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Definition of the Term “Fiduciary”; Conflict of Interest Rule—Retirement Investment Advice

Comment On: EBSA-2010-0050-3491

Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

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General Comment

This fiduciary rule needs to be repealed because it harms consumers in the following ways:

1. Higher costs for consumers: Increased litigation from the onerous BIC ("reasonable" compensation purposefully not defined), increased compliance costs and a decrease in competition (product manufacturers already limiting their offerings, fewer new planners will choose to enter the field or survive and many older planners will retire before they take on the burdens of the rule). The Commission model is less expensive than the fee model.
2. The \$1.5 billion sales requirement for Fixed Annuity distributors to be considered a Financial Institution will eliminate jobs and competition. Consumers will have fewer

product choices because the FI will need to limit the number of products they can manage on their platform, eliminating many of the smaller, but extremely valuable, product manufacturers.

3. The free market is more efficient than government in keeping costs low. Commissions are automatically as low as possible because product manufacturers will not pay one cent more than necessary to acquire assets. The DOL rule interferes with this market efficiency.