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Office of Regulations and Interpretations
Employment Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue NW, Room N-5655
Washington, D.C. 20210

Attn: Lifetime Income Joint Hearing –Request to Testify

Dear Sir or Madam:

I am writing to express our members' interest in testifying at the upcoming joint hearing that will consider several specific issues relating to lifetime income or other arrangements designed to provide a lifetime stream of income after retirement. We applaud the Departments of Labor and Treasury for your attention and thoroughness in addressing the issues surrounding guaranteed lifetime income options in retirement plans and would appreciate the opportunity to participate in the hearing. We will designate one of our member representatives to testify that possesses the intricate knowledge necessary to provide information and answer in-depth questions at the hearing.

The Insured Retirement Institute (IRI) is dedicated to the growth and better understanding of guaranteed lifetime income products. IRI represents all segments of the annuity, insured retirement product and retirement planning industries with over 300 member organizations, including insurance companies representing over 85% of the market, distribution firms, including broker-dealers and banks, investment management firms, and industry service providers. IRI's mission is to promote consumer confidence in the value and viability of insured retirement strategies by: supporting and encouraging industry adherence to high ethical principles; promoting better understanding of the insured retirement value proposition; developing and promoting best practice standards to improve value delivery; and advocating before public policy makers on critical issues affecting insured retirement strategies.

While we believe we could provide useful testimony on all of the issues outlined in your hearing notice, we will limit our testimony to the following issues:

Fiduciary safe harbor for selection of lifetime income issuers or products. (4 Minutes)

- Discussion of the uncertainty surrounding the duty of a plan sponsor to prudently select and monitor lifetime income investment options and the providers of such options. We will provide testimony on the factors that contribute to the lack of utilization of the current safe harbor and will discuss how the Department of Labor can revise the safe harbor to modify the requirement that fiduciaries make the determination of whether an annuity provider is able to make all future payments under the annuity contract.

Information to help participants make choices on the management and spend-down of retirement benefits. (4 minutes)

- Plan sponsors may be reluctant to add guaranteed lifetime income products in retirement plans because of concerns that, due to the complexity of such products, any attempt by plan sponsors to educate participants about these products and give relevant information could be deemed investment advice under ERISA or lead to breach of fiduciary duty for inadequate disclosure. We will advocate for changes to Interpretive Bulletin 96-1 to clarify that plan sponsors providing information about guaranteed lifetime income products will not constitute investment advice, and therefore, providing such advice will not create liability for the plan sponsor.

Disclosure of account balances as monthly income streams. (2 minutes)

- IRI will present testimony advocating for the disclosure of account balances as monthly income streams. We believe Americans need access to the best information that is available to make decisions about their financial future. Proposals such as the “Lifetime Income Disclosure Act” will help workers understand their needs and plan for a secure retirement by providing them with an estimate of how much they can receive if they choose to put a portion of their account balance into an insured guaranteed lifetime income product. Retirement savings are more critical than ever before and we believe that providing such disclosures will help millions of Americans make their best choices for themselves and their families.

We would welcome the opportunity to testify at the joint hearing and we believe that our expertise and uniquely diverse membership would be beneficial to your efforts. IRI would also be happy to testify on the other topics outlined in your hearing notice if you believe it would be beneficial to the process or answer any questions that you deem appropriate. Please feel free to contact me or John Little, Vice President of Federal Affairs (202) 469-3003, if we can provide additional information or to further discuss these issues.

Sincerely,



Catherine J. Weatherford
President & CEO