

**TALKING POINTS**  
**ASK YOUR REPRESENTATIVE TO CO-SPONSOR THE**  
**“INDEXED ANNUITIES AND INSURANCE PRODUCTS ACT OF 2009”**

- **I am calling today to ask that you consider becoming a cosponsor of important legislation – being introduced by Congressman Greg Meeks – that would nullify a recently adopted SEC regulation that could seriously hurt my business and be bad for consumers.** In the next few days, Congressman Meeks will be seeking co-sponsors for important legislation called the “Indexed Annuities and Insurance Products Act of 2009”. This legislation clarifies that Fixed Indexed Annuities are not securities and thereby ensures these products remain available to consumers at a time they are needed most. Please contact Congressman Meeks office right away to let him know that you will sponsor and support this legislation.
- **This legislation is needed to nullify a recently adopted SEC regulation – known as Rule 151A – that will otherwise significantly hurt my business and deprive my customers of solid financial products.** The SEC’s new rule 151A turns Fixed Indexed Annuities – a very popular insurance product – into a registered security beginning in 2011. This regulation will harm my business, agents, and customers and possibly prevent me from selling these kinds of products in the future. We need Congress’s help to reverse this arbitrary and unnecessary action taken by the SEC.
- **We believe this legislation will be widely supported by Democrats and Republicans alike and that it will get good support in the House Financial Services Committee.** Congressman Meeks, a member of the House Financial Services Committee, as well as eighteen other Representatives – Democrats and Republicans – came out against 151A when proposed last year. And now Congressman Meeks is leading the effort to enact legislation to reverse 151A. Additionally, House Financial Services Committee Chairman Barney Frank criticized 151A at time of adoption, calling it a “midnight” rule rushed to adoption without adequate review. We greatly appreciate past support we have gotten from many members of Congress and now we need your help more than ever.
- **The SEC adopted rule 151A in the final days of the Christopher Cox’s term as SEC Chairman – despite overwhelming opposition.** 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) vigorously opposed the rule. Many members of Congress – Representatives and Senators, Republicans and Democrats, liberals and conservatives – 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 –scheduled to take effect in 2011 – will be bad for consumers, bad for the insurance industry, and bad for my business.** Rule 151A could not come at a worse time. 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. For the insurance industry, 151A will be highly disruptive, undoubtedly resulting in loss of jobs and revenues for insurance companies and agencies. For my agency, 151A means 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.
- **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 Fixed Indexed Annuities when it already faces profound challenges with limited resources. Fixed Indexed Annuities were introduced over a decade ago and

are closely regulated by state insurance departments. What makes Fixed Indexed Annuities unique is that they earn interest based on the performance of a market index such as the S&P 500, but principal and earnings are guaranteed so policyholders cannot lose money even when the market goes down. With all the problems in the markets today – including a plunging stock market and multi-billion-dollar frauds – it seems the SEC should have better things to do than regulate one of the few safe products available to retirement savers.

- **Even one of the SEC Commissioners voted against the rule saying it is unnecessary and exceeds SEC authority.** Rule 151A was adopted at Commissioner Cox’s last meeting in December 2008 – but not unanimously. Commissioner Troy Paredes voted against rule 151A, sharply criticizing the rule for going beyond the SEC’s mandate and noting the rule flies in the face of Supreme Court precedents and past SEC positions. Beyond that, Commissioner Paredes said the rule is wrong because of its “implied judgment” about state insurance regulation and the harm it will have on small businesses. We are grateful for Commissioner Paredes’ insightful comments – and we think it shows rule 151A deserves closer scrutiny by Congress.
- **We need relief from Congress immediately – time is of the essence.** Even though 151A has a two year implementation period, the reality is that the effects of rule 151A will be felt immediately. Rule 151A is going to cause confusion in the marketplace for agents and consumers alike, and so buying and selling Fixed Indexed Annuities will become more difficult unless this shadow is lifted. Businesses like mine will be especially impacted as agents begin turning away from FIAs to avoid the cost and hassle of securities registration.
- **Thank you for your help –please let us know if you have questions.** I would be happy to talk with you or your staff about rule 151A and its harmful effects on my business. For more detailed information, I can put you in touch with our government relations counsel, Tom McDonald of Baker Hostetler or Dave Franasiak of Williams & Jensen.