
Security Benefit offers floating-rate fixed annuity

By Editorial Staff *Thu, Jun 16, 2016*

Contract owners receive a guaranteed base rate of interest that is set for the contract's Guarantee Period, plus the 3-Month ICE LIBOR USD Rate (subject to a cap), which resets annually on the contract anniversary date.

Security Benefit Life Insurance Company has launched what it calls the fixed annuity industry's first floating-rate product, designed to fit a world where interest rates seem to have only one direction in which to go.

Called RateTrack, the single premium deferred fixed annuity allows clients to participate "automatically" at the beginning of each contract year in a rising interest rate environment, as opposed to being locked into a fixed rate for the life of the contract. Contract owners receive a guaranteed base rate of interest that is set for the contract's Guarantee Period, plus the 3-Month ICE LIBOR USD Rate (subject to a cap), which resets annually on the contract anniversary date.

Unlike a typical multi-year guarantee annuity, RateTrack offers the opportunity for higher interest rates over the life of the contract without the risk of a loss of principal, as is the case with bond funds when rates go up.

The RateTrack annuity joins Security Benefit's Total Value and Secure Income indexed annuities and EliteDesigns variable annuities.

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