
Transamerica's statement on its new no-commission VA with income benefits

By Editorial Staff Fri, Jan 20, 2017

'Transamerica has built the Variable Annuity I-Share (and all of our products) with an intent to be fully compliant with existing regulations and the coming DOL fiduciary regulations,' wrote Transamerica SVP Joe Boan.

Transamerica senior vice president Joe Boan offered the following written response to RIJ's question about the strategic business rationale for the insurer's new no-commission annuity contract, Variable Annuity I-Share, which is the subject of a feature article in today's edition of *Retirement Income Journal*:

Transamerica has built the Variable Annuity I-Share (and all of our products) with an intent to be fully compliant with existing regulations and the coming DOL fiduciary regulations.

We believe that the market will respond positively to the introduction of the I-Share, given feedback we have already received from advisors and broker-dealer firms, including that the I-Share structure will offer more flexibility for their clients in planning for retirement income.

Transamerica sees the DOL Rule and the requirement to do what is in the best interest of the client as an opportunity to introduce solutions to financial advisors who haven't considered these products in the past. The need for lifetime income is as strong as it has ever been.

The benefits of tax deferral and lifetime income can only be found in an annuity. We believe fee-based variable annuities with investment flexibility will be one of the few opportunities for clients to plan for guaranteed income and market-type returns.

The Variable Annuity I-Share is designed to be flexible. The client will only pay fees that he/she and the advisor believe are valuable and help solve his/her individual needs. The product is structured similarly to other fee-only products that the industry is driving toward. Transamerica is committed to making our annuities as simple to understand as possible, because we believe that advisors and clients both want and need this type of structure when planning for retirement income.

LIMRA is seen as bearish on the VA market as it currently exists. We think that the outlook for 2017 is too soon to tell, given that the new administration is being

inaugurated tomorrow. We are confident that there is a market need for this structure in planning for retirement income. Investors' need for guaranteed sources of income in retirement is not diminished. In fact, it's as strong as ever.

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