
The Bucket

By Editorial Staff Tue, May 10, 2011

Brief or late-breaking news from Lincoln Financial, Allianz Life, Prudential, Mutual of Omaha, BNY Mellon, Nationwide, New York Life and AXA Equitable.

Lincoln group VA sales now supported by TPA Channel

Lincoln Financial Group today announced that its *Lincoln Director* group variable annuity-based retirement solution will be available for new sales exclusively through a service model supported by the Third-Party-Administrator (TPA) channel.

The *Lincoln Director* solution will continue to offer plan sponsors fiduciary assistance, employee retirement education and communications, and additional opportunities for plan enhancements through value-added services.

Eric Levy, Lincoln's head of products, Defined Contribution, said, "While TPA exclusivity for *Lincoln Director* is the ideal model for the micro-to-small markets, we will continue to offer a suite of competitive, full-service solutions that address the needs of the mid-and-large end of the market."

As a plan provider, Lincoln Financial also provides fiduciary support, funds management, and accumulation strategies. Current *Lincoln Director* full-service retirement plan cases will not be affected by the change.

The *Lincoln Director* investment lineup offers 90 options from 15 fund families. The program also offers a range of distribution options, including Lincoln's patented *i4LIFE Advantage* solution that ensures a lifetime of income, with a minimum guarantee and control over assets.

Allianz Life names director of Consumer and Distribution Insights

Craig Parker has been appointed the new director of Consumer and Distribution Insights at Allianz Life Insurance Co. of North America, with responsibility for consumer and distribution research, trend analysis, segmentation, analytics, and reporting functions.

Parker will also oversee the CRM team, which has responsibility for CRM administration, campaign management, and territory management. He joined Allianz Life in 2008 as a senior business process consultant, responsible for leading and coaching OPEX projects.

Prior to joining Allianz Life, Parker held market research, marketing integration, and Six Sigma roles at GE Capital and Genworth. He earned his bachelor's degree in public relations and advertising from University of Wisconsin-Madison.

Mutual of Omaha adds new funds to Its 401(k) product offering

Mutual of Omaha's Retirement Plans Division has added 20 new non-proprietary funds from 11 different investment managers, including Vanguard Target Retirement Funds, which the company said "are complementary to our... Mutual GlidePath series of funds."

"Mutual's GlidePath funds are characterized by a multi-manager approach, using a combination of actively and passively managed investments, while Vanguard Target Retirement Funds are comprised of Vanguard's passively managed index funds," said Tim Bormann, 401(k) product-line director for Mutual of Omaha.

Mutual of Omaha now offers three Qualified Default Investment Alternatives (QDIA) to plan sponsors. Other new funds include:

- Templeton Global Total Return Fund
- Goldman Sachs Small Cap Value Fund
- John Hancock Disciplined Value Mid-Cap Fund
- Lord Abbett Value Opportunities Fund
- MFS Value Fund
- Waddell & Reed New Concepts Fund
- Dodge & Cox International Stock Fund
- Franklin International Small Cap Growth Fund
- Nuveen Tradewinds Global All-Cap Fund
- Wells Fargo Advantage Emerging Markets Equity Fund
- Stadion Tactical Fund

Funded status of U.S. corporate pensions 89.2% in April: BNY Mellon

The funded status of the typical U.S. corporate pension plan in April rose 0.7 percentage points to 89.2%, the eighth consecutive month of improvement, according to BNY Mellon Asset Management.

The funding ratio for the typical corporate plan has improved 4.9 percentage points since the beginning of the year, according to the BNY Mellon Pension Summary Report for April 2011.

Thanks to rising equity prices worldwide, the value of assets for the typical corporate pension plan's assets rose by 2.6% in April, outpacing the 1.8% rise in liabilities, according to the report. Liabilities rose because the Aa corporate discount rate fell to 5.50% from 5.61%. Lower yields on these bonds result in higher liabilities.

