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## Security Benefit's EliteDesign VA adds 71 investment options

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By Editor Test     *Thu, Feb 7, 2013*

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Security Benefit Corp. has added 71 new subaccounts from 23 U.S. investment managers to its fee-only EliteDesigns variable annuity product. The contract issued by the unit of Guggenheim Partners now has 269 variable account options.

The new offerings include fixed income, asset allocation, global/international and alternative investment options from Dimensional Fund Advisors, JP Morgan and other asset management firms, as well as new underlying funds (within funds-of-funds) from Guggenheim Investments, said Michael K. Reidy, vice president and national sales manager of the RIA and Independent Broker-Dealer Advisory Channel at Security Benefit, in a release.

Other managers of the newest EliteDesigns portfolios are Fidelity Investments, Ibbotson Investments, Pioneer Investments, Putnam Investments, Innealta Capital and Western Asset Management. All told, 38 asset managers are represented, investing across 36 Morningstar categories.

Simple variable annuities with lots of investment options and no living benefits, like Jefferson National's "flat-fee" Monument Advisor contract, allow advisors to trade in and out of portfolios often and own high-turnover portfolios without generating short-term capital gains—a feature that higher tax rates could make more salient.

Deferred variable annuities are the only vehicle that allows tax-deferred growth on a virtually unlimited amount of after-tax contributions. Unlike B-share variable annuity contracts, fee-only variable annuities do not involve commissions. Therefore they carry no surrender charges for early withdrawal and have minimal mortality and expense risk fees.

All deferred variable annuities, even those that do not offer living income benefits, permit contract owners to convert the assets to guaranteed lifetime or fixed-period income streams and to spread out the deferred tax liability over a lifetime of payments. In practice, however, deferred variable annuity contracts are rarely annuitized.

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