

IN THE NEWS: November 16th, 2016

Welcome to the November issue of *Insights*, an e-newsletter that provides you a roundup of the most important financial services industry news.

[Tax and Wealth Planning Implications of a Trump Presidency](#)

The people made their decisions and cast their votes, electing President Donald J. Trump and Vice President Mike Pence. Despite the partisan gridlock in our capitol, there is strong bipartisan agreement on the need to reform the federal tax code. Winning the White House does not necessarily mean the President-elect has an easy path from tax proposal to enactment. Regardless, congressional tax writers and proponents for tax overhaul are optimistically planning to move bipartisan tax legislation forward in early 2017 given the stated support from both lawmakers and the new President-elect.

[Trump Could Block Labor's Fiduciary Rule](#)

A new Department of Labor rule focused on financial adviser's fees and practices will likely be a target for suspension or outright termination once the Trump administration takes office on Jan. 20. The regulation, known as the fiduciary rule, was championed by the Obama administration and will hold financial advisers who manage retirement accounts to dramatically higher standards should it reach its effective date of April 10.

[Are Advisers Facing a Pay Cut Under Fiduciary?](#)

Now that the Department of Labor has offered extended guidance on its fiduciary rule, wirehouses, regional broker-dealers, independent BDs and other regulated entities will need to revise their payout grids, with the very real possibility that advisers will see their compensation drop. In the section dealing with compensation in the department's recently released frequently-asked-questions guidelines, the regulator is putting industry firms on notice that it expects them to overhaul their compensation policies to guard against conflicted advice in the retirement space.

[Ruling: Consolidated Lawsuit Against Transamerica for COI Increase Can Be Heard](#)

On November 8th, a United States District Court judge in California's Central District ruled that a consolidated class-action lawsuit against Transamerica could move forward. The lawsuit's main

allegation concerned Transamerica's "breach of faith" for the cost of insurance (COI) increase in their Universal Life policies.

AIG To Sell Fuji Life

American International Group, Inc. (NYSE:AIG) announced Monday that it has agreed to sell its Japan life insurance business AIG Fuji Life Insurance Company, Ltd. (AFLI) to FWD Group, the insurance arm of Pacific Century Group. The transaction is subject to regulatory approvals. Terms of the deal were not disclosed.

Fiscal Stimulus Would Lead to Faster Rate Hikes: Fed's Lacker

The Federal Reserve could raise interest rates more quickly if Washington used lower taxes or higher spending to boost economic growth, Richmond Fed President Jeffrey Lacker said on Thursday. Lacker made the comment when asked how the U.S. central bank would react if the incoming Trump administration and Congress loosened fiscal purse strings. "If a fiscal stimulus initiative were enacted I think we would see a steeper path" of rate increases, Lacker told a social club in Richmond.

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