

Coalition for Indexed Products Applauds Meeks-Price Bill, H.R. 2733

“The Last Thing the U.S. Public Needs Is Unnecessary and Duplicative Regulation”

WASHINGTON, DC, June 8, 2009 – The Coalition for Indexed Products (“the Coalition”) today praised the introduction of the Meeks-Price Bill, H.R. 2733, “Indexed Annuities and Insurance Products Classification Act of 2009.” The new bill, introduced by Congressman Gregory Meeks (D-NY) and co-sponsored by Congressman Tom Price (R-GA) on the Republican side, seeks to reverse the SEC’s recent controversial decision to reclassify most fixed indexed annuities as securities and place them under the SEC’s jurisdiction.

“The last thing the U.S. public needs is unnecessary and duplicative regulation,” said Jim Poolman, the Coalition’s Spokesperson, who noted that fixed indexed annuities are already effectively regulated by state commissioners, under the Securities Act of 1933.

“These products have proven their ability to provide middle class investors with a high level of stability and peace of mind in a very difficult market environment,” he added. “In light of recent events, the advantage inherent in guaranteed, non-securities, insurance products is more evident than ever.”

The Coalition plans to work with members of the House to promote H.R. 2733 and recognizes the insightfulness and courage that led a bipartisan group of 21 members to support H.R. 2733 as co-sponsors:

Peter Welch (D-VT), Marcia Fudge (D-OH), Emanuel Cleaver (D-MO), Leonard Boswell (D-IA), W. Lacy Clay (D-MO), Chaka Fattah (D-PA), Charlie Wilson (D-OH), Earl Pomeroy (D-ND), Steve Driehaus (D-OH), Ron Kind (D-WI), Ron Paul (R-TX), Pete Sessions (R-TX), Steven LaTourette (R-OH), Tom Latham (R-IA), Jim Sensenbrenner (R-WI), John Kline (R-MN), Kevin Brady (R-TX), Michael McCaul (R-TX), Lynn Jenkins (R-KS), Michele Bachmann (R-MN), and John Culberson (R-TX).

About the Coalition for Indexed Products

The Coalition for Indexed Products (“Coalition”) is comprised of eight insurance company systems - and their subsidiaries - that issue fixed indexed annuities. Its members include most of the top fixed indexed annuity issuers.

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Fixed Indexed Annuities and Insurance Products Classification Act of 2009 (Introduced in House)

HR 2733 IH

111th CONGRESS

1st Session

H. R. 2733

To clarify the exemption for certain annuity contracts and insurance policies from Federal regulation under the Securities Act of 1933.

IN THE HOUSE OF REPRESENTATIVES

June 4, 2009

Mr. MEEKS of New York (for himself, Mr. PRICE of Georgia, Mr. CLEAVER, Mr. PAUL, Mr. BOSWELL, Mr. SENSENBRENNER, Mr. CLAY, Mr. KLINE of Minnesota, Mr. FATTAH, Mr. LATHAM, Mr. POMEROY, Mr. SESSIONS, Mr. LATOURETTE, Mr. DRIEHAUS, Mr. BRADY of Texas, Mr. MCCAUL, Mr. KIND, Mr. WILSON of Ohio, Ms. JENKINS, Mr. CULBERSON, Mr. WELCH, and Ms. FUDGE) introduced the following bill; which was referred to the Committee on Financial Services



A BILL

To clarify the exemption for certain annuity contracts and insurance policies from Federal regulation under the Securities Act of 1933.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Fixed Indexed Annuities and Insurance Products Classification Act of 2009'.

SEC. 2. FINDINGS AND PURPOSE.

(a) Findings- The Congress makes the following findings:

- (1) Primary jurisdiction for regulating life insurance and annuities is vested with the States and Territories of the United States and the District of Columbia.
- (2) Indexed insurance and annuity products offered by insurance companies are subject to a wide array of laws and regulations enforced by States and applicable jurisdictions, including nonforfeiture requirements that provide for minimum guaranteed values, thereby protecting consumers against market related losses.
- (3) Adoption of Rule 151A by the Securities and Exchange Commission, entitled 'Indexed Annuities and Certain Other Insurance Products', 74 Fed. Reg. 3138 (January 16, 2009), interferes with State insurance regulation, harms the insurance industry, reduces competition, restricts consumer choice, creates unnecessary and excessive regulatory burdens, and diverts Commission resources, all of which outweighs any perceived benefits.

(b) Purpose- The purpose of this Act is to nullify rule 151A and clarify the scope of the exemption for annuities and insurance contracts from Federal regulation under the Securities Act of 1933.

SEC. 3. SCOPE OF EXEMPTION FROM FEDERAL SECURITIES REGULATION.

Section 3(a)(8) of the Securities Act of 1933 (15 U.S.C. 77c (a)(8)) is amended by inserting before the semicolon the following: ', and any insurance or endowment policy or annuity contract or optional annuity contract (A) the value of which does not vary according to the performance of a separate account, and (B) which satisfies standard nonforfeiture laws or similar requirements of the applicable State, Territory, or District of Columbia at time of issue, or in the absence of applicable standard nonforfeiture laws or requirements, satisfies the Model Standard Nonforfeiture Law for Life Insurance or Model Standard Nonforfeiture Law for Individual Deferred Annuities, or any successor model law, as published by the National Association of Insurance Commissioners.'

SEC. 4. NULLIFICATION OF CERTAIN FEDERAL SECURITIES REGULATIONS.

Rule 151A promulgated by the Securities and Exchange Commission and entitled 'Indexed Annuities and Certain Other Insurance Contracts', 74 Fed. Reg. 3138 (January 16, 2009), shall have no force or effect.

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