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NCOIL PRESIDENT SEN. JASON RAPERT APPLAUDS 18 MONTH DELAY IN DEPARTMENT OF LABOR FIDUCIARY RULE

Manasquan, NJ – AR Sen. Jason Rapert, NCOIL President, reacted to the news that the Department of Labor has proposed an 18-month delay in the implementation of the Fiduciary Rule that harms consumers and infringes on states regulation of insurance.

“I first raised this issue at NCOIL more than a year ago. The Fiduciary Rule would harm the very people it purports to help. State based regulation of insurance has served consumers and companies well for 75 years and this unnecessary and I am proud that the Labor Department is delaying the implementation to revisit the rule.”

“NCOIL legislators rightfully guard their legislative prerogative to regulate insurance” said Commissioner Considine, NCOIL CEO. “Sen. Rapert has led on this issue for nearly two years to protect state based regulation of insurance.”

At the 2016 NCOIL Summer Meeting, the NCOIL Life Insurance & Financial Planning Committee adopted a Resolution in Opposition to the United States Department of Labor (DOL) Fiduciary Rule. At that time, Commissioner Considine wrote the DOL urging them to incorporate language that recognized state based regulation of insurance, but no action was taken. The resolution was affirmed by the Executive Committee at the 2016 Annual Meeting.

“Of course, I believe delay is not the ultimate answer and, consistent with the NCOIL Resolution we passed last year, the DOL should repeal the Rule,” concluded Rapert. A copy of the resolution is below.

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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



WEBSITE: www.ncoil.org



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.

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

Adopted by the Life Insurance & Financial Planning Committee on July 14, 2016 and the Executive Committee on November 20, 2016. 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 a copy of this resolution will be distributed to the DOL, state legislative leadership, committee chairs and members, state regulators, and other interested parties.