



Committee On Finance

Max Baucus, Ranking Member

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Statement of U.S. Senator Max Baucus Finance Committee Hearing on Company-Owned Life Insurance

I commend the Chairman for holding today's hearing on company-owned life insurance (COLI). As has been noted, the Finance Committee ordered the pension bill reported on September 17. On that day, and again at the markup of the JOBS bill on October 1, the Committee has confronted the issue of company-owned life insurance.

It's been many years since Congress chose to exclude life insurance proceeds from taxable income. The uses of company-owned life insurance have certainly evolved since then. Congress has acted to address perceived abuses in this area, particularly to restrict the deduction for interest on repayment of policy loans. Some among us feel strongly that abuses remain. Others feel just as strongly that current COLI practices are valuable to companies and their employees.

Mr. Chairman, it is plain that we will need to work out a resolution for this issue. I hope that today's hearing can contribute to that end. I look forward to working together to see that the Committee can reach an agreeable solution to this challenge.

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