Honorable Mention

By Editorial Staff *Thu, Jun 10, 2021*

Nationwide annuities join SIMON's shelf ; 2021 starts better for life/annuity industry than 2020 did: AM Best; "Extended care" requires as much planning as "long-term care": Thrivent; Modern Woodmen in reinsurance deal with RGA.

Nationwide annuities join SIMON's shelf

Several of Nationwide's annuities will be distributed through the SIMON structured products platform, according to an announcement from SIMON Annuities and Insurance Services LLC this week. Nationwide is the latest life insurer to offer its products through the SIMON platform. SIMON Markets was created in 2018 as a spin-off from Goldman Sachs structured notes desk.

The platform offers structured notes as well as commission and fee-based annuities to financial advisers, wealth managers. The head of Insurance Solutions at SIMON is Scott Stolz, formerly head of Insurance Solutions at Raymond James.

The SIMON Marketplace gives advisers "powerful allocation analysis tools and product-specific educational resources to better serve the retirement and legacy goals of clients," according to a release. The platform serves more than 85,000 financial professionals managing $3 trillion in assets.

The platform provides "on-demand education, an intuitive marketplace, real-time analytics, and lifecycle management" while providing access to structured investment, annuity, and defined outcome ETF solutions to investment professionals, centralized within one unique ecosystem," the release said.

2021 starts better for life/annuity industry than 2020 did: AM Best

The US life/annuity (L/A) industry saw its net income jump to $13.3 billion in the first quarter of 2021, compared with a $23.2 billion loss in the same period in 2020, according to a new Best's Special Report, "First Look: Three-Month 2021 Life/Annuity Financial Results."

The data is derived from companies' three-month 2021 interim statutory statements that were received as of June 1, representing an estimated 99% of the total L/A industry's net premiums written.

In the first three months of 2021, US L/A total income declined by 9% from the prior-year period. An increase in commissions and expense allowances was offset by declines in premiums and annuity considerations, as well as in net investment and other income.

The large 33% reduction in expenses resulted in a pre-tax net operating gain of $27.1 billion, up from a loss of $46.7 billion in first-quarter 2020. A $10.9 billion increase in tax obligations and $26.5 billion decrease in net realized capital gains contributed to the industry's net income for the first three months of 2021.

Capital and surplus increased slightly from the end of 2020, to $446.8 billion, as $15.6 of net income and contributed capital nearly was negated completely by a $4.7 billion change in unrealized losses, a $3.6 billion change in asset valuation reserves and $6.5 billion of stockholder dividends.

"Extended care" requires as much planning as "long-term care": Thrivent

Despite the COVID-19 pandemic, a significant percentage of Americans have not planned for the possibility that they will need someday need "non-medical care" involving assistance with basic daily activities due to a physical or cognitive impairment," according to a survey by Thrivent.

The survey was conducted in partnership with data intelligence company Morning Consult and polled 2,200 adults across the country between March 11-15.

Although the pandemic magnified the impact of *long-term* care on individuals and their caregivers' daily lives, more than half of survey respondents (51%) said COVID-19 "did not change their approach to extended care planning at all," according to Thrivent's 20221 Extended Care Planning Survey, 70% of Americans have not documented their plans for extended care.

Only 18% of respondents said COVID-19 made them realize having a plan is more important than ever, the survey showed. Only 12% said the pandemic led them to have a conversation with their spouse and or/immediate family about extended care for themselves or a loved one.

Modern Woodmen in reinsurance deal with RGA

Reinsurance Group of America, Inc., a leading global life, annuity, and health reinsurer, has completed an annuity reinsurance transaction with Modern Woodmen of America, a member-owned fraternal financial services organization.

The Willis Re Life Solutions Group served as the broker for the transaction. The transaction closed on June 3, 2021, with an effective date of April 1, 2021. Additional terms of the transaction are not being disclosed.

Under the agreement, an RGA subsidiary will reinsure a seasoned block of US annuity business. Modern Woodmen will continue to service and administer the contracts.

“We were able to tailor a mutually beneficial transaction that meets Modern Woodmen’s specific capital and risk management objectives,” said Larry Carson, Executive Vice President, Global Financial Solutions, RGA. “This transaction continues RGA’s successful strategy to grow our asset-intensive business.”