
Morningstar Buys VA Data Business for \$14 million

By Editor Test Wed, Oct 27, 2010

The Annuity Intelligence Report (AI Report), one of Advanced Sales' two product lines, is a web-based service that helps render variable annuity products more understandable to broker-dealers, insurers, advisers and clients.

Morningstar, Inc., the well-known Chicago-based provider of independent investment research, has agreed to buy the variable annuity product information business Advanced Sales and Marketing Corp., based in Oakbrook Terrace, Ill., for \$14.1 million.

The Annuity Intelligence Report (AI Report), one of Advanced Sales' two product lines, is a web-based service that helps render variable annuity products more understandable to broker-dealers, insurers, advisers and clients.

The AI Report service leverages a proprietary database of more than 1,000 variable annuities that includes "plain-English" translations of prospectuses and other public filings. It helps advisors meet suitability review requirements and properly structuring annuity contracts. The AI Report includes FINRA-reviewed single annuity and side-by-side comparison reports as well as annuity flow data, a contract and benefit selector tool, historical contract data, and optional subaccount data.

The annuity intelligence business serves 170 firms, including broker-dealers, banks, advisory firms, and insurance companies. More than 150,000 financial advisors have access to the AI Report through these firms. Advanced Sales also offers the MaxPlan wholesaler productivity system, a business planning and territory management tool for mutual fund and annuity distributors, which Morningstar is not acquiring.

The purchase will combine "Morningstar's strength in variable annuity subaccount data and modeling tools with AI Report's product-level data, and proprietary methodologies," said Chris Boruff, president of Morningstar's software division.

After the acquisition is completed, the annuity intelligence business will become part of Morningstar's advisor software unit. The company plans to keep the Annuity Intelligence Report product name for the foreseeable future and will market it under the Morningstar brand.

Kevin Loffredi, senior vice president and co-founder of ASMC, will continue to manage the annuity intelligence business. Morningstar expects to retain the majority of the business's employees. Karen (Falat) Larson, president and founder, and Advanced Sales' chief executive officer, Perry Moore, will continue to run the firms wholesaler productivity business under the new name MaxPlan Solutions, Inc.

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