

FLY-IN FOR FIAs EASY TO FOLLOW INSTRUCTIONS

Thank you for taking time out of your busy schedule to be part of our grassroots campaign – and participating in our fly-in to Washington on March 17th. With your help, we can continue building support for legislation to reverse SEC Rule 151A and ensure FIAs remain insurance products.

Our immediate goal is to recruit more Senators to sponsor companion Senate Bill 1389 and more Representatives to sponsor HR 2733 and – both known as the “Fixed Indexed Annuities and Insurance Products Classification Act.” Our focus will be on the Senate.

Here are 10 easy step-by-step instructions explaining how you can help us make the Fly-In For FIAs a big success!

1. Fill out our registration form. A copy is attached or you can just go to www.sec151a.com, click on the fly-in icon on the home page, and then fill out the registration information on-line to let us know you are attending.
2. Book your room at the [*fill in hotel info*] at [xxx-xxx-xxxx]. You can call the hotel or book the reservation at www.sec151a.com. Be sure to register under “FIA DC Fly-In” to get our special hotel rate.
3. Go to www.sec151a.com to identify your two Senators and local Representative and to find their Washington office numbers. Keep in mind that you may want to contact Representatives for both where you live and where you work if those are different. In many cases you may want to visit every Representative in your state since you are in Washington representing every agent who sells FIA products.
4. Contact the office of your Senators and Representative(s) to tell them you are coming to Washington for a fly-in regarding important legislation on Fixed Indexed Annuities and that you want to meet personally with your Senators and Representatives if they are available. **Set up your appointments at or after 10:00 a.m. on March 17th.** **Be sure to ask for the Legislative Director or Scheduler.** If the Senator or Representative is unavailable to meet, ask to meet with the Legislative Director or an appropriate staff member – keeping in mind that meetings with staff are just as important as meeting with the elected official.
5. Allow at least one to one-and-a-half hours for each meeting – so you have sufficient time to meet and get to the next appointment (which could be in another building). Also be mindful that several IMOs or agents may be calling your Senator or Representative to set up similar meetings. If the office scheduler asks you to consolidate your meeting with other agents, please agree to that. We will also be gathering information from you and others as meetings are set up and will try to help coordinate meetings to avoid overlap and duplication. So please be flexible and patient as these meetings take shape.

6. Once you set up your appointments, immediately notify our Fly-In coordinator Cheryl Strohman. Send an e-mail to Cheryl at cstrohman@american-equity.com or call her at 888-221-1234 ext 3613. Please provide Cheryl with details on the time of the meeting, who you are meeting with, and any other relevant information you may have picked up in your calls to Washington.
7. Begin preparing for the meeting with your Senators and Representatives by reviewing the attached talking points. You can find these talking points and a wealth of other useful information on our website www.sec151a.com. It is a good idea to glance at these materials even before you call to set up your meetings just in case staff wants a few specifics about the purpose of the meeting. Also watch for an informational teleconference – closer to the fly-in date – which we will organize to make sure everyone is fully prepared for their meetings.
8. If possible arrive at the hotel in the afternoon or evening of Tuesday March 16th so you can attend our reception. And be sure to show up Wednesday March 17th in the morning no later than 8:00 a.m. for our kick-off. The rooms will be posted on the hotel message board. We have invited key House and Senate members to make an appearance and expect to hear from speakers who will help answer any last questions and get us fired up for the exiting day ahead. A continental breakfast will be served.
9. Go to your meetings – and ask your Senators and Representatives to sponsor the Fixed Indexed Annuities and Insurance Products Classification Act!
10. Report back to us on how your meetings went. Please call or send an e-mail to our Fly-In Coordinator Cheryl Strohman with details about who was at your meetings, what was said, and whether you think any follow up is necessary. We also appreciate any feedback about the fly-in itself so we can make these kinds of events as successful as possible in the future.

This is an extremely important day for the FIA industry – and we are delighted you will be part of this critical event. If you have any questions, concerns, or suggestions, please let us know. We look forward to seeing you in Washington!

TALKING POINTS
ASK YOUR SENATOR TO SUPPORT S. 1389

FIXED INDEXED ANNUITIES AND INSURANCE PRODUCTS
CLASSIFICATION ACT

- **We are here today to ask for your help on a very important bill – Senate Bill 1389 - that is needed to protect jobs and help consumers by reversing SEC Rule 151A.** Sen. Ben Nelson (D-NE), who formerly served as Nebraska’s Insurance Commissioner, sponsored Senate Bill 1389, the “Fixed Indexed Annuities and Insurance Products Classification Act” and it has been steadily gaining bipartisan support. On the Senate side there are now 15 co-sponsors, and on the House side there are now over 70 co-sponsors of the companion bill HR 2733 originally introduced by Rep. Greg Meeks (D-NY). Democrats and Republicans alike support this effort because it is nonpartisan legislation designed to protect small businesses in the insurance industry and preserve an important retirement product for middle class seniors.

