
FINANCIAL SECURITY
and PEACE OF MIND
**are more important
than ever.**



SecureFamily[★].ORG
Security 75 million American Families COUNT ON

THE NEED

- **Financial protection:** American families need protection against life's financial uncertainties. Today, about 40% of families are unprotected by life insurance. In addition, the 60% of households with life insurance have enough to provide financial support for 5 years or less, on average. Most experts suggest coverage should equal at least seven to 10 times annual income.
- **Savings:** American families worry about retirement savings. According to the Gallup Economy and Personal Finance poll taken in April 2014, 68 percent of Baby Boomers aged 50-64 and 50% of Millennials aged 18-29 are worried about not having enough money for retirement. The fact that fewer workers have traditional pension plans to rely on, combined with the stress on government programs like Social Security, add to Americans' concerns.
- **Lifetime retirement income:** Americans underestimate their longevity. About 10,000 Americans will turn 65 every day for the next 15 years. Yet, a recent Society of Actuaries study found that more than 40% of retirees underestimated their life expectancy by 5 years or more. This means they likely will miscalculate how long their retirement savings need to last and risk spending their senior years in financial stress.
- **Workplace retirement plans:** Employer-based retirement plans play a vital role in creating a safe and secure retirement. Today, close to 80% of full-time workers have access to a workplace retirement plan. Our goal is to reach 100% by working with policymakers to advance balanced solutions to expand access and increase savings.

THE ANSWER

Only life insurers provide products that protect families from the impact of certain financial risks, such as mortality, disability, and long-term care needs. And only life insurers deliver income guarantees through annuities that address longevity—the risk of outliving your retirement savings. These protections and guarantees are not available from any other financial services companies.

Life insurers also are major providers of retirement products—helping Americans prepare for a secure financial future through the workplace and for individuals seeking to supplement retirement savings. Industry professionals are uniquely positioned to serve consumers and help them navigate their range of financial challenges over the course of a lifetime.

Our products are vital to a well-functioning society and, for millions of middle-income families, build on the floor of financial security that government programs provide.

LIFE INSURERS: PROVIDING RETIREMENT SECURITY

Life insurers help families prepare for a secure financial future through 401(k)s, 403(b)s, 457s, IRAs, and annuities. Life insurers manage 20% of all defined contribution plans and 14% of all IRAs. In addition, life insurers provide disability income and long-term care insurance, products that provide important financial security protections during working years and in retirement.

Life insurers also are leading providers of retirement security solutions for small businesses—representing 60% of the small plan marketplace. As fastest growing segment of our economy, small businesses play an important role in helping American workers achieve retirement security.

Americans need more personal financial protection and savings and continued access to education and information from the dedicated agents and advisors that help families achieve financial and retirement security.

LIFE INSURERS: FINANCIAL PROTECTION FOR ALL STAGES OF LIFE

Life insurance protects families against financial loss from the death of a loved one. It provides a source of reliable liquid assets when the need arises to pay for death-related expenses, including medical bills and funeral costs. It also provides funds to replace lost income that helps families cover daily living expenses, mortgage and tuition payments, and child care.

Life insurance allows Americans to take individual responsibility for the financial futures of their families. It also is important for businesses of all sizes, which often purchase life insurance to protect jobs after the death of an owner or key employee and to finance employee benefits, including important survivor and supplemental retirement benefits.

LIFE INSURERS: BUILDING THE ECONOMY

- The life insurance industry generates approximately 2.5 million jobs in the U.S., including direct employees, those who sell life insurance products, and non-insurance jobs supported by the industry.
- The life insurance industry has \$5.6 trillion invested in the U.S. economy, making it one of the largest sources of investment capital in the nation.
- Life insurers invest in American business for the long term. More than one-third (37%) of general account bonds held by life insurers had a maturity of more than 20 years at the time of purchase. More than two-thirds had a maturity of more than 10 years.
- Life insurers are one of the largest institutional sources of bond financing for American businesses, holding 20% of all U.S. corporate bonds.

NEW RETIREMENT REGULATIONS: IMPACT ON SAVERS AND SMALL BUSINESSES

In 2015, the U.S. Department of Labor (DOL) released a significant new proposal to change the definition of a fiduciary under the Employee Retirement Income Security Act (ERISA).

These new regulations raise serious concerns as to whether savers and retirees as well as small business owners will continue to enjoy the access they currently have to certain financial products and meaningful education on investments, retirement income, and workplace plan solutions.

As currently written, the proposal would:

- Create more obstacles for savers seeking education and information about retirement plan options—including 401(k)s and IRAs.
- Limit American workers' access to guaranteed lifetime income solutions. This directly contradicts recent bipartisan efforts of both Congress and the Administration to encourage guaranteed lifetime income solutions in light of the increasing number of workers retiring without a traditional pension.
- Impede the critical goal of increasing the number of workers at small businesses that are covered by retirement plans. As the fastest growing segment of our economy, these businesses should be encouraged to provide retirement savings plans for their employees, not discouraged by unnecessary barriers.

