



STATEMENT IN SUPPORT OF HOUSE BILL 1160 (Representative Keiser, Senator Klein)

- The undersigned associations representing insurers and financial professionals issuing and selling annuities strongly support House Bill 1160, which will help North Dakotans save for their retirement. Together, these associations account for more than 94 percent of the annuities issued and sold in the Peace Garden State.
- An annuity – a personal pension – is the only private market financial product that guarantees lifetime income, providing protection for North Dakotans against outliving their savings. Many middle-income consumers rely on annuities for financial security. The median annual household income of annuity owners is \$64,000, and individuals who own annuities are less dependent on public programs in their retirement years.
- In 2019 alone, \$192 million in annuity benefits were paid out to North Dakota residents, helping them maintain security through retirement.
- House Bill 1160 updates North Dakota’s existing law governing annuity sales practices to incorporate changes that have been approved by the National Association of Insurance Commissioners after two years of extensive debate.
 - It provides that insurers and financial sales professionals must act in the best interest of annuity purchasers without putting their own financial interests ahead of the consumers’ interests. It sets forth clear obligations that when met are deemed to satisfy the best interest standard of care.
 - It also makes sure consumers receive additional, user-friendly disclosure materials that will help them make informed decisions, all while preserving access to valuable financial advice and products.
 - It safeguards the ability of small and moderate savers to access the financial guidance they want to plan for their own financial futures.



- House Bill 1160 also aligns well with federal SEC standards for securities recommendations. Together, they will give consumers – regardless of where in the United States they live or move to – the benefit of strong and consistent state and federal consumer protections when planning for their retirement.

For these reasons, we strongly encourage the North Dakota legislature to pass House Bill 1160.

Signed,

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