

October 2, 2015

Jolie H. Matthews  
Senior Health and Life Policy Counsel  
National Association of Insurance Commissioners  
Executive Headquarters  
Hall of the States Building, Suite 700  
444 North Capitol Street NW  
Washington, CD 20001-1512

Re: Life Insurance Policy Illustrations and Disclosures

Dear Jolie:

We the undersigned NAIC consumer representatives are writing to encourage the NAIC Life Insurance and Annuities (A) Committee to actively pursue its charge to reexamine the Model Regulation with regard to illustrations and disclosures. Specifically, Section 7B of the NAIC Model Regulation requires a narrative summary at the beginning of basic illustrations, followed by a more detailed, numeric summary (Section 7C). In the past, much of NAIC's attention regarding illustrations has focused on the numeric summary.

We have a much better understanding today than in the past about what information consumers value, how to format information to be consistent with the way consumers process it, and how to constructively use feedback from focus groups and consumer testing in the design process. There are two other important factors to consider. The first is that the life insurance product itself has changed. Today, there are many products combining life insurance with other products such as investments, annuities, and long-term care insurance. A second important factor is that consumers are much more likely to use technology to access information. It is time to reevaluate expectations regarding life insurance illustrations and disclosures with these considerations in mind.

We hope that the proposed new working group on life insurance illustrations will be appointed and if it is, we look forward to working with them.

Sincerely,

Amy Bach, United Policyholders  
Birny Birnbaum, Center for Economic Justice  
Brenda J. Cude, NAIC Consumer Representative  
Karrol Kitt, NAIC Consumer Representative