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Good morning and thank you! Welcome to Refocus 2020.

As I begin, I want to say a special word of thanks to the Society of Actuaries. The continued success of this event shows the power of a great industry partnership.

Almost exactly one year ago, I gave my first address at the Refocus Conference. I challenged our industry to raise our game in an era of disruption, rapid change, and uncertainty. To ask questions like, how can we think differently? How can we engage on the things that matter most in life?

Well, all across the industry, we've been doing just that.

Over the past year, we rallied to declare who we are and what we want to be known *for*. We've seen an evolution in how we work. At ACLI, we now routinely use words like "thought leadership is business as usual" and "advocacy powerhouse." We've established strong "for" positions that are giving us a seat at the table and helping drive conversations

The NAIC said that it wants its Commissioners to hear more of our message. We're in the kitchen cabinets of House Chairman Richie Neal and Senate Chairman Senator Chuck Grassley on retirement security issues. We've engaged with Federal Reserve Bank Presidents about issues of concern to consumers, communities and the U.S. economy. We are at the table on big societal issues, like paid family medical leave.

We were the vote coalition driver on one of the only pieces legislation to move through Congress last year. The bipartisan SECURE Act was signed into law in December – a huge win for small businesses and retirement savers.

We saw the NAIC – almost unanimously – vote to bring its annuity suitability model into closer alignment with the SEC's regulation best interest.

We beat back an egregious, elitist fiduciary regulation in Massachusetts that would make it harder for small- and moderate-savers to access guidance.

Every day, in every way, we are raising our profile as a serious and purposeful industry, and I could not be prouder.

We need to build on this momentum. I think our focus in the year ahead can be captured in a word: Drive.

To drive is to move forward. It's a campaign for a cause. A will to achieve. An urgency to move. To drive is to get around road blocks when the going gets tough. To hustle on behalf of the industry. To put it simply, we are driving forward on behalf of the 90 million American families who rely on our products and services. There's no more important a time than now.

That's what I want to talk about today – the moment we are in as a society, the future our industry is driving towards, and the path we can take to get there.

[The moment we are in

Turbulence is one of the great themes of early 21st century politics. There are many headwinds effecting the development of sound policy and the advocacy related to it. I can think of three that are especially pertinent to what we do.

The first is a hyper-focus on consumer protection.

I can tell you the story that's being written on the public stage is one where corporations are the villains who have it out for the common man. We're hearing "consumer protection agenda" in surround sound, on the left and the right, from the halls of Congress, to federal agencies, to state capitals across the country.

At least one of the presidential candidates has taken 100,000 selfies on the campaign trail. That's 100,000 reminders that she is for the common American. It's 100,000 proof points that politics is focused on the individual.

This is fueled in large part by many national challenges in front of us, including the state of family financial security...another headwind.

Middle class incomes have remained flat since the 1970s, when you factor in inflation, which contributes to people feeling alienated and forgotten. These feelings are only aggravated by the rise of globalization and workplace automation. People without the right skills to keep pace, fear for their jobs.

In a single generation, tech has impacted nearly every industry. For companies, it's not enough to stay on top of technology. They must be ahead of it. For consumers, tech changes our expectations of everything, from the speed by which we should get a product, to how our information can be shared, to how we communicate.

We're in an unprecedented era of low interest rates. The Fed is trying to keep growth by keeping interest rates low. It's a tactic that's intended to get people to spend, and not save. We as an industry find ourselves in the same place as many consumers— being incented to borrow, when investing is more existentially important

Former Fed Chair Alan Greenspan said last fall it's "only a matter of time" before negative rates come to the U.S. Fortunately, others disagree. Nevertheless, this distorts how people think about financial security and poses a major problem for people looking to save for retirement. We grew up thinking if you invest a dollar now, it will be worth more than a dollar when you retire. That's not necessarily the case in Europe and Japan, where they are experiencing negative interest rates.

Meanwhile, two generations bookend the career spectrum – one in retirement, or rapidly approaching it. This is the first generation to have almost completely self-funded for retirement. Have they saved enough? Can they make it last? The other generation is buried in student loan debt, preventing them from saving...for a home, for retirement.

We're also facing larger systemic issues, like access gaps. According to the Fed's own consumer research, the gaps in economic well-being by race, education and geography have persisted even as overall well-being has improved since 2013.

These are the financial anxieties that people experience every day.

