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## The Bucket

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By Editorial Staff    *Wed, Sep 22, 2010*

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*Late-breaking items on AIG, Prudential, New York Life, Symetra Life, FRC, Blue Frog and more...*

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### **Prudential Acquisition of AIG Japanese Units Discussed**

The American International Group may be close to a deal to sell two Japanese life insurance units, AIG Start Life and AIG Edison Life, to Prudential Financial for at least \$4 billion, the *New York Times* reported. If completed, the deal would help AIG pay back its \$130 billion taxpayer-financed bailout.

Talks are continuing and may still fall apart, sources cautioned.

The insurer's chief executive, Robert H. Benmosche, had previously said that the firm planned to keep the two units. Prudential Financial and A.I.G. began talks last year, but they fell apart. They resumed talks this year. A.I.G. has already lined up the sales of other units as it seeks to pare down its operations to worldwide casualty and property insurance and domestic life insurance.

It is planning on holding an initial public offering for American International Assurance, after failing to complete a deal with Britain's Prudential Plc, which is unrelated to Prudential Financial. It has also agreed to sell another life insurance unit, the American Life Insurance Company, and a consumer lending business, American General Finance.

But A.I.G. has hit bumps in its road to pay back taxpayers. The talks with Prudential of Britain fell apart amid shareholder opposition, and the Taiwanese government recently moved to block the sale of another A.I.G. life insurance unit, Nan Shan.

### **New York Life Launches Participant-Ed Plan Called "MyLifeNow"**

New York Life Retirement Plan Services has introduced a new participant program called MyLifeNow, designed to "engage participants by taking the guesswork out of retirement planning by providing simple, personal suggestions that help participants make progress one step at a time," according to a release.

Among the elements in the MyLifeNow program are a new participant enrollment program and a new website, to be launched fourth quarter 2010, all encouraging participants to take simple steps today.

"Traditional education and communication models don't work. Asking participants to deprive themselves now, to reap benefits at some point in the future, doesn't resonate. We need to be empowering, not overwhelming," said Deanna Garen, managing director of strategic marketing at New York Life.

Sponsors can review participant behavior through reporting metrics that track and benchmark progress as

participants move through a continuum of action steps suggested by New York Life. MyLifeNow suggests that participants enroll in their retirement savings plan, increase their deferral rate, or diversify their assets.

New York Life Retirement Plan Services, a division of New York Life Investments, administers over \$35.3 billion in bundled retirement plans and manages over \$3.12 billion in defined contribution investment only assets as of June 30, 2010.

### **Senate Approves Partial Annuitization**

A provision that would make it easier for people to annuitize a portion of their non-qualified annuity contracts, rather than the whole thing, was part of a small-business lending bill that has now passed the U.S. Senate, A.M. Best reported.

The provision would allow those holding annuities outside retirement plans “to annuitize a portion of their annuity contract while allowing the remaining amount to grow tax-deferred,” said Frank Keating, president and CEO of the American Council of Life Insurers, in a statement.

The bill, HR 5297, which passed the Senate by a vote of 61-38, resembles an earlier version passed by the House of Representatives, and reflects an idea that has been around for a while. “This is something that has been proposed before,” said Whit Cornman, an ACLI spokesman, citing work by Sens. John Kerry, D-MA, Max Baucus, D-MT, and Rep. Earl Pomeroy, D-ND.

It’s unclear, however, whether differences between the House and Senate versions of the bill will be resolved before the November elections. According to Congress’ Joint Committee on Taxation, the annuities provision would generate revenue of \$956 million over ten years, from 2011 to 2020.

### **Symetra Life Reorganizes, Hires Guilbert from Aviva North America**

Symetra Life named Dan Guilbert as executive vice president in charge of its Retirement Division as part of a new organizational structure. Currently serving as chief risk officer of Aviva North America, Guilbert will join Symetra November 1 and report to Symetra president and CEO Tom Marra.

Under the new organizational structure, a division has been created for each core business, retirement solutions, life insurance and group insurance, with each led by an executive vice president.

Guilbert, an actuary who spent 14 years at The Hartford Life earlier in his career, will have profit-and-loss responsibility for all annuity, 403(b) and structured settlement products. He will oversee the Retirement Services and Income Annuities departments, and lead the division’s strategy work, product design and innovation, product marketing, market research, service and operations.

## **New Home Equity Rules Praised**

The Coalition for Independent Seniors (CIS) has praised the September 21 U.S. Department of Housing and Urban Development (HUD) announcement regarding new Home Equity Conversion Mortgage (HECM) Program products. In statement, CIS said:

“HUD’s new HECM ‘Saver’ product and the updated ‘Standard’ product offer seniors and consumers needed flexibility and financially beneficial options for utilizing their equity wealth. The ‘Standard’ will provide an increase in proceeds to borrowers under 90 and the ‘Saver’ will lower costs through reduced upfront Mortgage Insurance Premium. So, whether seniors are seeking higher proceeds or upfront cost savings the Home Equity Conversion Mortgage has gotten better for them.

“The new products will boost economic power for America’s seniors by making more equity value available through the HECM program, will lower upfront loan costs and offer more flexibility to consumers. HUD’s announcement is welcome news in an economy where both capital and credit are scarce and for a market where seniors are looking for options that maximize their equity.”

## **FRC and Blue Frog Solutions Ink Data Licensing, Distribution Deal**

Financial Research Corporation (FRC), a market research firm serving the asset management industry, and Blue Frog Solutions, a provider of order management and compliance solutions for the life insurance and annuity industry, have announced a data licensing and distribution agreement.

Through this arrangement, Blue Frog, based in Pompano Beach, Fla., will supply specialized data on variable annuity contracts and riders to FRC for distribution to FRC clients. Blue Frog’s data set provides a view of all legally available product component, volume, and funding information for variable annuity products and rider profiles in the United States.

FRC will also provide the analytical tools for end-users to develop customized research. Additionally, FRC will itself use the variable annuity data supplied by Blue Frog to create syndicated research reports and analyses of market trends and product movements. Under the agreement, FRC will also provide custom research to Blue Frog or Blue Frog clients.

“Industry players and others in the annuity space [will] have a single source for comprehensive and timely data,” said Bruce Fador, Financial Research Corporation CEO. “This data provides insurance companies, advisors, and other organizations with market and product information that can be used to conduct comprehensive analyses of the competitive landscape in the variable annuity market.”

To date, more than \$16 billion in deposits have been processed through Blue Frog’s AFFIRM platform, the company said in a release. Blue Frog’s products include Affirm for Annuities, AFFIRM for Life, I-Relay and

Policy Box.

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