



Insured Retirement Institute

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IRI Provides New Information Showing Fiduciary Rule Will Harm Retirement Savers

Calls on Department to Delay Entire Rule, Collaborate with Other Regulators to Establish a Workable Alternative

WASHINGTON, D.C. – On April 17, the Insured Retirement Institute (IRI) submitted a comment letter to the Department of Labor calling for an extension of the applicability date for the entire Fiduciary Rule until the Department completes the review mandated by President Trump. IRI's comment letter provides new information showing the Rule is already harming Americans trying to save for retirement.

IRI President and CEO Cathy Weatherford issued the following statement:

"At a time when Americans are more responsible than ever for ensuring their own financial security throughout retirement, there has never been a greater need for accessible and affordable financial advice. That is why IRI and our members remain committed to supporting a 'best interest' standard for financial professionals."

"However, we continue to have significant concerns about the Department of Labor's Fiduciary Rule. While we were encouraged when President Trump directed the Department to undertake an examination of all questions of law and policy raised by the Rule, we were surprised when the Department concluded that the two core elements of the Rule – the significantly expanded fiduciary definition and the impartial conduct standards – are 'non-controversial' and therefore do not need to be delayed beyond June 9, 2017. This conclusion is simply incorrect and premature."

"We urge the Department to delay the applicability date for all aspects of the Fiduciary Rule so it can consider new information submitted by IRI and others showing the harmful impacts of the Rule on Americans planning for retirement. Moreover, we urge the Department to rescind the Rule based on this new information and collaborate with the appropriate federal and state regulators to develop a consistent and workable best interest standard that will allow consumers to access the financial advice they need to achieve a financially secure retirement."

Some of the key points from IRI's letter are highlighted below:

- The Department should further extend the applicability date for the entire Rule, including the fiduciary definition and the impartial conduct standards, to take the time necessary to analyze new information



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obtained since the original rulemaking; to correct procedural and analytical flaws with the rulemaking; and to complete the other elements of the review mandated by President Trump.

- New information obtained since the rulemaking clearly demonstrates that the Rule will make it harder for savers to plan for retirement by depriving them of access to affordable, holistic financial planning, education and a wide range of investment options.
- Requiring all financial professionals to operate as ERISA fiduciaries is inconsistent with the statutory text of ERISA and will cause significant dislocations or disruptions within the retirement services industry.
- The Rule will result in increased litigation because of the significant expansion of the definition of fiduciary and the inappropriate use of private right of action as the primary enforcement mechanism.
- In adopting the Rule, the Department failed to adequately consider a number of critical factors, including the Rule's impact on retirement savers' access to financial assistance, products and services; job losses likely to result from the Rule; the Rule's adverse impact on annuities; viable alternatives to the Rule; and comments provided by other regulators.
- The Department's Regulatory Impact Analysis overstated the benefits of the Rule and underestimated the Rule's direct and indirect costs to the financial services industry and retirement savers.

A copy IRI's full comment letter can be found [here](#).

About the Insured Retirement Institute: The Insured Retirement Institute (IRI) is the leading association for the retirement income industry. IRI proudly leads a national consumer coalition of more than 30 organizations, and is the only association that represents the entire supply chain of insured retirement strategies. IRI members are the major insurers, asset managers, broker-dealers/distributors, and 150,000 financial professionals. As a not-for-profit organization, IRI provides an objective forum for communication and education, and advocates for the sustainable retirement solutions Americans need to help achieve a secure and dignified retirement. Learn more at www.irionline.org.

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