

THE WHITE HOUSE

WASHINGTON

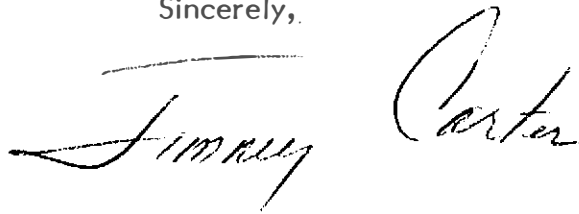
To Governor

Americans spend over \$30 billion a year on life insurance premium payments. Yet too often, consumers lack the basic cost information they need to find the best policy at the lowest price. The Federal Trade Commission has recently recommended a model state regulation on life insurance cost disclosure to help achieve this purpose.

On the basis of economic study and consumer research, the Commission concluded that whole life value insurance policies not held to maturity pay a relatively low rate of return on their cash values, and that consumers are not getting the information they need to understand the true costs of their policies. The result is billions of dollars a year in unnecessary costs to consumers.

I am enclosing a copy of the model state regulation and other material which summarizes the key findings and recommendations. The model regulation is designed to provide meaningful disclosure of life insurance costs. Under the law, only the states can act to require this kind of disclosure. This is an important initiative the states can take to promote price competition and to ensure that the life insurance market is responsive to the needs of consumers. I hope that the resources invested in this study by the Federal government will yield a dividend of increased Federal-State cooperation. I urge you and your insurance officials to give the model regulation the most careful consideration.

Sincerely,

The image shows a handwritten signature in cursive script. The first name is "Jimmy" and the last name is "Carter". The signature is written in dark ink on a light background.

**Electrostatic Copy Made
for Preservation Purposes**