



Summary of ACLI's comments on proposed Regulation Best Interest

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Regulation Best Interest (Reg. BI) is a largely sensible, principles-based rule governing broker-dealer conduct. The proposed rule properly implements Section 913 of the Dodd–Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

Reg. BI is vastly superior to the prescriptive, and now vacated, DOL Fiduciary Rule and its BIC exemption. Finalization of Reg. BI should retain its neutral approach to business models, operations, compensation and products.

- ACLI is on record that a constructive best interest standard would require financial professionals to put a consumer's interest first by (i) acting with reasonable care, skill, prudence, and diligence in gathering and evaluating information regarding the consumer that is used to make the recommendation; (ii) making no misleading statements; (iii) providing full and fair disclosure of the recommended product's features, fees, and charges; (iv) fairly disclosing how and by whom the financial professional is compensated, and (v) avoiding, disclosing, or otherwise reasonably managing material conflicts of interest. Reg. BI fulfills these objectives.
- Clarity, consistency and coordination across all regulatory platforms will best serve investors, and thwart regulatory arbitrage. The SEC's inclusive outreach to state regulators and the National Association of Insurance Commissioners (NAIC) as partners in the development of a best interest standard is an essential element of effective oversight and regulation.
- Life insurers strongly support protections serving the best interests of customers, which can be meaningfully safeguarded with disclosure about services and material conflicts of interest. This approach provides an effective means to shield consumers and facilitate informed purchase decisions.
- To meet their financial and retirement security needs, retirement savers deserve standards ensuring continued access to a wide variety of retirement products, retirement savings information and related financial guidance from financial professionals acting in their best interest.

[Read ACLI's full submission to the SEC on its proposed Regulation Best Interest](#)