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May 21, 2021

Kay Noonan, Esq.
General Counsel
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64105

Re: NAIC Special Committee on Race & Insurance: Request for Comments-2021 Charges

Dear Ms. Noonan:

Pursuant to the Special Committee on Race and Insurance's request for comments on its proposed 2021 Charges, we wish to comment on behalf of our client, the National Premium Finance Association (NPFA) with respect to the following Charge:

- Charge H(6) regarding Workstream #3 (the Property and Casualty line of business): "Continue research and analysis related to insurance access and affordability issues, including: Steps that can be taken to mitigate the impact of residual markets, premium financing and nonstandard markets on disadvantaged groups."

The NPFA is a national trade association representing premium finance companies. The association is supportive of the NAIC's efforts to research, review and develop solutions regarding diversity, equity and inclusion and issues surrounding access and affordability of insurance to disadvantaged individuals and underserved communities. Our firm has been engaged in following all aspects of the Special Committee's work and that of its Workstreams, since the inception of this

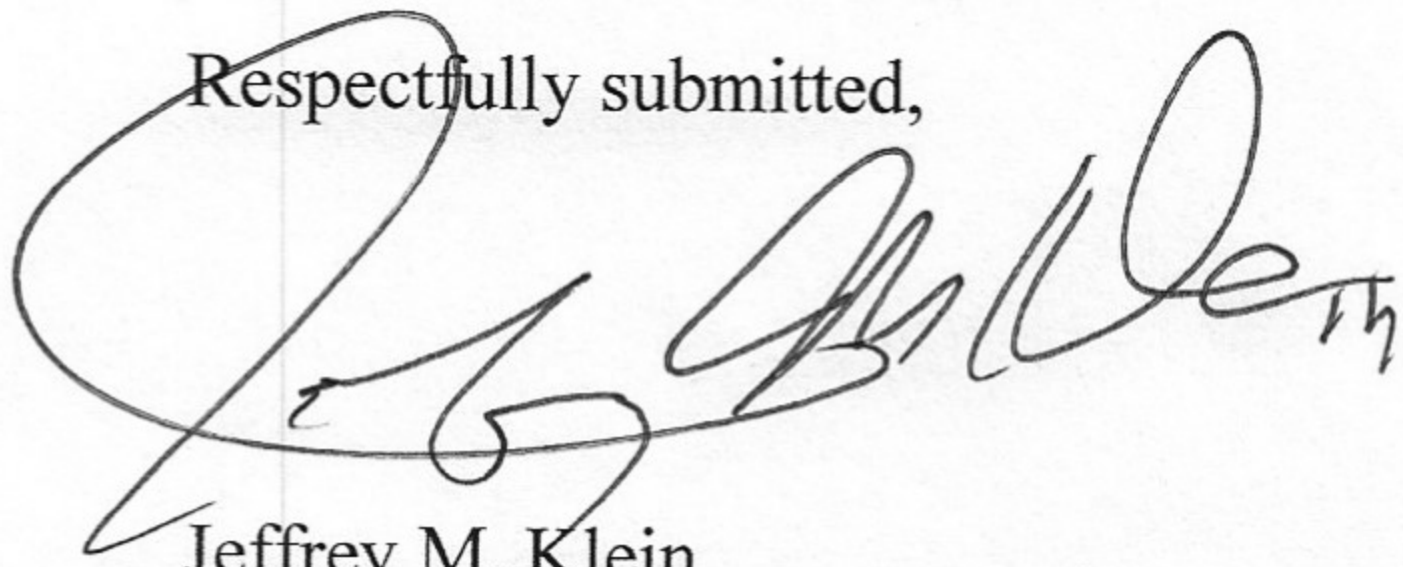
important project. We are actively engaged in the issue as well at the National Conference of Insurance Legislators (NCOIL).

With regard to premium financing, premium finance loans provide short-term financing to help businesses and consumers purchase insurance for property, casualty, and liability risk. Many small businesses, sole proprietors, and individuals cannot afford the upfront premium expense, lack access to traditional sources of credit, and therefore need access to insurance premium financing in order to obtain adequate coverage.

On an annual basis, the premium finance industry provides loans to finance approximately \$45 billion in premiums for more than 1.5 million policies. The financed commercial insurance coverage is especially critical to enabling important participants in the U. S. economy to operate and compete in their respective markets.

While we have no specific comment on the language of the Charge itself at this time, we wanted the Special Committee to be aware of our status and interest. We stand ready to provide insight, relevant input and assistance at the appropriate time, through testimony and/or submission of materials, with regard to the premium finance mechanism and the services provided by premium finance companies.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeffrey M. Klein', with a small '1' written to the right of the signature.

Jeffrey M. Klein

Of Counsel