Allen Marketing
™ & Associates, Inc.
Your Insurance & Financial Gatekeeper For The 21st Century

March 16, 2017

To: President Donald J. Trump
Edward Hugler, Acting Secretary, U.S. Department of Labor
U.S. Department of Labor Employee Benefits Security Admin

From: Patrick H. Allen, III.
Owner, Allen Marketing & Associates, Inc.

Re: DOL Fiduciary Rule Delay Comment Letter

Good Afternoon,

As a small business owner of an Independent Marketing Organization (IMO) with 43 years of experience, I wanted to give you an insight to our business and the inequality that the DOL Fiduciary Rule has in correlation to the insurance industry. Below you will find the main points that I see within the industry that the DOL will have a negative impact on.

- The DOL Rule is a solution looking for a problem that does not exist.
- As a result of this rule, some of our carriers are already removing products and product platforms that have been great for consumers for a number of years.
- Customer complaint data from 2014 indicates that 99.99991% of annuity customers are satisfied with their purchase.
    - NAFA Highlights Facts About Annuities, December 2015
- A 1.5% - 2% ongoing fee for the client's assets is in better interest for the client than a one-time upfront commission of 6% (average commission on Fixed Index Annuities)? What am I missing in that regard?
    - For instance, if $100,000 is given to a securities rep, they could be making upwards of 2% each year the client has their money with them. If the average is 10 years, the securities rep could be making $20,000 over that time period. Where a Fixed Index Annuity offers a 6%, one time, commission on the same $100,000 or $6,000.
- Many of our clients have made the comment to me that they thought I always did act in their best interest, which is the basis of the BICE (Best Interest Contract Exemption) guideline.
- With my credentials listed above, I still personally sell and service clients in the insurance business and have never had a client ask me how much commission I made on a product they purchased. This is one of the new guidelines that the DOL Rule intends for insurance agents to follow.
- I have also noticed in emails and articles that I receive that private equity companies are investing more in law firms that are associated with the insurance industry. This tells me that they are getting ready for the DOL rule.

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- Will the DOL start requiring a Lexus dealership to send customers down the street to the Ford dealership because a less expensive car might be in the best interest of the consumer if they are making the purchase for transportation? Will the car salesman have to tell the customer how much commission they are making on the sale? Will the car dealership have to tell the customer how much profit they will make on the sale?
    - If the DOL rule is requiring full disclosure of the insurance and financial world, why isn't it being required of other industries?
- With the stringent suitability guidelines in place already with many insurance carriers, the DOL Rule is overkill.
    - We already have clients not understanding why insurance companies won't take their money if suitability standards aren't met.
    - Many clients also do not understand why it seems like the insurance carriers know what they should do with their money; more so than what the client wants to do with their money.
- It is a lot like the ongoing gun debate. You can take everyone's guns and the bad guys are still going to get guns from somewhere to do bad things. You can go forward with the DOL Rule and the bad guys of the industry will still do bad things to good consumers.
    - I will still read in the Investment News, Advisor Today and other daily emails about someone stealing money from a sports star and elderly couple and others.
- This rule has brought to light a good marketing mind within the DOL and people positioning it as "You now have to operate or do business in the best interest of your client". Therefore, if you oppose the rule, one does not want to operate in the best interest of the client.
    - I/We oppose the rule and have always in 43 years, operated our business in the best interest of the client and will continue to do so.

For the above reasons, I endorse the proposed delay in the rule to allow time for the new administration to review the rule in detail in order to prevent another Obamacare type scenario from happening.

I look forward to your review and response on this subject matter. Thank you for your time.

Patrick H. Allen, III.
President / Owner