
The Bucket

By Editorial Staff Wed, Nov 9, 2011

Brief or late-breaking items from Jackson National, Janus, Fidelity, Symetra, The Principal, DST, Primerica, Lincoln Financial Group and Putnam Investments.

Strong VA sales drive Jackson National growth

Jackson National Life Insurance Co. generated \$17.9 billion in total sales and deposits during the first nine months of 2011, up 25% over the same period in 2010, the company said in a release. Variable annuity sales rose 31% over the first nine months of 2010, to \$13.7 billion.

Jackson, an indirect wholly owned subsidiary of the United Kingdom's Prudential plc, generated total sales and deposits of more than \$5.7 billion during the third quarter of 2011, compared to \$4.9 billion during the third quarter of 2010 and \$6.4 billion during the second quarter of 2011.

VA sales were \$4.2 billion during the third quarter of 2011, up 15 percent over the same quarter in 2010 and down 15 percent from the second quarter of 2011, as market volatility reduced customer demand for equity-based products.

During the first nine months of 2011, Jackson generated \$1.1 billion in fixed index annuity sales, compared to \$1.3 billion during the same period of the prior year. Traditional deferred fixed annuity sales totaled \$531 million during the first nine months of 2011, compared to \$1.0 billion during the same period in 2010. Jackson restrained fixed and fixed index annuity sales during the first nine months of 2011, as the company continued to direct available capital to support higher-margin product sales.

Curian Capital, Jackson's registered investment adviser that provides fee-based managed accounts and investment products, attracted \$2.1 billion in deposits during the first nine months of 2011, up 41% over the prior year period. As of September 30, 2011, Curian's assets under management totaled \$6.7 billion (including more than \$300 million of assets managed on third-party platforms), compared to \$5.4 billion at the end of 2010.

During the first half of 2011 (latest industry data available), Jackson ranked:

- Third in total annuity sales with a market share of 8.6%
- First in VA net flows
- Third in VA sales with a market share of 12.2%
- Ninth in fixed index annuity sales with a market share of 4.4%
- 12th in traditional deferred fixed annuity sales with a market share of 1.9%

Janus selects Fidelity as its plan provider

Janus Capital Group has chosen Fidelity Investments to provide it with a defined contribution plan (DC), a non-qualified retirement savings plan and stock plan services, the companies announced.

Fidelity began delivering certain Janus participants with 401(k) and non-qualified retirement savings plans on July 1, and began providing eligible participants with stock plan services on October 17. Upon final implementation of all three savings programs, Fidelity will service approximately 1,100 Janus participants with an estimated \$250 million in assets under administration.

Under FINRA Rule 350 and the Dodd-Frank Wall Street Reform and Consumer Protection Act, Janus must monitor the securities trading activities of its employees. Fidelity's Employee Compliance Reporting platform will give Janus a daily electronic snapshot of participant trading accounts and positions.

David Goldstein appointed general counsel at Symetra

Symetra Financial Corp. has named David Goldstein as senior vice president and general counsel, reporting to Tom Marra, president and CEO. Goldstein replaces George Pagos, who retired on Sept. 30.

Goldstein will advise Symetra senior management on strategic and operational issues and oversee the company's legal and compliance departments, including corporate governance, securities compliance, contracts, and statutory and regulatory affairs.

Before joining Symetra, Goldstein was a partner at Sutherland Asbill & Brennan LLP in the firm's Washington, D.C.-based Financial Services Practice Group, which serves financial institutions, including insurance companies, investment advisors, broker-dealers and employee benefit plan service providers.

Goldstein previously served on the staff of the U.S. Securities and Exchange Commission in the Division of Investment Management. Earlier in his career, he was an assistant vice president and assistant general counsel at the Variable Annuity Life Insurance Company (VALIC).

"David has built an outstanding track record of success at one of the nation's top private law firms. He is a strong leader, known for his proactive and collaborative approach," said Marra. "With his deep experience in insurance and securities matters, David will be a valuable contributor as we pursue Symetra's 'Grow and Diversify' strategies."

Goldstein earned a bachelor's degree at Hampshire College in Amherst, Mass., and a law degree at Boston University School of Law.

The Principal gets early start on fee disclosure to plan sponsors

In advance of the April 1, 2012 deadline set by the Department of Labor for such action, The Principal, a major retirement plan provider, said it has begun disclosing fees to its plan sponsors.

