

“Life Insurance Industry Response to COVID-19”

Susan K. Neely

Speech at the NAIC Spring Meeting Special Session on COVID-19

March 20, 2020

As Prepared for Delivery

Good afternoon.

We understand that you and your staff are operating under extraordinary states of emergency. Your first priority is the health and safety of your constituents. On top of that, you are doing your work in the midst of moving to a complete “work from home” environment, as our industry is.

Like you, we exist because we want to give families security in the moment and certainty for the future. We share the same commitment to serve all people across our states and this country.

We are prepared.

The life insurance industry was truly built for times like these – born out of the idea that no family should be on their own in hard times. Through careful planning, smart investments and strict regulatory compliance, our member companies have prepared themselves to meet challenges past and present.

In an uncertain economic environment, we represent economic stability and strength for American families and businesses. Life insurers are essential businesses. It’s critical that we remain open to meet the needs of consumers, even under emergency directives.

Let’s get to the meat of it. Appreciate the need for brevity. Let me begin by answering questions that we know are top of mind for you and the people that you serve. Then I will highlight actions that would help us continue to serve them in both the short and long term.

First, are life insurers prepared to meet their obligations? Yes, we are. There should be no question about this. Our financials are strong because state-based regulation works. Just look back at 2008 for proof. We are ready to deliver benefits as promised to families and businesses affected by COVID-19.

Second, are life insurance companies across the country equipped to avoid disruptions in service? Yes, we are. Our companies are taking actions. Among them:

- Instituted work-from-home policies to ensure uninterrupted service.
- Staffed call centers with remote workforce.
- Taken practical steps like expanding e-signature technology.
- Deployed cross-trained teams to areas of greatest need.
- Activated alternative underwriting, and are exploring every possible way to underwrite insurance products without paramedical contact.

And I will add this point – each and every day insurers work with policyholders who are asking for accommodations due to natural disasters or unforeseen developments, and the coronavirus pandemic is no exception.

Third, are life insurers prepared to help savers and retirees through a volatile market? Yes, we are. Our guarantees provide peace of mind to consumers that their money will be there when they need it.

Fourth, are life insurers stepping up to support their communities? Yes, we are. Through their foundations, our companies are lending a hand with contributions to local community food banks, and local and national nonprofits during the COVID outbreak.

What you can do to help.

That's just a brief summary of what life insurers have underway to keep business as close to usual as possible.

In this national emergency, we do have some recommendations on actions you could take to help us continue to serve consumers. We shared these in a letter to all the commissioners earlier. I'd like to acknowledge and thank those states that have already started implementing accommodations.

- First, state shelter in place orders are picking up in pace, and state insurance commissioners are our best advocates in making sure insurance is deemed essential. The Department of Homeland Security deems financial services institutions as essential to the well-being of our country, and any emergency directives in the states should reflect as such. I'd like to thank New York and California for deeming insurance as an essential service.
- Second, providing practical leadership and regulatory accommodations that also favor the consumer will allow innovations to quickly meet consumer needs in ways unimaginable just a few months prior. Embracing practical approaches to rate and form filings, licensing requirements, regulatory deadlines will solve many challenges during the period in which we're operating and beyond.
- Third, our members report that many states have made data requests relating to COVID-19 preparedness. These requests are not uniform and generally have very short return times. We would ask that, to the extent possible, the NAIC help its member states coordinate these requests.

We will continue to share these and other ideas with you. We know we must plan for a long road of economic rebuilding. It's life insurers' job to look ahead – and in this case, that means towards economic recovery and future certainty.

As always, we will work closely with our partner trade associations — my distinguished colleagues on this panel, Matt and Dave, as well as LIMRA/LOMA, NAIFA, AALU, IRI, SIFMA, FSI and the Chambers of Commerce at the national and state level. We believe our collaboration will be a

force multiplier in the months to come as we lock arms to help the American and world economies recover.

No question that we are all in this together. We have enjoyed great collaboration with our regulators in the past, and I'm confident that we will continue to do so as we work together to help our consumers, communities and country rebuild.