
Fresh from Midland National and DPL, AllianzIM

By Editorial Staff Wed, Jul 1, 2020

Midland National's new fee-based FIA, only at DPL Financial Partners, has a health-related income multiplier. Allianz Investment Management's structured ETFs have new caps.

A versatile fee-based FIA from Midland National, on the DPL platform

DPL Financial Partners and Midland National Life Insurance Company are introducing a new commission-free fixed index annuity (FIA) with a “health-activated income multiplier” feature.

The contract is called Midland National Capital Income. Contract owners can receive double income payments for up to five years “to help prepare for increased personal care costs.” Capital Income will be available exclusively to DPL’s RIA member firms by the end of July 2020.

Policy-owners who can’t perform two or more of the six basic activities of daily living (bathing, continence, dressing, eating, toileting, and transferring in and out of beds and chairs) can turn the rider on. It is not intended to replace long-term care insurance.

The multiplier is a feature of the product’s guaranteed lifetime income rider, available for a rider fee of 1% per year; it can be dropped after seven years. There’s a seven-year surrender period with a 6% first-year penalty for withdrawals of more than 10% of the account value.

A waiting period and an elimination period are among the conditions and limitations on the benefit, the companies said in a release. There’s a three-year waiting period after the purchase of the contract, and a three-month waiting period after switching on income.

The older you are when you buy the contract, and the longer you wait after buying the product to start income, the higher the annual annual payout percentage. According to the product brochure, for example, a 65-year-old single contract owner could take lifetime income of 5% per year. The rate would go up to 5.75% if he or she delayed income until age 70. Payouts for couples are a bit less.

According to the [product rate sheet](#), the contract currently offers a fixed-rate account paying a guaranteed 2.75% per year. There’s a market-value adjustment for excess withdrawals. The minimum investment is \$20,000.

There are two annual point-to-point crediting strategies offering exposure to the S&P500 Index (without dividends). One has a 5.25% cap, the other has a 35% participation rate and an “index margin” of 2%.

There’s also uncapped annual point-to-point exposure to the Fidelity Multifactor Yield Index 5% ER, “a multi-asset index, offering exposure to companies with attractive valuations, high quality profiles, positive momentum signals, lower volatility and higher dividend yield than the broader market, as well as U.S. Treasuries, which may reduce volatility over time.”

New rates for Allianz buffered ETFs

Allianz Investment Management LLC (AllianzIM) has announced new caps and buffers on the structured exchange-traded funds that it introduced in June and which trade on the New York Stock Exchange, an Allianz news release said. The new rates are valid from July 1, 2020 to June 30, 2021.

There are two versions of the ETF: the “U.S. Large Cap Buffer10 Jul ETF” (NYSE Arca: AZAL) and the “U.S. Large Cap Buffer20 Jul ETF” (NYSE Arca: AZBL). Both have begun trading on the New York Stock Exchange.

AZAL has a gross 10% buffer and a gross upside cap of 16.1%. AZBL has a gross 20% buffer and a gross upside cap of 8.8%. The net buffers and caps are 0.74% lower than the gross, reflecting the 0.74% annual expense ratio.

The net return will also reflect brokerage commissions, trading fees, taxes and non-routine or extraordinary expenses. The cap and buffer experienced by investors may be different than the stated numbers, the release said. The funds’ website, at www.allianzIM.com, provides additional fund information and information relating to the potential outcomes of an investment in the funds on a daily basis.

Accessible to retail investors via the New York Stock Exchange, AllianzIM Buffered Outcome ETFs are also available to advisers through Halo Investing, Inc.’s (Halo) global technology platform.