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# With eye on DOL, IRI hires Milliman to survey annuity comp

By Editorial Staff *Thu, Sep 22, 2016*

*The survey is necessary to establish industry compensation benchmarks because the DOL didn't define "reasonable" compensation except to say that it should follow 'a market based standard,' the Insured Retirement Institute said.*

To help financial services firms and financial professionals comply with the reasonable compensation standard under the Department of Labor's fiduciary rule, the Insured Retirement Institute will survey current compensation practices regarding sales of annuities and other investment products, IRI announced.

Milliman, Inc., the global consulting firm, will conduct the survey for IRI. Financial firms have until the end of 2017 to fully comply with the rule, which was issued last April.

The survey aims to help firms demonstrate their existing reasonable practices, rather than to reveal non-compliant practices, according to IRI CEO Cathy Weatherford.

"While we believe our members' have always strived to design their compensation practices in an appropriate and reasonable manner," she said in a press release, "demonstrating compliance with this new legal requirement is another matter."

The new rule's Best Interest Contract (BIC) Exemption or amended Prohibited Transaction Exemption (PTE) 84-24 allows firms to recommend variable or fixed indexed annuities and accept commissions or variable third-party compensation on the sale only if the compensation is reasonable.

According to the IRI release, the survey is necessary to establish industry compensation benchmarks because the DOL didn't define "reasonable," or offer examples or so-called safe harbor suggestions, except to say that compensation should follow "a market based standard."