

## National Association for Fixed Annuities Government & Legal Affairs Committee 2022 Advocacy Priorities

NAFA's primary mission is to promote the awareness and understanding of fixed annuities. NAFA's Government and Legal Affairs Committee works to further this mission by engaging in the legal, legislative, and regulatory processes at the state and federal level on issues significantly affecting NAFA members' businesses and their clients.

The NAFA GLAC 2022 Advocacy Priorities address regulatory topics affecting the fixed annuity industry, advocate for a healthy market environment, and promote consumer access to fixed annuity products for guaranteed retirement income and account value security. The 2022 top advocacy priorities include:

### 1. ADVOCATE THE BENEFITS OF FIXED ANNUITIES TO REGULATORS, POLICY MAKERS & CONSUMERS

- Educate regulators, policy makers, the media and consumers regarding the benefits of fixed annuities and our industry's role in helping Americans achieve financial security
- Further the interests of NAFA members and the Association through support of grassroots activity and participation in NAFA events and conferences
- Leverage our strategic partnerships with industry trade and educational organizations to promote greater consumer choice and financial literacy to help Americans secure guaranteed lifetime income in retirement
- Promote retirement-related income tax and regulatory policies that improve retirement savings incentives, expand public access to retirement savings products and services, and enhance lifetime income security

### 2. ADVANCE AND DEFEND THE BEST INTEREST STANDARD FOR ANNUITY TRANSACTIONS

- Continue to promote state adoption of the 2020 NAIC Suitability in Annuity Transactions Model Regulation (#275) to ensure a uniform and objective best interest standard for annuity sales that provides consumer protection while supporting annuity manufacturers, distributors, and sellers
- Oppose legal and/or regulatory efforts by individual states that would impose a fiduciary obligation on fixed annuity product manufacturers, distributors, or sellers
- Engage with policymakers and industry stakeholders to ensure that federal regulations related to annuity sales do not create a disadvantage for fixed annuity products or the distribution model unique to our industry
- Oppose broader definition of what constitutes ERISA fiduciary investment advice and, to the extent annuity sales activity triggers fiduciary obligations, advocate for a workable compliance pathway for annuity professionals

### 3. SUPPORT THE STATE-BASED INSURANCE REGULATORY SYSTEM

- Oppose any state or federal administrative, legal or regulatory efforts to subject fixed index annuities to securities regulation and support continued jurisdiction of industry by state insurance departments
- Advocate for consistent adoption of NAIC model rules and regulations related to fixed annuities to provide greater clarity and uniformity in the market
- Promote membership in the IIPRC for the remaining states that have yet to join the Compact
- Support state adoption of the .15% minimum nonforfeiture interest rate as reflected in the current NAIC Model Standard Nonforfeiture Law for Individual Deferred Annuities

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**Anti-Trust Policy and Caution:** As participants in a trade association activity, each person attending this function must be mindful of the constraints imposed by federal and state anti-trust laws. The people at NAFA's meetings represent companies that are in direct competition with one another. NAFA's purpose is to provide a forum for the free exchange of ideas on the designated topics of our meetings. It is not the purpose of these meetings to reach any agreement that could have anti-competitive effects. Individuals must keep in mind that a violation of the anti-trust laws may subject them to substantial fines — or worse.

#### 4. PROTECT AND PROMOTE FIXED ANNUITIES IN FINANCIAL & RETIREMENT POLICY

- Advocate federal and state efforts to encourage expanded use of fixed annuities in defined contribution and defined benefit plans
- Support passage of Retirement 2.0 legislation, including the Neal-Brady bill, H.R.2954, and the Cardin-Portman bill, S. 1770
- Work to ensure that consumer protection regulations do not (i) limit consumer access to fixed annuity products, (ii) disadvantage fixed annuity products relative to other investment alternatives or (iii) limit consumer assistance from annuity professionals
- Oppose state or federal legislation that would broadly reclassify independent contractors as employees