



October 9, 2017

The Honorable Ann Wagner
U.S. House of Representatives
435 Cannon House Office Building
Washington DC 20515

Dear Congresswoman Wagner,

The undersigned associations support the passage of H.R. 3857, the Protecting Advice for Small Savers Act of 2017, which would establish a best interest standard of conduct for broker-dealers, provide appropriate exemptions under ERISA and the Internal Revenue Code for broker-dealers, insurers and others that are subject to the new statutory best-interest standard, and repeal the harmful Department of Labor (DOL) fiduciary rule.

We have long supported the Securities and Exchange Commission (SEC) moving forward to establish a best interest standard for broker-dealers when providing personalized investment advice. Further, we have consistently argued that the SEC should take the lead in this effort and apply such a standard across all securities recommendations made to retail customers in all accounts (not just to IRAs) held at broker-dealers. Additionally, we believe a best interest standard for broker-dealers should follow the traditional securities regulatory approach and establish a heightened benchmark and “plain English” disclosure, coupled with robust examination, oversight and enforcement by the SEC, FINRA and state securities regulators. We believe state insurance regulators drawing on their expertise should adopt a best-interest standard for the manufacture or sale of annuities.

On June 9th, some key provisions of the DOL fiduciary rule became applicable, and the industry is already seeing the rule’s negative impact on America’s retirement savers. Notwithstanding well-meaning intentions, the DOL fiduciary rule’s results are in, and consumers have fewer choices and higher costs. Without immediate action by lawmakers, retirement savers will continue to experience limited access to affordable advice and the products and services they need to meet their unique financial goals.

In our view, the Protecting Advice for Small Savers Act will serve to remove the impediments of the DOL fiduciary rule, which makes it increasingly more difficult for consumers to access affordable advice from financial professionals. Enactment of this bill will also appropriately recognize and underscore the lead role the SEC has historically played as the nation’s primary securities regulator, providing investor protection, market regulation and enforcement experience.

State insurance regulators likewise would be recognized for their expertise and allowed to exercise their authorities to protect insurance consumers. With this in mind, we offer our full support of H.R. 3857.

Sincerely,

American Council of Life Insurers
Consumer Bankers Association
Financial Services Institute
Financial Services Roundtable
Insured Retirement Institute
Investment Company Institute
Securities Industry and Financial Markets Association

cc: The Honorable Jeb Hensarling
Chairman, House Financial Services Committee
2228 Rayburn House Office Building
Washington DC 20515

The Honorable Maxine Waters
Ranking Member, House Financial Services Committee
2221 Rayburn House Office Building
Washington DC 20515