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Hon. Marvin L. Abney  
Chairman, House Finance Committee  
State House  
Providence, RI 02903

RE: New Article for the FY 2021 Appropriations Act (20-H-7171)

Dear Chairman Abney:

On behalf Of Amica Life Insurance Company, Rhode Island's sole domestic life insurer, I am writing to express support for the proposed new budget article entitled "Relating to Insurance." The proposed article amends the risk-based capital trend test for life insurers from 2.5 to 3.0, thereby requiring life insurers that are undercapitalized to improve their capital position. The life insurance industry is strongest when insurers are well capitalized. Sufficient capitalization reduces the likelihood of insurer insolvency which benefits consumers and all life insurers that contribute to the Rhode Island Life & Health Insurance Guaranty Association.

In addition to the fact that this change is important to assist the Department of Business Regulation (DBR) with monitoring and evaluating the solvency of life insurers, the change is required in order for DBR to maintain accreditation with the National Association of Insurance Commissioners (NAIC). As domestic companies, the continued accreditation of DBR is of utmost importance to the Amica Companies.

Thank you for your consideration of our position on this budget article.

Very truly yours,

V.P. & General Counsel