



SHURWEST

March 16, 2017

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

Attn: Fiduciary Rule Examination

VIA EMAIL: EBSA.FiduciaryRuleExamination@dol.gov

Re: RIN 1210-AB79
60-Day Proposed Delay of Rule

Ladies and Gentlemen:

This letter is written on behalf of Shurwest, LLC (“Shurwest”), a Scottsdale, Arizona-based independent marketing organization (“IMO”). Thank you for allowing us the opportunity to comment on the United States Department of Labor’s (“DOL or Department”) proposed rule extending the applicability date (“proposed delay”) of the Department’s proposed Conflicts of Interest Rule (“Rule”).

As expressed before, Shurwest wholly supports the intent of the Department’s Rule in acting in the best interest of the Retirement Investor. And for the many reasons below, **we firmly believe that delaying the Rule is in the best interest of the Retirement Investor.** We believe that not only is a 60-day delay important, but that an even longer delay is necessary for the following reasons:

1. The DOL indicated its intent to examine the Rule in its entirety in response to the Presidential directive issued on February 3, 2017. It makes no sense to implement the Rule as it currently exists and then, after examination, most likely modify the

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Rule. This would cause confusion with Retirement Investors and overall disruption in the industry due to potential changes in processes and technology.

2. Confusion surrounding the Rule currently remains industry-wide. Even after three sets of FAQs which attempted to clarify the 1000+ page Rule, there are countless unanswered questions resulting from the Department's lack of clarity on practical implementation questions and the finalization of requirements pertaining to Rule's technical matters. This will affect all constituencies, including Retirement Investors, advisors, IMOs and carriers. **A delay will give the needed time to clarify requirements and promote consistency to all of the aforementioned parties, which will in turn protect the Retirement Investor by reducing IMO and industry compliance costs and legal fees—ultimately saving Retirement Investors money.**
3. Because of the ongoing debate about possible delays and confusion regarding Rule requirements, information technology (IT) system development and universal process changes required in the financial services industry are in various stages of development in several segments of the industry—with **very limited user testing and training to date**. There are dozens of insurance carriers offering nearly 400 Fixed Indexed Annuity ("FIA") products through many IMOs—requiring multiple parties and constituencies to change their infrastructure. As a result, the industry is simply not ready, despite the significant efforts and great expense focused on readiness. This could potentially cause harm to Retirement Investors by limiting their access to FIAs due to untested system platforms and technology, and time is needed for user testing and training. Additionally, IMOs that survive the proposed Rule requirements will most likely pare down costs by supporting fewer insurance carriers—which means **fewer product choices for Retirement Investors**.
4. The Department has stated that if a 60-day delay is implemented, Retirement Investors will realize potential losses. Additionally, the Department formulated this assertion using "empirical evidence that front-end load mutual funds that share more of a load with distributing brokers attract more flows but perform worse." We will be very clear on this matter: Front-end load mutual funds cannot be compared to FIAs. The fact that this assertion was made indicates a lack of understanding of Fixed Index Annuities by the Department.

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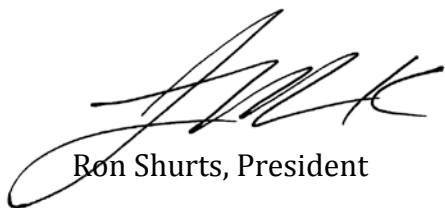
Fixed Indexed Annuities are **insurance** products, while front-load mutual funds are **investment** products. Front-load mutual funds pay advisors an up-front commission **paid by the investor**, but offer no guarantee to the investor with respect to market risk, interest rate risk or duration risk. **Mutual funds are subject to volatile stock markets and/or Federal Reserve interest rate changes, with no guarantees.**

On the other hand, most FIAs pay an up-front commission **paid by the carrier or institution** and offer Retirement Investors **specific guarantees** backed by the financial strength of the insurance carriers, including the option for lifetime retirement income. If the applicability date of the Rule is not delayed, Retirement Investors will lose availability and access to FIAs that can be in their best interests for guaranteed capital preservation and income protection as carriers modify product offerings and/or eliminate products altogether.

Once again, Shurwest wholly supports the intent of the Rule of acting in the best interest of the Retirement Investor but firmly states that a **60-day delay** (minimum) of the Rule's applicability date is **required**. While Shurwest does not provide retirement advice directly to clients or consumers, it has been our goal since 1992 to provide marketing support, assistance and quality information to our independent adviser partners regarding sound retirement investment choices. It is this long-standing experience in the industry that gives Shurwest the foundation to make this recommendation.

Shurwest strongly supports the 60-day proposed delay and urges an even longer delay to allow for the review and launch of a final Rule that thoroughly defines requirements for all parties, and allows all segments of the financial services industry to better serve Retirement Investors. We would be more than happy to discuss this letter. Please feel free to contact us at (800) 440-1088.

Best Regards,



Ron Shurts, President

Jim Maschek, Vice President of Distribution