

The Insurance Federation of Pennsylvania, Inc.

**500 North Third Street
3rd Floor
Harrisburg, PA 17101
Tel: (717) 236-2301 Fax: (717) 236-0803
E-mail: mailbox@ifpenn.org**

Jonathan C. Greer
Vice President

July 28, 2015

Via Electronic Mail

Honorable Thomas E. Perez, Secretary
United States Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

Re: Proposed Fiduciary Rule

Dear Secretary Perez:

On behalf of the life insurer member companies of the Insurance Federation of Pennsylvania, I write to express our concerns with the US Department of Labor's (DOL) proposed rule to change the definition of a fiduciary under ERISA.

We understand a second round of public comment will open following a DOL hearing on this matter in August. Please accept these comments as part of that process.

The Insurance Federation of Pennsylvania is a state-based trade association representing foreign and domestic insurance companies in nearly all lines of insurance. This proposed rule raises serious concerns within our life insurer membership and could affect the future viability of certain financial products, especially annuities.

The reasons for this are many and all stem from the proposed rule's apparent distrust of commission-based compensation. We disagree with this premise and see no

July 28, 2015

Page two

value in undermining the broker/dealer model. There is broad industry consensus that such an approach will dramatically curtail the availability of products designed for small to medium sized investors. This is due to the unworkable nature of proposed rule's Best Interest Contract Exemption (BICE).

According to a survey conducted by the National Association of Insurance and Financial Advisors (NAIFA), two thirds of respondents said they would be intimidated or unwilling to sign such a contract due to its burdensome data retention and disclosure requirements. This, along with increased liability exposure, will result in fewer choices for consumers at a time when the need for specialized financial services - especially those for retirement planning - are increasingly profound.

In this sense, we believe the proposed rule's attempt to protect consumers will actually harm them through a limiting of choices and options.

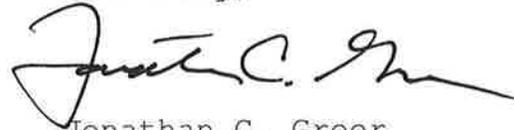
We would also like to echo the NAIC's sentiments in its letter to you dated July 21, 2015: Oversight of the retirement plans marketplace is a shared regulatory responsibility. In that sense, we believe a DOL rule in this area should be in harmony with the existing federal and state regulatory framework that has stood the test of time.

For example, the NAIC already has in place a model to ensure companies and their producers act in the best interests of consumers. This is the central premise of the NAIC Suitability in Annuity Transactions Model Regulation, versions of which have been adopted in 47 states (including Pennsylvania) along with the District of Columbia. The creation of this model and its subsequent adoption throughout the country has been strongly supported by the life insurance industry and is demonstrative of our desire to work in tandem with the regulatory community to best serve the needs of consumers.

July 28, 2015
Page three

Thank you in advance for your consideration of these thoughts. We, along with our member companies, look forward to continued dialogue on this initiative.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan C. Greer". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jonathan C. Greer

C: The Honorable Robert P. Casey, Jr.
The Honorable Pat Toomey
The Honorable Lou Barletta
The Honorable Brendan Boyle
The Honorable Robert Brady
The Honorable Matthew Cartwright
The Honorable Ryan Costello
The Honorable Charles Dent
The Honorable Mike Doyle
The Honorable Chaka Fattah
The Honorable Michael Fitzpatrick
The Honorable Mike Kelly
The Honorable Tom Marino
The Honorable Pat Meehan
The Honorable Tim Murphy
The Honorable Scott Perry
The Honorable Joseph Pitts
The Honorable Keith Rothfus
The Honorable Bill Shuster
The Honorable Glenn Thompson
The American Council of Life Insurers