



Hearing Statement of Maurice A. Perkins  
Senior Vice President  
The American Council of Life Insurers  
Before the  
U.S. House Committee on Ways and Means  
“How Tax Reform Will Grow Our Economy and Create Jobs”

May 18, 2017

The American Council of Life Insurers (ACLI) is pleased to submit this statement for the record for the May 18, 2017 hearing, titled “how tax reform will grow our economy and create jobs.” We thank Chairman Kevin Brady and Ranking Member Richard Neal for holding this hearing. ACLI would like to take this opportunity to respectfully comment on tax reform.

On behalf of the U.S. life insurance industry, we share the Committee’s goal for tax reform of encouraging economic growth. ACLI is a Washington, D.C.-based trade association with approximately 290 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers’ products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing 94 percent of industry assets, 93 percent of life insurer premiums, and 97 percent of annuity considerations in the United States.

Understanding the financial and company tax implications of the life insurance business model is key to safeguarding the financial security protections and guarantees our products provide for consumers. These protections and guarantees are not available from any other financial services companies.

The nature of the life insurance business is very different from that of a manufacturer or retailer in that it involves the satisfaction of long-duration promises. Life insurers receive premiums in exchange for a contractual promise to pay insurance or annuity benefits. Those premiums are invested in assets that match our expected liability obligations and duration. Life insurers utilize those premiums as well as investment returns on the premiums to pay policyholder benefits as they arise, often many decades in the future. Because of the nature of our business, financial regulation supports our ability to deliver on our long-duration promises.

Life insurers help to grow the economy through long-term investments. The industry is the largest investor in U.S. corporate bonds and also holds significant investments in the mortgage, real estate and equity markets.

It is important that tax reform support the policy of protecting personal financial security through use of financial protection and retirement savings products. The ACLI appreciates the opportunity to comment and point out the unique features of our products that make them so critical to the financial security of all Americans. ACLI and its member companies look forward to continuing to work with the Committee to address the industry's concerns on these very important issues.

Thank you.

A handwritten signature in black ink, appearing to read 'M. Perkins', with a large loop at the end of the name.

Maurice A. Perkins