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NAFA encouraged by SEC brief**By Kim O'Brien, Executive Director, CFP, MBA****NAFA**

The SEC recently filed a brief in response to Old Mutual's petition to stay the effective date of Rule 151A and Old Mutual's subsequent brief requested by the DC Court of Appeals.

In the SEC brief, the commission acquiesced to a two-year stay for Rule 151A. After initially opposing it, the SEC has committed to a two-year implementation period, consistent with Old Mutual's original request in their Petition to the Court of Appeals.

Although this is a positive development, NAFA is disappointed that the SEC also indicated that it still may proceed with adoption of this Rule.

NAFA and its partners in the industry have maintained from the beginning that Rule 151A is an unnecessary intrusion on existing, strong insurance regulatory framework. Adding a second bureaucratic layer of securities regulation on top of the already effective insurance regulation will cause great harm to consumers by crippling the distribution and access to insured annuity products that guarantee principal, prior credited interest and income during retirement.

NAFA remains committed to fighting Rule 151A because of the harm it will do to consumers and the negative economic impact it will have on jobs and capital formation.

It should be emphasized that the Court of Appeals is still considering whether to vacate -- or void -- the rule.

NAFA, and the Coalition for Indexed Products will continue its efforts to pass legislation that will repeal Rule 151A and clarify the insurance status of fixed indexed products and "other like products" currently under insurance oversight. To date there are 61 co-sponsors committed to H.R. 2733, and the Senate version, S. 1389, enjoys similar support from bill sponsor Ben Nelson (D-NE) and many influential members of the Senate.

*For further information, or to contact this author, please leave a comment and your e-mail address in the forum below.