

March 14, 2023

The Honorable Scott Louser  
Chair  
House Industry, Business and Labor Committee  
North Dakota Legislature  
600 E. Boulevard Avenue  
Bismarck, North Dakota 58505

**RE: Senate Bill 2172 – SUPPORT**

Dear Chair Louser and Members of the Committee,

The American Council of Life Insurers (ACLI) appreciates the opportunity to comment in support of Senate Bill 2172 (SB 2172) to enact the National Association of Insurance Commissioners' (NAIC) Interstate Insurance Product Regulation Compact (Compact).

ACLI is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. Ninety million American families rely on the life insurance industry for financial protection and retirement security. Our member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance as well as supplemental benefits such as dental and vision plans. ACLI's 280 member companies represent 94 percent of industry assets in the United States. North Dakota is home to 413 licensed ACLI member companies and three domiciled companies and the life insurance industry invests \$31 billion in North Dakota's economy.

The Compact was ratified in 2002 when the NAIC developed model legislation that the states could later adopt to join the Compact. Since 2004, 45 states, the District of Columbia and Puerto Rico, have enacted Compact-enabling legislation, representing approximately 75% of premium volume nationwide.

The Compact allows insurers competing on a regional or national scale to file their products in one central filing place rather than requiring them to file in numerous individual states. Products filed under the Compact are subject to a high-quality review process. Ultimately, if insurers are able to bring their products to market more quickly and efficiently, consumers benefit as they have faster access to newer and more competitive products. The Compact serves as a central point of electronic filing for certain insurance products, including life insurance, annuities and disability income, which are reviewed for compliance pursuant to comprehensive and detailed uniform product standards developed and adopted by member states consistent with their product content requirements.

Consumer protection is the hallmark of a state-based regulatory system and the Compact is no exception, which is good news for both insurers and consumers. The main benefits of the Compact are that it:

- Allows consumers to have faster access to competitive insurance products;
- Enhances the efficiency and effectiveness of how insurance products are filed, reviewed and approved; and
- Promotes uniformity through the development and application of uniform product standards that contain strong consumer protections.

The Compact has adopted over 100 uniform product standards, including those relating to individual and group life insurance, disability income insurance and annuities. The Compact also continually evaluates the need to adopt new uniform product standards and amend existing ones. If enacted, SB 2172 would allow the North Dakota Insurance Commissioner to participate in the development of these uniform product standards ensuring that North Dakota consumers have a voice in the process. For these reasons, we support SB 2172 and urge you to advance the legislation.

Thank you for your consideration.

Respectfully submitted,



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cc: Members of the House Industry, Business and Labor Committee  
Jon Godfread, North Dakota Insurance Commissioner  
John Arnold, North Dakota Deputy Commissioner  
Karen Schutter, Executive Director, Insurance Compact