Retirement Income
JOURNAL

Guardian Life launches deferred income annuity

By Editor Test *Thu, Jan 17, 2013*

"There's such a great need for income-producing products, that there's no threat of cannibalizing sales" between Guardian Life's variable annuity with living benefits and its new deferred income annuity, said Guardian's Doug Dubitsky.

Life Annuity with a Guaranteed Period of 10 years:

Premium:	**$100,000**
Age: 45	**Income Start Date: age 75**
Male:	$22,386
Female:	$21,650
Age: 50	**Income Start Date: age 70**
Male:	$13,711
Female:	$13,279
Age: 55	**Income Start Date: age 70**
Male:	$11,509
Female:	$11,175
Age: 60	**Income Start Date: age 75**
Male:	$13,113
Female:	$12,857
Age: 70	**Income Start Date: age 80**
Male:	$12,481
Female:	$12,529
Age: 75	**Income Start Date: age 85**
Male:	$14,264
Female:	$14,541

Following through on plans announced late last year, The Guardian Insurance & Annuity Co., Inc., part of Guardian Life, has introduced a deferred income annuity (DIA) that can be created with as little as $5,000 and provide income that starts up to 40 years after the purchase date.

The DIA product is called Guardian SecureFuture Income Annuity. Along with SPIAs (single premium immediate annuities) and the Guardian Investor II variable annuity with several guaranteed lifetime withdrawal benefit options, the New York-based mutual company now offers clients multiple ways to avoid outliving their savings.

"There are various ways to structure income in retirement, and different people view the need for income in different ways," said Douglas Dubitsky, vice president of Product Management & Development for Retirement Solutions at The Guardian Life Insurance Company of America. (See chart at right, taken from a SecureFuture brochure, for hypothetical payout amounts.)

"So we're creating multiple products. Income products used to be one-size-fits-all. It either fit your needs or it didn't. It wasn't a solution; it was a product. Now we have multiple solutions, and an advisor can see what works best for each client," he added.

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Guardian distributes through a captive sales force and Dubitsky envisions agents working with clients to create solutions that provide income at different times during retirement, and where different products offer different strengths—such as mortality credits from income annuities and upside exposure from deferred variable annuities.

"You can ladder a SPIA with a DIA or variable annuity and a DIA. People might say, I want a pay raise at a certain age. There's such a great need for income-producing products, that there's no threat of cannibalizing sales" between the Guardian VA and DIA, Dubitsky said.

"You can move the start date forward or back one time during the course of the contract. The low minimum additional premium gives clients the opportunity to make multiple payments. We see scenarios where people add assets to the DIA from different accounts at different times. This is a market we firmly believe in."

According to the SecureFuture fact sheet, the product can be purchased with non-qualified money at any time up to age 80, and with qualified money between ages 18 and 68. Income must start by age 85 for non-qualified money and by age 70½ for qualified money. The minimum additional purchase premium is only $100.

Guardian has AA+ ratings from Fitch and Standard & Poor's, A++ from A.M. Best, and Aa2 from Moody's.

Contract owners can accelerate payments, receiving up to six months at a time once during the life of the contract. Both single and joint contracts are available, and clients can choose life with period certain or cash refund of the unpaid premium. There's a return-of-premium death benefit if a single annuitant dies during the deferral period. Payments can be increased each year by 1% to 5%.