Received: March 15, 2017
Status: Pending_Post
Tracking No. 1k1-8v9u-3dxg
Comments Due: March 17, 2017
Submission Type: Web

PUBLIC SUBMISSION

Docket: EBSA-2010-0050
Definition of the Term ‘‘Fiduciary’’; Conflict of Interest Rule—Retirement Investment Advice

Comment On: EBSA-2010-0050-3491
Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

Document: EBSA-2010-0050-DRAFT-15256
Comment on FR Doc # 2017-04096

Submitter Information

Name: John Raines
Address: 508 N. 2nd St. Suite 102
Fairfield, 52556
Email: johneraines@hotmail.com
Phone: 6414721421

General Comment

Dear Ladies and Gentlemen,

I have been involved with insurance and financial planning over the past 25 years, and am currently serving approx. 1000 clients in Iowa. Over the past several weeks many of my clients have expressed confusion over the proposed fiduciary rule, and several expressed the concern that this financial industry "fix" by the Obama administration will have the same unintended consequences that the Obamacare "fix" had on the health insurance industry. They are particularly distressed that they may have to hire an attorney and go to court in the event of a disagreement. We all know that lawsuits are stressful, expensive, time consuming, and risky, and my clients are wondering how this is in their best interest.

Under the current rules in Iowa, if there is a disagreement on either an insurance product or a security product, the client can call the Iowa Insurance Division or the Iowa Securities Bureau, reach a live person, be directed to the proper person, and arrange a free in-person meeting or conference call within hours or a few days. If the appropriate division agrees with the client, the division has virtually unlimited power to make the situation right within days, at no cost to the consumer. If the agent/representative and the company won't comply with the division regulator requests, their license can/will be revoked, and their ability to remain in business terminated. How can you possibly improve on this dispute resolution method in terms of being in the client's best interest? Contrast this consumer friendly dispute resolution method with hiring an attorney and going to court to resolve disputes, and I think you will agree the current DOL fiduciary rule needs to be reviewed to see if it is in fact in the consumer's best interest.

I very much support the best interest standard and I will continue working in the best interest of my clients, and I intend to fully comply with any new rules and regulations in this regard. My concern is that any proposed rules need to be in the best interest of my clients.

Regarding my background, I am an insurance professional, and I currently hold the CLU, ChFC, and CASL designations, each of which require that I pledge to place my clients interest first in every transaction. I am currently insurance licensed in Iowa, North Carolina, West Virginia, and New Mexico. A large part of my business is retirement and income planning, and fixed and indexed annuities play an important role in providing my conservative clients an attractive way to protect their principal and earn a reasonable rate of return. In addition to the opportunity to lock in guaranteed income that can't be outlived, the living benefit riders on the new fixed index annuity products are especially attractive to my retired clients. The fiduciary rule, as it is proposed, will restrict both insurance companies and agents from offering the indexed annuity products due to liability concerns and compliance costs. Please grant the proposed delay until it can be determined that the rule is actually in the best interest of the consumers.

Thank you,

John Raines, CLU, ChFC, CASL