



MIKE CAUSEY
INSURANCE COMMISSIONER

January 2, 2024

The Honorable Lisa M. Gomez
Assistant Secretary of Labor
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington DC 20210

Re: RIN 1210-AC02—Definition of Fiduciary

Dear Assistant Secretary Gomez:

Thank you for the opportunity to provide comments regarding the Department of Labor's proposed "Retirement Security Rule: Definition of an Investment Advice Fiduciary" and proposed amendments to the prohibited transaction exemptions (collectively, the "Proposed Rule"). As the Commissioner of Insurance for the State of North Carolina, I am writing to express my support for the comments on the Proposed Rule offered by the National Association of Insurance Commissioners.

I share the NAIC's concern regarding the potential impact the Proposed Rule could have on consumers and their access to lifetime income products as well as the Proposed Rule's lack of adequate consideration for the work state insurance regulators have done to protect consumers from conflicts of interest.

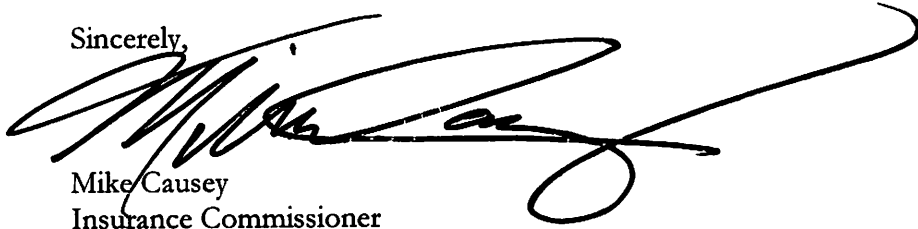
Since I was first elected as Commissioner, I have worked to provide more products, competitive prices, and consumer protection for North Carolina's consumers. As the NAIC comment letter points out, annuities are one of the few options for consumers looking for a guaranteed lifetime income stream as part of their retirement plan. The Proposed Rule threatens to limit consumers' access to these retirement savings products.

Moreover, I share the NAIC's disappointment in the mischaracterization of state consumer protections around annuity sales that use a best interest standard and its lack of consideration for the work that states have done. North Carolina is one of over forty states that have adopted the NAIC's revised Suitability in Annuity Transactions Model Regulation (#275). This revised model regulation, which was developed with input from both consumer representatives and the insurance

industry, requires a producer to act in the best interest of the consumer, without placing the producer's or the insurer's financial interest ahead of the consumer's interest. The Department should make more of an effort to ensure that any proposed regulation from it regarding annuities complements the work already done by the states to protect consumers.

In echoing the concerns raised by the NAIC, I ask you to withdraw the Proposed Rule as it fails to adequately consider the work that states have done to create consistent regulations governing the suitability of annuity recommendations or the traditional role of states as the primary regulators of annuity products.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Mike Causey". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mike Causey
Insurance Commissioner