

September 15, 2017

Raymond J. Manista

Senior Vice President - General Counsel
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Filed By Email: EBSA.FiduciaryRuleExamination@dol.gov

Office of Exemption Determinations
Employee Benefits Security Administration
(Attn: D-11712, 11713, 11850)
U.S. Department of Labor
200 Constitution Ave. NW, Suite 400
Washington, DC 20210

**Re: Extension of Transition Period and Delay of Applicability Dates for Prohibited Transaction Exemptions Related to the Fiduciary Duty Rule
RIN 1210-AB82**

Ladies and Gentlemen:

The Northwestern Mutual Life Insurance Company (“Northwestern Mutual”)¹ appreciates the opportunity to comment on the Department of Labor’s (the “Department”) proposal to extend the transition period under Prohibited Transaction Exemption (“PTE”) 2016-01, otherwise known as the Best Interest Contract Exemption (“BIC”), and to delay the applicability of certain amendments to PTE 84-24 (collectively, the “Exemptions”), until July 1, 2019, each relating to defining who is a “fiduciary” under the Employee Retirement Income Security Act of 1974 (the “Fiduciary Duty Rule”). Northwestern Mutual previously responded to the Department’s related Request for Information published July 6, 2017 by letters to the Department dated July 21, 2017 and August 7, 2017, and we refer you to those letters for additional context.

Northwestern Mutual has long supported a uniform “best interest” standard of care when providing investment advice across its brokerage and investment advisory businesses (including for retirement account and Plan clients) so long as the standard is business-model neutral, preserves client choice, ensures client access to affordable retirement options, and avoids client confusion in its implementation.

Northwestern Mutual supports a minimum delay of eighteen months as proposed by the Department and a further delay if the Department concludes that changes should be made to the Fiduciary Duty Rule or the Exemptions. Northwestern Mutual agrees with the Department’s concern that without a delay the Department would not be able to do a comprehensive reexamination of the Fiduciary Duty Rule and the Exemptions as required by the President’s Memorandum to the Secretary of

¹ Northwestern Mutual has been helping families and businesses achieve financial security for 160 years. Our financial representatives build relationships with clients through a distinctive planning approach that integrates risk management with wealth accumulation, preservation and distribution. Northwestern Mutual delivers financial security to 4.4 million people who rely on us for insurance and investment solutions, including life, disability income and long-term care insurance; annuities; trust services; mutual funds; and investment advisory products and services. Our financial strength and ability to meet our clients’ needs is demonstrated by \$250 billion in assets, \$28 billion in revenues, \$100 billion in assets under management in investment products and services, and \$1.6 trillion worth of life insurance protection in force. Northwestern Mutual was recognized by FORTUNE magazine as one of the “World’s Most Admired” life insurance companies in 2017.

Labor, dated February 3, 2017. Additionally, the delay will help avoid customer confusion during a period where the final outcome of the Fiduciary Duty Rule and related Exemptions is less than certain.

If, for example, the Department determines that significant changes should be made to the BIC, and those changes are made final in early 2019, then at least an additional transition year should be provided from that date to allow firms enough time to make the necessary changes to processes and systems and to be able to communicate in an orderly manner with their clients.

Northwestern Mutual continues to believe that the best regulatory outcome for consumers will result from the Department coordinating closely with the SEC and other regulators to achieve greater uniformity both in terms of the fiduciary standard itself, but also in how it is carried out. Consumers want a process that is in their best interest but that is also understandable and simple. Working collaboratively with other regulators to leverage existing disclosure regimes and principles-based approaches to investor protection should go a long way to meeting those consumer needs.

If you have any questions regarding our comments or if we can be of any assistance in your consideration of the issues summarized above, please contact the undersigned or John Dunn at 414-665-5443 or [johndunn@northwesternmutual.com](mailto: johndunn@northwesternmutual.com).

Very truly yours,

A handwritten signature in black ink that reads "Raymond J. Manista". The signature is written in a cursive, flowing style.

Raymond J. Manista
Senior Vice President, General Counsel
and Secretary