
Securian Offers "MyPath" VA Income Riders

By Kerry Pechter *Fri, Oct 18, 2013*

"MyPath is less a statement on interest rates than a reflection of our desire to allow advisers to dial-in what each client needs," said Dan Kruse, second vice president and individual annuity actuary at Securian Financial Group.

Securian Financial Group has introduced a new group of four optional lifetime income riders on its MultiOption variable annuity contracts and has stopped selling its Ovation Lifetime Income II income riders and its Guaranteed Minimum Withdrawal Benefit, according to Dan Kruse, Securian's second vice president and individual annuity actuary. The change was effective as of October 4.

"It was time for us to refresh our living benefit portfolio," Kruse told RIJ in an interview. "We introduced Ovation two years ago, then we replaced it with Ovation II to recognize the lower interest rates. MyPath is less a statement on interest rates than a reflection of our desire to allow advisers to dial-in what each client needs.

"So many income riders are one-size fits all," he added. "For those who want growth, we beefed up the roll-up. For those who want income, we allow higher withdrawal percentages. We have a less expensive option for those who want accumulation but still like the idea of a safety net. We are focused on putting business on the books that makes sense to us, and on the idea that we don't have to be all things to all broker-dealers."

The four income rider options are:

MyPath CoreFlex. This rider offers a six percent annual roll-up for 10 years (the deferral bonus is credited only in years when no withdrawals are taken) and requires investors to put at least 40% of their assets into managed-volatility funds. It costs 120 basis points a year (130 bps for joint contracts).

MyPath Ascend. This rider resembles CoreFlex, but offers a seven percent annual roll-up for 10 years and requires investors to put all of their assets into managed-volatility funds. It costs 140 bps (150 bps for joint contracts). Payouts for CoreFlex and Ascend are 4% (3.5% for joint contracts) for those under age 65; 5%(4.5%) from ages 65 to 74, 5.25% (4.75%) from ages 75 to 80, and 6% (5.5%) for ages 80 and above.

MyPath Summit. This rider offers no roll-up, but its payout rates are a quarter of one percent higher in every age band.

MyPath Value. This product offers no roll-up and pays out a flat 4% of the benefit base each year for all ages, but has expenses of only 45 bps (55 bps for joint contracts).

"We're not aiming at dominating the variable annuity market, but we want to be competitive with our key distribution partners," Kruse told RIJ. [Those distribution partners are the semi-captive Securian Financial Network, Waddell & Reed, and independent broker-dealers; each partner accounts for about one-third of Securian's variable annuity sales.

The allowable sub-accounts for MyPath Ascend, MyPath Summit and MyPath Value currently include:

- Advantus Managed Volatility Fund (Securian proprietary fund)
- AllianceBernstein Dynamic Asset Allocation Portfolio
- Goldman Sachs Global Markets Navigator Fund
- Ivy Funds VIP Pathfinder Moderate — Managed Volatility
- PIMCO VIT Global Diversified Allocation Portfolio
- TOPS Managed Risk Flex ETF Portfolio

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