DAVE JONES
Insurance Commissioner

July 21, 2017

The Honorable R. Alexander Acosta, Secretary of Labor
Timothy D. Hauser, Deputy Assistant Secretary for Program Operations
Brian Shiker, Employee Benefits Law Specialist
U.S. Department of Labor
Office of Exemption Determinations
EBSA (Attention: D-11933)
200 Constitution Avenue NW., Suite 400
Washington, DC 20210
Email: EBSA.FiduciaryRuleExamination@dol.gov

SUBJECT: RIN 1210-AB82
Comment Responsive to Question One Regarding Delaying the January 1, 2018, the Applicability Date of the BIC, Principal Transactions Exemption and Amendments to PTE 84-24

Dear Mr. Secretary, Mr. Hauser and Mr. Shiker:

I am writing in response to the first question in the Request for Information Regarding the Fiduciary Rule and Prohibited Transaction Exemptions (82 FR 31278) issued July 6, 2017. **I urge that you not delay the applicability date of the BIC, Principal Transactions Exemption, and amendments to PTE 84-24 beyond your new target date of January 1, 2018.**

I strongly support the Department of Labor's Fiduciary Rule, and related Exemptions. These regulations were carefully designed to put an end to conflicted advice in the context of ERISA plans and IRAs.

Our aging population must save as much money as possible to ensure that sufficient funds are available for a comfortable retirement. Many invest their nest eggs in ERISA plans and IRAs. In the insurance context, existing suitability requirements for sales of annuities fall short. There is no fiduciary duty and no prohibition against conflicted advice. Given the complex nature of financial products like variable and fixed index annuities, consumers must rely on the advice of these advisers. We know from our enforcement cases that at the time of sale, consumers believe that their advisers have their best interests at heart. Consumers are not informed and do not realize that the investment choices their advisers recommend are driven largely by the amount of

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compensation the advisers will receive for the sale of these products. Further, consumers are not told that they will make less money than they otherwise would have had they not relied on conflicted advice.

The Fiduciary Rule and related exemptions issued on April 8, 2016, with a mandatory applicability date of April 10, 2017. Yet, as of June 9, 2017, advisers need only comply with the new definition of "Fiduciary Rule" and Impartial Conduct Standards in the BIC, Principal Transactions Exemption, and PTE 84-24. Requiring compliance with only these few provisions is insufficient to ensure that consumers receive unconflicted advice. The longer you delay full implementation, the more retirement monies consumers will lose as a result of receiving conflicted advice.

The new January 1, 2018 deadline is almost two years after the date these regulations originally issued. This is more than ample time for advisers and financial institutions to come into compliance with all of the new requirements. This deadline should not be pushed back any further.

Sincerely,

Dave Jones

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Insurance Commissioner