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## **Honorable Mention**

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By Editorial Staff    *Fri, Sep 21, 2018*

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*Shlomo Benartzi to partner with Acorns, a financial wellness system; AIG acquires Glatfelter Insurance Group; Principal adds chat function for plan administrators and bolsters financial wellness offerings in its 401(k) plans.*

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### **Benartzi to partner with Acorns, a financial wellness system**

Acorns, the country's fastest-growing financial wellness system with four million users, today announced that Shlomo Benartzi, professor and co-founder of the Behavioral Decision-Making Group at UCLA Anderson School of Management, has joined as Chair of the Behavioral Economics Committee.

Benartzi is building a network of behavioral scientists to launch "Money Lab," an initiative that aims to create, test and build solutions to increase the financial well-being of "the up and coming" in America, with a special focus on savings and investment.

The first call for research proposals for field experiments focused on reducing consumer spending has proved that there is great interest in the initiative: academic teams from 25 universities, including Carnegie Mellon, Chicago, Colorado, Columbia, UCLA and Yale have submitted project ideas.

With Nobel Laureate Richard Thaler of the University of Chicago, who is also an advisor to Acorns, Benartzi pioneered the Save More Tomorrow (SMarT) program, a behavioral prescription designed to help employees increase their savings rates gradually over time.

Benartzi's first experiment powered by Acorns focuses on the way customers respond to a simple question: Would they like to save \$5 every day, \$35 a week or \$150 a month? The total amount of money set aside is practically the same, yet while only seven percent opted to save \$150 a month, nearly 30% decided to save \$5 a day.

"Saving \$5 a day makes us think about skipping a Starbucks latte (that seems doable), while \$150 a month makes us think about car payments, which is a much more daunting amount to give up," Benartzi concludes.

These findings showed that framing investments as daily versus monthly can close the savings gap between the lower and upper income users; for example, someone who is making \$25,000 a year and saves \$5 daily can close the retirement savings gap with someone who makes \$100,000 annually, an Acorns release said.

## **AIG to acquire Glatfelter, a broker and insurer**

American International Group, Inc. has entered into a definitive agreement to acquire Glatfelter Insurance Group, a full-service broker and insurance company providing services for specialty programs and retail operations, according to an AIG release this week.

The transaction is expected to close in the fourth quarter of 2018, subject to customary closing conditions, including regulatory approvals and clearances in relevant jurisdictions.

Headquartered in York, Pennsylvania, “Glatfelter brings high-quality program underwriting capabilities that will accelerate the strategic positioning of AIG’s General Insurance business. The terms of the transaction were not disclosed,” the release said.

Glatfelter’s operations include approximately 3,000 brokers serving approximately 30,000 insureds in the U.S. and Canada. Upon closing, Glatfelter CEO Tony Campisi will report directly to David McElroy, the incoming CEO of AIG General Insurance’s Lexington business.

## **Principal wants to chat with retirement plan administrators**

A “first-of-its-kind online chat feature to answer retirement plan administrative questions” will be launched this fall by Principal Financial Group, the retirement plan provider announced this week. Principal client service associates will chat with plan sponsors “in real time throughout their workday.”

Administrators of small and medium-sized plans can devote only about 5-10% of their time to managing the plan, Principal said, so real-time support is essential. “The ability to quickly accomplish tasks and get back to running their business is essential. “Online chat can be the best of human customer service and technology combined,” said Jerry Patterson, senior vice Pres. of Retirement and Income Solutions at Principal.

The new chat feature will be launched in a staged format to a pilot group of small and medium business customers beginning this fall. At launch, the service will be available from 8 a.m. to 5 p.m. CT. Until then, there’s an example of the chat service online [here](#).

## **Principal beefs up wellness offering**

With an estimated 50% of Principal Financial Group is expanding its financial wellness resources, at no additional costs to participants or their plans, through a partnership with iGrad’s Enrich financial wellness platform.

The new Principal Milestones program is designed to give participants centralized access to financial education resources. The platform addresses student loans, preparation of wills and other legal documents preparation powered by ARAG, Health Savings Accounts, and budgeting.

Findings released in April from a research project by Principal and behavioral economist Dan Goldstein show that seven in 10 Americans postpone making financial decisions, with less than one-third saying they feel comfortable with the amount of knowledge they have about managing finances,.

The behavioral research showed, however, that people “who spend even a little bit of time learning about financial planning are 75% more likely to be confident in their financial future.”

Enrich uses an online assessment to evaluate an individual’s strengths and weaknesses and then delivers personalized information on how to spend less than they earn, save for emergencies and plan for the future, a Prudential release said.

Enrich provides strategies to help participants pay off student loans, plan for a child’s college education, budget or use health savings accounts, as their cases demand.

Principal has for several years provided Principal Retire Secure (1-on-1 workplace education meetings from a retirement professional), a set of webinars with live chat, resources for advisors and plan sponsors, and the Retirement Wellness Planner, which allows users to link any external account information and adjust for their household situation.

iGrad, a financial wellness education company based in San Diego, offers two white-label platforms: iGrad and Enrich. Enrich personalizes financial information for each person’s situation and needs. It also offers tools, quizzes, videos, articles and a library of multimedia content. The company’s platform for higher education, also called iGrad, is established at more than 600 colleges and universities.

ARAG is a provider of legal insurance with a premium base of \$2 billion and 17.5 million family clients worldwide. Nearly 4,000 individuals set up their accounts and created a total of 4,700 documents in the three months after Principal began offering the service, Principal said.