



American Council of Life Insurers

Susan K. Neely
President & Chief Executive Officer

March 16, 2020

To: All Chief State Insurance Regulatory Officials

These are certainly unprecedented times in which our fellow Americans are feeling the double impact of health and economic crises. It will require calm, steady and informed leadership from all of us to help consumers through this turbulent period.

Life insurers are ready, willing and able to meet their promises to policyholders in paying claims and assisting them with the benefits to which they are entitled. Our ability to adapt to changing marketplace and economic conditions while preserving a strong and stable foundation is a tribute to the resiliency of our industry and to the state-based regulatory system. ACLI is in constant contact with LIMRA/LOMA to keep abreast of rapidly-changing economic and market conditions and their implications for our members.

Public institutions and private businesses across the country have made the health and safety of their staff a primary concern. Restricting travel practices, scaling back on large group gatherings and instituting work from home arrangements, especially for those who have special health concerns, are now commonplace. As the CDC's Dr. Anthony Fauci, our nation's most revered specialist in infectious diseases said recently, this war will be won at the community level, and we must all do our part.

The aggressive efforts now underway in our country to contain the spread of COVID-19 and the accelerated efforts to develop new vaccines give us all hope that we will get through this crisis soon. However, for the time being the coronavirus remains a grave threat to public health and to the economic security and well-being of the American people. It is likely to be many months before our daily lives begin to return to normal.

On behalf of its nearly 300 members, ACLI respectfully suggests there are important and prudent steps that regulators can take immediately to assist regulated entities during this period of national emergency.

Communications

Frequent communication and close collaboration between regulators and regulated entities is essential if we are to minimize disruption and continue to serve the needs of consumers. You are receiving this communication electronically and we encourage all communications you have with us and our industry to be conducted through email, websites or other electronic communications to avoid the temporary and unnecessary gaps and delays that regular mail may bring.

Temporary Delay/Suspension of In-Person Company Exams, Audits and Producer Licensing

To protect the health and safety of regulatory and company staff involved, we ask that you temporarily delay or suspend certain activities and functions that require in-person interaction. As they implement emergency preparedness and business interruption plans to protect their employees and serve their customers, life insurers across the nation are limiting access to their buildings to essential personnel only. The same goes for many private businesses and public institutions, including Congress, state legislatures and government agencies. These measures are being undertaken upon the advice of federal and state public health authorities, who are strongly recommending social distancing to avoid exposure to COVID-19 and contain its spread.

Across the nation, states, local authorities and vendors are closing sites used for the instruction and tests that financial professionals need to secure and maintain their licenses. Even when sites remain open, public health experts are discouraging the proximity that normally occurs in classroom settings.

Accordingly, it is prudent that all in-person, onsite exams, audits and licensing requirements be delayed, suspended, extended or conducted remotely until conditions improve and it is safe to return to normal practices.

Temporary Accommodations on Filing Requirements

During state and national emergencies, often caused by natural disasters or a terrorist event, life insurers work closely with their policyholders to make accommodations for premium payments and policy benefit administration that are reasonable, prudent and responsible under the circumstances. It is in this spirit that we are asking regulators to make the same types of temporary and appropriate accommodations for certain insurer filing requirements and attendant deadlines, during this period of national emergency.

There are myriad requirements in almost every state that simply are impossible to comply with as our nation adapts to what is hopefully a short-lived work from home environment. Company staff may be unable to process and meet filing deadlines for certain materials, especially those that are required to be submitted in a non-electronic format. Moreover, regulators may not be in the office to receive and review filings. We respectfully ask that you temporarily suspend or extend filing deadlines and waive any applicable late filing fees until business operations return to normal.

Refiling of Products to Meet Consumer Demand

Pandemics and natural disasters often lead to a surge in demand for insurance products “after the fact.” With the onset of COVID-19, we have seen a dramatic increase in life insurance applications (30-50 percent according to some sources) as many customers realize how stressed their families could become upon death or disability of the primary bread winner. Unfortunately, while the demand is real and beneficial for customers, the ability for our industry to offer products (the supply side) has been curtailed as life insurers are unable to keep certain interest-sensitive products on the market. Many companies may be repricing and refiling these products and we respectfully ask for your immediate and expedited review.

Coordinated Data Collection Through the NAIC

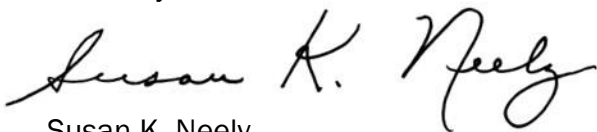
Lastly, the NAIC continues to play a vital role in promoting the uniformity and consistency of state insurance regulation through centralized and coordinated collection of information. We encourage you to coordinate any data collection activities relating to the COVID-19 pandemic through the NAIC to avoid competing, duplicative or inconsistent individual state requests.

Conclusion

I look forward to participating in the NAIC Special Session/virtual meeting on COVID-19 related issues this Friday, March 20th beginning at 11 am ET. Prior to the Special Session, we plan to supplement this email with a more detailed listing of issues that have emerged which may require our short-term and longer-term attention. I look forward to that dialogue with you and encourage you to contact us at any time with any ideas, suggestions or requests you may have.

Let me close on behalf of all of us in the life insurance industry with the sincere hope that you, your families and your staff are safe and healthy. Working together we will get through the COVID-19 pandemic with the strength and courage that has always defined our country.

Sincerely,

A handwritten signature in cursive script that reads "Susan K. Neely". The signature is written in black ink and is positioned to the right of the typed name.

Susan K. Neely
President & CEO

CC: Mike Consedine, National Association of Insurance Commissioners
Ethan Sonnichsen, National Association of Insurance Commissioners