

New index options on Allianz Life indexed variable annuity offer high three-year caps

By Editorial Staff Thu, May 7, 2020

The three-year crediting rate limits are 75% and 80%, respectively, according to a May 4 product rate sheet on the Allianz Index Advantage product. The current rates expire June 1, 2020.

Allianz Life has issued longer-term index options on its [Index Advantage](#) variable indexed annuity, with a 20% downside buffer and cumulative caps on appreciation of as much as 80% over three years.

Investors can choose to link their accounts to the performance of either the large-cap S&P 500 Index or the small-cap Russell 2000 Index. The three-year crediting rate limits are 75% and 80%, respectively, according to a May 4 product rate sheet. The current rates expire June 1, 2020.

On the upside, clients have a one-time opportunity between contract anniversaries to lock in a gain in the value of the contract for the rest of the term. The contract can lose value if the three-year term ends with a cumulative loss of more than 20%.

The product has a 1.25% annual contract fee, a \$50 annual maintenance fee on contracts worth less than \$100,000, and (if applicable) a maximum anniversary value death benefit fee of 20 basis points.

The one-year index option of the Index Advantage has different indexes, crediting rate limits, and buffers or floors, as shown in the chart below.

Index strategy	S&P 500* Index	Russell 2000* Index	Nasdaq-100* Index	iShares* MSCI Emerging Markets ETF	EURO STOXX 50*	Protection level for all indexes
3-year term rates						
Index Performance Strategy (performance cap) – A longer term provides the greatest performance potential with a level of protection from index losses	75.00%	80.00%	Not applicable			Buffer 20%
1-year term rates						
Index Performance Strategy (performance cap) – Potential for higher performance with a level of protection from smaller index losses	17.00%	18.50%	17.25%	22.00%	25.50%	Buffer 10%
Index Precision Strategy (Precision Rate) – Predictable upside performance potential with a level of protection from smaller index losses	13.25%	13.50%	14.00%	13.00%	14.00%	
Index Guard Strategy (guard cap) – Potential for higher performance with a level of protection from large index losses	11.50%	11.25%	11.00%	12.00%	18.25%	Floor -10%
Index Protection Strategy (DPSC) – Principal protection with the potential for some growth	3.30%	3.20%	3.20%	3.40%	3.40%	100%

Source: Allianz Life.

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