



**Insured Retirement Institute**  
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July 27, 2015

Office of Regulations and Interpretations  
Employee Benefits Security Administration  
Attn: Conflict of Interest Rule Hearing, Room N-5655  
U.S. Department of Labor  
200 Constitution Avenue, NW  
Washington, DC 20210

- Re: Request to Testify on Conflict of Interest Rule – Retirement Investment Advice (RIN 1210-AB32); Proposed Amendments to Prohibited Transaction Exemption (PTE) 84-24 (ZRIN 1210-ZA25); and Proposed Best Interest Contract Exemption (ZRIN 1210-ZA25)
- Re: Request to Testify regarding the Economic Impact of the Proposed Rule, Prohibited Transaction Exemption 84-24 and Best Interest Contract Exemption

Dear Sir or Madam:

I am writing to request that the Insured Retirement Institute (“IRI”) be provided the opportunity to testify at the hearing on August 10-12 regarding the following:

- (1) Department of Labor’s proposed regulation defining an investment advice fiduciary under the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986, as well as the related prohibited transaction exemption proposals; and
- (2) Economic impact of the above referenced rule and prohibited transaction exemptions, including findings from the study conducted by Deloitte & Touche LLP titled, *Anticipated Operational Impacts to the Insured Retirement Industry of the Department of Labor’s Proposed Rules for the Definition of Fiduciary Advice*.

Nick Lane, Head of U.S. Life & Retirement, AXA, and Chairman of the IRI Board of Directors, will testify on behalf of IRI regarding the proposed rule and prohibited transaction exemptions. IRI will designate an appropriate expert to testify on the economic impact of the rulemaking.

As the only national trade association that represents the entire supply chain of the retirement income industry which manages more than \$2 trillion for retirement savers, IRI is uniquely qualified to comment on the implications of the proposed regulation for manufacturers, distributors and consumers of annuity products. We have more than 180 member companies, including major life insurers, banks, broker-dealers, and asset management companies. Our members manage more than 95 percent of annuity assets, include

the top 10 distributors ranked by assets under management, and are represented by more than 200,000 registered financial advisors who serve over 22.5 million households in communities throughout the country. With this diverse membership and focus on the retirement income market, IRI brings a holistic perspective from across the financial services industry and from Main Street America, as well as a deep understanding of how consumers and financial professionals use retirement income products.

IRI and its member companies share the Administration's goal of helping American workers attain a financially secure retirement and fully support the application of a "best interest" standard to recommendations of annuities and other investment products to plan participants and beneficiaries, as well as IRA holders. However, we have significant concerns that, as currently written, the proposal would unintentionally deny millions of American savers' access to retirement planning assistance and education. As we have demonstrated during our previous meetings with the Department, we will provide constructive comments to assist the Department in revising the rule in a manner that will avoid these unintended consequences.

While we will be prepared to discuss any aspect of the rulemaking, our testimony will primarily focus on subject matter expert analysis from our member companies, and the results of recent IRI research, regarding the following:

1. The importance of access to guaranteed lifetime income products, and the need for a level playing field for all annuities;
2. Our members' concerns about the proposed expansion of the definition of "fiduciary" to include routine, non-fiduciary activities;
3. The need for a standard that would require financial professionals to put their clients' best interest first without prohibiting any consideration of their own interests;
4. Our recommendations to make the "reasonable compensation" requirements more clear and objective, and to make the disclosure requirements more focused on consumer needs;
5. The operational barriers, challenges and costs associated with implementation of the proposal.

We therefore respectfully request that IRI be provided the opportunity to testify at the hearing as we believe our expertise and uniquely diverse membership would be beneficial to the Department's efforts. Please feel free to contact me or Lee Covington, Senior Vice President and General Counsel, at (202) 469-3002, if we can provide additional information or to further discuss this request.

Sincerely,



Catherine J. Weatherford  
President & CEO  
Insured Retirement Institute