
The Bucket

By Editorial Staff Wed, Mar 7, 2012

Brief or late-breaking items from Credit Suisse, The Standard, OneAmerica, LPL Financial, Advisor Software Inc., Oliver Wyman, and the Bank of Montreal.

Credit Suisse white paper predicts rally in late 2012

In a new white paper, “European Debt Crisis in Focus: Time to Re-Risk Portfolios?” – Robert Parker, managing director and senior advisor to Credit Suisse, tackles the question: In 2012, Will global markets stabilize or will a flight to safe assets like U.S. Treasurers, gold and German Bunds drive market trends again?

Parker argues that “the time might be right for investors to consider increasing their exposure to risky assets.” The paper also provides views on the outlook for equities, emerging markets, corporate credit and commodities.

Several risks that concerned investors last year – such as a global recession or a hard landing in China – may have diminished, Parker writes, and recent ECB actions to provide liquidity to banks and deficit reduction plans by Eurozone governments have modestly improved market sentiment.

Parker anticipates a gradually rising appetite for risk and a sustained rally in the second half of 2012. For a copy of the white paper, contact Katherine Herring at katherine.herring@credit-suisse.com.

The Standard launches new indexed annuity

The Standard Insurance Company said it is expanding its annuity product portfolio with the new Index Select Annuity (ISA), a single premium indexed deferred annuity.

The ISA, which features The Standard’s highest interest rate cap, is designed for individuals looking for an annuity to maximize their earnings potential while minimizing their risk.

ISA policyholders can choose a five- or seven-year surrender-charge period and can divide funds between an index interest account linked to the S&P 500 Index (up to a cap) and a fixed interest account.

The portion of funds allocated to the fixed interest account will be credited an interest rate that is guaranteed for one year. After that guarantee period, the contract will receive renewal rates based on the current interest rate environment.

The annual index term design locks in credited gains in the index at the end of each 12-month period.

OneAmerica Retirement sales up 51% in 2011

The retirement business of the OneAmerica companies set new records in 2011 for 401(k) sales, employer-sponsored not-for-profit sales, total assets and plan participants.

The OneAmerica companies achieved 51% year-over-year growth in overall retirement sales, including a 67% increase in 401(k) sales. They ended the year with a record 95% percent retention rate on existing business, including 98.6% retention on their large block of tax-exempt health care business.

OneAmerica also achieved 20% growth on existing plans and ended 2011 with more assets under management and plan participants than at any other time in the 130-year-plus history of the enterprise.

OneAmerica added sales, service and marketing personnel in 2011, expanded the distribution of its open-architecture trust solution to registered reps, launched a multiple employer plan and won awards for its custom plan participant communications program. American United Life Insurance Company (AUL), a OneAmerica company, was named the number one 401(k) provider in five key satisfaction categories according to the Boston Research Group's 2011 Defined Contribution Plan (DCP) Sponsor Satisfaction and Loyalty Study.

LPL study documents value of bank investment and insurance programs

A new study of the role of investment services and insurance customers at retail financial institutions shows that people who buy investments and insurance at their bank tend to be the bank's most valuable customers.

The study, "The Value of an Investment and Insurance Customer to a Bank," was conducted by Kenneth and Christine Kehrer and Peter Bielan, and was co-sponsored by LPL Financial. The findings include:

- People who buy investments and insurance where they bank are among a retail financial institution's most profitable customers.
- Such customers are more likely to stay with that institution than customers who have several banks.
- By under-investing in their investment and insurance services businesses, retail financial institutions miss the opportunity to retain those desirable customers.
- Consumers who buy investment or insurance products from their primary bank or credit union have checking account balances 16% higher than those households without a brokerage or insurance relationship.
- Brokerage customers have savings account balances that are on average 85% higher than non-brokerage customers.
- Brokerage and insurance customers have more than twice as many credit products and 11% more remote banking products than customers who have not purchased an investment or insurance product from their primary bank or credit union.

LPL Financial Institution Services provides third-party investment and insurance services to approximately 670 banks and credit unions nationwide. The new study draws on data from the MacroMonitor.

The 2010/2011 MacroMonitor is a national sample survey of 4,374 households, with an oversample of 1,500 affluent households, reweighted to be representative of the U.S. population. Consumer Financial Decisions Group of Strategic Business Insights, formerly part of SRI International. Conducts the survey every other year.

Advisor Software Inc. enhances Goal-driven Investing platform

Advisor Software, Inc. (ASI), a provider of wealth management solutions for advisors market, will add "Collaboration Connect" into its Goal-Based Proposal Solution and goalgamiPro platforms.

The software enhancement allows investors whose advisors utilize either platform to access and modify goals within their financial plans.

Collaboration Connect streamlines an advisor's workflow by allowing their clients to add or edit specific goals on their own time. Because of the wide variety of potential life scenarios that can impact each client, multiple categories are presented within Collaboration Connect to personalize each goal.

"Through the launch of personal financial management applications such as goalgami and goalGetter, we've learned how users interact with our software, and how best to structure it so investors are more engaged in the financial planning process," said Neal Ringquist, president and chief operating officer for ASI.

Collaboration Connect is incorporated into both the ASI Goal-Based Proposal Solution and goalgamiPro. The Goal-Based Proposal Solution applies the asset-liability matching concepts of the pension industries' liability-driven investing methodology to the retail investment problem, allowing advisors to determine their clients' capacity for risk by analyzing their entire household picture, and generate an investment recommendation based on that analysis.

goalgamiPro is a household balance sheet diagnostic tool that enables advisors to create one-page plans for clients and help determine the feasibility and affordability of clients' financial goals.

BMO Retirement Institute launched in U.S.

The Toronto-based BMO Financial Group intends to expand the BMO Retirement Institute into the United States. The Institute provides insight and financial strategies for Americans planning for or in retirement.

The BMO Retirement Institute will examine a variety of topics related to retirement and issue comprehensive reports on the financial and non-financial aspects of this milestone. Its inaugural report,

[Single in Retirement](#), was released this week.

David Weinsier joins Oliver Wyman

David J. Weinsier, FSA, MAAA, has joined the Actuarial Consulting Practice of Oliver Wyman as a partner and head of the firm's U.S. Actuarial Life Practice in Atlanta, Georgia.

With 20 years of life insurance and annuity experience, Weinsier has advised life insurers, reinsurers, investment banks, law firms, and private equity firms. He specializes in mergers & acquisitions, reserve financing solutions, indexed life and annuity products, litigation support, and life insurance mortality.

Weinsier speaks frequently at industry meetings and in 2011 published an award-winning SOA research paper entitled *Predictive Modeling for Life Insurers – Application of Predictive Modeling Techniques in Measuring Policyholder Behavior in Variable Annuity Contracts*. Before joining Oliver Wyman, he was a director with Towers Watson's Risk Consulting practice.