"An increasing number of plan sponsors are evaluating their prospects to further improve their funded status through return-seeking assets, such as alternatives and equities," said Peter Austin, executive director of BNY Mellon Pension Services. "The question most frequently asked is whether now is the time to increase the liability hedge given interest rate trends. "

Prudential Annuities enhances investment platform

Prudential Annuities has added BlackRock Global Strategies Portfolio and AST Wellington Management Hedged Equity Portfolio to its roster of variable annuity investment options.

The company said it is the first to offer an alternative investment asset allocation portfolio in a variable annuity. Prudential now offers six alternative strategies among a total of 18 asset allocation portfolios.

AST Wellington Management Hedged Equity Portfolio's 100% equity asset allocation uses an index-option overlay to provide downside protection.

Nationwide posts 29% higher net income in 1Q 2011

Nationwide reported a 10% increase in net operating income for the first quarter of 2011, compared to the same period in 2010. Net operating income of \$476 million through March 31, 2011 was driven by lower claims in the company's property & casualty business combined with continued asset growth in the financial service business and improved investment performance overall.

Total operating revenue in the quarter was \$5.2 billion. Net income in the first quarter of 2011 was \$512 million, up 29% from the same period in 2010. Results included \$2.7 billion in property & casualty claims, life insurance benefits, credited interest, and other accident and health benefits paid to policyholders.

A table of [financial highlights](#) and further video commentary on results are available at www.nationwide.com.

Nationwide offers FDIC-insured account to plan participants

Nationwide Financial Services, Inc. has added the Nationwide Bank FDIC Insured Deposit Account option to its diverse menu of retirement plan offerings.

The new product offering is an interest earning account that provides retirement plan participants with principal protection, current income and in-plan liquidity.

Funds placed in the account are considered deposits of Nationwide Bank and are insured by the Federal Deposit Insurance Corporation (FDIC) to at least \$250,000 per participant.

The Nationwide Bank® FDIC Insured Deposit Account will be offered to plan sponsors of 401(a), 401(k), 457 and executive deferred compensation plans.

Lazaro joins New York Life from Van Kampen

To broaden its defined contribution investment only (DCIO) practice, New York Life Investments has appointed Al Lazaro as Midwest regional vice president, reporting to Steven Dorval, managing director of defined contribution assets for New York Life Investments.

Mr. Lazaro had been Van Kampen Investments' Midwest regional vice president focused on the Midwest. A graduate of Bradley University, he has also worked at Evren Securities in mutual fund marketing.

New York Life's seven DCIO professionals sell the MainStay mutual fund family and New York Life's stable value products. New York Life Investments currently has \$4.3 billion in DCIO assets and \$300 billion in total assets under management.

AXA Equitable launches Cornerstone Allocator, powered by Morningstar

AXA Equitable Life Insurance Company, with Morningstar Associates, LLC, has launched Cornerstone Allocator, a web application intended to help advisors tailor client investment allocation recommendations in AXA's Retirement Cornerstone variable annuity.

Retirement Cornerstone, introduced in 2010, is a tax-deferred investment platform that, unlike a traditional annuity, supports two interactive but distinct accounts – one focused on the opportunity to maximize investment growth potential through over 100 sub-account fund choices, the other on providing innovative retirement income protection that can help address the inflationary impact of rising interest rates.

Cornerstone Allocator serves as a user-friendly guide to aligning the power of Retirement Cornerstone to each client's risk profile and income objectives. Specifically, it is designed to assist financial professionals in making determinations about how to distribute assets between Retirement Cornerstone's Investment Performance Account and Protection with Investment Performance Account and to allocate assets among the many investment options within each account.

The tool helps financial professionals facilitate Retirement Cornerstone client reviews and promote understanding of the objectives behind account and asset allocation choices. Using Cornerstone Allocator, financial professionals can generate a client-approved Allocation Report that complements hypothetical illustrations and/or marketing materials provided to the client during the account opening process.

The client-facing Allocation Report displays the following information:

- A review of the client profile responses
- Investment Performance Account and Protection with Investment Performance Account allocations
- Aggregate and detailed asset allocation summary by Account

- Individual Investment Profiles for the sub-accounts elected generated by Morningstar