



Second wave of VA buyout offers comes from Axa

Some clients could come close to breaking even with the deal

By Darla Mercado | *September 26, 2013 - 1:48 pm EST*

Advisers and clients are getting Axa Equitable Life Insurance Co.'s second wave of variable annuity buyout offers — and the verdict is mixed.

Back in July, the insurer filed an offer with the Securities and Exchange Commission, giving a certain group of clients who own its Accumulator variable annuity the option to terminate their guaranteed-minimum-income benefit, guaranteed-minimum death benefits and earnings enhancement benefit features. In exchange, these customers would get an increase in their account value, plus the opportunity to withdraw the entire amount free of surrender fees.



But for some clients, the gap between the value of the income and the amount in the account has shrunk significantly. Those clients may come reasonably close to breaking even, noted Michael L. Rosenberg, an adviser at Diversified Investment Strategies LLC. Whether they leave depends on the clients' objectives, their time horizons and whether there are attractive alternatives out there.

"That's what people have to face: If you don't want the money [in a lump], then take the income," Mr. Rosenberg said. "Unlike past buyouts, which were mostly on death benefits, this is real money."

(Full article available upon request)