

Laura Leigh Latta

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Re: Senate Bill 185 – Support

Dear Chairman Bjorkman,

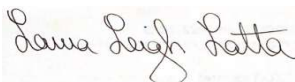
I write on behalf of the American Council of Life Insurers (ACLI) to express our support for Senate Bill 185.

Life insurers have long supported and remain committed to the goal of anti-rebating laws – to ensure consumers purchase our products for their important financial protection and savings features. However, changes in technology and consumer expectations support the modernization of anti-rebating laws. The changes proposed by S. 185 align with the 2021 revisions to the NAIC model *Unfair Trade Practices Act*, which exclude the provision of certain value-added products and services from the prohibition on rebating. These changes are intended to provide insurers and producers with the opportunity to offer consumers innovative products and services, such as those that mitigate loss, reduce claim costs, or enhance health. Senate Bill 185 is based on these revisions to the NAIC model law which, to date, has been adopted by 23 states, along with three additional states that have adopted similar standards as outlined by the NCOIL *Rebate Reform Model Act*.

Specifically, the bill would permit insurers and producers to provide value-added products or services if the cost is, in the opinion of the director of insurance, “reasonable in comparison to that customer’s premiums or insurance coverage for the policy class (Sec.3).” In drafting the model law, the NAIC recognized that it is not feasible for an insurer to assess whether the cost of a value-added product or service is reasonable in relation to premiums or coverage on a policy-by-policy basis. Instead, the model law refers to premiums or coverage “for the policy class,” thereby ensuring the analysis may be done on an aggregate basis.

Thank you for the opportunity to provide comments on S. 185, and please feel free to contact me with any questions or comm

Respectfully,



Laura Leigh Latta

Cc: Members of the Senate Labor & Commerce Committee