American families are worried about saving enough for a retirement that could last 20 to 30 years. Public policy should help savers and employers better understand the products that are available to them—not create new barriers.

WORKING TOGETHER TO PROTECT SAVERS

Financial advisors, life insurance agents, and life insurance companies want to partner with the Administration and Congress to advance common-sense fixes for a more balanced fiduciary regulation.

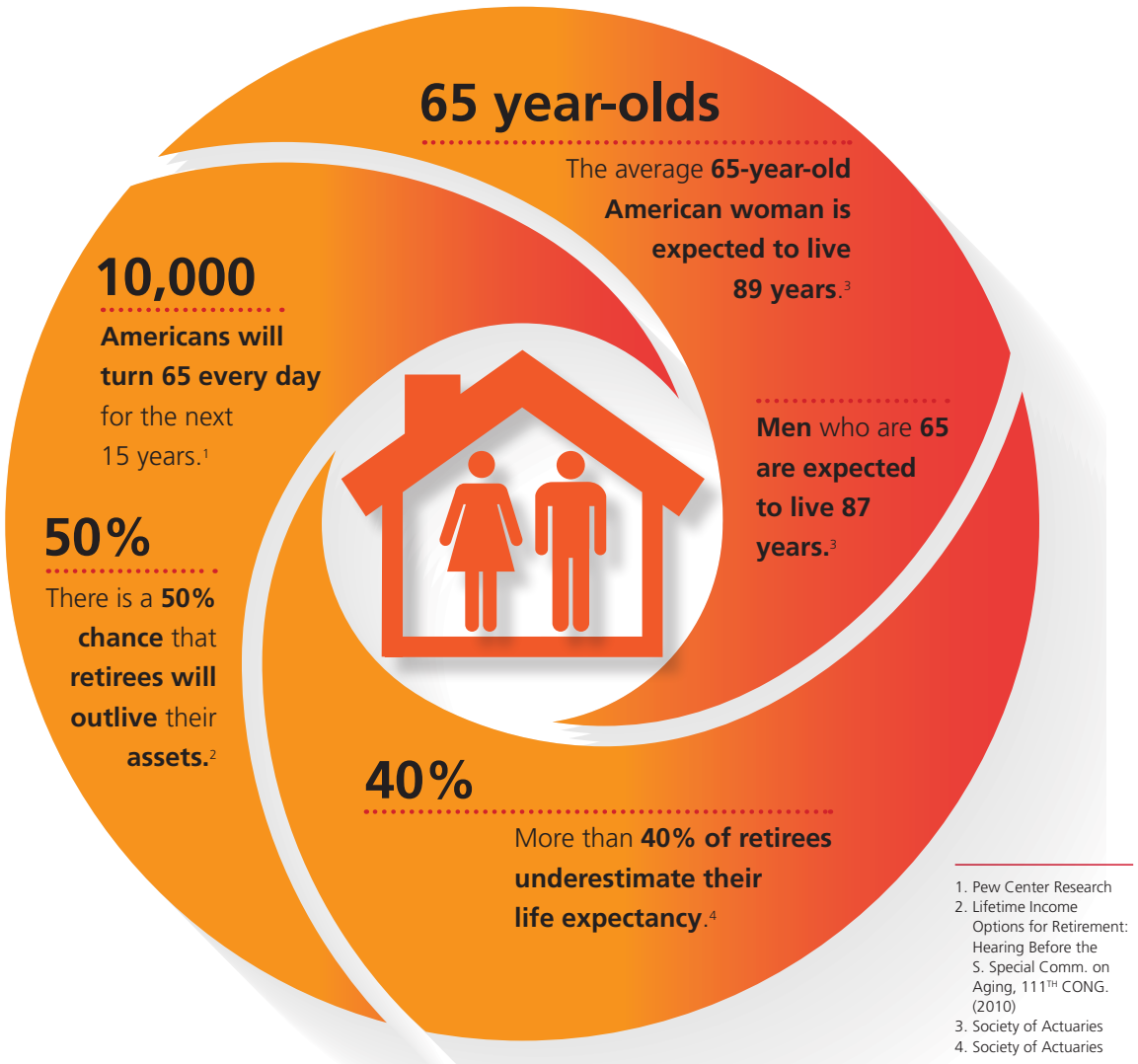
Smart regulation is key as we work toward our common goal—providing financial security and peace of mind for all American families. Absent changes, the proposal would:

- Limit individuals' access to—and choice of—retirement products, including 401(k)s, IRAs, and annuities. This includes workers seeking advice about how to roll over their retirement savings into an IRA if they leave their job.
- Disproportionately impact low and middle income savers. According to the Financial Industry Regulatory Authority (FINRA), the proposed regulation could affect 98% of IRAs with less than \$25,000.
- Hit small businesses the hardest. According to the U.S. Chamber of Commerce, 99% of U.S. employers are small businesses, and they produce 63% of new private sector jobs. A 2015 Oliver Wyman study shows that small businesses that work with a financial advisor are 50% more likely to set up a retirement plan (and micro businesses with 1-9 employees are almost twice as likely). This regulation will affect how small businesses can offer 401ks and IRAs to their employees—impacting millions of American's retirement security.

