

TOP LINE TALKING POINTS

- Life insurance serves a critical role by protecting the financial security of 75 million American families, as well as creating millions of jobs and investing nearly \$6 trillion in the U.S. economy.
- The life insurance industry currently pays a disproportionate amount of corporate taxes – higher than most industries.
- I oppose increasing the tax burden on Northwestern Mutual and other life insurers, including the life insurance tax hikes we saw a few years ago in the Camp proposal.
- These unjustified, targeted tax increases will drive up costs for consumers, harm our policy owners, and make it much harder for Americans to achieve financial security.

DETAILED TALKING POINTS

LIFE INSURANCE IS CRITICAL FOR OUR COUNTRY'S WELFARE

- Our society is stronger when Americans plan ahead, protect their families' financial security, and address unprecedented retirement challenges.
- Today, 75 million American families count on life insurers' products for peace of mind, long-term savings, and a guarantee of lifetime income when it's time to retire.
- The life insurance industry generates approximately 2.5 million American jobs and invests \$5.9 trillion in the U.S. economy.

LIFE INSURANCE COMPANIES ALREADY PAY A DISPROPORTIONATE AMOUNT OF TAXES

- While life insurance products are treated appropriately under federal tax laws, the life insurers themselves pay a disproportionate amount of corporate taxes – higher than most industries.
- Life insurers currently generate **1.8%** of all U.S. corporate profits, yet pay **2.2%** of all corporate taxes.
- Higher corporate taxes on our industry drive up life insurance costs for American families and make it harder for them to achieve financial security.

TAX REFORM SHOULD NOT HIT LIFE INSURERS WITH MORE TAXES

- Since life insurers pay higher corporate taxes than the average U.S. company, tax reform should not make this unfair burden even worse.
- However, former Ways & Means Chairman David Camp's 2014 tax reform proposal included tens of billions in unjustified, targeted tax increases on the life insurance industry—resulting in a 26% net tax increase compared to a 1% net tax increase for other industries.
- The Camp bill's tax hikes included raising the "DAC Tax" for policy acquisition costs as well as unjustified limitations on the life insurers' reserve deduction and dividends received deduction ("DRD").
- I oppose any tax reform effort that increases the tax burden on Northwestern Mutual and other life insurers. I urge Congress to fairly treat an industry that is helping Americans achieve financial security.