The Bucket

By Editorial Staff *Wed, Sep 3, 2014*

Brief or late-breaking items from AIG, Plan Strategies, Inc., Great-West Financial, OneAmerica, Voya Financial, USAA, LifeYield, Franklin Templeton Investments and TIAA-CREF.

Hancock assumes top job at AIG, as expected

American International Group, Inc., announced that, in accordance with its succession plan, disclosed last June 10, Peter D. Hancock has assumed the role of president and Chief Executive Officer of AIG, and has joined AIG's Board of Directors. He succeeds Robert H. Benmosche, who retired and now serves as an advisor to AIG.

Mr. Hancock, 56, joined AIG in 2010 and was named Chief Executive Officer of AIG Property Casualty in March 2011, when the division was reorganized into two major global groups: Commercial and Consumer. He had previously served as Executive Vice President, Finance, Risk, and Investments, AIG.

Before joining AIG, Hancock was vice chairman at KeyCorp. He spent 20 years at J.P. Morgan, where he established the Global Derivatives Group, ran the Global Fixed Income business and Global Credit portfolio, and served as the firm's Chief Financial Officer and Chief Risk Officer.

Hancock is a member of the International Advisory Board of BritishAmerican Business. He is a William Pitt Fellow of Pembroke College, Cambridge. Raised in Hong Kong, Hancock earned his bachelor's degree from Oxford University.

Plan Strategies introduces three new model portfolios for 401(k) plans

Plan Strategies, Inc. (PSI), a retirement plan investment advisor serving 401(k) plan sponsors, advisors and participants, has launched three new portfolio allocation offerings: the Allo(k)ation Plan, Allo(k)ation Plus and Tailored Solution.

The Allo(k)ation Plan offers five portfolio models, ranging from aggressive to conservative, corresponding to varying levels of risk tolerance, which participants determine by completing a questionnaire. The plan models are rebalanced and monitored quarterly.

The model portfolios offer at least ten broad asset classes and feature low-cost investment options from Vanguard, DFA and PIMCO, among others. PSI serves as an ERISA 2(38) Fiduciary on the Allo(k)ation Plan models, assuming fiduciary liability associated with the selection, monitoring and replacement of funds.

The Allo(k)ation Plus Plan offers the same models as Allo(k)ation with the addition of an individual core fund lineup. This allows flexibility for plan sponsors who would like to offer the simplicity of models for some participants and a diversified, low-cost fund menu for others.

PSI also offers the Tailored Solution for companies who want a more customized plan. PSI's 401(k) investment advisor will work with plan sponsors to develop a list of investment options that aren't in the standard retirement plan fund lineup. PSI can also create a unique Investment Policy Statement (IPS) that addresses the plan's goals, selection criteria, investment philosophy and other elements specific to the plan.

Great-West Financial completes purchase of J.P. Morgan's retirement business

Great-West Financial has completed its acquisition of the J.P. Morgan Retirement Plan Services large-market recordkeeping business. The combined Great-West Financial retirement organization becomes the second largest provider in the U.S. defined contribution market with nearly seven million participants. It also record-keeps more than $400 billion in retirement plan assets. Terms of the transaction, which was originally announced in April, were not disclosed.

This development follows an announcement in March that the retirement business of Putnam Investments, which specializes in the large-plan corporate segment, is combining with Great-West Financial.

Great-West Financial now serves every segment of the employer-sponsored retirement plan market: small, mid and large-sized corporate 401(k) clients, government 457 plans and non-profit 403(b) entities as well as the private label recordkeeping business, Reynolds said in a release.

Great-West Financial expects to make a series of key organizational and leadership announcements related to the combined retirement organization, the release said.

OneAmerica completes purchase of City National Bank’s recordkeeping business

OneAmerica has completed the acquisition of City National Bank’s retirement services recordkeeping business. Business operations will remain in San Diego. Terms of the agreement, announced in June, were not disclosed.

The acquisition follows 13% year-over-year sales growth (as of midyear) by the retirement services division of the companies of OneAmerica and four consecutive years of record-breaking results for the enterprise. Combined, OneAmerica’s retirement services businesses now serve over 11,000 plans with more than 600,000 participants and hold more than $30 billion in defined contribution retirement assets under administration.

ING Group’s stake in Voya to drop to 32%

ING Group and a syndicate of underwriters have agreed to sell Voya Financial common stock in a public offering, according to a Voya release. Voya won’t be issuing or selling common stock, and won’t receive any proceeds from the offering.