WHAT'S NEXT FOR AGING AMERICANS...

Less Financial Security

A new Department of Labor proposal will significantly reduce consumer access to guaranteed lifetime income in retirement through annuities.



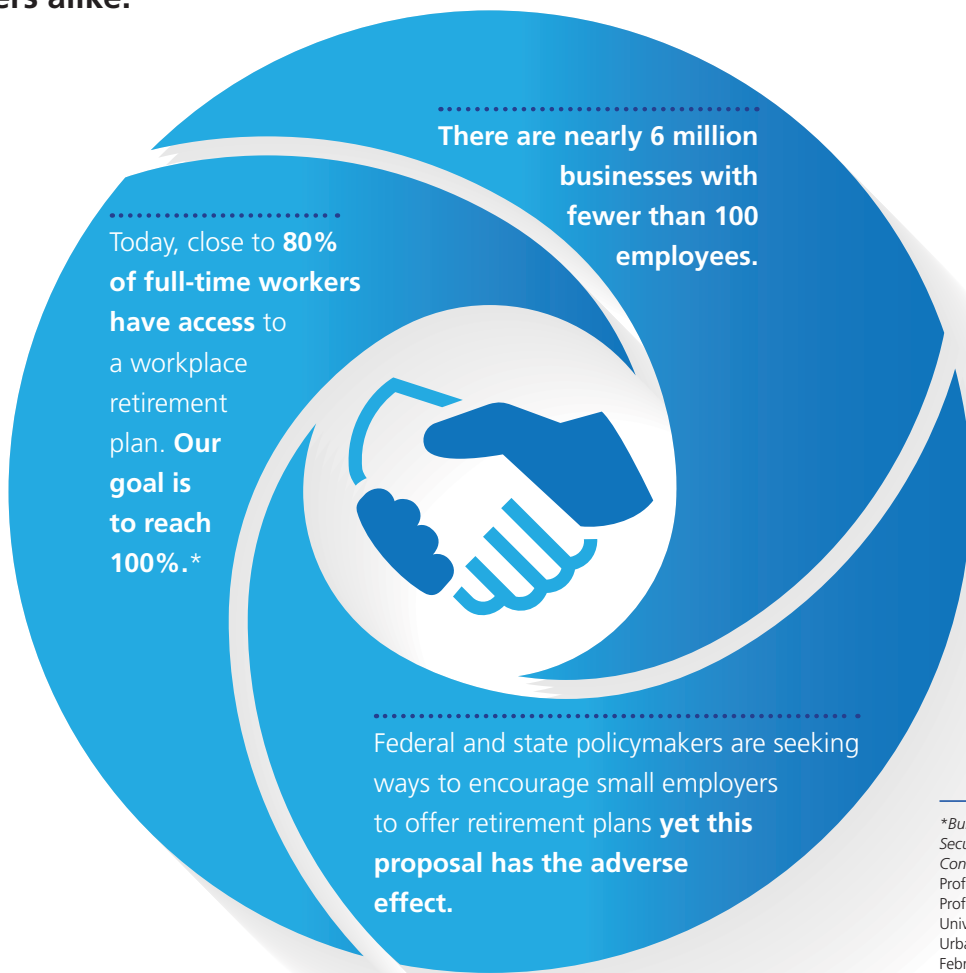
Only 17% of employers offer an annuity option in their retirement savings plans.* Most Americans must rollover their retirement savings to have access to guaranteed lifetime income. The Department of Labor fiduciary proposal would add legal risks and uncertainties for retirement plan providers who educate savers and retirees on the benefits of annuities.

*Employee Benefit Research Institute 2013, Issue Brief No. 384

WHAT'S NEXT FOR SMALL BUSINESS...

No Retirement Plans

Life insurers are leading providers in the small plan marketplace. The Department of Labor proposal would impede the important policy goal of expanding small plan coverage—shared by policymakers and life insurers alike.



The fiduciary proposal will negatively impact small plan formation by limiting sales activities that encourage small business owners (fewer than 100 employees) to start up, maintain, or improve their employee benefit plans.

ABOUT US

Americans to Protect Family Security is a partnership of America's life insurance companies, agents, and financial advisors that is dedicated to educating policy-makers about the role our products play in the financial lives of 75 million American families.

These families turn to life insurance companies and trusted agents and advisors to protect their financial futures with life insurance, annuities, long-term care, and disability income insurance, and retirement plans.

Our message is clear: public policy should continue to encourage families to plan for and protect their financial and retirement security, not make it harder for families to build their own financial safety nets.

American Council of Life Insurers (ACLI)

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