*Michael Lovendusky*

*Vice President & Associate General Counsel*

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Richard Wicka, Wisconsin OCI Chief Legal Counsel &

Chair, NAIC Life Insurance Illustrations Issues (A) Working Group

c/o Jennifer Cook, Senior Life & Health Counsel

National Association of Insurance Commissioners

Via Jcook@naic.org

Re: Term Life Insurance Sample Policy Overviews

Dear Chairman Wicka & Members of the Working Group:

The American Council of Life Insurers appreciates the opportunity to comment upon the exposed Term Life Insurance Sample Policy Overviews. ACLI wants to work with regulators to improve consumer’s understanding of life insurance products. This could include improving life insurance disclosures and illustrations. You will recall, for example, how the ACLI volunteered sample insurance policies for review and supported consumer testing of existing policy disclosures and illustrations to establish an empirical understanding whether genuine problems exist in different kinds of life insurance policies.

Accompanying this letter are ACLI recommendations for improvement to the Term Life Insurance Sample Policy Overview Post Underwriting. This version of the Sample Policy Overview aligns with existing model regulation guidance. Insurers have sufficient personal information at time of policy issue to promote consumer readability and understandability of the life insurance policy summaries required by the model regulation and the NAIC Working Group charge.

The ACLI respectfully declines to propose edits to the Term Life Insurance Sample Policy Overview at Application because the Overview:

* Will likely not improve the buyer’s ability to select *the most appropriate plan of life insurance for the buyer’s needs* in the absence of an agent, broker or advisor;
* Will likely not improve the buyer’s understanding of the *features of the policy* *that has been purchased*[[1]](#footnote-1);
* Will be devoid of useful, personal consumer information;
* Is likely to confuse rather than assist consumers; and
* Is beyond the scope of the NAIC Working Group charge.

For more information please see *Attachment 2*, ACLI Letter to NAIC LIIIWG 11/15/19.

Ninety (90) million American families rely on the life insurance industry for financial protection and retirement security. Millions of policy owners vote with hard-earned dollars to trust their common sense, agents, brokers, advisors and insurers to purchase life insurance. These consumers are important to life insurers. Without the confidence of these millions of consumer policy owners there would not be life insurance industry. That is why we are happy to work with regulators to find ways that will enhance consumer readability and understandability of life insurance policy summaries, including how they are designed, formatted and accessed by consumers. Thank you for your consideration.

Sincerely,



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*Attachments:*

1. *ACLI Recommendations re “Term Life Insurance Sample Policy Overview at Policy Issue”*
2. *Letter ACLI to NAIC Illustrations WG Status FINAL 11/15/19* (explaining why aTerm Life Insurance Sample Policy Overview at Application is infeasible and beyond the scope of the NAIC Working Group charge).
1. Italicized comments quote the Life Insurance Disclosure Model Regulation § 2A (“Purpose”). [↑](#footnote-ref-1)