

## **Opening Statement of Daniel Aronowitz**

Thank you Chairman Cassidy, Ranking Member Sanders, and members of the HELP Committee. Thank you for considering my nomination to lead the Employee Benefit Security Administration. I also thank President Trump, Secretary Chavez-DeRemer, and Deputy Secretary Sonderling for nominating me.

My name is Daniel Aronowitz, and I am supported today by my wife Jeanine Aronowitz; my 17-year-old daughter Amanda, who is a student at The New School in Fairfax, Virginia; and my 15-year-old son Isaiah, who attends New Focus Academy in Heber City, Utah.

I have been a champion of employee benefit plans my entire career. I have lived the American dream of starting, leading, and building great businesses in the fiduciary arena. I am now ready to give back to my country, drawing on my unique private industry experience, to protect and enhance the retirement and health security of America's workers.

After graduating from Ohio State University on a Rotary scholarship and from Vanderbilt School of Law, I spent the first part of my career representing management liability insurance companies as a lawyer, including as a partner at Shaw Pittman, one of D.C.'s leading law firms.

I then had the privilege to lead a turn-around of the union-owned Ullico Casualty Company. At Ullico, my team built the nation's leading fiduciary insurance market to protect multiemployer and governmental trustees and benefit plans. We developed insurance products to help grow the labor movement, with innovative workers' compensation captives to support union apprenticeship programs and training centers, and surety bonds to grow unionized construction projects.

I next founded Euclid Fiduciary in 2011, which our team grew from a start-up to become a premier fiduciary liability underwriting company. Now called Encore Fiduciary, my former company protects the most sophisticated and complex employee benefit plans in the country, including Fortune 500 companies, leading union and governmental plans, and innovative MEWAs and association health plans that are expanding employee benefit access to a new generation of the

independent workforce. We built our underwriting company on superior fiduciary expertise and thought leadership, with our *Fid Guru Blog* read by thousands of benefit plan professionals. We then sold our underwriting company to the largest private equity insurance firm in the country. We lived the American dream of building a company from scratch and monetizing our efforts. And every Euclid employee participated in the financial reward of our successful exit.

I have participated in the most important fiduciary events in the last three decades, including the Enron and WorldCom scandals, the Capital Consultants and Madoff Ponzi schemes, the City of Detroit bankruptcy, and the 2008 financial crisis. I have participated in hundreds of Department of Labor, PBGC, and Internal Revenue Service audits. My job – my mission – was to protect plan fiduciaries and plan assets to ensure and safeguard the accounts of every plan participant and worker insured by my company’s fiduciary, crime and cyber insurance policies. I have participated in settlements and payouts that have restored well over one billion dollars to protect the retirement security of American workers.

I have learned from all of these experiences: I was a lawyer; I led a corporate turn-around; and then I led a successful start-up. It has given me unique insights into how to better protect and expand the retirement and health security of American workers. I have learned how to improve the enforcement capabilities of EBSA. Most importantly, I have learned the key issues that have stifled the potential of the employee benefit system, including limitations in the Employee Retirement Income Security Act.

If I am confirmed by the Senate and am given the privilege and opportunity to lead EBSA, I will work hard every day to unleash and unlock the creativity and full potential of America’s employee benefit system. EBSA needs a major turn-around, and I am an experienced turn-around manager with unique fiduciary expertise and experience. **I have three goals if given the opportunity to lead EBSA:**

**First, I will improve EBSA’s enforcement of fiduciary law.** We will end the practice of open-ended investigations that go on for years. We will end the bias against ESOPs and other legitimate ways to expand retirement benefits and

ownership to America's workers. And we will end the regulatory abuse of common-interest agreements with plaintiff lawyers. EBSA's enforcement will be fair, even-handed, and efficient.

**Second**, I will strive to provide **regulatory clarity** so that plan sponsors have the proper incentive to expand employee benefits. There are many issues that require regulatory clarity and stability so that the system can function properly, including (1) modernizing defined contributions plans to include alternative investments, such as private equity and cryptocurrency; (2) the consideration of ESG-factors; (3) the fiduciary rule as applied to IRA rollovers; (4) mental health parity; (5) plan forfeitures; (6) pension risk transfers; (7) tobacco and vaccine surcharges and wellness programs; (8) managing pharmacy benefit managers and health-care costs; and (9) cybersecurity to protect participants assets – just to name a few key issues. We will end the era of regulation by litigation by providing clear and effective rules for America's employee benefit system. We will restore discretion to plan fiduciaries as Congress intended in the ERISA statute, so that fiduciaries, not the government or plaintiff lawyers, decide what is best for plan participants.

**Third**, I will champion the cause of encouraging plan sponsors – once we give them even-handed enforcement and regulatory clarity – to expand retirement and health care benefits to America's workers. I will champion expanding retirement and health plan access to America's independent contractor workforce, which includes association health plans. I will also champion the cause of better mental health benefits to America's workers. But none of this will happen until we provide regulatory clarity and eliminate the ERISA litigation abuse that is turning benefit plans into liability traps. I also look forward to working with Congress for legislative changes needed to end litigation abuse, and to meet the challenges of the modern economy and workforce, including the coming wave of artificial intelligence and its impact on American workers.

Thank you for considering my nomination and how I can use my unique management and fiduciary experience to improve the employee benefit system. I want to get to work in what I consider the best job in the federal government.