

MEMO# 21555

September 4, 2007

Institute Letter to OMB Supporting DOL Proposal on Default Investments

[21555]

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TO: BOARD OF GOVERNORS No. 21-07

PRIMARY CONTACTS - MEMBER COMPLEX No. 19-07

PENSION MEMBERS No. 50-07 RE: INSTITUTE LETTER TO OMB SUPPORTING DOL PROPOSAL ON DEFAULT INVESTMENTS

On Friday, August 31, the Institute sent the attached letter to the Office of Management and Budget (OMB) responding to a letter sent to OMB by the American Council of Life Insurers (ACLI) on August 22, 2007. The ACLI letter was one of several communications with OMB ultimately seeking to include stable value funds in the Department of Labor's safe harbor for qualified default investment alternatives. As you may remember, in May 2007, the Institute responded to an earlier ACLI letter, which attacked the Department's regulatory impact analysis. [\[1\]](#)

Our latest letter responds to specific points raised by ACLI with respect to data on plan participant behavior, the regulation's projected impact on the insurance industry, and the underlying statutory language from the Pension Protection Act. As noted in our letter, Institute staff met with representatives from OMB and the Department of Labor on August 7, 2007. The Department sent its final regulation to OMB on July 11, 2007. OMB has 90 days to review the regulation.

We will keep you apprised of further developments on this matter.

Mary S. Podesta
Acting General Counsel

[Attachment](#)

endnotes

[1] See [Memorandum](#) to Board of Governors No. 15-07, Primary Contacts – Member Complex No. 12-07, and Pension Members No. 30-07 [21204], dated June 1, 2007.

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