
Life Insurance and Annuities Excluded from CFPA Jurisdiction

By Editor Test Tue, Oct 27, 2009

The Insured Retirement Institute testified that given the current regulatory protections, adding another layer of regulation to the insurance industry is unnecessary.

Rep. Gwen Moore (D-WI) and Rep. Erik Paulsen (R-MN) successfully added language to the bill that will exclude life insurance and annuities in the final committee legislation, the Insured Retirement Institute reported last week.

By clarifying the definition of the “business of insurance,” the Committee ensured that clear that Consumer Financial Protection Agency will not have jurisdiction over life insurance and annuities.

Annuity products are currently and thoroughly regulated by the Security and Exchange Commission (SEC), FINRA and 50 state regulators, receiving oversight and monitoring. IRI is on record in support of enhanced consumer protections, strongly advocating for transparency, suitable sales and education and training within the industry.

“Today’s action brings us one step closer to protecting consumers while allowing the industry to provide the best products in the most timely fashion,” said Cathy Weatherford, President and CEO of IRI.

This past summer, in testimony provided to the House Financial Services Committee addressing the CFPA and the need to increase consumer protection, IRI testified that given the current regulatory protections, adding yet another layer of regulation to the insurance industry is unnecessary.

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