

August 1, 2019

U.S. Department of Treasury
Internal Revenue Service
CC:PA:LPD:PR (REG-120186-18)
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Re: Investing in Qualified Opportunity Zone Businesses (QOZB)

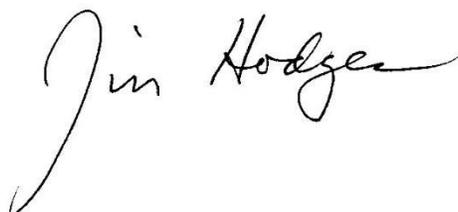
I serve as Executive Director of the National Alliance of Life Companies (the NALC), a life and health insurance trade group of fifty (50) small and mid-sized life and health insurance companies and associates from across the United States.

The NALC is writing to comment regarding investments in Qualified Opportunity Zone Businesses (QOZB). Specifically, we are concerned about the second round of proposed rule-making under Section 1400 Z-2 of the Internal Revenue Code regarding qualified opportunity funds and qualified opportunity fund businesses. We have reviewed the comment letter provided by Winston and Strawn, a copy of which is attached, regarding this matter, and are in agreement with these detailed comments.

Congress clearly intended for a wide range of American businesses and communities to be able to access the new law in order to accelerate significant investments in communities and neighborhoods that have been deprived in the past. A number of our companies are contemplating such investments, and find themselves in a position of potentially being denied access to the benefits of the new law because general account assets held to pay potential claims might be viewed as a non-qualified financial property for purposes of qualifying investments. Of course, the practical effect of this interpretation would be to reduce the availability of good investment opportunities for investors, and to prevent insurance companies from accessing more reasonably priced capital for expansion needs. This would be a bad result.

Our hope is that the Department of Treasury will not consider general account assets as non-qualified financial property, and open up the program for opportunities involving insurance company investments. We believe this is consistent with the stated purpose of the law. Thank you.

Sincerely,

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

Jim Hodges
Executive Director