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## **NAFA Responds to DOL ‘Best Interest Standard’**

### **Association Urges Constructive Revisions to Proposal to Protect Middle-Class Consumers and Small Businesses**

**WASHINGTON** (April 29, 2015) — Due to widespread concern regarding the revamped proposed fiduciary rule issued by the U.S. Department of Labor (DOL) on April 14<sup>th</sup>, NAFA, the National Association for Fixed Annuities, is speaking out. NAFA believes that the DOL’s proposal will create a sweeping and unworkable regulatory landscape that will adversely impact middle-class consumers and small businesses.

“While we appreciate the time and effort the DOL has put into re-drafting the fiduciary duty proposal, we want to express deep concerns about its implications. Given that the proposed rule would require a ‘best interest standard’ across a broad range of retirement advice, it would force many insurance and financial professionals to assume the role of fiduciary,” stated Charles R. “Chip” Anderson, Executive Director of NAFA. “In doing so, these professionals who have dedicated their lives to helping consumers achieve their financial goals, retire with confidence, and comfortably take care of their families would face compliance and liability burdens that may force them to close their practices or cater only to clients with a higher net worth, all of which is anything but in the best interest of consumers. In an effort to protect the livelihood of our members and the financial future of everyday Americans, NAFA will submit a Comment to the DOL during its 75-day open comment period.”

In February, NAFA urged caution in response to the DOL’s announcement about its intent to move forward with a broad one-size-fits-all new fiduciary rule, citing existing successful and robust regulatory framework provided by the NAIC Suitability in Annuity Transactions Model Regulation for fixed annuity sales, as evidenced by record-low complaints and high client satisfaction. However, now that the draft has been issued publicly, it is clear the DOL did not

pay heed to NAFA's concerns, nor to those expressed by its fellow trade associations and businesses throughout the industry. While many stakeholders support efforts to provide enhanced consumer protections, NAFA is deeply concerned that, as currently drafted, the proposal will result in duplicative and inconsistent regulatory oversight, thereby paralyzing many retirement professionals while limiting choice and access to products Americans need to secure their retirement future.

"We sincerely hope the DOL is open to constructive revisions to its proposals. NAFA will be working closely with our fellow trade organizations to provide clear direction on how best to proceed," Anderson commented.

As NAFA continues to advocate for fixed annuities and the industry as a whole, part of this outreach will be to hold its annual Annuity Leadership Forum in Washington, D.C., June 17-19, 2015. Industry professionals are encouraged to attend and join in the Hill Walk, in which participants will have the opportunity to meet with their Congressional Representatives and Senators to express their concerns about this unnecessary oversight and its unintended harmful consequences.

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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 85% of 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).