



**Independent Insurance Agents
& Brokers of America, Inc.**

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July 21, 2017

Office of Exemption Determinations
Employee Benefits Security Administration
Attention: D-11933
U.S. Department of Labor
200 Constitution Avenue, NW, Suite 400
Washington, DC 20210

SUBMITTED VIA www.regulations.gov

Re: Comments on Request for Information Regarding the Fiduciary Rule and Prohibited Transaction Exemptions (RIN 1210-AB82/ESBA-2017-0004)

To Whom It May Concern:

On April 8, 2016, the DOL published in the Federal Register a regulation commonly referred to as the “fiduciary rule.” The rule defines who is a “fiduciary” when giving investment advice related to employee benefit plans governed by ERISA and certain IRAs. In conjunction with the fiduciary rule in April 2016, the DOL issued certain exemptions to the rule such as the Best Interest Contract (BIC) exemption and the Prohibited Transaction Exemption (PTE) 84-24. On February 3, 2017, President Trump issued an executive order directing the Department to examine the above referenced fiduciary rule. Pursuant to the order, the DOL partially delayed the fiduciary rule and now seeks information on a number of specific issues related to the rule including whether the rule should be further delayed.

The Independent Insurance Agents & Brokers of America, Inc., (IIABA) strongly supports additionally delaying the January 1, 2018 compliance deadline for the rule. IIABA is the nation’s oldest and largest trade association of independent insurance agents and brokers, and we represent a nationwide network of approximately a quarter of a million agents, brokers and employees. IIABA represents independent insurance agents and brokers who offer customers a choice of policies from a variety of insurance companies across all lines of insurance—property, casualty, life, health, employee benefit plans and retirement products. These broad offerings allow IIABA members to assess the financial needs of their customers on a holistic basis.

IIABA members are for the most part small businesses or “Main Street” advisors and therefore work at small firms with limited administrative support. Annuities are the most common retirement product offered by IIABA members, though some IIABA members also offer non-insurance financial services products such as mutual funds. Many IIABA members work through independent marketing organizations (IMOs) to deliver annuities to consumers.¹ Some IIABA members also work as registered representatives of independent broker-dealers or are dually registered as investment advisors and broker-dealers to

¹ For more information see, IIABA Comment Letter to DOL on the Best Interest Exemption for Insurance Intermediaries RIN 1210-ZA26 (Feb 17, 2017).

provide retirement products to consumers. Finally, some IIABA members help consumers with HSAs as part of their health insurance practice and are also impacted by the rule in that manner.

IIABA previously suggested that the DOL delay the rule beyond June 9, 2017 for at least an additional 180 days in order for the Department to complete its analysis and determine if it is necessary to rescind or revise the rule. Furthermore, IIABA previously stated that the delay should encompass all applicability dates and compliance obligations under the rule, including compliance obligations that become applicable on both June 9, 2017 and January 1, 2018.² IIABA maintains this position and believes that further delay on the January 1, 2018 applicability date is necessary.

IIABA believes that the Department's analysis of the rule is flawed. As such, the real costs and benefits of further delaying the rule are not consistent with what the DOL understands them to be. This is because the DOL failed to consider the cost to savers who will lose retirement advice and savings options under the rule. Finally, the Department has indicated it may seek to make changes to the rule. Changes to the rule are needed but any changes to the rule without accompanying delays could cause uncertainty in the market and make implementation of the rule more difficult for all stakeholders, including consumers.

IIABA would like to thank you for the opportunity to express the views of independent insurance agencies on this issue. Please contact our office at (202) 863-7000 should you wish to have additional information regarding our comments.

Sincerely,

A handwritten signature in black ink that reads "Jennifer M. Webb". The signature is written in a cursive, flowing style.

Jennifer M. Webb
Counsel, Federal Government Affairs

² For more information see, IIABA Comment Letter to DOL on Extending the Applicability Date of the Fiduciary Rule, RIN 1210-AB79 (March 16, 2017).