July 25th 2017

Brian L. Shiker
Employee Benefits Law Specialist
Office of Exemptions Determinations
Department of Labor
200 Constitution Ave, NW RM N-5700
Washington D.C. 20210

RE: Department of Labor's Request for Information on the Fiduciary Rule

SENT VIA ELECTRONIC MAIL & U.S. MAIL

Dear Mr. Brian Shiker,

Gradient Insurance Brokerage, Inc. ("GIB") has had an opportunity to review the Department of Labor's ("DOL") must recent Request for Information ("RFI") on the Fiduciary Rule. After careful consideration we would like to submit our comments.

Question 1 – Potential Delay of the January 1, 2018 applicability date for the BICE Exemption and amendments to the PTE 84/24:

GIB has invested a substantial amount of resources and time to prepare for the arrival of the DOL Fiduciary rule on June 9, 2017. GIB has spent even more resources to date, and will expend more in the future to prepare for the January 1, 2018 implementation date. Despite GIB's investment in changing its policies and procedures to more directly align with the department's goals, GIB feels that ***a one year delay until January 1, 2019*** is warranted and is in the best interest of the industry and the end consumer. We would all be well served to have more time to train employees to help ensure all processes and produces are in place and are being adhered to as they are significant changes to the industry as a whole.

In addition, GIB believes that the industry is not fully ready for the January 1, 2018 implementation date. GIB has noted that the insurance carriers are still in the process of making changes and not all the changes are known by producers or IMOs. In addition, product engines that would allow a producer to seek to better follow the Best Interest standard are in development and are not yet complete. No useful electronic product comparison engine is ready for wide spread use and a delay of the BICE implementation will allow the industry to be better prepared to thoroughly document all recommendations and reasoning.

GIB does not believe that any delay of the January 1, 2018 BICE implementation carries risk for the Government or the consumer. The consumer is already protected by the June 9, 2017 implementation of the Best Interest standard and Fiduciary Rule and we are all doing our best to move forward in a timely and efficient manner. GIB does not believe that the addition of a BICE contract will better serve the consumer or assist the Government in their objectives with this regulation.

Question Two – Eliminating or Altering the Contract requirement of the BICE Exemption:

GIB believes that the BICE contract is excessive and harms the industry. GIB does not believe that the BICE contract will serve its stated purpose. The consumer is currently being protected under the enacted Fiduciary Rule and the Financial Services Provider ("FSP") is required to operate in the consumer's "Best Interest". In most instances, a consumer is already being made aware in writing of the FSP's fiduciary commitment to the consumer and any material conflicts of interest that the FSP may have are to be disclosed. GIB believes that without evidence of additional harm, the Government should allow the protections in place to work and show results prior to making further changes.

GIB believes that annuity transactions should continue unabated after January 1, 2018 under the PTE 84/24. GIB feels that the disclosure requirements fully protect the consumer and the Government's interest in the regulation of Annuity and financial product sales. For the sale of securities and management of investments, GIB believes that the DOL purpose is already being served by the SEC and FINRA regulations. GIB would encourage the DOL to allow these agencies to determine if additional documentation or disclosures are necessary to protect the consumer and make the industry more efficient and transparent.

Sincerely,

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