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Ms. Jennifer Piorko Mitchell

Office of the Corporate Secretary

FINRA

1700 K Street NW

Washington, DC 20006

July 14, 2025

Re: FINRA Regulatory Notice 25-07

Dear Ms. Mitchell,

The American Council of Life Insurers appreciates the opportunity to offer comments and feedback on FINRA's efforts to launch a broad review to modernize rules regarding member firms and associated persons.

Please see our comments below on the respective sections of this regulatory notice.

E-Delivery

The ACLI strongly supports efforts to align the securities regulatory regime with other federal agencies' adoption of default electronic delivery ("E-delivery"). We believe a default E-delivery framework offers consumers more flexibility to any disclosures in larger fonts or in a way that is more adapted to their needs; provides more privacy and security; as well

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The American Council of Life Insurers is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's **275 member companies** represent **93 percent** of industry assets in the United States.

as, reduces expenses passed onto consumers. However, the ACLI encourages FINRA to support workable methods for delivering electronic prospectuses for insurers with legacy contracts. Such contracts include older lines of policies/securities sold prior to the advent of the internet. Unlike traditional brokerages, insurance policy and annuity holders are not always in frequent communication with their agents and may not have set up an online account. The insurer may not have ready access to cell, e-mail or other methods of electronic communication.

Other federal agencies have grown to adopt electronic methods for disclosure delivery. FINRA and the SEC should allow E-Delivery of disclosure documents to evolve with these other federal agencies. For example, the Department of Health and Human Services, Department of Labor (including retirement/benefit plan communications), the Internal Revenue Service all utilize E-Delivery of disclosures for consumers and millions of Americans. Notably, beneficiaries of social security currently receive disclosures electronically. Disclosures currently need to be ADA compliant for consumers and where necessary, can be delivered electronically to allow for a “read aloud” feature or other beneficial functionality that E-delivery may offer.

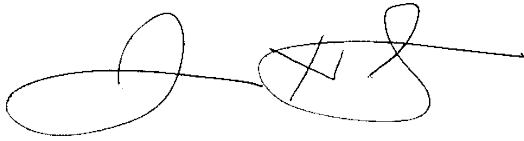
It is important that FINRA and the SEC get the method correct for consumers. We believe a successful implementation of a default E-delivery program includes an opt-out option for consumers still desiring a paper copy of disclosures and provides flexibility in methods for providing E-delivery.

Compensation Arrangements

Many ACLI members have affiliated broker-dealers that have associated registered representatives who desire to utilize personal services entities (“PSEs”) to, among other things, receive transaction-based compensation. ACLI supports allowing such compensation to be paid to PSEs that are not themselves registered as broker-dealers, and urges FINRA to review more specific comments on this point submitted by the Financial Services Institute (“FSI”) and other stakeholders. We encourage FINRA to offer more flexibility in the approach to transaction-based compensation for ensembles or PSEs.

We appreciate the opportunity to provide feedback to the request for comments. Please let us know if you have any questions.

Regards,

A handwritten signature in black ink, appearing to be 'J Szostek', with a stylized flourish at the end.

James Szostek

A handwritten signature in black ink, appearing to be 'Madison Ward', written in a cursive style.

Madison Ward