
New indexed annuity from Phoenix addresses three retirement risks

By Editor Test Wed, Jun 13, 2012

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The Phoenix Companies has launched the Phoenix Personal Protection Choice Annuity, a single premium fixed indexed annuity that allows an annuity holder, for an additional fee, to purchase any combination of three different benefits: lifetime income, chronic care and/or an enhanced death benefit.

Designed for near-retirees and retirees, Personal Protection Choice annuity also features six indexed accounts in addition to a fixed account.

"Standalone products focused solely on income guarantees, life insurance or chronic care can be expensive or go unused," Phoenix said in a release. "With Personal Protection Choice, annuity holders [can address] the financial gaps that are of greatest concern to them."

The contract is issued by PHL Variable Insurance Company, a Phoenix insurance subsidiary, and is available through independent distributors working with Saybrus Partners, a Phoenix distribution subsidiary.

Personal Protection Choice offers an Income Protection benefit, a Care Protection benefit and/or a Family Protection benefit.

The Income Protection benefit provides a guaranteed lifetime withdrawal benefit (GLWB) that offers a benefit base bonus of up to 45% of the initial contract value. The bonus is 30% after a one-year deferral, 37.5% after a two-year deferral, and 45% after three years. Alternately, clients can receive a 14% simple interest annual roll-up in the income base for up to 10 years after purchase. As for payout rates, Phoenix quotes a different rate for each age, rather than for age bands.

Dana Pedersen, vice president, Phoenix Life, offered the example of a 70-year-old who invested \$100,000 in the product and waited three years to start withdrawals. At age 73, he could withdraw 4.74% of at least \$145,000, or \$6,873 for life. The payout rates range from 3.32% at age 50 to 6.6% at age 85 or older, she said.

The Care Protection benefit provides an enhanced withdrawal benefit for up to five years in the event that the annuity holder is unable to perform two of six Activities of Daily Living (ADLs) and is confined to a nursing home or receiving care at home. This benefit is available after the second contract anniversary and ranges from 125% to 250% of the guaranteed lifetime withdrawal amount, based on age and qualification level. After the five years of the Care Protection benefit are exhausted, the lifetime withdrawal benefit is still available as long as no withdrawals over the guaranteed amount have been taken.

The Family Protection benefit offers an enhanced lump-sum death benefit for beneficiaries. The

enhancement includes a simple interest roll-up of 5% or 10% (depending on attained age) for the first 10 years of the contract, or until the rider exercise date or age 85, whichever comes first. All withdrawals, including the guaranteed withdrawals, reduce the contract value and the death benefit.

In conjunction with Personal Protection Choice, Phoenix also launched REALIZE personal retirement analysis, an online tool adapted for tablet computers. It combines sales, data collection, and annuity quote functions.

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