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NAIFA Board Recommends Conditional Support for Optional Federal Charter – Based on Member Approval

FALLS CHURCH, VA – April 15, 2008 – At its meeting on April 11, the Board of Trustees of the National Association of Insurance and Financial Advisors (NAIFA) voted to recommend support for the concept of the optional federal charter (OFC) for insurance while continuing to support state-based regulation of insurance. The recommendation now goes to NAIFA's National Council for its consideration and approval during the upcoming NAIFA Annual Convention and Career Conference, September 6-10 in San Diego.

"The NAIFA Board took this action to help craft legislation to protect our members and clients as the U.S. Congress is considering an OFC proposal known as the National Insurance Act," commented Jeffrey J. Taggart, CLU, ChFC, LUTCF, president of NAIFA. "In addition, on March 31, 2008, the U.S. Department of the Treasury recommended that Congress adopt an OFC for insurance," said Taggart.

NAIFA's current policy on Insurance Regulatory Reform (IRR) allows for consideration of state and federal regulatory reform modernization proposals. Should the National Insurance Act become law, NAIFA wants its members to have the option to remain licensed and regulated at the state level. NAIFA believes any modernization proposals should promote consumer protection, streamline agent licensing, improve product speed to market, and strengthen the competitiveness of the insurance industry.

NAIFA has launched an education and information campaign to enhance understanding of the complex issues that make up the OFC debate, and has created an online resource for this issue. To learn more, please visit www.naifa.org/advocacy/irr.

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About NAIFA: Founded in 1890 as the National Association of Life Underwriters, the **National Association of Insurance and Financial Advisors** comprises nearly 800 state and local associations representing the business interests of 60,000 members nationwide. Members focus their practices on one or more of the following: life insurance and annuities, health insurance and employee benefits, multiline, and financial advising and investments. NAIFA's mission is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members. Visit NAIFA's website at www.naifa.org.