



NATIONAL ALLIANCE OF LIFE COMPANIES

*An Association of Life and Health Insurance Companies*

February 22, 2021

Submitted via Regulation.gov

RE: (RIN) 1235-AA34, Delay of Effective Date - Independent Contractor Status Under the Fair Labor Standards Act

Dear Sir or Madam,

The National Alliance of Life Companies (NALC) appreciates the opportunity to comment on the proposal to delay the Department of Labor's Wage and Hour Division's (WHD) Independent Contractor Rule. NALC **opposes** the proposed delay and urges the department to move forward with the March 8, 2021, effective date.

As NALC wrote in comments supporting the rule last year, we are a national trade association of small and mid-sized life and health insurance companies from across the United States. NALC members primarily serve middle- and low-income communities who may not otherwise receive insurance coverage because these markets are not served by the larger industry. Our members are able to serve these markets because they can rely on a number of distribution models, including the use of licensed financial professionals who operate their own businesses as independent contractors.

NALC believes it is important that this rule is allowed to take effect without delay. The clarity it provides our industry is needed now more than ever. With policymakers across the country debating issues related to worker classification, skilled agents and other financial professionals need clear and consistent rules that plainly maintain their choice to work independently.

As we wrote last Fall, insurance companies and insurance professionals operate in a highly regulated environment. Agents are licensed by state insurance regulators and are subject to frequent oversight and specific areas of law. Producers and other professionals operating in heavily regulated environments have historically and appropriately operated as independent contractors.

Lawmakers in California recently affirmed the important role of independent contracting in our industry when they exempted licensed insurance professionals from legislation expanding the ABC test across the state's economy. The certainty provided by the California law benefits both insurance consumers and insurance professionals. The Department has the opportunity to deliver similar benefits nationwide by moving forward with its rule which preserves the choice to work independently for those who control their own work and whose opportunity for profit and loss results from their own initiative.

In closing, NALC once again appreciates the opportunity to offer our perspective on this important area of policy. We repeat our support for the Department's work and restate our hope that the Department will not delay the March 8, 2021, effective date.

Sincerely,

A handwritten signature in black ink that reads "Jim Hodges". The signature is written in a cursive, flowing style.

Jim Hodges  
Executive Director