
Honorable Mention

By Editorial Staff Thu, Aug 26, 2021

Button succeeds Morris as Pacific Life CEO; Net income up, total income down for life/annuity industry in 1H2021; Athene Holding acquires £3 billion UK mortgage loan originator.



Button succeeds Morris as Pacific Life CEO

Pacific Life Insurance Company has named Darryl Button its CEO-Elect. He will become president and CEO of Pacific Life when Jim Morris, the current Chairman, President and CEO, retires on April 1, 2022.



Darryl Button

Button, currently the company's chief financial officer, will be Pacific Life's 15th chief executive in 154 years. The directors of Pacific Mutual Holding Company, Pacific Life's ultimate parent, also named Mariann Byerwalter as its non-executive board chair beginning April 1, 2022.

Button joined Pacific Life in March 2017. He has been responsible for the company's finance, risk management and corporate development functions, as well as the performance of the \$119 billion in assets in Pacific Life's general account. He oversaw the creation of a new business division in 2020 focused on serving institutional clients with pension risk transfer and 401(k) plan investment solutions.

Prior to joining Pacific Life, Button served for 17 years at Aegon where his last role was chief financial officer and a member of the Executive Board of Aegon N.V. He began his

career at Mutual Life Insurance Co. of Canada and is a fellow of the Society of Actuaries (FSA), a fellow of the Canadian Institute of Actuaries (FCIA), and a member of the American Academy of Actuaries (MAAA). He holds a B.S. in mathematics, actuarial science and statistics from the University of Waterloo in Ontario, Canada.

Following his planned retirement in April 2022, current Chairman, President and CEO Jim Morris will continue to serve as a director on the board of Pacific Mutual Holding Company through the conclusion of his elected term in May 2023. He began his almost 40-year career at Pacific Life following his graduation from the University of California, Los Angeles and held a series of management positions in the Life Insurance and Corporate Divisions before his election as CEO on April 2, 2007. During his 15-year tenure as CEO, assets of the company have almost doubled from \$101 billion to \$198 billion. The endowment of the Pacific Life Foundation has also more than doubled from \$63 million to \$130 million during this same time period.

As part of this transition, the board of directors will create the role of non-executive board chair. Mariann Byerwalter has served on the Pacific Mutual Holding Company board of directors since 2005 and has been its lead director since 2019.

Net income up, total income down for life/annuity industry in 1H2021

Net income for US life/annuity (L/A) insurance industry rose to \$18 billion in the first half of 2021 from \$1 billion in the first half of 2020, thanks to reduced expenses, a new AM Best Special Report said.

Total income declined 5.9% in the first half of this year however, as increases in commissions and expense allowances, along with net investment income, were countered by declines in premiums and annuity considerations and other income, according to the report.

But total expenses for the industry fell 14.4%, due mainly to a 48.3% decline in other incurred benefits that was driven by significant swings in aggregate reserves for life and accident and health insurance contracts. A \$6.1 billion increase in Tax obligations rose \$6.1 billion and net realized capital gains fell \$12.9 billion, contributing to the industry's overall net income gain.

The report, "First Look: Six-Month 2021 Life/Annuity Financial Results," is based on data from companies' six-month 2021 interim statutory statements. The data is as of Aug. 19, 2021, and represents about 93% of the total L/A industry's net premiums written.

To access the full copy of this special report, please visit
http://www3.ambest.com/bestweek/purchase.asp?record_code=311945.

Athene Holding acquires £3 billion UK mortgage loan originator

Athene Holding, the top retailer of fixed indexed annuities in the US, said it will acquire Foundation Home Loans (FHL), a specialist UK mortgage lender, from funds managed by affiliates of Fortress Investment Group, subject to the satisfaction of customary conditions, including consent by the Financial Conduct Authority.

The investment in FHL will be managed by the team at Apollo Global Management, Athene's strategic asset management partner. "FHL originates high-quality residential mortgage loans, providing Athene with attractive investment opportunities in high-quality yield assets," an Athene release said. As of June 2021, FHL had a £3 billion (\$4.12 billion) portfolio of specialist buy-to-let and owner-occupied mortgages on its balance sheet.

"This transaction continues our longstanding strategy of working with Apollo to identify and invest in attractive businesses which add direct origination asset sourcing capabilities to our alpha-generating investment portfolio. We believe our investment will help FHL achieve its full potential, while being a complementary addition to our expanding asset sourcing capabilities," Athene chairman and CEO Jim Belardi said in a release.

Athene's residential mortgage portfolio of loans and structured securities exceeded \$13 billion of net invested assets as of March 31, 2021 and "exhibits a strong yield profile that is indicative of the alpha generation the asset class can offer," the release said.

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