

2016 Advocacy Priorities

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

The NAFA GRC 2016 Advocacy Priorities address topics affecting the fixed annuity industry, advocate for a healthy market environment, and promote consumer access to insurance annuity products for guaranteed retirement income and account value security. The 2016 top advocacy priorities include:

1. FEDERAL FIDUCIARY STANDARD

- Proactively engage with the Department of Labor to educate and influence the Department regarding its proposal to redefine the scope of fiduciary standard applicable to fixed annuities in order to protect consumer access to affordable products and professional advice
- Proactively engage Congress on legislative proposals related to fiduciary standards applicable to fixed annuities
- Proactively engage with the Securities and Exchange Commission on proposals to expand the scope and definition of a fiduciary duty rule as applicable to fixed annuities
- Support and promote the NAIC Suitability in Annuity Transactions model regulation as the appropriate consumer-protection standard for fixed annuities

2. FEDERAL TAX ISSUES

- Protect the current tax-deferred treatment of fixed annuities to encourage consumers to save for retirement
- Support regulatory and Congressional efforts to encourage using fixed annuities in defined contribution and defined benefit plans
- Preserve the current tax treatment of stretch IRAs
- Engage with Department of Treasury to allow fixed index annuities to qualify as Qualified Longevity Annuity Contracts

3. PROMOTE THE BENEFITS OF FIXED ANNUITIES TO REGULATORS & POLICY MAKERS

- Work with regulators, legislators, and other policymakers to promote and provide education regarding the benefits of fixed annuities and the nature and importance of the fixed annuity industry
- Work with regulators to ensure that key advocacy positions and legal positions are represented
- Monitor state legislative, regulatory, and legal activity affecting fixed annuities and engage with regulators and elected officials as necessary

4. SUPPORT THE STATE-BASED INSURANCE REGULATORY SYSTEM

- Oppose state and federal administrative, legal, or regulatory efforts to treat fixed index annuities as subject to securities regulation
- Advocate state adoption of NAIC model rules related to fixed annuities in order to provide clarity and uniformity in the market
- Support state-based efforts to maintain state insurance department jurisdiction over fixed annuities

5. IMPROVE THE ANNUITY SALES ENVIRONMENT FOR SELLERS AND CONSUMERS

- Work with state departments of insurance to adopt a bulletin clarifying permissible and prohibited activities of persons licensed to sell annuities, similar to Iowa Insurance Bulletin 11-4
- Advocate continued adoption of the 2010 Suitability model rule and membership in IIPRC by those states that have yet to do so
- Work with the NAIC to permit disclosure of state-specific guaranty fund information along with other disclosure materials at the point of sale