often face inconsistent rules and licensing requirements. Optional federal regulation could ease this confusion and reduce administrative burdens.
- Since life insurance products are national in scope, they could benefit from national regulation that is uniform across all jurisdictions. This could provide strong and consistent consumer protections for policyholders nationwide.
- For U.S. insurers to compete successfully in the global marketplace, they need a federal authority that can represent the industry when negotiating international insurance and reinsurance regulatory standard setting and mutual recognition agreements. State regulators lack the Constitutional authority to set national policy on insurance regulation and bind the U.S. with other sovereign governments addressing global regulatory issues, such as Solvency II and G20 initiatives.
- Life reinsurance is a sophisticated global business that is regulated in the U.S. on a state-by-state basis. This leads to regulatory inefficiency and a lack of uniformity not only within the U.S., but also between the U.S. and other nations.

The undersigned associations are united and represent the overwhelming majority of the U.S. life insurance industry's carriers and sales force. We play a crucial and growing role in the stability and strength of the American economy and remain committed to the financial protection and retirement security of millions of American families.

The **American Council of Life Insurers (ACLI)** is a Washington D.C.-based trade association backed by an industry with more than 200 years of experience protecting American families, workers, and businesses. ACLI represents 340 life insurance companies operating in the United States before federal and state legislators, regulators, and courts.

ACLI member companies are the leading providers of financial and retirement security products covering individual and group markets. They provide life insurance, long-term care insurance, disability income insurance, annuities, pensions such as 401(k), 403(b), and 457 plans, IRAs, and reinsurance.

The **National Association of Insurance and Financial Advisors (NAIFA)** comprises more than 700 state and local associations representing the interests of approximately 200,000 agents and their associates nationwide. NAIFA members focus their practices on one or more of the following: life insurance and annuities, health insurance and employee benefits, multiline, and financial advising and investments. The Association's mission is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members.

The **National Association of Independent Life Brokerage Agencies (NAILBA)** is a nonprofit trade association with over 350 member agencies in the U.S. and Canada, representing 250,000 producers who deliver more than one billion dollars in first year life insurance premiums annually. Since 1981, NAILBA has represented independent wholesale life brokerage agencies, leading the way in protecting your interests.

The **LIC** has served its members for nearly 100 years. Over that century, we have been a stalwart defender of the rights of small and medium size insurers selling to the underserved market. Consequently, the LIC has had traditional ties to many home services, pre-need and final expense insurance companies. The LIC continues to serve these companies and many others, who serve the modest to middle income market, regardless of distribution systems.

NFCA's mission is to provide advocacy, information, and operational products and services that help member societies make meaningful contributions to individuals, communities, and society." For more than 120 years, the NFCA has provided its member-societies an opportunity to connect with each other and focus on issues of mutual concern.

