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July 26, 2019



This Week in Washington



Congress and White House Agree to Two-Year Budget and Debt Ceiling Deal

This week congressional leaders and the president reached an agreement on a two-year budget and debt ceiling deal. The House passed the deal yesterday (H.R. 3877) on a [284-189](#) bipartisan vote after both Democratic and Republican leaders whipped members to support the legislation. Most Democrats supported the bill. Progressives had earlier opposed it over concerns about increased military spending, but ultimately supported Speaker Pelosi. Most of the opposing votes came from conservative Democrats and a sizable majority of Republicans over concerns about the deficit. This deal will virtually guarantee annual deficits exceeding \$1 trillion over the next two years. Senate Majority leader Mitch McConnell (R-KY) said that a floor vote on this legislation will be the Senate's first priority next week, and he expects it to pass.

The budget deal gives Congress more breathing room to get things done over the next year and a half. The debt ceiling is off the table through the 2020 election, eliminating a serious point of contention in previous sessions. In addition, the higher caps give appropriators some breathing room for next two fiscal years. However, appropriations

bills will still need to be passed to implement the spending levels in the deal by September 30, and there are not many legislative days left, making a continuing resolution (CR) likely.

[Check the details of the two-year budget deal](#)

Congress' Summer Work Period: Educate Your Representatives – the Easy Way!

With August fast approaching, most Americans are getting ready for their final stretch of fun in the sun, and Congress is heading home for their annual summer work period. While you're planning out the rest of your summer, be sure to take advantage of the opportunity to meet with your representatives. One of the primary purposes of the August district work period is to give lawmakers the chance to meet with their constituents and hear about issues that matter most to their district and state. They want to hear from you!

[Learn how AALU can make your summer meeting a breeze](#)

Standards of Conduct Regulation – Current Status

Below is a snapshot of the current status of various regulatory efforts on the state and federal level, with links to summaries, full text, and statements from regulators. We continue to work with our partners to ensure these efforts do not restrict the ability of advisors to best serve their clients.



Federal & State Regulatory Activity – Current Snapshot

AALU is working closely with our industry partners to address best interest/ fiduciary challenges at the State and federal level that could negatively impact financial security professionals. We will continue to keep members updated on the latest regulatory developments, and provide the information and tools needed to navigate any implementation challenges.

	SEC	NAIC	NY	MD	NJ	NV	MA
Current Status	FINAL Effective June 30, 2020	PROPOSED Deadline for comments on Working Group Questions July 10	FINAL Effective August 1, 2019 (Annuities) and February 1, 2020 (Life Insurance)	DID NOT PASS Legislature adjourned without passage	PROPOSED Public hearing July 17	PROPOSED Regulators reviewing industry comments – public hearing expected in next few months	PROPOSED Comment letter Deadline July 26
Summary	"Best interest" standard for securities recs; revisions to the RIA standard; required disclosure form for BDs + RIAs	Revising Model Annuity Standard - best interest standard for variable annuity recs	"Best interest" standard for life insurance and variable annuity recs	Across-the-board fiduciary standard	Fiduciary standard for securities recs	Fiduciary standard to brokers for securities and variable annuity recs	Fiduciary standard to brokers for securities and variable annuity recs
Text Summaries & AALU Materials	Click for more details	Click for more details	Click for more details	Click for more details	Click for more details	Click for more details	Click for more details
Products Impacted	SEC	NAIC	NY	MD	NJ	NV	MA
Securities	✓			✓	✓	✓	✓
Variable Annuities	✓	✓	✓	✓		✓	✓
Valuable Life Insurance	✓		✓	✓			
Life Insurance Products			✓	✓			



Ambassadors in Action with Sens. McConnell, Collins, Warner, & More!



Carl Peterson and Dermot Healey with Sen. Susan Collins, Jeri Turley with Sen. Mark Warner, David Byers with Senate Majority Leader Mitch McConnell

On July 10, AALU Ambassador & Board Member Jeri Turley (Winged Keel Group) hosted Sen. Mark Warner (D-VA) at AALU's Capitol Hill office. Sen. Warner is a member of the Senate Banking Committee and the Senate Finance Committee and is knowledgeable about our retirement priorities.

The conversation was productive as Sen. Warner dove into the weeds by asking clarifying questions of the industry and how we serve clients. The conversation turned to the SECURE Act (H.R. 1994), which is currently pending in the Senate. He was thankful to Jeri for her insights and encouraged her to continue the dialogue with him and his office.

This past Monday, AALU Ambassador & Board Member Carl Peterson (Lindberg & Ripple) and Dermot Healey hosted Sen. Susan Collins (R-ME) at our Capitol Hill office. Sen. Collins sits on the powerful Senate Appropriations Committee. Carl, in addition to discussing RESA/SECURE with the senator, raised some of the concerns his clients have expressed to him on the instability in estate tax law, which makes long-term planning more difficult.

This past Tuesday, AALU Ambassador and Immediate Past Chair David Byers (Capital Strategies Group) hosted Senate Majority Leader Mitch McConnell (R-KY) at the AALU office. As Majority Leader, McConnell functions as the spokesperson for Senate Republicans, determines the Senate calendar, and helps direct the party's overall legislative agenda.

Leader McConnell was grateful for our push on the SECURE Act. He and speculated that it would pass at some point this year, but would not give a timeline. The group also discussed the estate tax at length. Leader McConnell was appreciative of the conversation and promised to stay close to AALU on the SECURE Act as it makes its way through the Senate.

Podcast: Aaron Lorenzo of POLITICO's Morning Tax



Chris Morton and Aaron Lorenzo

Many of you subscribe to morning newsletters to stay up-to-date on issues that matter to you, but do you know what it takes to get that information from Capitol Hill to your inbox?

Listen in as we chat with Aaron Lorenzo, one of POLITICO's leading tax reporters and author of Morning Tax – a widely-read daily newsletter covering the latest in tax politics and policy.

In this episode, we discuss what led Aaron to cover one of Washington's most complicated issues, his experiences reporting on the Tax Cuts and Jobs Act, the status of the SECURE Act, and how reporting on politics has changed in the last few years.

[Listen here](#)

 **Ask us anything**

Have a question or comment? Just reply to this email and send it our way!

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