For Immediate Release

DATE: July 19, 2016

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NCOIL FINANCIAL SERVICES COMMITTEE PASSES RESOLUTION URGING REPEAL OF
DEPARTMENT OF LABOR FIDUCIARY RULE

Threat to Proven State Based Regulation of Insurance

Manasquan, NJ: - The NCOIL Financial Services & Investment Products Committee passed a resolution sponsored by Arkansas Senator Jason Rapert during the Summer Meeting in Portland Oregon urging the repeal of Department of Labor Fiduciary Rule.

"I am happy that NCOIL has taken a stand against the federal overreach of the proposed DOL Fiduciary Standard Rule that has been forecast to cost over $75 Billion in new expenses within the insurance and financial services industries," state Arkansas Senator Jason Rapert, NCOIL Secretary. "Much too often we have been seeing regulatory rules coming out of the federal government with zero Congressional authority, just like in this particular case. The U.S. Senate and U.S. Congress passed a joint resolution opposing the DOL power grab in this arena and I am happy to see the Life & Financial Services Committee of NCOIL joining with Congress to voice our displeasure and take a stand for small and medium investors who will see fees soar if this rule goes into effect."

The resolution passed 14-3 and will be considered at the Executive Committee at the next NCOIL Meeting in Las Vegas, NV in November. A full copy of the resolution is below.

National Conference of Insurance Legislators (NCOIL) Resolution in Opposition to the United States Department of Labor (DOL) Fiduciary Rule

Sponsored by Sen. Jason Rapert (AR)

WHEREAS, the DOL has recently promulgated its final “Fiduciary Rule” (Rule), published at 81 Fed. Reg. 20946 on April 8, 2016; and

WHEREAS, the Rule redefines the circumstances under which providing “investment advice” could give rise to “fiduciary” status under the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code (Code); and

WHEREAS, NCOIL strongly supports the States’ rights to regulate their own insurance markets and products, including retirement related financial products; and
WHEREAS, Congress has affirmed the primary role of State regulators over the business of insurance through various legislative acts, including the McCarran-Ferguson Act and most recently the Dodd-Frank Act; and WHEREAS, the state-based regulatory structure governing the manufacture, distribution, and sale of retirement related financial products is effective and proven; and

WHEREAS, state insurance regulation has in place on-going substantive procedures, processes and protocols to license, regulate and supervise insurance agents of retirement related financial products; and

WHEREAS, under the proven State-based legislative and regulatory structure, tens of millions of Americans have been able to receive sound retirement assistance, products and services from financial professionals who have consistently served the best interests of customers; and

WHEREAS, the Rule promulgated by the DOL would threaten the proven State-based legislative and regulatory structure by imposing a vague and burdensome fiduciary standard on non-fiduciary sales relationships, thereby upending the retirement savings marketplace; and

WHEREAS, the Rule will prevent consumer access to crucial retirement education and services, ultimately harming the very people it seeks to aid; and

WHEREAS, NCOIL believes in protecting the interests of consumers against excessive government regulation that will only hurt average working Americans trying to save for retirement; and

WHEREAS, Congress has opposed the Rule by passing a Joint Resolution of Disapproval (H.J. Res. 88); and

NOW, THEREFORE, BE IT RESOLVED, that NCOIL urges the DOL to repeal its Rule; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that NCOIL urges state legislators and other interested stakeholders to join in opposition to the Rule;

AND, BE IT FINALLY RESOLVED, that this resolution will be distributed to state legislative leadership, committee chairs and members, state regulators, and other interested parties.

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NCOIL is a legislative organization comprised principally of legislators serving on state insurance and financial institutions committees around the nation. NCOIL writes Model Laws in insurance, works to both preserve the state jurisdiction over insurance as established by the McCarran-Ferguson Act seventy years ago and to serve as an educational forum for public policy makers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making state policy when it comes to insurance and educate state legislators on current and perennial insurance issues.
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