
New York Life's DIA surpasses total premiums of \$2 billion

By Editorial Staff Thu, Oct 16, 2014

The current payout rate for a 60 year old male who defers for 10 years is about 12%, so that a \$100,000 premium would provide a 60 year old man with more than \$12,000 a year for life starting at age 70, the insurer said in a release.

New York Life announced this week that its deferred income annuity, Guaranteed Future Income (GFI), has exceeded \$2 billion in premiums since its July 2011 introduction. According to the mutual insurer, 20% of GFI policyholders have contributed more than one premium payment, which the company takes as a sign that pre-retirees want to invest in their retirements early and over time.

GFI allows policyholders to set a date in the future when they will begin receiving guaranteed income payments for the rest of their lives. Between the initial premium date and the income start date, they can purchase more future income by making additional premium payments, and can defer or accelerate their income start date if necessary, according to a New York Life release.

About 70% of purchasers use tax qualified IRA or 401(k) savings to fund GFI. The core audience for GFI is pre-retirees between the ages of 55 and 65 who plan to retire in five to 10 years. The current payout rate for a 60 year old male who defers for 10 years is about 12%. For example, with a \$100,000 premium at purchase, a 60 year old male would receive more than \$12,000 a year for the rest of his life starting at age 70. GFI is available from New York Life career agents and select investment firms nationwide.

New York Life's financial strength ratings are: A.M. Best (A++), Fitch (AAA), Moody's Investors Service (Aaa), Standard & Poor's (AA+).

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