



IMPACT OF THE PROPOSED DOL FIDUCIARY-ONLY RULE ON NAIFA MEMBERS

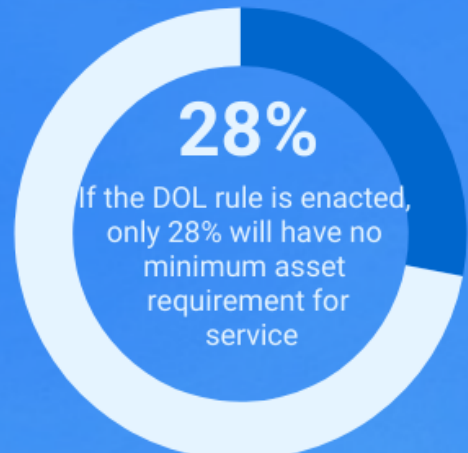
December 2023

Executive Summary

Should the DOL fiduciary-only rule is finalized, asset minimum thresholds will radically change leaving many Americans without access to financial guidance and products.



**Today's World Without
New Proposed DOL Rule**



**Tomorrow's World
With New Rule**

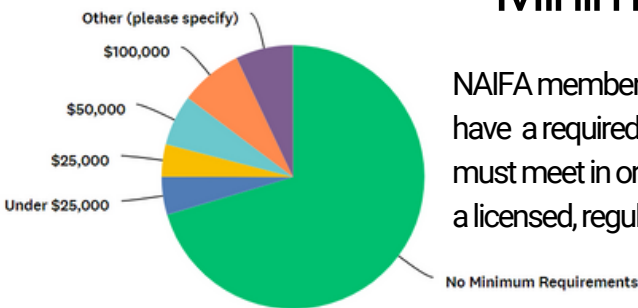
Financial security professionals cite that the DOL's proposed rule will not only limit access to financial products and advice to consumers, but harm American entrepreneurs by increasing the cost of running a small business & limiting career options in financial services.



Impacts of the Proposed DOL Fiduciary Rule

NAIFA conducted a survey in November 2023 to understand the impact that the fiduciary-only rule put forth by the U.S. Department of Labor (DOL) would have on business practices on NAIFA members. This report summarizes the responses of 1,083 respondents.

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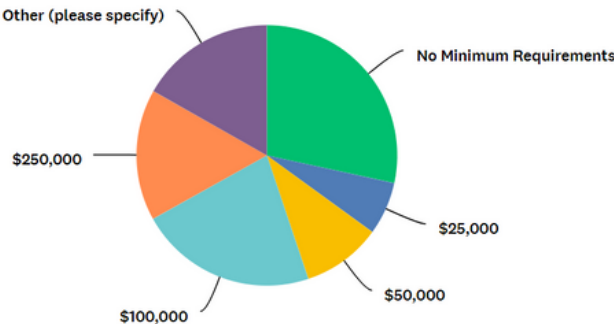
Minimum Thresholds

NAIFA members cite that the vast majority do not have a required minimum threshold that clients must meet in order to receive financial services from a licensed, regulated advisor.

