



March 22, 2019



From Producer to Member of Congress!

Every one of the 540 members of Congress did something else before they were elected. Did you know the 116th Congress includes two former Mixed Martial Arts fighters? (Rep. Markwayne Mullin (R-OK) and Rep. Sharice Davids (D-KS)).

Members of Congress are tasked with legislating on a multitude of different policy areas on a daily basis. Add in the fact that Members come into the body from with varied backgrounds (teachers, lawyers, veterans, etc.), differing aspirations, and a cross section of constituent concerns, and the sheer volume of information to sift through can be overwhelming for them.

Through our Ambassador program, AALU members have partnered with lawmakers to fill the knowledge gaps about the importance of life insurance and the families and

businesses that you help.

However, there are a number of Members of Congress with their own experiences in the profession and with the products. We are constantly on the lookout and working to collect these stories. If you know one we might not, please contact [Jennifer Fox](#) at Fox@aalu.org.

Who are they? [Click here to find out.](#)

ICYMI: Preparing for Capitol Hill Club Day 2019!

With over 100 new Members of Congress, we need your help educating our new lawmakers on the profession. Have you registered for Capitol Hill Club (CHC) during TRANSFORM 2019 (Tuesday, April 30th, 12pm-5pm)? The deadline to register is April 8.

Mark your calendars for our upcoming prep webinars (and click on the links below to register):

[First-time attendee](#): April 15 from 2-3pm ET

[All attendees](#): April 18 from 2-3pm ET

Haven't registered for CHC yet? [Learn more here](#) or contact [Jennifer Fox](#) to register (fox@aalu.org).

Eyes on Spending

As usual, there is lots of talk in D.C. about budget deficits and debt. Unfortunately, there is little in the way of action. However, as we all know, this will not last forever. While

there is little progress on the aggregate situation (the [federal debt is now more than 22 trillion and climbing](#)), almost all current policy debates involve a discussion of how to pay for or offset the proposed new spending.

In previous Congresses, lawmakers have looked to increase taxes on the life insurance industry in their search for revenue. As we have [done in the past](#), AALU will remain vigilant against any and all threats to your businesses.

Trump Budget Relies on Up to \$1.2 Trillion in Potentially Phantom Revenues (WSJ)

In President Trump's budget proposal for the next decade, the administration relies on up to \$1.2 trillion in revenue that may never be realized. The proposal cities revenue from Affordable Care Act taxes that the administration has publicly come out against. It also assumes the expiration of provisions allowing businesses to immediately deduct capital expenses, which have been praised by administration officials as critically important. In addition, it relies on a GDP growth rate that is significantly higher than what most experts predict.

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Freshman Rep. [Alexandria Ocasio-Cortez](#) (D-N.Y.)

Left-wing Dems in minority with new approach to spending (The Hill)

There is a new economic theory spreading amongst some Democrats who are proposing progressive policies with big price tags. Modern Monetary Theory (MMT) argues that debt is not as much of a threat as previously thought. The new way of looking at budget deficits says that they put more money in Americans' hands, which in turn spurs growth. Rep. Alexandria Ocasio-Cortez (D-NY) has said that MMT should be part of the conversation when considering expensive legislation like the Green New Deal and Medicare for All. However, party leaders like Speaker Nancy Pelosi (D-CA) and House Appropriations Committee Chairwoman Nita Lowey (D-NY) have preached fiscal discipline during the clamor over the costly progressive priorities. As we have discussed before, the new Democratic majority in the House includes a substantial number of moderates who take a more traditional view of deficits and debt.

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AALU Comments on SEC Variable Annuity & Variable Life Disclosure Proposal

AALU submitted comments last week to the SEC regarding their proposal to streamline the disclosure process for variable annuity and life insurance products. In our letter, we offered our general support for the proposal, highlighting two areas for improvement:

Layered Disclosure: We commended the Commission's efforts to modernize the disclosure process. However, we stressed that the primary goal of a disclosure statement should be to communicate material information as succinctly and plainly as possible. To properly address this issue, we recommended that the Commission consider making the more detailed information in the prospectus available to customers upon request via a website or other disclosure formats.

Coordination between Regulatory Authorities: A lack of coordination with other regulators can significantly curtail customer choice, a point we have stressed to regulators in our recent efforts regarding best interest and fiduciary proposals. In particular, it is critical that there is consistency between this rule and the SEC's standard of conduct rule, expected to be finalized in the next two months.

AALU will continue to work with our industry partners to ensure that any new regulations help financial security professionals serve their customers.

[Click here to view the letter](#)



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