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## Honorable Mention

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By Editorial Staff      Thu, May 2, 2019

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*Securian to offer individual annuities in the bank channel; 'Bucketing' software, by subscription, for professionals and amateurs;  
Loans from 401(k)s still declining: T. Rowe Price.*

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### **Loans from 401(k)s still declining: T. Rowe Price**

The use of 401(k) loans reached a nine-year low of 22.5% in 2018, and continued a steady six-year decline of nearly 10%, according to T. Rowe Price's annual participant data benchmarking report, Reference Point.

The report also found that the percentage of participants who took a hardship withdrawal fell for the ninth consecutive year, declining from 1.9% in 2010 to 1.3% in 2018. Meanwhile, both loan balances and the average amount of hardship withdrawals increased.

Additional findings include:

- Participation declined slightly. The participation rate dropped by nearly 2% from 2017 to 2018. Plans that did not have auto-enrollment saw participation drop at more than twice the rate of those without auto-enrollment.
- Auto-enrollment continued to significantly impact positive participant behavior. Participation was over 40 percentage points higher in plans with auto-enrollment compared with plans without it.
- Pretax deferral rates continued to rise. The average pretax deferral rate increased slightly to 8.6%, reaching the all-time high for a second year in a row.
- Employer match increased. Plans offering a 4% employer match surpassed those offering a 3% match for the first time. The reduction of the corporate tax rate due to tax reform may have contributed to the increase.
- Plan adoption and participant usage of target date products reached an all-time high. Plan adoption of target date products reached an all-time high at 95%. Participant usage also increased in 2018 across all age groups but was highest among younger workers. Additionally, the percentage of participants with their entire account balance in a target date product has grown by 20% since 2014.
- 401(k) Roth contributions increased. The number of participants making Roth contributions increased by nearly 10% compared with 2017; however, overall usage remains low at 7.6%. Millennials age 30-39 are using Roth the most, at nearly 10%, with younger workers age 20-29 following at 8.8%. In 2018, nearly 75% of plans offered the Roth option.

Data are based on the large-market, full-service recordkeeping universe of T. Rowe Price Retirement Plan Services, Inc., retirement plans (401(k) and 457 plans), consisting of 657 plans and over 1.8 million participants, from January 1, 2007, through December 31, 2018.

#### **Securian to offer individual annuities in the bank channel**

Securian Financial has entered the bank distribution channel for individual annuities with customized products and a new sales team, Chris Owens, Securian Financial's national sales vice president for retail life insurance and annuities, announced this week.

According to LIMRA, bank channel individual annuity sales in the U.S. were \$41.5 billion in 2018, an 18% increase over 2017 sales, Securian said. Banks "have many risk-averse clients who traditionally purchase CDs. Annuities are an increasingly attractive alternative for bank advisors interested in generating a higher return on their clients' investments," said Owens in the release.

Securian Financial hired Kate McLees Hannon and Karl Krause as regional sales vice presidents. The company plans to hire four more regional sales vice presidents for the bank channel by year's end.

Securian Financial will offer bank customers all of its individual fixed, indexed, variable and immediate income annuities, as well as annuities with accelerated death benefit features for clients concerned about the potential costs of chronic or terminal illness. Securian Financial is also developing specific annuity products for banks.

Securian Financial's immediate income annuity, underwritten by Minnesota Life Insurance Company, was ranked by Barron's magazine as the best product in the three varieties of immediate income annuities the publication researched: immediate life only annuity, immediate 10 year-certain annuity and immediate cash installment refund annuity. Securian Financial's MyPath Ascend 2.0 variable annuity, underwritten by Minnesota Life Insurance Company, was ranked the third-best product in the variable annuity category by Barron's.

Securian Financial describes itself as the eighth largest life insurance company in the United States based on total life insurance in force. The company had \$78.5 billion in assets under management at the end of 2018 and ranked #462 on the 2018 Fortune 500.

Securian Financial has a 95 Comdex ranking, which puts it in the top 5% of companies with a Comdex rating, the release said. The Comdex rating is an average percentile of a company's ratings from independent rating agencies that analyze the financial strength and

claims-paying ability of insurance companies.

**‘Bucketing’ software, by subscription, for professionals and amateurs**

Investment Link, a Southfield, MI-based registered investment advisor (RIA) and financial software firm, has launched a subscription-based web-based decumulation planning platform that employs the “bucket” or time-segmentation system to create retirement income,

The service, intended for advisors and investors, is called [\*\*The Retirement Buckets Income Plan\*\*](#). The advice consists of two parts: Planning Advice with risk management through Retirement Buckets, and Investment Advice with risk management through Target Volatility Portfolios.

Investment Link is led by Henry Ilyasov, a 46-year-old certified financial planner who worked for Ameriprise from September 2004 to March 2018, when he started his current company, according to his LinkedIn page.

The subscription service is available at [\*\*three price points\*\*](#): The basic “registered” service, at no monthly fee, includes a Social Security calculator and “savings advice.” A “standard” service (\$23.99 a month or \$239 per year) offers those services plus “planning advice.” A “premium” service (\$29.99 a month or \$299 per year) that in addition offers “investment advice.”

Bucketing platforms for advisors have been around for some time. The Income for Life Model (IFLM) from [\*\*Wealth2k\*\*](#) has been available for over a decade. WealthConductor, which offers the IncomeConductor bucketing software, was founded in 2017.

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