- **We ask that you help by (i) contacting Sen. Ben Nelson’s office to let him know you will co-sponsor Senate Bill 1389 and (ii) contacting leaders or members of the Senate Banking Committee to urge them to move the legislation through committee towards adoption this year.** We are part of a growing nationwide grassroots effort to get legislation to overturn SEC Rule 151A. We – as insurance agents and insurance agencies across the country – are in town today meeting with our respective Senators and Representatives to ask for help in overturning SEC Rule 151A because this is an issue that should be decided by our elected officials in Congress, not a federal agency. We need your help in two ways: (i) joining Senator Nelson and your other colleagues in cosponsoring S. 1389 and (ii) telling members or leaders of the Senate Banking Committee to advance S. 1389 towards adoption this year.

- **Senate Bill 1389 is needed to nullify recently adopted SEC 151A- a rule that arbitrarily turns a popular insurance product into a security – causing great harm to many small businesses like my own and depriving clients of a valuable retirement security product.** SEC Rule 151A turns Fixed Indexed Annuities (FIAs) into a security product subject to SEC regulation – even though (i) FIAs have been on the market and regulated by state insurance commissioners for over fifteen years, (ii) there is no evidence that FIAs are subject to any more complaints than other similar products, (iii) the product has no downside risk for consumers who hold the annuity through its contract term, and (iv) insurance companies bear virtually the entire risk for the product. Unlike a true security such as a mutual fund, state insurance laws require insurers to provide minimum guaranteed values to help protect principal and previously credited interest of FIAs. It is hard to understand why SEC regulation of FIAs is suddenly so important. On the other hand, it is easy to see SEC regulation of FIAs will be highly disruptive to businesses like mine and make it harder for middle class consumers to buy these guaranteed products for retirement savings purposes. We need Congress’s help to reverse this arbitrary and unnecessary action taken by the SEC that will only result in redundant, costly, and unnecessary regulation to the detriment of agents and consumers all across the country.

- **The SEC adopted rule 151A in the final days of the previous administration during Christopher Cox’s term as SEC Chairman – despite overwhelming opposition.** When Rule 151A was introduced by the SEC, thousands of letters were filed opposing the rule. The National Association of Insurance Commissioners (NAIC), National Conference of State Legislators (NCOIL), National Association of Insurance and Financial Advisors (NAIFA), and National Association for Fixed Annuities (NAFA) all vigorously opposed the rule – and continue to oppose it. Many members of Congress – Representatives and Senators, Republicans and Democrats, liberals and conservatives – also urged

Chairman Cox to postpone consideration of the rule. All fell on deaf ears as the SEC marched forward without fully assessing the significant adverse consequences of this ill-conceived rule.

- **Rule 151 comes at the worst possible time in the midst of a deep economic downturn.** For consumers, 151A will make it harder to get fixed indexed products at the very time they are needed most – when markets are in turmoil and people need the very kinds of downside guarantees offered by FIAs. That’s because securities firms will be less likely to promote FIAs and because Rule 151A will inevitably drive up the cost of FIA products by saddling them with a redundant layer of regulatory cost. FIAs are one of our key products, so for insurance agents, Rule 151A will mean job losses and significant disruption to our businesses. For example, with my agency, 151A will mean having to restructure my business and face significant new regulatory costs and burdens, right when my business is struggling to make ends meet during a weakened economy. For many agents, who may not have the time or resources to comply with a whole new layer of regulation, it will mean being forced out of business. *[Note: Individual producers should discuss how Rule 151A will disrupt their business by imposing new regulatory and compliance requirements – including new licensure requirements – at a time when agents face many other business pressures.]*
- **Fixed indexed annuities provide the very safety consumers need in today’s volatile markets – notably no FIA policyholder has lost a penny as a result of the recent market tailspin.** It is puzzling why the SEC suddenly seeks to regulate FIAs when it already faces profound challenges with limited resources. FIAs were introduced about fifteen years ago and are closely regulated by state insurance departments. What makes FIAs unique is that they earn interest based on the performance of a market index such as the S&P 500, but principal and previously-earned earnings are guaranteed so policyholders cannot lose money even when the market goes down. With all the problems in the markets today – including a highly volatile stock market and multi-billion-dollar frauds like the Madoff scandal – it seems the SEC should have better things to do than regulate one of the few safe products available to retirement savers.
- **We need relief from Congress immediately – time is of the essence.** Even though the SEC agreed – under court pressure - to republish Rule 151A with a two year implementation period, the reality is that the effects of Rule 151A are already being felt. Rule 151A is causing immediate confusion in the marketplace for agents and consumers who are uncertain what will happen to these products because of Rule 151A. Buying and selling FIAs will only become more difficult as time goes on unless this shadow cast over FIAs is lifted through Congressional action. Businesses like mine will be especially impacted as agents begin turning away from FIAs to avoid the cost and hassle of securities registration. *[Individual agents should explain how they will need to make major decisions very soon about their insurance practice because obtaining additional licenses is time-consuming and disruptive.]* It is imperative that Congress step up and resolve this issue this year by passing S. 1389.
- **Thank you for your help –please let us know if you have questions.** We would be happy to talk further with you or your staff about S. 1389. And for additional information, we can also put you in touch with our government relations counsel here in Washington, Wright Andrews of the Butera & Andrews law firm (202-347-6875). We need your help – and we need it right away. Please agree to co-sponsor S. 1389 and urge members of the Senate Banking Committee to move this bill forward promptly. Will you help us?

