Retirement Income
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The Bucket

By Editorial Staff *Wed, Jun 22, 2011*

Brief and late-breaking items from DTCC, Fidelity, MetLife, Charles Schwab, Strategic Insight, PLANSPONSOR, Sun Life Financial, Lincoln Financial Distributors, John Hancock and Retirement Plan Advisory Group.

DTCC Launches Analytic Reporting Service for Annuities

The Analytic Reporting Service for Annuities, an information service designed for insurance carriers and broker/dealers selling annuity products, has been launched by DTCC Insurance & Retirement Services. The new information service will take data aggregated from DTCC's daily processing of annuity transactions, turn it into insight and business intelligence, and distribute it to companies that need help making critical decisions about sales, sales management, marketing and advertising, and product offerings.

"We process approximately 150 million annuity transactions each month, which means we have a tremendous amount of industry information and market intelligence in our own systems that can be used to help our customers manage and grow their business," said Adam Bryan, Managing Director, I&RS.

DTCC's depository provides custody and asset servicing for more than 3.6 million securities issues from the United States and 121 other countries and territories, valued at US$36.5 trillion. In 2010, DTCC settled nearly US$1.66 quadrillion in securities transactions.

Developed with the help of an advisory group composed of delegates from DTCC member firms, the Analytic Reporting Service for Annuities was piloted in late 2010 by an advisory group composed of delegates from DTCC member firms. The group provided I&RS with feedback on what kind of data should be presented and how it should be used.

The Analytic Reporting Service for Annuities features a Web-based interface presenting customizable and searchable views into trends in inflows, outflows and net flows; analysis by product, carrier, distributor, agent and investor; and the option to create custom market segments. The service aggregates the millions of daily annuity transactions submitted to DTCC to provide dealers and carriers with information about their sales and relationships, such as:

- Cash flows by product, carrier and broker/dealer
- Market shares
- Fastest growing products
- Fastest growing client types, and
- Detailed trends by carrier, distributor, product, ZIP code and more.

Customers can also compare information and trends from their own business with the aggregated data of all participants. This will help firms understand similarities and differences, and identify further opportunities.

“The Analytic Reporting Service will provide us with a new view of the transactions we process through DTCC, and we see the great potential for it to turn those transactions into valuable information we can effectively use to better understand our business, trends and new opportunities,” said Scott Wagner, Insurance Business and Data Analyst, Risk Product Management, Waddell & Reed, Inc.

The Analytic Reporting Service is a service offering of National Securities Clearing Corporation (“NSCC”), a clearing agency registered with the U.S. Securities and Exchange Commission and wholly-owned subsidiary of DTCC.

DTCC, through its subsidiaries, provides clearance, settlement and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments and over-the-counter derivatives. In addition, DTCC is a leading processor of mutual funds and insurance transactions, linking funds and carriers with their distribution networks.

Fidelity launches four muni income funds suitable for laddering

Fidelity Investments has introduced the Fidelity Defined Maturity Funds, a series of four national open-end municipal income funds, each with a defined maturity date. They “seek to bridge the gap between individual bonds and bond funds, and are the first actively managed municipal bond defined-maturity funds in the market,” the Boston-based fund company said in a release.

The funds invest primarily in investment-grade municipal bonds clustered around the funds’ defined end dates and seek as high a level of current income, exempt from federal income tax, as is consistent with the preservation of capital. To protect existing shareholders and to ensure orderly liquidation of the funds, the funds will close to purchases for new and existing investors approximately 12 months prior to their maturity date. Each fund plans to liquidate and distribute its net assets to investors shortly after its defined end date.

“When compared to a traditional bond fund, the price volatility of the Defined Maturity Funds is designed to decline as their underlying bonds approach their maturity. However, unlike individual bonds, these funds do not return a pre-determined amount at the funds’ defined end dates,” said Mark Sommer, co-manager of the Fidelity Defined Maturity Funds. “These funds may be appropriate for income-seeking investors who are interested in combining the defined-maturity feature of individual bonds with the many features of bond funds, including diversification and professional management, thus removing much of the legwork of individual bond investing.”

