



WRNewswire

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On April 27th, New York State re-proposed its best interest standard for life insurance and annuity products—the original proposal was issued in December 2017. The linked piece below summarizes the re-proposal, and we will be providing more details in the near future. There are a number of concerning provisions in the re-proposal, and with a 30-day comment period, it is currently the most pressing concern on the regulatory front.

NY Best Interest Newswire

The effort in New York was inspired by the Trump Administration's re-examination of the DOL's fiduciary rule, and it is expected that more states will attempt their own best interest rules in the wake of the 5th Circuit Court's March ruling vacating the rule.

The DOL fiduciary rule is all but dead after the US Court of Appeals for the 5th Circuit denied the motions of AARP and 3 State AG's to intervene in the case on May 2nd. The DOL officially has until June 13th to appeal the decision, but that is very unlikely—all indications are that the DOL has already decided not to appeal. However, the 5th Circuit Court's decision will take effect on May 7th, meaning the DOL fiduciary rule will be formally vacated and the pre-April 2016 standard will apply. Therefore, the exemptions currently available under the DOL Transitional Rule won't be available starting next week, potentially causing issues for some advisors. We will provide members with an update on this issue shortly, and remind you that its critical to stay in touch with your compliance folks.

In addition, the SEC formally proposed a best interest standard of care for brokers on April 18th, in addition to modifying the current fiduciary standard for advisors as well. There is a 90-day comment period. AALU is currently reviewing the 1,000-page proposal, and will be submitting comments in addition to regular communication on the SEC's proposal.

NY Best Interest Newswire

NY Best Interest Proposal

SEC Press Release

Questions?

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