



# WRNewswire

An AALU Washington Report

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Yesterday, the 5<sup>th</sup> Circuit Court of Appeals struck down the DOL's fiduciary rule in a lawsuit brought by several financial services industry and business organizations. The Department may still appeal the ruling, and the current rule will likely be in effect for several more months at a minimum—May 7<sup>th</sup> is the earliest date the ruling could become applicable. But the decision is a positive development for the life insurance industry.

AALU has worked on this issue for a number of years, and we have always explained that our members work in the best interest of their clients every day. AALU members did a

tremendous job educating regulators and policymakers about the real-world marketplace consequences of this rule, and we worked closely with our carrier and industry partners who joined us in tireless educational efforts on this issue.

While the DOL rule was fully vacated, until the DOL decides whether to appeal this ruling, the future status of this rule is uncertain. Financial institutions will be studying the Court's ruling and its implications, and the current assumption is that it could be months before a final decision on an appeal is made.

In laying out its reasoning for the ruling, the Court affirmed a number of the arguments that our various comment letters made throughout the process—that the DOL lacked the authority to issue the fiduciary rule, its interpretation of the statute was unreasonable, and it acted in an arbitrary and capricious manner.

One aspect of this ruling that members should be aware of is its potential to encourage more state fiduciary activity.

AALU will continue to work closely with counsel as we analyze this ruling, what it means for the life insurance industry, and the next steps in the process. We will continue to update members on the latest details.

In the meantime, please contact David Hollingsworth with any questions at [hollingsworth@aalu.org](mailto:hollingsworth@aalu.org) or 202-742-4589.

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## **Upcoming Events**

- **Strategies for Success: Decoding Tax Reform** | Featuring Kristin Bulat | Tuesday, March 20, 11am Eastern | [Register Here](#)
- **2018 AALU Annual Meeting** | April 29-May 1 | Washington, DC | [Register Here](#)



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AALU Member

**Our mailing address is:**

AALU

11921 Freedom Drive

Suite 1100

Reston, VA 20190