
Honorable Mention

By Editorial Staff Thu, Mar 17, 2016

Brief or late-breaking items from MassMutual, Voya, 401k Averages Book, Nationwide, PSCA, Conning and Morningstar.

MassMutual Retirement Services appoints eight new sales reps

MassMutual Retirement Services has appointed eight new managing directors (MDs) to continue the firm's momentum from record retirement plan sales. The appointments bring the total number of MassMutual sales representatives supporting financial advisors to 79.

"Our sales team achieved record retirement plan sales of \$9.9 billion in 2015 and we are focused on breaking that record in 2016," said Scott Buffington, vice president of sales for MassMutual Retirement Services.

MDs train and educate financial advisors about MassMutual's retirement plan products and services, identify retirement plan prospects, and promote MassMutual and its retirement products.

The new managing directors support the emerging market, which targets retirement plans with up to \$10 million in assets under management, and institutional plans, defined as plans with more than \$10 million in assets. The new managing directors and their territories are:

Emma Tookey is based in Berkeley, Calif. and supports the Northern California/Pacific Northwest Regions, focusing on the institutional market in Northern California, Washington and Oregon. Tookey previously worked as a MassMutual specialist supporting the not-for-profit market. Prior to joining MassMutual, she was a sales director for Principal Financial Group.

Based in Cedar Rapids, **Philip Saxon** supports sales of retirement plans in the emerging market in Iowa. Saxon has 12 years of experience in retirement plan sales, most recently as Director of Internal Sales for Transamerica.

Michael Baron supports sales of retirement plans in the emerging market in Eastern Tennessee. Previously, he was a financial advisor specializing in retirement plans, as well as regional vice president at Nationwide Financial.

Based in Denver, **Ryan Moore** supports the emerging market in Colorado, New Mexico and Wyoming. Moore was previously Regional Vice President with CUNA Mutual and has a CRPS designation.

Located in Scottsdale, Ariz., **Jeff Beneteau** supports the emerging market in Arizona. After three years at Merrill Lynch as a financial advisor, Beneteau joined MassMutual in 2011 as a business development consultant, and most recently served as relationship manager for fund partners.

Nate Charleson supports sales in the emerging market for Orange County, Calif., where he is based. Charleson previously spent nine years with John Hancock as a retirement plan business development officer and internal sales consultant.

Steve Carrera is based in Towson, Md. and supports emerging market sales for Maryland. Prior to joining MassMutual, Carrera served as area sales manager for ADP Retirement Services.

Based in the District of Columbia, **Jim Morris** supports emerging markets sales across the District, Montgomery County, Md., and Northern Virginia. Previously, Morris was regional vice president of retirement plan sales for the Guardian Life and a financial advisor at Merrill Lynch.

Brown to oversee Voya annuity sales partnerships

Voya Financial's Annuity business has recently promoted **Ken Brown** to the role of senior vice president, sales development for the Annuity and Asset Sales team. Brown has worked on Voya's Annuity team for more than 10 years and currently manages divisional sales managers, regional sales consultants, sales development and training, strategic sales support, and sales reporting.

In addition to his current responsibilities, Brown's expanded role will include oversight of Voya's national marketing organization (NMO) sales partnerships for the Annuity business. Brown will continue to report to Chad Tope, president of Annuity and Asset Distribution for Voya Financial.

Retirement plan costs continue to fall: 401k Averages

Book

The average total plan cost for a small retirement plan declined from 1.29% to 1.28% over the past year, while the average total plan cost for a large retirement plan declined from 1.03% to 0.97%, according to the newly released 16th Edition of the 401k Averages Book.

Small plans have at least 100 participants and \$5,000,000 in assets, while large plans have at least 1,000 participants and \$50,000,000 in assets. The average investment cost for a small retirement plan declined from 1.22% to 1.21% over the past year, while the average investment cost for a large retirement plan declined from 1.01% to 0.95%.

There continues to be an uptick in 401k lawsuits and some have targeted revenue sharing as well as other fiduciary issues. A small plan generates 0.66% of revenue sharing, while a large plan generates 0.40%, according to the 16th edition. The book provides average revenue sharing, investment and recordkeeping fees for small, mid-size and large 401k plans. Average total plan cost for a 100 participant plan has decreased from 1.33% in 2010 to 1.28% in 2015.

Most older women would “rather die than live in a nursing home”: Nationwide

The majority of women 50 and older in America keep their biggest retirement concern to themselves—the fear of becoming a health care or long-term care responsibility to their families, according to a new survey by Nationwide Retirement Institute.

