
Income annuity tied to debit card with cash rewards is launched

By Editorial Staff Thu, Nov 1, 2018

You pay Guggenheim Life about \$60,000 today, and it puts \$1,000 on your debit card every month for the next five years. You average 7% cash-back on purchases with the card. How cool is that?

Here's a novel way to market single-premium immediate annuities.

Relay, an service that couples a Guggenheim Life and Annuity immediate period-certain annuity with a prepaid debit card offering cash back rewards, has been launched by "insurtech" firm Group1001, according to a release this week.

Relay provides a monthly cash flow stream over a predefined term and cash-back rewards of 3% to 13% each year, depending on the length of the plan selected. It claims to "eliminate [purchase] restrictions typical in these categories."

For instance, a person can go to the [RelayRewards](#) website and decide that they want to pre-pay \$1,000 in monthly expenses for the next five years. The Relay calculator tells them that an annuity paying that amount will require a single premium of \$59,677. Each month for the next five years, \$1,000 will be added to the person's RelayRewards debit card.

Purchases made with the card will earn an average reward of \$840 per year (\$70 per month) for the next five years, or a total of \$4,200, according to the calculator. For the sake of comparison, the current quote for a five-year period certain annuity at [immediateannuities.com](#) is \$1,048 per month.

"Relay delivers on that need with a completely fresh take on annuities," said Andres Barragan, chief experience officer of Group1001, in the release.

Relay is now available in Illinois, Indiana, Massachusetts, and New Jersey, with service expanding to Florida and Texas on November 1st, 2018. Relay will also be available in California in the next few weeks, with additional state expansion planned for the coming months.

Group One Thousand One, LLC is a U.S. insurance holding company, with current combined assets under management of approximately \$37 billion as of December 31, 2017. The Relay Visa Prepaid Card is provided by Sunrise Banks, N.A., St. Paul, MN.