



Financial Security for Life

**Statement for the Record**

Submitted to the  
United States House of Representatives  
Education and Workforce Committee,  
Subcommittee on Workforce Protections

*"Balancing Careers and Care:  
Examining Innovative Approaches to Paid Leave"*

March 9, 2026

On Behalf of  
David Chavern  
President and CEO  
American Council of Life Insurers  
300 New Jersey Avenue, NW  
10<sup>th</sup> Floor  
Washington, DC 20001

The American Council of Life Insurers (ACLI) is pleased to submit this statement for the record on *"Balancing Careers and Care: Examining Innovative Approaches to Paid Leave."* ACLI thanks Chairman Tim Walberg (R-MI), Chairman Ryan Mackenzie (R-PA), Ranking Member Bobby Scott (D-VA), and Ranking Member Ilhan Omar (D-MN) for holding this hearing highlighting the importance of paid leave for American workers.

ACLI and its member companies support the efforts of the Subcommittee on Workforce Protection to explore innovative bipartisan approaches to expanding access to these important benefits and easing the burden for multi-state employers. As the Paid Family and Medical Leave (PFML) conversations continue, we encourage – and stand ready to partner with – policymakers to pursue approaches that ensure expanded access to paid leave for all Americans while ensuring a return-to-work path. Paid leave should be simple and utilize existing public and private infrastructures to expand access to coverage that is strong and secure. This growth can build on existing statutory and regulatory frameworks to avoid conflicts that can lead to confusion and the delay of benefits to employees.

### **THE AMERICAN COUNCIL OF LIFE INSURERS**

ACLI advocates on behalf of 275 member companies dedicated to helping people build financial security through every stage of life. We protect 90 million American families with financial products that reduce risk and create certainty, including life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, paid family and medical leave benefits, dental and vision benefits, and other supplemental benefits. As society and work changes, we are committed to solutions that protect all Americans, regardless of where and how they work, their stage in life, or the economic status of their household. Americans are living longer and often find themselves caring for other family members, placing added financial strain on households. Life insurers help provide certainty – and we are committed to making protection more available, accessible, and affordable for all.

### **LIFE INSURERS' ROLE IN PAID FAMILY AND MEDICAL LEAVE**

Our members are uniquely positioned as the only stakeholder group that has delivered paid leave benefits for nearly a century. In 2024 alone, life insurers and employers paid out \$8.6 billion in paid leave benefits. Not only has the private sector been delivering paid medical leave in the form of short-term disability income (STDI) insurance for decades, but our members also have deep expertise in the administration and compliance needs under the Family and Medical Leave Act (FMLA) that requires unpaid job protected level for employers with more than 50 employees, and a wide range of other paid and unpaid leave benefits employers provide.

Our member companies aided in the implementation of all mandatory state PFML programs and administer benefits in all jurisdictions that allow employers to meet PFML obligations through private-sector insurance or self-funding, commonly called a "private option." Our member companies also offer voluntary paid family leave insurance benefits in states where it is permitted. This experience has provided valuable insight regarding the ways to provide highly protective and efficient paid leave benefits through productive and collaborative public/private partnerships.

## THE EXISTING CHALLENGES

In recent years, paid leave availability has expanded significantly<sup>1</sup>, but success has also been slowed by hurdles that affect workers and employers, particularly those employers with multi-state operations. A primary obstacle is the growing patchwork of state laws and regulations with no guiding federal standards. This patchwork creates complexity for employers and their employees that can impact timely receipt of benefits, solvency of state programs, and unnecessarily additive costs across all stakeholders.

The current landscape of statutory paid family and/or medical leave laws includes:

- **Four** states that began with mandatory Temporary Disability Insurance (TDI) programs and later added paid family leave: California, New Jersey, New York, and Rhode Island.
- **Nine** states and **Washington D.C.** with mandatory combined paid family and medical leave programs: Colorado, Connecticut, Delaware, Maine (not fully implemented), Maryland (not fully implemented), Massachusetts, Minnesota, Oregon, Washington, and Washington D.C.
- **Two** jurisdictions with mandatory TDI programs: Hawaii and Puerto Rico.
- **One** local jurisdiction that requires employers to provide supplemental compensation for paid parental leave events: San Francisco, California.
- **Ten** states that have enacted legislation permitting voluntary family leave insurance, while others allow family leave insurance products under existing statutory authority.

Currently, employers must navigate a wide range of additional state and local requirements such as state FMLA-parallel laws, accommodation requirements, paid sick leave and “safe” leave mandates, paid leave for any reason requirements, bereavement leave requirements, and countless other leave obligations at the state, county, and local levels.

Across these programs, key provisions often differ such as employee eligibility, leave duration, reasons leave can be taken, covered family members, average weekly wage definition, weekly benefit amount calculations, leave duration, maximum weekly benefit amount, contribution/premium amount, coordination provisions, and other provisions. As a result, the question is rarely as simple as whether a worker has access to paid leave. Rather, employers and employees must navigate and manage complex systems and requirements to determine what applies and how to access benefits.

Employers also face an operational challenge when employees take leave: ensuring continuity of work. Many small and mid-sized employers struggle to cover essential roles when even one employee is temporarily on leave. Any successful federal proposal should consider ways to support these employers by expanding access to qualified temporary workers and helping offset the costs of backfilling critical positions.

This complex web of differing federal, state, and local requirements creates confusion for workers, and intense administrative burden for employers. It also makes calls for federal action to standardize and provide incentives for nationwide adoption of those standards a top priority for the American public.

---

<sup>1</sup> In 2025, nearly 67 million Americans have employer-based short-term disability income insurance coverage - ACLI Analysis of the BLS National Compensation Survey and the BLS Current Population Survey.

