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Via <http://www.regulations.gov>

April 28, 2015

Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20201

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Re: Comment Period for Conflict of Interest Rule and Related Exemptions

To Whom It May Concern:

We are writing to request a 45-day extension of the comment period for the U.S. Department of Labor's (the "Department") proposals regarding the (1) Definition of the Term "Fiduciary"; Conflict of Interest Rule—Retirement Investment Advice,¹ (2) Best Interest Contract Exemption,² (3) Principal Transaction Exemption,³ and (4) related amendments to four existing prohibited transaction exemptions⁴ (collectively, the "Proposal").

As a fraternal benefit society organized under section 501(c)(8) of the Internal Revenue Code,⁵ Thrivent Financial is a not-for-profit, membership organization of Christians. We offer a broad range of financial

¹ Dep't of Labor, Employee Benefits Sec. Admin., Definition of Term "Fiduciary"; Conflict of Interest Rule—Retirement Investment Advice, 80 Fed. Reg. 21,928 (Apr. 20, 2015) (the "Re-Proposing Release"), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-04-20/pdf/2015-08831.pdf>.

² Dep't of Labor, Employee Benefits Sec. Admin., Proposed Best Interest Contract Exemption, Application No. D-11712, 80 Fed. Reg. 21,960 (Apr. 20, 2015), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-04-20/pdf/2015-08832.pdf>.

³ Dep't of Labor, Employee Benefits Sec. Admin., Proposed Class Exemption for Principal Transactions in Certain Debt Securities between Investment Advice Fiduciaries and Employee Benefit Plans and IRAs, Application No. D-11713, 80 Fed. Reg. 21,989 (Apr. 20, 2015), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-04-20/pdf/2015-08833.pdf>.

⁴ Dep't of Labor, Employee Benefits Sec. Admin., Proposed Amendment to Prohibited Transaction Exemption (PTE) 75-1, Part V, Exemptions from Prohibitions Respecting Certain Classes of Transactions Involving Employee Benefit Plans and Broker-Dealers; Prohibitions Respecting Certain Classes of Transactions Involving Employee Benefits Plans and Certain Broker-Dealers, Reporting Dealers and Banks, Application No. D-11687, 80 Fed. Reg. 22,004 (Apr. 20, 2015), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-04-20/pdf/2015-08836.pdf>; Dep't of Labor, Employee Benefits Sec. Admin., Proposed Amendment to and Proposed Partial Revocation of Prohibited Transaction Exemption (PTE) 84-24 for Certain Transactions Involving Insurance Agents and Brokers, Pension Consultants, Insurance Companies and Investment Company Principal Underwriters, Application No. D-11850, 80 Fed. Reg. 22,010 (Apr. 20, 2015), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-04-20/pdf/2015-08837.pdf>; Dep't of Labor, Employee Benefits Sec. Admin., Proposed Amendment to and Proposed Partial Revocation of Prohibited Transaction Exemption (PTE) 86-128 for Securities Transactions Involving Employee Benefit Plans and Broker-Dealers; Proposed Amendment to and Proposed Partial Revocation of PTE 75-1, Exemptions From Prohibitions Respecting Certain Classes of Transactions Involving Employee Benefit Plans and Certain Broker-Dealers, Reporting Dealers and Banks, Application No. D-11327, 80 Fed. Reg. 22,021 (Apr. 20, 2015), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-04-20/pdf/2015-08838.pdf>; and Employee Benefits Sec. Admin., Proposed Amendments to Class Exemptions 75-1, 77-4, 80-83 and 83-1, Application No. D-11820, 80 Fed. Reg. 22,035 (Apr. 20, 2015), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-04-20/pdf/2015-08839.pdf>.

⁵ I.R.C. § 501(c)(8)

products and services, including life insurance, annuities disability insurance and long term care coverage. We also distribute proprietary mutual funds through a subsidiary. These products are offered to our membership through the tailored guidance of our financial representatives nationwide. For more than a century, we've helped our 2.4 million member-owners nationwide be wise with money and live generously. We have more than 2,300 licensed financial representatives in all 50 states; manage more than \$105 billion in assets under management, and have approximately \$182.5 billion of individual life insurance in force. As a fraternal benefit society, we also carry out a mission of charitable, educational and other fraternal purposes in service to communities nationwide.

