
Honorable Mention

By Editorial Staff Thu, May 21, 2020

DOL allows electronic communications to plan participants; Envestnet FIDx partners with RetireOne; What high-net-worth investors want: Cerulli; Lamarque promoted to general counsel at New York Life.

DOL allows electronic communications to plan participants

The U.S. Department of Labor (DOL) has published today a [final rule](#) that expands the ability of private sector employers to communicate retirement plan information online or by email. The rule allows employers to deliver disclosures to plan participants primarily electronically.

This action will save an estimated \$3.2 billion in printing, mailing, and related plan costs over the next decade, the DOL said. The rule will also make disclosures more readily accessible and useful for participants, but preserve the rights of those who prefer paper disclosures.

On Oct. 22, 2019, the Department's Employee Benefits Security Administration (EBSA) issued a proposed rule to allow plan administrators that satisfy certain conditions to notify retirement plan participants that required disclosures, such as a plan's summary plan description, will be posted on a website. At the same time, participants can choose to opt out of electronic delivery or request paper copies of disclosures.

Following the Department's proposal, plan sponsors and fiduciaries, plan service and investment providers, retirement plan and participant representatives, and other interested parties submitted several hundred written comments.

The final rule allows retirement plan administrators to furnish certain required disclosures using the proposed "notice-and-access" model. Retirement plan administrators also have the option to use email to send disclosures directly to participants. These administrators must notify plan participants about the online disclosures, provide information on how to access the disclosures, and inform participants of their rights to request paper or opt out completely. The new rule also includes additional protections for retirement savers, such as accessibility and readability standards for online disclosures and system checks for invalid electronic addresses.

The final rule furthers President Trump's Executive Order 13847, "Strengthening

Retirement Security in America,” which called on the Secretary of Labor to review actions that could be taken to make retirement plan disclosures more understandable and useful for plan participants, while also reducing the costs and burdens the disclosures impose on employers and plan administrators.

This rule also may help some employers and the retirement plan industry in their economic recovery from the disruption caused by the coronavirus pandemic. Many retirement plan representatives and their service providers, for example, have indicated that they are experiencing increased difficulties and, in some cases, a present inability to furnish ERISA disclosures in paper form. Enhanced electronic delivery offers an immediate solution to some of these problems.

Envestnet FIDx partners with RetireOne

FIDx, a product-agnostic platform that integrates the management of insurance and investment products, today announced a strategic partnership with RetireOne, the insurance and annuity back office for more than 900 registered investment advisers (RIAs) and fee-based advisors.

“The partnership supports a unified approach to connect insurance carriers, RIAs, and their existing wealth platforms. The alliance between FIDx and RetireOne will streamline the insurance experience for RIAs,” the companies said in a release this week.

The Envestnet Insurance Exchange, using FIDx technology, provides end-to-end annuity solutions, from pre- to post-issuance. RetireOne supports RIAs in planning, researching products, managing transactions post-execution, acting as agent of record, and creating necessary client reporting within the platforms they already use. This partnership with FIDx enables RetireOne to digitally access annuities through the Envestnet platform.

The Envestnet Insurance Exchange connects the brokerage, insurance, and advisory ecosystems. Together, Envestnet and FIDx have secured a strong line-up of annuity solutions from AIG Life & Retirement, Allianz Life, Brighthouse Financial, Global Atlantic Financial Group, Jackson National Life Insurance Co., Nationwide, Prudential Financial, and Transamerica. The Envestnet Insurance Exchange supports a wide range of both commission- and fee-based annuities.

Serving over 900 RIAs and fee-based advisors since 2011, Aria Retirement Solutions’ RetireOne is an independent platform for fee-based insurance solutions. With offerings from multiple “A” rated companies, RIAs may access this fiduciary marketplace at no additional

cost to them or their clients.

What high-net-worth investors want: Cerulli

Asset and wealth managers currently servicing or seeking to grow their marketshare in the high-net-worth (HNW) market must be prepared to address investor needs with specific and targeted strategies that can protect client capital in increasingly volatile markets, according to *The Cerulli Report - U.S. High Net Worth and Ultra High Net Worth Markets 2019*.

Positioning capital preservation and tax-effective solutions will be of utmost importance for firms seeking to preserve and grow their share of market, the report said. Cerulli classifies HNW households as those with greater than \$5 million in investable assets and ultra-high-net-worth (UHNW) households as those that own a minimum of \$20 million.

When serving investors at the high end of the wealth spectrum, Cerulli finds that investment objectives shift away from wealth accumulation and toward preserving capital and tax efficiency. As more HNW investors re-evaluate their financial situation amidst the COVID-19 pandemic, providers must ensure that they are well aligned with their clients' long-term objectives

More than four-fifths (83%) of HNW practices say wealth preservation is the most important investment objective when working with their clients, according to Cerulli's research. Tax minimization (64%), wealth transfer (61%), and risk management (57%) are also rated as very important by more than half of HNW practices.

Firms need to be mindful of these underlying objectives and look to position relevant strategies that can help HNW investors minimize taxes and preserve wealth over time.

"As competition for HNW marketshare intensifies, asset managers that are able to provide relevant and timely solutions to meet the evolving needs of HNW investors will stand to benefit in the current market environment," said Cerulli senior analyst, Asher Cheses, in a release.

Overall, HNW clients tend to be among the most sophisticated investors, and they often require a wide range of investment solutions to maintain their wealth across multiple generations. Given the complex needs of HNW clients, factors such as tax efficiency, long-term financial planning, and family governance are highly valued.

Advisors therefore need to be prepared to construct portfolios that take the appropriate

risks into account and can weather the ups and downs of market cycles. “More than ever, in a period of heightened market uncertainty, wealth managers need to harness their value-added services to prove their worth and approach clients’ investment goals and priorities in a strategic manner,” Cheses said.

Lamarque promoted to general counsel at New York Life

Natalie Lamarque has been appointed New York Life’s General Counsel. She will have day-to-day oversight of the Office of the General Counsel, including the insurance and agency, investments, corporate practice, and tax teams. Lamarque will also join New York Life’s Executive Management Committee and continues to report to Chief Legal Officer Sheila Davidson.

Lamarque previously served as Deputy General Counsel, responsible for litigation and the legal responsibilities for the investment, asset management, technology and intellectual property areas. She also chaired the company’s Privacy Working Group, a multidisciplinary internal thinktank that serves as a resource for the company on matters related to privacy.

Lamarque joined New York Life in 2014 as an Associate General Counsel in the Litigation Group. She served as Chief of Staff to the Chief Legal Officer and as a member of the Corporate Compliance Department, supervising the Sales Practice Review team.

Lamarque was an Assistant United States Attorney in the Southern District of New York where she prosecuted an array of federal crimes, including racketeering, insurance fraud, money laundering, bank fraud, credit card fraud, and identity theft.

Earlier in her career, she was an Associate in the Litigation Department of Debevoise & Plimpton LLP, focusing on white-collar defense, anti-corruption, and Foreign Corrupt Practice Act investigations. Lamarque received her bachelor’s and law degree from Duke University.