
New York Life resolves itself to a duo

By Editor Test Wed, Jan 25, 2012

The company reorganized itself into two basic divisions, an Insurance Group run by Chris Blunt and an Investments Group run by John Y. Kim. Kim will succeed Blunt as head of the Retirement Income Security (RIS) business.

There's been a shift of responsibilities among executive vice presidents at New York Life, reflecting a reorganization of the giant mutual insurer into two major business groups, Insurance and Investments, the company announced this week.

The move is designed to "[enhance] the prospects of New York Life becoming a true leader in retirement solutions beyond income annuities," chairman and CEO Ted Mathas said in a release.

Chris Blunt, who has run the company's new Retirement Income Security (RIS) business since it began in 2008, will run the new \$3.3 billion Insurance Group. The life insurance business had been led by Mark Pfaff, who will continue to lead New York Life's 12,000-member career agent force. John Y. Kim, the chief investment officer, will add RIS to his responsibilities as head of the company's Investments Group. All three executives report to Mathas.

The RIS division encompasses New York Life's guaranteed income products, including deferred fixed and variable annuities, fixed immediate annuities, and deferred income annuities, which were introduced in 2011. New York Life is the leader in domestic sales of fixed immediate annuities, with a 27.8% market share.

New York Life leads the industry in new life insurance premium written, with a market share of 11.7% in the United States. New York Life Investments, which Kim has led since 2008, has \$285 billion in assets under management.

The new Insurance Group will include more than just the agent-sold individual life insurance business. Blunt will also be responsible for the company's long-term care insurance business, the direct-response life insurance business in Tampa, Florida, which partners with AARP, and the group life business, which is the largest underwriter of professional association insurance programs in the U.S. New York Life's operations in Mexico are also being incorporated into the Insurance Group.

Mathas noted in a statement that the realignment "enhances the prospects of New York Life becoming a true leader in retirement solutions beyond income annuities, where we lead today." As he explained it, the reorganization will facilitate efforts to convert invested assets into retirement income products.

"The alignment of former RIS businesses under Mr. Kim is designed to take further advantage of the fast-growing retirement area in which consumers first accumulate funds for retirement and later convert a portion of those funds for guaranteed lifetime income in retirement," Mathas said in a statement.

"With his new responsibilities as head of the Investments Group, Mr. Kim will have a broad array of

institutional and retail products and solutions under his leadership, including retail mutual funds and annuities, and institutional asset management and retirement plan services. The marketing, finance, technology, distribution and service functions that support those product lines are also part of the Investments Group,” Mathas added.

Blunt graduated from the University of Michigan and holds an MBA degree from the Wharton School of the University of Pennsylvania. He joined New York Life in 2004. Kim also graduated from the University of Michigan and holds an MBA degree from the University of Connecticut. He joined New York Life in 2008. Pfaff, a graduate of Manhattan College, joined New York Life in 1985 as an agent in New Jersey and entered sales management in 1988.

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