

July 21, 2017

Submitted electronically to: EBSA.FiduciaryRuleExamination@dol.gov

Office of Exemption Determinations
Employee Benefits Security Administration, Attention: D-11933
U.S. Department of Labor
200 Constitution Avenue NW, Suite 400
Washington, DC 20210
Attention: Fiduciary Rule Examination

Re: Request for Information Regarding the Fiduciary Rule and Prohibited Transaction Exemptions (RIN 1210-AB82)

Ladies and Gentlemen:

Massachusetts Mutual Life Insurance Company (“MassMutual”) appreciates the opportunity to provide these comments regarding the Department of Labor’s (“Department”) request for information (“RFI”) on the advisability of extending the January 1, 2018 applicability date (the “Applicability Date”) of certain provisions of new Best Interest Contract Exemption (the “BIC Exemption”), and the amendments to prohibited transaction exemption 84-24 issued by the Department on April 8, 2016 (collectively, the “PTEs”).

MassMutual is a leading mutual life insurance company and Fortune 100 Company headquartered in Springfield, Massachusetts. As a mutual company, we operate for the benefit of our members and participating policyholders, and offer a range of quality financial products and solutions, including life, disability and long-term care insurance, annuities and retirement/401(k) plan services. MassMutual has a long record of supporting the goals of protecting investors and encouraging retirement savings. Acting in the best interest of our customers is at the core of our mission to secure their future and protect the ones they love. We support a workable best interest standard of care, and therefore believe, for the reasons discussed below, that the Department should announce as soon as possible a meaningful delay in the Applicability Date of at least one year.

Without a prompt delay, investment advisors, broker-dealers, insurers and other financial services companies will be required to significantly accelerate spending millions of dollars now on systems and readiness work necessary to implement the very provisions of the PTEs that the

Department is considering changing. As acknowledged in the RFI, the Department is still in the process of reviewing and analyzing comments it received in response to the Department's March 2, 2017 request for comments on issues raised in the Presidential Memorandum concerning the final regulation defining the term "fiduciary" under the Employee Retirement Income Security Act of 1974, as amended, and the PTEs (collectively, the "Fiduciary Rule"). The Department will also be receiving additional comments and information regarding the Fiduciary Rule in response to the RFI that it will need to review and analyze. We respectfully submit that it makes no sense from a policy or economic perspective to have companies build compliance systems and processes before the Department completes its work. Of course, companies will need adequate time following a final decision by the Department in order to implement these systems efficiently and effectively.

Delaying the Applicability Date will also benefit retirement investors by ensuring that their access to products or advice is not needlessly restricted or reduced as result of financial institutions and advisers making changes to business models in preparation for the January 1st Applicability Date that may prove unnecessary if the Department ultimately determines changes are needed to the PTEs, as we believe they are.

Equally important, a delay also is necessary to provide the Department the time necessary to work together with the Securities and Exchange Commission ("SEC") and the National Association of Insurance Commissioners ("NAIC") to create a uniform best interest standard of care for both qualified and non-qualified sales of securities and annuities which would greatly benefit consumers. In fact, Labor Secretary Acosta and SEC Chairman Clayton told lawmakers on June 27th that they will work together on the Fiduciary Rule. As Chairman Acosta acknowledged, "[t]he SEC has important expertise and they need to be part of the conversation." And SEC Chairman Clayton stated: "It's my intent as chairman to try and move forward and effectively deal with that in a way that is coordinated so that our Main Street investors have access to investment advice and access to investment products...[and] at the same time very much fulfilling our investor-protection mission." The NAIC, the primary functional regulator for annuities, also intends to explore a best interest standard. The regulators' desire to move forward in a coordinated manner is only possible if the Department provides a substantial delay in the January 1, 2018 requirements.

Finally, delaying the Applicability Date will reduce burdens on financial services providers and benefit retirement investors by allowing for more efficient and thoughtful implementation of new compliance tools, investment options and other market developments. For example, the RFI notes the recent market innovation of mutual fund "clean shares". However, this innovation is in its nascent stage. Time is needed for a critical mass of mutual fund families to develop clean shares (currently, only a limited number of fund complexes offer clean shares for brokerage clients). And to ensure that this innovation actually benefits consumers, retail distributors need time to (i) evaluate whether this option is more beneficial to investors than other share classes

available now or being developed, and (ii) to build the systems and related compliance infrastructure (e.g., policies & procedures, disclosures, training) necessary to offer them. We believe that this process will take at least a year, but likely longer.

While the benefits of a delay to both retirement investors and advisers are very significant, the costs of a delay are minimal. Since June 9th advisers have been subject to the Fiduciary Rule's impartial conduct requirement. As the Department itself recognized when it delayed the Fiduciary Rule's applicability date for sixty days, the imposition of those requirements, will result in retirement investors generally receiving the economic gains that it found would result from the fiduciary rule making.

We very much appreciate the opportunity to comment on the need for a delay which will help ensure that the transition to a final regulatory regime preserves the ability of Americans to gain access to financial advice for their retirement accounts while avoiding unnecessary disruption to the financial services marketplace.

Please do not hesitate to contact us with any comments or questions, or if further information would be helpful.

Respectfully submitted,



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