

Security Benefit Removes Surrender Charges for ClearLine Annuity

Security Benefit today announced the removal of all surrender charges on its commission-free ClearLine fixed index annuity product. ClearLine provides registered investment advisors (RIAs) with multiple portfolio options to help their clients accumulate retirement assets and protect them in a variety of market conditions.

“By removing all the surrender charges from ClearLine, we are providing RIAs with greater flexibility in client accounts,” said Toby Leonard, AVP, Head of Product Development at Security Benefit. “The ability to maneuver client assets during times of volatility is a helpful portfolio management benefit. Of course, they still have to assess whether the economics of making a switch makes sense, especially if the contract period isn’t over as a market value adjustment (MVA) will still apply during the normal surrender charge period.”

Depending on market conditions, an MVA could be a positive or negative for clients. As part of an insurance company’s hedge budget for managing the annuity contract, bonds are purchased. Given market rates at withdrawal, these bonds may trade at a discount or premium, which is passed on to the client. There is no MVA after the end of the normal surrender charge period.

“Security Benefit has taken a holistic approach to the RIA market since entering the space in 2011,” said Mike Reidy, VP, Head of RIA Sales for Security Benefit. “We initially launched the commission-free Elite Designs variable annuity, then Advance Choice fixed annuity, and most recently the ClearLine fixed index product.” The company’s suite of commission-free annuity products are distributed through DPL Financial Partners.

“We worked closely with Security Benefit to solve many of the challenges posed to RIAs by existing products in the market,” said David Lau, CEO at DPL Financial Partners. “We asked our member RIAs to tell us the features and support they want to see in annuity solutions, then helped develop products that meet these needs. This includes products without surrender charges.”

Commission-free annuities are generally still somewhat new to RIAs, but the combination of interest potential with zero downside risk in non-variable annuities has captured the attention of forward-looking RIAs who have added these multi-purpose tools to their practice.

“This was never more important than last year when we saw both stocks and bonds suffering major losses,” noted Reidy. “An FIA like ClearLine delivers a powerful combination of accumulation potential, tax-deferral and long-term income benefits. If the underlying index has a loss, the principal and previously credited interest are locked in and will not decline as contract owners don’t actually have any direct participation in the markets.” For more details, visit <https://www.dplfp.com/products/product-list/clearline>.

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Guarantees provided by annuities are subject to the financial strength of the issuing insurance company. Annuities are not FDIC or NCUA/NCUSIF insured; are not obligations or deposits of and are not guaranteed or underwritten by any bank, savings and loan, or credit union or its affiliates; and are unrelated to and not a condition of the provision or term of any banking service or activity.

Fixed index annuities are not stock market investments and do not directly participate in any equity, bond, other security, or commodities investments. Neither an index nor any fixed index annuity is comparable to a direct investment in the equity, bond, other security, or commodities markets.

The ClearLine Annuity, in most states form ICC18 5500 (9-18), is a single premium, deferred fixed index annuity, issued by Security Benefit Life Insurance Company (SBL). Product features, limitations, and availability may vary by state. Not available in all states. Not a deposit. Not insured by any federal agency.

Product not available in New York.

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