LICONY Quarterly

The President’s Report

July is here and the summer is now in full-swing, meaning we have closed the book on a busy quarter for LICONY and the life insurance industry. The past three months produced some significant victories and clearly defined the work that lies ahead.

June 21 marked the end of the 2017 legislative session, capping a successful session for LICONY that saw both houses of the legislature pass three bills on our affirmative legislative agenda. This was a clear signal that New York lawmakers understand our message – that we must identify trends and be responsive to the future of our industry.

How life products are developed, marketed, and sold are all major issues LICONY members constantly evaluate. In an age of rapidly developing technology, we must always be mindful of allowing life products to reach consumers, especially millennials, so they can secure their financial futures.

Unfortunately efforts to enact Principle-Based Reserving (PBR) legislation were not successful. The PBR issue is vitally important to our industry and while we are disappointed legislation was not enacted this session, we worked very hard to provide lawmakers and regulators with as much infor-

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LICONY Earns Legislative Victories in 2017

The New York State legislature has largely concluded its work for the year, and for LICONY, the regular 2017 session was a success. Working with member companies, the association successfully advanced several important pieces of its 2017 Affirmative Legislative Agenda.

Three of LICONY’s 2017 Program Bills passed both houses of the legislature and will be sent to the Governor for his consideration. We are optimistic the Governor will act favorably on all three pieces of legislation. The bills refine the long term care trigger to allow more consumers to use existing benefits to cover long-term care expenses (A-7584/S-2114); authorize domestic mutual life insurance companies to offer alternate methods for voting in uncontested board elections and receive voting materials electronically (S-2095/A-7531); and allow annuitants the option to automatically reinvest policyholder dividend distributions (S-2525/A7152).

In addition, LICONY has made progress on several other priority bills including a bill which would streamline the process for issuing life insurance products in the direct market (S. 2077/A.8070), that passed the State Senate. LICONY and Gerber Life continue to work with the Assembly to answer questions on the proposal. Additionally, LICONY staff continues to

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LICONY Members Prepare for Paid Family Leave

Starting January 1, 2018, a new Paid Family Leave program will be available to New York employees. Insurers who offer statutory disability coverage in New York, including many LICONY member companies, will be required to offer a Paid Family Leave rider to the statutory disability policy to cover employees who take time off from work under the Paid Family Leave program. LICONY has been actively engaged as the program takes shape.

LICONY has been working with the Governor’s office, the Department of Financial Services (DFS) and the Workers Compensation Board to provide industry input on the implementation of the program at each step of its development. In addition, LICONY has taken steps to educate the business community as well. LICONY Director and Counsel Kate Herlihy took part in a Paid Family Leave Seminar along with the Workers Compensation Board’s General Counsel, David Wertheim, on May 9th in Albany, providing attendees with the industry’s perspective on the program.

With Paid Family Leave becoming a reality in less than six months, there is still work to be done. On June 1st, the DFS released the premium rate that will be used to fund the paid family leave program. With an ambitious program such as this, there are many details to be finalized and LICONY remains committed to working with all parties to ensure the life industry’s voice is heard.

Member Spotlight — Foresters Financial

Foresters Financial is a financial services provider with a unique history. LICONY recently spoke with Knut Olson, Foresters President, North American Life Insurance and Annuity (pictured) about Foresters and the life insurance industry in New York.

Through the Foresters Financial enterprise, we offer a range of insurance solutions including Term, Universal Life, Whole Life and Variable Life insurance products. We also provide asset management and retirement planning services, as well as variable and fixed annuities.

Q. Tell us about Foresters Financial and the lines of the business the company has in New York.

Q. What makes Foresters Financial unique in today’s marketplace?

Foresters Financials roots as a fraternal benefits society influence everything we do today. For over 140 years we’ve offered our members competitive financial solutions, but we also work to enrich their lives and communities. Members get unique benefits like access to financial counseling, discounted legal services and competitive academic scholarships. But we also partner locally with members, sales distributors, and charitable organizations to improve communities. These range from supporting local food banks to building playgrounds in neighborhoods where we know we can make the biggest difference.

