

# CANNEX FIA Analysis<sup>SM</sup>

## WHAT IS IT?

The **CANNEX FIA Analysis** is a patent pending tool that evaluates fixed indexed annuity (FIA) products in a common framework. Users can rank products across a number of components, including:

- » **Income Benefit**
- » **Death Benefit**
- » **Total Economic Benefit**
- » **Fees Paid**

The **CANNEX FIA Rate Table** service is also available to complement FIA Analysis. FIA rates are maintained and updated in the service, and are guaranteed to be accurate by participating carriers.

## HOW DOES IT WORK?

- » The formulae, rates and parameters specific to each contract are programmed and maintained within the service which, in turn, feeds comprehensive testing of annuity features on an apples-to-apples basis.
- » A present value analysis helps create a common metric that is applied across all product types and designs. This forms the fundamental basis for ranking products across each component of the contract because it more accurately represents the real value of each benefit.
- » The results are based on a specific investor profile and intended use of the contract and show specific combinations of riders available with a base contract.
- » Results highlight the average performance of each component of the contract based on a Monte Carlo analysis of capital markets and actuarial assumptions. Minimum contractual guarantees are also provided to help demonstrate the “bottom line” performance in the event that markets never contribute during the life of the contract.
- » All contracts have a set of CANNEX-generated summaries. In addition, supplemental material and support documentation from the carrier are provided alongside hypothetical results. These can include product brochures, specimen documents, forms, and links to websites or videos.

Financial Institution Product Name Living Benefit and Death Benefit Options	Strategy Index Rates	Minimum Annual Income	Average Annual Income	Average Income Benefit	Average Death Benefit	Average Total Economic Benefit	Average Fees	Actions
		Payment	Payment	Value	Value	Value	Value	
Allianz Life Insurance Company of North America Allianz 222 (10 Year Surrender Period MVA Product) Protected Income Value and Standard Death Benefit	Sum (Monthly) S&P 500 1.60% Cap, 100.00% Participation	\$5,750	\$8,540	\$97,200	\$16,000	\$113,200	\$0	
American National Insurance Company Strategy Indexed Annuity Plus 10 (10 Year Surrender Period MVA Product) Lifetime Income - Option 1 and Standard Death Benefit	Performance Triggered (1 Year) S&P 500 4.00% Declared, 100.00% Participation	\$9,930	\$9,930	\$113,100	\$14,100	\$127,200	\$16,100	
Delaware Life Retirement Chapters 10 (10 Year Surrender Period MVA Product) Stacked Accumulation Income Rider and Standard Death Benefit	Point-to-Point (1 Year) S&P 500 35.00% Participat							
Great American Life Insurance Company Safe Outlook® (6 Year Surrender Period MVA Product) IncomeSecure® and Standard Death Benefit	Point-to-Point (1 Year) S&P 500 4.75% Cap, 100.0							
Protective Life Insurance Company Protective Indexed Annuity II (10 Year Surrender Period MVA Product) Secure Pay Lifetime Income Benefit and Standard Death Benefit	Performance Triggered S&P 500 4.00% Declared,							
The Lincoln National Life Insurance Company OptiPoint 8 (8 Year Surrender Period MVA Product) Lifetime Edge and Standard Death Benefit	Point-to-Point (2 Years) S&P 500 6.00% Cap, 100.0							

  

Information						
Product						
Financial Institution	Allianz Life Insurance Company of North America					
Product Name	Allianz 222					
Living Benefit and Death Benefit Options	Protected Income Value and Standard Death Benefit					
Strategy	Point-to-Point (1 Year)					
Index	S&P 500					
	Minimum	Average	Standard Deviation	Percentile		
				25%	50%	75%
Annual Income Payment	\$5,750	\$10,780	9%	\$10,110	\$10,730	\$11,410
Income Benefit Value (APV <sup>1</sup> )	\$65,470	\$122,700	9%	\$115,100	\$122,100	\$129,900
Death Benefit Value (APV <sup>1</sup> )	\$15,680	\$16,600	2%	\$16,400	\$16,600	\$16,900
Total Economic Benefit Value (APV <sup>1</sup> )	\$81,150	\$139,300	8%	\$131,600	\$138,700	\$146,800
Fee Value (APV <sup>1</sup> )	\$0	\$0	0%	\$0	\$0	\$0

<sup>1</sup> APV - Actuarial Present Value

Results based on \$100,000 premium for Female, Age 55 with a 10 year income deferral.

