



January 23, 2023

The Honorable Kathy J. Byron
House Commerce and Energy, Subcommittee #4
Pocahontas Building, Room E307
900 East Main Street
Richmond, Virginia 23219

Re: HB 2035, Paid family and medical leave program

Chair Byron and members of the House Commerce and Energy Subcommittee #4, the American Council of Life Insurers (ACLI)¹ appreciates the opportunity to offer the following statement on House Bill 2035, which would require the Virginia Employment Commission to establish and administer a paid family and medical leave program with benefits beginning January 1, 2026. ACLI members are the leading writers of life insurance, annuities, disability income insurance, long-term care insurance and supplemental benefit insurance here in Virginia and across the country.

House Bill 2035 would allow an eligible employee to take leave not only to care for a family member, but also for their own personal medical reasons. However, many employers already provide their employees with paid leave benefits for their own personal medical reasons through disability income policies underwritten by life insurers or through self-insured plans.

Life insurers offering disability income insurance are well-equipped with the organizational structure, professional staff and expertise to administer employee benefit programs. Of the handful of states that currently require employers to provide disability and/or family medical leave benefits to their employees, almost all permit and encourage private insurer involvement in providing and administering those benefits.

Further, as the fiscal notes associated with these types of plans indicate, there can be significant administrative and personnel costs to the state associated with establishing PFML programs. Accordingly, Virginia is the first state to make family leave plans a type of insurance that employers can voluntarily purchase for their employees. The Virginia General Assembly enacted the first of its kind legislation that paved the way for employers in the Commonwealth to expand access to paid family leave benefits which makes the need for this legislation redundant. ACLI applauds that the new law recognizes and encourages private sector and self-insured employer plans that meet or exceed those benefits provided by the program.

Chair Byron, we appreciate the opportunity to provide our comments on House Bill 2035.

Respectfully submitted,

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¹ The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life

insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.