

HELP PROTECT A VITAL INCOME SOURCE FOR AMERICAN RETIREES

BECOME AN ORIGINAL CO-SPONSOR OF THE INDEXED ANNUITIES AND INSURANCE PRODUCTS CLASSIFICATION ACT OF 2009

As members of the Committee on Financial Services, we urge you to join us as original co-sponsors of the "Indexed Annuities and Insurance Products Classification Act of 2009." This legislation clarifies the exemption of certain annuity contracts and insurance policies from federal regulation under the Securities Act of 1933.

On December 17, 2008, the Securities Exchange Commission ("SEC") adopted Rule 151A, which reclassifies state-regulated insurance products called indexed annuities as securities. Like other fixed annuities, indexed annuities guarantee purchasers' principal and a minimum rate of interest. They also provide the opportunity to earn additional interest based on the performance of a given financial market index, subject to certain limitations. To date, regulation of these insurance products has been the sole jurisdiction of the states. Fixed Indexed Annuities (FIA) are insurance products and have been regulated by the various state departments of insurance since their inception in 1995.

The SEC's decision to treat FIAs as securities will have far reaching consequences, impacting the way these products are developed, marketed and sold. It would subject already state-regulated insurance products to dual regulation by federal securities law, registration requirements, and oversight, adding filing obligations and compliance costs. This dramatic change will only hurt consumers by restricting their access to these important products.

American retirees, many of whom are senior citizens, rely upon fixed indexed annuities as a part of their retirement income. FIAs provide long-term retirement savings vehicles and offer multiple benefits including principal protection, tax-deferral, a fixed account offering a guaranteed interest rate, indexed accounts offering an indexed interest rate based on the performance of an outside index, a death benefit for their beneficiary and the ability to annuitize the contract, and a lifetime income.

Passage of the "Indexed Annuities and Insurance Products Classification Act of 2009" will help Americans in your district meet their retirement or financial planning needs. We urge you to support the bill by signing on as an original co-sponsor.

The Deadline for Original Co-Sponsorship will be Thursday, May 7, 2009 at 5:30 p.m. Please contact Samuel L. (Tre') Riddle, III, Legislative Director to Congressman Gregory W. Meeks (NY-6) at 225-3461 or via email at tre.riddle@mail.house.gov or Kirsten Mork, Legislative Assistant to Congressman Tom Price (GA-6) at 225-4501 or via email at kirsten.mork@mail.house.gov <mailto:kirsten.mork@mail.house.gov> for co-sponsorship or additional questions.

U.S. Representative Gregory W. Meeks (NY-6)

U.S. Representative Tom Price (GA-6)