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March 17, 2017

VIA EMAIL – (EBSA.FiduciaryRuleExamination@dol.gov)

Office of Regulations and Interpretations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room N-5655
Washington, DC 20210

Attention: Fiduciary Rule Examination

RE: RIN 1210-AB79, Definition of the Term “Fiduciary”;
Conflict of Interest Rule – Retirement Investment Advice;
Best Interest Contract Exemption (Prohibited Transaction
Exemption 2016 – 01); Prohibited Transaction Exemption 84-24

Dear Sir or Madam:

On behalf of the companies of CUNA Mutual Group (“CUNA Mutual”), we are pleased to provide comments to the Department of Labor’s proposal to delay by 60 days the applicability date of the final regulation defining the term “fiduciary” under the Employee Retirement Income Security Act of 1974.¹ As outlined below, we are supportive of the proposal to extend the applicability date of the Regulation from April 10, 2017, to June 9, 2017. Such a delay will provide additional time to refine compliance procedures and minimize customer disruption.

CUNA Mutual is the nation’s leading provider of financial products and services to credit unions and credit union members. We make available various insurance and investment products to millions of credit union members across the United States and many of these members comprise the “retirement investors” of modest means impacted by the Regulation. As part of the cooperative movement, we embrace the credit union philosophy of “people helping people.” As such, we are supportive of the spirit of the Regulation and the goal of protecting retirement investors.

We have watched closely the unfolding dynamic: litigation challenging the Regulation; activities of the Department of Labor to provide additional guidance (October 2016 and January 2017); and the most recent presidential memorandum on February 3, 2017. Because of the complexity of the rule, substantial resources have been allocated and these various governmental actions continue to add even more uncertainty, complexity and cost. This fluid environment now presents the possibility of future changes to the Regulation. To facilitate stability, we believe a 60-day delay is prudent and would minimize consumer confusion in our interaction and communications with our members.

¹ Included in this delay is also the Best Interest Contract Exemption, amendments to prohibited transaction exemption 84-24 issued by the Department on April 8, 2016 (collectively, the Regulation).

As stated in our earlier comments, we are most concerned with the primary enforcement mechanism of the Regulation and the exposure to private causes of action and class action litigation. We reaffirm that this is not sound public policy. As a provider of property-casualty insurance to credit unions, we are familiar with the tactics of the plaintiff's trial bar, and we can expect a confusing patchwork of case law across the 50 states. Financial companies and advisors are likely to experience an increase in frivolous lawsuits in the marketplace, which will lead to increased costs for people of modest means and retirement investors. How this unfolds is unpredictable, which further adds complexity and uncertainty to the landscape.

In summary, we support the proposed 60-day delay. Thank you for the opportunity to provide these comments and to advance our common goal of helping credit union members and protecting retirement investors.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael F. Anderson", with a long horizontal flourish extending to the right.

Michael F. Anderson
Senior Vice President and Chief Legal Officer