

Annuity Group: We Had a Good Week

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The National Association for Fixed Annuities is on a roll.

First, the District of Columbia Circuit U.S. Court of Appeals vacated U.S. Securities and Exchange Commission Rule 151A, a regulation that could have put indexed annuities under the jurisdiction of the SEC, rather than state insurance regulators.

Then, the Senate voted 60-39 to pass the final, conference report version of H.R. 4173, the Dodd-Frank Wall Street Reform and Consumer Protection Act bill, a financial services package that includes a section classifying indexed annuities subject to standards developed by the National Association of Insurance Commissioners, Kansas City, Mo., as state-regulated insurance products.

The House already has approved the conference report, and President Obama is expected to sign it soon.

NAFA, Milwaukee, a group that worked with other annuity groups, including the Independent Fixed Annuities Agents Council (IFAAC), Sterling Heights, Ohio, and the Coalition for Indexed Products, Washington, to fight Rule 151A and lobby for the H.R. 4173 amendment, says that, obviously, it is "very pleased" with the new developments.

"Fixed indexed annuities are insurance products that should be subject only to the oversight and regulation provided by state insurance departments," NAFA Executive Director Kim O'Brien says in a statement.

Sen. Tom Harkin, D-Iowa, persuaded the conference committee to adopt the indexed annuity amendment.

The Harkin amendment should keep the SEC from asserting jurisdiction over indexed annuities, NAFA says.

Members of NAFA, IFAAC and other groups mobilized to send several waves of citizen lobbyists to Capitol Hill. In March, for example, indexed annuity industry supporters wore out shoes trying to visit as many lawmakers as possible.

NAFA's lobbying efforts helped bring about this week's positive developments, O'Brien says.

"Thanks to the association's entire membership of insurance companies and independent marketing organizations representing over 120,000 insurance professionals, as well as other trade association partners, who unselfishly contributed considerable human, grassroots, and financial resources to defeat Rule 151A, consumers are ensured that they have the access to the insurance guarantees and benefits provided by fixed indexed annuities for their retirement planning," O'Brien says.

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