Honorable Mention

By Editorial Staff *Thu, Dec 1, 2016*

Brief or late-breaking items from Allianz Life, Athene Holding, MassMutual, A.M. Best and Cogent Reports.

DeChellis and Brandreit promoted at Allianz Life

Allianz Life Insurance Company of North America has appointed Robert DeChellis to lead a new strategic business unit for the company effective January 1, 2017. DeChellis will report to Allianz Life Chief Distribution Officer and Allianz Life Financial Services LLC CEO Tom Burns.

The new business unit will “promote the benefits of holistic financial planning.” Participating financial professionals will have access to integrated accumulation, asset protection, and guaranteed lifetime income solutions, an Allianz Life release said.

DeChellis, who led Allianz Life Financial Services LLC for more than 10 years, developed and ran a successful pilot of the new strategic business unit in 2015-2016.

Before joining Allianz Life, he held management roles with The Travelers Company/MetLife Investors, Jackson National Life, and Goldman Sachs. DeChellis was recently elected as chairman of the board of directors for the Insured Retirement Institute (IRI).

Allianz Life also named Mike Brandriet as president of its wholly owned subsidiary, Allianz Life Financial Services LLC effective January 1, 2017. He will report to Allianz Life Chief Distribution Officer and Allianz Life Financial Services LLC CEO Tom Burns.

Brandriet will be responsible for the leadership and growth for channels within Allianz Life Financial Services LLC.

Brandriet has been with Allianz Life Financial Services LLC since 2007. After joining the firm as a district director, he assumed the role of leading the Strategic Accounts team in 2008. In 2009, he was chosen to lead the Allianz Life Financial Services LLC broker dealer business development and relationship management teams.

Brandriet has also held executive leadership roles with AXA, Jackson National Life, BankSouth Investments, and PrimeVest Financial Services.

Athene Holding goes public

Bermuda-based Athene Holding Ltd. Launched an initial public offering ("IPO") of its Class A common shares this week. All of the 23,750,000 Class A common shares to be sold in the IPO are being sold by certain Athene shareholders. Athene will not receive any proceeds from the IPO.

The IPO price per share is currently expected to be between $38.00 and $42.00. The underwriters may also exercise a 30-day option to purchase up to an additional 3,562,500 Class A common shares from certain of the Athene selling shareholders at the IPO price, less the underwriting discount.

Athene has applied to list its Class A common shares on the New York Stock Exchange under the symbol "ATH."

Goldman, Sachs & Co., Barclays, Citigroup and Wells Fargo Securities are acting as joint bookrunners of the offering and representatives of the underwriters. BofA Merrill Lynch, BMO Capital Markets, Credit Suisse, Deutsche Bank Securities, J.P. Morgan, Morgan Stanley, RBC Capital Markets, BNP PARIBAS, BTIG, Evercore ISI, SunTrust Robinson Humphrey and UBS Investment Bank are acting as bookrunners of the offering.

Dowling & Partners Securities LLC, Keefe, Bruyette & Woods, A Stifel Company, Lazard, Rothschild, Sandler O'Neill + Partners, L.P. and The Williams Capital Group, L.P. are acting as co-managers of the offering.

MassMutual appoints four new sales directors

Massachusetts Mutual Life Insurance Co. (MassMutual) has appointed four new regional sales directors (RSDs) to round out a newly created national team of sales professionals supporting the company's focus on voluntary insurance benefits in the workplace.

RSDs train and educate benefits brokers, agents and financial advisors about MassMutual's voluntary benefits, tools and services, identify prospects, and promote MassMutual and its products. MassMutual, an established leader in the retirement plans marketplace, is expanding its reach in the voluntary benefits marketplace and created the workplace sales team earlier this year.

The new RSDs and their territories are as follows:

Rodger Biddle supports sales in the Middle America region, which includes Arkansas, Kentucky, Kansas, Missouri, Mississippi, Nebraska, North Dakota, South Dakota and Tennessee. Before becoming a MassMutual RSD, Biddle was a financial advisor with MassMutual and Prudential in the Cincinnati and North Kentucky area.

Samuel Carr assists brokers and agents in Texas and Louisiana focusing on the grade K-12 public school districts. Before joining MassMutual, Carr was president of Jack M. Carr Inc., a life insurance agency.

Jeffrey Hughes supports sales in the Great Lakes region. Before joining MassMutual, Hughes previously served in district manager roles for the Paychex Insurance Agency and the Western and Southern Financial Group.

Located in Pennsylvania, **Garrett Sacken** is responsible for the Mid-Atlantic region. He comes to MassMutual from MetLife, where he was a national wholesaler for workplace benefits.

The new RSDs join Mike Hirschberg in the Northeast, Lisa Malloy in the Southeast, Kyle Mohon in the Southwest and Randy Jones in the West. In addition, Mary Jacks provides Business Development, Sarah Hedges supports the BeneClick! private exchange in the East, and Tim Purkis supports BeneClick! in the West.

Operating income declines for U.S. life/health industry: A.M. Best

The U.S. life/health (L/H) industry reported a net operating income of $17.5 billion, the lowest in the last five nine-month year-to-date interim periods, and down 27.4% from the prior-year period, according to preliminary financial results.

These results are detailed in a new *Best's Special Report*, titled, "A.M. Best First Look – 3Qtr 2016 U.S. Life/Health Financial Results," and the data is derived from companies' statutory statements that were received as of Nov. 18, 2016. These financial results represent approximately 85% of the total U.S. L/H industry's premiums and annuity considerations.

Although the trend of weakening operating performance continues for the U.S. L/H industry, core results included a net increase of $0.2 billion during the first nine months of 2016 over the period of 2015 for premiums, net investment income and amortization of the interest maintenance reserve.

On the expense side, death, annuity and surrender benefits were down $3.1 billion, while direct commissions and expense allowances increased $0.4 billion and policyholder dividends increased by $0.7 billion.

Despite a 55% drop in net income, which was exacerbated by a $7.3 billion decline in realized capital gains, capital and surplus for the U.S. L/H industry reached a record $364.2 billion, as of Sept. 30, 2016. The U.S. L/H industry also saw continued growth in invested assets, reaching a record $3.7 trillion as of Sept. 30, 2016.

Plan advisors name their "go to" service providers

DC advisors are shrinking their set of favored providers, recommending an average of just 2.2 plan providers to prospective clients, according to the annual "Retirement Plan Advisor Trends," a Cogent Reports study by Market Strategies International.

Almost four in ten (39%) DC advisors recommend only one plan provider for clients to consider, significantly higher than the 32% reported in 2015, increasing the competitive pressure on DC recordkeepers, the study showed.

According to the study, among Established DC producers managing at least $10 million in defined contribution assets, the top two brand consideration drivers—"easy to do business with" and "value for the money"—match those reported among DC plan sponsors earlier this year.

Those easiest for advisors to do business with were, in this order: American Funds, Fidelity Investments, John Hancock, Vanguard and Principal. Those offering the most value were, in this order: Vanguard, American Funds, Fidelity, ADP Retirement Services, and John Hancock.

Linda York, senior vice president at Market Strategies, said, "Only a handful of providers, including American Funds, Fidelity, Vanguard and John Hancock, are strongly associated with these key attributes. Challenger brands need to find another niche if they hope to break the hold of these dominant market leaders."