



## The President's Report



Mary A. Griffin

This is a busy time for the life insurance industry in New York. As we head into the second half of the 2018 legislative session there is no shortage of pressing issues to address. They include:

### The Proposed Best Interest Standard

LICONY has been working with members and the Department of Financial Services (DFS) on Proposed Regulation 187 which would implement a suitability and best interest standard for life insurance and annuities. LICONY has submitted the Association's comment letter to the DFS and worked with other associations to draft and submit a separate joint trades letter, which included signatories from nine other organizations.

Our comments focused on consumer access and costs, regulatory uniformity, equal treatment of financial services products, and

speed of implementation. We will continue to work with the DFS and expect a new draft of the regulation in the near future.

The issue represents a sea-change for the industry and we are devoting our efforts to securing changes to the proposal that will result in a regulation that is good for consumers and the industry. This issue will be a continued focus for LICONY and I want to particularly recognize Diane Stuto for her outstanding efforts on the matter.

### Legislative Priorities

LICONY continues to advocate for the Association's legislative agenda with state lawmakers. Now that the State Budget is complete, the legislature's focus will turn to other legislative issues and there is no better way to drive home LICONY's priorities than through face to face meetings with legislators. We are excited to once again do

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## New York Adopts 2018-19 State Budget

On Saturday, March 31, the New York State budget passed both houses of the legislature, wrapping up an intense period of negotiation between the Governor, Senate, and Assembly on both the State's 2018-19 fiscal plan and other major policy issues.

In the face of a multibillion dollar budget gap, Governor Cuomo's Executive Budget contained several items of interest to LICONY members. In an effort to raise revenue, Governor Cuomo proposed a "healthcare insurance windfall profit fee" in the amount of 14 percent on the net underwriting gain from the sale of health insurance on risks in New York. Products offered by LICONY members such as disability, dental, stop loss, and supplemental products were swept in as part of that proposed fee.

LICONY strongly opposed the measure, issuing a memo in opposition and conducting numerous meetings with the Senate, Assembly, and Governor's Office to express the Association's concerns. The increase would have disproportionately hurt life companies that issue the above-referenced products due to life insurance specific provisions of the federal Tax Cuts and Jobs Act (TCJA) that placed an additional tax liability in the tens of billions over the next ten years on the industry. We are pleased to report that the proposal was not included in the final budget.

Likewise, LICONY strongly opposed new fine increases on the industry. Fines were doubled in 2011 and LICONY clearly believes further fine increases are not warranted. With strong support from the State Senate and Assembly, these fine increases were rejected and no new fees on the life insurance industry were included in the adopted budget.

Finally, the Executive Budget contained a proposal to create a Secure Choice Retirement Savings Pro-

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## News From LICONY Member Companies

### American National Insurance Company announces the merger of its two New York life insurance subsidiaries

American National Insurance Company announced that, effective January 1, 2018, American National Life Insurance Company of New York merged into Farm Family Life Insurance Company. Following the merger of these two subsidiaries, the surviving company has assumed the name American National Life Insurance Company of New York.



The merger of American National's New York life insurance companies into a single entity furthers American National's commitment to promoting and strengthening the American National brand while simplifying the corporate structure and improving service to New York customers.

### Brooks Tingle named President and CEO John Hancock Insurance

John Hancock announced two key leadership appointments, naming Brooks Tingle President and CEO of John Hancock Insurance and Linda Levyne Senior Vice President, Head of Sales and Distribution also for John Hancock Insurance. Mr. Tingle and Ms. Levyne, who have served in these roles on an interim basis since last summer, assume them permanently effective immediately. Mr. Tingle reports to Marianne Harrison, President and CEO, John Hancock; Ms. Levyne reports to Mr. Tingle.

### TIAA Celebrates Centennial with \$1 Million in Grants Honoring Difference Makers in the Nonprofit World

TIAA is commemorating its 100th anniversary by launching a new initiative to celebrate 100 individuals in the nonprofit world who are making a powerful difference – giving a total of \$1 million dollars in grants to honor their outstanding contributions.

TIAA was established a century ago with a \$1 million grant from the Carnegie Corporation of New York to make a difference in the lives of educators by giving them the financial security they needed and retirement they deserved.

## The LICONY Day on the Hill is Set for May 7 and 8, 2018



LICONY's annual Day on the Hill is set for May 7 and 8 in Albany, N.Y. LICONY members typically conduct more than 100 meetings with legislators and key staffers to support

LICONY's legislative and regulatory agenda.

This year the two-day event will feature a reception at the Fort Orange Club on May 7 from 5:30 p.m. — 7:30 p.m. The reception is open to all LICONY members and invited guests.

The next day will begin with a LICONY Board of Directors meeting

from 8:00 a.m. — 10:00 a.m. followed by a meeting of the Legislative and Regulatory Committee from 10:00 a.m. — 11:30 a.m. Both meetings will be held at the new Capital Center in Albany.

