

Statement for the Record
Submitted to the
Senate Committee on Small Business and Entrepreneurship
“Implementation of Title I of the CARES Act”
Wednesday, June 10, 2020
On behalf of
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President and CEO
The American Council of Life Insurers

On behalf of the membership of the American Council of Life Insurers (ACLI), I thank you for the opportunity to submit for the record our view regarding the Paycheck Protection Program. In response to the coronavirus crisis, the Senate moved quickly and aptly to protect the income of millions of Americans. ACLI thanks the Senate for its work.

As you know, the Paycheck Protection Program is intended to provide economic relief for workers who find themselves unemployed or furloughed as a result of COVID-19. It is important that this economic relief include all forms of insurance coverage that had been provided by the employer. These insurance products are vitally important to the financial security of working Americans and their families. They include disability income insurance, supplemental benefits (indemnity products that provide direct payments to consumers to help with the financial impact of serious accidents and illnesses beyond medical treatment costs and dental and vision insurance), and life insurance products.

Life insurance safeguards families, helping them take care of children, keep homes, and pay for college when a parent is lost. Supplemental benefits fill gaps and cover dental and vision when health plans do not. Long-term care and disability income insurance is a saving grace when work is no longer possible. In fact, 90 million American families count on life insurers’ products for protection, long-term savings, and a guarantee of lifetime income when it is time to retire. During the COVID-19 pandemic, the value of these products has been reaffirmed.

The goal of the Paycheck Protection Program is to provide as much relief and stability as possible during this period of constrained economic activity. Maintaining access to financial protection products like disability income insurance, supplemental benefits, and life insurance coverage provides certainty for families and workers across the country.

These protections should remain uninterrupted for the employee in the same way the payroll should not be interrupted, according to legislative intent. Federal law under ERISA supports the entire suite of

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The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI’s member companies are dedicated to protecting consumers’ financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI’s 280 member companies represent 94 percent of industry assets in the United States.

employee benefits being treated as benefits. This established law is well represented by the work of your Committee on Small Business and Entrepreneurship.

We hope that today's hearing provides clarity about these important employee protections being included within the PPP covered payroll costs. This request by ACLI is consistent with the leadership of Senators Susan Collins and Tim Scott. Clarification by this committee would provide unambiguous guidance to employers as they apply for and receive PPP funding for their employees. Clarification will facilitate and expedite financial security to the workers who need it most.

Amid the current pandemic, social distancing, and paid leave, one thing is certain – workers need financial protection more than ever. Our industry will continue to be there to help them while they are away from work, and we urge you to clarify that this economic relief includes all forms of insurance that were offered previously by the employer. Thank you so much for your consideration of this important matter.