
New crediting strategy for Allianz Life indexed VA

By Editorial Staff Thu, Nov 16, 2017

When the annual change in the index value is zero or positive, the client will receive the entire annual credit of the 'Precision Rate,' Allianz Life said.

Allianz Life Insurance Company of North America today announced the availability of a new crediting strategy on its Allianz Index Advantage suite of index variable annuities (IVAs). IVA products, whose sales have risen steadily in the past two to three years, offer less downside protection but more upside potential than fixed indexed annuities. Brighthouse, AXA, CUNA Mutual and Voya offer this type of annuity.

Under the new "Index Precision Strategy," owners of Allianz IVAs can allocate premium to four corresponding equity indexes. When the annual change in the index value is zero or positive, the client will receive the entire annual credit of the "Precision Rate," which is declared monthly for newly issued contracts, and is subject to change annually.

The Index Precision Strategy also offers a 10% buffer to provide a level of protection from the first 10% of negative index returns annually. Any loss in excess of 10% reduces the contract value, Allianz Life said in a release.

At the end of each contract year, clients can change allocations among one or more of the index strategies, can change indexes within each of the strategies, and have access to a performance lock feature that allows them to capture gains or limit potential losses between index anniversaries.

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