

## Will New Administration Speed VA Summary Prospectus?

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President Trump's nominee for SEC Chairman, Jay Clayton, could speed authorization of the variable annuity (VA) summary prospectus and related layered disclosure and shortened underlying fund report to shareholders. Doing so would be consistent with the President's stated objectives of relieving companies of regulatory burdens, reducing company costs, and benefiting investors. It has been more than nine years since the SEC proposed summary prospectuses for mutual funds and more than eight years since it adopted an authorizing rule. It also has been more than seven years since then-SEC Chairman Mary Schapiro announced that the staff had begun developing a VA summary prospectus, and about four years since then-Director of the Division of Investment Management Norm Champ announced that the staff was working on the VA summary as a "regulatory priority." The SEC, last fall, reported to the U.S. Office of Management and Budget that it expected to consider staff recommendations in October 2017. But such projected timetables for the VA summary prospectus have proved optimistic in the past and there is reason think this one will as well. The Commission is in significant transition. The SEC Chairman nominee appears to have no particular experience in the variable insurance products area, and will need time to settle into his position and develop his agenda. President Trump will also be appointing two additional commissioners, one Republican and one Democrat, to fill existing vacancies. They too will need time to get up to speed. On the other hand, William "Bill" Kotapish, a longtime staff official in this area, remains as head of the Division's Office of Insured Investments, providing continuity on the matter of the VA summary prospectus and related disclosure reforms.

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