The initial series consists of four funds with different maturity dates of four years (Fidelity Municipal Income 2015 Fund), six years (Fidelity Municipal Income 2017 Fund), eight years (Fidelity Municipal Income 2019 Fund) and 10 years (Fidelity Municipal Income 2021 Fund). A Single Investment Approach. Many Ways to Apply It.

The Defined Maturity Funds are flexible investment options designed to help meet the needs of investors by seeking to provide federally tax-exempt income that they can either receive as a distribution or reinvest to maximize payout potential at maturity. Investors could use the Defined Maturity Funds in three potential ways: as an income vehicle, an investment vehicle, or as a laddering opportunity.

MetLife Joins Schwab SPIA Platform

Charles Schwab's newly expanded SPIA Choice Platform now includes a single premium immediate fixed income annuity product from MetLife Investors USA Insurance Company. The Schwab platform also includes annuities issued by New York Life, Nationwide Life, and Symetra Life.

"Over the past year, we've seen a confluence of economic and demographic changes that have resulted in an increased focus on the need for guaranteed retirement income sources," said Peter Crawford, Senior Vice President, Charles Schwab. "These additions to our existing SPIA platform further diversify our fixed income annuity offering and are consistent with Schwab's overall open architecture approach that enables investors to choose the products that make the most sense for their specific situation."

A Schwab execuive also noted that a fixed income annuity can help retirees delay tapping into Social Security, which can help people avoid penalties associated with taking Social Security payments too early, and can also enable people to receive a credit of eight percent per year for delaying taking Social Security payments, even after they are eligible, up to age 70.

Strategic Insight and PLANSPONSOR Introduce Pathfinder 2.0

Strategic Insight and PLANSPONSOR have introduced Pathfinder 2.0**,** a unique web-based tool that enables financial advisers with a retirement plan practice to:

- Compare and select retirement plan providers that best match plan sponsor needs
- Retain clients with a higher degree of efficiency
- Increase productivity and close-ratio for new business

Pathfinder 2.0 has an individual adviser version as well as an enterprise version for Broker Dealers, Registered Investment Advisers (RIAs) and Defined Contribution Investment Only (DCIO) firms that seek to provide additional services to advisers.

According to Kevin Ng, Pathfinder Product Manager, "In an increasingly complex and demanding regulatory environment, alongside a heightened awareness of the importance of fee transparency, Pathfinder 2.0 offers retirement plan advisers a proven tool and process to facilitate the complex business of conducting a comprehensive RFP. Pathfinder also allows advisers to more easily standardize and document their search and due diligence process."

With Pathfinder 2.0, financial advisers receive:

- The ability to tailor a search across the nation's leading recordkeepers

- Quick and easy access to an extensive library of RFP/RFI questions
- Detailed side-by-side comparisons of the 401(k) industry’s top service providers
- Access to Strategic Insight’s mutual fund and ETF investment data
- Customized client reports

Kelly Bush joins Lincoln Financial Distributors

Lincoln Financial Distributors (LFD), the wholesale distribution subsidiary of Lincoln Financial Group, has hired Kelly Bush as regional sales director with the Institutional Retirement Solutions Distribution (IRSD) team.

Reporting to Aaron Moore, national sales director of Lincoln’s Institutional Retirement Solutions team, Bush is responsible for selling Lincoln’s defined contribution, open-architecture solution, the Lincoln Alliance Program, to financial representatives throughout Southern California, Arizona and Nevada. He is based in Orange County, California.

