
New FIA bets on growth in aging-related industries (Duh!)

By Editorial Staff Fri, Sep 21, 2018

The Retirement Plus Multiplier Annuity issued by A-CAP insurers and distributor Saybrus Partners offer access to a Goldman-Sachs index that tracks healthcare and real estate companies that may benefit from the Boomer age wave.

A-CAP and Saybrus Partners have launched a new fixed indexed annuity (FIA), [Retirement Plus Multiplier Annuity](#), that offers exposure to “companies... that may benefit from the growth in the older population in the U.S,” according to a release this week.

The new FIA is billed as the only product offering access to the Goldman Sachs Motif Aging of America Dynamic Balance (“Thematic Index”). The index targets the stocks and bonds of companies in the healthcare and real estate sectors that may benefit from the Boomer age wave.

Issued by Sentinel Security Life Insurance Company and Atlantic Coast Life Insurance Company, two A-CAP subsidiaries, the product is available through Saybrus Partners and selected independent distributors. The index is the work of Goldman Sachs and Motif Capital Management of San Mateo, California, whose website features indexes on the national defense industry and aging-related industries.

The top five holdings of the Aging of America index, according to a [whitepaper](#) on the Motif Capital website, are Johnson & Johnson, Amgen, UnitedHealth Group, Novo-Nordisk, and Pfizer. The index includes companies that “stand to benefit from the demand for treatments and therapies due to a fast-growing senior population, increased government spending on healthcare programs and the rise in demand for assisted living facilities.

According to product [literature](#):

The product’s allocation framework “will generally result in higher weighting to components exhibiting lower historical volatility and lower weighting to components exhibiting higher historical volatility. Additionally, a momentum signal is applied to the 10-year U.S. Treasury Rolling Futures constituent. The momentum signal looks at recent performance, based on a predetermined set of rules, with the aim of reducing the allocation to that component, if the momentum signal is not positive. The sum of the weights of the equity and fixed income constituents in the Goldman Sachs Aging of America Dynamic Balance Index, will be less than or equal to the maximum weight of approximately 150% (An allocation above 100% represents leveraged exposure to the

Index).

The index is a rules-based methodology that seeks to provide dynamic exposure to the equity and fixed income components. Risk is monitored daily, and re-balancing generally results in higher weighting in components with lower historical volatility and less weight to those with higher historical volatility. The index has a 5% volatility cap and to the extent the volatility cap is exceeded, the money market allocation is increased. The index is calculated on an excess return basis. Retirement Plus Multiplier offers two index accounts, a one-year point-to-point with a participation rate and a three-year point-to-point with a participation rate.

“The Thematic Index coupled with the A-CAP insurance platform and the Retirement Plus Multiplier Annuity will allow seniors to grow their retirement returns based on a unique formula tailored to the needs of the aging senior market,” said Doug George, Head of Life and Annuity for A-CAP, in the release.

Andrew Sheen, managing director, product development for Saybrus Partners, said that through the product’s index crediting strategies “contract holders can participate in the potential growth of the companies that serve their own demographic.”

Contract owners holders can choose a Growth Benefit for accumulation or an Income Multiplier Benefit for retirement income. The Growth Benefit provides added sensitivity to positive market performance. The Income Multiplier Benefit provides a Guaranteed Lifetime Withdrawal Benefit (GLWB) that offers monthly income based on a percentage of up to 60% more than the contract’s accumulation value, depending on how long the owner delays taking income.

A-CAP, a privately held holding company launched in 2013, owns multiple insurance and financial businesses, including primary insurance carriers, an SEC registered investment adviser, an administrative services provider, reinsurance vehicles, and marketing organizations.

Saybrus Partners represents the life and annuity portfolios of select carriers in several channels, including independent marketing organizations, insurance agents, broker dealers and financial institutions.