

Jackson Enhances VA GWMB, adds BlackRock Fund

By Editor Test Wed, Oct 13, 2010

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Jackson National Life has introduced a "customizable guaranteed minimum withdrawal benefit (GMWB) called Freedom Flex as an option on its Perspective series variable annuity contracts.

"We took our Lifeguard Freedom Six, which had a six percent annual bonus and an annual step-up for a fee of 95 basis points, renamed it Freedom Flex, and added a 5%, 7% or 8% bonus with either an annual or quarterly step-up," said Alison Reed, vice president of product management. "The rider price now ranges from 90 bps for a 5% bonus with an annual step-up to 130 basis points a year for the 8% bonus with an annual step-up." Quarterly step-ups aren't available on the 8% bonus.

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Perspective contract holders can choose from the following options:

- **5-8% annual bonus or "roll up."** Investors can grow their guaranteed withdrawal balance (GWB) by selecting an annual bonus ranging from 5% to 8% in years with no withdrawals.
- **Quarterly or annual step-ups.** Contract holders can capture investment gains with annual or quarterly step-ups. Annual step-ups lock in the contract anniversary value, while quarterly step-ups lock in gains annually based on the highest adjusted quarterly contract value.
- **Single or joint option.** Clients can provide guaranteed lifetime income for themselves with the single option, or for themselves and their spouse with the joint option. The joint option isn't available on the 7% rollup with the quarterly step-up or the 8% rollup.
- **99 investment options.** Contract holders can choose from among 99 investment portfolios, without asset allocation restrictions.

Contract holders who wait 10 years (or until age 70, if later) to take withdrawals are eligible for a 200% GWB adjustment, which increases their guaranteed withdrawal balance to double what they invested in the first year.

When investors are ready to start taking retirement income, they may withdraw between 4% and 7% of their guaranteed withdrawal balance every year for life, depending on their age at the time of the first withdrawal. Contract holders can also start and stop withdrawals as desired, giving them the flexibility to decide when to take income.

In conjunction with the Freedom Flex launch, Jackson has added BlackRock, the world's largest asset manager with \$3 trillion under management, to its investment manager lineup. The firm will manage the

new JNL/BlackRock Global Allocation portfolio, and will also subadvise the JNL/BlackRock Commodity Securities portfolio. In May, the company expanded its investment offerings with the addition of six American Funds Insurance Series portfolios.

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