



NAIFA ADVOCACY BRIEF

Only NAIFA has the reach to make your voice heard on every issue at the Federal and State levels.

ADVOCACY PRIORITIES: Support a “Main Street Financial Agenda” to ensure that American families can protect themselves against the financial risks of dying too soon, living too long, or becoming ill or disabled, and save for retirement. Representing and serving middle market families and businesses in every congressional district, NAIFA members support efforts to:

- Promote financial literacy
- Support a tax regime that encourages Main Street investment and saving
- Ensure access to affordable health insurance
- Prevent elder financial exploitation
- Protect client data
- Enhance access to professional advice

FEDERAL ISSUES

Tax Reform

Americans need public policy that continues to encourage them to plan ahead, protect their families’ financial security and adequately save for retirement. Well-prepared families have adequate life, medical, long term care and disability insurance, as well as retirement savings and guaranteed income annuities to supplement Social Security benefits. Small business owners also provide employee benefits, including insurance and savings products, to help their workers achieve this financial security.

Retirement Savings

Public policy should make it easier for employers to sponsor plans and for individuals to save. We urge Congress to continue and simplify tax policy that encourages individuals to save for retirement, and that promotes employer-sponsored retirement savings plans for workers. Initiatives to improve retirement readiness should not be at the expense of the employer-based system.

Health Reform

Individuals need policy that improves access to affordable health coverage in a sustainable, competitive insurance market. Licensed, fairly compensated, insurance agents offer a cost effective means of achieving personal and professional assistance in the selection of insurance coverage for individuals and employers of all sizes in all markets.

Consumer Protection

NAIFA supports consumer protection efforts to prevent financial exploitation of the elderly and to shield client data breaches through efficient cybersecurity policy.

Fiduciary

NAIFA members serve the best interests of their clients every day. Our focus is on ensuring that all Americans have access to the education and information they need when saving and investing, and that complex regulations do not interfere with education for and advice to consumers, especially middle market families.

NARAB

NAIFA actively supported the creation of the National Association of Registered Agents and Brokers (NARAB) to ensure that consumers are protected and have the ability to continue working with agents they trust. NAIFA urges the establishment of the NARAB Board including NAIFA member and Presidential nominee Tom McLeary.

Professional Advice

NAIFA’s goals have been and continue to be ensuring affordable insurance coverage and financial advice for all Americans. NAIFA supports bipartisan efforts to improve affordability and sustainability of private insurance choices, and to ensure that consumers have access to professional services provided by licensed and regulated insurance agents and financial advisors.



STATE ISSUES

State-Sponsored Retirement Plans

More than 20 states have introduced legislation that would establish state-sponsored retirement plans, and NAIFA has been a key player in the successful efforts to defeat these proposals in many states. We believe that state-run plans that compete with private market solutions are not the answer to the country's retirement savings crisis, because the private market already offers diverse, affordable options for employers of all sizes as well as individuals. NAIFA argues that consumers would be better served if the states used their limited resources to educate their citizens about the importance of saving for retirement rather than implementing costly state-run plans.

Taxation of Life Insurance

States often look to insurance products and services as possible sources of budget-balancing revenue. The State Tax Challenges Coalition established by NAIFA and the American Council of Life Insurers (ACLI) continues to monitor state legislation to identify and proactively address proposals that would adversely impact the taxation of our industry's products and services.

Health Exchanges

The Department of Health and Human Services (HHS) final rule regarding the establishment of state health exchanges acknowledges the significant role health insurance agents will play in the exchanges, permits exchanges to display information about the valuable role of agents on their websites and in other public materials, and allows agents to serve on exchange boards.

ACA Co-Ops

The ACA-authorized Consumer Operated and Oriented Plans have encountered significant financial challenges that threaten their economic viability. Many Co-Ops have gone bankrupt. Regulators that have taken over these Co-Ops have had to implement difficult cost-cutting measures, such as suspending commission payments to agents. NAIFA-Nebraska and NAIFA-Iowa lobbied regulators to get this decision reversed. Due to those critical efforts, agents will be placed higher in the bankruptcy process of the Iowa and Nebraska Co-Op to receive payments owed.

Regulating Investment Advice

In addition to the federal activity at the SEC and DOL, several states have shown interest in the standard of care applicable to broker-dealers, investment advisors and their representatives. There have been discussions in California about introducing a bill that would impose a fiduciary duty on broker-dealers, and the New York City comptroller unsuccessfully sought legislation that would require broker-dealers and their reps to disclose that they are not fiduciaries and are not required to act in their clients' best interests. Connecticut also considered a similar bill in 2016, which after significant involvement by NAIFA-Connecticut was amended to a much less objectionable proposal. NAIFA supports reasonable and balanced disclosures, with our primary concern continuing to be the ability of mid-market consumers to access appropriate products, advice and service.

Senior Financial Protection

An increasing number of states are considering legislation to protect seniors from becoming victims of financial exploitation. NAIFA generally supports such legislation provided that the bill calls for a voluntary reporting process, specifies that advisors report suspected fraud on a senior client to their firms and not directly to authorities, and includes a strong legal protection provision to shield advisors and firms from liability for reporting suspicious activity and complying with the law. NAIFA has developed its own model legislation for the NAIFA state associations to use, and NAIFA has also testified before the NAIC on this issue.

IFAPAC AND APIC

NAIFA's legislative successes depend on the quantitative and qualitative actions of individual NAIFA members. Whether it's attending town hall gatherings, organizing district meetings, hosting fundraisers, financially contributing to IFAPAC or serving as advocacy leaders, NAIFA members keep lawmakers educated and accountable.

NAIFA's political force is the largest and most effective in the industry. Our federal political action committee – NAIFAPAC – is the largest association PAC in the insurance industry and one of the leading PACs across all industries. NAIFA members are voters, community leaders and job creators in every congressional district in our nation. NAIFA numbers are powerful on Capitol Hill and in all 50 state capitals. And NAIFA's key contacts get in front of lawmakers very quickly when it counts.

For full details on the issues above and more as they come, go to www.NAIFA.org/Advocacy

Join or renew at www.NAIFA.org and refer your colleagues to protect your business and the rights of your clients.

