

The Department of Labor's fiduciary rule (the Rule) will have tremendous impact across the retirement savings landscape including in the retirement plans, or Defined Contribution (DC) space.

Just before the final Rule was published, the LIMRA Secure Retirement Institute conducted a brief survey of members who offer DC products (in "for-profit" and "not-for-profit" markets) to see what companies were doing in expectation post-Rule world.

Preparation

MOST DC PLAN PROVIDERS HAVE TAKEN AT LEAST SOME ACTION TO PREPARE FOR THE POTENTIAL IMPACT.



93% assembled a formal, cross-functional team from to understand how the Rule might impact different parts of the business.



7% have taken a "wait & see" approach.

Product and Market Strategic Impact

WHEN COMPANIES PROVIDED VARIOUS TYPES OF DC PRODUCTS, THE LARGE MAJORITY ANTICIPATE THE RULE TO IMPACT THEIR STRATEGY... SIGNIFICANT OR MODERATE IMPACT:

Small* 401(k)
group annuities



Small* 401(k)
NAV/non-annuities



SEPS and
SIMPLE IRAs



ERISA 403(b)s



Non-ERISA
(403(b), 457)



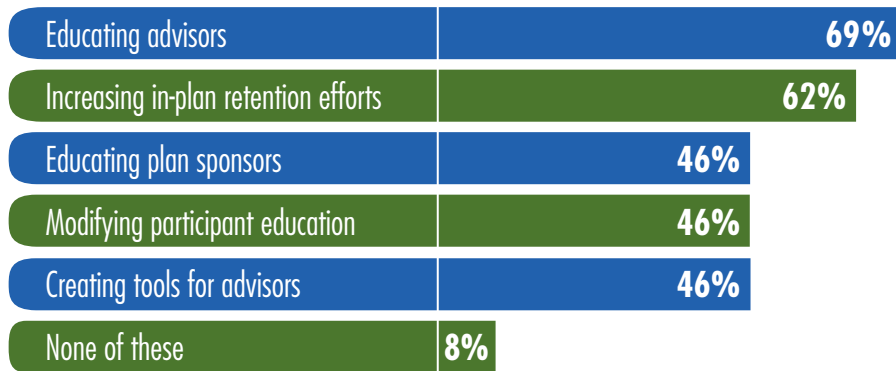
Sales Projections

A MIXED BAG OF EXPECTATIONS FROM COMPANIES THAT OFFER:

	INCREASE	NO CHANGE	DECREASE
Small* 401(k) group annuities	63%	13%	24%
Small* 401(k) NAV / non-annuities	30%	40%	30%
SEPS and SIMPLE IRAs	0%	57%	43%
ERISA 403(b)s	10%	60%	30%
Non-ERISA (403(b), 457)...	10%	80%	20%


Preparing for the Impact


PROVIDERS ARE PREPARING FOR THE IMPACT:



Fiduciary Support


3(21) 
69% OFFER

25% 
thinking about *increasing*

0% 
plan to *reduce*

8% 
now considering adding

3(38) 
[Mostly the same!]
69% OFFER

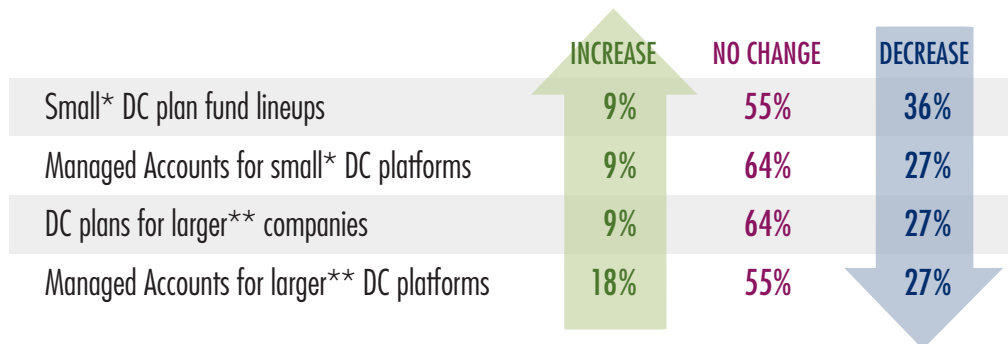
25% 
thinking about *increasing*

0% 
plan to *reduce*


but **NONE** are considering adding

Proprietary Funds

PROVIDERS HAVE MIXED/MODERATE EXPECTATIONS OF THE IMPACT TO PROPRIETARY FUNDS USE ... BUT ARE MORE LIKELY TO PLAN TO DECREASE THAN INCREASE.



*Small = 100 or fewer employees

**Larger = More than 100 employees

METHODOLOGY

The survey was conducted, online, March 29 – April 5, closing just before the final Rule was released.
Fourteen companies out of 28 (50%) responded; not all companies responded to each question.