July 20, 2020

U.S. Department of Labor
Employee Benefits Security Administration
Office of Regulations and Interpretations
200 Constitution Avenue N.W.
Room N-5655
Washington, DC 20210

Submitted Electronically to e-OED@dol.gov

Subject: Request for Information Regarding Prohibited Transactions Involving Pooled Employer Plans Under the SECURE Act and Other Multiple Employer Plans (Z-RIN 1210-ZA28)

Hello:

Sentry Insurance appreciates the opportunity to provide comments relating to your recent RFI for PEPs and MEPs.

Sentry Insurance is a member of ACLI and generally agrees with ACLI’s comment letter on this subject, but with the following amplification & clarification:

1) One of the proprietary products offered by insurance companies for PEPs will be a group annuity contract with a fixed rate of return. Sentry requests clarification from the DOL or exemptive relief that allows insurance companies to operate as a fiduciary plan administrator of a PEP (as required by SECURE) while simultaneously offering guaranteed insurance contracts (or other general account investment based products) as a nonfiduciary (in reliance on the definition of guaranteed benefit policy under ERISA and the advance notification of changes in the guaranteed rate of return for those products).

2) Sentry opposes conditioning exemptive relief on an additional external audit for insurance company PEP providers. Insurance companies are already heavily regulated and subject to a number of external reviews from auditors and state insurance commissioners; there is no need for an additional audit in order for an insurance company to act as a PPP for a PEP. The expense and effort of an additional audit will disfavor insurance companies – especially small life insurance companies like Sentry’s – as compared to other providers.

Thank you.
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