From noon to 5:00 p.m., LICONY members and staff will visit legislators and legislative staff to express support for LICONY's 2018 agenda. The face-to-face discussions with members of the legislature, the Executive and their staff are excellent opportunities to advocate for the life insurance industry.

For more information or to register for the event, please contact Patty Tario at 518-436-8417 or [ptario@licony.org](mailto:ptario@licony.org).

## LICONY Celebrates 50 Years of Life Insurance Advocacy



### 50th Anniversary Celebration Caps a Full Day of LICONY Events

LICONY celebrated its 50th anniversary on February 8, 2018, with a dinner at Mutual of America's headquarters in Manhattan.

LICONY members were joined at the event by Department of Financial Services (DFS) Superintendent Maria T. Vullo, Assembly Majority Leader Joseph Morelle, Chair of the Senate Insurance Committee James Seward, Chair of the Assembly Insurance Committee Kevin Cahill, along with key members of the DFS staff and members of the State Assembly.

LICONY President and CEO Mary A. Griffin said, "We are extremely honored to have been joined by so many regulators, lawmakers and leaders in the insurance industry at our 50th anniversary celebration. It speaks to the fact that LICONY is one of the most respected trade organizations in the state. Our industry is facing a number of important issues this year and our members are informed, passionate, respectful advocates. It was enjoyable to celebrate LICONY's anniversary with so many people who are

dedicated to working together to move the life industry forward."

At the event, attendees heard from speakers, including Superintendent Vullo, who addressed many of LICONY's priorities, including her perspective on the proposed Best Interest Standard for life insurers. The Superintendent also addressed the status of Principle-Based Reserving (PBR) in New York.

Also attending the anniversary celebration were past LICONY staff members, including former President and CEO Tom Workman, who is now a member of the Federal Fiscal Stability Oversight Council. The anniversary celebration capped a full day of LICONY events that included a meeting of the LICONY Board of Directors, a LICONY/NYS DFS Leadership Dialogue where members got to interact with Superintendent Vullo, and a meeting of the LICONY Legislative and Regulatory Committee.

## LICONY Board of Directors

**Dave S. Hattem**, *Chair*  
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**Frederick L. Wortman**,  
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**Sheila K. Davidson**  
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**Doug Caldwell**  
Transamerica

**Patrick J. Carty**  
Zurich North America Life

**Sue Ann Collins**  
TIAA

**Michael Ferik**  
The Guardian Life

**Michael C.S. Fosbury**  
Columbian Mutual Life

**John R. Greed**  
Mutual of America

**Keith M. O'Reilly**  
Gerber Life Insurance Company

**John Rugel**  
Allstate

**Brooks E. Tingle**  
John Hancock Life

**Patricia J. Walsh**  
Voya Financial, Inc.

**Timothy A. Walsh**  
Farm Family

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that on May 8, as LICONY hosts its annual "Day on the Hill," where LICONY members typically conduct more than 100 meetings with state lawmakers.

### Principle-Based Reserving (PBR)

While the proposed suitability standard has rightfully commanded the lion's share of industry attention in New York, PBR is very much a priority. LICONY continues to meet with the Senate, Assembly and DFS to make PBR a reality in New York in 2018.

## State Budget Adopted *(continued from page 1)*

gram. The plan has been introduced as a stand-alone legislative item in the past that LICONY has opposed. This issue was discussed with member companies in the context of this year's budget, and after it appeared in both the Senate and Assembly's one-house proposals, LICONY sought language to clearly state that the Secure Choice program was optional for employers. The Secure Choice Retirement program was approved as part of the final budget, with the inclusion of the language advanced by LICONY.

The final enacted budget also included several wide sweeping policy proposals, including the creation of a voluntary "Employer Compensation Expense Tax," which is intended to address provisions of the TCJA that now limit the deductibility of state and local taxes on federal tax returns. The enacted budget also included provisions to address sexual harassment in the workplace, and created a surcharge on for-hire vehicles below 96<sup>th</sup> Street in Manhattan to fund the MTA.

## Connect with LICONY



**Twitter:** @LICONYNews (<https://twitter.com/LICONYNews>)

**LinkedIn:** <https://linkedin.com/15212784/>

## Upcoming LICONY 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](http://www.licony.org).

### Upcoming Events:

**May 7, 2018:** Day on the Hill Reception, Fort Orange Club, Albany, N.Y. 5:30 — 7:30 pm

**May 8, 2018:** Board of Directors Meeting followed by Legislative & Regulatory Committee Meeting, Capital Center, Albany N.Y.

**May 8, 2018:** Day on the Hill Legislative Meetings, Albany N.Y.

**July 11, 2018:** LICONY Compliance Seminar, Capital Center, Albany N.Y.

**October 30, 2018:** 34th Annual Tax Seminar, MetLife, New York, N.Y.