
Jackson issues new IOVA for private wealth and trust market

By Editorial Staff Thu, Nov 9, 2017

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Jackson National Life has entered the trust space by creating a Private Wealth & Trust group and by launching Private Wealth Shield, an investment-only, tax-deferred variable annuity that trusts and private banks can offer their wealthiest clients.

The new "institutionally-priced" annuity will be available commission-free for fee-based advisors and without surrender charges, according to a Jackson release. The contract offers no living benefit rider, but can be annuitized on a fixed or variable basis. The prospectus can be found [here](#).

Jackson is the biggest seller of variable annuities in the U.S., with sales of almost \$9 billion in the first half of 2017. The firm's Perspective II (7-year) contract is the top-selling individual VA and its Elite Access investment-only VA is among the contracts with the highest sales.

Current expenses include a core contract charge of 35 basis points per year (30 bps for contracts over \$1 million), a return-of-premium death benefit for 25 bps (maximum: 50 bps), and investment fees of 26 bps to 205 bps per year, depending on the investment options chosen. Contract fees have a maximum of 85 bps per year, according to the prospectus.

The new contract can be used to help wealthy individuals and families access tax-sheltered investments, lower taxes and create multi-generation portfolios, Jackson said. For irrevocable trusts, Private Wealth Shield removes the need for tax-related distributions, keeping more assets in the trust.

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"Private trustees have long relied on tax-deferred annuities, but Private Wealth Shield's investment-only platform offers trust and private wealth firms a more powerful solution for mitigating taxes on nonqualified assets, particularly within the high-net-worth market," said John Poulsen, executive vice president of sales strategy at JNLD.

"As financial institutions and professionals navigate complicated fiduciary rules that can lead to difficult investment and tax management decisions, Private Wealth Shield presents a viable strategy that can help alleviate these challenges to meet the needs of their clients."