

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL)
Resolution to Improve Access to Underinsured Life Insurance Markets

Adopted by the NCOIL Life Insurance Committee on July 7 and the NCOIL Executive Committee on July 8, 2005

Sponsored by Rep. Shirley Bowler (LA)

Whereas, the National Conference of Insurance Legislators (NCOIL), pursuant to its Articles of Organization and Bylaws, intends to bring clarity to issues relating to insurance for the benefit of legislators and their constituents and to improve the quality of insurance regulation;

Whereas, there is consensus among the life insurance industry that there is a significant and growing underinsured market; that the underinsured market includes many low to middle income and minority populations who are underinsured or not insured at all; and that the lack of financial protection places these consumers, their families and their communities at risk;

Whereas, most potential life insurance clients buy from agents, but the number of life insurance agents has been aging and decreasing;

Whereas, there is further consensus among the life insurance industry that these trends, which have developed over the past several years, have now emerged to represent a significant challenge for the life insurance industry, as a whole;

Whereas, NCOIL concurs in industry analysis of these problems and the need for immediate action;

Whereas, NCOIL encourages commissioners, legislators, industry and community groups and other interested parties to work together to examine the problem and to explore solutions to expand the distribution of life insurance products;

Whereas, NCOIL believes a thorough study and deliberation of the problem of the underinsured market should be given and that a complete and comparative study of all solutions should be undertaken; and

Whereas, in order to effectively and efficiently address this issue, NCOIL desires to work with NAIC, community groups and other interested parties to further analyze this problem and to propose possible solutions.

Now Therefore, NCOIL resolves to recognize the consensus among the life insurance industry that there is a significant and growing underinsured market; to advocate the thorough, complete and comparative study of all proposed solutions to the problem of the

underinsured market; and to support and cooperate with the NAIC, community groups and other interested parties to further analyze this problem and to propose a possible solution.

Further, as stated in its statement of purpose, NCOIL reasserts “the prerogative of legislators in making state policy when it comes to insurance” and reserves the right to implement any such solutions or any others as they determine by legislative process to be appropriate in their individual states.