

The Bucket

By Editorial Staff Thu, Dec 3, 2015

Brief or late-breaking items from Genworth, DTCC, John Hancock, and Voya.



Genworth launches uncapped FIA crediting strategy

Genworth announced today that it has launched a new uncapped volatility control spread index crediting strategy on select SecureLiving Fixed Index Annuity products. The strategy is based on the Barclays U.S. Low Volatility II Equity ER Risk Controlled Index (“Barclays U.S. Low Volatility Index”). The volatility control spread strategy is designed to deliver greater growth opportunity than a traditional cap strategy, with more stable spreads regardless of the interest rate environment.

Genworth selected the Barclays U.S. Low Volatility Index, which tracks 50 of the lowest volatility U.S. stocks on the New York Stock Exchange and NASDAQ, as the basis for the uncapped volatility control spread index crediting strategy. The Barclays U.S. Low Volatility Index, which is rebalanced monthly, includes many well-known stocks and the return includes reinvestment of any dividends. On a daily basis, it will increase or decrease the exposure to the 50 stocks, up to 100 percent, based on the stated target volatility level. It does not include any bond index or exotic components, which can cause a drag on performance when interest rates rise.

With the new volatility control spread strategy, interest is:

- Credited at the end of each 2-year term, and
- Calculated by using the percentage change over the 2-year term, less the term spread, and adjusted by the participation rate.

Because there is no cap on the performance of the strategy — only a spread and participation rate — credited interest can be significant when the Barclays Low Volatility Index returns positive performance over a 2-year term. For example, if the index sees 16

percent positive performance over two years and the annual spread is 1.5 percent (3 percent over the 2-year term) with a 100% participation rate, the interest credit is 13 percent. If the index decreases during a 2-year term, interest credited will never be less than zero percent, thereby protecting the contract value from market losses.

Whether a client's goal is accumulation or income focused, when combined with other popular features available on Genworth's SecureLiving Fixed Index Annuities, the uncapped volatility control spread strategy and Barclays U.S. Low Volatility Index and offers consumers a unique value proposition in terms of even greater growth potential and industry-leading flexibility.

For example, Genworth is the only carrier offering every index annuity contract owner renewal cap protection. This flexibility provides that, regardless of which crediting strategy their money is allocated into, a client may withdraw the entire accumulated contract value of the annuity without penalty if the declared renewal cap on the annual cap strategy falls below the contract's bailout cap rate.

DTCC launches 'Data as a Service' (DaaS)

The Depository Trust & Clearing Corporation (DTCC), the provider of post-trade market infrastructure and data provisioning services for the global financial services industry, announces the launch of its Data as a Service (DaaS) offering.

The newest offering from DTCC Data Products "transforms the way data is accessed and presented from DTCC's clearing, settlement, asset servicing and derivatives trade reporting solutions, providing firms with new insights on trading activities across multiple asset classes," DTCC said in a release.

The DaaS offering provides subscribers access to their own firm-specific transaction data, as well as positions aggregate data along with tools to customize views. DaaS delivers asset class specific data, including transaction volumes, positions and exposure.

DTCC Data Products was created in response to client need for centralized on-demand access to multiple sources of market and reference data. DaaS enables clients to mitigate risk, enhance efficiencies and reduce costs, as well as to meet new regulatory requirements.

A client can access GSD (government securities division) data directly from DTCC's Fixed Income Clearing Corporation (FICC) service, providing it with access to their GSD activity along with analytics and benchmarking against the overall industry and dealer activity.

Additional perspectives are available through DaaS based on the particular characteristics of a security type, such as by security duration (e.g. 10-year notes) and time until security maturity for U.S. government securities. Each category of aggregate data is available for the current analysis week, month and quarter in direct comparison to its base week, month and quarter.

Future DaaS capabilities, targeted for 2016, will include new query tools for on-demand results, client-configurable data feeds and access to historical data.

John Hancock enhances mobile app, 'MyLifeNow'

Employees of John Hancock Total Retirement Solutions plan sponsor clients can now use John Hancock's mobile app, MyLifeNow to enroll in their 401(k) plans using their smartphones, the U.S. arm of ManuLife announced this week.

The MyLifeNow mobile app was launched in 2013 to give participants anywhere access to their 401(k) account balance, personal rate of return, estimated annual retirement income, year-to-date contributions, and investment allocations by asset class. Earlier this year, the company added transactional capabilities, including reviewing and changing contribution percentage rates and enrolling in a plan's auto-increase capability.

Assets under management and administration by Manulife and its subsidiaries were C\$888 billion(US\$663 billion) as at September 30, 2015. Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK.

Witherow to lead Voya's large plan DC business

Mary Witherow joined Voya Financial's retirement business in early November as senior vice president and head of Relationship Management for the Large Corporate Market, taking responsibility for client satisfaction, retention and growth in Voya's large employer-sponsored 401(k) defined contribution and benefit plans, Voya told RIJ.

Witherow, who replaces the retiring Sandy Tassinari, works in Voya's Braintree, MA, office. She reports to Rich Linton, president of Large Market and Retail Wealth Management for Voya Retirement.

Over the past 15 years with Fidelity Investments, Witherow held several leadership positions in the retirement business, first in Large Corporate Relationship Management and

later as the senior vice president and head of Relationship Management for the Advisor-distributed Market.

Prior to that, Witherow worked as an attorney for the U.S. Department of Labor where she served as counsel for ERISA. She holds a B.A. and a J.D. from the University of Oklahoma and is a registered representative with a Series 6, 7, 24, 26 and 63 licenses.