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## Security Benefit offers floating-rate fixed deferred annuity

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By Editorial Staff    Thu, Mar 31, 2016

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Anticipating upward movement in interest rates, Security Benefit Life has launched a floating-rate fixed annuity that allows clients to participate automatically in a rising interest rate environment instead of being locked into an uncompetitive rate for the term of the contract.

The single-premium deferred product, called RateTrack, is the industry's first floating rate annuity, according to a Security Benefit release. 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.

ICE LIBOR stands for Intercontinental Exchange London Interbank Offered Rate.

"Unlike a typical multi-year guarantee annuity, [RateTrack] offers an initial competitive interest rate and then the opportunity for higher interest rates over the life of the contract," the release said. Like other fixed deferred annuities, RateTrack offers a guaranteed minimum rate, so that, unlike a bond or bond fund, the contract won't experience a markdown in value if interest rates rise.

"We've pioneered a new category of fixed annuities to help clients move off the sidelines and receive a competitive rate today without sacrificing the opportunity to benefit in the likelihood rates continue to rise over the next few years," said Dave Byrnes, vice president and national sales director for Security Benefit.

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