

September 15, 2017

Office of Exemption Determinations
Employee Benefits Security Administration
United States Department of Labor
200 Constitution Avenue NW, Suite 400
Washington, D.C. 20210

Attn: D-11712, 11713, 11850

VIA EMAIL: EBSA.FiduciaryRuleExamination@dol.gov

Re: RIN 1210-AB82
Comments in response to the proposed Extension of Transition Period and Delay of
Applicability Dates

Dear Sir or Madam:

This letter is written on behalf of Asset Marketing Systems Insurance Services, LLC (hereinafter “Asset Marketing”), an Insurance Intermediary (“IMO”) based in San Diego, California. Asset Marketing is hereby providing its comments to the Department of Labor’s (“DOL” or “Department”) most recent proposed amendments to PTE 2016-01, PTE 2016-02, and PTE 84-24 (“Proposed Amendments”) as published in the Federal Register on August 31, 2017 (82 FR 41365).

Asset Marketing appreciates this opportunity to provide additional feedback on the Proposed Amendments to the Department’s Conflicts of Interest Rule (“Rule”) and the extension of time to the transition period that the Proposed Amendments set forth. As stated in our previous comment letters, Asset Marketing believes it is imperative for the Department to take the necessary time to review the Rule and respond to the Presidential Memorandum of February 3, 2017, and we fully support a delay in the final applicability date.

The Department has specifically requested comments on which type of delay would best serve the needs of both the retirement investors and the financial services industry: 1) a date certain, 2) a specified amount of time after a specific event, or 3) a tiered approach. Asset Marketing believes that the best approach of the three discussed by the Department is a tiered approach.¹

¹ In our letter of July 17, 2017, Asset Marketing specifically requested that the Department delay the January 1, 2018, Applicability Date for a reasonable time following the mandated review of the Rule and the modification or rescission to any provisions of the Rule or the PTEs. Upon further reflection, we believe that a tiered approach is better than what we suggested in our previous letter and provides the greatest flexibility while simultaneously providing certainty to the industry.

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As noted in the Proposed Amendments, the Department has not completed its review of the Rule as mandated by the Presidential Memorandum of February 3, 2017. 82 FR at 41371-41372. It will take time for the Department to complete its review, respond to the Presidential Memorandum, propose any modifications or changes, and solicit comment and feedback from the public. Once a modified rule has been finalized, the industry will need a reasonable amount of time to comply with this modified rule. As such, Asset Marketing believes that a tiered approach is the best option and recommends that the Department make the final rule applicable as of the **later of** July 1, 2019, or 18 months after the Department has completed its review and released a final and effective rule.²

It should be noted that the Department has yet to respond to the comments it received on its Proposed IMO Exemption (January 19, 2017; 82 FR 7336). Since Asset is an IMO and works with independent producers to sell insurance products to retirement investors (including fixed annuities, fixed-indexed annuities, and life insurance), any release of a modified Rule or the associated PTEs (especially PTE 84-24) should be included in the Department's final action before the 18-month clock starts ticking as outlined above.

Because the Impartial Conduct Standards remain in place during any transition period, we believe that it is important that the Department take the time to adequately address the issues raised in the Presidential Memorandum and in the comments it received in response to both the Proposed IMO Exemption and Request for Information (July 7, 2017; 82 FR 31278).

Thank you again for the opportunity to provide comments and feedback. Please feel free to reach out to me with any questions, comments, or concerns.

Sincerely,

ASSET MARKETING SYSTEMS INSURANCE SERVICES, LLC



Jennifer K. Schendel
President & CEO

² In making this recommendation to the Department, Asset Marketing believes that it is important that the DOL also consult with the SEC, FINRA, the NAIC, and state departments of insurance as to whether a uniform fiduciary standard would provide a better and more uniform solution to the issue the Department was seeking to address with its Rule. If it becomes clear that a uniform fiduciary standard is a possibility, then Asset Marketing would support a delay until 18 months following the release of a final uniform fiduciary rule.