THE NEW FINANCIAL LONGEVITY BUNDLE©

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The New Financial Longevity Bundle©
A Lifeline Letter from Universal Wealth Management

Looking Inside the New Fiduciary Rule

Here is some candid insight into what putting the controversial fiduciary rule into effect means to you.

The fiduciary rule developed by the Obama Administration calls for a major stiffening of requirements for financial advisors requiring them always to act in the best interests of their clients and requiring a major increase in documentation of that relationship.

Eight aspects of The Rule’s impact that you should keep in mind:

1. Independent financial advisors whose practices have been built on providing the full client-interest first service that the fiduciary rule demands are already complying with the new law. Universal Wealth Management (UWM) has more than met these requirements since its founding 10 years ago and continues to perfect and exceed them with its new Financial Longevity Bundle.

2. There are approximately 320,000 investment advisors in the United States of which only some 10 percent including UWM are Registered Investment Advisors already committed as financial planners putting client interests first. The Rule primarily affects the 90 percent who, until now, under the suitability rule can provide advice and act as broker/dealers, opening the possibility of conflict of interest.

3. The major financial service firms that handle company employee 401(k)’s, pensions and retirement accounts – particularly for large employee groups, state and federal employees, unions and small businesses—will in many cases have to increase and assure service in the best interests of the employees. Some of this is already occurring in anticipation of The Rule going into effect.

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4. The major increase in documentation required by The Rule significantly increases the cost of handling all financial advisor accounts. Expect the following result: Various fee increases; at least some financial firm profit declines; departures from the financial advisor business.

5. The principal beneficiaries will be employees holding 401(k) and IRA retirement accounts that in the past have received little personal advisor attention and are subject to investments dictated by the major financial services firms.

6. The Rule addresses the cost-saving need of investment firms including insurance companies for sound documentation to defend against mounting litigation alleging the mis-handling of accounts.

7. Restructuring or divestment by large corporations and small businesses of current retirement programs because of increased costs demanded by compliance with The Rule. Both steps are already being considered in anticipation of The Rule and changes in the tax code.

8. Fiduciary regulations that went into effect Jan. 9 are Phase I of The Rule. Additional extensive regulations are scheduled to go into effect Jan. 1, 2018 unless they are delayed, modified or cancelled after current review that is underway.

The UWM Financial Longevity Newsletter and other UWM communications will keep you up to date on future changes.