Insurance Times: Hancock adds features to Revolution annuities
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BOSTON — Building on the design of its Revolution variable annuities--the first in the industry to offer protection against long-term care--John Hancock has added an option to help clients preserve assets and offset taxes beneficiaries may owe.

The new optional death benefit enables clients who die before they begin receiving annuity payments to pass more money to their heirs by capitalizing on investment gains in their underlying portfolios. The option can increase annuity assets at the time of death-leaving beneficiaries more money to pay taxes or funeral costs.

"Investors experienced remarkable investment gains throughout the 1990s, and historical trends show that bull markets happen more frequently and last longer than bear markets," says Bruce Jones, vice president, annuity product management. "Our new Beneficiary Tax Relief feature will enable clients to maximize annuity assets left to their heirs by taking advantage of potential stock market gains."

Hancock's tax relief benefit is based on growth of the contract value. This includes all contract gains above annuity deposits, such as additional monies from death benefit and rider payouts that enhance the annuity value. The amount of the tax relief benefit, which is added to the annuity's account value, is determined by the clients' age when they purchased the annuity. For individuals age 69 or younger, the option will pay 40 percent of contract earnings. For clients age 70-75, the benefit amount will be 25 percent of gains in the annuity contract. The cost of the option is 0.25 percent of the contract value annually. In addition to the tax relief rider, Revolution variable annuities now offer a new feature that allows a spouse, upon the annuity owner's death, to continue the annuity in their name, so it continues to grow tax deferred.