

From: Tom Hegna [mailto:tomhegna@yahoo.com]
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To: EBSA, E-ORI - EBSA
Subject: I oppose the Fiduciary Standard

Over the past several weeks, I have found myself in debates with so called "Fiduciary Experts" who are absolutely clueless about how to have a successful retirement. The debate has somehow devolved into Annuities vs. Managed Money or Commissions vs. Fees. What do these arguments have to do with helping Americans retire the right way? NOTHING!

For every agent you can show me who has sold an unsuitable annuity, I will show you a Fiduciary who DIDN'T use an annuity when they should have. Are these Fiduciary Standards people going to pursue Fiduciaries who do not use annuities with the same gusto as they attack the agents who do? I think not.

I found it more than a little hypocritical that Sen. Elizabeth Warren sent letters to Insurance companies asking about their "Annuity Sales Practices" when she, herself, has MILLIONS in annuities! So, she doesn't want others to have the same protections that she takes advantage of?

How can a fiduciary take longevity risk, sequence of returns risk, or withdrawal rate risk off the table without using an annuity? Oh yea, they CAN'T! So will the Fiduciary Standards people put these Fiduciaries out of business because they are failing to protect their clients? What happens when these people run out of money? Or, need Long-Term Care, but their fiduciary "didn't believe in LTCI"? Will the Fiduciary standards people make them whole?

The argument about compensation is just as ridiculous. For every agent you can find me that sold an annuity for a commission, I will show you a Fiduciary who DIDN'T sell one because they didn't want to reduce their "Assets under Management (AUM)". Why should compensation even be a part of the discussion? Anyone who sells or doesn't sell something because of THEIR compensation should not be in the business. We should do what is best for the client. Somehow fiduciaries think they have cornered the market on that one - nothing could be further from the truth.

I have found that many fiduciaries are not recommending Long-Term Care Insurance or Life Insurance either. How can you be doing the best for your clients and not incorporating protection products into their portfolios? Will the Fiduciary Standards people prosecute this malfeasance? I doubt it.

So who pays the price for all of this? The American retiring middle class! They will now be denied the great advice from agents and advisors around the country. See, if the Fiduciary standard is SO important, why don't you win that argument in the Free Market? Why does the Nanny State have to take even MORE of our freedoms away? If Fiduciaries were SO good at what they do, they would put everyone else out of business. But that is NOT what I am seeing. Everyday I see people running AWAY from managed money into protection products. They don't want to LOSE their retirement.

So, instead of all of this product and compensation nonsense, why don't we agree on a Fiduciary PROCESS! Regardless of your status, you must recommend the following process to people who want to retire:

1. Have a plan and work with a Trusted Financial Professional
2. Cover your basic expenses in retirement with Guaranteed Lifetime Income
3. Optimize the rest of your portfolio to protect you against inflation
4. Maximize your Social Security Benefits
5. Have a plan for Long-Term Care
6. Use your Home Equity Wisely
7. Use Life Insurance as the most efficient way to pass wealth to heirs and charity

Here is a PROCESS, backed by Math and Science that could be followed by EVERYONE, regardless of fiduciary, non fiduciary, commission or fee.

THAT is the solution to a problem that I hope both sides could agree on!

(Tom Hegna is a retirement income expert and the author of 4 books on Retirement:

Paychecks and Playchecks: Retirement Solutions for Life

Retirement Income Masters: Secrets of the Pro's

Paycheques and Playcheques: Retirement Solutions for Canadians

Don't Worry, Retire Happy! Seven steps to Retirement Security

He is also the host of the popular Public TV Special: Don't Worry, Retire Happy!)

Tom Hegna CLU, ChFC, CASL
President, TomHegna.com
(602) 549-6653
Sent from my iPhone