



Consumer Federation of America

August 30, 2021

The Honorable Alma Adams
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Anthony Gonzalez
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Dean Phillips
U.S. House of Representatives
Washington, D.C. 20515

Dear Representatives Adams, Gonzalez and Phillips:

I am writing on behalf of the Consumer Federation of America to express our support for H.R. 4865, the Registered Index Linked Annuities (RILA) Act. The bill will help to ensure that investors who consider purchasing a RILA will get the information they need to make a sound investment decision and that the information is presented in a way that promotes investor understanding.

RILA sales have grown rapidly in recent years, with \$9.2 billion in sales reported in just the first quarter of 2021. Currently, however, the lack of a tailored form for registering the products with the Securities and Exchange Commission (SEC) can result in disclosures that are long, dense, and incomprehensible to the typical purchaser. By directing the SEC to develop a tailored RILA registration form, your bill should help to ensure that disclosures are more focused on the information investors need to determine whether the product represents a good option for them.

CFA is particularly pleased that the legislation includes important provisions requiring the SEC to design the form to produce disclosures that ensure that purchasers receive the information necessary to make informed decisions, taking into account the availability of information, the knowledge and sophistication of purchasers, and the complexity of the product. Further, the bill requires the SEC to engage in investor testing and incorporate results of that testing in the design of the form, with the goal of ensuring that key information is conveyed in terms that purchasers are able to understand.

Because this legislation offers a model for how disclosures can and should be designed with the needs of investors in mind, CFA is pleased to offer it our strong support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dylan Bruce', with a stylized, cursive script.

Dylan Bruce
Financial Services Counsel

Cc: The Honorable Maxine Waters, Chair, Financial Services Committee
The Honorable Patrick McHenry, Ranking Member, Financial Services Committee
The Honorable Brad Sherman, Chair, Subcommittee on Investor Protection,
Entrepreneurship and Capital Markets
The Honorable Bill Huizenga, Ranking Member, Subcommittee on Investor Protection,
Entrepreneurship and Capital Markets