Dear Ms. Mitchell

Thank you for allowing the American Council of Life Insurers (ACLI) and the Insured Retirement Institute (IRI) to comment on Regulatory Notice 21-17, Supporting Diversity & Inclusion in the Broker-Dealer Industry. ACLI and IRI applaud FINRA’s efforts in this critical sphere, and we support the goal of identifying and removing barriers to diversity in the broker-dealer community. While we do not have granular recommendations at this time in response to this regulatory notice, we highlight below several areas of the life insurance industry’s focus that may be helpful to your research and consideration.

**EERE**

In 2020 ACLI launched the Economic Empowerment & Racial Equity Initiative (EERE), which contains four principles that ACLI and its member companies are pursuing. These four principles are: (1) Expanding access to affordable financial security protection in underserved communities; (2) Advancing
diversity and inclusion within companies and on corporate boards; (3) Achieve economic empowerment through financial education; and (4) Expanding investments in underserved communities. ACLI and our member companies are taking concrete steps to advance these principles. We are also partnering with other organizations to leverage the resources and knowledge across our industry.

DEI Action Committees at IRI

In the summer of 2020, IRI brought together two new member committees, one comprised of board members, and the other made up of DEI experts from its member companies to facilitate collaboration on matters related to diversity and inclusion. These member-based platforms work together in concert with the companies IRI represents to conduct benchmarking studies and share best practices. Early efforts to-date have focused on talent acquisition, talent retention, marketing, and new product development. Further, IRI continues to work towards enhancing diversity employee talent pools in addition to engaging in research and analysis as to how the industry can reach populations not yet served by current product offerings.

For purposes of this regulatory notice, ACLI and IRI are particularly interested in potential recommendations pertaining to barriers that exist for individuals interested in becoming licensed advisers. Collection of background data, continuing education and other topics referenced in the regulatory notice are in our view appropriate areas of exploration. It is likely that even seemingly small changes will result in expanded opportunities and greater diversity within the broker-dealer community.

Insurance Regulatory Initiatives

As you are aware, the life insurance industry is primarily regulated by state insurance departments, who coordinate many of their efforts through the National Association of Insurance Commissioners (NAIC). The NAIC is exploring barriers to diversity within the insurance industry in much the same way as FINRA. Numerous workstreams have been created, and efforts are underway to explore changes that are consistent with state insurance regulatory mandates. Because the insurance and securities regulatory frameworks overlap (life insurers are subject to applicable FINRA rules regarding supervision of licensed professionals among other things) and mutually support each other to a certain degree, we urge FINRA to keep the lines of communication open to the NAIC. Consistency in approaches we believe would benefit both industries.

Eliminating Barriers to Entrance into the Broker-Dealer Community

ACLI and IRI have always supported removing unnecessary barriers to aspiring insurance producers, but with the caveat that only qualified individuals should become licensed. We have worked with our regulators to bring greater uniformity and efficiency to the life insurance producer licensing process through, among other things, ensuring the appropriate difficulty of the written exam, consistency in pre-licensing education requirements, and timely background checks. Most recently, states are moving swiftly to allow online proctored producer licensing exams. While these initiatives benefit all applicants regardless of background, they are particularly important for rural, minority and other disadvantaged communities.

ACLI and IRI look forward to engaging with our regulators as we strive together to empower all Americans, and particularly those in underserved communities, through access to financial education and financial security products. Continuing to foster policies that ensure qualified individuals from minority communities can become licensed financial professionals will create job and ownership
opportunities that will reduce the existing racial and gender wealth gaps, which are far too prevalent in our nation.

Thank you for the consideration of our comments, and we again express our support. Please let us know if we can in any way assist this important work that FINRA has undertaken.

Sincerely,

David M. Leifer

Emily C. Micale

Ian Trepanier

John B. Jennings