
Honorable Mention

By Editorial Staff *Thu, Jul 25, 2019*

DPL Financial Partners, Lighthouse Life offer life settlements to RIAs; Jackson enhances variable annuity benefits, adds Fidelity as money manager; ACLI rebuts Wall Street Journal editorial on SECURE Act; Scott Boyd joins Principal Financial; Presidential candidate Buttigieg proposes raising FICA limit to \$250,000 to support Social Security funding.

Jackson enhances variable annuity benefits, adds Fidelity as money manager

Jackson National Life Insurance Company has announced several benefit updates to its family of variable annuities (VAs), including Perspective II and Perspective Advisory II. The changes are designed to streamline many of the add-on options offered through these products, by focusing on the most popular benefit designs.

As part of this launch, Jackson introduced LifeGuard Freedom Accelerator and Accelerator DB—two new benefits available through the Perspective family of VAs. LifeGuard Freedom Accelerator provides the potential for consumers to grow their income by offering higher levels of guaranteed withdrawals for each year they defer taking income. LifeGuard Freedom Accelerator DB adds the option for investors to leave a legacy, to help protect their families financially. Consumers who are seeking additional details about these benefits should partner with a financial professional who offers Jackson products.

Along with the release of the new benefits, Jackson has also introduced an option that provides the potential for more frequent increases of the guaranteed benefit value as a result of positive market performance. With these and other changes, Jackson has aligned the benefit platforms across its commission and fee-based VAs, Perspective II and Perspective Advisory II, providing consistency in options regardless of how consumers choose to engage their financial professionals.

Jackson also announced a new relationship with Fidelity Institutional Asset Management that will give advisors and their clients access to subaccounts managed by Fidelity through Jackson's variable annuity offerings.

DPL Financial Partners, Lighthouse Life offer life settlements to RIAs

DPL Financial Partners, an insurance and annuity purchasing platform for registered investment advisors (RIAs), is partnering with Lighthouse Life Solutions, LLC ("Lighthouse Life") to allow DPL's member RIAs to sell unneeded life insurance assets for cash.

“Life settlements are a natural extension of our product lineup,” said DPL Founder and CEO David Lau in a release. He explained that many life settlement providers require a lengthy review process that includes a medical evaluation, but Lighthouse Life typically conducts a brief telephone interview with the insured and makes an offer within a few days, not weeks or months, later.

According to DPL’s Lau, life settlement transactions are best suited to older investors who own low cash-balance permanent life, or even term life policies when they typically have a convertibility feature. Clients may no longer need the policies because their liability profile has changed and/or they may be having trouble covering the premiums. In many cases, he said, liquidating the asset via a life settlement is a superior option to letting the policy lapse and receiving no value.

ACLI rebuts Wall Street Journal editorial on SECURE Act

Susan Neely, president and CEO of the American Council of Life Insurers (ACLI), made the following statement about today’s Wall Street Journal editorial “IRAs in Political Sights”:

“Low and middle-income Americans struggling to save for retirement are depending on the U.S. Senate to pass the SECURE Act. Only the wealthiest of Americans, less than one percent, use the ‘stretch IRA’ for estate planning. SECURE’s ‘stretch IRA’ provision shouldn’t derail a package to help millions of working Americans save for retirement.

“One provision of the SECURE Act will get more than 700,000 Americans who work for small businesses to save for retirement. The Senate should seize the historic opportunity at hand to pass this bill and confront America’s retirement savings challenges.”

The American Council of Life Insurers (ACLI) advocates on behalf of 280 member companies dedicated to providing products and services that promote consumers’ financial and retirement security. 90 million American families depend on our members for life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits.

Scott Boyd joins Principal Financial

Principal Financial Group has hired Scott Boyd as head of sales for Workplace Savings and Retirement Solutions in the company’s Retirement and Income Solutions division, effective August 12, 2019. He will report to Jerry Patterson, senior vice president, Retirement and Income Solutions, at Principal.

Most recently, Boyd served as senior vice president for full-service teams at Prudential, focusing on offerings in the corporate, governmental, tax-exempt and Taft Hartley markets. He also managed the business development and intermediary relations teams, serving distributors.

Prior to Prudential, Boyd was a strategy consultant for PricewaterhouseCoopers in Boston. He has a BS degree in Civil Engineering from Union College in Schenectady, New York and an MBA from the Johnson School at Cornell University. Additionally, he holds Series 6, 63 and 26 registrations and is a registered representative of Prudential Investment Management Services LLC (PIMS).

Candidate Buttigieg proposes raising FICA limit to \$250,000 to support Social Security

Democratic presidential candidate Pete Buttigieg wants to add new revenue to the Social Security program by raising the so-called FICA limit and boosting the amount of annual wages subject to the payroll tax that funds America's 80-year-old pay-as-you-go social insurance program.

Buttigieg's proposal, announced last Saturday at a forum in Iowa sponsored by AARP, is similar to but more moderate than similar proposals from Sen. Bernie Sanders (D-VT) and other Democratic presidential candidates.

The mayor of South Bend, Indiana, Buttigieg said he would raise the maximum annual earnings currently subject to the Social Security payroll tax to \$250,000 from \$132,900. Workers and employees pay a combined 12.4% tax on their earnings—6.2% each—up to an amount that rises annually with the average national wage.

"That would go a long way toward sustainability on the Social Security side," Buttigieg said. Americans ages 65 and older are expected to comprise about 23% of the electorate in 2020. That's their largest share since at least 1970, according to The Pew Research Center.

In February, Bernie Sanders introduced legislation that would continue to apply the 12.4% tax on earnings below the current limit and above \$250,000. Three others running for the Democratic presidential nomination, Sen. Cory Booker (D-NJ), Sen. Kirsten Gillibrand (D-NY) and Sen. Kamala Harris (D-CA) have proposed solutions to Social Security's funding problems. Without additional revenue, the program will be able to pay only about 75% of its promised benefits starting in 2034.