Anecdotal Evidence: Voya, Northwestern Mutual and Fake DOL Comments

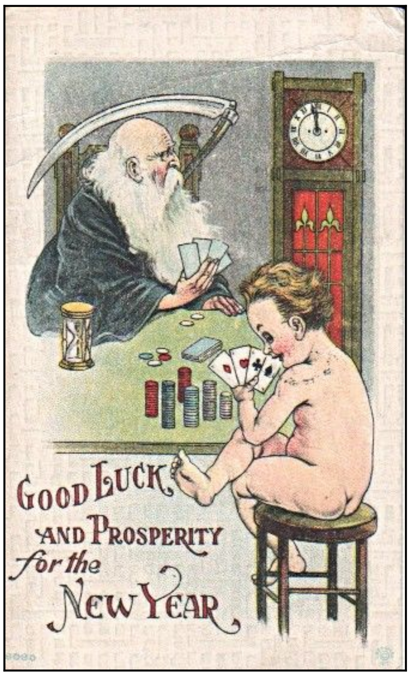
By Kerry Pechter *Thu, Jan 4, 2018*

New Year's reflections on: Voya's departure from the annuity business, Northwestern Mutual's new live-for-today television ads, and the Wall Street Journal's exposure of counterfeit postings on the DOL fiduciary rule's public comment page.

Welcome to 2018, which so far is on track to be just as strange as 2017. What will the infant year bring for the retirement income industry? What do the oracles say? Which of the millions of random news-dots seem connected?

A few days before Christmas, Voya Financial decided that it would get out of the business entirely. Voya was already closed its variable annuity business, whose risk exposure during the financial crisis was one reason why Netherlands-based ING divested its U.S. unit, which re-branded itself as Voya.

Voya, which is a major retirement plan provider, shifted its individual retirement emphasis to indexed annuities, which are less capital-intensive than variable annuities. As recently as in late October, at LIMRA's annual conference, Voya's Chad Tope told *RIJ* that Voya would soon enter the small but growing structured variable annuity market.



Now Voya is out of annuities altogether. I haven't talked to Voya's folks since October, but I wonder if it's a coincidence that its announcement came one month after reports that FIA sales for the third quarter of 2017 were down 12.6% from the previous quarter, and down 10.5% from the same period in 2016.

If, like me, you're one of those people sitting in the cheap seats at the salty Margarita rim of the football stadium, wondering why more Boomers aren't locking their seven years of frothy capital gains into imperturbable lifetime income, then you are also puzzled and concerned about weak annuity sales.

Not everyone sees it that way. At a tapas bar a few weeks ago, an advisor friend of mine lamented the lack of growth opportunities for his older clients. His comment made little sense to me. He sounded like a lottery winner wondering where his next meal would come from.

Many of his clients are sitting on huge capital gains. They have won the lottery. Their financial dreams have come true. Now it's time to rake a big chunk of those gains off the table and lock them into meaningful future consumption.

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Speaking of football: During last Saturday's Cotton Bowl game, where Penn State managed not to squander a fourth-quarter lead for the third time this season, I saw a few of the new Northwestern Mutual ads. In one of them, a bearded young father decides to invest in a backyard swimming pool for his kids rather than meet with his financial advisor to talk about saving for retirement and long-term care needs.

The shift in marketing tone is a sign of the times—a sign that the Boomer train, draped as it were in funereal black bunting, has left the station. A new and younger train is arriving, and it's full of people who are focused their quality of life today. Young people don't respond to fear mongering about the distant future. Northwestern Mutual's new ads harmonize with the growing emphasis on "financial wellness" in the workplace.

HR departments and retirement plan providers recognize that the new plurality in the workforce is more concerned about student debt, affordable health insurance and a first mortgage than about retirement. Young people today aren't even sure the planet will be here by the time they reach age 65.

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Conspirators with a grotesque sense of irony tainted the public comment board at the Department of Labor with counterfeit negative comments about the DOL fiduciary rule, according to a *Wall Street Journal* story that was picked up by *NAPANet* and *PlanAdviser*.

Someone or several people appear to have decided to lie in a debate about truthfulness, by posting comments under the names of real people other than themselves. The purpose was presumably to compensate for a shortage of genuine public opposition to the Rule.

On December 28, *PlanAdviser* reported, citing *The Wall Street Journal* story, that the fiduciary rulemaking was the "direct target of trolls" and that "40% of the thousands of individuals surveyed by its reporters said they did not write the comments attributed to them on the Labor Department's public website."

But Nevin Adams of the American Retirement Association, noting that the *Journal* didn't get many responses to its survey of authors of thousands of public responses on the cite, has suggested that there may only have been a handful of fake comments on the DOL site. The statement, “40% of thousands” were fake, just isn’t true, he wrote on LinkedIn. The *Journal* may have decided that the result of a small sample was representative of thousands of comments. It’s just another reminder that we live in an era of “fake news.”

Knowingly posting false comments to a federal website is a crime. If the *Journal* report itself is factual, and there was a significant dirty-tricks effort to fog up the public discourse around the Rule, then I hope that the trolls, and the people who directed and paid the trolls, are exposed, prosecuted and never pardoned.