Allianz Life adds new managed risk options on VA

By Editorial Staff *Thu, Apr 30, 2015*

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Allianz Life Insurance Company of North America has launched two new investment options for its Allianz Vision Variable Annuity and Allianz Connections Variable Annuity options.

Managed risk options are part of an ongoing trend among variable annuity issues to reduce risk. In January, Lincoln Financial launched similar riders for variable annuity products.

Allianz's AZL MVP DFA Multi-Strategy Fund and its RCM Dynamic Multi-Asset Plus VIT Portfolio are now available on contracts that either have no additional optional benefits or have the optional Income Protector rider. These investment options offer clients an additional asset allocation option and Allianz can better manage risk.

The AZL MVP DFA Multi-Strategy Fund combines strategies into an asset allocation composed of U.S. large and small-cap, international and emerging markets equity, and global fixed income asset classes through the MVP risk management process, which is in place to manage the risk of market exposure.

When overall market volatility is generally moderate or low, the MVP risk management process participates with the market equal to the risk of the investment option thus minimizing its protection aspect. During periods of higher market volatility, the MVP risk management process seeks to reduce volatility with the goal of minimizing extreme negative outcomes.

The RCM Dynamic Multi-Asset Plus VIT Portfolio (DMAP) strategy seeks capital appreciation and risk mitigation relative to a global 60% equities/40% fixed-income benchmark. The DMAP strategy favors riskier asset classes when trends and fundamentals are positive and becomes more defensive in its positioning when they are not, according to the firm.

The investment team has the ability to dynamically adjust the equity allocation up to 65% when markets are favorable and down to 10% in times of market stress offering opportunity for enhanced returns and risk control for investors through active asset allocation.