

To: All Member Company CEOs

Good afternoon –

I'm writing with several updates on best interest. As you know, our best interest strategy has been to secure passage of SEC Reg BI, push passage of an NAIC model, stop expansion of harmful fiduciary proposals, and seek adoption of the NAIC model in as many states as possible.

In every step of our coordinated strategy, we've seen success. The atmospheric of a pandemic haven't changed our strategy. In fact, the pandemic has only created urgency around the consumer need for access to protected lifetime income.

At the Federal Level

We anticipate that the SEC Reg BI compliance date of June 30 will push ahead without delay. This week there will be a hearing on Reg BI – a last ditch effort of seven state attorneys general who support a fiduciary approach. We are party to an amicus brief representing financial trades that shares our strong consumer-oriented “for” position on the issue and opposes the effort to overturn Reg BI.

Crusade in the States

The frontlines of this battle is certainly in the states, where we need to get the NAIC model adopted. We are on a crusade to get it done.

We won the battle in Massachusetts against an aggressive fiduciary-only proposal earlier this year. We've mounted a full-court press in Arizona where annuity best interest legislation has passed the legislature and financial planners are seeking a veto. Last week, we sent a letter to Governor Ducey urging his signature on the bill and NAIFA has fully activated a grassroots strategy.

We expect many states will [follow the lead of Iowa](#) in adopting the NAIC model. We expect the pace of state adoption of rules mirroring the NAIC model to pick up considerably in the second half of this year.

The more knots we tie in the states, the better, especially as we head into an unpredictable election season.

Strategy to Win in the Court of Public Opinion

There's no doubt, we are winning the policy debate. Now we need to change minds in the court of public opinion.

June is Annuities Awareness Month, and we are using this platform to turn minds from a fiduciary approach to the effectiveness of a NAIC and SEC approach. Throughout the month, we will use the full suite of our advocacy firepower to release a cascade of materials and consumer-oriented messaging reaching policymakers and consumer influencers.

A targeted digital campaign will direct those individuals to a special [annuities webpage](#) at ACLI.com. A series of [IMPACT](#) content will use expert voices to share the effectiveness of a NAIC and SEC approach, and highlight the growing societal need for financial protection

products. An earned media strategy will hail Congress on their prescient work in passing SECURE and emphasize the need for more access to products. We'll promote research initiated by the Alliance for Lifetime Income (ALI). At the end of June, we will host a webinar on compliance with SEC Reg BI.

We are using our interconnected messaging platforms to nimbly and effectively advance our position on this issue.

Thanks to the collective effort of ACLI members and our producer partners, we are in a position of strength, and we thank each of you who have been involved in our engagement with lawmakers, regulators, and their influencers on this issue.

Susan