

LISA Testifies Before NCOIL; Proposes Amendments Prior to Reauthorization of NCOIL's Life Settlement Model Act

LISA's amendments aim to promote fairness and efficiency within the life settlement industry.

NASHVILLE, TN, UNITED STATES, April 15, 2024 /EINPresswire.com/ -- [The Life Insurance Settlement Association](#) (LISA) presented brief testimony to the [National Council of Insurance Legislators](#) (NCOIL) Life Insurance & Planning Committee (Committee) regarding the pending reauthorization of the NCOIL Life Settlements Model Act (Model) at the 2024 NCOIL Spring National Meeting (Meeting) in Nashville, this past Friday, April 12.

Coventry First co-founder and Executive Chairman Alan Buerger, a former LISA Chair, was LISA's witness before Chair, Rep. Carl Anderson (S.C.), Vice Chair, Sen. Vickie Sawyer (N.C.), and the members of the Committee. He presented LISA's proposed amendments to the Model, which were included in the Meeting materials.

"We appreciate NCOIL's consideration of our submission," said Bryan Nicholson, LISA Executive Director. "The Model was last amended in 2007, in a landmark adoption that paved the way for the vast majority of states regulating the market and eliminating loopholes around regulation. Since then, the market has matured along with this robust regulation. Our proposal reflects that growth of the last 17 years."

Mr. Buerger focused his remarks on two areas identified by LISA members as essential to serving consumers: electronic commerce and consumers' access to their licensed producers' expertise.

Mr. Nicholson explained: "Because of their complexity and the substantial regulatory requirements attached to each transaction, the life settlement process is relatively slow. That is exacerbated by delays at the carrier level in obtaining basic necessary information, such as policy illustrations and verifications of coverage. That is why we proposed that carriers be required to allow electronic authorizations and observe a maximum 21-day turnaround for these basic requests. We also believe that after change of ownership forms have been submitted, the insurer should be required to respond by electronic means within 21 days. These proposals, which directly impact the consumer experience, would simply codify what should be the norm in the year 2024."

Mr. Buerger also raised LISA's proposed amendment that would make it unlawful for an insurer

to “prohibit a life insurance producer or broker from disclosing to a client the availability of a life settlement contract.” Mr. Buerger explained: “This recognizes that, in the 17 years since the Model was last amended, there is a basic awareness among producers of the market and of the type of clients (senior owners of universal life policies) who, if they are considering surrender, might be able to access a better result in a life settlement transaction.”

While reserving all rights for later comment, the American Council of Life Insurers (ACLI) witness did not object to the electronic commerce proposals but did object to the prohibition on producer restrictions.

“I was a full-time life insurance agent for 25 years before Coventry transitioned to creating and developing the life settlement market, so I understand there is complexity here around carriers’ desire to control their contracts with producers,” said Mr. Buerger. “My hope is that our proposal presents an opportunity for open dialog about these and other issues in our small but important market, which helps consumers gain the most value in return for their premium payments—life settlement providers have paid owners in excess of 15 billion above the cash surrender value of their policies this century.”

The Committee voted to reauthorize the current Model for three more months, until NCOIL’s Summer Meeting, thus creating the opportunity for such a dialog to continue before and during that gathering on July 17-20, in Costa Mesa, California. “I was particularly appreciative of the respectful dialog with the ACLI at the Meeting,” said Mr. Buerger. “It’s essential that we not only identify areas of agreement where we might work together, but also understand each other’s position on issues where we disagree, which may also help us fashion solutions to difficult problems.”

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About LISA:

The Life Insurance Settlement Association (LISA) is the nation’s oldest and largest organization representing participants in the life settlement industry, with a current membership of more than fifty companies doing business in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. LISA’s mission is to promote the development, integrity, and reputation of the life settlement industry, to advance the highest standards of practice and professional development for the industry, and to educate consumers and advisors about a life settlement as an alternative to lapse or surrender of a life insurance policy.

For more information, please visit www.lisa.org.

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