July 21, 2017

Filed Electronically

Office of Exemption Determinations
U.S Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Re: Fiduciary Rule – Request for Extension of Transition Period (RIN 1210-AB82)

Dear Sir or Madam:

Great-West Financial ("Great-West") appreciates the opportunity to comment on the Request for Information Regarding the Fiduciary Rule and Prohibited Transaction Exemption (RFI) published on July 6, 2017. The Department of Labor (DOL) requested public input regarding the advisability of extending the January 1, 2018 applicability date of certain provisions in the Best Interest Contract Exemption (BIC).

For the reasons discussed below, we request that DOL promptly issue guidance extending the transition period while DOL undertakes the review of the Fiduciary Rule required by the February 3 Presidential Memorandum. An immediate extension is necessary to avoid confusion and harm to retirement investors and to avoid subjecting the industry to unnecessary expense and disruption. Retirement Investors will be sufficiently protected by the impartial conduct conditions of the BIC and 84-24 in effect during the current transition period.

Great-West provides insurance, annuity and investment products to many thousands of benefit plans and IRAs through its relationship with Empower Retirement, our related retirement business, and among independent broker-dealers, banks, and investment advisers alike. Great-West has been at the forefront of developing innovative products and investments that help workers accumulate and manage income in retirement.

Compliance Uncertainty Leads to Market Disruption

Financial service providers, both product manufacturers and distributors, have incurred significant costs associated with training, systems, web re-design, and product development. In order for retirement investors to efficiently receive advice and have a diverse array of available investment products in the post-Fiduciary Rule world, compliance uncertainty associated with Fiduciary Rule and PTE requirements must be removed from the marketplace.

We believe a reasonable delay will allow companies to comply and significantly remove the uncertainty in the market which will allow retirement investors to receive beneficial advice and innovative investment products.

GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY
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Feedback and Coordination

It is possible, if not likely, that DOL's review of the Fiduciary Rule and related exemptions will result in material changes. That is particularly true given the fact that DOL has signaled an intention to coordinate with the Securities and Exchange Commission (SEC), which is also requesting information related to the development of a fiduciary standard. As noted, significant expenses and resources are being devoted to the implementation of provisions that may be dramatically changed.

In the absence of notification of an extension, the regulated community must operate under the assumption that the January 1, 2018 applicability date remains effective. During this period of uncertainty the resources discussed above will continue to be focused on implementing provisions that may change. Without knowledge of what the changes may be, time is being wasted and needless expenses are being incurred.

Recommendations

In light of the foregoing, we would make the following recommendations:

- DOL should issue an Interim Final Rule that extends the current Transition Period relief and conditions, as articulated in 82 F.R. 16902- 16918 until January 1, 2019. It is critically important that DOL issue such a rule as soon as possible. Preferably by August 1, 2017 and no later than August 31, 2017. As noted above, this is needed to prevent unnecessary implementation costs. As the year progresses the resources committed to implementation will increase and the ability to effectively reallocate those resources will diminish.

- DOL should publicly commit to providing no less than a 12 month notice as to what the final conditions of the existing and any newly proposed exemptions will be before such conditions take effect. This will permit distributors and product manufacturers to conserve resources while the DOL performs its review and to efficiently implement compliance structures once the final conditions are known.

- Should DOL and SEC coordinate their efforts to arrive at uniform standards of conduct, both DOL and SEC should publically commit to providing no less than a 12 month notice of the new standards prior to their effective date. Once again, this will permit service providers to conserve resources efficiently implement compliance structures.

- The DOL should extend the non-enforcement relief under FAB 2017-02 to coincide with the extension, if any, of that the transition period.

We believe that the transition period rules are sufficiently protective of retirement investors. As DOL noted in the April 7, 2018 60-day delay of the Fiduciary Rule's applicability date and concurrent reduction in conditions for the transition period, retirement investors already achieve the vast majority of the predicted monetary benefits of the Fiduciary Rule through the application of the Impartial Conduct Standards, including the imposition of the best interest standard. Such protections can continue even if the Transition Period is extended without much, if any, cost to the consumers.

Finally we would respectfully request that DOL extend the information collection period for the remaining requests in the RFI beyond August 7, 2017. The RFI raises a considerable number of issues, and it will take time for investment providers and other stakeholders to provide thoughtful and helpful responses. The current thirty day deadline is an insufficient amount of time, particularly given the challenges with trying to prepare to comply with the BIC after the transition period.

We appreciate DOL's consideration of this important matter, and we intend to provide additional comments on other issues raised by the RFI. We look forward to working with DOL to complete its review of the Fiduciary Rule and related exemptions.

Sincerely,

Robert K. Shaw
President, Individual Markets

David Musto, President, Great-West Investments