

# How We Make Lifetime Guarantees

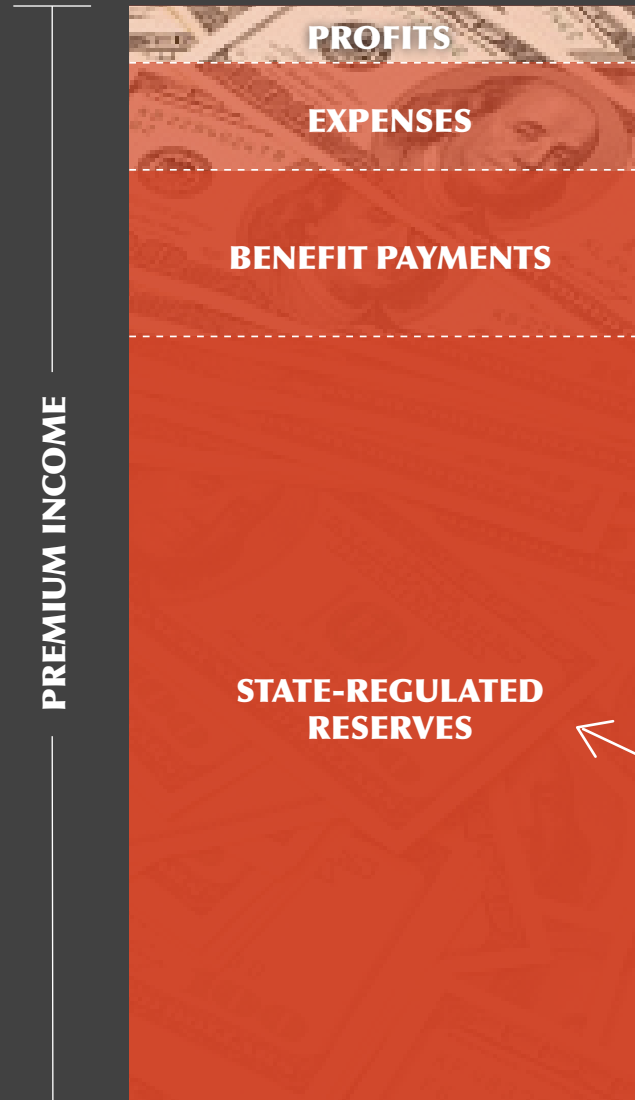
Unlike any other financial services, our industry's products have guarantees that can last a lifetime. Life insurance companies are highly regulated by the states helping to provide this level of certainty for Americans.

## RESERVES ARE CRITICAL TO PAYING OUT BENEFITS.

Policyholders pay for life insurance and other insurance products to protect themselves and their families against future loss. Premiums are designed to stay the same throughout the life of a policy, while benefit payments increase over time. Some of the early premiums help pre-fund later benefit payments. **Reserves** – the pre-funded amount – ensure that insurance companies can uphold their promises to policyholders and pay out all guaranteed benefits.

## WE ARE HIGHLY REGULATED.

State regulators mandate the reserves that must be maintained by insurance companies. Reserves are held by companies to meet their future obligations to policyholders.



## FEDERAL TAX PROPOSALS UNDERMINE CONSUMER GUARANTEES.

While states are helping to safeguard life insurance guarantees, the federal tax system is raiding reserves and taxing funds set aside to pay future guaranteed benefits. It is critical that taxes on reserves be minimized or eliminated to ensure consumers may access protection now and into the future.

*States mandate this to protect consumers — Washington shouldn't spend it!*

**A federal tax system that doesn't properly account for state-regulated reserves as the pre-funding of future benefits ends up hurting consumers with higher prices and less access to guarantees.**

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