
Industry News

By Editorial Staff Thu, Apr 2, 2020

*Jackson National to offer LifeYield software to advisers; Public companies need to be transparent about COVID-19 impact; AM Best sets up coronavirus web page; Americans are worried but calm: Allianz Life; SIMON and Insurance Technologies team up; Advisers see opportunity in health care stocks: E*Trade.*

Jackson National to offer LifeYield software to advisers

Jackson National Life Insurance Company will integrate LifeYield LLC's cloud-based tool for tax-efficient management of investors' portfolio into Jackson's existing digital tool set for advisers who work the insurer, the two companies announced this week.

Financial professionals who work with Jackson will be able to use LifeYield's powerful technology suite "to quantify the potential benefits of incorporating annuity products in client portfolios," according to a release. Jackson is the largest issuer of annuities in the U.S., as of December 31, 2019.

LifeYield, creators of the [Taxficient Score](#), enables financial advisors to deliver tax-smart, household-level portfolio solutions. LifeYield's [Proposal Advantage Suite](#) provides a comprehensive, tax-aware view of a client's entire portfolio—analyzing assets across IRAs, 401(k)s and taxable accounts.

Public companies need to be transparent about COVID-19 impact

The staff of the [U.S. Securities and Exchange Commission](#) has urged public companies to make thorough disclosures about business risks posed by the coronavirus pandemic, offering a sketch of the many ways the intensifying crisis could impact firms and shareholders, [Law360: Securities](#) reported.

The SEC Division of Corporate Finance on Wednesday offered detailed guidance on how companies should assess and communicate COVID-19 risks, encouraging firms to be proactive and revise their filings accordingly. The move accompanied a [second extension of filing deadlines](#) by the agency as it continues to adjust its rules to unprecedented times.

Agency staff encouraged timely reporting but recognized that the coronavirus, which has now infected more than 523,000 across the world and upended the global economy, poses widespread risks that are difficult to predict with precision.

The SEC put companies on notice that COVID-19 was likely to become a focal point in future disclosures when the agency [first extended filing deadlines](#) earlier this month. The new guidance elaborates on this point, laying out scores of questions companies should be asking as they assess the impact of the coronavirus on everything from liquidity to supply chains to access to credit.

Agency staff encouraged companies to think long-term about how the current economic outlook could affect their financial stability, asset values and future consumer demand for their products. But the guidance also encouraged a granular analysis of how things like remote working could impact internal controls and business continuity plans.

Laura Richman, a corporate and securities attorney at [Mayer Brown LLP](#), told Law360 Thursday that firms should heed the new disclosure guidance and start assessing COVID-19 risk from top to bottom.

Stock markets have been on a rollercoaster ride since the coronavirus, once largely isolated to China, became a global pandemic that shook the trajectory of the global economy and dramatically altered the way hundreds of millions of people live and work. The SEC has responded by relaxing filing deadlines and offering [other forms of targeted relief](#) to public companies, shareholders and investment shops.

SEC Chairman Jay Clayton said at a Thursday meeting of the [Financial Stability Oversight Council](#) that the agency's measures have so far helped stabilize markets despite unprecedented volatility.

AM Best sets up coronavirus web page

AM Best has launched dedicated access to its analytical updates on the COVID-19 virus outbreak. This web page (www.ambest.com/about/coronavirus.html) will be updated regularly with insurance industry-specific commentary related to the ongoing pandemic and video discussions with members of AM Best's analytic teams about the unfolding situation.

To date, AM Best has issued 10 announcements since late January on the wide-ranging impact of the coronavirus outbreak, most with accompanying video discussions. Below are summaries of announcements released so far in March 2020. Reports and videos released before March considered potential impacts in China and Southeast Asia, as well as a look at pandemic stress testing typically undertaken by insurers.

- **Health Insurers Adjust as COVID-19 Spreads in United States (March 19, 2020):** The risks to U.S. health insurers from the COVID-19 outbreak continue to expand in scope and complexity on the claims management, economic and operational fronts. See

the [Best's Commentary](#) and [related video](#).

