



Statement for the Record

Submitted to the

United States Senate Committee on Finance

**Exploring Paid Leave:
Policy, Practice, and Impact on the Workforce**

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On Behalf of

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The American Council of Life Insurers (ACLI) is pleased to submit this statement for the record on “Exploring Paid Leave: Policy, Practice, and Impact on the Workforce.” ACLI thanks Chairman Ron Wyden (D-OR) and Ranking Member Michael Crapo (R-ID) for holding this important hearing. This statement will highlight the life insurance industry’s unique position as it relates to paid leave, as well as recommendations for this committee to consider.

AMERICAN COUNCIL OF LIFE INSURERS

ACLI is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. Ninety million American families rely on the life insurance industry for financial protection and retirement security. ACLI’s member companies are committed 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.

HOW IT WORKS

Family and medical leave protections became a priority and were written into federal law under the Clinton Administration, 30 years ago. While needed and appreciated at the time, today’s focus is on how to encourage and expand access to family leave protection in a way that is well managed and paid for, so it remains solvent for generations.

Private insurers have the tools and experience to provide family leave protection to more workers and families through employer-based plans. More than 47 percent of full-time civilian workers – nearly 62 million Americans – receive paid medical leave benefits through the private sector. Life insurers and employers paid out \$9.5 billion in paid leave benefits in 2021.

HOW TO EXPAND COVERAGE

Delivering paid leave for all workers does not require starting from scratch. Collaborating with employers, private insurers have the tools and experience to cover more workers and families through employer-based plans. The government can set guidelines, provide employer incentives, and support workers who do not have access through their jobs. A public-private partnership is the quickest, most cost-effective way to extend that security to all workers.

This is just a start. There are other considerations for building a successful national paid leave policy, including exploring ways to support employers who will need to cover workloads when employees take temporary leave. We know the impact of the \$9.5 billion in paid leave claims we deliver to workers. These benefits make it possible for them to take care of themselves and their loved ones, and provide the certainty of knowing their incomes, and jobs, are protected.

Employers value our expertise in navigating complex regulations and the ease and confidence we give their employees. Providing support when the unexpected happens is at the core of what life insurers do, and the life insurance industry stands ready to help.

CONCLUSION

Fortunately, a foundation for a national paid leave program exists today. Disability income insurance is already helping provide billions of dollars in paid leave benefits to millions of Americans who must miss work, including for parental leave. Building on this system would allow insurers, employers, and government to reach more workers rapidly, equitably, and cost-effectively.

ACLI is pleased and encouraged to see the restart of meaningful bipartisan policy conversations. We will continue to partner with stakeholders and legislators to expand this vitally important coverage for families and the strength of America's workforce.