August 9, 2021

Marlene Caride, Commissioner  
New Jersey Department of Banking & Insurance  
NAIC Life Insurance & Annuities (A) Committee  
c/o Jennifer Cook, Senior Life & Health Counsel, NAIC  
via jcook@naic.org

RE: Life Insurance Illustrations Issues (A) Working Group

Dear Chairwoman and the Members of the Committee:

Thank you for the opportunity to provide feedback to the questions posed concerning the draft revisions to the Life Insurance Disclosure Model Regulation (#580) adding a policy overview disclosure requirement for term life policies, as well as a sample policy overview submitted by the Life Insurance and Illustrations Issues Working Group.

Finseca represents financial security professionals across the United States. They are affiliated in all segments of distribution, in all marketplaces, at all levels of practice complexity. Finseca advocates for the financial security profession, to develop and grow its leaders, and promote the noble and necessary work our members do to provide financial and retirement security for the individuals, families, and businesses they serve. At Finseca we believe in financial security for all. The women and men of the financial security profession who Finseca represents spend their days crafting financial security plans for their clients that ensure protection of what those clients hold most dear – their families, retirement, employees, and businesses.

Given the 12 trillion dollar protection gap LIMRA has identified, Finseca believes charges such as this one should be evaluated based on how we help consumers to get the coverage they need. Finseca members are committed to providing consumers with access to all information and tools to enable them to make the right decisions to secure their financial future. We encourage the committee to consider the cumulative effect of everything a consumer receives as a part of such transactions.
While we have not participated in this examination conducted by the Life Insurance Illustrations Issues Working Group (LIIIWG) previously, we have begun discussions with our members to determine their thoughts on the proposal. We look forward to working with the members of both the Life Insurance (A) Committee and the LIIIWG in the future. We answer your questions as follows:

**Question 1**

1) Do you support the development of a short policy overview document for the working group to achieve its charge?

Response. We are in the process of contacting and assessing the position of our membership on this question. Finseca has consistently advocated for a streamlining of the consumer experience when purchasing life insurance. Thus, at first look, our members have expressed concern about the development of yet another disclosure document to be issued to consumers to accompany the already required panoply of consumer information documents and disclosures. If the current level of information provided is sufficient, the additional overview may only work to confuse the consumer. Should the committee continue this workstream we hope for future opportunities to provide input on behalf of the profession.

**Question 2**

2a) Do you prefer the revision to Model #580 using the current delivery requirement in the model? Why or Why not? Refer to DRAFT April 20, 2021 (Current delivery requirement) 1-A

2b) Do you prefer the revision to Model #580 requiring delivery of the policy overview at the time of application? Why or Why not? Refer to DRAFT April 20, 2021 (At application) 1-B

We believe that any overview that would be provided to the consumer at the time of application would necessarily lack useful personalized information, and thus would be far too general to be valuable to that consumer. Consequently, should the NAIC eventually approve the policy overview document, we believe that the current delivery, at the time of provision of the buyer’s guide represents the time where it would provide the most possible value to the consumer, who would have the
overview, the guide, and all other disclosures along with their policy, and with knowledge of the consumer’s free look rights.

We would also like to recommend that the (A) Committee provide additional support documentation as to why the LIIIWG found it necessary to augment the current policy summaries issued by insurers with the new overview document. The record of the LIIIWG’s proceedings does not provide a detailed justification of why the overview is necessary.

We again express our appreciation for your work and desire to build a strong and constructive relationship with the (A) Committee and the LIIIWG. If we can provide any additional information to assist the committee, please contact me at arobinson@finseca.org.

Armstrong Robinson
Chief Advocacy Officer
Finseca