- Japanese Insurers Continue to Grapple With Global Market Volatility (March 19, 2020): Insurers in Japan remain financially stable to weather ongoing market volatility brought about by the COVID-19 virus outbreak and the sharp decline in oil prices due to their robust balance sheet fundamentals. See the [Best's Commentary](#).
- AM Best to Deploy Pandemic-Related Stress Test for Rated Insurance Companies (March 18, 2020): AM Best is developing stress testing that it will conduct on its rated insurance companies' balance sheets to gauge the impact of the COVID-19 virus fallout on their risk-adjusted capital levels, investment portfolios, reserve adequacy and other aspects of the risks borne by rated entities. See the related [press release](#) and [related video](#).
- AM Best Revises U.S. Life/Annuity Market Outlook to Negative (March 16, 2020): Due to the significant volatility and uncertainty created by the COVID-19 virus, AM Best has revised its outlook on the U.S. life/annuity segment to negative. See the [Best's Market Segment Report](#) and [related video](#).
- European Insurers Well-Positioned to Manage Potential Exposure to Pandemic Risk (March 8, 2020): The biggest impact to European insurers out of the COVID-19 outbreak likely will result from the economic fallout, as governments and markets react to the virus' rapid spread, rather than from direct coronavirus exposures. See the [Best's Commentary](#).
- S. Health Insurers Face Potential Rise in Claims Due to Coronavirus (March 6, 2020): This commentary looks at to what extent U.S. health insurers can expect increases in coronavirus-related medical claims, with costs to be driven by at-risk patients such as the elderly and those with pre-existing conditions. See the [Best's Commentary](#) and [related video](#).
- Further Global Interest Rate Cuts Anticipated as Economic Buffer for Coronavirus Impact (March 4, 2020): The initial move by the Federal Reserve to cut its federal funds rate came as a surprise. AM Best expects further accommodative monetary policy actions to continue throughout 2020. See the [Best's Commentary](#).

Americans are worried but calm: Allianz Life

The latest Quarterly Market Perceptions Study from Allianz Life Insurance Company of North America (Allianz Life finds Americans are worried, but trying to take a calm approach to investing for retirement.

Market crash and recession fears increased significantly from the end of 2019 when worries were at their lowest levels in over a year and half. Now, nearly two-thirds of Americans (63%) express concerns about a recession (compared with 43% in Q4 2019). In addition, 57% think that the market hasn't bottomed out yet.

Despite increased anxiety over market swings, over half (52%) of Americans understand that it's good time to stay neutral and not take any action because of market conditions.

Consumers have experienced many ups and downs in the market recently, and the number of people who say they are too nervous to invest reflects that, as percentages fluctuate from quarter to quarter. Currently, 41% of consumers say they are too nervous to invest in the market (compared with 35% in Q4 2019).

Interestingly, Americans still seem optimistic about their ability to recover retirement savings after a market decline. Nearly 70% believe that, even if the market continues to decline, they will have time to rebuild their retirement savings.

SIMON and Insurance Technologies team up

SIMON (SIMON Markets LLC and SIMON Annuities and Insurance Services LLC) is partnering with Insurance Technologies, LLC, a provider of sales and regulatory automation solutions for the insurance and financial services industries, according to a release.

The partnership allows SIMON to “turn manual and time intensive workflows into a simplified process, centralized in one location,” the release said. SIMON platform offers advisers an end-to-end toolset, including on-demand education, a digital marketplace, real-time analytics, and lifecycle management.

Advisers see opportunity in health care stocks: E*Trade

E*TRADE Advisor Services, a provider of integrated technology, custody, and practice management support for registered investment advisors (RIAs), released the latest iteration of its Independent Advisor Tracking study, which covers advisor views on the market, the industry, their business, and clients.

Volatility management skyrockets. More than four out of five advisors (85%) are actively managing against market volatility—shooting up 20 percentage points this quarter. More than half (55%) are managing against a recession, shifting up eight percentage points from December.

Clients aligned on volatility concerns. Clients are contacting their advisors most about volatility (53%) and the coronavirus (38%), in stark comparison to December, when clients most asked about the threat of recession (28%), and the ongoing trade tensions (21%).

Advisors see opportunity in health care investments. Health care (22%) is the number

one sector where advisors see potential, moving up six percentage points since the end of the year.

Clients are increasingly trying to time the market. The top mistake advisors see their clients make is attempting to time the market (45%), ticking up seven percentage points since December.

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