

NAIFA — Advocacy at Work

In Brief

NAIFA's leadership continues its unwavering commitment to advocacy in the interest of its members. In 2005, NAIFA continued its long history of securing major victories in its fight for enlightened industry practices. Here are some of the successes the association has achieved while looking out for your interests.

Federal Tax and Regulatory Issues

Annuity Tax Incentives: Guaranteed monthly retirement income for life is critical for most people. NAIFA supplies the rank and file lobbying muscle for legislation granting tax incentives for guaranteed lifetime annuity payouts.

Business Use of Life Insurance: NAIFA/AALU led the agent Congressional push to preserve the market for business use of life insurance.

Do Not Fax Rules: NAIFA was in the forefront of groups successfully lobbying Congress to allow businesses to continue to fax information to their customers.

Deferred Compensation Legislation/Regulations: With AALU, NAIFA successfully amended proposed laws to keep this market open.

Estate Tax: AALU and NAIFA are holding the line for "politically" sustainable reform, while repeal advocates are pushing hard for complete repeal.

Insurance Regulatory Reform: NAIFA is advocating for uniformity and reciprocal insurance regulation and agent licensing.

Investment Advice: NAIFA is urging Congress to amend ERISA to permit employers to engage agents to help workers invest their 401(k) plan funds.

Investor/Stranger Owned Life Insurance: NAIFA led the agent coalition lobbying numerous states, the NAIC and NCOIL to keep strong state insurable interest laws in place and for Congress to keep strong tax incentives for life insurance.

LIAM: NAIFA spearheaded the effort in Congress to declare September Life Insurance Awareness Month and obtain public support from President Bush. State associations garnered proclamations from 28 governors.

Lifetime Savings Accounts: NAIFA successfully opposed new laws that favor short-term saving and spending in contrast to long-term retirement savings and family security.

Military Personnel: NAIFA worked with Congress and the Pentagon to allow military personnel to have access to sound financial advice while curbing predatory sales practices.

Social Security Individual Accounts: NAIFA is working behind the scenes to focus Congress on private sector options like annuities.

12B-1 Fees: NAIFA successfully defended SEC Rule 12b-1 fees paid to agents for service to mutual fund-owning clients in both Congress, and, so far, the SEC.

403(b) Annuities: NAIFA joined with AALU in vigorously opposing an IRS effort to limit individual participation options.

Federal Health Insurance Issues

Association Health Plans: NAIFA and AHIA helped steer a lobbying coalition that has successfully blocked destructive federal AHP legislation for eight years.

Employer Provided Health Insurance: With AHIA, NAIFA is pushing legislation for more tax incentives for small employers to offer health insurance and resisting efforts to diminish incentives for large employers.

Health Savings Accounts: NAIFA and AHIA are urging Congress to grant "above" and/or "below" the line deductions for individual purchase of high deductible health insurance plans.

Long-Term Care Insurance: NAIFA applauds AHIA's effort to get "above the line" tax deduction legislation reintroduced in spite of a hostile climate.

State Issues

Compensation Disclosure: In a tremendous victory for NAIFA and the life industry coalition of ACLI, AALU and NAILBA, the National Association of Insurance Commissioners ratified its amendment to its Producer Licensing Model Act (PLMA), which requires compensation disclosure only when compensation is received by the producer from both the customer and the insurer.

Investor Owned Life Insurance (IOLI): NAIFA continues to play a leadership role in opposing legislation that would permit investor owned life insurance arrangements. No state enacted pro-IOLI legislation in 2005, and one state tightened-up its insurable interest laws to strictly limit new IOLI programs.

Term Life Licenses: NAIFA state associations in Alabama, Illinois and Mississippi derailed term license proposals and NAIFA supported an NAIC resolution condemning the concept of term licenses, which lower the bar for agent standards, limit the products a "term agent" can offer, and complicate agent licensing.