

PUBLIC SUBMISSION

Received: March 09, 2017 Status: Pending_Post Tracking No. 1k1-8v5r-mxv0 Comments Due: March 17, 2017 Submission Type: API

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-13051

Comment on FR Doc # 2017-04096

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General Comment

I want to state my support for a delay in implementation of the Department of Labor's Fiduciary rule. As the owner of an independent IMO, we fully support doing the right thing for the consumer every day and acting as a fiduciary. However, the current rule has several flaws that make this more about consolidating power from a few large firms and ultimately hurting consumers with higher costs and hurting small business in the US.

The new rule has lumped fixed insurance products with guarantees in with securities. It has been established and re-established that fixed and fixed indexed annuities are not securities under 151a. The original point of this review was to bring the broker/dealer and registered investment advisor worlds together under one fiduciary rule. The last minute inclusion of fixed and fixed indexed annuities should have been

beyond the scope of this rule. Fixed annuities are the only financial products that can protect against loss and provide guaranteed lifetime income that many Americans want and need.

My brother and I are second generation owners of an IMO that has been in business for over 35 years. Our philosophy has always been to put the consumers needs first, rather than just growing our premium volume. As a result, we have kept ourselves smaller to be more nimble and responsive to consumer and agent needs. It was not about getting big. It was about doing the right thing. Because of this philosophy, we would not meet the criteria to be a Financial Institution. Also, small business is the growth engine for jobs in this country. Any rule or regulation that is According to the new proposed rules, the DOL is requiring an IMO to have done has to do \$1.5 billion a year of annuity premium and have significant capital to be a Financial Institution, but a RIA with one rep. and minimal financial resources is automatically qualified to be a Financial Institution. This makes no sense!

Legal liability is another significant area of concern. It was made clear by the DOLs words and actions that compliance was being left to the plaintiffs bar. This is going to significantly increase the cost of provided advice and ultimately raising costs to consumers. The insurance industry is already one of the most heavily regulated industries in the U.S. We do not need to be encouraging more legal action in this country it is an epidemic already!

In conclusion, I ask that our elected representatives take a strong look at this entire issue and work to create a workable solution that meets the spirit of the concept of doing the right thing for the consumer every day but also actually does not significantly increase the cost of helping them and does not needlessly impede businesses from being able to help consumers.