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Interstate Insurance Product Regulation Commission
701 Hall of the States
444 North Capitol Street NW
Washington, DC 20001-1509

Dear Commission Members,

As a member of the Legislative Committee, I am writing to reiterate my strong support for the consumer protections that appear in the proposed individual term life insurance policy standards and conforming amendments to individual adjustable life insurance policy standards.

The ability to sell or assign a life insurance policy is a fundamental property right. The proposed standards protect this property right and ensure that consumers can realize the full value of their policies if they choose to transfer or assign them without unnecessary interference from insurance carriers.

The proposed standards also prohibit insurers from conditioning the owner's right to assign a policy or change the owner of a policy "upon the owner's prior receipt of an offer from the company or an affiliate to purchase the policy". The policy owner will be the loser if this prohibition is not maintained because rights of first refusal are anti-competitive and the average resale value of policies will ultimately be reduced as a result.

Life insurance is an investment, and insurers actively market it as such. The secondary market allows consumers to realize a competitive market value for this valuable asset. In order for the true value of life insurance to be preserved for consumers, restrictions on the transferability of an insurance contract should be kept to a bare minimum.

I strongly encourage the Commission to uphold this promise and adopt the proposed standards with the consumer protections intact.

Yours truly,
Robert R. Damron
State Representative