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## Honorable Mention

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By Editorial Staff      Thu, Jan 17, 2019

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*iPipeline processes 240,000 annuity transactions in 2018; Duke University settles 'excessive fee' lawsuit; Oceanwide-Genworth merger moves ahead.*

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### **iPipeline processes 240,000 annuity transactions in 2018**

iPipeline, a provider of cloud-based software for the life insurance and financial services industry, announced a record increase in the number of annuity transactions processed with their AFFIRM for Annuities product in 2018.

AFFIRM for Annuities is used by 35,000 advisors at large financial institutions to execute order entries for variable and fixed indexed annuities.

AFFIRM for Annuities expedites the order-entry process with customized workflows and suitability reviews, enabling financial institutions to meet FINRA, SEC and state compliance requirements.

“The total number of annuity transactions processed through AFFIRM has grown to over 240,000 with total deposits in 2018 reaching \$31 billion,” said Tim Wallace, CEO, iPipeline, in a news release.

Fixed indexed annuity sales hit a record quarterly high of \$54.9 billion in the third quarter of 2018, according to the Insured Retirement Institute (IRI). “The demise of the DOL fiduciary rule last spring, changing economic conditions, and the broadening acceptance of our next-generation order-entry solution account for much of the increase in transactions and total deposits,” Wallace said in the release.

iPipeline’s Connections 2019 User Meeting & Conference will be held at the Aria Resort & Casino in Las Vegas from March 17-19.

### **Duke University settles ‘excessive fee’ lawsuit**

Schlichter Bogard & Denton, a leading national law firm based in St. Louis, this week filed a preliminary settlement approval motion on behalf of Duke University employees and retirees, in their suits against the university involving their 403(b) retirement plan.

The plaintiffs in the cases, filed in August 2016 and August 2018, sued for alleged breach of

fiduciary duty under the Employee Retirement Income Security Act (ERISA). The settlement terms include the creation of a \$10.65 million settlement fund for the plaintiffs, as well as non-monetary relief.

The complaints, David Clark, et al., v. Duke University, et al., and Kathi Lucas, et al., v. Duke University, were originally filed in the U.S. District Court in the Middle District of North Carolina.

The case was among the first cases ever filed against a university alleging excessive fees. Schlichter Bogard & Denton also filed the first cases over excessive fees in 401(k) plans.

The complaints alleged that Duke University breached its duties of loyalty and prudence under ERISA by causing plan participants to pay excessive fees for both administrative and investment services in the plan. Duke denied it committed any fiduciary breach in its operation of the plan.

Besides the financial compensation, Duke agreed for a three-year period to: hire an independent consultant regarding bids for recordkeeping services; ease the ability of participants to transfer their investments out of frozen annuity accounts; analyze the cost of different share classes of mutual funds considered for inclusion in the plan; and avoid the use of plan assets to pay salaries of Duke employees who work on the plan.

### **Oceanwide-Genworth merger moves ahead**

In connection with the merger of Genworth Financial, Inc., and China Oceanwide Holdings Group Co., Ltd., the New York State Department of Financial Services (NYDFS) has approved the proposed acquisition of New York-domiciled Genworth Life Insurance Company of New York by Oceanwide affiliates.

Genworth and Oceanwide extended their merger agreement to January 31, 2019 for additional regulatory review.

The two firms have entered into a letter agreement with the NY DFS, acknowledging certain additional requirements relating to cyber-security matters and the protection of customer information. Genworth and Oceanwide have undertaken an Enhanced Data Security to satisfy requirements of the Committee on Foreign Investment in the United States.

With NY DFS' approval, the transaction has received all required U.S. insurance regulatory approvals. Closing remains subject to other regulatory approvals in China, Canada and by

the U.S. Financial Industry Regulatory Authority (FINRA).

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