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NAFA Urges DOL to Delay January 1, 2018 Fiduciary Rule Applicability Date

WASHINGTON (July 25, 2017) — In a letter submitted to the U.S. Department of Labor, NAFA, the National Association for Fixed Annuities, is urging the Department to extend the January 1, 2018 implementation date of the fiduciary duty rule (“the Rule”). NAFA’s comment letter was filed in response to a July 6, 2017 Request for Information in which the Department sought input regarding the advisability of extending the January 1, 2018 applicability date of certain provisions of the Rule relating to the prohibited transactions exemptions, including the Best Interest Contract (“BIC”) Exemption and PTE 84-24. NAFA’s letter, available [HERE](#), contends that it is impossible for the fixed annuity industry to create the necessary compliance protocols when the Rule itself is still up in the air; that coordination between the Department, the SEC, and the NAIC will provide the opportunity to create a more consistent and compatible regulatory regime; and that the uncertainty of the outcomes of the several lawsuits currently challenging the Rule necessitates delay.

“NAFA agrees with Department of Labor Secretary Acosta that revising the Fiduciary Rule requires patience; we also agree with Sec. Acosta that the concerns that the Rule will reduce access to retirement savings and investment options ‘were not heard’ during the rulemaking process of the prior Administration,” stated Chip Anderson, NAFA’s Executive Director. “We are less than six months out from January 1st, and we still don’t know what the final Rule is going to look like. The Department needs to take the time necessary to get this right in order to protect American retirement savers.”

In addition to the request for public input relating to extending the January 1, 2018 applicability date, the Department also seeks information regarding the Rule that “could form the basis of new exemptions or changes/revisions to the rule and PTEs.” NAFA will be submitting a comment in response to the second portion of the RFI.

“As we have consistently stated throughout this rulemaking process, all fixed annuity products are insurance products and should be considered and treated as such. The Department erred when it placed fixed indexed annuities under the BIC Exemption. To the extent that fixed annuities are subject to the Rule, it is imperative that all fixed annuities – both declared rate and indexed – should be placed under PTE 84-24.”

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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.