
The Hartford adds enhanced death benefit to Future6 GLWB

By Editor Test Wed, Nov 16, 2011

The Future6 Death Benefit allows for income withdrawals that do not reduce the death benefit, unlike most VA death benefits, according to Steve Kluever, vice president of product and marketing for Global Annuities at The Hartford.

An enhanced death benefit is now available as an optional rider on The Hartford's Personal Retirement Manager (PRM) variable annuities with the Future6 guaranteed lifetime withdrawal benefit,

The Future6 Death Benefit allows for income withdrawals that do not reduce the death benefit, unlike most VA death benefits, according to Steve Kluever, vice president of product and marketing for Global Annuities at The Hartford.

"Many people have found it difficult to accomplish the opposing financial objectives of generating a lifetime income and leaving a legacy through a variable annuity," said Kluever. The new option is designed to "allow consumers to achieve both living and giving goals, without detracting from either."

The value of the death benefit is based on the greater of premiums invested or the contract value at the time income payments start, providing the annual withdrawals (5% of the benefit base) do not exceed predetermined limits. For the new death benefit to apply, the final account value must be equal to at least the value of one income payment.

Investors who elect the Future6 GMWB are required to put their money in The Hartford's volatility-managed Personal Protection Portfolios. As part of the enhancements, The Hartford said it is also reducing certain expenses associated with PRM.

The new enhanced death benefit rider costs 85 basis points and the Future6 GLWB costs 85 basis points. Hartford reduced the contract's surrender period to seven years from eight years and reduced the mortality and expense ratio of the B share contract to 115 basis points from 125 basis points, a spokesman for The Hartford said.

The Future6 Death Benefit is available when the optional Future6 Guaranteed Minimum Withdrawal Benefit (GMWB) is also elected. Future6 provides guaranteed growth of a future lifetime income stream through the greater of a 6% annual deferral bonus or market appreciation step-up. The bonus lasts for up to 10 years while investors delay taking income payments. Performance step-ups are available until age 90, even while taking income.

© 2011 RIJ Publishing LLC. All rights reserved.