## OPPORTUNITIES

Americans strongly prefer a practical path forward building on systems already delivering income replacement efficiently, rather than starting from scratch.<sup>2</sup> Existing STDI insurance products provide income replacement for employees when they need time away from work to recover from their own illness or injury. Insurance carriers have shown that their existing highly effective and efficient benefit delivery platforms can be modified to include Paid Family Leave (PFL) benefits, providing income replacement during critical life events not directly related to the employee's own disability, such as the birth of a child or a family member's recovery from surgery.

Potential federal legislation can support expansion of paid leave benefits by creating a national framework that:

- Expands incentives and support for employers to adopt STDI and PFL benefits.
- Encourages states to develop regulatory infrastructure to recognize paid family leave benefits.
- Establishes national minimum standards that employers and insurers can use to build paid leave benefit products.
- Encourages existing state PFML programs to simplify and standardize highly disparate administrative and data reporting requirements.

To reduce burdens on multi-state employers and improve employee experience, the federal government can promote administrative streamlining and process standardization.

Examples include:

- Establishing standards for data reporting.
- Supporting data analysis so state program data is comparable, and the performance of state and private plans can be measured consistently.
- Promoting adoption of standard employee application forms aligned with existing Department of Labor FMLA forms.
- Promoting adoption of standard practices for employers to apply for and renew private plans.
- Supporting development of uniform audit procedures for state and private plans.
- Providing financial support and incentives for states to improve claim processing times.

In addition, legislation expanding access to paid leave benefits should include strategies to help employers temporarily fill roles while employees are on leave.

Examples include:

- Expanding access to jobs program networks so employers can temporarily fill jobs of employees on leave.
- Creating mechanisms for job seekers to upload credentials to a central repository that connects them with small and mid-sized employers seeking temporary workers.

---

<sup>2</sup> 72% of voters surveyed indicated a desire for increased paid leave to be accomplished by building on and expanding existing employer-based paid leave benefits rather than creating a new program:  
[https://www.acli.com/-/media/acli/public/files/pfml/acli\\_natlpaidleavesurveyexecsumpub.pdf](https://www.acli.com/-/media/acli/public/files/pfml/acli_natlpaidleavesurveyexecsumpub.pdf).

- Encouraging state regulators to develop new types of business insurance that helps employers cover the cost of backfilling hard-to-fill positions (e.g. highly trained professionals).
- Providing subsidies or targeted support for small employers to help offset the costs of hiring temporary employees.

We applaud efforts to introduce and refine the Interstate Paid Leave Action Network (I-PLAN) to help address challenges created by the patchwork of leave requirements. Continued progress will require additional steps that build on the streamlining concepts described above, expand access and availability of paid leave options, and support employers that must temporarily fill roles while employees are on leave.

### **PRIVATE-SECTOR PARTICIPATION IS CRITICAL**

Private sector participation is essential to expanding paid leave access while improving program performance and the user experience. Group insurance carriers have administered complex paid and unpaid leave programs for decades. In public discussions regarding paid leave expansion, the phrase “privatization” of paid leave is sometimes used negatively. In practice, there are at least two distinct private-sector roles that should be considered in any continued discussions:

1. Voluntary STDI insurance and/or family leave insurance: This is where an employer voluntarily chooses to offer paid leave benefits. Plan design varies, but the defining feature is that the benefit is provided voluntarily rather than by mandate.
2. Statutory PFML compliance through a “private plan” (also referred to as an “equivalent plan” or “voluntary plan” in some states): In states that allow private plans, employers can choose to meet their statutory obligations through a private plan rather than the state plan as long as the private plan meets or exceeds the benefit standards offered through the government plan. Importantly, these private plans are available to provide more choice for employers and their workers in how to meet the paid leave obligations statutory, leveraging group insurance carriers’ decades of experience to provide a more streamlined leave experience.

Minnesota’s PFML program (launched January 1, 2026) was referenced during the February 24, 2026 Workforce Protections Subcommittee hearing on paid leave innovations. Importantly, Minnesota is one of the 12 states providing a private plan option, benefiting employers and employees alike. Under private plans, benefits are typically paid more quickly, coordinated more easily, and generally provide employees a better leave experience. For example:

- Group insurance carriers have developed expertise in how to manage these private plan benefits with highly responsive customer service teams who quickly approve claims and get payments to employees in a timely manner.
- Employees covered by private plans provide documentation for a variety of claims at once. Insurance carriers assess the benefit programs available to the employee and coordinate payment under all available programs administered by the carrier. This single point of contact approach is different from state plan administration where employees must provide documentation to the state and other benefit providers.
- The private sector has developed sophisticated absence planning tools that can help employees plan for their leave event and navigate various leave options.

We encourage the Subcommittee on Workforce Protection and other bipartisan and bicameral working groups to engage key stakeholders and solicit feedback from employers, insurance carriers, and third-party administrators with direct experience managing the complex patchwork of federal, state, and local leave mandates along with other employer-provided benefits. Any federal framework should reduce existing complexity by facilitating administrative simplification and greater uniformity across state and municipal programs. We believe that the I-Plan is an excellent example of a thoughtful approach to decreasing the administrative complexity for employers, their employees, and state program managers.

## **CONCLUSION**

ACLI and its member companies support the efforts of the Subcommittee on Workforce Protection to consider and develop bipartisan approaches to facing the paid leave challenge head on. Now more than ever, American workers need protection from economic loss when they take time away from work to care for themselves or a loved one. Our industry stands ready to share decades of experience delivering and administering income-replacement benefits to help workers and employers access paid leave in a way that is effective, efficient, and workable.