Q. You came to Foresters from another LICONY Member, Thrivent Financial. In your view, how do trade associations help the industry?

Trade associations do a couple of things. They help give a broader point of view among member firms on what the shared issues are. They increase our voice through shared advocacy. They have the ability to help give an understanding that things aren’t just about us.

Q. What can legislators and regulators do to help the life industry thrive?

I think they need to recognize we have an underinsured marketplace, and that helping life insurance companies provide access to consumers in new and innovative ways is essential. They need to have a progressive viewpoint on underwriting by ensuring laws help innovation and modernization.

Q. What are the biggest challenges facing the life insurance industry?

The biggest challenge continues to be the sustained low-interest environment which is putting a lot of pressure on the system. Some inflation, and higher rates would help the yield curve.

Q. In your view, what does the future of the life industry look like?

I expect there will be more use of technology in underwriting and distribution. It’ll change the way agents sell and work with clients, and how clients access information. It will continue to impact our industry.

Q. Is there anything else you’d like LICONY members to know about Foresters Financial?

We’re committed to the middle market. We have a unique ability to connect with working families in New York and across America. We’re committed to helping an underserved marketplace in creative ways that add value to them.

Advocacy in Action

When it comes to advocacy, the past three months have been extremely busy for both LICONY and its members. On May 1 and 2, LICONY held its annual Day on the Hill in Albany. The event began Monday night with a reception at the Fort Orange Club, attended by nearly 50 guests from the State Legislature, the Department of Financial Services, and the Governor’s office.

The next morning LICONY held a Board of Directors meeting, a Legislative and Regulatory Committee meeting and then met with more than 80 members (or staff) of the New York State Senate and Assembly.

In addition, LICONY staff participated in public seminars and LICONY members, such as State Farm, came to the State Capitol in Albany to advocate for the life industry in New York.
Upcoming Events

LICONY has a busy schedule of events planned for the coming months. For the most up-to-date list of events, visit www.licony.org

**Upcoming Events:**

- **July 11, 2017:** LICONY—[NYS DFS Compliance Seminar](#), Capital Center, Albany NY
- **October 2-4, 2017:** The LICONY [Annual Meeting and Planning Conference](#) at the Otesaga Resort Hotel, Cooperstown N.Y.
- **November 30, 2017:** The 33rd Annual LICONY Tax Conference at the New York Life Insurance Company, Madison Ave, New York N.Y.

Connect with LICONY on Social Media

LICONY is on social media and we invite you to connect with us.

- **Twitter:** @LICONYNews ([https://twitter.com/LICONYNews](https://twitter.com/LICONYNews))
- **LinkedIn:** [https://linkedin.com/company-beta/15212784/](https://linkedin.com/company-beta/15212784/)

President’s Report *(from page 1)*

Information as possible on PBR. We are confident this work will pay off and the Department of Financial Services, Legislature and industry will come to an agreement on PBR soon.

June also saw the release of the Paid Family Leave community rate. The new program begins January 1, 2018 and we are working with our members and the state to make sure the program is one that will work for companies providing DBL insurance, along with the New Yorkers it will serve.

Looking forward, planning continues on the 2017 Annual Meeting and Planning Conference in Cooperstown. We have another exciting event planned and hope to see you there. In the meantime, enjoy your summer.

Legislative Victories *(from page 1)*

Several other pieces of legislation that LICONY had reservations about, such as proposals dealing with state-sponsored retirement savings plans and the use of employee credit history information, did not pass both houses of the legislature. Going forward, LICONY will continue to work with the legislature to find common ground on those issues. The legislature has recessed for the year, but there is always a possibility of a special session return prior to the start of the next scheduled session in January 2018.