



Day on Capitol Hill

Talking Points

Introduction by Facilitator

We are members of NAIFA – the nation’s oldest and largest insurance and financial services association with members in every Congressional district.

- Ninety percent of NAIFA members serve middle-income individuals and families, and 69 percent of our typical client’s annual household income falls below \$150,000.
- We believe our profession is more than a job. We are committed to putting our clients’ needs first when helping to protect against financial risks associated with death, disability, illness, and long-term care; and protect against longevity risk with guaranteed lifetime income options.

Today, we’re asking you to:

- > **Ensure that public policy does not make it harder or more expensive for families and small businesses to obtain reliable advice and affordable products to reduce risks and protect assets.**
- > **Monitor Department of Labor (DOL) efforts and caution against a Fiduciary-only standard.**
- > **Support bipartisan retirement enhancements by urging the enactment of SECURE 2.0.**

Financial Protection

- The pandemic has taken a toll on families and businesses. Our industry has been challenged, too. There’s been a 15 percent increase in death claims, but the industry was positioned to meet this challenge without asking for assistance from the government.
- Tax policy should encourage Americans to plan for financial and retirement security for themselves, their families, and employees.
- The independent contractor/statutory employee model is the distribution model most insurance companies and producers adhere to within the insurance industry. We are small business owners, not misclassified workers but would fail an ABC test.
- Creating additional taxes or a new standard that does not exempt financial service professionals from an ABC test severely limits the scope of insurance products consumers would have access to as well as the general distribution of insurance products and investment advice, thereby limiting consumers’ ability to protect themselves and their loved ones.

We are asking you to:

- > **Oppose efforts that would make it harder or more expensive for families and small businesses to obtain reliable advice and affordable products to reduce risks and protect assets.**

Standard of Care

- NAIFA members agree to abide by the NAIFA Code of Ethics, which requires us to work in the best interests of our clients.
- The National Association of Insurance Commissioners (NAIC) revised model regulation on annuity transactions (adopted by 23 states so far) together with the Securities and Exchange Commission's (SEC) Regulation Best Interest (Reg BI) and the new DOL PTE 2020-02 provide a robust framework that protects Americans planning and saving for the future and managing their retirement savings.
- NAIFA supports these new rules that provide protections while preserving access to products and guidance.
- The DOL has expressed interest in additional rulemaking. Now is not the time to resurrect failed policies like a fiduciary-only approach that has been proven to eliminate access to financial guidance for those with smaller retirement accounts and widen the racial wealth gap.

We are asking you to:

- **Support the best-interest standard and discourage the DOL from pursuing additional rulemaking.**

Retirement Security

- Congress should continue its excellent work to make it easier for employers to sponsor retirement plans, increase employee participation and improve overall retirement readiness. Bipartisan, bicameral efforts are commonly called SECURE 2.0.
- The House recently passed retirement legislation with substantial bipartisan support, and the Senate has several bipartisan bills to make meaningful enhancements to overall retirement readiness.
- Some enhancements already included in these bills are the employer matching of student loan repayments, tax credits for start-up plans, and an increase in the Required Minimum Distribution age to 75.
- Aggregation of plans for Required Minimum Distribution purposes would also be a simplifying enhancement worthy of inclusion.

We are asking you to:

- **Support non-partisan retirement policy and encourage swift enactment of SECURE 2.0.**