

## FOR IMMEDIATE RELEASE

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### NCOIL SUPPORTS STATE REGULATION OF INDEXED ANNUITIES, OPPOSES FEDERAL OVERSIGHT

**Duck Key, Florida, November 25, 2008**—The National Conference of Insurance Legislators (NCOIL) took a stand for state insurance regulation by voting unanimously on November 23 to adopt a Resolution *in Support of State Insurance Commissioner Authority Over the Regulation of Fixed Indexed Annuity Products*. Adopted during the NCOIL Annual Meeting, the resolution opposes a proposed U.S. Securities and Exchange Commission (SEC) Rule 151A which—if approved—would subject fixed indexed annuities to oversight by federal securities regulators.

The resolution reaffirms long-standing NCOIL support for state insurance commissioner authority over the sale and marketing of annuity products to consumers, while encouraging increased communication among insurance departments and state and federal securities regulators over areas of mutual concern.

According to NCOIL President, Sen. James Seward (NY), co-sponsor of the resolution:

We need to remember that these products are, at their core, insurance products, and look to those who have successfully regulated our markets for over a century. Our insurance departments, as always, are responding to constituent concerns and are working to educate consumers to ensure protections for some of our most vulnerable citizens—our seniors.

NCOIL, the resolution states, believes that any perceived advantages offered by federal securities laws would be outweighed by an extra layer of regulation that would interfere with existing state regulations; deter the sale of annuities and life insurance products; cause confusion in the marketplace; and lead to other products being inappropriately classified as securities.

Iowa Insurance Commissioner and National Association of Insurance Commissioners (NAIC) Secretary-Treasurer Susan Voss on November 20 pointed to the work of the NAIC and several individual states as successful responses to consumer concerns—including the development of strong consumer education programs, and suitability and disclosure model regulations. Her comments followed remarks by Alabama Securities Director and former North American Securities Administrators Association (NASAA) President Joseph Borg citing growing consumer complaints of fraud as grounds for federal protections.

The resolution was approved here just six days after the SEC closed an extended comment period for the proposal. The comment period was extended following an August 18, 2008, letter to the SEC by NCOIL Past President, Rep. Brian Kennedy (RI), among others, requesting a lengthening of the original September 10 comment deadline.

The NCOIL Executive Committee vote followed a unanimous Life Insurance & Financial Planning Committee vote in favor of the resolution on November 20.

The NCOIL Annual Meeting was held November 19 through 23 at the Hawk's Cay Resort.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at [www.ncoil.org](http://www.ncoil.org).

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