It should be no surprise then that populist sentiments and consumer activism are bubbling up in the states. Our nation has always embraced states as "laboratories of democracy", but national problems have typically been solved with a national lens. That's not happening today.

A politically polarized federal government has struggled to get things done. Instead, states try to step into the breach to address consumer concerns and societal needs in some manner or fashion. Three out of four Americans live in a state with single-party control of the executive and legislative branches of government. These states can – and are – moving forward aggressively and very rapidly with consumer activist policy changes. They may be well intentioned. But we will not accept a patchwork of new laws that will reduce the quality of coverage or limit choice for American families.

I tell you all of these things because they *matter*. They matter to Americans who are concerned for their jobs in a big-tech, globalized world. They matter for the long-term economic outlook of our country. They matter to the outcome of the elections and who will set the policy direction. They matter to us as we advocate on behalf of the industry and think strategically about how we position ourselves. It's the reality we live in. And it matters.

But I can also tell you that, for a family when life changes in an instant, none of that matters. Here's what

That from the moment a child takes his first breath, he can be protected.

When a young person enters the workforce, she can protect her most important asset – her ability to work.

When a young mother holds her baby for the first time, she can take time to bond without losing critical income.

When a family with middle school children hits a rocky financial patch, they don't have to choose between saving for college or paying for braces.

When the MRI results confirm the worst, a person can take the time he needs to heal without fear that he won't make his mortgage payments

When a retiree wants a sure-proof way to not outlive their savings, she can have a guaranteed income for life.

We are in a time of uncertainty and disruption, and Americans are seeking an antidote. They want a secure base, so they can go off and live flourishing lives. When everything is disrupted, people become desperate for protectors, guarantees... things they can count on that give them peace of mind or make them feel safe. They want someone they can trust.

No other industry is there for people through every stage of life, like our industry is there. We help families grow and endure. At a moment when nothing stays the same, when people want a sense of protection, **we are there**. As we always have been. Guaranteed.

[The Future We're Driving Towards]

We must care about what is polarizing the policy making process so we can be there for what matters most to people.

Now, a defining issue of our time is the debate over *how* we protect consumers. And what is at stake right now politically is not just who wins the next election – but *how* we protect consumers, and *how* we meet critical needs related to family financial security

We can't let excessive government regulations, promulgated in the name of consumer protection, weaken the safety net that has existed for over a century.

In particular, the threat in the states is like a 3D chess board. If we're not on a guard, the well-meaning but rush to judgment and action from the states could have a detrimental effect on families.

This is our industry's moment. We need to engage. Consumers need us to engage. Engaging is complicated and messy, but guess what? We're going to embrace the mess. Because that's where real work gets done.

Now, there are opportunities and challenges out there that we're grabbing hold of.

One is best interest. Some out there say our industry doesn't have our consumers' best interests at heart when it comes to protecting them. Did you know the median household income of annuity owners is \$64,000? As many as 4 million middle class households could have lost access to critical retirement information if the DOL fiduciary rule would have survived. *They* are the reason we are fighting for a harmonized national standard of care. So they can continue to have access.

Another is privacy and risk classification. Classifying risk in a way that is fair is at the core of our business. In the consumer environment that we're in, there are a lot of questions, debate and the strong potential for government action. 14 states have already introduced consumer privacy legislation this year. Genetic testing debates have surfaced again in Florida. The legislative encroachment into a company's ability to assess risk is growing more and more every day. You know this because your businesses help your clients assess and manage risk so they can provide those valuable services to the consumers. We need to be ready and prepared – and we are. Because we want more coverage, for more people, at a fair price.

Then there is retirement security. We've all heard the statistics ... 10,000 baby boomers a day are turning 65 over the next decade. One third of them have somewhere between 0 and \$25,000 in savings. If we don't begin addressing the savings gap now, we will be left playing catch-up, with American families bearing the burden. This is a topic the world over. You will hear state insurance commissioners talking about it across the United States. You will hear policymakers in Washington talk about it as a priority issue. This year, 15 states have already introduced new or carryover legislation on state-run retirement plans.

And it's not just an American issue. The G20, the group that represents the 20 major economies around the world, has marked aging society as one of its priority issues.

It's also one of the issues where human needs and the strength of our industry intersect. We offer private market solutions and we are problem solvers. That's what we did when we pushed hard for passage of the SECURE Act. That's what we're doing through our support of Congressman Neal's auto-retirement proposal, and Portman-Cardin's retirement legislation, which allows matching retirement contributions for workers repaying student loans. We're problem solving on issues of longevity and retirement preparedness – areas where reinsurers can and do play a leading role. But we're also problem solving on larger, systemic issues, like access gaps. It's not just how many people this legislation helps, it's *who*.

