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## Equitable enhances its flagship buffered annuity, or RILA

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By Editorial Staff    Thu, Nov 12, 2020

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*Available on Nov. 23, the eight new options add to the Dual Direction feature on Equitable's Structured Capital Strategies Plus buffered annuity.*

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When Equitable introduced the buffered annuity in 2010, it created not just a new kind of annuity but a new category of annuity, the RILA (registered index-linked annuity). Since then, sales have steadily grown. Equitable's competitors have introduced similar products.

If there's such thing as a no-brainer annuity for older people who don't know what to do with their savings, buffered annuities might be it. Linked by options to the performance of equity market indexes, it offers a narrower range of returns than a conventional variable annuity but a wider range of returns than a fixed indexed annuity.

You can lose money on it, it's true. And everyone who buys it can have a different return, because performance is based on each owner's "contract year," not on the calendar year. But it doesn't give prospects many reasons to say no—other than the fact that they can't possibly understand exactly how it works.

Equitable, the principal franchise of Equitable Holdings, Inc., is now making eight new options available for its Structured Capital Strategies Plus (SCS Plus) registered index-linked annuity (RILA), which enables contract owners to experience a positive return even in a down market.

"The new offerings provide clients with additional ways to capture some upside potential even when equity market benchmarks may decline," an Equitable release this week said. Available on Nov. 23, these options expand the SCS Plus Dual Direction feature launched earlier this year.

With Dual Direction, if the S&P 500 declines up to or equal to the amount of the buffer (-10%, -15% or -20%) at the end of the investment time frame, clients earn a positive return equal to the percentage of the decline up to or equal to the buffer.

If the S&P 500 declines more than the buffer, the client is protected from losses within the buffer.\* Positive returns are credited up to the cap.

The new segment options include:

- Enhanced Upside, which allows clients to capture up to 125% of the positive return of the S&P 500 benchmark index with -10% downside protection
- Expanded Dual Direction protection options of -15% and -20% buffers, in addition to the original -10% buffer
- The option to capture upside return or partial downside protection on a 1-year basis for investments in the S&P 500, Russell 2000, MSCI EAFE, Nasdaq-100 and MSCI Emerging Markets indices

Equitable, then AXA Equitable, introduced Structured Capital Strategies, the first registered index-linked, or buffered, annuity in 2010. Through Structured Capital Strategies, clients can participate in the performance of one of several mainstream equity market indices up to a cap, with the buffer protecting against the first -10%, -20% or -30% of potential losses.

Clients can choose the equity index on which the performance of their investment is based, such as the S&P 500 Price Return Index, Russell 2000 Price Return Index or iShares MSCI EAFE ETF. They can also choose the duration of the investment and the level of downside protection based on their goals and risk tolerance.

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