

**Statement for the Record Submitted to the  
U.S. House of Representatives Ways & Means Committee  
Subcommittee on Worker and Family Support**

**May 27, 2021**

**On behalf of**

**Susan Neely, President and CEO  
American Council of Life Insurers**

Chairman Davis and Chairman Neal, Ranking Member Walorski, and Members of the Committee, on behalf of the American Council of Life Insurers (ACLI), we thank you for the opportunity to submit for the record our views on the urgency around paid family and medical leave solutions in our country. We applaud the Committee and all Members for your bipartisan focus on this urgent issue for our country. Thank you, Chairman Neal, for sharing your proposal and taking a step in the right direction toward progress. To Congresswoman DeLauro, Congresswoman Hinson, and to Congresswoman Clark, thank you for your testimony. We share your passion and we are eager to work with you to solve the need for paid family and medical leave for our country's workforce.

Our common goals include creating a sustainable, universal, federal program that guarantees paid leave coverage that has meaningful benefits, is simple for employers and their workers to navigate, and leverages existing infrastructure such as the private sector and state Paid Family and Medical Leave (PFML) programs.

As a stakeholder who serves the paid leave needs of nearly 50 percent of employees in the country, we appreciate that your recognition of the solutions we provide to our employers and employee customers, and the many state programs where our member companies participate. The proposal's new approach to the PFML issue is a welcome first step in this regard, though as currently constructed we believe that it creates an unlevel playing field in which it will be unlikely that employers will opt for the paid leave coverage we provide to the workforce.

We believe that the Chairman's intention is to preserve the private paid leave sector. And we appreciate the attention to the wide array of services beyond claims administration that we provide to make the best paid leave experience possible. We have shared that with over 156 million workers in the country, the U.S. Treasury's resources can be best used in administering a program for those who need it most.

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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 95 percent of industry assets in the United States.

Personal testimonies of the hardship caused by the need for childcare and the lack of access to paid leave are all too familiar. Each of us can probably think of someone in our lives who has their own story about the stress and burden they have carried as they attempt to take time off from work, arrange childcare, or budget for caregiving expenses. We thank today's participants for speaking out on behalf of the thousands of American families they represent.

The COVID-19 pandemic has highlighted the gaps in the national framework for wage replacement, particularly for women. Nearly 40 percent of women had some sort of life event during the pandemic that impacted them financially. The pain of a lost paycheck for families is profound and immediate, and it also holds long-term financial consequences. On average, women lose over \$300,000 in wages, Social Security benefits, and retirement plan benefits over a lifetime because they took time off from work to provide care to a family member. The financial impact because of caregiving decisions today can compound the stress and detriment of women later in life as they reach retirement age.

There is a void in our country when it comes to paid family and medical leave, and the time to make changes to the way our country values and supports caregivers is now. Whether it is childbirth, adoption, a family health crisis, or a worker's own health crisis, workers should not have to choose between their paycheck and their loved ones. ACLI agrees that our country needs a meaningful solution, a permanent solution, and an accessible and affordable solution for paid family and medical leave.

Through my role as CEO of ACLI, I know that America's life insurance companies are actively engaged in supporting families with paid family and medical leave. Currently, over 40 percent (62.7 million) of all civilian workers are provided paid medical leave under their employers' short-term disability plan and half of civilian workers in a union have access to short-term disability benefits.

In addition to paid leave claims management, ACLI members also help employers, and their workers navigate their paid leave experience with return-to-work programs, absence management tracking and coordination, and assuring compliance with existing leave requirements at the federal, state, and local level. Disability income (DI) insurance carriers pay over \$20 billion in paid leave claims per year, and the average processing time for a claim is 13.5 days.

Importantly, we know the individuals and families who hold these benefits appreciate and value them. We believe we can do more to put paid family and medical leave benefits in the hands of more American families as they seek to take time off from work to care for their own medical needs or those of an ailing loved one, or to welcome a new child into their home.

All families deserve the certainty of knowing they can take time off from work to care for their family without then facing an economic hardship. The need for action is clear, and an historic opportunity exists for the public and private sector to work together on this issue. America's life insurance companies stand ready to meet the moment as the nation works collectively toward comprehensive answers that enable Americans to achieve financial security throughout their life.

We appreciate the productive working relationship with this Committee and Chairman Neal and Chairman Davis. We welcome the opportunity to continue to work with you on important solutions for workers and their families.