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## **NAFA Decries ‘Misguided Fiduciary Proposal’**

**WASHINGTON** (Nov. 1, 2023) — Yesterday, the U.S. Department of Labor released its latest fiduciary rule proposal, rebranded as a “Retirement Security Rule.” With it came proposed changes to the longstanding Prohibited Transaction Exemption 84-24 that has served both retirement savers and those giving financial advice for decades. As the Biden Administration touts Bidenomics, NAFA, the National Association for Fixed Annuities, is speaking out against the onerous and unnecessary regulation that association leadership believes will lead to more confusion, higher costs and less financial security for American retirement savers who need it most.

A fact sheet published by the White House was released in advance of a press conference at which President Biden spoke about the proposed rule. The fact sheet took aim at “financial advisers with conflicts of interest,” noting that “advice rooted in conflicts of interest regarding the sale of just one investment product — fixed index annuities — may cost savers as much as \$5 billion per year.”

NAFA’s CEO Chuck DiVencenzo responded to the allegations stating, “It appears that the Administration’s ‘fact sheet’ is really a fiction sheet due to its incendiary language, misinformation and complete ignorance of the role insurance products play in mitigating retirement risks for everyday Americans. To use false and misleading narrative about ‘junk fees’ to ratchet up rhetoric in an attempt to dictate what products and services are normalized for retirement savers is both dangerous and harmful, particularly to consumers who can benefit most from strategies that protect and promote a more secure retirement.”

DiVencenzo further emphasized, “The mitigation of risks is the purpose for insured products that help provide positive outcomes in an uncertain world. Issues like volatility, sequence of returns risk, exposure to non-correlated assets and longevity risk are very real for hardworking Americans saving for retirement. Products like fixed and fixed indexed annuities play a significant role in hedging against the unknown and delivering predictable lifetime income to strengthen long-term financial security.”

While the DOL may have purview and an understanding of qualified retirement plans, NAFA has repeatedly addressed its overreach regarding rollovers to IRAs for more than a decade, including through a lawsuit against a former version of DOL’s fiduciary rule back in 2016. The association has suggested DOL’s actions “ultimately seek to limit consumer choice of products and services

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denigrating robust state and federal regulatory regimens that have adopted heightened consumer protection standards to which financial advisors and independent agents must adhere.” The insurance industry has continued to work with the requisite regulators to enhance compliance and develop products that serve in the best interest of consumers.

“At a time when retirees and pre-retirees are seeking more professional guidance and the Biden Administration’s support of SECURE Act and SECURE Act 2.0 has allowed more insured products in qualified plans, this proposed DOL rule will only impede individuals seeking advice and access to a broad array of financial assets that can enhance their retirement security,” DiVencenzo said.

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### **About NAFA**

NAFA, the National Association for Fixed Annuities, is the premier trade association exclusively dedicated to fixed annuities. Our mission is to promote the awareness and understanding of fixed annuities. We educate annuity salespeople, regulators, legislators, journalists, and industry personnel about the value of fixed annuities and their benefits to consumers. NAFA’s membership represents every aspect of the fixed annuity marketplace covering fixed annuities sold by independent agents, advisors and brokers. NAFA was founded in 1998. For more information, visit [www.nafa.com](http://www.nafa.com).