

**Testimony of Mr. Marc Cadin, CEO of Finseca**  
***As prepared for delivery and submitted***

**Subcommittee on Capital Markets**  
**House Financial Services Committee**  
**January 10, 2024**

Chair Wagner, Ranking Member Sherman, Members of the Committee,

Thank you very much for hosting this important hearing.

My name is Marc Cadin and I'm the CEO of Finseca.

Fin-Sec-A was created to reunify the financial security profession so we can advance the cause that inspired our name: Financial Security for All.

Finseca has brought four organizations together since we were founded in 2020. GAMA, which represented career agency leadership. NAILBA, which represented independent distribution and the brokerage marketplace. AALU, who represented advisors and was the advocacy organization. And the Forum400 which represented the top life insurance agents in the profession.

Finseca was created to bring together the full diversity within the profession and our members include licensed insurance agents, career agency leaders, and brokerage general agents, many of whom are also registered representatives of broker-dealers or representatives of a registered investment advisor. Some of our members are licensed as all three. Our members include critical team members, representatives from carriers, affiliated advisors such as lawyers, accountants, and countless others who have come together with a recognition that it is only through working together that Finseca, working with our industry partners, can advance the cause of Financial Security for All.

We are comprised of more than 9,000 professionals who serve consumers by providing access to investment products and holistic financial guidance. Collectively, we refer to our members and the broader profession as financial security professionals, or FSPs.

At its core, this hearing is intended to define what is in the best interest of Americans in terms of how they receive financial information and guidance.

What has been proven – both by the experiences of the profession Finseca represents and through independent research by Ernst and Young and other thought leaders – is that a holistic financial plan is an essential element to achieving financial security.

EY's research proves that consumers that have permanent life insurance, savings through investments, and guaranteed income from annuities get better outcomes.

The question then, is how do Americans access one? How can we equip more Americans with a holistic financial plan?

The answer is they need guidance from a financial security professional.

A core pillar of Finseca's is to ELEVATE this profession and promote the noble work FSPs do every day so that we can grow the profession, diversify the profession, so we can take the message of holistic financial planning into every corner of this great country.

But make no mistake, if the Department of Labor is successful in their latest attempt to push through yet another ill-advised, offensively framed, substantively-bad, fiduciary-only proposal, the regulatory burden will be so great that it will make it *literally* impossible for thousands of FSPs to do their jobs.

And the result will be a massive loss of financial guidance to millions of Americans, particularly those who need this advice the most.

Millions of Americans will be left less financially secure.

If adopted, this rule will take us in exactly the wrong direction at exactly the wrong time.

The American people already face a \$7 trillion gap in retirement savings. And, according to estimates by LIMRA, we're also staring down a \$12 trillion protection gap. With the insolvency of Social Security looming too, we're on the brink of a financial crisis.

Fortunately, an overwhelming bipartisan coalition of Members of Congress have recognized we must address the financial insecurity of ordinary Americans. And with the support of both the current and former President of the United States, I want to commend Congress for passing the SECURE Act in 2019 and SECURE 2.0 in 2022.

Frankly, I want to thank every member of this sub-committee because not a single one of you voted against these critically important bills.

Unfortunately, Department of Labor has determined that it knows better than you.

In fact, the DOL has consistently demonstrated an unwillingness to follow even the lead of other regulators, like the SEC, FINRA, and the NAIC each of whom have more experience regulating the profession and who made a conscious decision not to impose a fiduciary-only approach.

The Department has only offered theoretical benefits to counter actual evidence of real-world costs and they have offered conjecture about hypothetical risks, but no actual evidence of wrongdoing that is not already prohibited by State and Federal laws and the Department's current regulation.

The Department has also shown no deference to the Fifth Circuit's clear and unambiguous ruling that DOL does not have the authority to issue this rule.

So, DOL doesn't have the authority to do this, it is actively trying to undercut the bipartisan will of Congress, and – without question – if DOL is allowed to move forward, this rule will cause real harm to real Americans. In fact, I have collected comment letters from each of your

constituents sent in by members of the profession on behalf of their clients that shows the real harm this rule will cause.

I want to close with a story about one of those very people.

In the early days of the pandemic, a grandmother named Mary Jo placed a frantic call to her financial security professional – a Finseca Member from Colorado named Armen.

Mary Jo had just started a new job – unpaid – but the best kind... full-time nanny to her grandkids.

As you recall in the early days of the pandemic, the stock market was tanking, and so were Mary Jo's retirement savings. She was panicked thinking she was going to have to go back to work.

Thankfully, for Mary Jo, she and Armen had put in place a holistic financial plan which included an annuity – a consistent and stable source of income that was guaranteed.

Mary Jo immediately had the reassurance that she'd be okay financially, and something even better – peace of mind that she could keep her favorite job of all... being a Granny Nanny.

Finseca strongly encourages you – our Congressional leaders – to adopt a no-funds amendment prohibiting the Department from moving forward with this proposal. Mary Jo and millions of other Americans like her depend on it.

Thank you, and I will stand by for questions.