
Annexus announces new indexes for Athene, Transamerica annuities

By Editorial Staff Thu, Mar 28, 2019

Athene and Annexus also said they intend to launch a new fixed index annuity, called Athene Velocity, with a free built-in income rider, but did not elaborate.

Athene USA, a top fixed index annuity (FIA) issuer, and Annexus, a prominent independent FIA product designer, have enhanced the Athene BCA suite of FIAs, according to a release this week.

In other news, Transamerica and Annexus said this week that they have enhanced their existing fixed index annuities and will partner to distribute the Transamerica Secure Retirement Index II Annuity, a product suite with a lifetime income benefit option.

Regarding the Athene contract: The updated BCA 2.0 FIA includes new indices designed by Nobel-winning economist Robert Shiller of Yale and Jeremy ("Stocks for the Long Run") Siegel of the Wharton School of Finance at Penn.

BCA 2.0 also includes optional lifetime income and legacy growth riders, for an annual fee. Athene and Annexus also intend to launch a new FIA, called Athene Velocity, with a free built-in income rider.

"We believe the complex challenge of retirement planning demands unconventional thinking, and BCA 2.0 reflects our commitment to innovative solutions," said Grant Kvalheim, CEO of Athene USA.

The Shiller Barclays Global Index uses Shiller's CAPE ratio to look for undervalued equities in the United States, Eurozone and Japanese markets, using principles of value and momentum investing. Each month it rebalances between the undervalued equities, bonds and commodities to help stabilize returns in a variety of market environments.

"Our index looks for lower price components among globally diversified major asset classes with positive momentum to pursue opportunities and manage risk," Shiller said in the release.

The WisdomTree Siegel Strategic Value Index, developed by Siegel with CIBC Capital Markets and consultation by WisdomTree Investments, Inc., offers a value strategy focused on U.S. equities.

“Each quarter, the index evaluates the 500 largest U.S. publicly traded companies for operating earnings relative to their valuation and selects the four most undervalued market sectors. The index also includes a tactical market trend response designed to make daily strategic allocations with the aim to generate returns even when the broader market is declining,” the release said.

“Traditional value indexes often lead to persistently overweighting specific sector allocations,” said Siegel in a prepared statement.

Athene USA, an Iowa-domiciled corporation, is the U.S. holding company for Athene’s annuity operations in the United States. It is headquartered in West Des Moines, IA.

Transamerica index annuity adds NYSE Expanded Opportunities Index

The new Transamerica Secure Retirement Index II Annuity offers performance linked to the NYSE Expanded Opportunities Index, which mimics the advanced quantitative finance techniques used by Morgan Stanley Investment Management to manage assets for large pension funds, endowments and other institutional investors worldwide, Transamerica and Annexus said in a release.

The NYSE Expanded Opportunities Index is administered by ICE Data Indices, part of the Intercontinental Exchange, which is the parent company of the New York Stock Exchange.

Enhancements were also made to the Transamerica Income Plus living benefit. It now offers a lifetime income guaranteed that grows during the first 10 policy years at a 10% simple annual rate in each policy year without a withdrawal. Once withdrawals begin, the annual income will be paid for life.

Transamerica Income Plus is available with both Transamerica Secure Retirement Index Annuity and Transamerica Secure Retirement Index II Annuity for a 1% annual fee based on the withdrawal base. The fee is deducted from the policy value.

The guaranteed lifetime withdrawal benefit will not increase in any given year in which a withdrawal is taken, if it is after the 10th living benefit anniversary or prior to age 50.

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