

National Association for Fixed Annuities Government & Legal Affairs Committee 2023 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 affecting NAFA member companies and their clients.

The following NAFA GLAC 2023 Advocacy Priorities highlight the critical legal and regulatory topics that the committee will address in the coming year as we continue to advocate for a healthy and robust annuity marketplace and promote broad consumer access to fixed annuity products for guaranteed retirement income and account value security.

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
- Advance the interests of NAFA members and the Association through grassroots activity and participation in NAFA events and conferences
- Leverage 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

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

3. SUPPORT THE STATE-BASED INSURANCE REGULATORY SYSTEM

- Oppose 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 marketplace
- Promote membership in the IIPRC for the remaining states that have yet to join the Compact
- Support state adoption of the .15% minimum standard nonforfeiture interest rate

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

- Support federal and state efforts to expand the use of fixed annuities in defined contribution and defined benefit plans
- Champion passage of bipartisan retirement legislation to help Americans build retirement savings and strengthen their financial security
- Promote meaningful consumer protection while ensuring that regulations do not limit consumer access to fixed annuity products, disadvantage fixed annuity products relative to other investment alternatives, nor limit consumer assistance from annuity professionals
- Oppose legislation or regulation that would broadly reclassify independent contractors as employees

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