We're also problem solving for middle-class families who are trying to find a way to afford to bond with a new baby without losing critical income. In the past four years, the number of federal lawmakers supportive of paid family leave has more than doubled. Policymakers are beginning to understand. People want to care for their families. Private sector businesses have started to lead. Small businesses are supporting paid family leave at higher rates. And more than 70 percent of millennial business owners are interested in providing paid family leave. CEOs of insurance companies are enhancing their own paid family leave policies. As an industry, we intend to provide bigger solutions to this issue.

As our world becomes more global, our issues are more interconnected than ever before. Being problem solvers on issues that matter to people also builds equity. Our leadership on big societal issues will increase our ability to maintain a stable life insurance tax system, so we can make clear: tax increases on life insurers make products less affordable and less available.

Did you know in 2017, the life insurance death benefits paid by life insurers would have put almost 2 million children through 4-years of college.

Or allowed over 381,000 surviving spouses to completely pay-off their mortgages?

Raising the corporate tax rate to 28% would decrease insurance affordability by over 7%. For the average policy, that's equal to 12 mortgages payments for an American family.

You mess with us, and you mess with American families.

The bottom line is this: we are FOR the consumers. There is no one or no industry who has the consumers' interest closer to our heart ... than the life insurance industry. Reinsurers, whose role underpins so much of what the life insurance industry does for consumers, are a critical part of this industry's heart. We must lead the way on how to protect their interests.

[The Path We Can Take: Smart Advocacy Infrastructure]

We're going to define it.

We created a strategic plan that serves as our roadmap over the next year. Our strategic plan will be the core of the ACLI work. Our leadership platform and strong “for” positions will enhance that core. And the great insight and contributions from our industry will be the key operational machinery to make core work.

We built our strategic plan around an integrated approach to advocacy and policy. Having policy, government relations, and communications working hand-in-hand gives us the brains and brawns and agility to win the day, no matter the issue.

When we pair that with an all seasons political strategy, we become shatterproof. What do I mean? We cannot lose ground simply because parties in control are shifting and realigning. That's why we are aggressively building relationships and advocating for the values we believe are right, not just for our businesses, but the people we serve. We need to ensure that we're insulated from the winds of the political vortex.

We are doing this in a few ways. We are upgrading our advocacy infrastructure and using new capabilities to systematically talk about our policy priorities in the most compelling way. Public opinion and values-based testing gave us important insights so we could begin creating a message playbook. We've done that. And now, our entire organization is singing off the same song sheet, and there is no doubt about what we do for consumers and society.

We launched IMPACT, releasing news and views to counter the news cycle and share our industry's story. We are convening a serious conversation around retirement security with one of the top-read publications in Washington. This is storytelling that changes conversations.

We're raising the game by using many voices to share our story. Grassroots has changed – it's no longer enough to rely on form letters and phone calls. Today, advocacy looks like a little blue bird. One person can reach millions of others with a tap of a finger. Twitter is the great democratizer. It's nimble. It's quick. News breaks and goes viral here before it's on page one of the New York Times.

We need as many voices as possible. And we need to know who these people are. Are they nurses? Are they farmers? Are they business owners? When we know who they are, we can partner with those coalitions and tell a deeper story – one with many communities coming together. We want to show that we are “main street.”

Of course, we can't pursue this in a vacuum. We are cementing strong relationships with our fellow trades and organizations, reflecting a willingness to work together that is ultimately going to benefit the American families we serve. You wouldn't see this in many industries.

ACLI always been present, but we're amping it up. There is transformative power in cross-sector partnerships. I truly believe it is these partnerships that create a more prosperous and resilient world.

[Conclusion]

These are our ambitions – they are big. But we wouldn't have it any other way. We will get in there and lead. We are problem solvers, and we want policymakers to see us as partners as they seek to address big challenges.

But this doesn't happen without you. You have great businesses and have powerful stories to tell. You are innovation leaders in this industry. You are hard at work meeting your company's needs and working to help your clients meet consumer needs with product solutions. We are hard at work fighting for policy solutions to help you do what you do best. It's truly a team effort.

Big things are ahead – for this industry and for the millions of American families who need a guarantee.

Thank you.