

## Equitable, Lincoln and Security Benefit Add Products for Stability Seekers

By **Allison Bell**

Big life and annuity issuers, and some smaller players, are breaking through the financial services sector's stunned silence with talk about products that offer strong value guarantees.

The COVID-19 pandemic has eased, and the stock market has overcome most of the volatility that hit in the fall.

But many clients, and their advisors, are still clinging to stability.

**Survey figures from LIMRA** show that sales of individual fixed annuities soared 110% year-over-year in the fourth quarter of 2022, to \$65 billion, as sales of variable annuities plunged 30%, to about \$23 billion.

Many life insurers have talked in recent years about reducing their exposure to investment-related risk by backing away from benefit guarantees, but the new products and product features making news are designed to protect clients from a new wave of volatility.

Here is the latest news in three types of volatility-taming products.

### 1. Non-Variable Indexed Annuities

**Security Benefit** has spruced up products

that include built-in account value protection: its Strategic Growth Series of annuities.

The products are single-premium, deferred, non-variable indexed annuity contracts.

The products tie a client's crediting rate to the performance of an investment index. Strong investment index performance can increase a client's crediting rate above the minimum guaranteed level, but the crediting rate cannot fall below the guaranteed level.

One change is the addition of a product with a seven-year surrender charge schedule. The surrender charge period is shorter than the period for other products in the family, and that could soothe clients who fear what might happen if they lock up too much of their money for too long.

Another change is the addition of a rate buy-up option that can help contract holders lock in new, higher rates by increasing the share of investment index gains that flows into the client's own annuity crediting rate.

Yet another change is the addition of two investment indexes that may help moderate the effects of U.S. stock market volatility, by tying

a portion of the returns to assets such as commodities and non-U.S. stocks.

## 2. Cash-Value Life Insurance

Like a non-variable annuity, cash-value life insurance products such as whole life, indexed universal life and variable universal life offer a client a chance to use investment market against to improve product performance, while protecting the client against investment-market-related loss of value.

The products can protect beneficiaries against the risk of the insured's death. The insured can also use borrowing strategies to draw cash from a cash-value policy and make the policy perform many of the functions that an annuity performs.

**Equitable** has introduced the Market Stabilizer Option II feature for single-life variable universal life policies.

The feature, a new version of the company's Market Stabilizer Option, provides the kind of protection against investment market volatility that clients can get with registered index-linked annuity contracts.

The feature offers the client five ways to protect policy value against poor investment index performance.

One, for example, protects the client against a 15% investment index drop while allowing value to grow as much as 14.5% if the investment markets do well.

**Lincoln Financial** has introduced an entirely new product with value guarantees, the Lincoln WealthAccelerate indexed universal life policy.

In addition to offering benefits guarantees, the policy offers users access to an electronic underwriting process and digital policy management tools.

The policy is available to customers ages 20 to 55.

The policy death benefit can range from \$100,000 to \$1.5 million.

Lincoln Financial is predicting that many applicants will be able to buy the policy without undergoing lab tests.

## 3. Term Life

Term life insurance offers clients fixed death benefit protection, not an **opportunity to grow assets**, but some companies are continuing to make term life announcements.

The American Armed Forces Mutual Aid Association has added a BeyondBasic product that can help active-duty military servicemembers ages 18 through 45 add \$100,000 in coverage to their Servicemembers' Group Life Insurance coverage.

The company has also introduced a Simple Term policy is for current and former members of the uniformed services and the U.S. military, their spouses, children and grandchildren ages 25 through 75. It can provide up to \$200,000 in coverage.

Disclosure:

Annuities are long-term financial products designed for retirement purposes. Variable investment options within variable annuities are subject to fluctuation in value and market risk, including the possibility of loss of principal. In addition, annuity policies have limitations and a charge for withdrawals in the policy's early years.

Variable universal life insurance is a contractual agreement in which premiums are paid to an insurance company, and the company in return for those premiums provides a benefit to a named beneficiary upon proof of the insured's death and a policy cash value. Amounts in the policy's cash value are invested in a variety of variable investment options. Amounts in a variable life insurance policy's variable investment options are subject to fluctuations in value and market risk, including loss of principal. Life insurance policies have exclusions, limitations, and terms for keeping the policies in force. Fees and charges associated with variable universal life insurance include mortality and expense risk charges, cost of insurance charges, surrender charges, administrative fees, investment management fees, and charges for optional benefits. Life insurance is subject to underwriting wherein individual health, business/personal activities, and other factors are considered prior to policy issue. Please see the policy's prospectus for more complete information.

***Variable annuities and variable life insurance are sold by prospectus, which describes charges, risks, expenses and investment objectives. Please contact your financial professional or the company for a copy at no cost or obligation. You should read the prospectus and consider this information carefully before you invest further or send money.***

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GE-5459365.1 (2/23) (Exp. 2/25)



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