“Beginning this week, plan sponsor clients and their financial professionals have access to all the revamped disclosures required by the new DOL regulation— including a redesigned fee summary,” The Principal said in a release.

The Principal began delivering a redesigned summary of fees to new clients in July and started unveiling it to existing clients beginning November 1, 2011. The new summary displays the most important information on the first two pages, as requested by financial professionals and plan sponsors.

The Principal also launched a new online disclosure landing page where sponsors can find required information on investments, fees, fiduciary status and services in one place. The company said it expects to offer an online participant disclosure resource center in mid-November.

The DOL has also issued a regulation changing how plan sponsors communicate fees and investments to participants. While the first compliance date for most sponsors is in May of 2012, The Principal has already made a number of changes to make it easier for plan sponsors to comply and will unveil a new online participant disclosure resource center in mid-November.

DST announces partnership, acquisitions

DST Retirement Solutions, a provider of Application Service Provider (ASP) and Business Process Outsourcing (BPO) defined contribution solutions, has announced an alliance with Wealth Management Systems Inc (WMSI), a leading provider of rollover services, to “provide expanded rollover service options to DST clients,” DST said in a release.

WMSI offers a web-based rollover application for retirement plan participants, call center technology for rollovers, a network for targeting rollover services to select participants and a program for administering force-out provisions and plan terminations.

On August 5, 2011, DST’s IOS (Innovative Output Solutions) subsidiary acquired Lateral, a \$80 million U.K. company engaged in integrated, data driven, multi-channel marketing, for \$41.7 million.

“The acquisition allows IOS to extend and develop its service/product offerings by further integrating communications through print, data and e-solutions and by providing additional solutions such as data insight and online marketing to the IOS client base,” DST said in a release.

On July 1, 2011, DST acquired the assets of IntelliSource Healthcare Solutions, whose principal product is CareConnect, an automated care management system. The addition bolsters DST Health Solutions’ medical claims processing product offering for integrated care management.

On October 31, 2011, DST completed the previously announced acquisition of ALPS Holdings, Inc., a provider of a comprehensive suite of asset servicing and asset gathering solutions to open-end mutual funds, closed-end funds, exchange-traded funds, and alternative investment funds.

Primerica to market Lincoln Financial indexed annuities

Lincoln Financial Distributors (LFD), the wholesale distribution subsidiary of Lincoln Financial Group, and Primerica, Inc., the multi-level marketing company that sells financial products to and through middle-income Americans, have announced that 82,000 of Primerica's 92,000 licensed representatives would add Lincoln's fixed indexed annuity to their product offerings.

Starting in November, certain Primerica representatives will begin offering Lincoln's Lincoln New Directions and OptiChoice (7-year surrender only) to their target middle market—families with annual incomes between \$30,000 and \$100,000.

Lincoln will establish a dedicated team to coordinate Primerica's efforts with Lincoln's back office, field wholesalers and internal sales support. John Chidwick, Lincoln's national sales manager, will oversee the new distribution channel, reporting to John Kennedy, head of Lincoln's Retirement Solutions Distribution.

Since 2007, Chidwick has served as a divisional sales manager for Lincoln. He previously held leadership positions for The Hartford and AIG.

Putnam introduces 'Short Duration Income Fund'

Putnam Investments has launched the Putnam Short Duration Income Fund, which seeks to combine characteristics of money market funds and ultra-short bond funds, including a check-writing feature.

The new Fund will "strive for a higher rate of current income than is typical of money market funds and have a greater focus on capital preservation than is usually associated with ultra short bond funds, with the goal of maintaining liquidity," Putnam said in a release.

The fund will invest in a diversified portfolio of fixed-income securities composed of short duration, investment-grade money market, and other fixed income securities. Its primary benchmark will be the BofA Merrill Lynch U.S. Treasury Bill Index. The fund will hold certificates of deposits, commercial paper, time deposits, repurchase agreements and U.S. government securities, including Treasury Bonds and other fixed income instruments.

The fund will also invest in asset-backed securities, investment-grade corporate bonds, sovereign debt, and will use derivatives to manage risk. The fund will make daily accruals and pay distributions monthly.

The new fund will be managed by a team led by Michael V. Salm, co-head of fixed-income at Putnam.