



July 10, 2024

Scott Kipper
Insurance Commissioner
Division of Insurance
State of Nevada
1818 E. College Pkwy, Suite 103
Carson City, NV 89706

Re: Revised Proposed Regulation LCB File No. R109-23

Dear Commissioner Kipper:

On behalf of NAIFA and our NAIFA-Nevada chapter, I would like to thank the Division of Insurance for considering our comments regarding LCB File No. R109-23, which proposes to update the state's rules governing the sale of annuities.

NAIFA represents the interests of more than 20,000 licensed insurance agents and financial advisors across the country, many of whom sell annuity products to help Americans build financial security. Ninety percent of NAIFA members serve middle- and lower-income individuals and families. The NAIFA-NV Chapter has close to 200 members currently serving their communities.

NAIFA strongly supports efforts to implement the NAIC's *Suitability in Annuity Transactions Model Regulation* (Model #275), which establishes a robust best interest standard that ensures consumer protections for annuity transactions and guarantees continued access to important annuity products. Since 2020, 45 states have adopted Model #275, now covering more than 90% of the American population, highlighting the effectiveness of the Model and the protection it affords to consumers.

Model #275 strikes the appropriate balance between protecting consumers, promoting market competition and uniformity, and avoiding overregulation that can hinder access to important financial products. The best interest of the consumer is assured, while the obligations and responsibilities of producers to protect their clients are clearly defined. Model #275 rejects a fiduciary-only approach, thus safeguarding the ability of savers to access financial guidance and better prepare for their futures. It protects consumers' choices, guarantees more competitive products, and provides trustworthy options for retirement planning.

NAIFA appreciates the Division's efforts to align Nevada with Model #275. We ask the Division to reconsider its proposed language in Section 17 relating to the disclosure forms. Currently, the proposal states that producers, prior to the sale or recommendation of an annuity, must prominently disclose certain information on "a form approved by the Commissioner." NAIFA believes it is preferable to

include the disclosure forms in the regulation, as recommended by Model #275. Alternatively, the forms could be incorporated by reference into the proposal as some other states have done. NAIFA believes one of these two approaches is ideal to ensure consistency with the Model language and remove any potential ambiguity that may arise.

NAIFA urges the Division to proceed with aligning the state with Model #275 to guarantee a consistent and workable best interest standard for financial professionals. It is a proven model that has been adopted across the country, providing enhanced consumer protections and a competitive market for important financial products.

Thank you for allowing us to submit comments on this proposal. Please reach out with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Moore". The signature is fluid and cursive, with a large initial "R" and "M".

Roger Moore
Policy Director
National Association of Insurance & Financial Advisors