
AIG enhances living benefit of indexed annuities

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The Lifetime Income Plus rider is automatically included in Power Index Plus Income, a new index annuity focused on retirement income and designed especially for the financial institution and broker/dealer distribution channels, AIG said in a release.

American International Group, Inc. (AIG) said it has enhanced the Lifetime Income Plus living benefit rider in its suite of fixed indexed annuities, issued by American General Life Insurance Company. The rider will now offer a 7% minimum roll-up for the first 10 contract years, as long as withdrawals do not exceed the annual limit.

Lifetime Income Plus is automatically included in Power Index Plus Income, a new index annuity focused on retirement income and designed especially for the financial institution and broker/dealer distribution channels. Lifetime Income Plus is also available as an optional rider with the AG Choice Index 10 and Power Index Plusindex annuities offered through brokerage general agencies.

Lifetime Income Plus guarantees the growth of the Income Base—the amount on which lifetime withdrawals are based—by locking in the greater of potential interest earnings or an annual income credit of up to 7%. Retirement income is certain to rise with a partial income credit, as long as withdrawals are taken within the terms of the rider.

“Please note that interest is added to the Income Base, only if it produces a contract value that is higher than all previous anniversary values,” an AIG release said.

“Individuals have the flexibility to take withdrawals when needs arise and still ensure both rising income and guaranteed income for life,” said John Deremo, executive vice president and chief distribution officer, Life and A&H, AIG Financial Distributors.

AIG is also announced two other enhancements to its index annuities:

- The Monthly Average Index Interest Account, a new interest crediting strategy available in the AG Choice Index 10 and the Power Series of Index Annuities.
- A “streamlined” product lineup for the financial institution and broker/dealer markets consisting of Power Index Plus, an asset accumulation product, and Power Index Plus Income, a retirement income product.