
Athene issues new fixed indexed annuity

By Editorial Staff Thu, Jun 14, 2018

The new contract, called Agility, offers an annual deferral bonus of 175% of the increase in the account value, and income that steps up by the percentage earned each year during the payout stage.

Athene Annuity and Life Co., a unit of Athene Holding Ltd., has launched a new fixed indexed annuity (FIA) product, Athene Agility, for accumulation and income. The product includes income and death benefit riders at no additional charge.

Agility offers eight indexed crediting strategies, including market indices exclusive to Athene, and point-to-point interest crediting terms of one year and two years. The built-in income rider includes a deferral bonus and a participation feature in the income phase.

Before income begins, the income rider's benefit base grows by 175% of any interest credits that are added to the annuity's accumulated value. If during the accumulation period the account value went up 10% (to \$110,000 from \$100,000, for instance) then the benefit base would go up to \$117,500.

In the income phase, Athene increases income by the percentage increase of the account value. "If I earn 4% in a year from index exposure, my income would go up in the following year by 4%," an Athene spokesperson told *RIJ*. "If income had been \$10,000 per year, it would increase to \$10,400."

Customers can start receiving income following a waiting period equal to the product's surrender period.

Retirees will benefit from the adaptability of the product. In addition to the built-in income and death benefit features, customers can take free annual withdrawals during the surrender period up to 10% of the account value or initial premium.

On June 11, a subsidiary of Athene Holding Ltd. received notice of a regulatory matter from the California Department of Insurance regarding Accordia Life and Annuity Co., a subsidiary of Global Atlantic, and Athene.

The matter involves administration issues relating to certain California life insurance policies that were reinsured to Accordia and administered by a third party sub-contractor that was retained by Accordia, Alliance-One Services, an affiliate of DXC Technology,

“Alliance-One”.

In 2013, in connection with the acquisition of Aviva USA, Athene reinsured a block of life insurance policies to Accordia. As previously described in our public disclosures, including our most recently filed Form 10-Q on May 4, 2018, the administration issues described above resulted from the conversion by Accordia and Alliance-One of these policies from legacy Aviva systems to Alliance-One systems.

Under the agreements, Accordia and its affiliates have financial responsibility for the block and are subject to significant administrative service requirements including compliance with applicable law. The agreements also provide for indemnification to Athene, including for administration issues.

The activity at issue does not involve Athene’s new business, which is administered under separate administration systems and procedures.

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