

A Better Way Forward: The Best Interest Standard



Protecting consumers who seek advice from financial advisers is necessary to ensure Americans have the confidence to seek out help with financial guidance and planning, but for a variety of reasons, the Fiduciary-only approach is a misguided attempt at achieving this goal. The good news is that there is a way to achieve that goal, without making financial products inaccessible for consumers.

The National Association of Insurance Commissioners (NAIC) revised model regulation on annuity transactions together with the Securities and Exchange Commission's (SEC) Regulation Best Interest (Reg BI) provide a robust framework that protects Americans planning and saving for the future and managing their retirement nest eggs. Implementing a Best Interest standard protects consumers without disenfranchising middle- and working-class families who want access to sound, transparent financial guidance that doesn't impose six-figure account minimums that are way beyond their current nest egg.



The Best Interest standard requires a financial professional to act in the best interest of the consumer without placing his financial interest ahead of the consumer's interest.