



Advocacy

TOGETHER
WE CAN TAKE ON
ANYTHING

NAIFA-Iowa 2020 Advocacy Positions

Position #1: Protection of our Seniors Fighting Financial Fraud

NAIFA-Iowa supports the federal Senior Safe Act and would support state legislation intended to protect seniors from financial fraud and exploitation, specifically including the following provisions:

- A voluntary reporting process where the advisor, upon suspecting attempted fraud on a client, would report the matter to the firm (i.e. a broker dealer or insurer). The firm could then alert the appropriate state authorities, and, at the firm's discretion, delay a suspicious requested transaction. This process would allow the firm's legal and compliance personnel to review the questionable transaction with greater scrutiny.
- A legal "safe harbor" provision where advisors and their firms would be immune from liability for following the law's provisions. Advisors and their firms should be encouraged to report potentially fraudulent transactions to protect their senior clients' assets.
- A provision that would permit the state insurance department to provide training resources to advisors on how to recognize signs of cognitive decline, while clearly acknowledging that advisors are not medical professionals and will not be held responsible for determining a client's cognitive condition.

Position #2: Protection of Iowans' Retirement Choices

NAIFA-Iowa believes that the best market for retirement decisions is a free market, and as such, supports the broadening of choices that educational employees have in participating in tax-sheltered 403(b) programs.

Background: NAIFA-Iowa has long advocated that the choice of providers for 403(b) clients be broadened. The Iowa Department of Administrative Services initially narrowed these choices to only four "core" providers, but recently added five "optional" providers. NAIFA-Iowa applauds and was instrumental in expanding the choices to add the five optional providers. NAIFA-Iowa would support continuing to broaden the choices available to Iowans in educational careers.

Position #3: Protection of Health Care Choices

NAIFA-Iowa supports:

- Section 1332 State Innovation Waiver options
- Ensuring access to affordable health care for all Iowans
- Improving affordability and sustainability of insurance choices for all Iowans
- Access to professional services & advice provided by licensed and regulated insurance agents

Position #4: Standard of Care

NAIFA-Iowa supports a requirement that all financial professionals, when making a recommendation regarding an annuity or a security, act in the consumer's best interests – with care, skill, prudence and diligence – based on the consumer's financial needs and objectives. A properly-crafted best interest standard will provide an enhanced standard of conduct requiring the advisor to place the consumer's interests ahead of the advisor's, while also preserving ability of low- and mid-market consumers to access financial products and professional advice and services. NAIFA-Iowa opposes a strict fiduciary duty standard for broker-dealers and their representatives, because adoption of such a standard will result in many firms changing from a commission-based to a fee-for-service model, which will eliminate the commission-based services relied on by many small and moderate-sized investors.

Position #5: Promoting Financial Literacy

NAIFA-Iowa supports state efforts that enhance the ability of all Iowans to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.