Impact of DOL Rule

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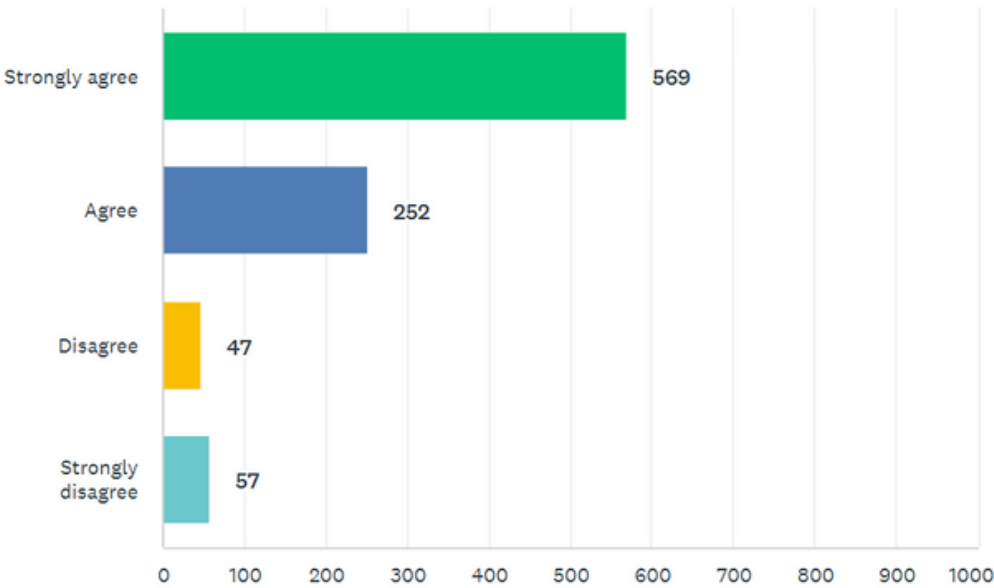
Should the DOL's proposed rule be finalized, financial advisors report that only 28% will have no minimum asset requirements which is a 42% decrease compared to current state of consumer protections.



Cost of Disclosures Will Rise

NAIFA members strongly agree that if the DOL’s fiduciary-only rule is finalized, the cost of providing disclosures will rise significantly creating an undue burden on the ability to conduct business by increasing the cost to service clients. The rule creates an unnecessary impediment to providing American individuals, families, and small businesses with the proper care.

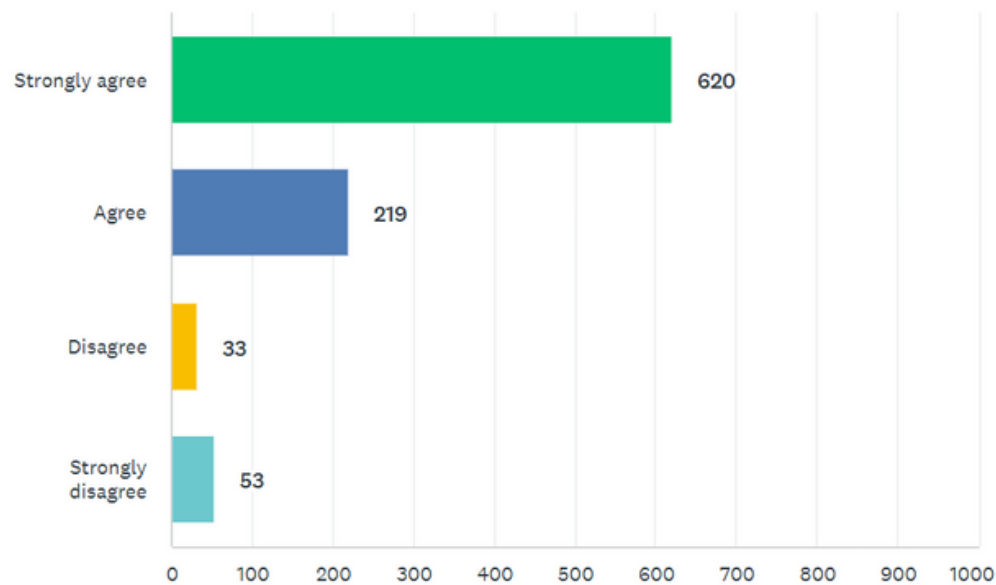
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Cost of Record-Keeping Will Rise

Over 90% of the NAIFA financial advisors that responded report that if the DOL’s fiduciary-only rule is finalized, the cost of recordkeeping to provide evidence of transparency in client advisory relationships will increase causing the overall cost of conducting business to skyrocket. NAIFA members already ascribe to, and practice under, a Code of Ethics which, combined with current rules and regulations, provide American individuals, families, and small businesses with adequate protection.

