After IPO, ING U.S. will start two-year rebranding effort

By Editor Test *Thu, Nov 15, 2012*

Farewell, Orange Lion! ING U.S.'s future brand name hasn't been disclosed, but the trademarked tagline will be "America's Retirement Company," according to the SEC registration statement.

Between 2001 and 2012, ING U.S., the holding company for ING Groep's financial services companies in the U.S., put a huge effort into building the strength of its brand, exemplified by campaigns highlighting the color orange, the Retirement Number, and the image of the Dutch royal lion.

That effort was highly successful. According to industry surveys, brand awareness for ING in the U.S. has grown dramatically, increasing from 11% in 2001 to 79% in 2012, according to a recent SEC filing.

But now that ING U.S. is separating from ING Groep—the U.S. holding company filed a registration statement last week with the SEC for an initial public offering of common stock—ING U.S. faces the task of creating a completely new brand.

ING U.S.'s future brand name hasn't been disclosed, but the trademarked tagline will be "America's Retirement Company," according to the SEC registration statement. Whether it will be able to supplant entrenched retirement leaders like Fidelity and Vanguard remains to be seen.

"We plan to invest substantial resources to develop and build awareness of our new brand, based on our vision to be America's Retirement Company™. We believe that strong brand recognition is the first step in reestablishing ourselves with all of our stakeholders as a standalone company," the company said in a release last week.

According to the registration statement, ING U.S. has already developed a rebranding strategy, but doesn't expect to "formally shift the majority of our advertising and marketing to our new brand name until 8 to 15 months" after the IPO. The rebranding process is expected to take about two years.

ING Group entered the United States life insurance market in 1975 through the acquisition of Wisconsin National Life Insurance Company, followed in 1976 with its acquisition of Midwestern United Life Insurance Company and Security Life of Denver Insurance Company in 1979. ING Group significantly expanded its presence in the United States in the late 1990s and 2000s with the acquisitions of Equitable Life Insurance Company of Iowa (1997), Furman Selz, an investment advisory company (1997), ReliaStar Life Insurance Company (including Pilgrim Capital Corporation) (2000), Aetna Life Insurance and Annuity Company (including Aeltus Investment Management) (2000) and CitiStreet (2008).

Under the ING brand, these companies offer retail and institutional life insurance, retirement plans, mutual funds, managed accounts, alternative investments, institutional investment management, annuities, employee benefits and financial planning.

In its IPO registration statement, ING U.S. emphasized that it has taken steps to minimize the risks associated with its variable annuity closed block of business. ING was a leading seller of VAs with generous living benefits prior to the financial crisis, but de-risked as the crisis unfolded.

"In 2009, we decided to cease sales of retail variable annuity products with substantial guarantee features (the last policies were issued in early 2010 and we placed this portfolio in run-off). Subsequently, we refined our hedging program to dynamically protect regulatory reserves and rating agency capital of the variable annuities block for adverse equity market movements. In addition, since 2010, we have increased statutory reserves considerably, added significant interest rate risk protection and have more closely aligned our policyholder behavior assumptions with experience."

The ING U.S. Retirement Solutions business acquired CitiStreet after the financial crisis to become, after Fidelity, the second largest provider of defined contribution retirement plans in the U.S., as measured by the number of plan sponsors and number of plan participants for which we provide recordkeeping services," the registration statement said. "We are one of the few retirement services providers in the U.S. capable of using our industry presence and scale to efficiently support small, mid, large and mega-sized employers in the 401(k), 403(b) and 457 market segments."

The spin-off of ING U.S. is just one of the steps that ING Groep N.V. has had to take to reimburse the Dutch government for bailing it out during the financial crisis. The Dutch insurer continues to cut costs internally. Last week, IPE.com reported that ING Groep will eliminate 1,350 jobs at its Dutch pensions insurer, Nationale Nederlanden. Jan Hommen, ING's chairman, said the measures would save about €200m a year by the end of 2014.