
SunAmerica expands lifetime income options

By Editor Test Wed, Feb 1, 2012

SunAmerica has also introduced a new investment portfolio – the SunAmerica Dynamic Allocation Portfolio –as an underlying investment in their variable annuity products.

SunAmerica has announced a few changes to its variable annuity lifetime income options.

SunAmerica Income Plus 6% has been enhanced with a new income option that guarantees 5.25% withdrawals for life starting at age 65 plus guaranteed rising income for 12 years—even while clients take withdrawals—regardless of market performance.

For those who want more income in the early years of retirement, the *SunAmerica Income Plus 6%* feature available in select Polaris Variable Annuities continues to offer 6% withdrawals as early as age 45 or up to 7% withdrawals as early as age 65.

The *SunAmerica Income Builder 8%* feature has also been enhanced with a new lifetime income option that guarantees up to 5% withdrawals for life when withdrawals begin at or after age 65.

With *SunAmerica Income Plus 6%* and *SunAmerica Income Builder 8%*, income is guaranteed to increase by the greater of annual performance or an annual income credit on contract anniversaries during the first 12 contract years. After 12 years, income can continue to increase from investment performance.

Joint Life income options with different withdrawal parameters are also available with these features.

SunAmerica has also introduced a new investment portfolio – the SunAmerica Dynamic Allocation Portfolio –as an underlying investment in their variable annuity products. It is available when clients elect one of the new income options.

The new portfolio is an actively managed fund-of-funds with as many as 20 or more money managers. It blends up to 44 existing SunAmerica portfolios. A dynamic asset allocation strategy is employed to help manage the Portfolio's net equity exposure and the effects of volatile equity markets.

"When the equity market is experiencing high levels of volatility, the portfolio's net equity exposure will be decreased. Conversely, when the equity market is experiencing lower levels of volatility, net equity exposure will be increased," said Rob Scheinerman, senior vice president, SunAmerica Retirement Markets.

"What you effectively have is a balanced type model with a volatility control mechanism that we believe will give people a better risk/return experience than they would have in a more traditional, static balanced portfolio."

The company also offers five fixed income portfolios and a cash management portfolio with its new income

options for investors who prefer a different investment approach or want to change their risk profile after their contract has been issued.

With certain income options, the income amount will be reduced in the event the contract value is completely depleted due to market volatility and/or withdrawals taken within the feature's parameters.

© 2012 RIJ Publishing LLC. All rights reserved.