TALKING POINTS
ASK YOUR REPRESENTATIVE TO SUPPORT H.R. 2733

**FIXED INDEXED ANNUITIES AND INSURANCE PRODUCTS
CLASSIFICATION ACT**

- **We are here today to ask for your help on a very important bill – House Bill 2733 - that is needed to protect jobs and help consumers by reversing SEC Rule 151A.** Rep. Greg Meeks (D-NY), a senior member of the Financial Services Committee, sponsored House Bill 2733, the “Fixed Indexed Annuities and Insurance Products Classification Act” and it has been steadily gaining bipartisan support. On the House side there are now over 70 co-sponsors. On the Senate side there are now 16 co-sponsors of the companion bill S. 1389 originally introduced by Sen. Ben Nelson (D-NE). Democrats and Republicans alike support this effort because it is nonpartisan legislation designed to protect small businesses in the insurance industry and preserve an important retirement product for middle class seniors.
- **We ask that you help by (i) contacting Rep. Greg Meek’s office to let him know you will co-sponsor House Bill 2733 and (ii) contacting leaders or members of the House Financial Service Committee to urge them to move the legislation through committee towards adoption this year.** We are part of a growing nationwide grassroots effort to get legislation to overturn SEC Rule 151A. We – as insurance agents and insurance agencies across the country – are in town today meeting with our respective Senators and Representatives to ask for help in overturning SEC Rule 151A because this is an issue that should be decided by our elected officials in Congress, not a federal agency. We need your help in two ways: (i) joining Representative Meeks and your other colleagues in cosponsoring H.R. 2733 and (ii) telling members or leaders of the House Financial Services Committee to advance H.R. 2733 towards adoption this year.
- **House Bill 2733 is needed to nullify recently adopted SEC 151A- a rule that arbitrarily turns a popular insurance product into a security – causing great harm to many small businesses like my own and depriving clients of a valuable retirement security product.** SEC Rule 151A turns Fixed Indexed Annuities (FIAs) into a security product subject to SEC regulation – even though (i) FIAs have been on the market and regulated by state insurance commissioners for over fifteen years, (ii) there is no evidence that FIAs are subject to any more complaints than other similar products, (iii) the product has no downside risk for consumers who hold the annuity through its contract term, and (iv) insurance companies bear virtually the entire risk for the product. Unlike a true security such as a mutual fund, state insurance laws require insurers to provide minimum guaranteed values to help protect principal and previously credited interest of FIAs. It is hard to understand why SEC regulation of FIAs is suddenly so important. On the other hand, it is easy to see SEC regulation of FIAs will be highly disruptive to businesses like mine and make it harder for middle class consumers to buy these guaranteed products for retirement savings purposes. We need Congress’s help to reverse this arbitrary and unnecessary action taken by the SEC that will only result in redundant, costly, and unnecessary regulation to the detriment of agents and consumers all across the country.
- **The SEC adopted rule 151A in the final days of the previous administration during Christopher Cox’s term as SEC Chairman – despite overwhelming opposition.** When Rule 151A was introduced by the SEC, thousands of letters were filed opposing the rule. The National Association of Insurance Commissioners (NAIC), National Conference of State Legislators (NCOIL), National Association of Insurance and Financial Advisors (NAIFA), and National Association for Fixed Annuities (NAFA) all vigorously opposed the rule – and continue to oppose it. Many members of Congress – Representatives and Senators, Republicans and Democrats, liberals and conservatives – also urged

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- **Rule 151 comes at the worst possible time in the midst of a deep economic downturn.** For consumers, 151A will make it harder to get fixed indexed products at the very time they are needed most – when markets are in turmoil and people need the very kinds of downside guarantees offered by FIAs. That’s because securities firms will be less likely to promote FIAs and because Rule 151A will inevitably drive up the cost of FIA products by saddling them with a redundant layer of regulatory cost. FIAs are one of our key products, so for insurance agents, Rule 151A will mean job losses and significant disruption to our businesses. For example, with my agency, 151A will mean having to restructure my business and face significant new regulatory costs and burdens, right when my business is struggling to make ends meet during a weakened economy. For many agents, who may not have the time or resources to comply with a whole new layer of regulation, it will mean being forced out of business. *[Note: Individual producers should discuss how Rule 151A will disrupt their business by imposing new regulatory and compliance requirements – including new licensure requirements – at a time when agents face many other business pressures.]*
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