## WHY USE THIS METHOD OF COMPARISON?

Until now, advisors have had to rely heavily on qualitative disclosures of fees and rates. Though valuable in its own right, this practice does not provide a complete picture of which product would be the most appropriate for a specific investor. In some cases, the product with higher fees may provide the best economic benefit to the investor. This is especially important when an annuity is allocated into a broader financial plan or portfolio and is intended to meet a specific need.

## HOW CAN YOU USE IT?

The CANNEX FIA Analysis allows the advisor to assess a variety of contracts and benefits to help determine if they will suit the client need. This quantitative process can also support other planning, education and recommendation processes. Ultimately, the CANNEX FIA Analysis provides another layer of support to address suitability and regulatory requirements as part of a compliance process.

Users can access the service either directly through the CANNEX service portal or through other third-party tools used in the planning, sales or new business processes. In other words, the results can be used within any format or service the advisor or firm chooses.

## FIA RATE TABLE SERVICE

Participating carriers also maintain and update FIA rates and parameters directly with CANNEX. These updates also feed the FIA Analysis tool. These tables are available separately within the CANNEX suite.

Financial Institution / Product	Minimum Premium	Strategy	Index	Fixed / Declared Rate	Cap Rate	Spread Rate	Participation Rate	Actions
<b>Allianz Life Insurance Company of North America</b>								
<b>Allianz 222</b> 10 Year Surrender Period MVA Current rates effective: AUG-28-2017 at 00:00 ET Not available in: AK, MN, MS, MO, NY, OR, PA, UT, WA	\$10,000.00	Fixed (1 Year Guarantee)	-	1.40%	-	-	-	
		Average (Monthly)	Blended(Proprietary)	-	-	3.25%	100.00%	
		Point-to-Point (1 Year)	Blended(Proprietary)	-	3.00%	-	100.00%	
		Point-to-Point (1 Year)	Bloomberg US Dynamic Balance	-	3.50%	-	100.00%	
		Point-to-Point (1 Year)	Bloomberg US Dynamic Balance	-	-	2.95%	100.00%	
		Point-to-Point (1 Year)	Nasdaq 100	-	2.50%	-	100.00%	
		Point-to-Point (1 Year)	Russell 2000	-	2.50%	-	100.00%	
		Point-to-Point (1 Year)	S&P 500	-	2.50%	-	100.00%	
		Point-to-Point (1 Year)	PIMCO Tactical Balanced Index	-	-	2.85%	100.00%	
		Point-to-Point (1 Year)	PIMCO Tactical Balanced Index	-	3.25%	-	100.00%	
		Sum (Monthly)	Nasdaq 100	-	1.80%	-	100.00%	
		Sum (Monthly)	Russell 2000	-	2.00%	-	100.00%	
		Sum (Monthly)	S&P 500	-	1.80%	-	100.00%	
<b>Allianz 222</b> 7 Year Surrender Period Current rates effective: AUG-28-2017 at 00:00 ET Available in: AK, MN, MS, MO, OR, PA, UT, WA	\$10,000.00	Fixed (1 Year Guarantee)	-	1.20%	-	-	-	
		Average (Monthly)	Blended(Proprietary)	-	-	3.75%	100.00%	
		Point-to-Point (1 Year)	Blended(Proprietary)	-	2.50%	-	100.00%	
		Point-to-Point (1 Year)	Bloomberg US Dynamic Balance	-	3.00%	-	100.00%	
		Point-to-Point (1 Year)	Bloomberg US Dynamic Balance	-	-	3.45%	100.00%	
		Point-to-Point (1 Year)	Nasdaq 100	-	2.00%	-	100.00%	
		Point-to-Point (1 Year)	Russell 2000	-	2.00%	-	100.00%	
		Point-to-Point (1 Year)	S&P 500	-	2.00%	-	100.00%	
		Point-to-Point (1 Year)	PIMCO Tactical Balanced Index	-	-	3.35%	100.00%	
		Point-to-Point (1 Year)	PIMCO Tactical Balanced Index	-	2.75%	-	100.00%	
		Sum (Monthly)	Nasdaq 100	-	1.40%	-	100.00%	
		Sum (Monthly)	Russell 2000	-	1.80%	-	100.00%	
		Sum (Monthly)	S&P 500	-	1.40%	-	100.00%	

## WHY CANNEX?

- » Experienced quantitative and actuarial support team
- » Unique operation that works directly with its carrier partners
- » Flexible service that can be deployed within any application or process



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