
Breaking News

By Editorial Staff Thu, Oct 28, 2021

DOL sets new schedule for enforcing fiduciary rules; Annexus and Sammons roll out FIA with ESG index, multi-option rider; RIAs can now access an Allianz RILA with income rider on DPL platform.

DOL sets new schedule for enforcing fiduciary rules

The US Department of Labor's Employee Benefits Security Administration has issued Field Assistance Bulletin 2021-02, "Temporary Enforcement Policy on Prohibited Transaction Rules Applicable to Investment Advice Fiduciaries."

FAB 2021-02 provides that from Dec. 21, 2021, through Jan. 31, 2022, the department will not pursue prohibited transaction claims against investment advice fiduciaries who are working diligently, and in good faith, to comply with the Impartial Conduct Standards (i.e., best interest, reasonable compensation and without misleading statements) for transactions exempted in PTE 2020-02.

In addition, the department will not treat such fiduciaries as if they were violating the applicable prohibited transaction rules. Finally, the department will not enforce the specific documentation and disclosure requirements for rollovers in PTE 2020-02 through June 30, 2022. However, all other requirements of the exemption will be subject to full enforcement on Feb. 1, 2022.

Annexus and Sammons roll out FIA with ESG index, multi-option rider

The Sammons Financial Group, which sold the fifth most fixed indexed annuities (FIAs) in the first half of 2021, has partnered with Annexus, a designer of FIA contracts, are partnering on the launch of two new FIA contracts.

The contracts, to be issued by North American Company for Life and Health Insurance, are the North American Secure Horizon and the North American Secure Horizon Plus. The Plus version includes a rider that can pay off in the event of death, disability, a drop in Social Security benefits, or extreme longevity.

Only one of the four benefits may be elected under the contract rider, however. Once a benefit is elected, no other benefits are available. The program can be sold by insurance agents, advisors or Investment Advisor Representatives of Registered Investment Advisors.

Contract owners can allocate premium to the BlackRock ESG US 5% Index ER, the Loomis Sayles Managed Futures Index, and the S&P 500 Low Volatility 5% ER Index. It also features an innovative first-to-market Performance Strategy Ladder that can provide “greater growth opportunities,” a Sammons release said.

The department continues to review issues of fact, law and policy related to the exemption, and more generally, its regulation of fiduciary investment advice.

RIAs can now access an Allianz RILA with income rider on DPL platform

The Allianz Index Advantage Income ADV Variable Annuity, from Allianz Life Insurance Company of North America (Allianz Life), which offers a lifetime income rider, is available now on the DPL Financial Partners web-based platform for registered investment advisors (RIA)s.

Investors in the annuity product and its income rider can select from several index crediting methods with varying levels of protection against market downturns. The income options include a flat payout or one with growth potential. The product enables advisors to bill directly from the annuity rather than needing to pull their fee from a separate account.

A 0.25% product fee and 0.70% Income Benefit rider fee are accrued daily and deducted on each quarterly contract anniversary, calculated as a percentage of the contract value. The Income Benefit rider is automatically included in the contract at issue and cannot be removed.

Investor demand for RILAs has been strong, with flows up 104% year over year in the first half of 2021 according to LIMRA. DPL Financial Partners is a turnkey insurance management platform that brings commission-free insurance solutions to RIA practices.