

Jackson offers no-load VA for fiduciary era

By Editorial Staff Thu, Sep 22, 2016

'In today's heightened regulatory environment, many of our distribution partners are choosing this type of product to serve their clients who are seeking strategies for retirement planning, a Jackson National Life release said.

As rumored at the FPA annual conference last week, Jackson National Life has launched a fee-based variable annuity. Called [Perspective Advisory](#), it offers the same investments and optional benefits, for an additional charge, as Perspective II, Jackson's flagship commission-based variable annuity, the company said in a release today.

The launch is directly linked to the Department of Labor's so-called fiduciary rule, which will makes the sale of a variable annuity to an IRA owner a "prohibited transaction" unless the seller signs a contract promising to act in the client's best interest.

"The company's entrance into the fee-based space is designed to meet increased market demand for products compatible with fee-based accounts and platforms as a result of the U.S. Department of Labor (DOL) fiduciary rules, released in April 2016," according to a release from Greg Cicotte, Jackson's executive vice president and chief distribution officer.

"In today's heightened regulatory environment, many of our distribution partners are choosing this type of product to serve their clients who are seeking strategies for retirement planning," the release said. "The legal and compliance costs, as well as additional disclosure requirements related to managing a commission-based platform under the DOL mandates, have set the stage for utilizing fee-based variable annuities."

Perspective Advisory also gives Jackson a product for advisory distribution channels where insurance products historically have not been widely utilized, such as the Registered Investment Advisor market.

Perspective Advisory's key features include:

- Compensation structure: Advisor compensation is fee-based, rather than commission-based.
- Minimum initial premium: \$25,000.
- Product cost: 0.30% annually for mortality, expense and administration costs.
- Surrender period: Three-year withdrawal charge schedule of 2%, 2%, 1% and zero.
- Investment options: More than 90, ranging from 56 to 219 basis points in annual fees.

- Additional options: AutoGuard and LifeGuard Freedom living benefits, ranging from 80 to 160 basis points in annual fees, and death benefits ranging from 30 to 100 basis points in annual fees.

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