

# United States Senate

September 22, 2020

The Honorable Eugene Scalia  
Secretary of Labor  
Washington, D.C. 20210

The Honorable Jeanne Klinefelter Wilson  
Acting Assistant Secretary of Labor  
Washington, D.C. 2021

Dear Mr. Secretary and Ms. Wilson:

I write regarding the "Improving Investment Advice for Workers and Retirees" proposal recently issued by the Department of Labor.

It is my understanding the Department's intent to preserve diverse investment advice arrangements and harmonize industry regulation while protecting consumers. However, concerns have been raised regarding the impact that this proposed rule would have on insurance agents and their clients.

Specifically, the five-part test to determine who is a fiduciary may be interpreted in a manner that could force many insurance agents and brokers to make the hard decision to deal with added fiduciary regulation burden or sell their business. Additionally, the design of the Prohibited Transaction Exemption may create supervisory requirements for insurance companies that are inconsistent with certain distribution models, especially for independent agents selling fixed annuity products. Best interest regulations that have been adopted by state insurance regulators justify a safe harbor for entities that are in compliance with the model insurance regulations at the state level.

These and other issues have all been raised in comment letters to the Department by insurance agencies, companies, and trade groups from across the country, including stakeholders in Kansas. I urge you to consider this feedback carefully, and make any necessary modifications, to ensure the rule is workable and consistent with this Administration's efforts to minimize burdensome and duplicative regulations for the insurance industry, particularly for independent agents and their customers. Thank you for your consideration.

Sincerely,



Jerry Moran  
United States Senator