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Testimony of the American Council of Life Insurers
Before the Joint Committee on Insurance & Real Estate
Tuesday, February 25, 2014

House Bill 5253 – An Act Concerning the Connecticut Insurance Guaranty Association and the Connecticut Life and Health Insurance Guaranty Association

Senator Crisco, Representative Megna and members of the Insurance and Real Estate Committee, the American Council of Life Insurers (“ACLI”) appreciates the opportunity to offer the following comments in support of House Bill 5253 – An Act Concerning the Connecticut Insurance Guaranty Association and the Connecticut Life and Health Insurance Guaranty Association. The proposed legislation will assist in conforming Connecticut life insurance guaranty statutes to national standards. ACLI supports similar legislation nationwide to improve and enhance the life insurance guaranty association safety net.

The ACLI strongly supports the fundamental principle that guaranty association coverage and assessments remain linked. We remain concerned that coverage and assessments of Medicare Part C and D plans will not be linked in some or all instances, specifically that such plans will be covered by the state guaranty association, while related premiums will not be included in the association’s assessment base. Such situations would negatively affect those life insurers that issue long-term care and disability income insurance products. In order to provide certainty in this area, we support the statutory changes included in this bill.

Thank you for considering our position in support of House Bill 5253 regarding life and health guaranty association coverage. Please contact John Larkin at 860-430-5928 or Kate Kiernan at 202-624-2463 with questions.

The American Council of Life Insurers (ACLI) is a national trade association with approximately 300 member companies operating in the United States and abroad. 228 member companies serve Connecticut consumers. 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 more than 90 percent of industry assets and premiums in Connecticut. Learn more at www.acli.com.

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