Bush was a regional vice president for Pentegra Retirement Services from 2009 to 2011. He has served in a range of sales positions with The Standard Co., ICMA-RC and Nationwide Retirement Solutions. He earned a master’s degree in business administration and management from Nova Southeastern University, Fort Lauderdale-Davie, FL, in 2008; and, a bachelor of science degree in business administration from Franklin University, Columbus, OH in 1992. He holds licenses for Life, Health and Variable Annuities in California, as well as FINRA Series 7, 26, 63 and 65.

Sun Life Financial to sponsor Cirque de Soleil’s *IRIS*

A new two-year partnership between Sun Life Financial Inc. and Cirque du Soleil gives Sun Life naming rights to *IRIS, a Journey through the World of Cinema*, a major new Cirque de Soleil production that will been presented only in Los Angeles at the Kodak Theatre at Hollywood & Highland Center, home of the Academy Awards.

Sun Life Vice President of Brand Management Bill Webster and Cirque du Soleil President and CEO Daniel Lamarre announced the deal during an unveiling of the IRIS production at the theatre on June 16.

As presenting sponsor of *IRIS, a Journey through the World of Cinema*, Sun Life will receive extensive brand integration across a variety of Cirque marketing vehicles including: use of Cirque intellectual property, marks and logos; prominent inclusion in IRIS’ extensive brand marketing campaign; branded on-site experiences and signage at the Kodak Theatre; and VIP ticket and customer hosting opportunities. Financial terms of the deal were not disclosed.

Under the terms of the agreement, Sun Life can include IRIS intellectual property in its advertising, marketing, digital, retail and internal campaigns. The company will receive above-the-fold brand exposure in Cirque's media campaign, which includes print, digital, television, radio and out-of-home components.

Sun Life's on-site presence at the Kodak Theatre during the run of the show includes an interactive display showcasing Sun Life's services and products in the historic theatre's high-traffic Grand Foyer. Other on-site branding elements include custom-created concourse displays and exhibits. The partnership also includes hospitality events for Sun Life to host its VIPs at IRIS shows and the opportunity to custom design an exclusive event at the theatre.

Sun Life also announced that it will be the exclusive U.S. Insurance partner of *Cirque du Soleil* as well as an official partner for all U.S. Cirque Big Top and Arena Touring Shows, including: *Zarkana*, a new acrobatic spectacle, at New York City's historic Radio City Music Hall; Michael Jackson THE IMMORTAL World Tour, a 47-city North American arena-tour show that recreates a Michael Jackson concert; and *Varekai*, in Manila, Philippines. The agreement marks an extension of an existing relationship with *Cirque du Soleil* in which Sun Life was as an official sponsor of *OVO*.

Retirement Plan Advisory Group in pact with John Hancock

Retirement Plan Advisory Group, a wholly-owned subsidiary of National Financial Partners Corp., has signed a partnership with John Hancock Financial Network (JHFN) through which RPAG will offer access to a practice management platform. The platform will be part of a new JHFN program to help its financial advisors expand the retirement plan services they offer clients.

According to the agreement, RPAG will provide access to its proprietary suite of technology, tools, and training resources for advisors seeking to build their business within the framework of a best-practices consulting model. Key components of the RPAG platform include:

- A Scorecard SM Generator for investment fund ranking
- An e401k Proposal system for fee benchmarking and vendor RFPs
- Fiduciary Fitness Program
- Fiduciary Briefcase plan sponsor online documentation portal
- Compensation Calculator for advisor pricing models
- Monthly newsletters and legislative updates for consistent client communication
- Prospecting webinars and other marketing tools to build advisor pipelines

Advisors using the RPAG platform have access to live customer support Monday through Friday, including on-staff CFAs, former practicing ERISA attorneys, RFP specialists and plan consultants. Advisors receive ongoing practice management assessment interviews by the RPAG support team and are invited to attend monthly training webinars, onsite spring training sessions, as well as an annual user's conference.

Retirement Plan Advisory Group (RPAG), is currently represented by over 300 member firms in 45 states, serving 18,000 sponsors with a combined $60 billion in assets under advisement.