

Cummings and Warren Highlight Financial Industry's Contradictory Statements on Retirement Adviser Conflict of Interest Rule



Industry's Assurances to Investors Contrast with Public Claims of Dire Consequences

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A PDF copy of the letter is available [here](#)

Washington, DC - Today, Senator Elizabeth Warren (D-Mass.) and Representative Elijah E. Cummings (D-Md.), Ranking Member of the House Committee on Oversight and Government Reform, sent a letter to the Department of Labor (DOL) and the Office of Management and Budget (OMB) highlighting the stark difference between the financial industry's optimistic statements to investors about the impact of the proposed Conflict of Interest Rule, and the same firms' claims of dire consequences in public statements by their Washington lobbyists and senior executives.

OMB is currently reviewing the proposed final rule, and DOL is expected to issue the final rule next month. Cummings and Warren urged them to finalize the rule expeditiously.

"(M)any of the country's largest insurance and financial companies, in their official comments to the Department of Labor and in other public forums, publicly opposed the proposed rule and predicted dire consequences if it was finalized," Cummings and Warren wrote. "However ... some of these same companies are providing very different assessments to their own investors, assuring them that the rule will have no significant impact on their companies. In contrast to their public doomsday predictions, industry leaders have told their own investors that they 'don't see this as a significant hurdle,' 'will once again respond to marketplace or regulatory changes effectively,' and that they are well-positioned to 'adapt to any regulatory framework that emerges.'"

The Members also noted, "Publicly traded companies are rarely held accountable for the assertions they make when lobbying in Washington, even if these assertions are untrue. But when communicating with investors, publicly traded companies are required by law to provide full and accurate information about any material matters that may affect their business models or stock valuations. The information companies provide to their investors must represent their true and accurate assessments of the impact of the proposed rule or they would be in violation of federal securities law."

Their letter identifies conflicting statements from several large financial firms, including Jackson National Life Insurance Company, Lincoln National, Prudential Financial, and Transamerica Corporation.

"The American people deserve access to the best financial advice possible from their retirement advisors-free from any conflicts of interest-and we urge you to finalize the rule as quickly as possible," Warren and Cummings wrote.

In 2015, Warren and Cummings held a [Middle Class Prosperity Project forum](#) titled "Ending the Retirement Savings Drain and Improving Economic Security," which focused on the challenges millions of Americans face in saving for retirement and why a strong Conflict of Interest Rule would help families seeking retirement advice.

Read a PDF copy of the letter [here](#).

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