

Allianz Taps LifeUSA Founder to Lead Launch of Income Unit

MINNEAPOLIS October 23 (BestWire) — German financial services giant Allianz SE has tapped Robert W. MacDonald, the former chief executive officer of LifeUSA, to direct the launch of an independent, Allianz-capitalized company created to distribute Allianz annuity products through the marketing organization, independent agent and financial planner channels.

Formed in August as a subsidiary of Allianz of America Inc., Allianz Income Management Services Inc. would replicate the distribution model pioneered by LifeUSA by offering nonvoting AIMS shares to affiliated producers. That plan hinges on approval by the U.S. Securities and Exchange Commission to register the company's stock, MacDonald said.

"At LifeUSA, the way we enabled people to share in the company's value was by giving a portion of their compensation in the form of stock ownership in the company," he noted. "Starting as a brand new company in 1987, we grew to become one of the most successful companies in the 1990s, and a dozen years later, Allianz bought it for half a billion dollars. The only difference between what we were doing and what anyone else was doing was this business plan called 'shared value,' and clearly, that plan worked."

MacDonald, who went on to become chairman and CEO of Allianz Life Insurance Company of North America before retiring to consulting work in 2002, said the hope for AIMS is that the same enticement to get in on the ground floor appeals to today's life insurance producers. In particular, the company looks to exploit what he called "the greatest market in the financial services industry:" the spend-down of between \$8 trillion and \$10 trillion in retirement savings assets currently accumulated in 401(k) and IRA accounts, many held by the 60 million members of the baby-boom generation.

"Companies are still talking about developing products that will allow people to accumulate and be ready for retirement, because we don't have the products yet to 'de-cumulate,' to distribute the money," MacDonald said. "AIMS is starting as a company that is focused exclusively on selling 'income.'"

The company is focused on the sale of fixed income and variable income annuity products underwritten by Allianz-affiliated entities, including Allianz Life of North America, Fireman's Fund Insurance Co., PIMCO and Nicholas-Applegate. MacDonald said it was possible AIMS someday would take on distribution of non-Allianz products, as well, particularly if there were a particular type of income product that Allianz declined to offer.

As a start-up, AIMS also will benefit from the freedom to implement an integrated, Web-based operating platform — in which contracts, training materials, application submissions, commissions and other materials all can be delivered over the Internet — without needing to undergo the costly process of replacing legacy systems, MacDonald said.

AIMS is headquartered in Minneapolis. MacDonald, 63, will serve through the initial start-up period as AIMS' chief executive, under the terms of a contract with his firm, CTW Consulting.

"My objective is to get the company established, get it up and running, get the momentum going, and then begin to draw back, but I think that's going to take a couple of years," he said.

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