



***REASONS TO CO-SPONSOR***  
**SENATE BILL 1389 and HOUSE BILL 2733**  
**FIXED INDEXED ANNUITIES AND**  
**INSURANCE PRODUCTS**  
**CLASSIFICATION ACT OF 2009**

**PLEASE CONSIDER BECOMING A CO-SPONSOR**

- 1. Clarifies that Fixed Indexed Annuities (FIAs) are not securities** under the Securities Act of 1933 – recognizing that FIAs are guaranteed insurance products adequately regulated by state insurance commissioners.
- 2. Repeals recently adopted SEC Rule 151A** – a rule adopted in the closing hours of Christopher Cox’s tenure at the SEC – that would re-classify FIAs as securities beginning in 2011 even though FIAs have been in the marketplace for almost fifteen years and have grown rapidly in popularity because of their guaranteed features and insurance provisions.
- 3. Resolves controversy unleashed by Rule 151A** which produced a record number of comments opposing the Rule and was vigorously opposed by the National Association of Insurance Commissioners, National Conference of State Legislators, National Association of Insurance and Financial Advisors, and National Association for Fixed Annuities.
- 4. Protects an innovative product** – the FIA – which offers the opportunity to earn interest based on performance of a market index such as the S&P 500 but also guarantees principal and any previously earned interest against losses when markets go down – a product whose customers have not lost one penny as the result of recent market turmoil.
- 5. Ensures that millions of satisfied consumers** – especially seniors - will continue to have real choice when it comes to selecting financial products and services that best meet their needs – rather than having their choices limited by artificial regulatory classifications.
- 6. Avoids an excess layer of regulation** being imposed on insurance products that would cost – by some estimates – hundreds of millions of dollars and potentially threatens thousands of jobs in the insurance and financial services industries.
- 7. Recognizes state insurance commissioners are the experts** in annuities regulation and devote enormous resources to sales conduct issues facing FIAs – just as securities regulators address sales issues for mutual funds and variable products – thereby reinforcing proper jurisdictional division between insurance and securities regulators.
- 8. Allows the SEC to focus its resources on its core mission** – promoting open markets and fighting investment fraud – rather than regulating guaranteed insurance products.
- 9. Senate bill 1389 and house bill 2733 enjoy strong bi-partisan support. [CLICK HERE](#) to see current list of sponsors. Please consider becoming a sponsor of this important legislation!**