



July 7, 2022

The Honorable Chris Van Hollen  
Chair  
Subcommittee on Financial Services & General Government  
Committee on Appropriations  
United States Senate  
Room S-128, The Capitol  
Washington, DC 20510

The Honorable Cindy Hyde-Smith  
Ranking Member  
Subcommittee on Financial Services & General Government  
Committee on Appropriations  
United States Senate  
Room S-128, The Capitol  
Washington, DC 20510

Dear Chairman Van Hollen and Ranking Member Hyde-Smith:

The Insured Retirement Institute (IRI)<sup>1</sup> writes to express our views on funding for the U.S. Securities and Exchange Commission (SEC) in Fiscal Year 2023 (FY2023). Specifically, we believe it is critical for Congress to provide adequate funding to ensure that the SEC's examinations and enforcement programs can effectively oversee the industry's ongoing implementation of and compliance with Regulation Best Interest (Reg BI) and Form CRS (Client or Customer Relationship Summary).

IRI has long supported the principle that financial professionals should be required to act in their clients' best interest when providing personalized investment advice, and we were proud to support the adoption of Reg BI and Form CRS, which were finalized in mid-2019 and took effect in mid-2020. These rules require broker-dealers and their registered representatives to always act in their clients' best interest without putting their own interests ahead of the clients'. The rules also ensure that investors have the information they need to make informed decisions when choosing a financial professional and when deciding whether to follow investment advice from their chosen advisor.

In formulating these rules, the SEC consulted with other federal and state regulators with jurisdiction over the conduct of financial professionals who provide advice to retirement savers. The end result is a cohesive and workable framework of federal and state rules—including the U.S. Department of Labor's (DOL's) rules for providers of investment advice and the latest iteration of the National Association of Insurance Commissioners' (NAIC's) model rule on annuity sales practices—that effectively protect investors against bad actors without depriving them of access to the wide range of products and services they need to help them achieve their financial goals.

SEC Chairman Gary Gensler has been emphatic in expressing his commitment to ensuring that these rules have the intended impact on investor protection. During a hearing of the House Financial Services Committee, Chairman Gensler reiterated that he is working with Commission staff to "ensure that [...] Regulation Best Interest lives up to what's in it, written down on the page, and really is regulation best interest, in that investors are getting the best interest when a broker is making a recommendation."<sup>2</sup> IRI fully supports Chairman Gensler's objective.

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<sup>1</sup> The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, broker-dealers, banks, marketing organizations, law firms, and solution providers. IRI members account for 90 percent of annuity assets in the U.S., include the foremost distributors of protected lifetime income solutions, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community. Learn more at [www.irionline.org](http://www.irionline.org).

<sup>2</sup> "Oversight of the U.S. Securities and Exchange Commission: Wall Street's Cop is Finally Back on the Beat." House Committee on Financial Services. October 2021.

IRI's 2022 Federal Retirement Security Blueprint<sup>3</sup> called for federal policymakers to “objectively assess how the regulatory framework is working in practice to ensure that America’s workers and retirees are protected by a clear, consistent, and workable best interest standard without depriving them of access to valuable financial products and advice.” With this in mind, IRI respectfully encourages you to provide funding so that the SEC has sufficient staffing and resources to carry out its important work on Reg BI and Form CRS.

Thank you for your continued leadership as you pursue legislation to fund the federal government. As you consider legislation to provide FY2023 funding to the SEC, IRI welcomes the opportunity to work with you and your staffs to advance the bill. If you have any questions, please do not hesitate to contact me, Paul Richman, IRI’s Chief Government and Political Affairs Officer ([prichman@irionline.org](mailto:prichman@irionline.org)), or John Jennings, Assistant Director of Government Affairs ([jjennings@irionline.org](mailto:jjennings@irionline.org)).

Sincerely,



Wayne Chopus  
President & Chief Executive Officer  
Insured Retirement Institute

cc: Members of the Senate Committee on Appropriations, Subcommittee on Financial Services  
and General Government

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<sup>3</sup> [IRI's 2022 Federal Retirement Security Blueprint](#) contains bipartisan, common-sense policies to help our nation’s workers and retirees achieve economic equity, strengthen their financial security, and protect their income to sustain them throughout their retirement years.