The impact of the proposed rule will be felt by our members we serve with advice regarding IRAs, largely people of modest means. Of those members, 54% have an annual household income of less than \$75,000 and 50% have less than \$25,000 in their IRA. We presently have 467,062 members who have IRAs with us.

As the Department is aware, the Proposal comprises a voluminous amount of information and, if adopted, would represent a watershed event touching many aspects of Thrivent operations. The Proposal contains detailed new rules, a new exemption that will subject IRA advisers to increased legal risk for violations of strict prudence requirements, and a host of detailed changes to existing and widely-used exemptions. Our regulatory compliance staff will require time to assess our ability to revise our internal policies to comply with the conditions of the exemptions—which are fundamental to the ability of our financial representatives to continue to provide essential services to our members, but which will require significant changes in policies and practices, as well as new disclosure mechanisms.

We appreciate that, in response to comments received following the release of the predecessor proposal in October 2010 (the "2010 Predecessor Proposal"),⁶ the Department has spent considerable time and effort to incorporate into the Proposal an avenue for advisers and financial institutions to continue to provide services to retirement investors and receive compensation through commission-based arrangements. Consistent with the Department's request, Thrivent and our regulatory compliance staff are committed to taking a thoughtful and well-informed approach to commenting on the Proposal. To do so, we will need sufficient time to carefully analyze and understand the practical implications of the Proposal.

Given the Proposal's breadth and the far reaching modifications that will be required to meet the conditions to the exemptive relief that the Department perceives as important for the protection of the interests of retirement investors, the 75-day comment period does not provide adequate time for our staff to determine whether we can continue to effectively service the needs of our members within the framework presented in the Proposal.

Our concerns with the 75-day comment period are supported by the history of the Proposal. The 2010 Predecessor Proposal (1) was shorter and less complicated than the Proposal; (2) did not include any exemptions, as opposed to the Proposal, which has two new exemptions and amendments to four existing exemptions; and (3) contained an economic analysis that was a fraction as long as the economic

⁶ Dep't of Labor, Employee Benefits Sec. Admin., Definition of the Term "Fiduciary," 75 Fed. Reg. 65,263 (Oct. 22, 2010) (the "Proposing Release"), *available at* <http://webapps.dol.gov/FederalRegister/PdfDisplay.aspx?DocId=24328>.

analysis regarding the Proposal.⁷ Yet not only did the Department provide a 90-day comment period with respect to the 2010 Predecessor Proposal, but the Department also recognized that 90 days was insufficient, later adding two additional weeks to the comment period. In connection with the extension, the Department stated:

"We recognize the significance of the proposed rule for plans, participants, beneficiaries and many plan service providers and therefore believe the steps we are announcing today will ensure broad consideration of all the issues and interests in this regulation."⁸

We applauded the Department's decision to establish a 104-day comment period with respect to the 2010 Predecessor Proposal, and to have a hearing and a post-hearing comment period in 2011. In that context, Thrivent remains very concerned about the much shorter 75-day period provided with respect to a much longer and more complicated Proposal.

For these reasons, we are joining others in requesting a 45-day extension of the comment period. We believe that a 120-day comment period would lead to more thoughtful and comprehensive input, which will ultimately increase the possibility for a more workable final rule that would benefit all parties.

Respectfully submitted,



Teresa Rasmussen, Senior Vice President, Secretary and General Counsel

Cc: Mr. Fred Wong,
Office of Regulations of Interpretations
Employee Benefits Security Administration
U.S. Department of Labor

Ms. Karen Lloyd
Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor

Mr. G. Christopher Cosby
Office of Policy and Research
Employee Benefits Security Administration
U.S. Department of Labor

The Honorable Howard Shelanski, Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget

⁷ While we appreciate the significantly more extensive economic analysis of the Proposal compared with the insufficient analysis of the 2010 Predecessor Proposal, the Proposal's economic analysis will require extensive time and resources for review and analysis.

⁸ EBSA NEWS (Dec. 22, 2010).