



## Notice to Producers: DOL | Fiduciary Rule Vacated

On March 15, 2018, the 5<sup>th</sup> Circuit Court of Appeals ruled that the Department of Labor (DOL) exceeded its statutory authority in issuing its fiduciary rule. As a result of their decision, the Circuit Court's mandate to vacate the DOL fiduciary rule became effective June 21, 2018. Specifically, the expanded definition of a fiduciary and the transition rules of the DOL fiduciary rule are no longer in effect. This includes the requirement that financial professionals comply with either Prohibited Transaction Exemption (PTE) 84-24 or the Best Interest Contract Exemption (BICE) for sales of fixed index annuities involving qualified individual retirement accounts. The practical impact to your business is you will no longer have to complete and submit with each application the "Producer Impartial Conduct Standards Certification" form.

Even though the DOL fiduciary rule is no longer in effect, the rule has left a lasting footprint on our industry and the way we do business. The topics of "best interest," "conflicts of interest," and compensation disclosure will remain important subjects for conversation, disclosure and understanding as we work with consumers who continue to need your services, expertise, and recommendations. As we move forward:

The potential for a best interest/fiduciary standard being applicable to future annuity sales (and possibly life insurance sales if states follow NY's proposal) remains under consideration by individual states as well as the NAIC. Our trade groups and our agency continues to monitor the status of these potential requirements. We will keep you updated in the Regulatory/Fiduciary section of our One Source resource.

Continue to maintain the transparency and disclosures in your business practices. You are no longer required by law to disclose your compensation and conflicts of interest on qualified sales, consider continuing a form of disclosure for all of your sales. Almost all of the carriers no longer want to receive the related disclosures with the new business. However, you must retain your records for any sales recommended during June 9, 2017 through June 21, 2018 for the allotted 6 year requirement. If you have a question on new business submission, we are happy to help identify what is needed.

Thank you for your continued business. Questions? We can be reached at 800.931.0138 or by email at [Team@RetireDesign.com](mailto:Team@RetireDesign.com).

Thank you,  
Retirement Designers | The Annuity Source, Inc. East