According to the survey of 709 women and 582 men aged 50 or older, two-thirds of these women (66%) are worried they will become a burden to their family as they get older (compared to 50% of men). Almost 80% of these women say they are concerned about having money to cover long-term care (LTC) expenses.

The online survey conducted in the fall by Harris Poll on behalf of Nationwide reveals six in 10 women aged 50 or older (62%) haven’t talked to anyone about long-term care costs. Of women with a spouse or women with at least one child, the most common reason they aren’t talking with these loved ones about health care costs in retirement is they don’t want them to worry (43% and 62%, respectively).

Despite their aversion to talking about LTC, the survey reveals that among women aged 50 years or older:

- 67% say they would rather die than live in a nursing home
- 73% prefer to get LTC in their own home, but only 51% think they will
- 64% say they are “terrified” of what health care costs may do to their retirement plans
- 47% are willing to give all their money to their children so they could be eligible for Medicaid-funded LTC

The average life expectancy for women is 86, with one in four reaching age 92. Longevity increases the chance of eventually needing LTC services.

Despite few women 50 or older (9%) having discussed LTC costs with a financial advisor, 57% of those who have discussed retirement with a financial advisor plan to discuss LTC costs with them.

Insurers pursue growth through mergers: Conning

The aggregate value of global insurance transactions in 2015 was four times higher than in 2014, while the number of \$1 billion-plus transactions announced was three times higher than the recent annual average, according to a new study by Conning, Inc.

“Global Insurer Mergers & Acquisitions in 2015: The Big Bang” tracks and analyzes both U.S. and non-U.S. insurer M&A activity across property-casualty, life-annuity and health insurance sectors. Specific transactions are detailed, and trends are analyzed across all sectors.

Close to half of the billion-dollar-plus transactions were outbound transactions by Japanese and Chinese buyers, as the Japanese sought external growth opportunities and the Chinese pursued asset accumulation and diversification strategies.

Four consolidation transactions among U.S. health insurers alone, valued at \$100 billion, accounted for more than half of the global insurer mergers and acquisitions value.

“M&A activity in 2015 was driven by continued low interest rates, high levels of industry capital, and low-growth economies in developed countries,” said Steve Webersen, head of Insurance Research at Conning, Inc. “These issues... came to a head in 2015, as insurers capitulated to the need for acquisitions to spur growth. Looking forward, the transformative consolidations of 2015 may pressure other competitors to merge, and may also provide opportunities for mid-market players as certain components of the merged businesses are spun off and talent is displaced.”

To purchase “Global Insurer Mergers & Acquisitions in 2015: The Big Bang,” call (888) 707-1177 or visit www.conningresearch.com.

PSCA encourages DOL to simplify ‘Best Interest Contract’

In a release this week, the Plan Sponsor Council of America (PSCA) said it is preparing for the expected release of the Department of Labor’s final fiduciary standard definition.

In written [testimony](#) to the DOL, the PSCA’s Board Chairman, Steve McCaffrey, has expressed the following concerns:

Potential disproportionate impact on small plans. PSCA encouraged the DOL to consider the rule’s potential impact on small plans and to avoid applying it in a way that might make fee structures onerous or deny education for small-plan participants due to high cost. PSCA encouraged the DOL to extend several exemptions to small plans, arguing that small does not necessarily mean unsophisticated.

Potential impact on participant education. PSCA believes that the DOL should ensure the preservation of a robust participant investment education program so that service providers can continue to deliver meaningful investment education to plan participants in accordance with a workable and reliable standard of distinction between investment education and investment advice.

The best interest contract exemption. PSCA encouraged the DOL to simplify the rules that permit financial advisors to negotiate agreements with retirement investors to achieve prohibited transaction relief when receiving compensation.

Inflows return to taxable U.S. bond funds: Morningstar

In its [report](#) on estimated U.S. mutual fund and exchange-traded fund (ETF) asset flows for February 2016, Morningstar noted the following highlights:

Taxable-bond funds led inflows by category group for the first time since October 2015, driven by inflows of \$12.9 billion to passive taxable-bond offerings.

While U.S. equity funds sustained outflows again in February, the month’s redemptions of \$4.5 billion were much smaller than January’s \$14.8 billion. International equity, the

category-group leader for many months, saw smaller but still-positive flows in February, mostly to actively managed funds. Commodities funds experienced a stronger February than January, with gold driving most of their \$6.3 billion inflow.

As of the end of February, flows by category group were distributed quite differently than they were 12 months ago, when international-equity funds received the majority of inflows. After the first two months of 2016, flows were almost evenly distributed among category groups—some positive and some negative—but no category has clearly dominated.

For the first time since September 2014, PIMCO Total Return was not among the five actively managed funds with the greatest monthly outflows.

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