In connection with the public offering, however, Voya Financial has entered into a share repurchase agreement with ING Group pursuant to which Voya Financial will repurchase directly from ING Group shares of Voya Financial common stock for an aggregate purchase price of $300 million.

Completion of the public offering and the direct share repurchase is estimated to reduce ING Group’s stake in Voya Financial from approximately 43% to approximately 32%.

The per-share purchase price to be paid by Voya Financial in the direct share repurchase will be equal to the per-share purchase price paid by the underwriters in the public offering. The direct share repurchase is subject to a number of conditions, including the successful completion of the public offering. Voya Financial expects to fund the direct share repurchase using cash on hand.

The total number of shares of Voya Financial common stock to be sold by ING Group, including both the underwritten public offering and shares repurchased by Voya Financial, is expected to equal 30,000,000 shares.

The underwriters for the offering may offer the shares for sale from time to time in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices.

Stuart Parker to succeed CEO Joe Robles at USAA

USAA's Chief Operating Officer Stuart Parker has been named to succeed current CEO Joe Robles when he retires at the end of February 2015, USAA board chairman Gen. Lester Lyles, USAF (Ret.) announced this week. USAA Capital Corporation President Carl Liebert will succeed Parker as COO.

Parker served as USAA's chief financial officer from 2012 to 2014 before becoming COO in May 2014. From 2007 to 2012, he led USAA's Property and Casualty Insurance Group (P&C). During that time, P&C net written premiums grew from $8.7 billion to $12.5 billion.

Parker joined USAA in 1998 after completing his MBA at St. Mary's University and earning a Certified Financial Planner designation. He is a graduate of Georgia's Valdosta State University and the Air Force ROTC program. He entered the EURO-NATO Joint Jet Pilot Training Program at Sheppard Air Force Base in Wichita Falls, Texas and became an instructor pilot flying T-38 aircraft. While at Sheppard, he also became a Wing Flight Examiner. Parker went on to graduate from aircraft commander school for the C-141 Starlifter and was stationed at Charleston, S.C. He flew the C-141 in combat missions during Operation Desert Shield/Desert Storm.

Effective immediately, USAA's bank, investment, life and property and casualty companies, real estate company and member experience operations will report to Liebert. Before joining USAA in 2013, he served as CEO of 24 Hour Fitness from 2006 to 2013, where he oversaw strategy, operations and financial performance. Liebert is a former U.S. Navy officer, 27-year USAA member and, from 2011 to 2013, served on USAA's Board of Directors. He graduated from the United States Naval Academy and obtained his MBA from Vanderbilt University, Owen Graduate School of Management.

Franklin Templeton will use LifeYield's Social Security calculator

LifeYield, LLC has agreed to develop a customized version of LifeYield's Social Security Optimizer for Franklin Templeton Investments, which will make it available to financial advisors later this year.

As Baby Boomers move into retirement, maximizing Social Security benefits has become increasingly important to investors and their advisors. LifeYield's solution is comprehensive and easy for advisors to use with investors in helping to determine the optimal time to file for Social Security benefits, and it also provides suggested actionable guidance on how make the filing.

"This new tool will enhance the suite of resources we offer through our *Income for What's Next* program," said Michael Doshier, vice president of Retirement Marketing for Franklin Templeton Investments.

TIAA-CREF to handle Swedish pension fund investments

The second Swedish National Pension Fund, known as AP2, has committed $750 million to the purchase of agriculture real estate in three countries and $265 million to the purchase of US real estate, according to the fund's half-year report.

The commitments follow AP2's 2013 decision to increase its investment in unlisted real estate from 10% to 15%.

The larger of the two commitments was made to US fund manager TIAA-CREF, with Australia, Brazil and the US targeted for investment. In 2011, AP2 invested $250 million with TIAA-CREF in a purpose-built venture, buying and managing agricultural assets and focusing primarily on grain production.

At the time, AP2 said it made the decision to invest in agricultural real estate to provide stable returns with low correlation to its existing investments.

The following year, AP2 and TIAA-CREF increased their commitments to the venture to $2 billion, with Canadian investors also joining the Global Agriculture company.

AP2's second, smaller investment, meanwhile, is part of a joint venture with South Korean pension fund NPS and Tishman Speyer. In late 2012, AP2 bought a 41% stake in property company US Office Holdings, jointly owned by NPS and Tishman Speyer.