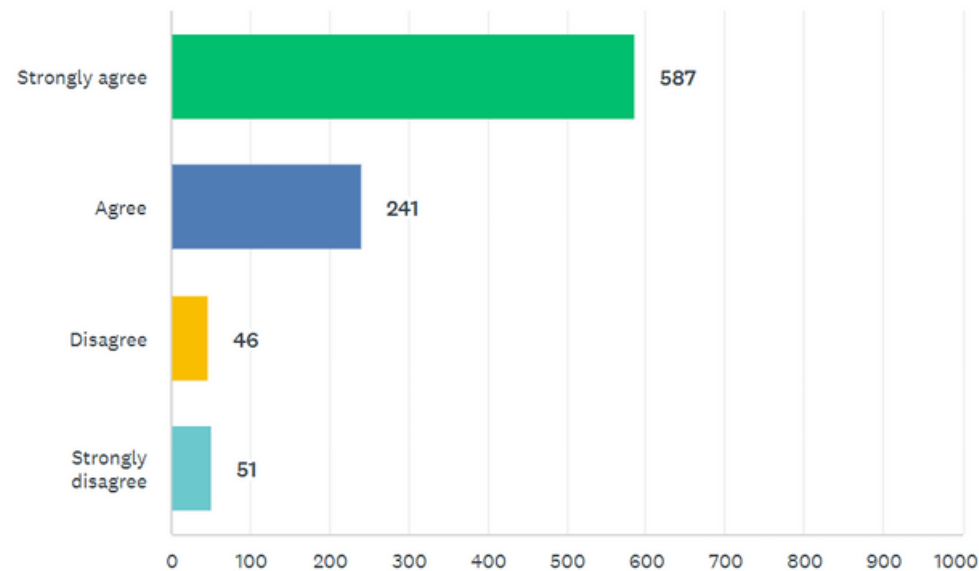
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Cost of Hiring & Training Will Rise

Nearly 90% of NAIFA members report that finalizing the DOL fiduciary-only rule will impact the cost of hiring and training staff in their practice. Given that NAIFA members largely serve Main Street USA and operate as small businesses that create jobs for local communities, increasing the cost of running a financial services advisory firm has deleterious consequences for local job markets. NAIFA members repeatedly note that the proposed DOL fiduciary rule is overreaching and creates unnecessary burdens for small business owners and increases the cost of doing business with their clients.

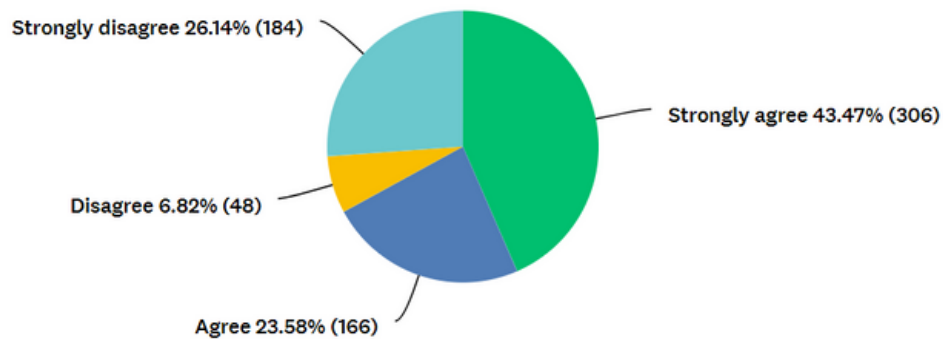
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What is Sold Will Change Due to DOL

NAIFA members were asked “If you sell fixed annuities or non-securities investment products for two or more insurance companies, the amendments to PTE 84-24, as currently proposed, the new rule will force you to stop and/or reduce sales for clients. Do you agree or disagree?” The survey respondents agree that if the rule is finalized, it will limit what they provide to clients due to the restrictive nature and high cost of DOL fiduciary-only rule implementation.

Answered: 704 Skipped: 379



**TOGETHER
WE CAN TAKE ON
ANYTHING**



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