
Western & Southern introduces 'SmartStep' fixed annuity

By Editor Test Thu, Mar 14, 2013

SmartStep offers four years of guaranteed rates: an initial rate set by the company followed by three years of stepped-up rates. At the end of the guarantee period, the contract is credited with an annual renewal rate set by the company.

W&S Financial Group Distributors, Inc., the wholesale distributor of annuities and life insurance for Western & Southern Financial Group's member insurance companies, has introduced a new single premium deferred annuity, SmartStep.

The product is aimed at the many Americans who are "sitting on the sidelines" with their money invested in short-term paper, waiting for rates to rise, W&S said in a release.

SmartStep offers four years of guaranteed rates: an initial rate set by the company at the time of issue, followed by three years of stepped-up rates. At the end of the guaranteed period, the contract will be credited with an annual renewal rate set by the company.

Contracts *without* a return of premium guarantee receive the initial rate in year one, the initial rate plus 40 basis points in year two, the initial rate plus 80 basis points in year three, and the initial rate plus 120 basis points in year four.

Contracts *with* a return of premium guarantee receive the initial rate in year one, the initial rate plus 15 basis points in year two, the initial rate plus 30 basis points in year three, and the initial rate plus 45 basis points in year four. A floor interest rate of 0.50% (1% in New York) is guaranteed for the life of the contract

The SmartStep SPFA also features:

- An optional return-of-premium guarantee on surrender. (The cost of the guarantee is lower interest rate step-ups in contract years two through four.)
- Optional annuitization for single or joint annuitants.
- A guaranteed death benefit.
- Provisions for limited access to free withdrawals.
- A 7% surrender penalty for years one through three, 6% for year four, 5% for year five, 4% for year six and zero percent after.
- A minimum premium of \$20,000.
- Contract availability for issue ages 18 through 89.

Western-Southern Life Assurance Company, Cincinnati, and National Integrity Life Insurance Company, Goshen, New York, both offer SmartStep. Both are units of Western & Southern, which is rated AA+ (Very Strong) by Standard & Poor's.