



Kevin T. Reynolds
Senior Vice President,
Human Resources & Chief Legal Officer

Via Electronic and First Class Mail

August 1, 2018

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Proposed Regulation Best Interest

Dear Secretary Fields:

On behalf of The Penn Mutual Life Insurance Company (“Penn Mutual”) and its wholly owned subsidiary broker-dealer, Hornor, Townsend & Kent, Inc. member FINRA/SIPC (“HTK”), we offer comments on the Proposed Regulation Best Interest (“Regulation”). Penn Mutual and HTK may be referred to individually or collectively as the “Company” throughout this letter.

Established in 1847, Penn Mutual is a mutual life insurance company, manufacturing and selling life insurance and annuity products through multiple financial services organizations, including through our wholly-owned broker-dealer, HTK. Penn Mutual and HTK are licensed in all 50 states and the District of Columbia. We are active participants in the financial services industry, distributing securities, insurance, and annuity products to the public through Penn Mutual’s licensed insurance agents and HTK’s registered representatives (hereinafter referred to collectively as “financial professionals”).

The Company applauds and fully supports the Security and Exchange Commission’s (“SEC” or “Commission”) efforts to develop a uniform best interest standard of care that applies to all professionals providing investment services to retail clients. Moreover, the Company appreciates the significance of the Regulation’s promulgation and enforcement by the Commission, which is the appropriate agency to perform these functions.

We believe that the Regulation proposed by the Commission adopts an appropriate principles-based, rather than a “one size fits all,” standard that allows firms to develop policies and practices appropriate to their business and clients. We support this best interest standard, which is based on the facts and circumstances of each situation rather than a check the box approach.

Like many in the industry, HTK believes the best interest determination should be a two-tiered or layered approach. This includes the Client Relationship Summary (“Form CRS”) document provided to the investor by the financial professional at the time of initial engagement. We

believe Form CRS will facilitate further discussions between a financial professional and an investor. We recommend that Form CRS be supplemented with more detailed disclosures that could either be posted to the Company's website or made available to investors in the format or media of their preference, including ongoing electronic disclosures.

We also support the Regulation's approach to conflicts. Once again, the Commission has adopted a principles-based approach to this issue, which acknowledges the potential existence of conflicts, while requiring firms to mitigate or eliminate them. This will allow firms to develop conflicts policies that fit their particular business models, and hold them accountable if they fall short.

One area of concern to the Company is the limitation regarding the titles of "advisor" and "adviser." While the Company supports limitations on the terms "financial adviser" and "financial advisor," many of our financial professionals use the term "adviser" in both their insurance and securities service to their clients. We have cautioned them not to represent themselves as "financial advisers" without the proper registration, and for a number of years, the simple term "adviser" has served their clients well in avoiding confusion. We believe that any uncertainty a client may have as to the services offered by a financial professional would be clarified in the aforementioned Form CRS as well as in the various other disclosures provided to a client during the account opening process. The blanket prohibition of the use of "adviser" may well create confusion, particularly since relationships already exist in which the client is familiar with the financial professional by that title. In addition, the title by itself does not give the impression of comprehensive financial planning, but is rather intended to identify an individual who has professional knowledge and can provide insightful information on the products they offer. Furthermore, we feel that a financial professional who engages in sales of fixed insurance and annuities products in addition to traditional broker-dealer products have the professional knowledge enabling them to provide advice on the sale of the products they are permitted to sell to retail customers, supporting the title "adviser." We ask that the Commission reconsider this aspect of the Regulation to investigate whether the goal of clarity can be accomplished through some less restrictive process or through the new Form CRS established under the Regulation.

The Company thanks the Commission for the opportunity to submit these comments. In addition, the Company appreciates the Commission's common-sense approach in formulating Regulation Best Interest, and encourages the Commission to continue this approach in finalizing the Regulation.

Very truly yours,



Kevin Reynolds