



Kitty Kennedy Nelson
President and COO

February 12, 2018

Timothy D. Hauser
DOL-Deputy Assistant Secretary
200 Constitution Ave, NW, Ste N-5677
Washington DC 20210

Dear Deputy Assistant Secretary Hauser,

I am writing you on a matter of great importance to National Western Life, its employees, its distributors, and most importantly our policyholders and their ability to adequately save for retirement; the DOL Fiduciary Rule.

National Western Life, incorporated in Colorado in 1956, is a life insurance and annuity company licensed in 49 states and the District of Columbia.

Paul Garofoli, our Vice President and Head of NMO Sales, met with you and others to discuss the pending Best Interest Contract (BIC) requirement as part of the DOL's Fiduciary Standard. Paul confirmed that you are well informed on this matter and he was appreciative of your time and that of your colleagues. He shared with me some of the highlights of your lively discussion. I wish I was there!

Our top issue is maintaining Fixed Indexed Annuities as fixed annuity products under the 84-24 exemption. The Fiduciary Rule was drafted and implemented without a satisfactory analysis or understanding of the insurance industry, and therefore it does not properly take into consideration the features or function of fixed-indexed annuities and their treatment under the Fiduciary Rule. A thorough understanding of the insurance industry, its products, and its regulation by each of the states is essential for any regulation, such as the Fiduciary Rule, that impacts the industry and its consumers so dramatically. All fixed annuities should be covered by PTE 84-24, or an equivalent exemption, that recognizes the unique features of fixed annuities. Otherwise, the rule's effects will ultimately limit consumer choice in preserving and protecting their retirement savings.

In addition, the Best Interest Contract requirement, scheduled for July, 2019 is, in our view, unworkable and impractical for independent distribution of fixed insurance products. Relief there is also sought.

Your efforts to seek changes to the rule, particularly the BIC, could help the fixed annuity market and consumer choices survive.

Thank you for your consideration and service.

Sincerely,



Kitty Nelson

President and Chief Operating Officer