

NAFA to Appeal Court Decision on DOL Fiduciary Rule *NAFA Will Seek Expedited Review*

WASHINGTON (November 7, 2016) — The National Association for Fixed Annuities (“NAFA”) announced today, following a federal district court decision upholding the Department of Labor’s fiduciary rule, that it will appeal to the D.C. Circuit Court of Appeals.

“We are obviously disappointed by the court’s decision, but we have always assumed this case would get decided by a higher court and we are pleased the issues will get de novo review by the Circuit Court,” said Chip Anderson, Executive Director of NAFA. De novo review means the appellate court will consider the case without being bound or influenced by the lower court’s decision.

NAFA filed its lawsuit last June seeking a preliminary injunction to stay implementation of the rule, which is scheduled to go into effect in April 2017. Judge Randall Moss denied the preliminary injunction and at the same time ruled in favor of the DOL on the merits in upholding the rule.

NAFA’s lawsuit, one of four lawsuits against the rule, challenges the DOL’s authority to issue the rule, asserts the rule creates an impermissible private right of action, contends the rule contains unconstitutionally vague requirements that compensation be reasonable, and alleges the manner of adoption of the rule by DOL was arbitrary and capricious.

Anderson stressed that NAFA would move quickly to get the case up to the appellate court and would continue to seek a preliminary injunction. Anderson said NAFA remains optimistic that the courts will ultimately find the rule to be an overreach by the Department of Labor that is inconsistent with existing tax and financial services laws.

“NAFA believes the fiduciary rule will disrupt the distribution and availability of fixed annuities and have a particularly adverse impact on the low and middle income consumers who have come to rely on these valuable retirement savings products,” said Anderson.

Fixed annuities provide consumers with a guaranty of principal and minimum accumulation and provide a guaranteed lifetime income stream consumers cannot outlive. NAFA consists of insurance companies, agencies, and agents and affiliated persons who provide fixed annuities.

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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.