
Honorable Mention

By Editorial Staff *Wed, Nov 16, 2016*

New York Life pays dividend on deferred income annuity, Capital One Financial drops IRA commissioned sales, and Voya Financial Advisors touts its technology-led growth.

New York Life’s participating DIA owners get their first dividend check

For the first time, New York Life is paying out a dividend on its “[Mutual Income Annuities](#),” which are deferred income annuities whose contract owners participate in New York Life dividend distributions.

New York Life is the nation’s top seller of fixed income annuities, including deferred income annuities with and without a dividend. The mutual income annuity was launched in 2015. Northwestern Mutual offers a competing product with a slightly different design.

“Expanding our mutual structure to benefit pre-retirees and retirees seeking guaranteed lifetime income shows our commitment to broadening the community of policy owners who benefit from both our products and our mutual company structure. We expect even more consumers who are seeking retirement income solutions to enjoy the advantages of ownership that come with our participating income annuity product,” New York Life chairman Ted Mathas said in a release this week.

New York Life, America’s largest mutual life insurer, simultaneously announced that it expects to pay participating policy owners a record dividend payout of \$1.77 billion in 2017, an increase of 5.4% over what it expects to pay this year. Since 2012, New York Life has increased its dividend payout by 35 percent, despite five years of record low interest rates and uneven U.S. economic growth. Next year will be the 163rd consecutive year that New York Life has paid a dividend to policy owners.

Capital One’s broker-dealer will eliminate commissioned sales on IRAs

The online and retail brokerage arm of Capital One Financial will eliminate commissions on advised IRAs to conform with the Department of Labor’s fiduciary rule for tax-advantaged retirement accounts, which is scheduled to take effect on April 10, 2017, Financial Advisor

IQ reported this week.

Capital One Financial said the decision to ban trade commissions and allow only fees on assets under management in retirement accounts was a “natural decision” for the firm.

The firm said it would abide by the decision to eliminate commission-based servicing of those retirement accounts “regardless of potential changes to the] [fiduciary rule.” Since the presidential election, there’s been wide speculation in the retirement industry that the incoming Trump administration will eliminate the rule.

Capital One Financial’s financial advice and planning business is only a year old, operating out of several regional offices and a call center in Wilmington, Del. The unit manages about \$26 billion.

Voya attributes growth to technology investments

Voya Financial Advisors, Inc., the retail broker-dealer and registered investment adviser of Voya Financial, has launched “Business Builder,” a modeling and forecasting system that lets its advisors “set and manage the progress of business growth goals.”

The broker-dealer’s annual advisory sales grew by 30% during 2015, and annual recruiting Assets under Management (AUM) rose 115% through the third quarter of 2016. A Voya release attributed that growth to ongoing investments in new technology for advisors.

The Business Builder tool is aimed at advisors of retail clients or retirement plans. The tool lets advisors see overall Gross Dealer Concession (GDC), sales, and net new assets across several product categories. It also “provides capabilities for adjustments to better fit the unique TEM (tax-exempt market) business model,” the release said.

Last summer, the broker-dealer established a content repository where advisors can find online tools, webinar content, newsletters, discussion groups, and a network of expert partners and contributors. Recently, it expanded its social media program to help advisors create customized communications.

© 2016 RIJ Publishing LLC. All rights reserved.